

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO.

**16-20483**

CR-ALTONAGA

18 U.S.C. § 1349

18 U.S.C. § 1347

18 U.S.C. § 371

18 U.S.C. § 2

18 U.S.C. § 982(a)(7)

/ O'SULLIVAN

UNITED STATES OF AMERICA

vs.

RUTH ARACELLY GARCIA,

Defendant.

*Chafee***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 ("HHS"), 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 was a "health care benefit program," as defined by Title 18, United States Code, Section 24(b).

3. The Medicare program was divided into different "parts." "Part A" of the Medicare program covered health services provided by hospitals, skilled nursing facilities, hospices, and home health agencies. "Part B" of the Medicare program covered outpatient hospital services and professional services provided by physicians and other providers; it also covered certain drugs provided "incident to" a physician's service and durable medical equipment. "Part D" of the Medicare program, also known as Medicare prescription drug coverage, helped cover the cost of prescription drugs. Medicare offered Part D through approved private insurance companies.

4. "Part C" of the Medicare program, also known as Medicare Advantage ("MA"). was offered through private insurance companies approved by CMS to offer MA plans within a specific geographic area, referred to as the "service area," which could be one or more counties in the United States and its territories. Private insurance companies approved to offer these plans are known as MA Organizations. MA plans provided beneficiaries all of the same benefits provided by Part A and Part B, except hospice care, and could offer extra benefits if approved by CMS. Most MA plans also provided Medicare ~~prescription~~ drug coverage (Part D). MA Organizations were required to adhere to all Medicare laws and rules.

5. Beneficiaries were enrolled in ~~med~~ care plans offered by an MA Organization, such as health maintenance ~~organized~~ ("HMO") plans, through several means, including by filling out a paper enrollment form and ~~via~~ interstate wire transmissions. In order to be enrolled in an MA plan, the beneficiary had to permanently reside within the MA plan's service area, be entitled to Medicare Part A, and be enrolled in Medicare Part B.

6. There were specific time periods when a beneficiary could enroll in an MA plan. However, beneficiaries who were eligible for both Medicare and Medicaid ("dual eligible") could

enroll in an MA plan at any time and dis-enroll or switch plans to another Part C plan at any time, and beneficiaries with chronic or disabling conditions could enroll at any time, but dis-enrollment and plan-changing were more restricted.

7. Federal regulations and CMS required that a beneficiary agree to the scope of the marketing appointment prior to any face-to-face sales ~~meeting~~ with an agent to ensure understanding of what would be discussed between the agent and ~~the~~ beneficiary. The scope of the marketing appointment was documented in a written form, such as the Scope of Sales Appointment Confirmation Form, which had to be signed by the beneficiary and the sales agent.

8. Except in limited emergency and urgent situations, Medicare and MA plans did not cover health care goods and services provided outside the United States or its territories.

#### Payment Procedures

9. Rather than reimbursing for each individual claim, as in other parts of Medicare, CMS made fixed, monthly payments, which were referred to as "capitated" payments, for each beneficiary enrolled in Part C. That is, every month CMS paid MA Organizations a pre-determined amount for each beneficiary enrolled in one of its ~~MA plans~~ regardless of whether or not the enrolled beneficiary utilized the plan's services ~~that month~~. CMS determined the monthly capitated payment amount paid for each enrolled ~~beneficiary~~, based on the MA Organization's bid amount and the enrolled beneficiary's risk ~~score~~. CMS adjusted the capitation rates annually, recalculating each enrolled beneficiary's risk ~~score~~. CMS calculated the risk score for each MA enrollee using a number of factors, including ~~the~~ beneficiary's county of residence, age, sex, and health status. The beneficiaries' health status is based on diagnoses identified in the year prior to the payment year.

10. On a regular basis, MA plans submitted to CMS certain information and data regarding its enrolled beneficiaries, including the diagnosis codes for any claims paid for that beneficiary. CMS used this data to adjust the capitation rates for each enrollee for the following plan year. Thus, claims submitted in one plan year would affect the amount of capitation payments for those beneficiaries in subsequent plan years.

11. Any claims paid by the MA Organization to health care providers ~~that exceeded~~ the capitation payment amounts resulted in a loss to the MA Organization. Similarly, if a beneficiary's claims for services were less than the capitated amount, the MA Organization retained the difference as profit.

#### The Medicaid Program

12. The Medicaid Program ("Medicaid") was a joint federal-state health care program providing benefits to low-income individuals and families. In Florida, Medicaid was administered by CMS and the State of Florida Agency for Health Care Administration ("AHCA"). Medicaid was a "health care benefit program," as defined by Title 18, United States Code, Section 24(b).

13. Eligibility for Florida Medicaid was determined by the Florida Department of Children and Families (DCF) and by the federal Social Security Administration (SSA). Florida residency was one of the requirements to qualify for Florida Medicaid. Florida ~~resident~~ existed when the intent of the individual was to remain in the state. Residency did not exist when the individual's presence in Florida was for a temporary purpose, such as a vacation, and the individual intended to return to a residence outside of Florida.

14. Florida Medicaid, through its cost saving programs, paid Medicare premiums, co-payments, and deductibles, of eligible Medicare beneficiaries. The cost saving programs are

known as the Qualified Medicare Beneficiaries Program (QMB), Special Low Income Medicare Beneficiary (SLMB) program, and the Qualifying Individuals I (QI1) program. To be eligible for these Florida Medicaid cost saving programs, a Medicare beneficiary must have income and assets below a set threshold and be a resident of Florida.

15. AHCA contracted with HP Enterprises ("HP"), formerly known as Electronic Data Systems (EDS), to administer Medicaid claims and pay the Medicare premiums, co-insurance, and deductibles, of qualified Medicaid beneficiaries.

**The Defendant, Related Companies and Individuals**

16. Florida Healthcare Plus, Inc. ("FHCP") was a Florida corporation located at 2100 Ponce de Leon Boulevard, Suite PH-1, Coral Gables, Florida. FHCP was licensed as an HMO in the State of Florida. FHCP was an MA Organization approved by Medicare to offer MA plans ("FHCP MA plans") to beneficiaries in a few counties in Florida, including Miami-Dade County.

17. Rodney Montoya Corp. was a Florida corporation located at 10392 SW 1st Street, Miami, Florida. Rodney Montoya Corp. contracted with FHCP and other MA Organizations as a ~~medical~~ services provider.

18. Santiago B. Montoya, M.D., Corp. was a Florida corporation located at 10404 ~~Flagler~~ Street, Suite 15, Miami, Florida. On or about October 1, 2012, Santiago B. ~~Montoya~~ M.D., Corp. registered "Integrated Health Medical Center" as a fictitious business name for Santiago B. Montoya, M.D., Corp.

19. Pharmovisa Health Services, Inc. was a Florida corporation located at 7305 SW 87th Avenue, Miami Florida. Pharmovisa Health Services contracted with FHCP as a medical services provider. On or about September 14, 2011, Pharmovisa Health Services registered "Integrated Health Medical Centers" as a fictitious business name for Pharmovisa Health Services.

20. Erendira Delgado incorporated Axis Le Professional Medical Group Corp. ("Axis Le"), on January 13, 2011, in Florida. Erendira Delgado was the president and registered agent of Axis Le throughout its existence.

21. Mirma L. Blanco was employed by FHCP as manager of social services from on or about June 18, 2012 through 2014. Blanco was also employed by Axis Le, Rodney Montoya Corp., and Revital in 2013 and 2014.

22. Freddy S. Zeron was an owner of Rodney Montoya Corp. beginning in or around September 2012, and its secretary from on or about March 23, 2014, through on or about June 16, 2014.

23. MAO-1 was a Florida corporation licensed as an HMO in the State of Florida. MAO-1 was an MA Organization approved by Medicare to offer MA plans ("MAO-1 MA plans") to beneficiaries in a few counties in Florida, including Miami-Dade County.

24. Jose Alejandro Ramirez, a/k/a "Alex Ramirez," was a licensed insurance agent employed by FHCP as a benefits consultant.

25. Edys Illanes ~~was a~~ licensed insurance agent employed by MAO 1 as a benefits consultant.

26. MSO-A ~~was a~~ Florida corporation located in Miami Dade County. MSO-A contracted with MAO-2 ~~and one MA Organization~~ as a medical services provider.

27. MAO-2 ~~was a~~ Florida corporation licensed as an HMO in the State of Florida. MAO-2 was an MA Organization approved by Medicare to offer MA plans ("MAO-2 MA plans") to beneficiaries in a few counties in Florida, including Miami-Dade County.

28. Revital Medical Health Group, LLC ("Revital") was a Florida company located at 17064 West Dixie Highway, North Miami Beach, Florida. Revital contracted with MA Organizations as a medical services provider.

29. Defendant **RUTH ARACELLY GARCIA**, a resident of Miami-Dade County was an office manager of Santiago B. Montoya M.D., Corp. and ~~MSQA~~.

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

1. Paragraphs 1 through 25, and 29 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 August 2012, and continuing through in or around May 2014, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

**RUTH ARACELLY GARCIA,**

did knowingly, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate and agree with Freddy S. Zeron, Mirna L. Blanco, Jose Alejandro Ramirez, Edys Illanes, 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 and Medicaid, 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 to obtain 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 a purpose of the conspiracy for the defendant and her co-conspirators to unlawfully enrich themselves by, among other things: (a) recruiting Medicare beneficiaries residing in Nicaragua to enroll in MA plans; (b) submitting to CMS MA plan enrollment requests on behalf of Medicare beneficiaries that falsely and fraudulently represented that the beneficiaries resided in the MA plans service area within Florida, when in fact, the beneficiaries did not reside within the MA plans service area; and (c) enrolling Medicare beneficiaries residing in Nicaragua into Florida Medicaid by falsely and fraudulently representing to DCF that the beneficiaries resided in Florida.

**Manner and Means of the Conspiracy**

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

4. **RUTH ARACELLY GARCIA**, Freddy S. Zeron, Mirma L. Blanco, Jose Alejandro Ramirez, Edys Illanes, and others marketed and offered, and caused the marketing and offering of, MA plans, including FHCP MA plans, to individuals residing in Nicaragua. To induce individuals to enroll into MA plans, the defendant initially represented that Medicare

benefits were available in Nicaragua. When questions about Medicare coverage outside the United States were raised, this defendant and her co-conspirators made false and fraudulent representations, including that "people retired in the U.S. now in Nicaragua can get free medical care," and that the medical coverage offered in Nicaragua was not offered by, or billed to, Medicare.

5. **RUTH ARACELLY GARCIA**, Freddy S. Zeron, Mirna L. Blanco, Jose Alejandro Ramirez, Edys Illanes, and others submitted, and caused the submission of, MA plan enrollment requests to CMS on behalf of Medicare beneficiaries residing in Nicaragua, outside the MA plans' service area. The defendant completed, and caused the completion of, MA plan enrollment applications that falsely and fraudulently represented that the beneficiaries resided within the service area of the MA plans. In the enrollment applications, the defendant used, and caused the use of, non-residential property addresses, addresses of beneficiaries' relatives and friends, and addresses associated with the defendant, in Miami-Dade County, and other Florida counties, as the beneficiaries' residence address. The defendant used interstate wire transmissions and other means to submit, and cause the submission of, the false and fraudulent MA plan enrollment applications to CMS.

6. Through the false and fraudulent enrollment requests submitted to CMS, **RUTH ARACELLY GARCIA**, Freddy S. Zeron, Mirna L. Blanco, Jose Alejandro Ramirez, Edys Illanes, and others caused CMS to make monthly capitation payments to MA Organizations, including FHCP, on behalf of beneficiaries who were not eligible to enroll and who did not reside in the MA plans service area.

7. **RUTH ARACELLY GARCIA**, Freddy S. Zeron, Mirna L. Blanco, Jose Alejandro Ramirez, Edys Illanes, and others enrolled, and caused the enrollment of, Medicare

beneficiaries residing in Nicaragua into Florida Medicaid by falsely and fraudulently representing to DCF their Florida residency.

8. Through the false and fraudulent enrollments submitted to DCF, **RUTH ARACELLY GARCIA**, Freddy S. Zeron, Mirna L. Blanco, Jose Alejandro Ramirez, Edys Illanes, and others caused Florida Medicaid to pay Medicare premiums, deductibles, and co-insurance for beneficiaries who did not reside in Florida.

9. **RUTH ARACELLY GARCIA**, Freddy S. Zeron, Mirna L. Blanco, and others caused physicians associated with Pharmovisa, Rodney Montoya Corp., Revital, and other entities, to be designated as the primary care physicians (PCP) for the beneficiaries residing in Nicaragua. MA Organizations would then pay Pharmovisa, Axis Le, Rodney Montoya Corp., Revital, and other entities a monthly capitation rate and other compensation for the beneficiaries residing in Nicaragua fraudulently enrolled in MA plans.

10. **RUTH ARACELLY GARCIA**, Freddy S. Zeron, Mirna L. Blanco, Jose Alejandro Ramirez, Edys Illanes, and others used the money falsely and fraudulently obtained from Medicare and Florida Medicaid for their own personal use and benefit, 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 25 and 29 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 August 2012, and continuing through in or around May 2014, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

**RUTH ARACELLY GARCIA,**

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 134(b). ~~that~~ is, Medicare and Medicaid, 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 conspiracy for the defendant and her co-conspirators to unlawfully enrich themselves by, among other things: (a) recruiting Medicare beneficiaries residing in Nicaragua to enroll in MA plans; (b) submitting to CMS MA plan enrollment requests on behalf of Medicare beneficiaries that falsely and fraudulently represented that the beneficiaries resided in the MA plans service area within Florida, when in fact, the beneficiaries did not reside within the MA plans service area; and (c) enrolling Medicare beneficiaries residing in Nicaragua into ~~Florida~~ Medicaid by falsely and fraudulently representing to DCF that the beneficiaries resided in Florida.

**The Scheme and Artifice**

4. The allegations contained in paragraphs 4 through 10 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 below as to each count, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant, 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 and Medicaid, 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 ~~sub~~mission of false and fraudulent MA plan enrollments, fraudulently representing that beneficiaries resided in the MA plans' authorized service area, as set forth below:

Count	Approx. Effective Date of Enrollment/ Date of Application	MA Organization/ Medicaid; MA Organization Enrollment File Number/Medicaid Access Application Number	Enrollee
2	07/30/2012	FHCP; 12213M01_33_1650025	C.P.
3	07/01/2013	MAO-1; SH 00233746	J.A.
4	08/01/2013	MAO-1; SH 00234620	L.M.
5	11/01/2013	FHCP; 12213M05_27_1350013	N.B.

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

**COUNT 6****Conspiracy to Defraud the United States  
and Make False Statements Related to Health Care Matters  
(18 U.S.C. § 371)**

1. Paragraphs 1 through 25 and 29 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 August 2012, and continuing through ~~the second~~ May 2014, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

**RUTH ARACELLY GARCIA,**

did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate and agree with Freddy S. Zeron, Jose Alejandro Ramirez, Edys Illanes, and others known and unknown to the Grand Jury:

a. to defraud the United States by impairing, impeding, obstructing, and defeating, through deceitful and dishonest means, the lawful government functions of the United States Department of Health and Human Services in its administration and oversight of the Medicare and Medicaid programs, in violation of Title 18, United States Code, Section 371; and to commit certain offenses against the United States, that is:

b. to violate Title 18, United States Code, Section 1035(a), by knowingly and willfully making any materially false, fictitious, and fraudulent ~~statements~~ representations, and making and using any materially false writing and document knowing the same to contain any materially false, fictitious and fraudulent statement and entry, in connection with the delivery of and payment for health care benefits, items, and services.

**Purpose of the Conspiracy**

3. It was a purpose of the conspiracy for the defendant and her co-conspirators to unlawfully enrich themselves by, among other things: (a) enrolling Medicare beneficiaries residing in Nicaragua into MA plans by falsely and fraudulently representing that the beneficiaries resided in the MA plans' service area within Florida; (b) enrolling Medicare beneficiaries residing in Nicaragua into Florida Medicaid by falsely and fraudulently representing to DCF that the beneficiaries resided in Florida; (c) concealing the enrollment of Medicare beneficiaries residing in Nicaragua into MA plans by making and using, and causing the making and using of, materially false, fictitious, and fraudulent statements, representations and documents, and (d) submitting to CMS MA plans false and fraudulent CMS 1500 forms on behalf of Medicare beneficiaries residing in Dominican Republic, outside of the MA plans' service area, by falsely and fraudulently representing that beneficiaries received health care services in Florida when, in fact, these services were provided in the Dominican Republic.

**Manner and Means of the Conspiracy**

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

4. **RUTH ARACELLY GARCIA**, Freddy S. Zeron, Jose Alejandro Ramirez, Edys Illanes, and others marketed and offered, and caused the marketing and offering of MA plans, including FHCP MA plans, to individuals residing in Nicaragua. To induce individuals to enro!! into FHCP MA plans, and other MA plans, the defendant and her co-conspirators initially represented that Medicare benefits were available in Nicaragua. When questions about Medicare coverage outside the United States were raised, the defendant and her co-conspirators made false and fraudulent representations, including that "people retired in the U.S. now in Nicaragua can get

free medical care," and that the medical coverage offered in Nicaragua was not offered by, or billed to, Medicare.

5. **RUTH ARACELLY GARCIA**, Freddy S. Zeron, Jose Alejandro Ramirez, Edys Illanes, and others made and used, and caused the making and use of, MA plan enrollment request forms on behalf of Medicare beneficiaries residing in Nicaragua and the Dominican Republic, outside the MA plans' service area. The MA plan enrollment request forms falsely and fraudulently represented that the beneficiaries resided within the service area of the MA plans in Miami-Dade County and other Florida counties. In the enrollment request forms, the defendant and her co-conspirators used, and caused the use of, non-residential property addresses, addresses associated with defendant's co-conspirators, and addresses of beneficiaries' relatives and friends in Miami-Dade County, and other Florida counties, as the beneficiaries' residence address.

6. **RUTH ARACELLY GARCIA**, Freddy S. Zeron, Erendira Delgado, and others submitted and caused the submission of false claims to Medicare MA plans by using CMS 1500 forms on behalf of Medicare beneficiaries residing in Dominican Republic, outside of the MA plans' service area, by falsely and fraudulently representing that beneficiaries received health care services in Florida when in fact these services were provided in the Dominican Republic.

7. **RUTH ARACELLY GARCIA**, Freddy S. Zeron, Jose Alejandro Ramirez, Edys Illanes, Erendira Delgado, and others, enrolled, and caused the enrollment of, Medicare beneficiaries residing in Nicaragua into Florida Medicaid by falsely and fraudulently representing their Florida residency.

**Overt Acts**

In furtherance of the conspiracy, and to accomplish its objects and purpose, at least one of the co-conspirators committed and caused to be committed, in the Southern District of Florida, at

least one of the following overt acts, among others:

1. On or about September 25, 2012, **RUTH ARACELLY GARCIA** completed and submitted a CMS 1500 form for beneficiary P.S. to FHCP falsely representing that the medical services provided to P.S. were provided at IHMC Miami when in fact they were provided at a medical facility in Dominican Republic.
2. On or about October 27, 2012, **RUTH ARACELLY GARCIA** caused co-conspirators to deliver check number 1116, in the approximate amount \$500 from Axis Le Profession Medical Group as payment for falsifying CMS 1500 forms.
3. On or about February 5, 2013, **RUTH ARACELLY GARCIA** made travel arrangements for beneficiary M.Z. to fly from Nicaragua to Miami to have diagnostic work done which was paid for by MA plans.
4. On or about April 23, 2013, **RUTH ARACELLY GARCIA** sent an email to L.M.G. in Nicaragua instructing that the address for beneficiary J.F.W. would have to be changed in order for the MA plan to accept the enrollment application.
5. On or about September 5, 2013, **RUTH ARACELLY GARCIA** sent an email to Freddy Zeron explaining how the beneficiaries in Nicaragua must respond when the MA plan calls to verify their address.
6. On or about October 23, 2013, **RUTH ARACELLY GARCIA** sent an email to L.M.G. instructing her and other people how to complete enrollment applications in Nicaragua and how the MA plan would process these applications.
7. On or about December 3, 2013, **RUTH ARACELLY GARCIA** completed and submitted a CMS 1500 form for beneficiary A.H. to FHCP falsely representing that the medical

services provided to A.H. were provided at IHMC Miami when in fact there were provided at a medical facility in Dominican Republic.

All in violation of Title 18, United States Code, Section 371.

**COUNT 7**

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

1. ~~Paragraphs~~ 1 through 15 and 21 through 29 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 May 2014, and continuing through in or around December 2015, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

**RUTH ARACELLY GARCIA,**

did willfully, that is with the intent to further the objects of the conspiracy, combine, conspire, confederate and agree with Freddy S. Zeron, Mirna L. Blanco, Jose Alejandro Ramirez, Edys Illanes, and others known and unknown to the Grand Jury, to commit offenses against the United States, that is:

- a. to knowingly and with the intent to defraud, devise and intend to devise a scheme ~~and artifice~~ to defraud and to obtain money and property by means of materially false and fraudulent ~~present~~ representations, and promises, knowing the pretenses, representations, and promises ~~were~~ ~~to~~ and fraudulent when made, and for the purpose of executing the scheme and artifice, ~~and~~ 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; and
- b. 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 Medicaid, 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 connection with the delivery of and payment for health care benefits, items, and services, in violation of Title 18, United States Code, Section 1347.

**Purpose of the Conspiracy**

3. It was a purpose of the conspiracy for the defendant and her co-conspirators to unlawfully enrich themselves by, among other things: (a) recruiting Medicare beneficiaries residing in Nicaragua to enroll in MA plans; (b) submitting to CMS MA plan enrollment requests on behalf of the Medicare beneficiaries residing in Nicaragua, outside of the MA plan service area, by falsely and fraudulently representing that the beneficiaries resided in the MA plans' service area within Florida, when in fact, the beneficiaries did not reside within the MA plans service area; and (c) enrolling Medicare beneficiaries residing in Nicaragua into Florida Medicaid by falsely and fraudulently representing to DCF that the beneficiaries resided in Florida.

**Manner and Means of the Conspiracy**

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

4. **RUTH ARACELLY GARCIA**, ~~Freddy S. Zeron, Mirna Blanco, Edys Illanes, and others marketed and offered, and caused the marketing and offering of, MA plans, including MAO-1 and MAO-2, to individuals residing in Nicaragua.~~

5. **RUTH ARACELLY GARCIA**, ~~Freddy S. Zeron, Mirna L. Blanco, Edys Illanes, and others submitted, and caused the submission of, MA plan enrollment requests to CMS on behalf of Medicare beneficiaries residing in Nicaragua, outside the MA plans' service area. The~~

defendant completed, and caused the completion of, MA plan enrollment applications that falsely and fraudulently represented that the beneficiaries resided within the service area of the MA plans, including Miami-Dade County and other Florida counties. In the enrollment applications, the defendant used, and caused the use of, non-residential property addresses, addresses of beneficiaries' relatives and friends, and addresses associated with the defendant in Miami-Dade County, and other Florida counties, as the beneficiaries' residence address. The defendant used interstate wire transmissions and other means to submit, and cause the submission of, the false and fraudulent MA plan enrollment applications to CMS.

6. Through the false and fraudulent enrollment requests submitted to CMS, **RUTH ARACELLY GARCIA**, Freddy S. Zeron, Mirna L. Blanco, Edys Illanes, and others caused CMS to make monthly capitation payments to MA Organizations, including MAO-1 and MAO-2, on behalf of beneficiaries who were not eligible to enroll and who did not reside in the MA plans service area.

7. **RUTH ARACELLY GARCIA**, Freddy S. Zeron, Mirna L. Blanco, Edys Illanes, and others enrolled, and caused the enrollment of, Medicare beneficiaries residing in Nicaragua into Florida Medicaid by falsely and fraudulently representing to DCF their Florida residency.

8. Through the false and fraudulent enrollments submitted to DCF, **RUTH ARACELLY GARCIA**, Freddy S. Zeron, Mirna L. Blanco, Edys Illanes, and others caused Florida Medicaid to pay Medicare premiums, deductibles, and co-insurance for beneficiaries who did not reside in Florida.

9. **RUTH ARACELLY GARCIA**, Freddy S. Zeron, Mirna L. Blanco, and others caused physicians associated with MSO-A, Revital, and other entities be designated as the primary care physicians (PCP) for the beneficiaries residing in Nicaragua. MA Organizations would then

pay Revital, MSO-A, and other entities a monthly capitation rate and other compensation for the beneficiaries residing in Nicaragua fraudulently enrolled in MA plans.

10. **RUTH ARACELLY GARCIA**, Freddy S. Zeron, Mirma L. Blanco, Edys Illanes, and others used the money falsely and fraudulently obtained from Medicare and Florida Medicaid for her personal use and benefit, and to further the fraud.

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

**COUNTS 8-11**  
**Health Care Fraud**  
**(18 U.S.C. § 1347)**

1. Paragraphs 1 through 15 and 21 through 29 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 May 2014, and continuing through in or around December 2015, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

**RUTH ARACELLY GARCIA,**

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 Medicaid, 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 her accomplices to unlawfully enrich themselves by, among other things: (a) recruiting Medicare beneficiaries residing in Nicaragua to enroll in MA plans; (b) submitting to CMS MA plan enrollment requests

on behalf of the Medicare beneficiaries residing in Nicaragua, outside of the MA plan service area, by falsely and fraudulently representing that the beneficiaries resided in the MA plans' service area within Florida, including Miami-Dade County when in fact, the beneficiaries did not reside within the MA plans service area; and (c) enrolling Medicare beneficiaries residing in Nicaragua into Florida Medicaid by falsely and fraudulently representing to DCF that the beneficiaries resided in Florida.

**The Scheme and Artifice**

4. The allegations contained in paragraphs 4 through 10 of the Manner and Means section of Count 7 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 as to each count, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant as specified 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, Medicare and Medicaid, 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 MA plan enrollments, fraudulently representing that beneficiaries resided in the MA plans' authorized service area, as set forth below:

Count	Approx. Effective Date of Enrollment/ Date of Application	MA Organization Enrollment File Number	Enrollee
8	06/01/2014	MAO-2; HS747794-06	J.D.
9	06/01/2014	MAO-2; HS747792-06	E.D.
10	09/01/2014	MAO-2; HS750489-06	M.Z.
11	09/01/2014	MAO-2; HS750494-06	D.Z.

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

**COUNT 12**  
**Conspiracy to Defraud the United States**  
**and Make False Statements Related to Health Care Matters**  
**(18 U.S.C. § 371)**

1. Paragraphs 1 through 29 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 May 2014, and continuing through in or around December 2015,

in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

**RUTH ARACELLY GARCIA,**

did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate and agree with Freddy S. Zeron, Mirna L. Blanco, Jose Alejandro Ramirez, Edys Illanes, and others known and unknown to the Grand Jury, to commit certain offenses against the United States, that is,

- a. to defraud the United States by impairing, impeding, obstructing, and defeating, through deceitful and dishonest means, the lawful government functions of the United States Department of Health and Human Services in its administration and oversight of the Medicare and Medicaid programs, in violation of Title 18, United States Code, Section 371; and
- b. to violate Title 18, United States Code, Section 1035(a)(2), by knowingly and willfully making any materially false, fictitious, and fraudulent statements and representations, and making and using any materially false writing and document knowing the same to contain any materially false, fictitious and fraudulent statement and entry, in connection with the delivery of and payment for health care benefits, items, and services.

**Purpose of the Conspiracy**

3. It was a purpose of the conspiracy for the defendant and her co-conspirators to unlawfully enrich themselves by, among other things: (a) enrolling Medicare beneficiaries residing in Nicaragua into MA plans by falsely and fraudulently representing that the beneficiaries resided in the MA plans' service area within Florida; (b) enrolling Medicare beneficiaries residing in Nicaragua into Florida Medicaid by falsely and fraudulently representing to DCF that the beneficiaries resided in Florida; and (c) concealing the enrollment Medicare beneficiaries residing in Nicaragua into MA plans by making and using, and causing the making and using of, materially false, fictitious, and ~~fraudulent~~ statements, representations and documents.

**Manner and Means of the Conspiracy**

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

4. **RUTH ARACELLY GARCIA**, Freddy S. Zeron, Mirna L. Blanco, Edys Illanes, and others marketed and offered, and caused the marketing and offering of MA plans, including MAO-1 and MAO-2 MA plans, to individuals residing in Nicaragua.

5. **RUTH ARACELLY GARCIA**, Freddy S. Zeron, Mirna L. Blanco, Edys Illanes, and others made and used, and caused the making and use of, MA plan enrollment request forms on behalf of Medicare beneficiaries residing in Nicaragua, outside the MA plans' service area. The MA plan enrollment request forms falsely and fraudulently represented that the beneficiaries resided within the service area of the MA plans in Miami-Dade County and other Florida counties. In the enrollment request forms, the defendant used, and caused the use of, non-residential property addresses, and addresses of beneficiaries' relatives and friends in Miami-Dade County, and other Florida counties, as the beneficiaries' residence address.

6. **RUTH ARACELLY GARCIA**, Freddy S. Zeron, Mirna L. Blanco, Edys Illanes, and others, enrolled, and caused the enrollment of, Medicare beneficiaries residing in Nicaragua into Florida Medicaid by falsely and fraudulently representing their Florida residency.

**Overt Acts**

In furtherance of the conspiracy, and to accomplish its objects and purpose, at least one of the co-conspirators committed and caused to be committed in the Southern District of Florida, at least one of the following overt acts, among others:

1. On or about June 9, 2014, **RUTH ARACELLY GARCIA** sent an email to employee M.Z. in which she asked employee M.Z. to contact W.Q., a resident of Nicaragua, regarding his request for verification of enrollment into an MA plan and asks for the exact address and telephone number of the clinic in Nicaragua that was set up to provide services to newly enrolled beneficiaries.

2. On or about July 1, 2014, **RUTH ARACELLY GARCIA** sent an email to Nicaraguan employee L.S. in which she discussed the number of beneficiaries residing in Nicaragua that are enrolled in MAO-2.

3. On or about August 1, 2014, **RUTH ARACELLY GARCIA** traveled to Nicaragua for the purpose of, among other things, incorporating a clinic in Nicaragua that was going to provide services for beneficiaries enrolled in MA plans including MAO-2.

4. On or about September 7, 2014, **RUTH ARACELLY GARCIA** sent an email to M.Z. in which she provided instructions on how newly enrolled beneficiaries and the beneficiaries' families should answer questions posed by the MA Organization to verify the enrollment, including not mentioning Nicaragua.

5. On or about October 15, 2014, **RUTH ARACELLY GARCIA** traveled to Nicaragua for the purpose of, among other things, to enroll beneficiaries into MAO-2 for the 2015 open enrollment period.

6. On or about October 29, 2014, **RUTH ARACELLY GARCIA** sent an email to a co-conspirator complaining that patients in Nicaragua were calling the Nicaragua clinic to make an appointment in Miami and were not getting return calls by the Nicaraguan clinic staff.

All in violation of Title 18, United States Code, Section 371.

**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 **RUTH ARACELLY GARCIA** has an interest.

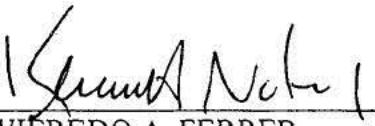
2. Upon conviction of any violation of Title 18, United States Code, Sections 1347, 1349, or a conspiracy to commit such violations, as alleged in this Indictment, the defendant shall forfeit to the United States any property, real or personal, that constitutes or is derived, directly or indirectly,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

3. The property subject to forfeiture includes a money judgment in the amount of approximately \$16,580,147 in United States currency, which sum represents the value of the gross proceeds traceable to the commission of the health care offenses alleged in this Indictment.

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.

A TRUE BILL

FOREPERSON

  
WIFREDO A. FERRER

UNITED STATES ATTORNEY

  
HAGERENESH SIMMONS

SPECIAL ASSISTANT U.S. ATTORNEY