

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA	)	Criminal No. 20-cr-10097
)	
v.	)	Violations:
)	
JUAN CAMILO PEREZ BUITRAGO,	)	<u>Count One</u> : Health Care Fraud
a/k/a “J.C. Perez”,	)	(18 U.S.C. §§ 1347 and 2)
)	
	)	<u>Count Two</u> : Payment of Kickbacks in
	)	Connection with a Federal Health Care
Defendant	)	Program
	)	(42 U.S.C. § 1320a-7b; 18 U.S.C. § 2)
)	
	)	<u>Forfeiture Allegation</u> :
	)	(18 U.S.C. § 982(a)(7))
)	

INFORMATION

At all times relevant to this Information:

General Allegations and Relevant Individuals

1. The defendant JUAN CAMILO PEREZ BUITRAGO (“PEREZ”) and others, known and unknown, ran more than two dozen shell companies¹ that submitted false and fraudulent Medicare claims for durable medical equipment (“DME”). In total, PEREZ submitted

¹ The companies included Alleviate Supply; Alpine Medical, Inc.; Altec Medical Supply Inc.; Armor Supply; Dermaclinical, Inc.; DermaTech, Inc.; Easy Health Braces, Inc.; E-Core Med, Inc.; Envision Bracing; Georgia Bracing Center, Inc.; Healthcore, Inc.; Integumentary Center, Inc.; Lumbar Store; Medtech, Inc.; Montana Med Supply; National Prescription Corp.; Optum Telemed, Inc.; Orthatech, Inc.; Orthofit Bracing, Inc.; Patella Medical, Inc.; Posture Store, Inc.; Prohealth Braces, Inc.; Skin Relief Supply, Inc.; Spinal Med, Inc.; Tequesta Bracing; The Brace Depot, Inc.; U.S. Mobility, Inc.; US Pharmacy Corp.; US Pharmacy, Inc.; Veltar Health Care Corp.; and Vermont Skin Specialist, Inc. (collectively, the “Shell Companies”).

more than \$109 million in Medicare Advantage claims and collected more than \$12 million in false and fraudulent claims.

2. PEREZ was the corporate officer of several Shell Companies, including US Pharmacy Corp., which was incorporated in Massachusetts on or about February 20, 2014, and listed a principal office at 210 Park Avenue, Suite 289, Worcester, Massachusetts 01609.

Medicare Coverage of Durable Medical Equipment

3. The Medicare Program (“Medicare”) is a federally-funded health care program providing benefits to individuals who are sixty-five years of age or older, or disabled. Medicare is administered by the Centers for Medicare and Medicaid Services (“CMS”), a federal agency under the United States Department of Health and Human Services. Medicare is a “health care benefit program” as defined by 18 U.S.C. § 24(b). Individuals who qualify for Medicare benefits are commonly referred to as Medicare “beneficiaries.”

4. Medicare is subdivided into multiple Parts. Medicare Part A covers health services provided by hospitals, skilled nursing facilities, hospices, and home health agencies. Medicare Part B covers physician services and outpatient care, including an individual’s access to durable medical equipment (“DME”). Medicare Part C—also known as Medicare Advantage—plans are Medicare health plans administered by private insurance companies (e.g., Aetna, Humana, and UnitedHealthCare) that contract to provide Medicare beneficiaries the services provided by Medicare Part A and Part B plans in addition to other benefits. CMS makes

fixed, monthly payments to the private insurance companies that administer Medicare Advantage plans, and in turn, the private insurance companies pay for beneficiaries' eligible claims.

5. DME is equipment (1) that can withstand repeated use, (2) is primarily and customarily used to serve a medical purpose, (3) generally is not useful to a person in the absence of an illness or injury, and (4) is appropriate for use in the home. DME includes ankle, arm, back, knee, and shoulder braces, compression sleeves, and ultraviolet light therapy systems.

6. Medicare and private insurance companies administering Medicare Advantage plans reimburse DME providers for prescribed, medically necessary DME. The doctor or practitioner prescribing the DME is often known as the "prescriber." Typically, the prescriber will examine the beneficiary and write a prescriber's order for DME, which is submitted to a DME provider. The DME provider delivers the DME to the beneficiary and submits a claim to the Medicare Advantage sponsor for reimbursement.

The Fraudulent DME Scheme

7. In the District of Massachusetts and elsewhere, PEREZ defrauded the Medicare program by submitting and receiving payments for false and fraudulent claims that were never prescribed by an authorized prescriber, never delivered to the Medicare Advantage beneficiary, or both.

8. PEREZ manufactured and submitted the false and fraudulent claims by instructing his employees to establish Shell Companies in more than a dozen different states, including Massachusetts. PEREZ directed his employees to list PEREZ's mother, wife, and yacht captain as the corporate directors of the Shell Companies, and to use fictitious names when registering the Shell Companies as DME providers. Instead of establishing physical offices for the Shell Companies, PEREZ and his employees opened and maintained P.O. Boxes at UPS Stores that

served as the address of the Shell Companies and were used to receive payments and correspondence related to Medicare claims.

9. PEREZ purchased patient referrals containing personal and medical data about Medicare Advantage beneficiaries from foreign and domestic call centers. PEREZ instructed call centers to call beneficiaries with certain Medicare Advantage insurance plans. The Medicare Advantage beneficiaries were told that they would receive ankle, arm, back, knee, and/or shoulder braces “at little to no cost.” The call centers collected the Medicare beneficiary’s personal and medical data including the (a) beneficiary’s name, (b) beneficiary’s address, (c) beneficiary’s insurance I.D. number, (d) name of beneficiary’s doctor, and (e) beneficiary’s doctor’s address. The call centers did not ask Medicare beneficiaries if they had a prescriber’s order for the DME. PEREZ paid the centers a fixed fee for each beneficiary.

10. PEREZ and his employees verified the patient referrals purchased from foreign and domestic call centers by listening to recordings provided by call centers and using a medical clearinghouse to check the patients’ insurance status.

11. PEREZ submitted Medicare Advantage claims using the personal and medical data purchased from foreign and domestic call centers. PEREZ did not obtain a prescriber’s order before submitting a DME claim to a beneficiary’s insurance company. Thus, many of the claims submitted by PEREZ were not supported by a prescriber’s order and falsely listed referring providers. PEREZ also re-used the beneficiary data, submitting multiple fraudulent claims for many beneficiaries, often using different Shell Companies, and often submitting claims for DME that the beneficiary did not request, want, or need. PEREZ, for example,

submitted DME claims for beneficiaries who died before the date of service listed on their claims.

12. PEREZ's employees received and tracked payments from insurance companies for DME claims and ordered DME for some, but not all, beneficiaries whose insurance companies paid the Shell Companies. PEREZ, for example, received more than \$7.5 million in Medicare Advantage payments for ultraviolet light therapy systems but never provided a single system to a beneficiary. When PEREZ purchased DME, he billed insurance policies more than 12 times the average price of the DME that he provided to the beneficiary.

COUNT ONE
Health Care Fraud
(18 U.S.C. § 1347; 18 U.S.C. § 2)

The United States Attorney charges:

13. The United States Attorney re-alleges and incorporates by reference paragraphs 1-12 of this Information.

14. From on or about January 2015 through April 2019, in the District of Massachusetts, and elsewhere, the defendant,

JUAN CAMILO PEREZ BUITRAGO, a/k/a “J.C. Perez,”

did knowingly and willfully execute a scheme and artifice to defraud Medicare, a health care benefit program, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property under the custody and control of the Medicare program, in connection with the delivery of and payment for the health care benefits, items, and services.

All in violation of Title 18, United States Code, Sections 1347 and 2.

COUNT TWO

Receipt of Kickbacks in Connection with a Federal Health Care Program; Aiding and Abetting
(42 U.S.C. § 1320a-7b; 18 U.S.C. § 2)

The United States Attorney further charges:

15. The United States Attorney re-alleges and incorporates by reference paragraphs 1-12 of this Information.

16. Between in or about January 2015 and April 2019, in the District of Massachusetts, and elsewhere, the defendant,

JUAN CAMILO PEREZ BUITRAGO, a/k/a “J.C. Perez,”

did knowingly and willfully offer and pay remuneration, directly and indirectly, in cash and kind, to induce a person to refer an individual for the furnishing and arranging for the furnishing of any item for which payment may be made in whole or in part by a Federal health care program, that is, the defendant bought patient referrals containing detailed personal and medical data about Medicare Advantage beneficiaries, which the defendant used to submit Medicare Advantage claims.

All in violation of Title 42, United State Code, Section 1320a-7b and 18 U.S.C. § 2.

FORFEITURE ALLEGATION
(18 U.S.C. § 982(a)(7))

17. Upon conviction of one or more of the offenses in violation of Title 18, United States Code, Section 1347 and Title 42, United States Code, Section 1320a-7b, set forth in Counts 1-2 of this Information, the defendant,

JUAN CAMILO PEREZ BUITRAGO, a/k/a “J.C. Perez,”

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(7), any property, real or personal, which constitutes or is derived, directly or indirectly, from gross proceeds traceable to the offenses.

18. If any of the property described in Paragraph 17, above, as being forfeitable pursuant to Title 18, United States Code, Section 981(a)(7), as a result of any act or omission of the defendants --

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

it is the intention of the United States, pursuant to Title 18, United States Code, Section 982(b), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the property described in Paragraph 1 above.

All pursuant to Title 18, United States Code, Section 982(a)(7).

ANDREW E. LELLING
UNITED STATES ATTORNEY

By: /s/ Elysa Q. Wan
Elysa Q. Wan
Assistant U.S. Attorney

Date: May 22, 2020

Criminal Case Cover Sheet

U.S. District Court - District of Massachusetts

Place of Offense: _____ Category No. 2 Investigating Agency FBI, HHS-OIG, USPIS

City Framingham

Related Case Information:

County Middlesex

Superseding Ind./ Inf. _____ Case No. _____
Same Defendant _____ New Defendant _____
Magistrate Judge Case Number 19-mj-1424-DLC
Search Warrant Case Number 19-1202, 19-1254, 19-1255 DLC
R 20/R 40 from District of _____

Defendant Information:

Defendant Name Juan Camilo Perez Buitrago Juvenile: Yes No

Is this person an attorney and/or a member of any state/federal bar: Yes No

Alias Name J.C. Perez

Address (City & State) 2900 NE 48th Ct., Lighthouse Point, FL 33064

Birth date (Yr only): 1988 SSN (last4#): 9780 Sex M Race: Hispanic Nationality: Colombian

Defense Counsel if known: See Additional Information. Address _____

Bar Number _____

U.S. Attorney Information:

AUSA Elysa Q. Wan Bar Number if applicable 569231

Interpreter: Yes No List language and/or dialect: _____

Victims: Yes No If yes, are there multiple crime victims under 18 USC§3771(d)(2) Yes No

Matter to be SEALED: Yes No

Warrant Requested Regular Process In Custody

Location Status:

Arrest Date 12/05/2019

Already in Federal Custody as of _____ in _____

Already in State Custody at _____ Serving Sentence Awaiting Trial

On Pretrial Release: Ordered by: Judge Donald L. Cabell on 12/17/2019

Charging Document: Complaint Information Indictment

Total # of Counts: Petty _____ Misdemeanor _____ Felony 2

Continue on Page 2 for Entry of U.S.C. Citations

I hereby certify that the case numbers of any prior proceedings before a Magistrate Judge are accurately set forth above.

Date: 05/22/2020

Signature of AUSA:

ELYSA WAN Digitally signed by ELYSA WAN
Date: 2020.05.22 10:32:36 -04'00'

District Court Case Number (To be filled in by deputy clerk): _____

Name of Defendant Juan Camilo Perez Buitrago, a/k/a "J.C. Perez"

U.S.C. Citations

	<u>Index Key/Code</u>	<u>Description of Offense Charged</u>	<u>Count Numbers</u>
Set 1	<u>18 U.S.C. § 1347</u>	<u>Health Care Fraud</u>	<u>1</u>
Set 2	<u>42 U.S.C. § 1320a-7b</u>	<u>Payment of Kickbacks in Connection with a Federal Health Care Program</u>	<u>2</u>
Set 3	_____	_____	_____
Set 4	_____	_____	_____
Set 5	_____	_____	_____
Set 6	_____	_____	_____
Set 7	_____	_____	_____
Set 8	_____	_____	_____
Set 9	_____	_____	_____
Set 10	_____	_____	_____
Set 11	_____	_____	_____
Set 12	_____	_____	_____
Set 13	_____	_____	_____
Set 14	_____	_____	_____
Set 15	_____	_____	_____

ADDITIONAL INFORMATION: _____

Defense Counsel: Brian E. Dickerson, 2390 Tamiami Trail North, Suite 100, Naples, FL 34103, Bar No. 106615

Defense Counsel: Miranda Hooker, 19th Floor, High Street Tower, 125 High Street Boston, Massachusetts 02110, p: 617.204.516,

Bar No. 661569