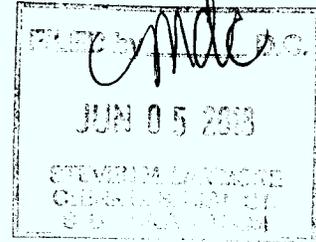


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. **18-20476** CR-UNGARO

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

MAGISTRATE JUDGE
O'SULLIVAN



UNITED STATES OF AMERICA

vs.

FREDERICK JOSE BAPTISTA and
RAFAEL ANDRES CEPEDA,

Defendants.

INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

Commercial Insurance

1. Blue Cross Blue Shield "(BCBS)" is a "health care benefit program," as defined by Title 18, United States Code, Section 24(b).
2. This entity, BCBS, often made payments directly to physicians, medical clinics, or other health care providers, rather than to the beneficiary who received the health care benefits, items, and services. This occurred when the provider accepted assignment of the right to payment from the beneficiary.
3. To obtain payment for treatment or services provided to a beneficiary, physicians, medical clinics, and other health care providers had to submit itemized claim forms to the beneficiary's commercial insurance plan. The claim forms were typically submitted

electronically via the internet. The claim form 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").

4. When a provider submitted a claim form to a commercial insurance plan, the provider party certified that the contents of the form were true, correct, complete, and that the form was prepared in compliance with the laws and regulations. The submitting party also certified that the services being billed were medically necessary and were in fact provided as billed.

The Defendants and a Related Entity

5. B&C Rehabilitation Center, Inc. ("B&C Rehabilitation Center") was a Florida corporation, located at 1800 SW 27th Avenue #403, Miami, FL 33145. B&C Rehabilitation Center was a medical clinic that purportedly provided private insurance beneficiaries with various medical treatments and services.

6. Defendant **FREDERICK JOSE BAPTISTA** was a resident of Miami-Dade County and the Registered Owner and President of B&C Rehabilitation Center, Inc.

7. Defendant **RAFAEL ANDRES CEPEDA** was a resident of Miami-Dade County and the Vice-President of B&C Rehabilitation Center, Inc.

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

1. The General Allegations section of this Indictment is realleged and incorporated by reference as if fully set forth herein.

2. From in or around January 2014, through in or around April 2017, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants,

FREDERICK JOSE BAPTISTA and
RAFAEL ANDRES CEPEDA,

did willfully, that is, with the intent to further to the objects of the conspiracy, and knowingly 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, 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 BCBS, 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 and payment for health care benefits, items, 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 and foreign 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 a 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, and the use and benefit of others, 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:

4. **FREDERICK JOSE BAPTISTA** and **RAFAEL ANDRES CEPEDA** submitted and caused the submission of claims, via interstate wires, totaling approximately \$3,404,524 which falsely and fraudulently represented that various health care benefits, primarily physical therapy and injectable drugs, were medically necessary, prescribed by a doctor, and had been provided by B&C Rehabilitation Center to insurance beneficiaries of BCBS.

5. As a result of such false and fraudulent claims, BCBS made payments to the corporate bank accounts of B&C Rehabilitation Center in the approximate amount of \$568,175.

6. **FREDERICK JOSE BAPTISTA** and **RAFAEL ANDRES CEPEDA** and others used the proceeds of the health care fraud for their personal use and benefit, and to further the fraud scheme.

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

COUNTS 2-5
Health Care Fraud
(18 U.S.C. § 1347)

1. The General Allegations section of this Indictment is realleged and incorporated by reference as if fully set forth herein.

2. From in or around January 2014, through in or around April 2017, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants,

FREDERICK JOSE BAPTISTA and
RAFAEL ANDRES CEPEDA,

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, BCBS, 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.

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 a health care benefit program; (b) concealing the submission of false and fraudulent claims to a health care benefit program; (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.

The Scheme of the Conspiracy

4. The Manner and Means section of Count 1 of this Indictment is 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, as specified in each count below, 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, BCBS, 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 that the defendants submitted and caused the submission of false and fraudulent claims to BCBS seeking the identified dollar amounts, and representing that the medical clinics listed below provided medical treatment and services to commercial beneficiaries pursuant to a physician's valid orders and prescriptions:

Count	Defendant	Beneficiary	Approx. Date Claim Received	Claim Number	Services Claimed; Approx. Amount Claimed
2	FREDERICK JOSE BAPTISTA and RAFAEL ANDRES CEPEDA	E.N.	11/4/2014	Q100000443389400	Injection, Methocarbamol, up to 10ML (J2800); \$5,250
3	FREDERICK JOSE BAPTISTA and RAFAEL ANDRES CEPEDA	E.N.	11/14/2014	Q100000443389369	Injection, Methocarbamol, up to 10ML (J2800); \$5,250
4	FREDERICK JOSE BAPTISTA and RAFAEL ANDRES CEPEDA	E.N.	12/1/2014	Q100000443391082	Injection, Methocarbamol, up to 10ML (J2800); \$5,250

Count	Defendant	Beneficiary	Approx. Date Claim Received	Claim Number	Services Claimed; Approx. Amount Claimed
5	FREDERICK JOSE BAPTISTA and RAFAEL ANDRES CEPEDA	E.N.	12/5/2014	Q100000443390539	Injection, Methocarbamol, up to 10ML (J2800); \$5,250

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

FORFEITURE
(18 U.S.C. 982(a)(7))

1. The allegations contained in this Indictment are realleged 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, **FREDERICK JOSE BAPTISTA** and **RAFAEL ANDRES CEPEDA**, has an interest.

2. Upon conviction of any 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 \$568,175 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) the contents, including interest, in Bank of America Account Number 2290 4263 4040, titled in the name of B&C Rehabilitation Center, Inc.; and

(c) the contents, including interest, in Bank of America Account Number 2290 4866 6025, titled in the name of B&C Rehabilitation Center, Inc.

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

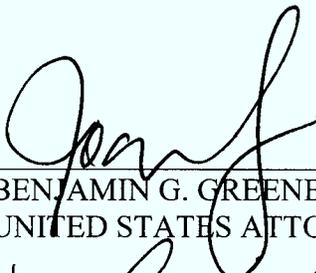
- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot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

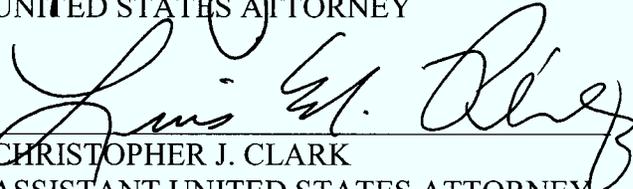
it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the above forfeitable property and, in addition, to seek a court order requiring the defendants to return any such property to the jurisdiction of the court for seizure and forfeiture, including the real property located at 14802 SW 30 Terrace, Miami, Florida, titled in the name of **FREDERICK JOSE BAPTISTA** and **RAFAEL ANDRES CEPEDA**.

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 

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for BENJAMIN G. GREENBERG
UNITED STATES ATTORNEY


CHRISTOPHER J. CLARK
ASSISTANT UNITED STATES ATTORNEY