

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

BORIS AMINOV,
CHRISTY CORVALAN,
DAVID FERNANDEZ,
DEZYRE BAEZ, and
CRYSTAL MEDINA,

Defendants.

SEALED INDICTMENT

23 Cr.

23 CRIM

110

COUNT ONE

(Conspiracy to Commit Wire Fraud and Health Care Fraud)

The Grand Jury charges:

Overview

1. From at least in or about July 2020 through at least in or about February 2023, BORIS AMINOV, CHRISTY CORVALAN, DAVID FERNANDEZ, DEZYRE BAEZ, and CRYSTAL MEDINA, the defendants, operated a scheme that defrauded Medicaid and other government insurance plans out of at least approximately \$15 million and exploited at least hundreds of low-income individuals with HIV, jeopardizing the health and safety of those vulnerable patients. AMINOV was a distributor of black-market HIV medications to two pharmacies located in the Bronx, New York (the "Pharmacies"), through which the scheme was perpetrated. CORVALAN owned and operated the Pharmacies. She purchased black-market medications from AMINOV that were then dispensed to patients, funded illegal kickbacks to be paid to patients, and additionally paid patients to sell back their HIV medications to the Pharmacies, thereby inducing patients to forego using the medications they were prescribed to treat their HIV infections. FERNANDEZ, BAEZ, and MEDINA were employees of the Pharmacies

who participated in the day-to-day operation of the scheme, including by paying illegal kickbacks to patients to obtain their HIV medications from the Pharmacies and buying-back medications from the patients.

Background on Prescription HIV Medications

2. Prescription medications are of critical importance to treating many types of diseases, including HIV, and therefore, the movement, storage, and sale of these medications is carefully regulated. These regulations are meant to ensure that these important medications are not adulterated or contaminated. Manufacturers additionally set careful standards for the safe handling of prescription medications. For example, many HIV medications must be stored at precise temperatures. Failure to comply with these regulations and standards can impact the efficacy of the drugs and the safety of the patients receiving them.

3. To ensure their safety, prescription drugs are typically sent from the manufacturer to one of only a handful of authorized distributors, who, in turn, will either sell the prescription medications directly to a pharmacy, or will sell those medications to licensed wholesale distributors who, in turn, will sell the medications to pharmacies so that the medications can ultimately be dispensed to patients. Only a properly licensed business may engage in the wholesale distribution of prescription medications – that is, may purchase medications in bulk and sell them directly to a pharmacy, which in turn, must be licensed to dispense those medications to a patient.

The Defendants' Multimillion-Dollar Fraudulent Scheme

4. Government insurance, including Medicaid, pays several thousands of dollars per month, per patient, for prescription HIV medication. CHRISTY CORVALAN, DAVID FERNANDEZ, DEZYRE BAEZ, and CRYSTAL MEDINA, the defendants, used the Pharmacies to consistently bill their patients' government insurance for the full value of the HIV medication,

and in turn, collected the full amount of money paid by government insurance for that medication. But rather than purchasing medication from authorized and legitimate distributors of HIV medication to fill the patients' prescriptions, CORVALAN, FERNANDEZ, BAEZ, and MEDINA caused the Pharmacies instead to purchase HIV medication from black-market sources, including BORIS AMINOV, the defendant, and distribute that potentially unsafe medication to their patients. This scheme enabled CORVALAN, FERNANDEZ, BAEZ, and MEDINA to acquire the medication for a small fraction of the price that they would otherwise have paid to purchase the medication through authorized and legitimate sources. The fraudulent scheme generated huge profits for both AMINOV, the black-market wholesaler, and CORVALAN, FERNANDEZ, BAEZ, and MEDINA, the retailers of the black-market medications. Specifically, they profited as much as approximately \$3,000 for each monthly prescription that they filled.

5. The scheme had two sets of victims: government insurance programs and the patients of the Pharmacies.

a. First, Medicaid and other government insurance programs were defrauded out of at least approximately \$15 million of payments that they made to the Pharmacies to purchase prescription HIV medication through legitimate channels. CHRISTY CORVALAN, DAVID FERNANDEZ, DEZYRE BAEZ, and CRYSTAL MEDINA, the defendants, however, purchased the HIV medication from black-market sources, including from BORIS AMINOV, the defendant.

b. Second, the scheme exploited low-income HIV patients of the Pharmacies, and in the process, put those vulnerable patients' health and safety at risk. Modern HIV medication is very effective at controlling the symptoms of HIV. But effective HIV treatment requires strict adherence to a prescribed medication regimen, with patients needing to take specific doses of specific medications at specific times. By purchasing HIV medication from black-market sources

instead of through legitimate distributors, the Pharmacies could not assure the quality or condition of the medication they provided to their patients, thereby creating a risk that patients would receive counterfeit, expired, or improperly-dosed medication.

6. To increase their profits even further, CHRISTY CORVALAN, DAVID FERNANDEZ, DEZYRE BAEZ, and CRYSTAL MEDINA, the defendants, made monthly kickback payments of as much as approximately hundreds of dollars to induce HIV patients to fill their prescriptions at the Pharmacies. In doing so, the patients unknowingly enabled the Pharmacies to perpetuate the fraudulent scheme and were unaware that they were being provided medication purchased off the black-market, including from BORIS AMINOV, the defendant, rather than through authorized and legitimate sources.

7. In addition to purchasing HIV medication from black-market wholesalers such as BORIS AMINOV, the defendant, CHRISTY CORVALAN, DAVID FERNANDEZ, DEZYRE BAEZ, and CRYSTAL MEDINA, the defendants, also jeopardized the health and safety of the Pharmacies' patients by encouraging the patients to sell back their medication to the Pharmacies instead of using it as prescribed to control their HIV infections. CORVALAN, FERNANDEZ, BAEZ, and MEDINA used the Pharmacies to offer an HIV "buy-back" program whereby a patient could receive a few hundred dollars in exchange for their monthly supply of medication. Most patients of the Pharmacies were low-income individuals enrolled in Medicaid. Those patients were presented with the decision of whether to take the medication they needed to control their infection, or to skip a month of their prescribed medication in exchange for cash from CORVALAN, FERNANDEZ, BAEZ, and MEDINA. When CORVALAN, FERNANDEZ, BAEZ, and MEDINA acquired medication for the Pharmacies through the "buy-back" program, they would then fill other patients' prescriptions using that medication, acquired at significantly below-market

prices, instead of spending the money they had collected from insurance to purchase legitimately-sourced medication for that patient.

8. BORIS AMINOV, the defendant, was one of the principal suppliers of black-market medication to the Pharmacies. AMINOV acquired and then distributed to the Pharmacies millions of dollars of black-market medication at a fraction of the price that the Pharmacies would otherwise pay for that medication if it were purchased through legitimate distributors. AMINOV coordinated the sale of black-market medication to the Pharmacies with CHRISTY CORVALAN, the defendant. For example, on or about May 10, 2021, AMINOV and CORVALAN exchanged the following messages on WhatsApp:

CORVALAN: “Bik-20”, “Odefsy-10” and “Tivi-10 . . . “But what’s the price . . . And how long.”

AMINOV: “750”, “800” and “400” . . . “1 week.”

In this message, CORVALAN inquired what the price would be to purchase from AMINOV 20 bottles of Biktarvy, 10 bottles of Odefsey, and 10 bottles of Tivicay, which are all medications prescribed to treat HIV. AMINOV responded with the price for one bottle of each respective medication, which ranged between \$400 to \$800 per bottle. For comparison, Medicaid and other government insurance paid the Pharmacies between \$2,000 to \$3,500 per bottle to purchase the same type of medication through legitimate distributors. This enabled the Pharmacies to collect thousands of dollars on each unlawfully-filled monthly prescription.

9. The defendants knew that the quality and condition of the HIV medication they received from black-market sources and passed along to the Pharmacies’ patients was potentially dangerous. Because patients of the Pharmacies believed they were receiving legitimately-sourced medications, CHRISTY CORVALAN, the defendant, took steps to make the bottles of black-market medication falsely appear that they were new and in proper condition. In the following

WhatsApp message, which had an accompanying photograph of a bottle of Tivicay, that CORVALAN sent to BORIS AMINOV, the defendant, on or about October 20, 2020, she explained to AMINOV that she already had enough degraded and inauthentic bottles of medication that she had received from him and that she needed to alter in order to make the bottles look authentic, and was unwilling to take this additional specific bottle because of its especially-poor quality and condition: "I was going to keep it but I really can't . . . I already have enough bad ones to work with."

10. Over the duration of the scheme, CHRISTY CORVALAN, DAVID FERNANDEZ, DEZYRE BAEZ, and CRYSTAL MEDINA, the defendants, used the Pharmacies to pay more than \$6 million to purchase black-market HIV medication from BORIS AMINOV, the defendant. To conceal those payments, AMINOV instructed CORVALAN to have the Pharmacies make the payments in handwritten checks made out to the names of shell companies controlled by AMINOV. Those checks were then cashed at a single check-cashing store located in New Jersey.

11. DAVID FERNANDEZ, DEZYRE BAEZ, and CRYSTAL MEDINA, the defendants, were employees of the Pharmacies who participated in the scheme by, among other things, delivering black-market HIV medication to patients of the Pharmacies, buying back HIV medication from patients of the Pharmacies, paying kickbacks to patients of the Pharmacies, and receiving black-market medication from BORIS AMINOV, the defendant.

12. The Pharmacies were required by law to employ a supervising pharmacist in order to maintain a license. The role of a pharmacist at a pharmacy is to ensure patient safety in the distribution of prescription medications and to offer expertise to patients in the safe use of medications. The scheme was structured so that the supervising pharmacist employed at the

Pharmacies received a salary, but provided little or no oversight in the distribution of medication to patients of the Pharmacies. On or about June 8, 2021, CHRISTY CORVALAN, the defendant, and DEZYRE BAEZ, the defendant, exchanged the following text messages in which they explained their intention to pay-off the supervising pharmacist in exchange for that pharmacist exercising no oversight over the Pharmacies' distribution of medication:

BAEZ: "The new pharmacist comin Tmm . . . Gotta see how he is . . . Either he on top of everything and hovers and shit . . . Or he don't care what we do as long as he's getting paid."

CORVALAN: "He getting paid real good . . . He better mind his Business . . . We gotta train him that way."

13. The defendants spent the proceeds of the scheme to purchase millions of dollars in luxury cars, including a 2021 Mercedes-Benz Maybach with an estimated fair market value of approximately \$245,000, waterfront real-estate, including two properties in the Bronx each purchased for approximately \$1.21 million, designer clothes, and jewelry. The picture below shows CHRISTY CORVALAN, the defendant, sitting on the hood of the Mercedes-Benz Maybach that she purchased with the proceeds of the scheme.



Statutory Allegations

14. From at least in or about July 2020 through at least in or about February 2023, in the Southern District of New York and elsewhere, BORIS AMINOV, CHRISTY CORVALAN, DAVID FERNANDEZ, DEZYRE BAEZ, and CRYSTAL MEDINA, the defendants, and others known and unknown, willfully and knowingly combined, conspired, confederated, and agreed together and with each other to commit wire fraud, in violation of Title 18, United States Code, Section 1343, and health care fraud, in violation of Title 18, United States Code, Section 1347.

15. It was a part and an object of the conspiracy that BORIS AMINOV, CHRISTY CORVALAN, DAVID FERNANDEZ, DEZYRE BAEZ, and CRYSTAL MEDINA, the defendants, and others known and unknown, knowingly having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

16. It was further a part and an object of the conspiracy that BORIS AMINOV, CHRISTY CORVALAN, DAVID FERNANDEZ, DEZYRE BAEZ, and CRYSTAL MEDINA, the defendants, and others known and unknown, knowingly executed a scheme and artifice to defraud a health care benefit program, and to obtain, by means of false and fraudulent pretenses, representations, and promises money and property owned by and under the custody and control of a 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.

(Title 18, United States Code, Section 1349.)

COUNT TWO
(Aggravated Identity Theft)

The Grand Jury further charges:

17. The allegations contained in Paragraphs 1 through 13 above are hereby repeated, realleged, and incorporated by reference as if fully set forth herein.

18. From at least in or about July 2020 through at least in or about February 2023, in the Southern District of New York and elsewhere, CHRISTY CORVALAN, DAVID FERNANDEZ, DEZYRE BAEZ, and CRYSTAL MEDINA, the defendants, knowingly transferred, possessed, and used, without lawful authority, a means of identification of another person, during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), to wit, CORVALAN, FERNANDEZ, BAEZ, and MEDINA transferred, possessed, and used the names and other means of identification of patients of the Pharmacies during and in relation to the conspiracy to commit wire fraud and health care fraud charged in Count One of this Indictment.

(Title 18, United States Code, Sections 1028A(a)(1), 1028A(b), and 2.)

COUNT THREE
(Conspiracy to Violate the Anti-Kickback Statute)

The Grand Jury further charges:

19. The allegations contained in Paragraphs 1 through 13 above are hereby repeated, realleged, and incorporated by reference as if fully set forth herein.

20. From at least in or about July 2020 through at least in or about February 2023, in the Southern District of New York and elsewhere, CHRISTY CORVALAN, DAVID FERNANDEZ, DEZYRE BAEZ, and CRYSTAL MEDINA, the defendants, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and

with each other to commit an offense against the United States, to wit, offering and paying a health care kickback, in violation of Title 42, United States Code, Section 1320a-7b(b)(2) (B).

21. It was a part and object of the conspiracy that CHRISTY CORVALAN, DAVID FERNANDEZ, DEZYRE BAEZ, and CRYSTAL MEDINA, the defendants, and others known and unknown, knowingly and willfully would and did offer and pay remuneration, kickbacks, bribes, and rebates, directly and indirectly, overtly and covertly, in cash and in kind, to a person to arrange for or recommend purchasing, leasing, and ordering a good, facility, service, and item for which payment may be made in whole and in part under a federal health care program, in violation of Title 42, United States Code, Section 1320a-7b(b)(2)(B).

Overt Acts

22. In furtherance of the conspiracy and to effect the illegal object thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about May 31, 2022, CHRISTY CORVALAN, the defendant, made a kickback payment to a patient through CashApp.

b. On or about December 3, 2021, DAVID FERNANDEZ, the defendant, made a kickback payment to a patient through CashApp.

c. On or about June 15, 2021, DEZYRE BAEZ, the defendant, made a kickback payment to a patient through CashApp.

d. On or about October 19, 2020, CRYSTAL MEDINA, the defendant, discussed with a patient kickback payments to be made to that patient and another potential patient.

(Title 18, United States Code, Section 371.)

COUNT FOUR
(Conspiracy to Commit Money Laundering)

The Grand Jury further charges:

23. The allegations contained in Paragraphs 1 through 13 above are hereby repeated, realleged, and incorporated by reference as if fully set forth herein.

24. From at least in or about July 2020 through at least in or about February 2023, in the Southern District of New York and elsewhere, BORIS AMINOV and CHRISTY CORVALAN, the defendants, and others known and unknown, intentionally and knowingly combined, conspired, confederated, and agreed together with each other to violate Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 1957(a).

25. It was a part and an object of the conspiracy that BORIS AMINOV and CHRISTY CORVALAN, the defendants, and others known and unknown, knowing that the property involved in a financial transaction represented the proceeds of some form of unlawful activity, would and did conduct and attempt to conduct a financial transaction, which in fact involved the proceeds of specified unlawful activity, to wit, wire fraud, in violation of Title 18, United States Code, Section 1343, and health care fraud, in violation of Title 18, United States Code, Section 1347, knowing that the transaction was designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

26. It was further a part and an object of the conspiracy that BORIS AMINOV and CHRISTY CORVALAN, the defendants, and others known and unknown, within the United States, knowingly would and did engage and attempt to engage in monetary transactions in criminally derived property of a value greater than \$10,000 and that was derived from specified unlawful activity, to wit, wire fraud, in violation of Title 18, United States Code, Section 1343,

and health care fraud, in violation of Title 18, United States Code, Section 1347, in violation of Title 18, United States Code, Section 1957(a).

(Title 18, United States Code, Section 1956(h).)

FORFEITURE ALLEGATIONS

27. As a result of committing the offense alleged in Count One of this Indictment, BORIS AMINOV, CHRISTY CORVALAN, DAVID FERNANDEZ, DEZYRE BAEZ, and CRYSTAL MEDINA, the defendants, shall forfeit to the United States, pursuant to Title 18, United States Code, Sections 981(a)(1)(C), 982(a)(7), and Title 28 United States Code, Section 2461(c), any and all property, real and/or personal, that constitutes or is derived from proceeds and gross proceeds traceable to the commission of said offense, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offense and the following specific property:

- a. The real property described as 3184 Wissman Avenue, Bronx, New York;
- b. The real property described as 3186 Wissman Avenue, Bronx, New York;
- c. The real property described as a 2021 Mercedes-Benz Maybach S580 with vehicle identification number W1K6X7GB0MA003783;
- d. The real property described as a 2021 Nissan GT-R with vehicle identification number JN1AR5BF4MM160036;
- e. The real property described as a 2018 Mercedes-Benz C43 with vehicle identification number WDDWJ6EB2JF657374;
- f. The real property described as a 2017 Mercedes-Benz GLE635 with vehicle identification number 4JGDA7FBXHA814206.

g. The real property described as a 2022 Honda Odyssey with vehicle identification number 5FNRL5H64FB115845.

28. As a result of committing the offense alleged in Count Three of this Indictment, CHRISTY CORVALAN, DAVID FERNANDEZ, DEZYRE BAEZ, and CRYSTAL MEDINA, the defendants, shall forfeit to the United States, pursuant to Title 18, United States Code, Sections 982(a)(7), any and all property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of said offense, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offense and the specific property enumerated in paragraphs 27(a) through (g).

29. As a result of committing the offense alleged in Count Four of this Indictment, BORIS AMINOV and CHRISTY CORVALAN, the defendants, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), any and all property, real and personal, involved in said offense, or any property traceable to such property, including but not limited to a sum of money in United States currency representing the amount of property involved in said offense and the specific property enumerated in paragraphs 27(a) through (g).

Substitute Assets Provision

30. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- 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 subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Sections 981 and 982;
Title 21, United States Code, Section 853; and
Title 28, United States Code, Section 2461.)




DAMIAN WILLIAMS
United States Attorney