

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. **18-20475** CR-MORENO

18 U.S.C. § 1349
18 U.S.C. § 1347
18 U.S.C. § 2
18 U.S.C. § 982(a)(7)

-LOUIS

UNITED STATES OF AMERICA

vs.

ALEXANDER SARDUY FUENTES and
JORGE VICTOR O'REILLY,

Defendants.



INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

The Medicare Program

1. The Medicare Program ("Medicare") was a federal program that provided free or below-cost health care benefits to certain individuals, primarily the elderly, blind, and disabled. Medicare was administered by the Centers for Medicare and Medicaid Services ("CMS"), a federal agency under the United States Department of Health and Human Services ("HHS"). Individuals who received benefits under Medicare were commonly referred to as Medicare "beneficiaries."

2. The Medicare program was divided into different "parts." Part D of Medicare subsidized the costs of prescription drugs for Medicare beneficiaries in the United States. It was enacted as part of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003

and went into effect on January 1, 2006.

3. In order to receive Part D benefits, a beneficiary had to be enrolled in a Medicare prescription drug plan. However, the Limited Income Newly Eligible Transition (“LINET”) program provided temporary coverage to certain low-income individuals who were newly eligible for Medicare Part D benefits. The LINET program provided Medicare Part D coverage until LINET enrolled beneficiaries selected or were assigned a Medicare Part D prescription drug plan. A beneficiary enrolled in Medicare’s LINET program could fill a prescription at a pharmacy and use the LINET program to pay for some or all of the costs of the prescription.

4. The LINET program was operated by Humana on behalf of CMS. All LINET claims submitted were processed by Humana. A pharmacy did not have to have a contract with Humana in order to submit LINET claims and receive reimbursement from the LINET program. When a beneficiary who was eligible for participation or enrolled in the LINET program presented a prescription to a pharmacy, the pharmacy submitted the LINET claim to Humana on behalf of the beneficiary. If Humana then determined that the pharmacy was entitled to payment based upon the claim, LINET made payments through its pharmacy benefit manager (“PBM”), Argus, directly to the pharmacy.

5. To obtain payment from the LINET program, pharmacies typically submitted LINET claims electronically via the internet. The claim required certain important information, including: (a) the beneficiary’s name and HICN or other identification number; (b) a description of the health care benefit, item, or service that was provided or supplied to the beneficiary; (c) the billing codes for the benefit, item, or service; (d) the date upon which the benefit, item, or service was provided or supplied to the beneficiary; and (e) the name of the referring physician or other health care provider, as well as a unique identifying number, known either as the Unique

Physician Identification Number (“UPIN”) or National Provider Identifier (“NPI”).

6. When a pharmacy submitted an LINET claim to Humana, the pharmacy certified that the contents of the LINET claim were true, correct, complete, and that the LINET claim was prepared in compliance with the laws and regulations governing the Medicare program. The submitting pharmacy also certified that the prescription drugs being billed were prescribed and were in fact provided as billed.

7. Medicare and the LINET program were health care benefit programs, as defined by Title 18, United States Code, Section 24(b).

Medicare Drug Plan Sponsors

8. Humana Insurance Company (“Humana”), the LINET program, and Argus were, among others, Medicare drug plan sponsors.

The Defendants and Related Entities

9. @ All Pharmacy & Supplies LLC (“All Pharmacy”) was a Florida company, located at 14637 SW 56th Street, Miami, Florida 33175, incorporated on or about July 19, 2014, that did business in Miami-Dade County purportedly providing prescription drugs to Medicare beneficiaries.

10. Hello Pharmacy & Discount Inc. (“Hello Pharmacy”) was a Florida corporation, located at 17845 D NW 27th Avenue, Miami Gardens, Florida 33056, incorporated on or about January 12, 2015, that did business in Miami-Dade County purportedly providing prescription drugs to Medicare beneficiaries.

11. **ALEXANDER SARDUY FUENTES** was a resident of Miami-Dade County, and the president, registered agent, and owner of Hello Pharmacy from on or about July 29, 2015, to on or about November 3, 2015.

12. **JORGE VICTOR O'REILLY** was a resident of Miami-Dade County, and owner of All Pharmacy from on or about August 5, 2015, to on or about September 23, 2016.

COUNT 1
Conspiracy to Commit Health Care Fraud and Wire Fraud
(18 U.S.C. § 1349)

1. Paragraphs 1 through 12 of the General Allegations section of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

2. From in or around August 2015, through in or around October 2015, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants,

ALEXANDER SARDUY FUENTES and
JORGE VICTOR O'REILLY,

did knowingly, that is, with the intent to further the objects of the conspiracy, and willfully combine, conspire, confederate and agree with each other and others, known and unknown to the Grand Jury, to commit offenses against the United States, that is:

a. to knowingly and willfully 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), that is, Medicare, Humana, the LINET program, and Argus, 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 programs, 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; and

b. to knowingly and with the intent to defraud, devise and intend to devise a scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing the pretenses, representations, and promises were false and fraudulent when made, and for the purpose of executing the scheme and

artifice, did knowingly transmit and cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, signals, pictures and sounds, in violation of Title 18, United States Code, Section 1343.

Purpose of The Conspiracy

3. It was the purpose of the conspiracy for the defendants and their co-conspirators to unlawfully enrich themselves by, among other things: (a) submitting and causing the submission of false and fraudulent claims to health care benefit programs; (b) concealing the submission of false and fraudulent claims to health care benefit programs; (c) concealing the receipt of the fraud proceeds; and (d) diverting the fraud proceeds for their personal use and benefit, the use and benefit of others, and to further the fraud.

Manner And Means Of The Conspiracy

The manner and means by which the defendants and their co-conspirators sought to accomplish the objects and purpose of the conspiracy included, among others, the following:

4. **ALEXANDER SARDUY FUENTES** and **JORGE VICTOR O'REILLY** submitted and caused the submission of claims, via interstate wires, totaling approximately \$539,711, which falsely and fraudulently represented that various health care benefits, primarily prescription drugs, were medically necessary, prescribed by a doctor, and had been provided by All Pharmacy to Medicare beneficiaries.

5. As a result of such false and fraudulent claims, the LINET program, through Humana and Argus, made payments funded by the Medicare Part D Program to the corporate bank accounts of All Pharmacy in the approximate amount of \$539,711.

6. **ALEXANDER SARDUY FUENTES** ~~and~~ **JORGE VICTOR O'REILLY** submitted and caused the submission of claims, via interstate wires, totaling approximately

\$346,095, which falsely and fraudulently represented that various health care benefits, primarily prescription drugs, were medically necessary, prescribed by a doctor, and had been provided by Hello Pharmacy to Medicare beneficiaries.

7. As a result of such false and fraudulent claims, the LINET program, through Humana and Argus, made payments funded by the Medicare Part D Program to the corporate bank accounts of Hello Pharmacy in the approximate amount of \$274,052.

8. **ALEXANDER SARDUY FUENTES, JORGE VICTOR O'REILLY** and others used the proceeds of the health care fraud for their personal use and benefit, and to further the fraud.

All in violation of Title 18, United States Code, Section 1349.

COUNTS 2-7
Health Care Fraud
(18 U.S.C. § 1347)

1. Paragraphs 1 through 12 of the General Allegations section of this Indictment are re-alleged and incorporated by reference as if fully set forth herein.

2. From in or around August 2015, through in or around October 2015, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants,

ALEXANDER SARDUY FUENTES and
JORGE VICTOR O'REILLY,

in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt 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), that is, Medicare, the LINET program, Humana, and Argus, 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 programs:

Purpose of the Scheme and Artifice

3. It was a purpose of the scheme and artifice for the defendants and their accomplices to unlawfully enrich themselves by, among other things: (a) submitting and causing the submission of false and fraudulent claims to health care benefit programs; (b) concealing the submission of false and fraudulent claims to health care benefit programs; (c) concealing the receipt of the fraud proceeds; and (d) diverting the fraud proceeds for their personal use and benefit, and the use and benefit of others, and to further the fraud.

Manner and Means of the Scheme and Artifice

4. The Manner and Means section of Count 1 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein as a description of the scheme and artifice.

Acts in Execution or Attempted Execution of the Scheme and Artifice

5. On or about the dates set forth below, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, the above-described scheme and artifice to defraud a health care benefit program affecting commerce, that is, Medicare, Humana, the LINET program, and Argus, 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 programs, in that the defendants submitted and caused the submission of false and fraudulent claims seeking the identified dollar amounts, and representing that the pharmacies provided pharmaceutical items and services to Medicare beneficiaries pursuant to physicians' orders and prescriptions as set forth below:

Count	Defendant(s)	Beneficiary	Approx. Date of Claim	Claim Number	Item Claimed; Approx. Amount Claimed
2	ALEXANDER SARDUY FUENTES	C.J.	08/06/2015	48630183576	Cuprimine; \$2500
3	ALEXANDER SARDUY FUENTES	B.M.	08/06/2015	48630183588	Epzicom; \$2400
4	ALEXANDER SARDUY FUENTES	A.S.	08/06/2015	48630183646	Atripla; 2462 <i>AD</i>
5	ALEXANDER SARDUY FUENTES and JORGE VICTOR O'REILLY	M.C.	09/21/2015	456441848741	Stribild; \$1700
6	ALEXANDER SARDUY FUENTES and JORGE VICTOR O'REILLY	M.D.	09/21/2015	456441838791	Sensipar; \$1811
7	ALEXANDER SARDUY FUENTES and JORGE VICTOR O'REILLY	T.G.	09/21/2015	456446777151	Seroquel; \$1543

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

FORFEITURE
(18 U.S.C. § 982(a)(7))

1. The allegations of this Indictment are re-alleged and incorporated by reference as though fully set forth herein for the purpose of alleging forfeiture to the United States of certain property in which each of the defendants **ALEXANDER SARDUY FUENTES** and **JORGE VICTOR O'REILLY**, has an interest.

2. Upon conviction of any of the violations of Title 18, United States Code, Sections 1347 or 1349, as alleged in this Indictment, the defendant so convicted shall forfeit to the United States any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of such violation, pursuant to Title 18, United States Code, Section 982(a)(7).

3. The property subject to forfeiture includes, but is not limited to, the following:

(a) the sum of \$813,763 in United States currency, the gross proceeds traceable to the commission of the health care fraud offenses alleged in this Indictment, for which the United States will seek a forfeiture money judgment as part of the defendants' sentences;

(b) a sum of money equal in value to the property, real or personal, involved in the money laundering offenses alleged in this Indictment, or property traceable to such property, for which the United States will seek a forfeiture money judgment as part of the defendants' sentences;

(c) the contents, including interest, in JP Morgan Chase Account Number 753193189, titled in the name of @ All Pharmacy & Supplies LLC;

(d) the contents, including interest, in Wells Fargo Account Number 5150345212, titled in the name of @ All Pharmacy & Supplies LLC;

(e) the contents, including interest, in Wells Fargo Account Number 3386057677, titled in the name of @ All Pharmacy & Supplies LLC;

(f) the contents, including interest, in Wells Fargo Account Number 5172205972, titled in the name of @ All Pharmacy & Supplies LLC;

(g) the contents, including interest, in JP Morgan Chase Account Number 751393823, titled in the name of Hello Pharmacy & Discount, Inc.

4. If the property described above as being subject to forfeiture, as a result of any act or omission of a defendant,

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

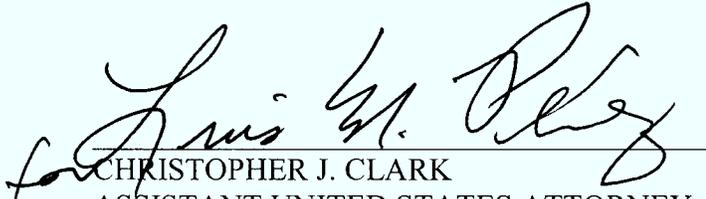
it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the above forfeitable property and, in addition, to seek a court order requiring the defendants to return any such property to the jurisdiction of the court for seizure and forfeiture.

All pursuant to Title 18, United States Code, Section 982(a)(7); and the procedures set forth at Title 21, United States Code, Section 853, as made applicable by Title 18, United States Code, Section 982(b)(1).

A TRUE BILL

~~FOREPERSON~~


BENJAMIN G. GREENBERG
UNITED STATES ATTORNEY


CHRISTOPHER J. CLARK
ASSISTANT UNITED STATES ATTORNEY