

STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL LETITIA JAMES

-----X

IN THE MATTER OF:

JOSE ORTIZ, AMERICAN BASE NO. 1, INC., and PETRA SANTIAGO

-----X

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the “Agreement”) is entered into by and among the State of New York (the “State”), by the Office of the Attorney General, through the Medicaid Fraud Control Unit (“MFCU”), Jose Ortiz (“Ortiz”), American Base No. 1, Inc. (“American Base”), and Petra Santiago (“Santiago”). The State, Ortiz, American Base, and Santiago shall be collectively referred to herein as the “Parties.”

WHEREAS, American Base is a corporation organized under the laws of the State of New York with its principal place of business at 3077 Third Avenue, Bronx, New York;

WHEREAS, at all relevant times herein, American Base is, and has been, enrolled as a provider of transportation services in the New York State Medical Assistance Program (the “Medicaid Program” or “Medicaid”) under Provider ID 03982547, and has represented that it has provided transportation services for Medicaid recipients traveling to or from medical services paid for by Medicaid;

WHEREAS, at all relevant times herein, Santiago has been the nominal owner of American Base;

WHEREAS, at all relevant times herein, Ortiz has been the de facto owner of American Base, and as such, has managed and controlled the operations of American Base, including the filing of claims for reimbursement with the Medicaid Program;

WHEREAS, the Medicaid Program reimburses enrolled healthcare and transportation providers for services rendered to beneficiaries of the program, including healthcare services reimbursed directly by the New York State Department of Health (“DOH”) on a fee-for-service basis;

WHEREAS, MFCU conducted an investigation of Ortiz, American Base, Santiago, and others, and determined, *inter alia*, that Ortiz, American Base, Santiago, and said others were involved in a criminal scheme pursuant to which Ortiz and American Base knowingly submitted or caused to be submitted to the Medicaid Program false and fraudulent claims for reimbursement (the “Criminal Transportation Scheme”)

WHEREAS, Ortiz, American Base, and Santiago admit to engaging in the following conduct as part of the Criminal Transportation Scheme (hereinafter, the “Covered Conduct”):

On or about and between January 1, 2018 and November 20, 2020, in the County of Bronx and elsewhere in the State of New York, Ortiz, individually and as the de facto owner and high managerial agent acting in concert with others and within the scope of his employment on behalf of American Base, an enrolled provider in the New York Medicaid program, wrongfully took, obtained, or withheld property in excess of one million dollars from Medicaid by knowingly submitting and causing to be submitted claims for reimbursement to Medicaid for non-emergency medical transportation taxi services that falsely represented American Base’s full compliance with all applicable laws, rules and regulations applicable to Medicaid when, in fact, Ortiz had reason to know or should have known that those claims were false and invalid for reimbursement, and, if he had used due diligence as the de facto owner and high managerial agent within the scope of his employment on behalf of American Base, would have discovered that the claimed transportation services were not provided at all or as claimed.

Ortiz used proceeds from the false claims to purchase two properties in Puerto Rico (“Puerto Rico Properties”) for a total combined purchase price of \$749,580.30, as follows:

- a. 2309 Calle Cacique, San Juan, Puerto Rico (purchased for \$340,000.00)
- b. 1232 Calle Marabella, Carolina, Puerto Rico (purchased for \$409,580.30)

The Puerto Rico Properties were purchased in the name of Petra Santiago who currently holds title to said Properties. Petra Santiago did not pay fair consideration for the Puerto

Rico Properties.

WHEREAS, on or about the date of execution of this Agreement, in accordance with the terms of a separately executed plea agreement, Ortiz will plead guilty to the crime of Offering a False Instrument for Filing in the Second Degree (Penal Law § 175.30) for his role in the Covered Conduct (the “Ortiz Guilty Plea”);

WHEREAS, on or about the date of execution of this Agreement, American Base will plead guilty to the crime of Grand Larceny in the Third Degree (Penal Law § 155.30(1)) for its role in the Covered Conduct (the “American Base Guilty Plea”) (the Ortiz Guilty Plea and the American Base Guilty Plea shall be referred to collectively hereinafter as the “Guilty Pleas”);

WHEREAS, as a result of the Covered Conduct, Ortiz, American Base, and Santiago caused the State of New York to suffer damages of at least the amount to be repaid under this Agreement;

WHEREAS, the State has civil claims against Ortiz, American Base, and Santiago as a result of the Covered Conduct, including under the State Finance Law §§ 187, *et seq.*, N.Y. Executive Law § 63(12), N.Y. Executive Law § 63-c, N.Y. Social Services Law § 145-b, and the common law, including, but not limited to, common law theories of fraud and unjust enrichment;

WHEREAS, Ortiz, American Base, and Santiago wish to resolve their civil liability for the Covered Conduct;

WHEREAS, Ortiz, on behalf of himself, and acting as de facto owner and high managerial agent of American Base, submitted an Affidavit of Financial Information (the “Ortiz Financial Affidavit”), sworn to the Twenty-Fifth day of January, 2024, whereby he represented that he and American Base lack the assets and ability to make full financial restitution to the State for the

losses to the Medicaid Program as a result of the Covered Conduct;

WHEREAS, Ortiz hereby swears and reaffirms that the information in the Ortiz Financial Affidavit is true and correct and that neither he nor American Base has had any material increase in their financial net worth since the execution of the Ortiz Financial Affidavit;

WHEREAS, Santiago, on behalf of herself, and as nominal owner of American Base, submitted an Affidavit of Financial Information (the “Santiago Financial Affidavit”), sworn to the Thirty-First day of January, 2024, whereby she represented that she and American Base lack the assets and ability to make full financial restitution to the State for the losses to the Medicaid Program as a result of the Covered Conduct;

WHEREAS, Santiago hereby swears and reaffirms that the information in the Santiago Financial Affidavit is true and correct and that neither she nor American Base has had any material increase in their financial net worth since the execution of the Santiago Financial Affidavit;

WHEREAS, the Parties agree that MFCU has entered into this Agreement in reliance upon the representations set forth in the Ortiz and Santiago Financial Affidavits.

WHEREAS, in connection with the above-described investigation, and under existing administrative claims withholding procedures, on or about February 18, 2020, DOH instituted a withhold of one hundred percent (100%) of Medicaid payments to American Base, pursuant to 18 NYCRR §§ 504.8(d), 518.7; 42 C.F.R. § 455.23; NY Public Health Law §§ 31, 32; and NY Soc. Serv. Law § 363-a (“Withhold”), and the amount under Withhold (“Withhold Amount”) is being held in escrow by the New York State Office of the State Comptroller and DOH;

WHEREAS, in connection with the Guilty Pleas, Ortiz and American Base have consented to voluntary exclusion from further participation in the Medicaid Program;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, the Parties agree as follows:

TERMS AND CONDITIONS

1. Ortiz, American Base, and Santiago admit, acknowledge, and accept responsibility for the Covered Conduct.

2. As repayment to the State and to resolve their civil financial liability for the Covered Conduct, Ortiz, American Base, and Santiago shall make payment to the State within twelve (12) months of the Ortiz Guilty Plea pursuant to the terms and conditions set forth herein.

Withhold Payment

3. On or before the Effective Date of this Agreement, Ortiz, American Base, and Santiago consent to the transfer and payment to the State of the entire Withhold Amount, which as of January 23, 2025, totaled \$4,076,289.31 in partial satisfaction of the Full Payment (as defined in para. 5, below), and further waive any and all right, title, or interest that they have or may have to the Withhold Amount (Withhold Payment”).

- a. All Withhold funds transferred and paid to the State shall be applied and credited toward payment of the Full Payment, pursuant to the terms of this Agreement;
- b. If any Withhold funds are transferred or paid by DOH directly to American Base before Full Payment has been made to the State, Ortiz, American Base, and Santiago agree to notify the State immediately and to remit all Withhold funds received to MFCU by wire transfer or certified check within five (5) business days of the receipt of such Withhold funds. Once received by MFCU, these funds will be credited and applied toward the Full Payment pursuant to the terms of this

Agreement.

Real Property Net Proceeds

4. Ortiz, American Base, and Santiago shall pay the State the total of the Real Property Net Proceeds (as defined in para. 4(g), below), said amount to be derived from the sale of the Puerto Rico Properties. Accordingly, Ortiz, American Base, and Santiago agree as follows:

- a. Santiago represents and warrants that she holds title to the Puerto Rico Properties.
- b. Santiago and Ortiz agree to take all necessary steps to sell the Puerto Rico Properties for the benefit of the State, including but not limited to, resolving any encumbrances on the Puerto Rico Properties.
- c. Santiago and Ortiz agree that until such time as the Puerto Rico Properties are sold pursuant to the terms of this Agreement, they shall use their best efforts to maintain the Puerto Rico Properties in a state of good repair. Santiago and Ortiz agree to fully cooperate with the State, and to provide any and all information reasonably requested regarding a sale, proposed sale, planned sale, renovation, foreclosure, or any and all other material matters regarding the Puerto Rico Properties to the State, within five (5) business days of demand by the State.
- d. Santiago and Ortiz shall negotiate and contract for the arm's-length sale of the Puerto Rico Properties through a licensed real estate agent at market-based offering prices and shall provide written notice to the State of any such contemplated sale. Such notice shall include sufficient information to identify the proposed purchaser of each Puerto Rico Property, all relevant and material information regarding the value of each Puerto Rico Property, and the identity of all agents (*e.g.*, real estate brokers, attorneys) who may assist with the sale of each Puerto Rico Property,

expected costs and fees to be paid at closing or otherwise associated with the sale, as well as any and all additional information that the State may reasonably request regarding the sale of each Puerto Rico Property.

- e. Santiago and Ortiz shall provide to the State all documents relating to the proposed sale of the Puerto Rico Properties, to wit, title insurance reports, contracts of sale, escrow agreements, mortgage payoffs, closing statements and appraisals (if any) within a reasonable time after receipt of same and in any event, at least five (5) business days in advance of any closing to allow the State time to review same. Failure of Ortiz and Santiago and agent thereof to comply with the terms of this Paragraph shall constitute a breach of this Agreement.
- f. The terms of any such contemplated sale of each Puerto Rico Property, including the appointment of any agent, shall be subject to the State's approval, and such approval shall not be unreasonably withheld.
- g. Santiago and Ortiz shall cause the Real Property Net Proceeds of the sale of the Puerto Rico Properties to be paid directly to the State through the Office of the Attorney General, MFCU within fourteen (14) days from receipt. "Real Property Net Proceeds" shall include, but not be limited to, all sale proceeds after the payments of all reasonable closing costs, liens, judgments, broker fees, attorneys' fees, debts encumbering the Puerto Rico Properties, bank or lender fees, and Tax Liability. "Tax Liability" shall mean taxes directly arising from the Puerto Rico Properties, and shall not include any lien against such Puerto Rico Properties not arising from the use and enjoyment of the Puerto Rico Properties themselves. Notwithstanding any provision herein, Santiago and Ortiz shall be entitled to retain

Fifty Thousand Dollars (\$50,000) in Real Property Net Proceeds deriving from the sale of 2309 Calle Cacique.

- h. As to 1232 Calle Marabella, Carolina, Puerto Rico, Santiago and Ortiz shall sell the Puerto Rico Property and transmit the Real Property Net Proceeds to the State, as set forth herein, within six (6) months of the Ortiz Guilty Plea. As to 2309 Calle Cacique, San Juan, Puerto Rico, Santiago and Ortiz shall sell the Puerto Rico Property and transmit the Real Property Net Proceeds to the State, as set forth herein, within twelve (12) months of the Ortiz Guilty Plea.
- i. Santiago and Ortiz shall provide a full accounting to the State of the proceeds of each sale in the form of a settlement statement similar in form and substance to a HUD 1 Statement within two (2) days of the closing of any Puerto Rico Property.

5. The receipt of the Withhold Amount plus the Real Property Net Proceeds by the State shall constitute "Full Payment" hereunder.

6. If the State learns of asset(s) in which Ortiz, American Base, and/or Santiago had an interest of any kind as of the Effective Date of this Agreement (including, but not limited to, promises by insurers or other third parties to satisfy obligations under this Agreement) that were not disclosed in the Ortiz or Santiago Financial Affidavits, or if the State learns of any false statement or misrepresentation by Ortiz or Santiago on, or in connection with, the Ortiz or Santiago Financial Affidavits, the State may at its option: (a) rescind this Agreement or file suit based on the Covered Conduct or (b) collect the Full Payment in accordance with the Agreement plus one hundred percent (100%) of the net value of the previously undisclosed assets. Ortiz, American Base, and Santiago agree not to contest any collection action undertaken by the State pursuant to this provision, and agree

that they will immediately pay the State's reasonable attorneys' fees and expenses incurred in such an action.

7. In consideration of permitting Ortiz, American Base, and Santiago to make payments in satisfaction of their obligations hereunder over time, Ortiz, American Base, and Santiago shall provide the State with Affidavits of Confession of Judgment ("COJ") in the amount of \$4,825,869.61 in the form attached hereto as Exhibit 1 at the time of execution of this Agreement. Ortiz, American Base, and Santiago each consent to the filing of said Confessions of Judgment and entry of judgment thereon without further notice. Should Ortiz, American Base, and Santiago make the Full Payment by its due date, including the Withhold Payment set forth in Par. 3 above and the Real Property Net Proceeds set forth in Par. 4 above, and otherwise fully comply with the terms of this Agreement, the above-referenced judgment shall be deemed to be satisfied in full and the State shall file a satisfaction of judgment with the proper clerk, and shall serve Ortiz, American Base, and Santiago with the same in accordance with CPLR 5020.

8. Ortiz, American Base, and Santiago shall be in default of this Agreement if they fail to comply with the terms and conditions as set forth herein, in whole or in part, including but not limited to failure to make the Full Payment by its due date ("Default"). In the event of Default, the State will provide written notice of any such Default, to be sent by email and first-class U.S. mail to the undersigned attorneys for Ortiz, American Base, and Santiago who will then have thirty (30) days to cure the Default (the "Cure Period").

9. If Ortiz, American Base, and Santiago fail to cure the Default within the Cure Period ("Uncured Default"), the State, at its option, may: (a) rescind this Agreement or seek specific performance of this Agreement; (b) offset any outstanding amounts owed to the State pursuant to this Agreement from any amounts due and owing to Ortiz, American Base, and

Santiago by any department, agency, or agent of the State as of the time of Default; (c) file a Civil Action for the Covered Conduct; (d) execute on the COJs; and/or (e) exercise any other rights granted by law or in equity, including referral of this matter for private collection.

10. Ortiz, American Base, and Santiago shall not contest any offset imposed or any collection action undertaken by the State pursuant to Paragraph 9, either administratively or in any state or federal court. In addition, Ortiz, American Base, and Santiago shall pay the State all reasonable costs of collection and enforcement under Paragraph 9, including reasonable attorneys' fees and expenses. In the event that the State opts to rescind this Agreement, Ortiz, American Base, and Santiago shall not plead, argue, or otherwise raise any defenses under theories of statutes of limitations, laches, estoppel, or similar theories, to any civil or administrative claims that relate to the Covered Conduct, except to the extent such defenses were available as of the Effective Date. Acceptance by the State of late payment shall not cure any other default hereunder.

11. Ortiz, American Base, and Santiago shall be jointly and severally liable for all payments due pursuant to this Agreement.

12. Upon receipt of the Full Payment, the State will not seek further repayment for the Covered Conduct.

13. Subject to the provisions in Paragraphs 14 and 19 below (concerning reserved claims and bankruptcy proceedings), respectively, and conditioned upon the State's receipt of the Full Payment in accordance with the terms of this Agreement, the State releases Ortiz, American Base, and Santiago, and their successors, assigns, present and former parents, subsidiaries, and affiliates from any civil monetary claim against Ortiz, American Base, and Santiago for the Covered Conduct under State Finance Law §§ 187 *et seq.*, C.P.L.R. Art. 13-A, N.Y. Executive Law § 63(12), N.Y. Executive Law § 63-c, N.Y. Social Services Law § 145-b, and the common

law theories of disgorgement, payment by mistake, money had and received, unjust enrichment, breach of contract, and fraud.

14. Notwithstanding the releases given in Paragraph 13 above, or any other term of this Agreement, the State specifically does not release:

- a. Any liability arising under state tax law;
- b. Any criminal liability;
- c. Any administrative liability, including mandatory or permissive exclusion from the Medicaid Program;
- d. Any liability that Ortiz, American Base, and/or Santiago has or may have to the State or to individual consumers or state program payors under any statute, regulation, or rule not expressly covered by the releases in Paragraph 13 above, including but not limited to any and all claims involving unfair and/or deceptive acts and practices and/or violations of consumer protection laws;
- e. Any liability to the State (or its agencies) for any conduct other than the Covered Conduct;
- f. Any liability for personal injury, patient abuse, or neglect, arising from the Covered Conduct;
- g. Any liability of individuals or entities other than Ortiz, American Base, and Santiago for the Covered Conduct;
- h. Any liability that may be asserted by or on behalf of any payor or insurer paid by the State's Medicaid Program on a capitated basis, other than liability of Ortiz, American Base, and Santiago to the State for the Covered Conduct; and
- i. Any liability based upon obligations created by this Agreement.

15. In consideration of the obligations of the State set forth in this Agreement, Ortiz, American Base, and Santiago, for themselves and for their successors, assigns, present and former parents, subsidiaries, and affiliates waive, discharge, and fully release the State, its agencies, officers, political subdivisions, employees, servants, and agents, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Ortiz, American Base, and/or Santiago asserted, could have asserted, or may assert in the future, against the State, its agencies, officers, political subdivisions, employees, servants, and agents, relating to the Covered Conduct and the State's investigation and prosecution thereof.

16. Ortiz, American Base, and Santiago waive and shall not assert any defenses they may have to criminal prosecution or administrative action for the Covered Conduct, which defenses may be based in whole, or in part, upon a contention made under the Double Jeopardy Clause of the Fifth Amendment of the Constitution, or under the Excessive Fines Clause of the Eighth Amendment of the Constitution, and shall not assert that this Agreement bars a remedy sought in such criminal prosecution or administrative action.

17. The amounts due to the State hereunder shall not be decreased as a result of the denial of claims for payment now being withheld from payment by the Medicaid Program, or any other state payor, for the Covered Conduct, and Ortiz, American Base, and Santiago agree not to resubmit to the Medicaid Program, or any other state payor, any previously denied claims, which denials were based upon the Covered Conduct, and agree not to appeal or cause the appeal of any such denials of claims.

18. Ortiz, American Base, and Santiago shall not seek payment for any claims for reimbursement to the Medicaid Program covered by this Agreement from any healthcare beneficiaries or their parents, sponsors, legally responsible individuals, or third-party payors.

19. In exchange for valuable consideration provided in this Agreement, Ortiz, American Base, and Santiago acknowledge the following:

- a. Ortiz, American Base, and Santiago warrant that they have reviewed their respective financial situations and that they are solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I) and shall remain solvent following payment to the State of the Full Payment.
- b. In evaluating whether to execute this Agreement, the Parties intend that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to Ortiz, American Base, and Santiago, within the meaning of 11 U.S.C. § 547(c)(1), and the Parties conclude that these mutual promises, covenants, and obligations do, in fact, constitute such contemporaneous exchange.
- c. The mutual promises, covenants, and obligations set forth herein are intended by the Parties to and do, in fact, represent a reasonably equivalent exchange of value.
- d. The Parties do not intend to hinder, delay, or defraud any entity to which Ortiz, American Base, and Santiago are or became indebted to on or after the date of any transfer contemplated in this Agreement, within the meaning of 11 U.S.C. § 548(a)(1).
- e. If the obligations of Ortiz, American Base, and Santiago under this Agreement are avoided for any reason (including but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code), or if, before the State receives the Full Payment plus applicable interest, Ortiz, American Base, and/or Santiago commences a case, proceeding, or other action under any law relating to

bankruptcy, insolvency, reorganization, or relief of debtors seeking any order for relief of the debts of Ortiz, American Base, and/or Santiago, or to adjudicate Ortiz, American Base, and/or Santiago as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for Ortiz, American Base, and/or Santiago or for all or any substantial part of the assets of Ortiz, American Base, and/or Santiago, (i) the State may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against Ortiz, American Base, and/or Santiago for the claims that would otherwise be covered by the releases provided in Paragraph 13 above; and (ii) the State has an undisputed, noncontingent, and liquidated allowed claim against Ortiz, American Base, and Santiago in the amount of \$4,825,869.61, less any payments received pursuant to this Agreement, provided, however, that such payments are not otherwise avoided and recovered from the State by Ortiz, American Base, and/or Santiago, a receiver, trustee, custodian, or other similar official for Ortiz, American Base, and/or Santiago.

- f. Ortiz, American Base, and Santiago agree that any civil and/or administrative claim, action, or proceeding brought by the State under this Paragraph is not subject to an “automatic stay” pursuant to 11 U.S.C. § 362(a) because it would be an exercise of the State’s police and regulatory power. Ortiz, American Base, and Santiago shall not argue or otherwise contend that the State’s claim, action, or proceeding is subject to an automatic stay and, to the extent necessary, consent to relief from the automatic stay for cause under 11 U.S.C. § 362(d)(1). Ortiz, American Base, and Santiago waive and shall not plead, argue, or otherwise raise

any defenses under the theories of statutes of limitations, laches, estoppel, or similar theories, to any such civil or administrative claim, action, or proceeding brought by the State, except to the extent such defenses were available as of the date of execution of this Agreement.

20. Ortiz, American Base, and Santiago agree to the following:

a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395lll and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of American Base or any of its present or former officers, directors, trustees, employees, shareholders, and agents in connection with:

- i. the matters covered by this Agreement;
- ii. the State's audit and any civil and/or criminal investigation of the matters covered by this Agreement;
- iii. the investigation, defense, and corrective actions undertaken by Ortiz, American Base, and Santiago in response to the State's audit and any civil and/or criminal investigation in connection with the matters covered by this Agreement (including attorneys' fees);
- iv. the negotiation and performance of this Agreement; and
- v. the payments that Ortiz, American Base, and Santiago make relating to this Agreement, including costs and attorneys' fees,

are unallowable costs for government contracting purposes and under the Medicaid Program ("Unallowable Costs").

- b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for in non-reimbursable cost centers by Ortiz, American Base, and Santiago and they shall not charge such Unallowable Costs directly or indirectly to any contracts with the Medicaid Program or seek payment for such Unallowable Costs through any Consolidated Fiscal Report, cost report, cost statement, information statement, or payment request submitted by Ortiz, American Base, and Santiago to the Medicaid Program.
- c. Treatment of Unallowable Costs Previously Submitted for Payment: Ortiz, American Base, and Santiago further agree that, within ninety (90) days of the Effective Date of this Agreement, they shall identify to applicable Medicaid fiscal agents any Unallowable Costs that were included in payments previously sought from the Medicaid Program, including but not limited to payments sought in any cost reports, cost submissions, information reports, or payment requests already submitted by American Base and shall request and agree that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the Unallowable Costs. American Base agrees that the State, at a minimum, shall be entitled to recoup from American Base any overpayment, plus applicable interest and penalties, as a result of the inclusion of such Unallowable Costs on previously submitted cost reports, cost statements, information reports, appeals, or requests for payment. Any payments due after the adjustments have been made shall be paid to the State. The State reserves its right to disagree with any calculations submitted by American Base on the effect of inclusion of Unallowable Costs on American Base's

Consolidated Fiscal Reports, cost reports, cost statements, or information reports, appeals, or other payment requests.

- d. Nothing in this Agreement shall constitute a waiver of the rights of the State to audit, examine, or re-examine the books and records of American Base to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

21. Ortiz, American Base, and Santiago agree to cooperate fully and truthfully with the investigation by the State of individuals and entities not released in this Agreement. Upon reasonable notice, Ortiz, American Base, and Santiago shall encourage, and agree not to impair, the cooperation of American Base's directors, officers, and employees, and shall use best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. Ortiz, American Base, and Santiago further agree to furnish to the State, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in their possession, custody, or control concerning any investigation of the Covered Conduct that they have undertaken, or that has been performed by another on their behalf, as well as complete and unredacted copies of any other non-privileged documents in their possession, custody, or control relating to the Covered Conduct. Ortiz, American Base, and Santiago shall be responsible for all costs they may incur in complying with this paragraph.

22. Ortiz, American Base, and Santiago will not assert any claim for any tax rebate or refund, or other government payment from the State, until the Full Payment is satisfied. In the State's sole discretion, the State may recoup or offset any such payment, without further notice to Ortiz, American Base, and Santiago, for credit towards the amounts due hereunder.

23. No provision of this Agreement constitutes an agreement by the State concerning the characterization of the payments made hereunder for purposes of New York Tax Law. Ortiz, American Base, and Santiago shall not deduct or discharge the payments made hereunder as part of their New York State tax obligations.

24. Ortiz, American Base, and Santiago will not submit any insurance claims for the Covered Conduct.

25. Ortiz, American Base, and Santiago agree not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any finding in this Agreement or creating the impression that this Agreement is without factual basis. Nothing in this Paragraph affects Ortiz, American Base, and Santiago's (a) testimonial obligations, if any, or (b) right to take any good faith legal or factual positions in defense of litigation or other proceedings to which the State is not a party.

26. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to choice of law or conflict of laws principles. The Parties consent to the jurisdiction of Supreme Court, Bronx County in any action brought by the State to enforce or interpret this Agreement.

27. Any failure by the State to insist upon the strict performance of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and the State, notwithstanding that failure, shall have the right thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

28. The undersigned represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

29. This Agreement shall be deemed to have been mutually prepared by the Parties hereto and shall not be construed against any of them solely by reason of authorship.

30. The Parties each acknowledge and represent that they have entered into this Agreement freely, voluntarily, and upon due deliberation, with the advice of counsel and without any degree of coercion, duress, or compulsion whatsoever.

31. This Agreement shall be binding on all successors, transferees, heirs, and assigns of Ortiz, American Base, and Santiago.

32. Except as otherwise stated in this Agreement, this Agreement is intended to be for the benefit of the Parties only, and by this instrument the Parties do not release any liability against any other person or entity.

33. Each Party to this Agreement shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

34. All payments by Ortiz, American Base, and Santiago to the State pursuant to this Agreement shall be made by wire transfer in accordance with the written wire instructions to be provided by the State or as otherwise directed by the State.

35. All notices pursuant to this Agreement shall be in writing and shall, unless expressly provided otherwise herein, be given by hand delivery, by any nationally recognized overnight courier service, and/or by email followed by postage via first-class U.S. mail, addressed as follows:

TO THE STATE:

Chief, Civil Enforcement Division
Medicaid Fraud Control Unit
New York State Office of the Attorney General
28 Liberty Street, 13th Floor
New York, NY 10005
Telephone: (212) 417-5300
MFCUNotices@ag.ny.gov

TO JOSE ORTIZ:

Gregory Gallo, Esq.
34-11 Queens Boulevard
Long Island City, New York 11101
lawservicenys@gmail.com

TO AMERICAN BASE NO. 1, INC.:

Gregory Gallo, Esq.
34-11 Queens Boulevard
Long Island City, New York 11101
lawservicenys@gmail.com

TO PETRA SANTIAGO:

Marc Weinrich, Esq.
108-36 Corona Avenue
Corona, New York 10368
MarcBetty1@aol.com

36. The effective date of this Agreement shall be the date of the signature of the last signatory to this Agreement ("Effective Date").

37. This Agreement constitutes the complete agreement between the Parties with respect to Jose Ortiz, American Base, and Petra Santiago's civil liability relating to the Covered Conduct, and it may not be changed in any respect, except by a writing duly executed by the Parties or their authorized representatives.

38. Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

39. This Agreement may be executed in counterparts, each of which shall constitute an original, and all of which shall constitute one and the same Agreement.

WHEREFORE, the Parties have read the foregoing Agreement and accept and agree to the provisions contained herein and hereby have caused this Agreement to be signed as of the date adjacent to their signatures.

THE STATE OF NEW YORK

LETTITIA JAMES

Attorney General of the State of New York

BY: _____ Dated: _____
Jared W. Goldman
Special Assistant Attorney General
Medicaid Fraud Control Unit
28 Liberty Street
New York, New York 10005

JOSE ORTIZ


BY: _____ Dated: 6-12-2025
Jose Ortiz

State of New York)
County of Queens) ss:

On the 12 day of June, in the year 2025, before me, the undersigned, a Notary Public in and for said State, personally appeared Jose Ortiz, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same individually, and in his capacity as high managerial agent of American Base No. 1, Inc., and that by his signature on the instrument, the individual or the entity upon behalf of which the individual acted, executed the instrument.

MARC ELLIOTT WEINREICH
Notary Public - State of New York
Reg. No. 01WE6328237
Qualified in Queens County
Commission Expires July 27, 2028

NOTARY PUBLIC

Approved as to Form: 

BY: _____

BY:

Gregory Gallo, Esq.
Attorney for Jose Ortiz

Dated: 6-18-2025

AMERICAN BASE NO. 1, INC.

BY:

Jose Ortiz

Dated:

6-13-2025

State of

New York

County of


Queens, NY

On the 13 day of June, in the year 2025, before me, the undersigned, a Notary Public in and for said State, personally appeared Jose Ortiz, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same individually, and in his capacity as high managerial agent of American Base No. 1, Inc., and that by his signature on the instrument, the individual or the entity upon behalf of which the individual acted, executed the instrument.

MARC ELLIOTT WEINREICH
Notary Public - State of New York
Reg. No. 01WE6328237
Qualified in Queens County
Commission Expires July 27, 2022

NOTARY PUBLIC

Approved as to Form:

BY: 

BY:

Gregory Gallo, Esq.
Attorney for American Base No. 1, Inc

Dated: 6-18-2025

PETRA SANTIAGO

BÝ.

Petra Santiago

Dated:

6-13-2025

State of

)ss:

on 6/13/25 Petra Santiago came
Before Me

County of Queens

On the 13 day of June, in the year 2025, before me, the undersigned, a Notary Public in and for said State, personally appeared Petra Santiago, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that she executed the same individually, and in her capacity as owner of American Base No. 1, Inc., and that by her signature on the instrument, the individual or the entity upon behalf of which the individual acted, executed the instrument.

MARC ELLIOT WEINREICH
Notary Public - State of New York
Reg. No. 6328237
Qualified in Queens County
Approved as to Form:
Commission Expires July 27, 20 26

NOTARY PUBLIC

BY:

Marc Weinrich, Esq.
Attorney for Petra Santiago

Dated:

6/13/25