

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No.

17-20408

18 U.S.C. § 1347

18 U.S.C. § 2

18 U.S.C. § 982

CR-MARTINEZ

/OTAZO-REYES

UNITED STATES OF AMERICA

vs.

PEDRO MANUEL MANGANO,

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 Medicare the (Medicare Part D Program) subsidized the costs of prescription drugs for Medicare beneficiaries in the United States. The Medicare Part D Program

was enacted as 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 cost.

4. A pharmacy could participate in Part D 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. Envision Insurance Company (Envision), Silverscript Insurance Company (Silverscript), Medco Containment Life and Medco Containment NY (Medco), and Humana Insurance Company (Humana) were Medicare drug plan sponsors.

The Defendant and Related Company

9. PVRX Pharmacy Corp., formerly known as QDRX Pharmacy Corp (PVRX), was a Florida corporation that did business in Miami-Dade County purportedly providing prescription drugs to Medicare beneficiaries.

10. **PEDRO MANUEL MANGANO**, a resident of Miami-Dade County, was the authorized representative and registered agent of PVRX.

COUNTS 1-10
Health Care Fraud
(18 U.S.C. § 1347)

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

2. From in or around March 2014, through in or around June 2017, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

PEDRO MANUEL MANGANO,

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 Medicare drug plan sponsors, 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 the purpose of the scheme and artifice for the defendant and his accomplices to unlawfully enrich himself by, among other things: (a) submitting and causing the submission of false and fraudulent claims to health care benefit programs; (b) concealing the submission of false and fraudulent claims to health care benefit programs; (c) concealing the receipt and transfer of fraud proceeds; and (d) diverting fraud proceeds for his personal use and benefit, and to further the fraud.

The Scheme and Artifice

4. Accomplices of **PEDRO MANUEL MANGANO** recruited and often paid Medicare beneficiaries to induce the beneficiaries to allow PVRX to use the beneficiaries' Medicare Part D eligibility in conjunction with false and fraudulent billing of the Medicare Part D Program.

5. **PEDRO MANUEL MANGANO** and his accomplices submitted and caused the submission of claims that falsely and fraudulently represented that prescription drugs had been provided to the Medicare beneficiaries by PVRX Pharmacy.

6. As a result of such false and fraudulent claims, Medicare prescription drug plan sponsors, through their PBMs, made overpayments funded by the Medicare Part D Program to the corporate bank accounts of PVRX in the amount of at least approximately \$1,100,000.

7. **PEDRO MANUEL MANGANO** and his accomplices 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.

Acts in Execution or Attempted Execution of the Scheme and Artifice

8. 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, **PEDRO MANUEL MANGANO**, 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 Medicare drug plan sponsors, 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 PVRX provided prescription drugs to Medicare beneficiaries:

Count	Beneficiary	Approx. Date of Service	Claim Number	Item Claimed; Approx. Amount Paid
1	A.T.	10/02/2015	1527545125792199969110	Advair Diskus 250/50; \$311
2	J.H.	12/03/2015	1533738865170309999110	Namenda XR Cap 7MG; \$326
3	S.E.	12/17/2015	185569396001552950895-7136650642336504071	Seroquel XR Tab 300 MG; \$1196
4	S.E.	02/15/2016	118535403009995750728-0602814757637504071	Spiriva Handihaler; \$320
5	A.T.	05/04/2016	8682869605049B	Advair Diskus 250/50; \$336

Count	Beneficiary	Approx. Date of Service	Claim Number	Item Claimed; Approx. Amount Paid
6	S.E.	06/21/2016	355316830593497460819-8087709182659504071	Seroquel XR Tab 300 MG; \$1288
7	G.H.	07/12/2016	311294923708601160213-3288581325299504071	Advair Diskus 250/50; \$338
8	M.H.	08/15/2016	166281060921-0000505085604	Advair Diskus 250/50; \$335
9	J.H.	12/02/2016	1633743124971369979110	Namenda XR Cap 7MG; \$361
10	J.H.	01/05/2017	1700542699181619989110	Namenda XR Cap 7MG; \$386

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

FORFEITURE
(18 U.S.C. § 982)

1. The allegations contained in this Indictment are realleged and incorporated by reference as though fully set forth herein for the purpose of alleging forfeiture to the United States of certain property in which the defendant **PEDRO MANUEL MANGANO** has an interest.

2. Upon conviction of any violation of Title 18, United States Code, Section 1347, as alleged in Counts 1 through 10 of the Indictment, the defendant shall forfeit to the United States all of his right, title and interest in any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of such violation, pursuant to Title 18, United States Code, Section 982(a)(7).

3. The property subject to forfeiture includes, but is not limited to, the sum of at least \$1,100,000 in United States currency, which is a sum of money equal in value to the gross proceeds traceable to the commission of the violation alleged in this Indictment, which the United States will seek as a forfeiture money judgment as part of the defendants' sentence.

All pursuant to Title 18, United States Code, Sections 982(a)(1) and 982(a)(7); and the procedures set forth at Title 21, United States Code, Section 853, as made applicable through Title 18, United States Code, Section 982(b)(1).

A TRUE BILL

FOREPERSON



BENJAMIN G. GREENBERG
ACTING UNITED STATES ATTORNEY



JON M. WUENGER
ASSISTANT UNITED STATES ATTORNEY

17-20408

UNITED STATES OF AMERICA

CASE NO.

vs.

CERTIFICATE OF TRIAL ATTORNEY

PEDRO MANUEL MANGANO,

MARTINEZ
OTAZO-REYES

Defendant.

Superseding Case Information:

Court Division: (Select One)

X Miami Key West
 FTL WPB FTP

New Defendant(s) Yes No
Number of New Defendants
Total number of counts

I do hereby certify that:

1. I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the Indictment/Information attached hereto.
2. I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. Section 3161.
3. Interpreter: (Yes or No) YES
List language and/or dialect SPANISH
4. This case will take 5 days for the parties to try.
5. Please check appropriate category and type of offense listed below:

(Check only one)

(Check only one)

I	0 to 5 days	<u>X</u>	Petty	<u> </u>
II	6 to 10 days	<u> </u>	Minor	<u> </u>
II	11 to 20 days	<u> </u>	Misdem.	<u> </u>
IV	21 to 60 days	<u> </u>	Felony	<u>X</u>
V:	61 days and over	<u> </u>		

6. Has this case been previously filed in this District Court? (Yes or No) No

If yes:

Judge:

Case No.

(Attach copy of dispositive order)

Has a complaint been filed in this matter?

(Yes or No) No

If yes:

Magistrate Case No.

Related Miscellaneous numbers:

Defendant(s) in federal custody as of

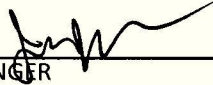
Defendant(s) in state custody as of

Rule 20 from the District of

Is this a potential death penalty case? (Yes or No) No

7. Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to October 14, 2003? Yes X No

8. Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to September 1, 2007? Yes X No


JON M. JUENGER
ASSISTANT UNITED STATES ATTORNEY
FLORIDA BAR NO. 56108

*Penalty Sheet(s) attached

REV 4/8/08

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: PEDRO MANUEL MANGANO

Case No: _____

Counts #: 1-10

Health Care Fraud

Title 18, United States Code, Section 1347

*** Max. Penalty:** Ten (10) years' imprisonment, as to each count

***Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms, or forfeitures that may be applicable.**