

BlackRock Sued by Blueprint for Theft, Racial Discrimination

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Contributor Zacks Equity Research Zacks

BlackRock, Inc. BLK and New Jersey’s Division of Investment (“DOI”) have been sued by Blueprint Capital Advisors for stealing confidential business information and discriminating against the Black-owned firm. Per a Bloomberg report, Blueprint filed a complaint in the federal court in New Jersey on Tuesday.

Blueprint said that it turned over hundreds of pages of confidential business information to the state agency and its outside consultant, Cliffwater LLC, as part of an investment pitch.

Blueprint claimed that state officials had assured that they would carry out an investment with Blueprint but later went ahead with a similar deal with BlackRock. Per the lawsuit, the DOI forced a scaled-back investment on Blueprint. In fact, after it was claimed that the state engaged in racial discrimination, the DOI retaliated against Blueprint.

In the complaint, Blueprint said that once the DOI chose to implement the initiative with BlackRock instead of Blueprint, a DOI official said that New Jersey was “not a fan of investing with women- and minority-owned firms.”

Blueprint claimed, “The agency had an aversion to minority- and female-owned businesses.”

Based in Newark, New Jersey, Blueprint was started by two Black investment professionals in 2015. The firm said that it had repeatedly complained and objected through “several channels” that it had been “the victim of unlawful discrimination because of its status as a business founded by African-Americans and a woman.”

Now, Blueprint is seeking unspecified money damages. However, BlackRock has denied any wrongdoing and a representative in the office of New Jersey’s attorney general declined to comment on behalf of the state.

In fact, BlackRock claims that it has zero tolerance for discriminatory or unethical conduct. It said that it participated in a competitive process for the New Jersey business and did not have any prior knowledge of discussions between the state and Blueprint.

BlackRock’s senior managing director, Mark McCombe, stated, “A review of Blueprint’s allegations by BlackRock and an outside law firm has found nothing inconsistent with our

standards nor anything suggesting any wrongdoing by BlackRock. Nor have we found any evidence that BlackRock improperly received any materials or other information regarding Blueprint's plans or proposal as alleged."

Shares of BlackRock have gained 38.1% over the past three months compared with the industry's rally of 33.3%.

Currently, the company sports a Zacks Rank #1 (Strong Buy).