

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

FILED by *7B* D.C.
SEP 20 2012
STEVEN M. LARIMORE
CLERK U.S. DIST. CT.
S. DIST. OF FLA. MIAMI

CASE NO. **12-20682**

18 U.S.C. § 1349
18 U.S.C. § 1347
18 U.S.C. § 2
18 U.S.C. § 982

CR-WILLIAMS

~~REGISTRAR~~
~~TURNOFF~~

UNITED STATES OF AMERICA

vs.

ALFREDO GONZALEZ,

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 subsidized the costs of prescription drugs for Medicare

beneficiaries in the United States. It 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 with one or more Pharmacy Benefit Managers ("PBMs"). Each PBM acted on behalf of one or more Medicare drug plans. Through a plan's PBM, a pharmacy could join the plan's network. When a Part D beneficiary presented a prescription to a pharmacy, the pharmacy submitted a claim to the PBM that represented the beneficiary's Medicare drug plan. The PBM determined whether the pharmacy was entitled to payment for each claim and periodically paid the pharmacy for outstanding claims. The drug plan's sponsor reimbursed the PBM for its payments to the pharmacy.

5. A pharmacy could also submit claims to a Medicare drug plan to whose network the pharmacy did not belong. Submission of such out-of-network claims was not common and often resulted in smaller payments to the pharmacy by the drug plan sponsor.

6. Medicare, through CMS, compensated the Medicare drug plan sponsors. Medicare paid the sponsors a monthly fee for each Medicare beneficiary of the sponsors' plans. Such payments were called capitation fees. The capitation 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. United Healthcare Insurance Company ("United"), United Healthcare New York ("United NY"), Penn Life Insurance Company ("Penn Life"), American Program Life and Health Insurance Company ("American Program"), and Accendo Insurance Company ("AIC") were Medicare drug plan sponsors.

24 Hour Community Pharmacy, Inc.

9. 24 Hour Community Pharmacy, Inc. ("24 Hour Pharmacy") was a Florida corporation, incorporated on or about September 26, 2008, that did business in Miami-Dade County purportedly providing prescription drugs to Medicare beneficiaries. Maggie Garcia was the owner of 24 Hour Pharmacy.

The Defendant

10. **ALFREDO GONZALEZ** was a resident of Miami-Dade County.

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

1. Paragraphs 1 through 10 of the General Allegations section of this Indictment are realleged and incorporated by reference as though fully set forth herein.

2. Beginning on or about April 1, 2009, and continuing through on or about August 31, 2011, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

ALFREDO GONZALEZ,

did knowingly and willfully combine, conspire, confederate and agree with Maggie Garcia, and others known and unknown to the Grand Jury, to violate Title 18, United States Code, Section 1347, that is, to execute a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, Medicare, United, United NY, Penn Life, American Program, and AIC, 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.

PURPOSE OF THE CONSPIRACY

3. It was the purpose of the conspiracy for the defendant and his co-conspirators to unlawfully enrich themselves by, among other things: (a) submitting and causing the submission of false and fraudulent claims to health care benefit programs; (b) concealing the submission of false and fraudulent claims to health care benefit programs, and the receipt and transfer of fraud proceeds; and (c) diverting 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 defendant and his co-conspirators sought to accomplish the object and purpose of the conspiracy included, among other things, the following:

4. **ALFREDO GONZALEZ** falsely identified himself as a licensed medical doctor under the rules and regulations of the state of Florida.

5. **ALFREDO GONZALEZ** and his co-conspirators created false and fraudulent prescriptions for Medicare beneficiaries for the purpose of submitting false and fraudulent claims for prescription medications purportedly provided to Medicare beneficiaries.

6. **ALFREDO GONZALEZ** paid Medicare beneficiaries for allowing him and his co-conspirators to use the beneficiaries' information to create the false and fraudulent prescriptions.

7. **ALFREDO GONZALEZ**, Maggie Garcia, and their co-conspirators submitted and caused 24 Hour Pharmacy to submit claims that falsely and fraudulently represented that various health care benefits, primarily prescription drugs, were medically necessary, prescribed by a doctor, and had been provided to Medicare beneficiaries.

8. As a result of such false and fraudulent claims, Medicare prescription drug plan sponsors, including United, United NY, Penn Life, American Program, and AIC, through their PBMs, made payments funded by Medicare to 24 Hour Pharmacy's corporate bank account, in the amount of approximately \$1,170,344.

9. **ALFREDO GONZALEZ** was paid by Maggie Garcia for the false and fraudulent prescriptions with cash withdrawn from 24 Hour Pharmacy's corporate bank account.

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

COUNTS 2-9
Health Care Fraud
(18 U.S.C. § 1347)

1. Paragraphs 1 through 10 of the General Allegations section of this Indictment are realleged and incorporated by reference as though fully set forth herein.

2. From on or about April 1, 2009, and continuing through on or about August 31, 2011, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

ALFREDO 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 health care benefit programs affecting commerce, as defined by Title 18, United States Code, Section 24(b), that is, Medicare, United, United NY, Penn Life, American Program, and AIC, 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 themselves by, among other things: (a) submitting or causing the submission of false and fraudulent claims to health care benefit programs; (b) concealing the submission of false and fraudulent claims to health care benefit programs, and the receipt and transfer of fraud proceeds; and (c) diverting fraud proceeds for the personal use and benefit of themselves and others.

The Scheme and Artifice

4. The allegations contained in paragraphs 4 through 9 of the Manner and Means section of Count 1 of this Indictment are realleged and incorporated by reference as though fully set forth herein as a description of the scheme and artifice.

Acts in Execution or Attempted Execution of the Scheme and Artifice

5. On or about the dates set forth as to each count below, in Miami-Dade County, in the Southern District of Florida, and elsewhere, **ALFREDO 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, United, United NY, Penn Life, American Program, and AIC, 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 approximate identified dollar amounts, and representing that 24 Hour Pharmacy provided pharmaceutical items and services to Medicare beneficiaries pursuant to physicians' orders and prescriptions:

Count	Medicare Beneficiary	Approx. Date of Submission of Claim	Medicare Claim Number	Medicare Drug Plan Sponsor	Item Claimed; Approx. Amount Claimed
2	T. A.	11/24/2009	093283533641036998	United & United NY	Singular Tab 10mg; \$118
3	T. A.	02/04/2010	100353847244028999	United & United NY	Celebrex Cap 200mg; \$229
4	M. L. D. L.	06/28/2010	30000678447387	AIC	Namenda Tab 10mg; \$88
5	C. D. E.	08/16/2010	20349725863255622020	Penn Life	Singular Tab 10mg; \$129
6	M. L.	05/31/2011	33877902854003672033	Penn Life & American Program	Lexapro Tab 10mg; \$106
7	M. L. D. L.	07/12/2011	30000854397648	AIC	Singular Tab 10mg; \$147
8	M. L.	07/26/2011	23873460970959582023	Penn Life & American Program	Singular Tab 10mg; \$153
9	C. D. E.	08/04/2011	82083082388415782082	Penn Life & American Program	Symbicort Aer 160-4.5; \$216

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 America of certain property in which the defendant, **ALFREDO GONZALEZ**, has an interest.

2. Upon conviction of any violation of Title 18, United States Code, Sections 1347 and 1349, as alleged in Counts 1 through 9 of the Indictment, the defendant shall forfeit all of his 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 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 \$1,170,344 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.

All pursuant to Title 18, United States Code, Section 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 *al*

[Signature]
FOREPERSON

[Signature]
WIFREDO A. FERRER
UNITED STATES ATTORNEY

[Signature]
ANISSA D. ANDREWS
SPECIAL ASSISTANT U.S. ATTORNEY