

FILED by **BA** D.C.

Jul 6, 2017

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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
17-20464-CR-UNGARO/O'SULLIVAN**

Case No. _____
18 U.S.C. § 1349
18 U.S.C. § 2
18 U.S.C. § 981(a)(1)(C)
18 U.S.C. § 982(a)(7)

UNITED STATES OF AMERICA

vs.

BEATRIZ CARRASCO,

Defendant.

_____ /

INFORMATION

The Acting United States Attorney charges that:

GENERAL ALLEGATIONS

At all times material to this Information:

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 managed care plans offered by an MA Organization, such as health maintenance organization ("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 residency 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 1 (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. HMO-A was a Florida corporation located in Miami, Florida. HMO-A was a licensed health maintenance organization (HMO) in the State of Florida. HMO-A was an MA Organization approved by Medicare to offer MA plans to beneficiaries in a few counties in Florida, including Miami-Dade County.

17. Freddy S. Zeron was the owner of a clinic in Nicaragua that provided services to Medicare and Medicaid beneficiaries residing in Nicaragua.

18. MSO-A was a Florida corporation located in Miami-Dade County. MSO-A contracted with HMO-A and other MA Organizations as a medical services provider.

19. Ruth Aracelly Garcia, a resident of Miami-Dade County, was the office manager of a clinic in Miami-Dade County owned by MSO-A.

20. Defendant **BEATRIZ CARRASCO**, a Miami-Dade resident, was a Florida licensed insurance agent employed at MSO-A to sell MA plans offered by HMO-A.

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

From in or around June 2014, through in or around March 2015, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

BEATRIZ CARRASCO,

did knowingly, that is, with the intent to further the objects of the conspiracy, and willfully combine, conspire, confederate and agree with others, known and unknown to the Acting United States Attorney, 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 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 and foreign commerce, certain writings, signs, signals, pictures and sounds, in violation of Title 18, United States Code, Section 1343.

Purpose of the Conspiracy

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 plans' service area, by falsely and fraudulently representing that the beneficiaries resided in the MA plans' service area within Florida, including Miami-Dade County; (c) enrolling Medicare beneficiaries residing in Nicaragua into Florida Medicaid by falsely and fraudulently representing to DCF that the beneficiaries resided in Florida; and (d) obtaining and diverting fraud proceeds for the personal use and benefit of themselves and others, and to further the fraud.

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:

21. MSO-A and others marketed and offered, and caused the marketing and offering of, MA plans to Medicare eligible individuals residing in Nicaragua.

22. Defendant **BEATRIZ CARRASCO**, Ruth Aracelly Garcia, Freddy S. Zeron, 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. CARRASCO and others 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 conspirators used, and caused the use of, addresses of beneficiaries' relatives and friends in Miami-Dade County, and other Florida counties, as the beneficiaries' residence address. CARRASCO and others used interstate and foreign wire transmissions and other means to submit, and cause the submission of, the false and fraudulent MA plan enrollment applications to CMS.

23. Through the false and fraudulent enrollment requests submitted to CMS, **BEATRIZ CARRASCO**, Freddy S. Zeron, Ruth Aracely Garcia, and others caused CMS to make monthly capitation payments to MA Organizations on behalf of beneficiaries who were not eligible to enroll and who did not reside in the MA plans service area.

24. **BEATRIZ CARRASCO**, Freddy S. Zeron, Ruth Aracely Garcia, 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.

25. Through the false and fraudulent enrollments submitted to DCF, **BEATRIZ CARRASCO**, Freddy S. Zeron, Ruth Aracely Garcia, and others caused Florida Medicaid to pay Medicare premiums, deductibles, and co-insurance for beneficiaries who did not reside in Florida.

26. **BEATRIZ CARRASCO**, Freddy S. Zeron, Ruth Aracely Garcia, and others caused physicians associated with MSO-A, to be designated as the primary care physicians (PCP) for the beneficiaries residing in Nicaragua. HMO-A would then pay MSO-A a monthly capitation rate and other compensation for the beneficiaries residing in Nicaragua fraudulently enrolled in MA plans.

27. **BEATRIZ CARRASCO**, Freddy S. Zeron, Ruth Aracely Garcia, and others used the money falsely and fraudulently obtained from Medicare and Florida Medicaid for their personal use and benefit, and to further the fraud.

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

FORFEITURE
(18 U.S.C. §§ 981(a)(1)(C) and 982(a)(7))

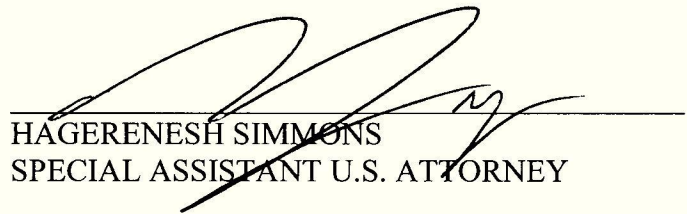
1. The allegations contained in this Information are realleged and incorporated by reference as though fully set forth herein for the purpose of alleging forfeiture to the United States of certain property in which the defendant **BEATRIZ CARRASCO** has an interest.

2. Upon conviction of a conspiracy to violate of Title 18, United States Code, Section 1347, as alleged in this Information, 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 conspiracy to violate Title 18, United States Code, Section 1343, as alleged in this Information, the defendant shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to the commission of the offense pursuant to Title 18, United States Code, Section 981(a)(1)(C).

All pursuant to Title 18, United States Code, Section 981(a)(1)(C), as incorporated by Title 28, United States Code, Section 2461(c), Title 18, United States Code, Section 982(a)(7), and the procedures set forth in Title 21, United States Code, Section 853.


BENJAMIN G. GREENBERG
ACTING UNITED STATES ATTORNEY


HAGERENESH SIMMONS
SPECIAL ASSISTANT U.S. ATTORNEY

UNITED STATES OF AMERICA

CASE NO. _____

vs.

CERTIFICATE OF TRIAL ATTORNEY*

BEATRIZ CARRASCO,

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

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


 Hagenesh Simmons
 SPECIAL ASSISTANT UNITED STATES ATTORNEY
 Florida Bar No. 0485438

*Penalty Sheet(s) attached

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: BEATRIZ CARRASCO

Case No: _____

Count #: 1

Conspiracy to Commit Health Care Fraud and Wire Fraud

Title 18, United States Code, Section 1349

* Max. Penalty: Ten (10) years' imprisonment

Count #:

*Max. Penalty:

Count #:

*Max. Penalty:

Count #:

*Max. Penalty:

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

AO 455 (Rev. 01/09) Waiver of an Indictment

UNITED STATES DISTRICT COURT
for the
Southern District of Florida

United States of America

v.

BEATRIZ CARRASCO,

Defendant

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)
)
)
)

Case No.

WAIVER OF AN INDICTMENT

I understand that I have been accused of one or more offenses punishable by imprisonment for more than one year. I was advised in open court of my rights and the nature of the proposed charges against me.

After receiving this advice, I waive my right to prosecution by indictment and consent to prosecution by information.

Date: _____

Defendant's signature

Signature of defendant's attorney

Printed name of defendant's attorney

Judge's signature

Judge's printed name and title