

**FILED**  
VANESSA L. ARMSTRONG, CLERK

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF KENTUCKY  
AT LOUISVILLE

JUN 25 2018

U.S. DISTRICT COURT  
WEST'N DIST. KENTUCKY

UNITED STATES OF AMERICA

INDICTMENT

v.

NO. 3:18-Cr-86-JHM

**OSMARO RUIZ**

18 U.S.C. § 2

18 U.S.C. § 982

18 U.S.C. § 1028A

18 U.S.C. § 1347

18 U.S.C. § 1349

18 U.S.C. § 1956

18 U.S.C. § 1957

The Grand Jury charges:

COUNT 1

*(Conspiracy to Commit Health Care Fraud)*

1. Beginning no later than on or about October 7, 2015, and continuing through on or about June 29, 2016, in the Western District of Kentucky, Jefferson County, Kentucky, and elsewhere, **OSMARO RUIZ**, defendant herein, did knowingly combine, conspire, confederate and agree with others known and unknown to the Grand Jury, to violate Title 18, United States Code, Section 1347, that is, to knowingly 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), 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.

*Object of the Conspiracy and the Scheme to Defraud*

2. It was the object of the conspiracy and scheme to obtain money from health care benefit programs by billing for prescriptions, which were never provided.

*Manner and Means of the Conspiracy and the Scheme to Defraud*

3. It was part of the conspiracy that **OSMARO RUIZ**, aided and abetted by others known and unknown to the Grand Jury, created a pharmacy and bank accounts in Louisville, Kentucky. Specifically, **OSMARO RUIZ** created New Life Pharmacy Inc., (New Life Pharmacy), a pharmacy using the address of 5721 Preston Highway, Louisville, Kentucky, 40219. R.D. signed the lease and invested in the pharmacy with Defendant. Defendant paid Y.R., nominee owner, to incorporate New Life Pharmacy and open bank accounts. Defendant paid Y.R. to leave the country after he incorporated the pharmacy and bank accounts. Defendant and others hired a pharmacist to operate the pharmacy.

4. It was further part of the conspiracy that **OSMARO RUIZ**, and others known and unknown to the Grand Jury, purchased a list with patients' names, dates of birth, social security numbers and addresses so **OSMARO RUIZ** and others could bill health care benefit programs for prescriptions in the patients' names. Defendant also obtained and used various doctors' National Provider Identifier (NPI) numbers without their knowledge to submit the fraudulent claims. Claims for payment for the fraudulent services were submitted to health care benefit programs using the patients' names, dates of birth, insurance/policy numbers, addresses, patient IDs/Social Security Numbers, and the doctors' NPI numbers without the patients' and doctors' knowledge. Defendant would typically bill patients' insurance companies each month for non-controlled substance prescriptions.

5. It was further part of the conspiracy that **OSMARO RUIZ** received approximately \$858,704 from health care benefit programs for the fraudulent prescriptions.

In violation of Title 18, United States Code, Sections 1347 and 1349.

The Grand Jury further charges:

COUNTS 2-8  
(*Health Care Fraud*)

On or about and between the dates listed below, in the Western District of Kentucky, Jefferson County, Kentucky, the defendant, **OSMARO RUIZ**, aided and abetted by others known and unknown to the Grand Jury, knowingly and willfully executed, and attempted to execute, a scheme and artifice to defraud health care benefit programs, 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, the health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services, to wit: **OSMARO RUIZ**, through New Life Pharmacy Inc., a business using the address of 5721 Preston Highway in Louisville, Kentucky, billed health care benefit programs for prescriptions which were never provided to patients.

COUNT	PATIENT	DATE OF SERVICE
2	V.R.	April 8, 2016
3	A.G.	April 20, 2016
4	G.R.	April 11, 2016
5	G.Z.	April 8, 2016
6	M.G.	April 1, 2016
7	E.C.	April 20, 2016
8	H.P.	April 21, 2016

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

The Grand Jury further charges:

COUNTS 9-15  
(*Aggravated Identity Theft*)

On or about the dates listed below, in the Western District of Kentucky, Jefferson County, Kentucky, the defendant, **OSMARO RUIZ**, aided and abetted by others known and unknown to the Grand Jury, knowingly transferred, possessed and used the means of identification of another person without lawful authority, during and in relation to the health care fraud offenses charged in Counts 1 through 8 of this Indictment:

COUNT	PATIENT	DATE OF SERVICE	RELATED COUNTS	IDENTITY USED
9	V.R.	March 4, 2016	1 and 2	V.R.
10	A.G.	April 20, 2016	1 and 3	A.G.
11	G.R.	April 11, 2016	1 and 4	G.R.
12	G.Z.	April 8, 2016	1 and 5	G.Z.
13	M.G.	April 1, 2016	1 and 6	Dr. P.E.
14	E.C.	April 20, 2016	1 and 7	Dr. P.E.
15	H.P.	April 21, 2016	1 and 8	Dr. P.E.

In violation of Title 18, United States Code, Sections 1028A and 2.

The Grand Jury further charges:

COUNTS 16-19  
(*Money Laundering*)

Beginning on or about October 7, 2015, and continuing through on or about June 29, 2016, in the Western District of Kentucky, Jefferson County, Kentucky, and elsewhere, the defendant, **OSMARO RUIZ**, aided and abetted by others known and unknown to the Grand Jury, knowingly engaged and attempted to engage in monetary transactions in criminally derived property greater than \$10,000, when **OSMARO RUIZ** transferred funds, which came from specified unlawful activity, that is, health care fraud in violation of 18 U.S.C. § 1347 from the New Life Pharmacy Inc. checking account to other individuals in the amounts set forth below:

COUNT	DATE TRANSFERED	TRANSFERED FROM	TRANSFERED TO	AMOUNT
16	3/23/16	New Life Pharmacy Inc. (JP Morgan Chase account #xxxxx5910.)	D.L.	\$15,500.00
17	3/23/16	New Life Pharmacy Inc. (JP Morgan Chase account #xxxxx5910.)	Y.R.	\$32,800.00
18	5/11/16	New Life Pharmacy Inc. (JP Morgan Chase account #xxxxx5910.)	Y.R.	\$33,200.00
19	5/19/16	New Life Pharmacy Inc. (JP Morgan Chase account #xxxxx5910.)	A.P.	\$30,400.00

In violation of Title 18, United States Code, Sections 1957 and 2.

The Grand Jury further charges:

COUNTS 20-25  
(*Money Laundering*)

On the dates listed below, in the Western District of Kentucky, Jefferson County, Kentucky, and elsewhere, the defendant, **OSMARO RUIZ**, aided and abetted by others known

and unknown to the Grand Jury, did knowingly conduct and attempt to conduct financial transactions, knowing that the property involved in the financial transactions represented proceeds of specified unlawful activity, that is health care fraud, in violation of 18 U.S.C. § 1347, and did so knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership and control of the proceeds, to wit: **OSMARO RUIZ** transferred illegally derived proceeds from New Life Pharmacy Inc.'s JP Morgan Chase checking account via checks to individuals as follows:

COUNTS	TRANSACTION DATE	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT
20	3/23/16	Check #1034 drafted from New Life Pharmacy Inc. (JP Morgan Chase checking account #xxxxxxx5910) and made payable to C.C. for "new windows".	\$10,000.00
21	4/11/16	Check #1028 drafted from New Life Pharmacy Inc. (JP Morgan Chase checking account #xxxxxxx5910) and made payable to C.C. for "cable camera and tv installation".	\$7,000.00
22	5/8/16	Check #1045 drafted from New Life Pharmacy Inc. (JP Morgan Chase checking account #xxxxxxx5910) and made payable to C.C. for "cabinets & shelves".	\$43,022.00
23	5/10/16	Check #1048 drafted from New Life Pharmacy Inc. (JP Morgan Chase checking account #xxxxxxx5910) and made payable to AO Carpet Tile & Flooring for "flooring".	\$63,238.00
24	5/19/16	Check #1053 drafted from New Life Pharmacy Inc. (JP Morgan Chase checking account #xxxxxxx5910) and made payable to P.P.T for "Painting".	\$15,000.00
25	5/20/16	Check #1052 drafted from New Life Pharmacy Inc. (JP Morgan Chase	\$26,000.00

COUNTS	TRANSACTION DATE	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT
		checking account #xxxxxxx5910) and made payable to C.C. for "Plumbing".	

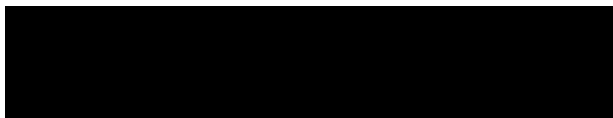
In violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

NOTICE OF FORFEITURE

If convicted of any violation of Title 18, United States Code, Sections 1347, 1349, 1956, and 1957, **OSMARO RUIZ**, the defendant, shall forfeit to the United States any property constituting or derived from any proceeds obtained, directly or indirectly, as the result of any such violation, and any property involved in such violations or property traceable thereto.

Pursuant to Title 18, United States Code, Sections 982(a)(1) and (7).

A TRUE BILL.



FOREPERSON

Handwritten signature of Russell M. Coleman in blue ink.

RUSSELL M. COLEMAN  
UNITED STATES ATTORNEY

RCM:JRA/LJW 6/25/2018



UNITED STATES OF AMERICA v. OSMARO RUIZ

**PENALTIES**

Count 1:	NM 10 yrs/\$250,000 fine/both/NM 3 yrs. Supervised Release (each count)
Counts 2-8:	NM 10 yrs/\$250,000 fine/both/NM 3 yrs. Supervised Release (each count)
Counts 9-15:	NL 2 yrs consecutive (each count)
Counts 16-19:	NM 10 yrs/\$250,000 fine/both/NM 3 yrs. Supervised Release (each count)
Count 20-25:	NM 20 yrs/\$500,000 fine/both/NM 3 yrs. Supervised Release (each count)

Forfeiture

**NOTICE**

**ANY PERSON CONVICTED OF AN OFFENSE AGAINST THE UNITED STATES SHALL BE SUBJECT TO SPECIAL ASSESSMENTS, FINES, RESTITUTION & COSTS.**

**SPECIAL ASSESSMENTS**

18 U.S.C. § 3013 requires that a special assessment shall be imposed for each count of a conviction of offenses committed after November 11, 1984, as follows:

Misdemeanor:	\$ 25 per count/individual	Felony:	\$100 per count/individual
	\$125 per count/other		\$400 per count/other

**FINES**

In addition to any of the above assessments, you may also be sentenced to pay a fine. Such fine is due immediately unless the court issues an order requiring payment by a date certain or sets out an installment schedule. You shall provide the United States Attorney's Office with a current mailing address for the entire period that any part of the fine remains unpaid, or you may be held in contempt of court. 18 U.S.C. § 3571, 3572, 3611, 3612

**Failure to pay fine as ordered may subject you to the following:**

1. **INTEREST** and **PENALTIES** as applicable by law according to last date of offense.

For offenses occurring after December 12, 1987:

No **INTEREST** will accrue on fines under \$2,500.00.

**INTEREST** will accrue according to the Federal Civil Post-Judgment Interest Rate in effect at the time of sentencing. This rate changes monthly. Interest accrues from the first business day following the two week period after the date a fine is imposed.

**PENALTIES** of:

10% of fine balance if payment more than 30 days late.

15% of fine balance if payment more than 90 days late.

2. Recordation of a **LIEN** shall have the same force and effect as a tax lien.
3. Continuous **GARNISHMENT** may apply until your fine is paid.

18 U.S.C. §§ 3612, 3613

If you **WILLFULLY** refuse to pay your fine, you shall be subject to an **ADDITIONAL FINE** of not more than the greater of \$10,000 or twice the unpaid balance of the fine; or **IMPRISONMENT** for not more than 1 year or both. 18 U.S.C. § 3615

**RESTITUTION**

If you are convicted of an offense under Title 18, U.S.C., or under certain air piracy offenses, you may also be ordered to make restitution to any victim of the offense, in addition to, or in lieu of any other penalty authorized by law. 18 U.S.C. § 3663



APPEAL

If you appeal your conviction and the sentence to pay your fine is stayed pending appeal, the court shall require:

1. That you deposit the entire fine amount (or the amount due under an installment schedule during the time of your appeal) in an escrow account with the U.S. District Court Clerk, or
2. Give bond for payment thereof.

18 U.S.C. § 3572(g)

PAYMENTS

If you are ordered to make payments to the U.S. District Court Clerk's Office, certified checks or money orders should be made payable to the Clerk, U.S. District Court and delivered to the appropriate division office listed below:

LOUISVILLE: Clerk, U.S. District Court  
106 Gene Snyder U.S. Courthouse  
601 West Broadway  
Louisville, KY 40202  
502/625-3500

BOWLING GREEN: Clerk, U.S. District Court  
120 Federal Building  
241 East Main Street  
Bowling Green, KY 42101  
270/393-2500

OWENSBORO: Clerk, U.S. District Court  
126 Federal Building  
423 Frederica  
Owensboro, KY 42301  
270/689-4400

PADUCAH: Clerk, U.S. District Court  
127 Federal Building  
501 Broadway  
Paducah, KY 42001  
270/415-6400

If the court finds that you have the present ability to pay, an order may direct imprisonment until payment is mad

FORM DBD-34  
JUN.85

No.

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**UNITED STATES DISTRICT COURT**

Western District of Kentucky  
Louisville

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THE UNITED STATES OF AMERICA

vs.

**OSMARO RUIZ**

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**INDICTMENT**

Count 1

Conspiracy to Distribute Controlled Substance  
21 U.S.C. §§841(a)(1), 841(b)(1)(C),  
841(b)(1)(E)(i), 841(b)(2) and 846

Counts 2-14

Unlawful Distribution and Dispensing of  
Controlled Substances – Schedule II  
21 U.S.C. §§841(a)(1), 841(b)(1)(C),  
841(b)(1)(E)(i), 841(b)(2) and 846

Counts 15-26

Unlawful Distribution and Dispensing of  
Controlled Substances – Schedule III  
21 U.S.C. §§841(a)(1)  
and 841(b)(1)(E)(i)

Forfeiture

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*A true bill* [Redacted]

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*Foreperson*

*Filed in open court this 25<sup>th</sup> day of June, 2018.*

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*Clerk*

*Bail, \$*

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