

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No.

17-20454 CR-GAYLES
ORTIZO-REYES
IB
JUN 29 2017
ST. JAMES A. VANCE
CLERK OF COURT

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)

UNITED STATES OF AMERICA

vs.

WILLIAM SALAZAR ORTEGA
and
OSCAR ALONSO GONZALEZ,

Defendants.

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.

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. CIGNA, Humana Insurance Company ("Humana"), Aetna and United Healthcare Insurance Company ("United") were, among others, Medicare drug plan sponsors.

The Defendants and Related Companies

9. Latin Medical Supply Inc., doing business as Latin Pharmacy ("Latin Pharmacy"), was a Florida corporation, incorporated on or about August 4, 2005, that did business in Miami-Dade County, and purportedly provided prescription drugs to Medicare beneficiaries. Its principal place of business was listed as 240 East 1st Avenue, Hialeah, Florida.

10. Defendant **WILLIAM SALAZAR ORTEGA** was a resident of Miami-Dade County and, from on or about November 20, 2014 to the present, was the president, director and registered agent of Latin Pharmacy.

11. J&C Investors Corporation ("J&C Investors") was a Florida corporation, incorporated on or about January 3, 2012, that purported to do business in Miami-Dade County. J&C Investors' principal place of business was listed as 3140 Southwest Terrace, Miami, Florida.

12. Defendant **OSCAR ALONSO GONZALEZ** was a resident of Miami-Dade County, and from on or about August 21, 2014, to the present, was the president of J&C Investors.

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 October of 2014, through in or around May of 2015, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants,

WILLIAM SALAZAR ORTEGA
and
OSCAR ALONSO GONZALEZ,

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, 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, CIGNA, Aetna, Humana and United, 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 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 the purpose of the conspiracy for the defendants and their 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; (c) concealing the receipt and transfer of fraud proceeds; and (d) diverting fraud proceeds for the personal use and benefit of themselves and others.

MANNER AND MEANS OF THE CONSPIRACY

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

4. **WILLIAM SALAZAR ORTEGA, OSCAR ALONSO GONZALEZ**, and other co-conspirators submitted and caused the submission of claims, via interstate wire transmissions, that falsely and fraudulently represented various health care benefits, primarily prescription drugs, were medically necessary, prescribed by a doctor, and provided to Medicare beneficiaries by Latin Pharmacy.

5. As a result of such false and fraudulent claims, Medicare prescription drug plan sponsors, through their PBMs, made approximately \$2.38 million in overpayments funded by the Medicare Part D Program to Latin Pharmacy.

6. **WILLIAM SALAZAR ORTEGA, OSCAR ALONSO GONZALEZ**, and other co-conspirators used the proceeds from the false and fraudulent Medicare Part D claims 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 2-5
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 October of 2014, through in or around May of 2015, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants,

WILLIAM SALAZAR ORTEGA
and
OSCAR ALONSO GONZALEZ,

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, as defined by Title 18, United States Code, Section 24(b), that is, Medicare, CIGNA, Aetna, Humana and United, 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 defendants and their accomplices 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; (c) concealing the receipt and transfer of fraud proceeds; and (d) diverting fraud proceeds for the personal use and

benefit of themselves and others.

The Scheme and Artifice

4. The allegations contained in paragraphs 4 through 6 of the Manner and Means section of Count 1 of this Indictment are incorporated by reference as though fully set forth herein as a description of the scheme and artifice as to **WILLIAM SALAZAR GONZALEZ** and **OSCAR ALONSO GONZALEZ**.

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 defendants, **WILLIAM SALAZAR GONZALEZ** and **OSCAR ALONSO GONZALEZ**, 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, CIGNA, Aetna, Humana and United, 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 Latin Pharmacy provided pharmaceutical items and services to Medicare beneficiaries pursuant to physicians' orders and prescriptions:

Count	Beneficiary	Medicare Drug Plan Sponsor	Approx. Claim Submission Date	Claim Number	Item Claimed; Approx. Amount Claimed
2	N.L.	Humana	12/30/2014	347649075591- 0000489059490	Seroquel XR; \$1,293

Count	Beneficiary	Medicare Drug Plan Sponsor	Approx. Claim Submission Date	Claim Number	Item Claimed; Approx. Amount Claimed
3	A.M.	United	01/19/2015	150192663272101999	Xifaxan; \$1,426
4	R.E.L.	United	02/09/2015	150403059999029999	Carac; \$689
5	C.P.	Humana	03/02/2015	154618138211- 0000490194497	Seroquel XR; \$1,397

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

COUNT 6
Conspiracy to Commit Money Laundering
(18 U.S.C. § 1956(h))

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

OSCAR ALONSO GONZALEZ,

did willfully, that is, with the intent to further the object of the conspiracy, and knowingly combine, conspire, and agree with others, known and unknown to the Grand Jury, to knowingly conduct a financial transaction affecting interstate commerce, which 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 such 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 health care fraud, in violation of Title 18, United States Code, Section 1347, and wire fraud, in violation of Title 18, United States

Code, Section 1343.

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

COUNTS 7-8
Money Laundering
(18 U.S.C. § 1956(a)(1)(B)(i))

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,

OSCAR ALONSO GONZALEZ,

did knowingly conduct and attempt to conduct a financial transaction affecting interstate commerce, which 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, ownership and the control of the proceeds of specified unlawful activity as set forth below:

Count	Approximate Date of Transaction	Description of Financial Transaction
7	11/07/2014	The deposit of approximately \$9,675 into JP Morgan Chase account number ending 9471 in the name of J&C Investors via check number 1001, drawn on the account of GAC Investor at Wells Fargo ending in 0511 and made payable to J&C Investors
8	04/14/2015	The deposit of approximately \$7,000 into JP Morgan Chase account ending 9471 in the name of J&C Investors via cashier's check number XXXXXXXX3195, purchased by GAC Investor and made payable to J&C Investors

It is further alleged that the specified unlawful activity is health care fraud, in violation of

Title 18, United States Code, Section 1347, and wire fraud, in violation of Title 18, United States Code, Section 1343.

In violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) 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 certain property in which the defendants, **WILLIAM SALAZAR ORTEGA** and **OSCAR ALONSO GONZALEZ**, have an interest.

2. Upon conviction of any violation of Title 18, United States Code, Section 1349, as alleged in Count 1 of the Indictment, or Title 18, United States Code, Section 1347, as alleged in Counts 2 through 5 of the Indictment, the defendants, **WILLIAM SALAZAR ORTEGA** and **OSCAR ALONSO GONZALEZ**, shall each forfeit all of their right, title and interest to the United States of any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of such violations, pursuant to Title 18, United States Code, Section 982(a)(7).

3. Upon conviction of a conspiracy to violate or a violation of Title 18, United States Code, Section 1956, as alleged in Counts 6 through 8 of this Indictment, the defendant, **OSCAR ALONSO GONZALEZ**, shall forfeit to the United States any property, real or personal, that is involved in the offense, or any property traceable to such property, pursuant to Title 18, United States Code, Section 982(a)(1). Further, this sum may be sought as a forfeiture money judgment against the defendant.

4. The property subject to forfeiture includes, but is not limited to, the sum of at least \$2,384,246 in United States currency, which is a sum of money equal in value to the gross proceeds traceable to the commission of the violations alleged in this Indictment, which the United States

will seek as 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:

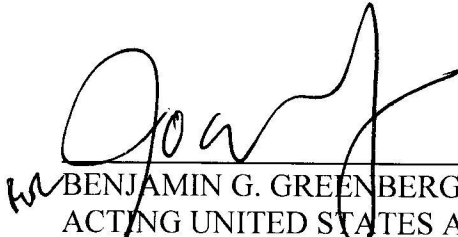
- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,


it is the intent of the United States of America to seek forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p) as incorporated by Title 18, United States Code, Section 982(b)(1).


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

A TRUE BILL.

FOREPERSON


BENJAMIN G. GREENBERG
ACTING UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF FLORIDA


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


TIMOTHY P. LOPER, TRIAL ATTORNEY
CRIMINAL DIVISION, FRAUD SECTION
U.S. DEPARTMENT OF JUSTICE

UNITED STATES OF AMERICA

CASE NO. _____

vs.

CERTIFICATE OF TRIAL ATTORNEY*

**WILLIAM SALAZAR ORTEGA and
OSCAR ALONSO GONZALEZ,**

Defendants.

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 3-5 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>
III	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) Yes

If yes:

Magistrate Case No. 15-2804-Torres (Sealed)

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

TIMOTHY P. LOPER
DOJ TRIAL ATTORNEY
Court No. A5502016

*Penalty Sheet(s) attached

REV 4/8/08

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: WILLIAM SALAZAR ORTEGA

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

Counts #: 2 – 5

Health Care Fraud

Title 18, United States Code, Section 1347

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

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.**

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: OSCAR ALONSO GONZALEZ

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

Counts #: 2 – 5

Health Care Fraud

Title 18, United States Code, Section 1347

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

Count #: 6

Conspiracy to Commit Money Laundering

Title 18, United States Code, Section 1956(h)

***Max Penalty:** Twenty (20) years' imprisonment

Counts #: 7 – 8

Money Laundering

Title 18, United States Code, Section 1956(a)(1)(B)(i)

***Max Penalty:** Twenty (20) 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.**