

**Department of Justice**  
U.S. Attorney's Office  
Southern District of New York

FOR IMMEDIATE RELEASE

Tuesday, February 21, 2023

## **Owner Of Insurance Firm Pleads Guilty In \$40 Million Scheme To Steal Client Healthcare Funds And Defraud Lenders**

Damian Williams, the United States Attorney for the Southern District of New York, announced today that ANTHONY RICCARDI, an owner and manager of the Connecticut insurance firm Employee Benefit Solutions LLC ("EBS"), pled guilty today in White Plains federal court to conspiracy to commit wire fraud and bank fraud. Between 2015 and 2019, RICCARDI and his co-conspirators used EBS as part of a widespread, \$40 million scheme to misappropriate and steal client healthcare funds and defraud multiple lenders. RICCARDI pled guilty today before United States District Judge Philip M. Halpern.

U.S. Attorney Damian Williams said: "Anthony Riccardi admitted today to leading a brazen, widespread scheme over nearly five years to abuse his position of trust by stealing millions in fiduciary money that was meant to pay for important employee healthcare expenses. To keep the scheme going, Riccardi also defrauded lenders out of millions. Thanks to the tireless efforts of our law enforcement partners to untangle this fraud, Riccardi will now be held accountable for these serious crimes."

According to the Indictment, the Complaint, other court filings, and statements made during court proceedings:

From at least 2015 and continuing through 2019, ANTHONY RICCARDI was the 50% co-owner and Executive Vice President of EBS, which offered a variety of healthcare insurance-related services to clients. EBS, among other things, provided third party healthcare claims administration ("TPA") services to clients that elected to "self-fund" (or self-insure) their employee healthcare plans. As a TPA, EBS would purportedly administer, process, and pay healthcare claims for its clients' employees in exchange for an administrative fee.

Between at least 2015 and continuing through 2019, EBS represented an automobile dealership chain ("Company-1") headquartered in Westchester County, New York. During this time period, EBS served as a TPA for Company-1's self-funded employee healthcare program and purported to process and pay claims to medical providers that treated Company-1's employees. To do this, EBS generated bimonthly "check register" invoices for Company-1 that listed all employee healthcare expenses from healthcare providers during that two-week period. EBS also administered a bank account on Company-1's behalf for the express purpose of paying Company-1 healthcare claims. Company-1 would fund each check register by paying the invoiced amount, expecting that EBS would promptly pay the claims to the healthcare providers. During this time period, Company-1 transferred approximately \$26 million to EBS for the payment of healthcare claims.

In reality, a significant number of purported checks listed on the EBS "check register" invoices were never actually deposited by the healthcare providers. Instead, approximately \$17.87 million in Company-1 healthcare payments were misappropriated with the overwhelming majority simply transferred by EBS into its own operating account, where they were used for non-healthcare expenses by the managers and owners of EBS. For example, a review of bank records indicates that

Company-1 healthcare funds were used by RICCARDI and his co-conspirators to pay their home mortgage expenses as well as a personal credit card account with expenses relating to boating, luxury cars, and golf.

EBS, through RICCARDI and his co-conspirators, made decisions on what few Company-1 healthcare claims they did pay based on which healthcare providers were likely to complain if they did not receive payment or if the claims were connected to Company-1 executives.

The “check registers” sent to Company-1 also contained millions of dollars in fraudulent or inflated healthcare claims that were eventually paid by Company-1. EBS routinely inflated the Company-1 check registers at the direction of RICCARDI and his co-conspirators. Such efforts were typically accomplished through RICCARDI and his co-conspirators instructing others to manually create fraudulent entries in the EBS claims processing software, including fake claims under the name of a business controlled by RICCARDI. RICCARDI and his co-conspirators also took steps to conceal their fraud from Company-1 by creating and sending manipulated and fabricated bank statements and checks to create the appearance that healthcare claims were being paid by EBS, when in reality, they were not.

By mid-2017, as EBS buckled under mounting outstanding fiduciary obligations, RICCARDI and his co-conspirators began an elaborate effort to conceal and perpetuate the ongoing fraud on Company-1 by applying for multiple fraudulent bank loans and merchant cash advances designed in part to pay various fiduciary obligations that EBS owed to Company-1. RICCARDI and his co-conspirators fraudulently applied for and received millions of dollars in loans under the auspices of financing the purchase of upgraded billing software for EBS, which included RICCARDI and his co-conspirators submitting fabricated invoices from a fake company that supposedly sold the billing software.

\* \* \*

RICCARDI, 46, of New Canaan, Connecticut, pled guilty to one count of conspiring to commit wire fraud and bank fraud, which carries a maximum potential sentence of 30 years in prison. In connection with the guilty plea, RICCARDI agreed to pay \$14,870,653.36 in restitution and forfeit \$2,000,000.00.

The statutory maximum penalty is prescribed by Congress and is provided here for informational purposes only, as any sentencing of the defendant will be determined by the judge. Sentencing has been scheduled for July 20, 2023.

RICCARDI’s co-defendant, Patricia Riccardi, previously pled guilty to one count of conspiring to commit wire fraud and bank fraud before Judge Halpern. Patricia Riccardi’s sentencing is scheduled for June 20, 2023.

RICCARDI’s co-conspirator, Erin Verespy, was previously sentenced to 66 months in prison following her guilty plea to one count of conspiring to commit wire fraud and bank fraud before United States District Judge Cathy Seibel.

Mr. Williams praised the outstanding investigative work of the U.S. Postal Inspection Service and the Special Agents of the United States Attorney’s Office. Mr. Williams also thanked the U.S. Department of Labor, Employee Benefits Security Administration; the U.S. Department of Labor, Office of Inspector General; and the United States Secret Service, which are assisting in the investigation, as well as the U.S. Attorney’s Office for the District of Connecticut.

The prosecution is being handled by the Office’s White Plains Division. Assistant U.S. Attorney Nicholas S. Bradley is in charge of the prosecution.

**Topic(s):**

Financial Fraud

**Component(s):**

USAO - New York, Southern

**Contact:**

Nicholas Biase (212) 637-2600

**Press Release Number:**

23-067