

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X

THE PEOPLE OF THE STATE OF NEW YORK :
 :
 -against- : Indictment No.
 :
 GREG DOHERTY, :
 KATHLEEN DRAKE, :
 WILLIAM GILMAN, :
 THOMAS GREEN, :
 EDWARD KEANE, :
 WILLIAM MCBURNIE, :
 EDWARD MCNENNEY and :
 JOSEPH PEISER, :
 :
 Defendants. :
 :
-----X

THE GRAND JURY OF THE COUNTY OF NEW YORK, by this indictment, accuse the defendants of the crime of **SCHEME TO DEFRAUD IN THE FIRST DEGREE**, in violation of Penal Law § 190.65(1)(b), committed as follows:

The defendants, in the County of New York and elsewhere, during a period from about November 1998 to about September 2004, engaged in a scheme constituting a systematic ongoing course of conduct with intent to defraud more than one person and to obtain property from more than one person by false and fraudulent pretenses, representations and promises, and so obtained property with a value in excess of one thousand dollars from at least one such person.

Defendants, who were executives and employees assigned to the Excess Casualty Unit of Marsh Global Broking (“MGB”), a subsidiary of Marsh, Inc. (“Marsh”), a leading insurance brokerage, together with other individuals known and unknown to the Grand Jury, including executives and employees of American International Group (“AIG”), Zurich American Insurance

Company ("Zurich"), ACE USA ("ACE"), Liberty International Insurance Company ("Liberty") and other insurance companies known to the Grand Jury ("the Accomplice Companies"), devised, implemented and perpetuated a scheme whereby they fraudulently and collusively obtained millions of dollars for Marsh and the Accomplice Companies by rigging the market for excess casualty insurance.

The participants in this scheme intended to defraud numerous Marsh customers, known to the Grand Jury, who hired Marsh to assist them to select and obtain excess casualty insurance coverage. The participants in the scheme also intended to obtain property from such customers by false and fraudulent pretenses, representations and promises. The participants in the scheme, using fraudulent methods to induce customers to purchase excess casualty insurance policies from them, obtained more than one thousand dollars from some such customers, and millions of dollars overall.

Defendants, and other participants in the scheme, engaged in fraudulent conduct as follows: Marsh employees, including defendants, falsely represented to customers that MGB had solicited bids from insurance companies in an open and competitive bidding process. In fact, defendants rigged the process: first, by determining which Accomplice Company would win the business; second, by setting a "target" for the predetermined winner to submit as its bid; and third, by obtaining "losing bids" from employees at other Accomplice Companies. Defendants and their accomplices referred to such losing bids as "B bids," "fake quotes," "bogus quotes," "losing quotes," "bullshit quotes," "back up quotes," "Bs," "B quotes," "supportive quotes," "alternative leads," "alternatives," "honey," "protective quotes," or "protection." As defendants intended, the customer selected the insurance company with the most attractive bid, unaware that the selection had been fraudulently pre-ordained, and paid premiums, fees and commissions to Marsh and the

Accomplice Companies.

The scheme generated large financial rewards for Marsh and the Accomplice Companies. Marsh earned millions of dollars in commissions and fees and the Accomplice Companies earned millions of dollars in premiums.

COUNT TWO

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants of the crime of **COMBINATION IN RESTRAINT OF TRADE AND COMPETITION, in violation of General Business Law §§ 340 and 341**, committed as follows:

The defendants, during a period from about November 1998 to about September 2004, in the County of New York and elsewhere, acting with others known and unknown to the Grand Jury, knowingly and intentionally entered into and engaged in a contract, agreement, arrangement, and combination in unreasonable restraint of trade and competition, to wit, to restrain competition in the sale of excess casualty insurance by means of bid rigging, price fixing and customer allocation.

COUNT THREE

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **DOHERTY, GILMAN, MCNENNEY and PEISER** of the crime of **GRAND LARCENY IN THE FIRST DEGREE, in violation of Penal Law § 155.42**, committed as follows:

Said defendants, in the County of New York, in or about January 2003, stole property having a value in excess of one million dollars from Fortune Brands, Inc.

COUNT FOUR

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE FIRST DEGREE, in violation of Penal Law § 155.42**, committed as follows:

Said defendants, in the County of New York, during a period from on or about May 16, 2003 to on or about January 23, 2004, stole property having a value in excess of one million dollars from Dyson-Kissner-Moran Corporation.

COUNT FIVE

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE FIRST DEGREE, in violation of Penal Law § 155.42**, committed as follows:

Said defendants, in the County of New York, in or about July 2003, stole property having a value in excess of one million dollars from Vivendi Universal, S.A.

COUNT SIX

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, GREEN, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE FIRST DEGREE, in violation of Penal Law § 155.42**, committed as follows:

Said defendants, in the County of New York, during a period from on or about July 28, 2003 to on or about March 31, 2004, stole property having a value in excess of one million dollars from Southern States Cooperative, Inc.

COUNT SEVEN

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **DRAKE, GILMAN** and **MCNENNEY** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, in or about March 2001, stole property having a value in excess of fifty thousand dollars from Hexcel Corporation.

COUNT EIGHT

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, MCBURNIE** and **MCNENNEY** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, on or about October 26, 2001, stole property having a value in excess of fifty thousand dollars from Thomas Development Partners.

COUNT NINE

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, MCBURNIE** and **MCNENNEY** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, during a period from on or about January 1, 2002 to on or about December 31, 2002, stole property having a value in excess of fifty thousand dollars from 24 Hour Fitness Worldwide, Inc.

COUNT TEN

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **DRAKE, GILMAN, MCBURNIE** and **MCNENNEY** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, during a period from on or about January 4, 2002 to on or about September 27, 2002, stole property having a value in excess of fifty thousand dollars from Ozark Trucking, Inc.

COUNT ELEVEN

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **DRAKE, GILMAN, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, during a period from about April 2002 to about November 2003, stole property having a value in excess of fifty thousand dollars from URS Corporation.

COUNT TWELVE

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, on or about April 4, 2002, stole property having a value in excess of fifty thousand dollars from Signature Fruit Company, LLC.

COUNT THIRTEEN

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE**, in violation of Penal Law § 155.40(1), committed as follows:

Said defendants, in the County of New York, during a period from on or about April 1, 2002 to on or about May 31, 2002, stole property having a value in excess of fifty thousand dollars from Intel Corporation.

COUNT FOURTEEN

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE**, in violation of Penal Law § 155.40(1), committed as follows:

Said defendants, in the County of New York, in or about May 2002, stole property having a value in excess of fifty thousand dollars from Constellation Brands, Inc.

COUNT FIFTEEN

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **DRAKE, GILMAN, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE**, in violation of Penal Law § 155.40(1), committed as follows:

Said defendants, in the County of New York, in or about April 2002, stole property having a value in excess of fifty thousand dollars from Baker Commodities, Inc.

COUNT SIXTEEN

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **DOHERTY, GILMAN, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE**, in violation of Penal Law § 155.40(1), committed as follows:

Said defendants, in the County of New York, during a period from on or about April 16, 2002 to on or about December 17, 2002, stole property having a value in excess of fifty thousand dollars from Valley Proteins, Inc.

COUNT SEVENTEEN

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE**, in violation of Penal Law § 155.40(1), committed as follows:

Said defendants, in the County of New York, on or about August 30, 2002, stole property having a value in excess of fifty thousand dollars from Mueller Group, Inc.

COUNT EIGHTEEN

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE**, in violation of Penal Law § 155.40(1), committed as follows:

Said defendants, in the County of New York, in or about September 2002, stole property having a value in excess of fifty thousand dollars from Agere Systems.

COUNT NINETEEN

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE**, in violation of Penal Law § 155.40(1), committed as follows:

Said defendants, in the County of New York, during a period from about October 2002 to about May 2004, stole property having a value in excess of fifty thousand dollars from Unova, Inc.

COUNT TWENTY

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, KEANE, MCBURNIE, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE**, in violation of Penal Law § 155.40(1), committed as follows:

Said defendants, in the County of New York, on or about March 12, 2003, stole property having a value in excess of fifty thousand dollars from Lam Research Corporation.

COUNT TWENTY-ONE

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE**, in violation of Penal Law § 155.40(1), committed as follows:

Said defendants, in the County of New York, during a period from on or about April 1, 2003 to on or about May 31, 2003, stole property having a value in excess of fifty thousand dollars from Fidelity National Financial, Inc.

COUNT TWENTY-TWO

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, KEANE, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, during a period from about April 2003 to about July 2003, stole property having a value in excess of fifty thousand dollars from Baker Commodities, Inc.

COUNT TWENTY-THREE

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, KEANE, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, on or about April 22, 2003, stole property having a value in excess of fifty thousand dollars from Signature Fruit Company, LLC.

COUNT TWENTY-FOUR

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, KEANE, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, in or about April 2003, stole property having a value in excess of fifty thousand dollars from State Farm Mutual Automobile Insurance Co.

COUNT TWENTY-FIVE

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **DOHERTY, GILMAN, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, in or about April 2003, stole property having a value in excess of fifty thousand dollars from Cisco Systems, Inc.

COUNT TWENTY-SIX

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, MCBURNIE, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, during a period from about April 2003 to about May 2003, stole property having a value in excess of fifty thousand dollars from E & J Gallo Winery.

COUNT TWENTY-SEVEN

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **DOHERTY, GILMAN, KEANE, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, on or about April 10, 2003, stole property having a value in excess of fifty thousand dollars from Merle Norman Cosmetics.

COUNT TWENTY-EIGHT

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **DOHERTY, GILMAN, KEANE, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, on or about April 10, 2003, stole property having a value in excess of fifty thousand dollars from USS-Posco Industries.

COUNT TWENTY-NINE

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, during a period from on or about May 21, 2003 to on or about July 31, 2003, stole property having a value in excess of fifty thousand dollars from International Business Machines Corporation.

COUNT THIRTY

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, KEANE, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, during a period from on or about May 27, 2003 to on or about May 26, 2004, stole property having a value in excess of fifty thousand dollars from Church of Scientology International.

COUNT THIRTY-ONE

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, on or about June 19, 2003, stole property having a value in excess of fifty thousand dollars from Spherion Corporation.

COUNT THIRTY-TWO

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, KEANE, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, on or about August 26, 2003, stole property having a value in excess of fifty thousand dollars from Neiman Marcus Group, Inc.

COUNT THIRTY-THREE

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, on or about September 5, 2003, stole property having a value in excess of fifty thousand dollars from Mueller Group, Inc.

COUNT THIRTY-FOUR

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, on or about September 18, 2003, stole property having a value in excess of fifty thousand dollars from Longs Drug Stores.

COUNT THIRTY-FIVE

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **DOHERTY, GILMAN, KEANE, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, during a period from on or about November 11, 2003 to on or about December 18, 2003, stole property having a value in excess of fifty thousand dollars from Esterline Technologies Corp.

COUNT THIRTY-SIX

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **GILMAN, KEANE, MCNENNEY** and **PEISER** of the crime of **GRAND LARCENY IN THE SECOND DEGREE, in violation of Penal Law § 155.40(1)**, committed as follows:

Said defendants, in the County of New York, on or about April 20, 2004, stole property having a value in excess of fifty thousand dollars from Signature Fruit Company, LLC.

COUNT THIRTY-SEVEN

AND THE GRAND JURY AFORESAID, by this indictment, further accuse the defendants **DRAKE, GILMAN** and **MCNENNEY** of the crime of **GRAND LARCENY IN THE THIRD DEGREE**, in violation of Penal Law § 155.35, committed as follows:

Said defendants, in the County of New York, on or about June 27, 2001, stole property having a value in excess of three thousand dollars from Petro Travel Plaza, LLC.

ELIOT SPITZER

Attorney General
State of New York