

Department of Justice

U.S. Attorney's Office

District of New Jersey

FOR IMMEDIATE RELEASE

Monday, April 19, 2021

Ocean County Insurance Producer Admits \$1.5 Million Health Care Fraud Against Blue Cross Blue Shield

NEWARK, N.J. – An Ocean County, New Jersey, insurance producer today admitted filing false statements in connection with the delivery of \$1.5 million in fraudulent claims by Blue Cross Blue Shield health care affiliates, Acting U.S. Attorney Rachael A. Honig announced today.

Jonas Knopf, 65, of Lakewood, New Jersey, pleaded guilty by videoconference before Chief U.S. District Judge Freda L. Wolfson to an information charging him with one count of making false statements related to a health care benefits program.

According to documents filed in this case and statements made in court:

Starting in 2009, Knopf was chief executive officer of Madison Financial Services (MFS) in Lakewood and a licensed insurance producer – a person who is licensed to sell insurance products. MFS was the parent company of two sham companies created by Knopf and others solely for the purpose of marketing health insurance coverage to people who were not, in fact, his employees. These companies purported to be located and doing business in Pennsylvania and created the appearance of employment status for hundreds of individuals, largely Lakewood residents, who were seeking health care coverage through BCBS benefit plans. The fraud lasted until March 2013, when the Pennsylvania Department of Insurance caused Knopf to surrender his Pennsylvania insurance producer's license and cease operation in the state.

Knopf used false personal information, including false addresses, dates of birth, marital status and employment functions, to give BCBS the impression that his clients were actually employees being paid for services rendered. In total, the scheme caused the health care insurers to pay out \$1.5 million in fraudulent claims.

The count of making false statements relating to a health care benefit program carries a maximum penalty of five years in prison and a maximum fine of \$250,000, or twice the gross gain or twice the gross loss from the offense, whichever is greater. Sentencing is scheduled for Aug. 19, 2021.

Acting U.S. Attorney Honig credited special agents of the FBI, under the direction of Special Agent in Charge George M. Crouch Jr. in Newark; special agents of the U.S. Department of Labor, Office of Inspector General, Office of Investigations, New York Region, under the direction of Special Agent in Charge Michael Mikulka; and Investigators of the U.S. Department of Labor, Employee Benefit Security Administration, under the direction of Regional Director Thomas Licetti, with the investigation leading to today's guilty plea.

The government is represented by Senior Litigation Counsel V. Grady O'Malley and Assistant U.S. Attorney Tracey Agnew of the U.S. Attorney's Office's Organized Crime/Gangs Unit in Newark.

Attachment(s):
[Download Knopf.Information.pdf](#)

Component(s):
[USAO - New Jersey](#)

Topic(s):
Financial Fraud

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