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PHARMACY OWNER SENTENCED IN MANHATTAN FEDERAL COURT TO
78 MONTHS IN PRISON FOR MULTIMILLION-DOLLAR
MEDICAID FRAUD

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that YEFRY BURGOS, the former owner of a Manhattan pharmacy, was sentenced today in Manhattan federal court to 78 months in prison. The sentence was imposed by United States District Judge WILLIAM H. PAULEY III, who also ordered the defendant to pay \$3,024,822 in restitution to the New York State Medicaid Program ("Medicaid"). BURGOS pleaded guilty on March 23, 2009, to health care fraud for orchestrating a scheme to bill Medicaid for millions of dollars in medications that were not actually dispensed to Medicaid beneficiaries.

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

BURGOS, 33, of Bronx, New York, owned Coral Pharmacy, a now-defunct pharmacy located at 4126 Broadway in Manhattan. Between December 2006 and January 2008, BURGOS was involved in a fraudulent scheme to bill Medicaid for prescription medications that were never dispensed. BURGOS and Coral Pharmacy's manager, LOURDES BASTARDO, purchased drug prescriptions from Medicaid beneficiaries for a fraction of the amount the Medicaid Program would reimburse to the pharmacy. To execute the scheme, BURGOS visited banks where Coral Pharmacy maintained its accounts to withdraw, on approximately a daily basis, thousands of dollars in cash -- delivering a substantial portion to BASTARDO to buy the prescriptions. The pharmacy then submitted reimbursement claims to Medicaid for the full value of the drugs it falsely claimed were provided to Medicaid beneficiaries. Through this scheme, BURGOS and Coral Pharmacy obtained the full value of the Medicaid reimbursement for the drug prescriptions, pocketing the difference between the reimbursement and the cash that they paid to the beneficiaries.

In sentencing BURGOS, Judge PAULEY stated that the

defendant was "a poster child for part of the problem with the health care system," and "a predator who needed to be curbed." In addition to the prison term and forfeiture, the Judge sentenced BURGOS to three years' supervised release. The defendant was remanded to the custody of the United States Marshals.

BASTARDO, 55, of Galloway City, New Jersey, pleaded guilty to health care fraud on September 11, 2009, before Magistrate Judge KEVIN NATHANIEL FOX, and is awaiting sentencing by Judge PAULEY.

United States Attorney BHARARA thanked the Federal Bureau of Investigation, the New York City Human Resources Administration's Bureau of Fraud Investigation, and the Office of the Medicaid Inspector General of New York State for their work in this investigation.

Assistant United States Attorney WILLIAM STELLMACH is in charge of the case, which was conducted by the Office's Major Crimes Unit.

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