

AT
D.C.
Oct 4, 2017
STEVEN M. LARIMORE
CLERK U.S. DIST. CT.
S.D. OF FLA. - FT. LAUD.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
17-60244-CR-COHN/SELTZER
CASE NO. _____
18 U.S.C. § 371

UNITED STATES OF AMERICA

v.

LINDA VARISCO,

Defendant.

_____ /

INFORMATION

The United States Attorney charges that:

GENERAL ALLEGATIONS

At all times relevant to this Information:

Florida's Motor Vehicle No-Fault Law

1. Florida was a "no-fault" insurance state, which required every driver to maintain automobile insurance. The Florida Motor Vehicle No-Fault Law ("Florida's No-Fault Law"), Fla. Stat. §§ 627.730-627.7405, requires all drivers to maintain insurance. Under Florida's No-Fault Law, persons who were injured had recourse to medical, surgical, funeral, and disability insurance benefits without regard to fault. With respect to motor vehicle accidents, a limitation was imposed on the right to claim damages for pain, suffering, mental anguish, and inconvenience. The required insurance had to include personal injury protection ("PIP") to the named insured, relatives residing in the same household, persons operating the insured motor vehicle, passengers in the motor vehicle, and other persons struck by the motor vehicle who suffered bodily injury while not

occupants of a self-propelled vehicle to a limit of \$10,000 for each such person as a result of bodily injury, sickness, disease, or death. Fla. Stat. § 627.736 (1).

2. Under Florida's No-Fault Law, the insurance provider was required to pay PIP benefits of up to \$10,000 each for accidental bodily injury sustained by the vehicle owner and all occupants of the vehicle due to an accident within the State of Florida. Fla. Stat. § 627.736(4)(e). Up to the \$10,000 limit, the insurance provider was required to pay eighty percent of all reasonable expenses for medically necessary medical, surgical, x-ray, dental, and rehabilitative services . . . that are lawfully provided, supervised, ordered, or prescribed by a licensed physician, licensed dentist, or licensed chiropractic physician, or that are provided by certain other approved providers, including entities wholly-owned by licensed chiropractic physicians. Fla. Stat. § 627.736(1)(a).

3. On January 1, 2013, Florida's No-Fault Law changed. Under the revised statute, reimbursement for services was permitted up to \$10,000, if a licensed medical professional determined that the accident victim had an Emergency Medical Condition (hereinafter referred to as an "EMC"), that is, the accident caused severe pain that jeopardized the patient's health or impaired the patient's bodily functions. If a licensed medical professional did not determine that the injured person had an EMC, the reimbursement for services was limited to \$2,500.

4. Florida's No-Fault Law provided that an insurer or insured is not required to pay a claim or charges . . . for any service or treatment that was not lawful at the time rendered. Fla. Stat. § 627.736(5)(b)(1)(b). The term "lawful" was defined in the statute as "in substantial compliance with all relevant applicable criminal, civil, and administrative requirements of state and federal law related to the provision of medical services or treatment." Fla. Stat. § 627.732(11).

5. Florida's No-Fault Law further provided that "a statement of medical services may not include charges for medical services of a person or entity that performed such services without possessing the valid licenses required to perform such services." Fla. Stat. § 627.736(5)(d).

6. An insurer also was not required to pay a claim or charges to "any person who knowingly submits a false or misleading statement relating to the claim or charges." Fla. Stat. § 627.736(5)(b)(1)(c).

7. Florida's No-Fault Law required that an insured person, or his or her guardian, execute a disclosure and acknowledgment form, the Florida Office of Insurance Regulation Standard Disclosure and Acknowledgement Form, which reflected that the insured, or his or her guardian, was not solicited by any person to seek services from the medical provider. Fla. Stat. § 627.736(5)(e)(1). The licensed medical professional rendering treatment for which payment was being claimed was required to sign, by his or her own hand, the required form. Fla. Stat. § 627.736(e)(4).

Clinic Licensing Requirements

8. In 2003, the Florida Legislature enacted the Health Care Clinic Act ("HCCA"), Fla. Stat. §§ 400.990, et seq., to strengthen the regulation of health care clinics throughout Florida. In addition to expanding the types of businesses required to obtain licenses, the HCCA required, among other things, background checks for all owners which have a 5% or more ownership interest, clinic inspections and certifications, proof of financial responsibility, and, in some cases, higher fees to obtain licensure. These requirements were administered by the Florida Agency for Health Care Administration. The HCCA contained a number of exceptions to its licensure requirements, one of which was that a license was not required for a business that "provided health

care services by licensed health care practitioners [including chiropractors], . . . and that is wholly owned by one or more licensed health care practitioners . . ." Fla. Stat. § 400.9905(4)(g).

9. Under the HCCA, "it is unlawful to provide services that require licensure . . . without first obtaining . . . a license." Fla. Stat. § 408.804. It also was unlawful for an entity to offer services that required licensure without obtaining a valid license from the Florida Agency for Healthcare Administration. Fla. Stat. § 408.812(1). The HCCA also made it "unlawful for any person or entity to own, operate, or maintain an unlicensed provider. Fla. Stat. § 408.812(3).

Florida's Prohibitions on Insurance Fraud, Kickbacks, and Patient Brokering

10. Under Florida law, a person committed insurance fraud if that person, with the intent to injure, defraud, or deceive any insurer: (1) knowingly presented or caused to be presented any written or oral statement as part of, or in support of, a claim for payment or other benefit pursuant to an insurance policy, knowing that the statement contained any false, incomplete, or misleading information concerning any fact or thing material to the claim; or (2) knowingly prepared or made any written or oral statement that is intended to be presented to any insurer in connection with, or in support of, any claim for payment or other benefit pursuant to an insurance policy, knowing that such statement contains any false, incomplete, or misleading information concerning any fact or thing material to the claim. Fla. Stat. § 817.234(1)(a)1 & 2.

11. Florida law also stated that it "shall constitute a material omission and insurance fraud . . . for any service provider, other than a hospital, to engage in a general business practice of billing amounts as its usual and customary charge, if such provider has agreed with the insured or intends to waive deductibles or copayments, or does not for any other reason intend to collect the total amount of such charge." Fla. Stat. § 817.234(7)(a).

12. Florida law also prohibited offering to pay, paying, soliciting, or receiving any commission, bonus, rebate, kickback, or bribe, directly or indirectly, to induce the referral of patients to a health care provider or facility or in return for referring patients to a health care provider or facility, or for accepting or acknowledging receipt of treatment from a health care provider or facility. Fla. Stat. §§ 817.505(1), 456.054(2).

The Defendant and Her Co-conspirators

13. Defendant **LINDA VARISCO** (hereinafter referred to as “**VARISCO**”) was a licensed chiropractic physician.

14. Co-conspirator A and Co-conspirator B unlawfully owned and operated chiropractic clinics through nominee owners utilizing the licenses of chiropractic physicians, including **VARISCO**.

15. Attorneys (hereinafter referred to as the “Attorney Co-conspirators”), including persons working on behalf of attorneys, tow truck drivers (hereinafter referred to as the “Tow Truck Driver Co-conspirators”), and other co-conspirators (hereinafter referred to as “the Runners”) illegally solicited victims of car accidents and, in exchange for a kickback payment, referred the victims to lawyers and health care facilities, including chiropractic clinics.

The Clinics

16. Advance Medical Associates and Forme Rehab, Inc. (hereinafter referred to as “Advance Medical”), was a clinic located at 7000 W. Oakland Park Boulevard, Suite 202, Sunrise, Florida 33313, in Broward County, in the Southern District of Florida, that offered chiropractic and massage therapy services for persons who suffered injuries in automobile accidents. From in or about 2008 through in or about 2010, **VARISCO** was an owner and operator of Advance Medical.

17. Hollywood Wellness and Rehabilitation Center, Inc. (hereinafter “Hollywood Wellness”), was a clinic located at 6030 Hollywood Boulevard, Unit 230, Hollywood, Florida 33024, in the Southern District of Florida, that offered chiropractic and massage therapy services for persons who suffered injuries in automobile accidents. Hollywood Wellness was formed in or about April 2014.

18. The patient files of Advance Medical and Hollywood Wellness routinely contained a form that listed the level of pain that the patient purportedly felt at the time of the visit. The pain levels went from “0,” signifying no pain, to “10,” signifying that the patient was in excruciating pain.

The Insurance Companies and the Bank

19. The Clinics would submit PIP claims and other related documents by United States mail to insurance companies. (hereinafter collectively referred to as the “Insurance Companies”).

20. The Insurance Companies periodically issued a form to Advance Medical authored by the Florida Office of Insurance Regulation entitled Health Care Provider Certification of Eligibility for PIP benefits (hereinafter referred to as “Form 6b”), which form required the true owner to complete the form and sign it certifying that the person signing was the true owner.

21. The Insurance Companies periodically requested information from Advance Medical and Hollywood Wellness and performed Examinations Under Oath of patients and others in order to determine the validity of a claim.

22. Bank of America, N.A. was a domestic financial institution with branches located in Broward, Miami-Dade, and Palm Beach Counties in the Southern District of Florida. All funds would be paid to Advance Medical and Hollywood Wellness from the Insurance Companies by

United States mail and then deposited into an account at Bank of America, N.A., and thereby transmitted in interstate commerce.

COUNT 1

1. The General Allegations section of this Information is realleged and expressly incorporated herein as if set forth in full.

2. Beginning in or about August 2010, and continuing through in or about May 2015, in Broward County, in the Southern District of Florida, and elsewhere, the defendant,

LINDA VARISCO,

knowingly and willfully combined, conspired, confederated, and agreed with others known and unknown to the United States Attorney to commit an offense against the United States, that is,

a. to devise and intend to devise a scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, and for the purpose of executing, and attempting to execute, such scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, to knowingly cause to be delivered by United States mail and by commercial interstate carrier according to the directions thereon, certain matters and things, in violation of Title 18, United States Code, Section 1341 (Mail Fraud);

b. to devise and intend to devise a scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, to knowingly transmit and cause to be transmitted by means of wire communication in interstate and

foreign commerce, certain writings, signs, signals, pictures, and sounds, in violation of Title 18, United States Code, Section 1343 (Wire Fraud);

c. to execute a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), and to obtain, by means of materially false and fraudulent pretenses, representations and promises, money and property owned by, and under the custody and control of, said health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services, in violation of Title 18, United States Code, Section 1347 (Health Care Fraud); and

d. to knowingly and willfully, in a manner involving a health care benefit program, as defined in Title 18, United States Code, Section 24(b), make false, fictitious, and fraudulent statements and representations and cause to be made materially false writing and documents to one or more of the Insurance Companies knowing such writing and documents to contain materially false, fictitious, and fraudulent statements and entries in connection with the delivery of and payment for health care benefits, items, and services, in violation of 18, United States Code, Section 1035 (False Statements Relating to Health Care Matters).

PURPOSE AND OBJECTIVE OF THE CONSPIRACY

3. It was the purpose and objective of the conspiracy that the defendant and her co-conspirators would unlawfully enrich themselves by defrauding automobile insurance providers by obtaining the maximum amount of PIP funds through the establishment and operation of chiropractic clinics/rehab facilities, through the use of nominees, the illegal solicitation of patients, the fraudulent submission of documents reflecting facility ownership, billing for unnecessary and/or inflated treatment modalities, and the misrepresentation of patient injury and pain levels.

MANNER AND MEANS OF CONSPIRACY

The manner and means by which **VARISCO** and her co-conspirators sought to accomplish the objective of the conspiracy included the following:

4. In order to avoid Florida's licensing requirements, Co-conspirators A and B would solicit licensed chiropractic physicians to serve as named owners of chiropractic clinics, although Co-conspirators A and B would maintain complete control of the businesses.

5. On or about August 23, 2010, defendant **VARISCO** agreed that Co-conspirators A and B would take over the ownership and operation of Advance Medical and **VARISCO** was to work for Advance Medical as a salaried employee.

6. Co-conspirators A and B took steps to hide their ownership interest in Advance Medical and to make it appear as if defendant **VARISCO** was still the owner and operator of Advance Medical.

7. After Co-conspirators A and B gave check signing authority on the Bank of America, N.A. account to **VARISCO**, they directed **VARISCO** as to whom she should issue the checks or they would issue the checks themselves and forge the name of one of the authorized check signers.

8. After Co-conspirators A and B took over Advance Medical, **VARISCO** primarily worked on PIP cases, instead of Blue Cross and Medicare cases.

9. Co-conspirators A and B directed **VARISCO** to treat each patient for 10 days within the first two weeks, regardless of medical necessity.

10. In order to ensure that the insurance companies paid their claim, **VARISCO** followed a protocol by recording the patient's pain level as 8 or 9 during the initial visits and then

gradually decreasing the pain level in the patient's file, regardless of whether the patient reported that pain level.

11. **VARISCO** directed other chiropractors at Advance Medical to follow the pain level protocol.

12. **VARISCO**, at the direction of Co-conspirators A and B, fired chiropractors that did not follow the pain level protocol.

13. In or about June 2014, **VARISCO**, at the request of Co-conspirators A and B, agreed to accept payments ranging from \$2,000 to \$5,500 a month in exchange for Co-conspirators A and B utilizing her name as the owner of Hollywood Wellness, even though **VARISCO** never owned or operated Hollywood Wellness.

14. The Attorney Co-conspirators, the Tow Truck Co-conspirators, and the Runners unlawfully solicited patients and referred those patients to Advance Medical and Hollywood Wellness in exchange for a kickback ranging from \$500 to \$2,000.

15. **VARISCO** signed the Florida Office of Insurance Regulation Standard Disclosure and Acknowledgement Form falsely stating that she was not aware that the patients had been solicited to receive services from Advance Medical.

16. **VARISCO** signed and mailed or caused to be mailed by United States mail approximately thirty (30) Florida Office of Insurance Regulation forms entitled Health Care Provider Certification of Eligibility for PIP Benefits to the Insurance Companies falsely stating that she was the sole owner of Advance Medical.

17. The conspirators received an illegal kickback of \$300 for every patient they referred to a co-conspirator's MRI facility (hereinafter referred to as the "MRI Facility").

18. The staff of Advance Medical was instructed to make sure that every patient was sent for a determination that the patient had an EMC.

19. Expensive diagnostic tests for patients were ordered without the knowledge, authorization or consent of the treating chiropractor.

20. The chiropractors and the staff were ordered to provide to each patient medical equipment that was billed to the insurance providers, which equipment was either not medically necessary or not yet determined to be necessary.

21. The conspirators would only hire and retain health care professionals who determined that every patient needed an EMC.

22. The conspirators submitted claims by United States mail to the insurance companies, but did not collect the required co-payments and deductibles from the patients.

23. From in or about August 2010 through in or about May 2015, the defendant and her co-conspirators through false and fraudulent representations obtained approximately \$5.2 million from the Insurance Companies.

24. Upon receiving the reimbursements from the automobile insurance companies via the United States mail, **VARISCO** and her co-conspirators, including Co-conspirators A and B, would deposit and cause to be deposited the insurance checks into the Bank of America, N.A. accounts controlled by Co-conspirators A and B, and then convert some of the proceeds to cash in a variety of ways, which cash, along with checks, would then be used to pay the Attorney Co-conspirators, Tow Truck Driver Co-conspirators, Runners, themselves, and others in order to promote their ongoing criminal activity.

OVERT ACTS

25. In furtherance of the conspiracy and to achieve the object thereof, at least one of the coconspirators committed and caused to be committed in the Southern District of Florida and elsewhere, at least one of the following acts, among others:

A. On or about May 5, 2013, Advance Medical issued a check to a Runner in the amount of \$2,000.

B. On or about June 20, 2013, a check was issued from a bank account of Advance Medical to a company owned by a Runner in the amount of \$5,250.

C. On or about March 24, 2014, **VARISCO** signed the Florida Office of Insurance Regulation Standard Disclosure and Acknowledgment Form indicating that patient V.S. was not solicited.

D. On or about March 24, 2014, **VARISCO** signed treatment notes during the initial visit of V.S. indicating a pain level of 8 for thoracic, cervical, and lumbar pain.

E. On or about April 6, 2015, **VARISCO** submitted or caused to be submitted by United States mail to the Florida Agency for Health Care Administration, an Application for Certificate of Exemption from Licensure as a Health Care Clinic on behalf of Hollywood Wellness falsely stating that defendant VARISCO was the 100% owner of Hollywood Wellness.

F. On or about June 18, 2014, **VARISCO** submitted or caused to be submitted by United States mail to State Farm Insurance Company, a Health Care Provider Certification of Eligibility for PIP Benefits form to State Farm Insurance Company falsely stating that **VARISCO** was the 100% owner of Advance Medical.

G. On or about June 18, 2014, **VARISCO** submitted or caused to be submitted by United States mail to State Farm Insurance Company, a Health Care Provider Certification of Eligibility for PIP Benefits form to State Farm Insurance Company falsely stating that she was the 100% owner of Advance Medical Associates.

H. On or about July 30, 2014, **VARISCO** submitted or caused to be submitted by United States mail to State Farm Insurance Company, Health Care Provider Certification of Eligibility for PIP Benefits form to State Farm Insurance Company falsely stating that she was the 100% owner of Advance Medical.

All in violation of Title 18, United States Code, Section 371.

FORFEITURE ALLEGATIONS

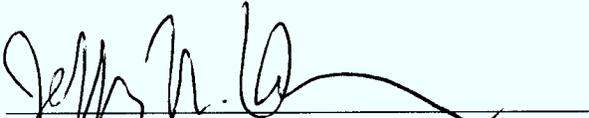
(Conspiracy to Commit Mail Fraud, Wire Fraud, and Health Care Fraud)

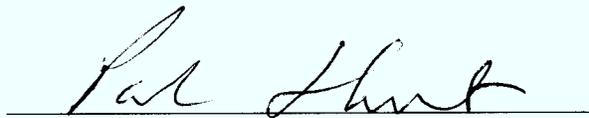
1. Upon conviction of a violation of Title 18, United States Code, Section 371, as set forth in Count One of this Information, the defendant, **LINDA VARISCO**, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offense.

2. The property to be forfeited includes, but is not limited to the following property:
 - (a) A money judgment which represents the amount of proceeds involved, or traceable to the violation alleged in Count One of this Information.

All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).


WIFREDO A. FERRER
UNITED STATES ATTORNEY


JEFFREY N. KAPLAN
ASSISTANT UNITED STATES ATTORNEY


PAUL SCHWARTZ
ASSISTANT UNITED STATES ATTORNEY

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

UNITED STATES OF AMERICA

CASE NO. _____

vs.

LINDA VARISCO

CERTIFICATE OF TRIAL ATTORNEY*

_____ Defendant. /

Superseding Case Information:

Court Division: (Select One)

Miami _____ Key West _____
FTL X WPB _____ FTP _____

New Defendant(s) _____
Number of New Defendants _____
Total number of counts _____

I do hereby certify that:

- I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the Indictment/Information attached hereto.
- I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. Section 3161.
- Interpreter: (Yes or No) No
List language and/or dialect English
- This case will take 0 days for the parties to try.
- Please check appropriate category and type of offense listed below:

| | | | |
|-----|------------------------|---------|------------------|
| | (Check only one) | | (Check only one) |
| I | 0 to 5 days <u> X </u> | Petty | _____ |
| II | 6 to 10 days _____ | Minor | _____ |
| III | 11 to 20 days _____ | Misdem. | _____ |
| IV | 21 to 60 days _____ | Felony | <u> X </u> |
| V | 61 days and over _____ | | |

6. Has this case been previously filed in this District Court? (Yes or No) No

If yes: _____ Judge: _____ Case No. _____

(Attach copy of dispositive order)
Has a complaint been filed in this matter? (Yes or No) No

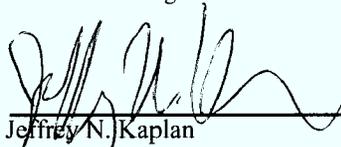
If yes: Magistrate Case No. _____
Related Miscellaneous numbers: 15-6189-Hunt; 15-6190-Hunt; 14-WT-60001-WPD; 14-WT-60002-WPD; 14-6112-Hunt; 14-6351-Seltzer

Defendant(s) in federal custody as of _____
Defendant(s) in state custody as of _____
Rule 20 from the District of _____

Is this a potential death penalty case? (Yes or No) _____ Yes X No

7. Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to October 14, 2003? _____ Yes No X

8. Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to September 1, 2007? _____ Yes No X



Jeffrey N. Kaplan

ASSISTANT UNITED STATES ATTORNEY
Court ID No. A5500030

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: LINDA VARISCO

Case No: _____

Count: 1

Conspiracy to Commit Mail Fraud, Wire Fraud, Health Care Fraud, and Making False Statements in Connection with Receiving Health Care Benefits.

Title 18, United States Code, Section 371

***Max. Penalty:** Maximum 5 years, \$250,000 fine, 3 years of supervised release

***Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms or forfeitures that may be applicable.**

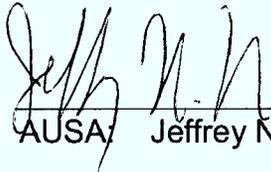
**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NUMBER: _____

BOND RECOMMENDATION

DEFENDANT: LINDA VARISCO

\$100,000 Personal Surety Bond
(Personal Surety) (Corporate Surety) (Cash) (Pre-Trial Detention)

By: 
AUSA Jeffrey N. Kaplan

Last Known Address: N/A

What Facility: N/A

Agent(s): FBI S/A Robert Willingham

(FBI) (SECRET SERVICE) (DEA) (IRS) (ICE) (**OTHER**)

AO 455 (Rev. 01/09) Waiver of an Indictment

UNITED STATES DISTRICT COURT
for the
Southern District of Florida

United States of America)

v.)

LINDA VARISCO)

Defendant)

Case No.

17-60244-CR-COHN/SELTZER

WAIVER OF AN INDICTMENT

I understand that I have been accused of one or more offenses punishable by imprisonment for more than one year. I was advised in open court of my rights and the nature of the proposed charges against me.

After receiving this advice, I waive my right to prosecution by indictment and consent to prosecution by information.

Date: _____

Defendant's signature

Signature of defendant's attorney

Printed name of defendant's attorney

Judge's signature

United States Magistrate Judge

Judge's printed name and title