

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

Case No. **18-20513**

CR-UNGARO

18 U.S.C. § 1349  
18 U.S.C. § 1347  
18 U.S.C. § 1956(h)  
18 U.S.C. § 1956(a)(1)(B)(i)  
18 U.S.C. § 2  
18 U.S.C. § 982(a)(7), (a)(1)

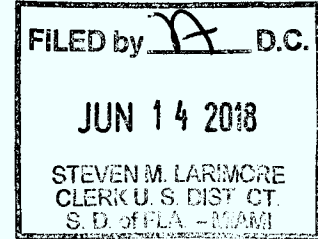
MAGISTRATE JUDGE  
O'SULLIVAN

UNITED STATES OF AMERICA

vs.

GREGORY SANCHEZ,

Defendant.



INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

At all times material to this Indictment:

The Medicare Program

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

2. Medicare programs covering different types of benefits were separated into different program “parts.” Part D of the Medicare Program subsidized the costs of prescription drugs for Medicare beneficiaries in the United States. It was enacted as a 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 enrolled in a Medicare drug plan. Medicare drug plans were operated by private companies approved by Medicare. Those companies were often referred to as drug plan “sponsors.” A beneficiary in a Medicare drug plan could fill a prescription at a pharmacy and use his or her plan to pay for some or all of the prescription.

4. A pharmacy could participate in the Part D Program by entering a retail network agreement directly with a plan or with one or more Pharmacy Benefit Managers (“PBMs”). A PBM acted on behalf of one or more Medicare drug plans. Through a plan’s PBM, a pharmacy could join the plan’s network. When a Part D beneficiary presented a prescription to a pharmacy, the pharmacy submitted a claim either directly to the plan or to a PBM that represented the beneficiary’s Medicare drug plan. The plan or PBM determined whether the pharmacy was entitled to payment for each claim and periodically paid the pharmacy for outstanding claims. The drug plan’s sponsor reimbursed the PBM for its payments to the pharmacy.

5. A pharmacy could also submit claims to a Medicare drug plan to whose network the pharmacy did not belong. Submission of such out-of-network claims was not common and often resulted in smaller payments to the pharmacy by the drug plan sponsor.

6. Medicare, through CMS, compensated the Medicare drug plan sponsors. Medicare paid the sponsors a monthly fee for each Medicare beneficiary of the sponsors’ plans. Such

payments were called capitation fees. The capitation fee was adjusted periodically based on various factors, including the beneficiary's medical conditions. In addition, in some cases where a sponsor's expenses for a beneficiary's prescription drugs exceeded that beneficiary's capitation fee, Medicare reimbursed the sponsor for a portion of those additional expenses.

7. Medicare and Medicare drug plan sponsors were "health care benefit program[s]," as defined by Title 18, United States Code, Section 24(b).

#### **Medicare Drug Plan Sponsors**

8. Aetna Medicare ("Aetna"), Cigna-HealthSpring Rx ("Cigna"), EnvisionRx Plus ("EnvisionRx"), Express Scripts Medicare ("Express Scripts"), First Health Part D ("First Health"), Florida Blue, Humana Insurance Company ("Humana"), SilverScript, Transamerica Life Insurance Company ("Transamerica"), United American Insurance Company and UnitedHealthcare (collectively, "United"), and WellCare, among others, were Medicare drug plan sponsors.

#### **The Defendant, Related Individuals and Entities**

9. Med Health Equipment, LLC ("Med Health") was a Florida limited liability company that did business in Miami-Dade County. Med Health was located at 7205 NW 68th Street, Suite 9, Miami, FL. Med Health purported to provide prescription drugs to Medicare beneficiaries.

10. Pro Checks Online LLC ("Pro Checks") was a Florida limited liability company that did business in Miami-Dade County. Pro Checks had a registered address of 8040 NW 95 Street, Hialeah Gardens, FL. Pro Checks owned check cashing stores in Miami-Dade County.

11. Defendant **GREGORY SANCHEZ** was a resident of Miami-Dade County, FL, a co-owner of Med Health, and was formerly employed by Pro Checks.

12. Co-Conspirator 1 was a resident of Miami-Dade County, FL, and a co-owner of Med Health.

13. Lazaro Perez was resident of Miami-Dade County, FL, and a co-owner and registered manager of Med Health.

14. Maria Estrada was resident of Broward County, FL, and a co-owner and registered agent of Med Health.

15. Yulieth Dominguez Gonzalez was a resident of Miami-Dade County, FL, and served as a patient recruiter for Med Health.

16. Maikelys Castellanos was a resident of Miami-Dade County, FL, and served as a patient recruiter for Med Health.

**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 re-alleged and incorporated by reference as though fully set forth herein.

2. From in or around April 2015, through in or around July 2017, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

**GREGORY SANCHEZ**

did willfully, that is with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate and agree with each other and others, known and unknown to the Grand Jury, including Co-Conspirator 1, Lazaro Perez, Maria Estrada, Yulieth Dominguez Gonzalez, and Maikelys Castellanos, 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 and various Medicare drug plan sponsors, including Aetna, Cigna, EnvisionRx, Express Scripts, First Health, Florida Blue, Humana, SilverScript, Transamerica, United, and Well Care, 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 that the pretenses, representations, and promises were false and fraudulent when made, and did knowingly transmit and cause to be transmitted, by means of wire 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.

#### **PURPOSE OF THE CONSPIRACY**

3. It was a purpose of the conspiracy for the defendant and his co-conspirators to unlawfully enrich themselves by, among other things: (a) offering, paying, soliciting, and receiving kickbacks and bribes to obtain Medicare beneficiaries' identifying information which were used to submit and cause the submission of false and fraudulent claims to health care benefit programs; (b) submitting and causing the submission of false and fraudulent claims to health care benefit programs that were medically unnecessary, not eligible for reimbursement, or not provided; (c) concealing and causing the concealment of the submission of false and fraudulent claims to health care benefit programs; and (d) diverting fraud proceeds for their personal use, the use and benefit of others, and to further the fraud.

**MANNER AND MEANS OF THE CONSPIRACY**

The manner and means by which the defendant and his co-conspirators sought to accomplish the objects and purpose of the conspiracy included, among other things, the following:

4. In or around April 2015, **GREGORY SANCHEZ** and others, including Co-Conspirator 1 and Lazaro Perez, negotiated and purchased Med Health through Maria Estrada in order to conceal the ownership interest of **GREGORY SANCHEZ**, Co-Conspirator 1, and Lazaro Perez, in Med Health.

5. **GREGORY SANCHEZ** cashed checks at Pro Checks that were payable to him and disguised as compensation from Med Health for the purpose of paying kickbacks and bribes to individuals in exchange for obtaining Medicare beneficiaries' identifying information to use in connection with the submission of false and fraudulent claims to the Medicare Part D Program through Med Health.

6. **GREGORY SANCHEZ** and his co-conspirators, including Co-Conspirator 1, Lazaro Perez, and Maria Estrada, paid and caused the payment of kickbacks and bribes to individuals, including co-conspirators Yulieth Dominguez Gonzalez and Maikelys Castellanos, in exchange for obtaining Medicare beneficiaries' identifying information to use in connection with the submission of false and fraudulent claims to the Medicare Part D Program through Med Health.

7. **GREGORY SANCHEZ** and his co-conspirators, including Co-Conspirator 1, Lazaro Perez, Maria Estrada, Yulieth Dominguez Gonzalez, and Maikelys Castellanos, submitted and caused the submission of claims via interstate wire transmissions that falsely and fraudulently represented that various health care benefits, primarily prescription drugs, including Abilify, Diclofenac, Seroquel, Latuda, and Exelon, among others, were medically necessary, prescribed by a doctor, and had been dispensed by Med Health to Medicare beneficiaries.

8. As a result of such false and fraudulent claims, Medicare prescription drug plan sponsors, through their PBMs, made approximately \$2,507,942 in overpayments funded by the Medicare Part D Program to Med Health.

9. **GREGORY SANCHEZ** and his co-conspirators used the fraudulent proceeds for their own use, the use of others, 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. The General Allegations section of this Indictment is re-alleged and incorporated by reference as though fully set forth herein.

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

**GREGORY SANCHEZ,**

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 by Title 18, United States Code, Section 24(b), that is, Medicare and various Medicare drug plan sponsors, including Aetna, Cigna, EnvisionRx, Express Scripts, First Health, Florida Blue, Humana, SilverScript, Transamerica, United, and Well Care, 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 defendant and his accomplices to unlawfully enrich themselves by, among other things: (a) offering, paying, soliciting, and receiving kickbacks and bribes to obtain Medicare beneficiaries' identifying information which were used to submit and cause the submission of false and fraudulent claims to health care benefit programs; (b) submitting and causing the submission of false and fraudulent claims to health care benefit programs that were medically unnecessary, not eligible for reimbursement, or not provided; (c) concealing and causing the concealment of the submission of false and fraudulent claims to health care benefit programs; and (d) diverting fraud proceeds for their personal use, the use and benefit of others, and to further the fraud.

**The Scheme and Artifice**

4. The allegations contained in the Manner and Means section of Count 1 of this Indictment are realleged 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 as to each count below, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant, **GREGORY SANCHEZ**, 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, as defined by Title 18, United States Code, Section 24(b), that is, Medicare and various Medicare drug plan sponsors, including Aetna, Cigna, EnvisionRx, Express Scripts, First Health, Florida Blue, Humana, SilverScript, Transamerica, United, and Well Care, 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 defendant and his accomplices submitted and caused the submission of false and fraudulent claims seeking the identified dollar amounts, and representing that Med Health provided pharmaceutical items and services to Medicare beneficiaries pursuant to physicians' valid orders and prescriptions:

<b>Count</b>	<b>Medicare Beneficiary</b>	<b>Approx. Date of Claim</b>	<b>Claim Number</b>	<b>Medicare Drug Plan Sponsor</b>	<b>Item Claimed; Approx. Amount Paid</b>
2	C.V.A.	5/12/2015	009648680647 302950001131 236060765250 4071	MEDCO CONTAINMENT LIFE AND MEDCO CONTAINMENT NY	ABILIFY TAB 20MG; \$1312
3	C.V.A.	6/10/2015	548238190647 302950259072 185750540350 4071	MEDCO CONTAINMENT LIFE AND MEDCO CONTAINMENT NY	DICLOFENAC GEL 3%; \$800
4	J.I.R.	4/28/2015	155183151911 000049106839 3	HUMANA MEDICAL PLAN, INC.	DICLOFENAC GEL 3%; \$794
5	J.I.R.	8/14/2015	152262113444 1549968596	SILVERSCRIPT INSURANCE COMPANY	EXELON DIS 4.6MG/24; \$457
6	R.R.F.	10/23/2015	152963300658 006999	UNITEDHEALTH CARE INS. CO. AND UNITEDHEALTH CARE NY	LATUDA TAB 120MG; \$1198
7	R.R.F.	10/23/2015	152963302675 012999	UNITEDHEALTH CARE INS. CO. AND UNITEDHEALTH CARE NY	SPIRIVA CAP HANDIHLR; \$328

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

**COUNT 8**  
**Conspiracy to Commit Money Laundering**  
**(18 U.S.C. § 1956(h))**

From in or around July 2015, through in or around October 2015, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

**GREGORY SANCHEZ,**

did willfully, that is, with intent to further the object of the conspiracy, and knowingly combine, conspire, confederate, and agree with Co-Conspirator 1 and others, known and unknown to the Grand Jury, to commit certain offenses against the United States, that is, to knowingly conduct a financial transaction affecting interstate and foreign commerce, which financial transaction involved the proceeds of specified unlawful activity, knowing that the property involved in the financial transaction represented the proceeds of some form of unlawful activity, and knowing that the transaction was designed, in whole and in part, to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

It is further alleged that the specified unlawful activity is conspiracy to commit health care fraud and wire fraud, in violation of Title 18, United States Code, Section 1349; health care fraud, in violation of Title 18, United States Code, Section 1347; wire fraud, in violation of Title 18, United States Code, Section 1343; and receipt and payment of kickbacks in connection with a federal health care benefit program, in violation of Title 42, United States Code, Sections 1320a-7b(b)(1)(A) and 1320a-7b(b)(2)(A).

All in violation of Title 18, United States Code, Section 1956(h).

**COUNTS 9-14**  
**Money Laundering**  
**(18 U.S.C. § 1956(a)(1)(B)(i))**

On or about the dates set forth below as to each count, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant, **GREGORY SANCHEZ**, did knowingly conduct and attempt to conduct a financial transaction affecting interstate and foreign commerce, which financial transaction involved the proceeds of specified unlawful activity, knowing that the property involved in the financial transaction represented the proceeds of some form of unlawful activity, and knowing that the transaction was designed, in whole and in part, to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity, as set forth below:

<b>Count</b>	<b>Approximate Date of Transaction</b>	<b>Approximate Amount</b>	<b>Description of Financial Transaction</b>
<b>9</b>	7/17/2015	\$9,050	Cashing of Med Health check #5273, made payable to Gregory Sanchez
<b>10</b>	7/28/2015	\$7,326	Cashing of Med Health check #5304, made payable to Gregory Sanchez
<b>11</b>	8/18/2015	\$6,200	Cashing of Med Health check #5333, made payable to Gregory Sanchez
<b>12</b>	8/31/2015	\$7,400	Cashing of Med Health check #5360, made payable to Gregory Sanchez
<b>13</b>	9/21/2015	\$9,050	Cashing of Med Health check #5402, made payable to Gregory Sanchez
<b>14</b>	10/14/2015	\$6,020	Cashing of Med Health check #5443, made payable to Gregory Sanchez

It is further alleged that the specified unlawful activity is conspiracy to commit health care fraud and wire fraud, in violation of Title 18, United States Code, Section 1349; health care fraud, in violation of Title 18, United States Code, Section 1347; wire fraud, in violation of Title 18,

United States Code, Section 1343; and receipt and payment of kickbacks in connection with a federal health care benefit program, in violation of Title 42, United States Code, Sections 1320a-7b(b)(1)(A) and 1320a-7b(b)(2)(A).

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

**FORFEITURE**  
**(18 U.S.C. § 982(a)(7), (a)(1))**

1. The allegations contained in 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 the defendant, **GREGORY SANCHEZ**, has an interest.

2. Upon conviction of a violation of Title 18, United States Code, Sections 1347 or 1349, as alleged in this Indictment, the defendant 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 the offense, pursuant to Title 18, United States Code, Section 982(a)(7).

3. Upon conviction of a violation of Title 18, United States Code, Section 1956, as alleged in this Indictment, the defendant shall forfeit to the United States any property, real or personal, involved in such offense, or any property traceable to such property, pursuant to Title 18, United States Code, Section 982(a)(1).

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

- a. the sum of \$2,507,942 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 defendant's sentence; and
- 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 defendant's sentence.


5. If any of the property described above, 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 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 divided without difficulty;

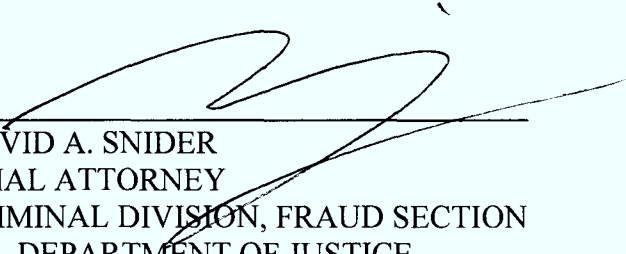
it is the intent of the United States to seek forfeiture of substitute property, pursuant to Title 21, United States Code, Section 853(p).

All pursuant to Title 18, United States Code, Sections 982(a)(1) and 982(a)(7), and the procedures set forth in Title 21, United States Code, Section 853.

A TRUE BILL

  
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BENJAMIN G. GREENBERG  
UNITED STATES ATTORNEY  
SOUTHERN DISTRICT OF FLORIDA

JOSEPH BEEMSTERBOER  
DEPUTY CHIEF  
CRIMINAL DIVISION, FRAUD SECTION  
U.S. DEPARTMENT OF JUSTICE

  
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DAVID A. SNIDER  
TRIAL ATTORNEY  
CRIMINAL DIVISION, FRAUD SECTION  
U.S. DEPARTMENT OF JUSTICE