

IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF FLORIDA
PANAMA CITY DIVISION

UNITED STATES OF AMERICA

v.

PHILLIP E. HILL JR.

SEALED
INDICTMENT

5:18cr14-RH

THE GRAND JURY CHARGES:

COUNTS ONE THROUGH TWENTY-FOUR

A. INTRODUCTION

At all times material to this Indictment:

1. **PHILLIP E. HILL JR.** served as the Chief Executive Officer (“CEO”) of Calhoun-Liberty Hospital (“the Hospital”) in Blountstown, Florida, and served as the Department Head of Emergency Management Services (“EMS”), which was associated with the Hospital.
2. As CEO of the Hospital and Department Head of EMS, **PHILLIP E. HILL JR.** had authority to direct the purchase of medical supplies and equipment for the Hospital and EMS, and had the authority to authorize payment for purchases made by and for the Hospital and EMS.
3. On or about March 5, 2010, **PHILLIP E. HILL JR.** opened a

CERTIFIED A TRUE COPY

Jessica J. Lyubianovits

By: 

Deputy Clerk

Filed MAY01'18 USDC Flnd PM0422

business checking account ending in 1855 at Bank of America (which subsequently became Ameris Bank) in the name of Southeastern Medical Supply LLC (“Southeastern”). **HILL** was the sole signator on the Southeastern bank account (“Southeastern Account 1855”).

4. On or about March 5, 2010, **PHILLIP E. HILL JR.** rented mailbox #220, in the name of “Southeastern Medical Supply,” at a UPS store at 1700 Monroe Street, in Tallahassee, Florida.

B. THE CHARGE

Between on or about March 1, 2010, and on or about August 4, 2015, in the Northern District of Florida and elsewhere, the defendant,

PHILLIP E. HILL JR.,

did knowingly and willfully devise, and intend to devise, a scheme to defraud and for obtaining money and property by means of material false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme, did cause wire communications to be transmitted in interstate commerce.

C. SCHEME TO DEFRAUD

It was part of the scheme to defraud that:

1. Defendant used his position as CEO and Department Head of EMS to embezzle money by causing the Hospital to pay for goods it never received and to pay for goods priced far in excess of their fair market value.

2. Defendant falsely represented that Southeastern was a company actually engaged in the business of supplying medical goods, when in truth and fact, Southeastern was a sham business that provided no medical supplies and existed only as a name associated with a bank account, a UPS mailbox, and invoices that Defendant submitted to the Hospital.

3. Defendant created and caused to be created fraudulent invoices that falsely reflected that Southeastern had provided certain medical supplies and quantities of medical supplies to the Hospital.

4. Defendant used his personal PayPal account to order medical supplies from eBay and other vendors. Defendant falsely represented to the Hospital that these medical supplies were being provided by Southeastern.

5. Defendant created and caused to be created Southeastern invoices charging the Hospital prices far in excess of what Defendant actually paid for the medical supplies he had ordered from eBay and other vendors.

6. Defendant submitted Southeastern invoices to the Hospital for payment.

7. In his capacities as CEO and Department Head of EMS, Defendant authorized payment of the Southeastern invoices and caused the Hospital to issue checks payable to Southeastern.

8. Defendant caused the checks the Hospital issued to Southeastern to be electronically deposited into Southeastern Account 1855. To conceal the fact that he was the actual recipient of monies the Hospital paid to Southeastern, Defendant deposited these checks without endorsement.

9. To reinforce the pretense that Southeastern was a legitimate medical supply business with an actual physical address, as opposed to a mere mail drop, Defendant identified the return address of Southeastern as 1700 South Monroe Street, "Suite" 11-220, Tallahassee, Florida 32303 on the Southeastern invoices he submitted to the Hospital.

10. When a Hospital employee asked Defendant for the phone number of Southeastern, Defendant replied that he did not have a phone number because he had lost his phone and claimed that the last time he had "talked with" representatives of Southeastern, they were "talking about going out of business."

11. Between on or about March 5, 2010, and on or about August 4, 2015, Defendant deposited and caused to be deposited into Southeastern Account 1855 approximately \$1,140,769.36 in checks issued by the Hospital to Southeastern.

12. Between on or about March 12, 2010, and on or about October 1, 2015, Defendant used the funds in Southeastern Account 1855 to pay personal credit cards, to fund a business owned and operated by himself and his wife, to obtain cash, and to pay personal expenses, including grocery and travel expenses.

13. To conceal this scheme to defraud, Defendant filed false and fraudulent federal income tax returns on which he failed to report and concealed the source of income he fraudulently obtained from the Hospital through Southeastern.

D. WIRE COMMUNICATIONS

On or about the following dates, for the purpose of executing the scheme to defraud, the defendant,

PHILLIP E. HILL JR.,

knowingly did cause wire communications to be transmitted in interstate commerce as set forth below:

COUNTS	DATE	RELATED INVOICE NUMBER	DEPOSIT AMOUNT (WIRE FRAUD COUNT)
ONE	June 28, 2013	10899	\$6,760.00 Deposit
TWO	August 15, 2013	11182	\$9,203.77 Deposit
THREE	August 22, 2013	11247	\$3,685.22 Deposit
FOUR	November 15, 2013	11642	\$7,468.00 Deposit
FIVE	November 27, 2013	11712	\$6,642.50 Deposit
SIX	December 23, 2013	11789	\$7,841.00 Deposit

SEVEN	January 29, 2014	14230	\$5,692.00 Deposit
EIGHT	February 27, 2014	14499	\$6,357.00 Deposit
NINE	April 3, 2014	14596	\$16,675.00 Deposit
TEN	April 21, 2014	14608	\$6,766.00 Deposit
ELEVEN	May 7, 2014	14702	\$5,655.00 Deposit
TWELVE	May 29, 2014	14832	\$3,928.00 Deposit
THIRTEEN	August 4, 2014	14928 and 14943	\$23,755.00 Deposit
FOURTEEN	September 11, 2014	14989	\$6,606.95 Deposit
FIFTEEN	September 18, 2014	15311	\$5,634.00 Deposit
SIXTEEN	September 23, 2014	15235	\$6,590.00 Deposit
SEVENTEEN	October 2, 2014	15424	\$7,773.00 Deposit
EIGHTEEN	December 12, 2014	21396	\$8,495.00 Deposit
NINETEEN	January 13, 2015	215102	\$6,743.00 Deposit
TWENTY	January 21, 2015	10956	\$5,575.00 Deposit
TWENTY-ONE	March 4, 2015	11356	\$5,987.00 Deposit

TWENTY-TWO	April 20, 2015	1134	\$7,993.00 Deposit
TWENTY-THREE	April 30, 2015	11510	\$8,413.00 Deposit
TWENTY-FOUR	July 6, 2015	1332	\$7,720.00 Deposit

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT TWENTY-FIVE

On or about August 8, 2012, in the Northern District of Florida, the defendant,

PHILLIP E. HILL JR.,

a resident of Blountstown, Florida, did willfully make and subscribe a United States Individual Income Tax Return, Form 1040, for the calendar year 2011, which was filed with the Internal Revenue Service and contained and was verified by a written declaration that it was made under the penalties of perjury, and which the defendant did not believe to be true and correct as to every material matter, in that the return represented a total income on line 22 of \$(32,514.00), when, in truth and fact and as the defendant then well knew, his total income for the calendar year 2011 was in excess of that amount.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-SIX

On or about October 14, 2013, in the Northern District of Florida, the defendant,

PHILLIP E. HILL JR.,

a resident of Blountstown, Florida, did willfully make and subscribe a United States Individual Income Tax Return, Form 1040, for the calendar year 2012, which was filed with the Internal Revenue Service and contained and was verified by a written declaration that it was made under the penalties of perjury, and which the defendant did not believe to be true and correct as to every material matter, in that the return represented a total income on line 22 of \$33,238.00, when, in truth and fact and as the defendant then well knew, his total income for the calendar year 2012 was in excess of that amount.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-SEVEN

On or about October 15, 2014, in the Northern District of Florida, the defendant,

PHILLIP E. HILL JR.,

a resident of Blountstown, Florida, did willfully make and subscribe a United States Individual Income Tax Return, Form 1040, for the calendar year 2013, which was filed with the Internal Revenue Service and contained and was verified

by a written declaration that it was made under the penalties of perjury, and which the defendant did not believe to be true and correct as to every material matter, in that the return represented a total income on line 22 of \$118,649.00, when, in truth and fact and as the defendant then well knew, his total income for the calendar year 2013 was in excess of that amount.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-EIGHT

On or about September 9, 2015, in the Northern District of Florida, the defendant,

PHILLIP E. HILL JR.,

a resident of Blountstown, Florida, did willfully make and subscribe a United States Individual Income Tax Return, Form 1040, for the calendar year 2014, which was filed with the Internal Revenue Service and contained and was verified by a written declaration that it was made under the penalties of perjury, and which the defendant did not believe to be true and correct as to every material matter, in that the return represented a total income on line 22 of \$77,343.00, when, in truth and fact and as the defendant then well knew, his total income for the calendar year 2014 was in excess of that amount.

In violation of Title 26, United States Code, Section 7206(1).

CRIMINAL FORFEITURE

The allegations contained in Counts One through Twenty-Four of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeiture. From his engagement in the violations alleged in Counts One through Twenty-Four of this Indictment, the defendant,

PHILLIP E. HILL, JR.,

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 and all of the defendant's right, title, and interest in any property, real and personal, constituting, and derived from, proceeds traceable to such offenses.

If any of the property described above as being subject to forfeiture, as a result of acts or omissions of the defendant:

- i. cannot be located upon the exercise of due diligence;
- ii. has been transferred, sold to, or deposited with a third party;
- iii. has been placed beyond the jurisdiction of this Court;
- iv. has been substantially diminished in value; or
- v. has been commingled with other property that cannot be subdivided without difficulty,

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c),

to seek forfeiture of any other property of said defendant up to the value of the
forfeitable property.

A TRUE BILL:

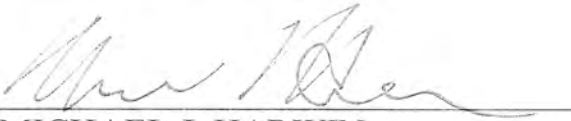
“REDACTED”

5.1.18

DATE


CHRISTOPHER P. CANOVA
United States Attorney


KAREN RHEW-MILLER
Criminal Division Chief


MICHAEL J. HARWIN
Assistant United States Attorney