

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

Case No.

**15-20427**

18 U.S.C. § 1349

18 U.S.C. § 1347

18 U.S.C. § 2

18 U.S.C. § 982

CR-MIDDLEBROOKS

MAGISTRATE JUDGE

GARBER

FILED by \_\_\_\_\_ D.C.

JUN 09 2015

STEVEN M. LARIMORE  
CLERK U.S. DIST. CT.  
S.D. of FLA. MIAMI

UNITED STATES OF AMERICA

vs.

JORGE COLLAZO,

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 (“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 Medicare subsidized the costs of prescription drugs for Medicare beneficiaries in the United States. It was enacted 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 Part D by entering a retail network agreement with one or more Pharmacy Benefit Managers (“PBMs”). Each 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 to the PBM that represented the beneficiary’s Medicare drug plan. The 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 fees were adjusted periodically based on various factors, including the beneficiary’s medical condition. 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, Medicare drug plan sponsors, and PBMs were “health care benefit

program[s],” as defined by Title 18, United States Code, Section 24(b).

8. All Medicare beneficiaries are assigned a Health Insurance Claim Number (“HICN”) which is unique to each beneficiary.

9. All doctors who participate in Medicare are assigned a National Provider Identification Number (“NPIN”) which is unique to each doctor.

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

10. United Health Group, Inc. (“United”), and Wellcare Health Plan, Inc. (“Wellcare”) were Medicare drug plan sponsors.

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

11. Sonic Pharmacy, Inc. (“Sonic”) was a Florida corporation, incorporated on or about April 9, 2012, that did business in Miami-Dade County, purportedly providing prescription drugs to Medicare beneficiaries. Sonic’s principal place of business was 112 N. Homestead Blvd, Homestead, Florida.

12. **JORGE COLLAZO**, a resident of Miami-Dade County, was an owner of Sonic and became the President of Sonic in or about September 25, 2013.

#### **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 though fully set forth herein.

2. Beginning in or around September 2013, and continuing through in or around February 2014, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

**JORGE COLLAZO,**

did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate and agree with 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, United, and Wellcare, and to obtain, by means of materially false and fraudulent pretenses, money and property owned by, and under the control of these 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, 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 defendant and his 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, and the receipt and transfer of fraud

proceeds; and (c) 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 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. Co-conspirators obtained the names and HICNs of Medicare beneficiaries in order to submit false and fraudulent claims for prescription drugs purportedly provided to Medicare beneficiaries by Sonic.

5. Co-conspirators obtained the names and NPINs of doctors in order to submit claims to Medicare that falsely and fraudulently represented that the prescription drugs were prescribed by a licensed doctor.

6. **JORGE COLLAZO** and his co-conspirators submitted and caused the submission of claims, via interstate wire, that falsely and fraudulently represented that various health care benefits, primarily prescription drugs, were medically necessary, and provided by Sonic to Medicare beneficiaries, when, in fact, they were not provided and were not medically necessary.

7. As a result of such false and fraudulent drug claims, Medicare and Medicare drug plan sponsors, including United and Wellcare, through their PBMs, made overpayments funded by Medicare to Sonic, in the approximate amount of \$1.3 million.

8. **JORGE COLLAZO** and his co-conspirators used the proceeds from the false and fraudulent Medicare Part D claims for their own use and the use of others, and to further the fraud.

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

**COUNTS 2-5**  
**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 though fully set forth herein.

2. From in or around September 2013, and continuing through in or around February 2014, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

**JORGE COLLAZO,**

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, United, and Wellcare, 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, these health care benefit programs.

**Purpose of the Scheme and Artifice**

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

### **The Scheme and Artifice**

4. The allegations contained in paragraphs 4 through 8 of 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 as to each count below, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant, **JORGE COLLAZO**, 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 health care benefit programs affecting commerce, as defined by Title 18, United States Code, Section 24(b), that is, Medicare, United, and Wellcare, 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 submitted and caused the submission of false and fraudulent claims seeking the identified dollar amounts, and representing that Sonic provided pharmaceutical items and service to Medicare beneficiaries pursuant to physicians' orders and prescriptions:

| <b>COUNT</b> | <b>BENEFICIARY</b> | <b>APPROX.<br/>DATE OF<br/>CLAIM</b> | <b>MEDICARE<br/>CLAIM NO.</b>   | <b>DRUG &amp;<br/>APPROX.<br/>AMT. PAID</b> | <b>MEDICARE<br/>DRUG PLAN<br/>SPONSOR</b> |
|--------------|--------------------|--------------------------------------|---------------------------------|---------------------------------------------|-------------------------------------------|
| 2            | G.S.               | 12/02/2013                           | 191929468.-10000183<br>83829871 | Abilify Tab<br>20mg; \$980                  | Wellcare                                  |
| 3            | I.Y.               | 12/13/2013                           | 194104183.-10000181<br>64469181 | Seroquel XR<br>Tab 400mg;<br>\$1211         | Wellcare                                  |
| 4            | M.P.               | 12/24/2013                           | 133583079502011998              | Advair Disku<br>Aer 500/50;<br>\$362        | United                                    |
| 5            | O.N.               | 01/16/2014                           | 140163605914026998              | Soriatane Cap<br>25mg; \$1184               | Wellcare                                  |

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

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

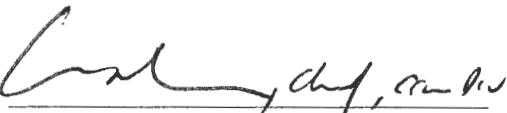
1. The allegations contained in this Indictment are re-alleged and incorporated by reference as though fully set forth herein for the purpose of alleging forfeiture to the United States of America of certain property in which the defendant **JORGE COLLAZO** has an interest.

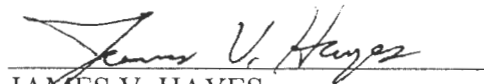
2. Upon conviction of any violation of Title 18, United States Code, Sections 1347 or 1349, as alleged in this Indictment, the defendant so convicted shall forfeit to the United States any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable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

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

A TRUE BILL

\_\_\_\_\_  
FOREPERSON

  
WIFREDO A. FERRER  
UNITED STATES ATTORNEY

  
JAMES V. HAYES  
ASSISTANT U.S. ATTORNEY