

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. **11-20523 CR-GRAHAM**

18 U.S.C. § 1349
18 U.S.C. § 371
18 U.S.C. § 201(b)(1)
18 U.S.C. § 2
18 U.S.C. § 982(a)(1)(C)
18 U.S.C. § 982(a)(7)

GOODMAN

UNITED STATES OF AMERICA

vs.

GILBERT SANABRIA, JR.,
a/k/a "Gilbert Sanabria,"

Defendant.



INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

The Medicare Program

1. The Medicare Program ("Medicare") was a federal program that provided free or below-cost health care benefits to certain individuals, primarily the elderly, blind, and disabled. The benefits available under Medicare are prescribed by statute and by federal regulations under the auspices of the United States Department of Health and Human Services ("HHS"), through its agency, the Centers for Medicare and Medicaid Services ("CMS"). 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. In particular, Part A of the Medicare Program covered certain outpatient services, including physical therapy, rehabilitation and occupational therapy (“PT/OT”) services, which are typically administered at Comprehensive Outpatient Rehabilitation Facilities (“CORFs”) or by Outpatient Physical Therapy Providers (“OPTs”). Medicare Part A covered such services so long as they were ordered by a medical doctor or other qualified health care provider, and deemed medically necessary.

4. A CORF or OPT that sought to participate in Medicare Part A and bill Medicare for the cost of PT/OT services was required to apply for and receive a “supplier number” for Part A of the Medicare Program.

5. “Part B” of the Medicare program covered, among other things, medical services provided by physicians, medical clinics, and other qualified health care providers, as well as medications rendered “incident to” such services including durable medical equipment (“DME”), that were medically necessary and ordered by licensed medical doctors or other qualified health care providers. DME is equipment that is designed for repeated use and for a medical purpose, such as prosthetic limbs, back braces, knee braces, wheelchairs, nebulizers, oxygen concentrators and related medications and supplies.

6. Physicians, medical clinics, and other health care providers that provided services to Medicare beneficiaries were able to apply for and obtain a “provider number.” A health care

provider who was issued a Medicare provider number was able to file bills, known as “claims,” with Medicare to obtain reimbursement for services provided to beneficiaries. The claim form was required to contain certain important information, including: (a) the Medicare beneficiary’s name and Health Insurance Claim Number (“HICN”); (b) a description of the health care benefit, item, or service that was provided or supplied to the beneficiary; (c) the billing codes for the benefit, item, or service; (d) the date upon which the benefit, item, or service was provided or supplied to the beneficiary; and (e) the name of the referring physician or other health care provider, as well as a unique identifying number, which was either a Unique Physician Identification Number (“UPIN”) or a National Provider Identifier (“NPI”). The claim form could be submitted in hard copy or electronically.

7. For physicians, medical clinics, and other health care providers to participate in Medicare and receive a provider number, they were required to submit different variations of the form CMS-855 Medicare Enrollment Application (“form CMS-855 application”). In addition, physicians, medical clinics, and other health care providers were required to submit variations of form CMS-855 application to, among other things, indicate a change in ownership, indicate a change in medical director, voluntarily terminate participation in Medicare, and permit clinics and group practices to bill and collect payment from Medicare on behalf of physicians and non-physician practitioners.

8. For Florida beneficiaries, portions of Medicare Parts A and B were administered by First Coast Service Options, Inc. (“First Coast”), a company that contracted with CMS to receive, adjudicate, process, and pay certain Part A and B claims. Medicare, through First Coast, would generally pay a substantial portion of the cost of the related health care benefits, items, and services

that were medically necessary and ordered by licensed doctors or other qualified health care providers. First Coast would also process and approve certain form CMS-855 applications for Medicare Parts A and B.

9. Medicare Part B's insurance concerning DME and related health care benefits, items, and services was administered by Palmetto Government Benefits Administrators ("Palmetto GBA") and later by CIGNA Government Services ("CIGNA"), companies that contracted with CMS to receive, adjudicate, process, and pay certain Part B claims relating to DME. Medicare, through Palmetto GBA and CIGNA, would generally pay a substantial portion of the cost of the related health care benefits, items, and services that were medically necessary and ordered by licensed doctors or other qualified health care providers.

10. Payments under the Medicare Program were often made directly to the physician, medical clinic, or other qualified provider of the medical goods or services, rather than to the beneficiary. This occurred when the provider accepted assignment of the right to payment from the beneficiary. In that case, the provider submitted the claim to Medicare for payment, either directly or through a billing company.

11. When a claim was submitted to Medicare, the provider certified that the contents of the form were true, correct, complete, and that the form was prepared in compliance with the laws and regulations governing the Medicare program. The provider further certified that the services being billed were medically necessary and were in fact provided as billed.

12. Pursuant to federal statutes and regulations, Medicare only paid for health care benefits, items, or services that were medically necessary and ordered by a licensed doctor or other licensed, qualified health care provider.

The Defendant

13. Defendant **GILBERT SANABRIA, JR., a/k/a “Gilbert Sanabria,”** was a resident of Broward County. He operated and controlled South Florida Health Care Connection Inc.

Corporations

14. South Florida Health Care Connection Inc. (“SFHC”) was a Florida corporation with a place of business in Broward County. On or about January 10, 2003, **GILBERT SANABRIA, JR.,** incorporated SFHC and served as its registered agent. SFHC was engaged in the business of, among other things, opening and purchasing corporations that purportedly provided medical services and equipment to Medicare beneficiaries and selling those corporations as well as brokering the sale of such corporations owned by others. SFHC also assisted corporations with, among other things, enrollment in the Medicare program and approval from Medicare of changes of ownership and reassignment of Medicare benefits.

15. Eulogia’s Diagnostic Medical Center, Inc. (“Eulogia Diagnostic”) was a Florida corporation with a principal place of business in Miami-Dade County. It was purportedly a medical clinic that provided Medicare beneficiaries with various medical items and services, including pain management services and treatment for varicose veins. Eulogia Diagnostic had a Medicare provider number and was eligible to receive reimbursement for services that were provided to Medicare beneficiaries.

16. San Diego Medical & Rehab Center Inc. (“San Diego Medical”) was a Florida corporation with a principal place of business in Miami-Dade County. It was purportedly a medical clinic that provided Medicare beneficiaries with various medical items and services, including pain

management services and treatment for varicose veins. San Diego Medical had a Medicare provider number and was eligible to receive reimbursement for services that were provided to Medicare beneficiaries. **GILBERT SANABRIA, JR.**, was listed as a contact person on San Diego Medical's form CMS-855 application.

17. Stop Injury Medical Center, Inc. ("Stop Injury") was a Florida corporation with a principal place of business in Orlando, Florida. It was purportedly a medical clinic that provided Medicare beneficiaries with various medical items and services, including treatment for varicose veins. Stop Injury had a Medicare provider number and was eligible to receive reimbursement for services that were provided to Medicare beneficiaries.

18. Stirling Medical and Rehab Center Inc. ("Stirling Medical") was a Florida corporation with a principal place of business in Miami-Dade County. On or about March 25, 2003, **GILBERT SANABRIA, JR.**, incorporated Stirling Medical and served as its president and registered agent. Stirling Medical was purportedly engaged in the business of providing PT/OT services to Medicare beneficiaries. Stirling Medical had a Medicare provider number and was eligible to receive reimbursement from Medicare for PT/OT services that were provided to beneficiaries. **GILBERT SANABRIA, JR.**, was listed as a contact person on Stirling Medical's form CMS-855 application.

19. Hallandale Medical Supply, Inc. ("Hallandale Medical") was a Florida corporation with a principal place of business in Miami-Dade County. Hallandale Medical was purportedly engaged in the business of providing durable medical equipment to Medicare beneficiaries. Hallandale Medical had a Medicare provider number and was eligible to receive reimbursement from Medicare for durable medical equipment that was supplied to beneficiaries. **GILBERT**

SANABRIA, JR., was listed as a contact person on Hallandale Medical's form CMS-855 application.

Other Individuals

20. Stephanie Renee Gibbs was a resident of Duval County, Florida. From in or around April 2005 through on or about March 15, 2007, she was employed by First Coast as a Medicare enrollment analyst. Her duties and responsibilities were, among other things, to review, verify for truthfulness, and either approve or deny form CMS-855 applications. She was a "public official" within the meaning of 18 U.S.C. § 201(a).

21. Co-Conspirator A, a resident of Broward County, was the vice-president of SFHC.

22. Ihosvany Marquez, Vicente Gonzalez, Michel De Jesus Huarte, and Co-Conspirator B owned and controlled Stirling Medical, Eulogia Diagnostic, San Diego Medical, Stop Injury, and other corporations that billed Medicare.

23. Miguel Rodriguez, Co-Conspirator C, and others known and unknown to the Grand Jury owned and controlled Hallandale Medical.

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

1. Paragraphs 1 through 23 of the General Allegations section of this Indictment are realleged and incorporated by reference as if fully set forth herein.

2. From in or around August 2005, and continuing through in or around August 2007, in Miami-Dade and Broward Counties, in the Southern District of Florida, and elsewhere, the defendant,

**GILBERT SANABRIA, JR.,
a/k/a "Gilbert Sanabria,"**

did knowingly and willfully combine, conspire, confederate and agree with Stephanie Renee Gibbs, Ihosvany Marquez, Michael De Jesus Huarte, Vicente Gonzalez, Miguel Rodriguez, Co-Conspirator A, Co-Conspirator B, Co-Conspirator C, 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, 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.

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) selling and brokering the sale of companies that possessed Medicare provider numbers to others; (b) concealing the true ownership of companies by installing co-conspirators to act as nominee owners; (c) submitting and causing the submission of false and fraudulent claims to Medicare; (d) concealing the submission of false and fraudulent claims to Medicare and the receipt and transfer of fraud proceeds; and (e) 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 others, the following:

4. **GILBERT SANABRIA, JR.**, incorporated Stirling Medical.
5. **GILBERT SANABRIA, JR.**, submitted and assisted in the submission of form CMS-855 applications for Stirling Medical, San Diego Medical, Eulogia Diagnostic, Stop Injury, Hallandale Medical, and other corporations known and unknown to the Grand Jury.
6. **GILBERT SANABRIA, JR.**, and Co-Conspirator A sold and brokered the sale of Stirling Medical, San Diego Medical, Eulogia Diagnostic, Hallandale Medical, and other corporations that possessed Medicare provider numbers to Ihosvany Marquez, Michael De Jesus Huarte Vicente Gonzalez, Miguel Rodriguez, Co-Conspirator B, Co-Conspirator C and others known and unknown to the Grand Jury, who then submitted and caused the submission of false and fraudulent claims to Medicare.
7. **GILBERT SANABRIA, JR.**, and Co-Conspirator A gave and promised to give money and other items of value to Stephanie Renee Gibbs to induce her to improperly review and approve various form CMS-855 applications for Stirling Medical, Eulogia Diagnostic, San Diego Medical, Stop Injury, and other corporations for Medicare enrollment, change of ownership, and reassignment of Medicare benefits (the "Conspiracy Applications") on an expedited basis, in which Gibbs would forgo verifying the truthfulness of information included in the applications, as required by Medicare, and, would approve applications without the required on-site inspection.
8. Ihosvany Marquez, Vicente Gonzalez, Michael De Jesus Huarte, and Co-Conspirator B provided money and other items of value to **GILBERT SANABRIA, JR.**, and Co-Conspirator

A in exchange for which they directed Stephanie Renee Gibbs to improperly review and approve, on an expedited basis, the Conspiracy Applications.

9. Ihosvany Marquez, Michael De Jesus Huarte, Vicente Gonzalez, and Co-Conspirator B installed nominee owners in Stirling Medical, Eulogia Diagnostic, San Diego Medical, and Stop Injury to conceal their control of the corporations.

10. Ihosvany Marquez, Michael De Jesus Huarte, Vicente Gonzalez, and Co-Conspirator B purchased the names, HCINs, and other personal identifying information of numerous Medicare beneficiaries without their knowledge or permission in order to facilitate the submission of false and fraudulent claims to Medicare.

11. Ihosvany Marquez, Michael De Jesus Huarte, Vicente Gonzalez, and Co-Conspirator B misappropriated the names, UPINs, and NPI numbers of numerous physicians in order to facilitate the submission of false and fraudulent claims to Medicare.

12. **GILBERT SANABRIA, JR.**, and his co-conspirators Stephanie Renee Gibbs, Ihosvany Marquez, Vicente Gonzalez, Michel De Jesus Huarte, Miguel Rodriguez, Co-Conspirator A, Co-Conspirator B, and Co-Conspirator C submitted and caused the submission of claims to Medicare, on behalf of the corporations indicated below, that falsely and fraudulently represented that various health care benefits, items and services were medically necessary and had been provided to Medicare beneficiaries. Based upon these false and fraudulent claims, Medicare paid the corporations at least the following amounts:

Corporation	Approximate Amount Submitted to Medicare	Approximate Amount Paid By Medicare
Eulogia Diagnostic	\$7,127,926	\$1,571,744
San Diego Medical	\$7,207,265	\$2,204,950
Stop Injury	\$4,732,623	\$2,287,837
Stirling Medical	\$5,491,730	\$2,375,538
Hallandale Medical	\$3,432,090	\$1,096,229

13. Ihosvany Marquez, Michael De Jesus Huarte, Vicente Gonzalez, and Co-Conspirator B transferred and caused to be transferred Medicare fraud proceeds from the corporate bank accounts of Eulogia Diagnostic, San Diego Medical, Stop Injury, and Stirling Medical to numerous shell corporations and also cashed checks from the corporate bank accounts of the corporations at check cashing businesses.

14. Ihosvany Marquez, Michael De Jesus Huarte, Vicente Gonzalez, and Co-Conspirator B used the monies received from Medicare to purchase additional corporations from **GILBERT SANABRIA, JR.**, and Co-Conspirator A.

15. **GILBERT SANABRIA, JR.**, received cash and check payments from Ihosvany Marquez, Michael De Jesus Huarte, Vicente Gonzalez, Co-Conspirator B, Miguel Rodriguez, and Co-Conspirator C. Portions of those funds were deposited into SFHC's Wachovia Bank account, account number XXXXXXXXXXX6558.

16. Miguel Rodriguez and Co-Conspirator C transferred and disbursed, and caused the transfer and disbursement of the payments received by Hallandale Medical from Medicare to themselves and others.

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

COUNT 2
Conspiracy to Commit Bribery
(18 U.S.C. § 371)

1. Paragraphs 1 through 18 and 20 through 22 of the General Allegations section of this Indictment are realleged and incorporated by reference as though fully set forth herein.

2. From in or around August 2005 through February 2007, in Miami-Dade and Broward Counties, in the Southern District of Florida, and elsewhere, the defendant,

GILBERT SANABRIA, JR.,
a/k/a “Gilbert Sanabria,”

did knowingly and with the intent to further the object of the conspiracy combine, conspire, confederate, and agree with Stephanie Renee Gibbs, Ihosvany Marquez, Michael De Jesus Huarte, Vicente Gonzalez, Co-Conspirator A, Co-Conspirator B, and others known and unknown to the Grand Jury, to commit an offense against the United States, that is, to knowingly and corruptly, directly and indirectly, give, offer and promise anything of value to any public official and offer and promise any public official to give anything of value to any other person and entity with intent, to influence any official act and to influence such public official to commit and aid in committing, and collude in, and allow, any fraud, and make opportunity for the commission of any fraud, on the United States, in violation of Title 18, United States Code, Section 201(b)(1)(A) and (B).

PURPOSE OF THE CONSPIRACY

3. It was the purpose of the conspiracy for **GILBERT SANABRIA, JR.**, and his co-conspirators to unjustly enrich themselves by providing Stephanie Renee Gibbs, being a public official, things of value in exchange for, among other things, the expedited review and approval of

Medicare enrollment, change of ownership, and reassignment of Medicare benefit applications for corporations that were then used to defraud Medicare.

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 others, the following:

4. **GILBERT SANABRIA, JR.**, and Co-Conspirator A gave and promised to give money and other items of value to Stephanie Renee Gibbs to improperly review and approve the form CMS-855 applications for Stirling Medical, Eulogia Diagnostic, San Diego Medical, Stop Injury, and other corporations (the “Conspiracy Applications”) for Medicare enrollment, change of ownership, and reassignment of Medicare benefits on an expedited basis in which Gibbs would forgo verifying the truthfulness of information included in the applications, as required by Medicare and would approve applications without the required on-site inspection.

5. Stephanie Renee Gibbs received and agreed to receive money and other items of value from **GILBERT SANABRIA, JR.**, and Co-Conspirator A in return for improperly expediting the review and approval of the Conspiracy Applications.

6. **GILBERT SANABRIA, JR.**, and Co-Conspirator A created corporations and enrolled them in the Medicare program with the aid and assistance of Stephanie Renee Gibbs. **SANABRIA** and Co-Conspirator A sold those corporations to Ihosvany Marquez, Vicente Gonzalez, Michael De Jesus Huarte, and Co-Conspirator B, who in turn used the corporations to submit false and fraudulent claims to Medicare.

7. Ihosvany Marquez, Vicente Gonzalez, Michael De Jesus Huarte, and Co-Conspirator B provided money and other items of value to **GILBERT SANABRIA, JR.**, and Co-Conspirator

A in exchange for directing Stephanie Renee Gibbs to improperly review and approve, on an expedited basis, the Conspiracy Applications.

8. Ihosvany Marquez, Vicente Gonzalez, Michael De Jesus Huarte, and Co-Conspirator B submitted and caused the submission of the Conspiracy Applications to First Coast in order to conceal their true ownership of the corporations Eulogia Diagnostic, San Diego Medical, Stop Injury, and Stirling Medical. This was accomplished by installing others to act as nominee owners and using the corporations to submit and cause the submission of false and fraudulent claims to Medicare. The fraud proceeds were diverted for the personal use and benefit of themselves and others.

OVERT ACTS

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

1. In or around August 2006, **GILBERT SANABRIA, JR.**, provided Stephanie Renee Gibbs a Dodge Magnum vehicle.
2. On or about October 4, 2006, **GILBERT SANABRIA, JR.**, and Co-Conspirator A deposited a check from San Diego Medical made payable to SFHC in the amount of \$3,700, into SFHC's Wachovia Bank account, account number XXXXXXXXXXXX6558.
3. On or about November 7, 2006, Stephanie Renee Gibbs sent **GILBERT SANABRIA, JR.**, an electronic communication requesting the "NIP [sic] NOTIFICATION LETTER" for T.L.

4. On or about December 18, 2006, Stephanie Renee Gibbs sent **GILBERT SANABRIA, JR.**, an electronic communication requesting the social security number, NPI number, and “NPI NOTIFICATION LETTER” for the form CMS-855 application for San Diego Medical.

5. On or about December 18, 2006, Stephanie Renee Gibbs sent **GILBERT SANABRIA, JR.**, an electronic communication requesting the “NPI NOTIFICATION LETTER” for the CMS-855 application for Stop Injury.

6. On or about December 22, 2006, **GILBERT SANABRIA, JR.**, signed a check from SFHC’s Wachovia Bank account, account number XXXXXXXXXXX6558, that was made payable to “Stephanie Gibbs,” in the amount of \$1,400.

7. On or about February 8, 2007, **GILBERT SANABRIA, JR.** sent a fax to Stephanie Renee Gibbs that included the NPI numbers for the physicians that were to be installed as the medical directors of Eulogia Diagnostic and San Diego Medical.

8. On or about February 21, 2007, **GILBERT SANABRIA, JR.**, sent an electronic communication to Stephanie Renee Gibbs asking her to contact him as soon as she possibly could.

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

COUNTS 3-4
Bribery
(18 U.S.C. § 201(b)(1))

1. Paragraphs 1 through 18 and 20 through 22 of the General Allegations section of this Indictment are realleged and incorporated by reference as though fully set forth herein.

2. On the dates specified as to each count below, in Miami-Dade and Broward Counties, in the Southern District of Florida, and elsewhere, the defendant,

GILBERT SANABRIA, JR.,
a/k/a “Gilbert Sanabria,”

knowingly and corruptly, directly and indirectly, gave, offered and promised anything of value, as specified in each count below, to a public official, that is, Stephanie Renee Gibbs, with the intent to influence an official act, that is, to approve form CMS-855 applications, and to influence such public official to commit and aid in committing and collude in, and allow, any fraud, and make opportunity for the commission of any fraud, on the United States:

Count	Approximate Date	Item of Value
3	8/31/2006	One Dodge Magnum vehicle.
4	12/22/2006	Check for \$1,400 from SFHC’s Wachovia Bank account (XXXXXXXXXX6558) made payable to “Stephanie Gibbs.”

In violation of Title 18, United States Code, Sections 201(b)(1)(A) and (B), and 2.

FORFEITURE ALLEGATION

1. The allegations of 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, **GILBERT SANABRIA, JR.**, has an interest.

2. Upon conviction of any violation of Title 18, United States Code, Sections 1349, 371, or 201 as alleged in Counts 1 through 4 of the Indictment, the defendant, **GILBERT SANABRIA, JR.**, shall forfeit to the United States, pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(7), any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of such offense.

3. The property subject to forfeiture includes, but is not limited to:

- a. the sum of \$9,536,298 in United States currency, which represents the gross proceeds of the health care fraud;
- b. one (1) Dodge Magnum vehicle, VIN 204FV47T66H369012; and
- c. one (1) Ford F-350 vehicle, VIN 1FTWW33P06EB23196.


4. If the property described above as being subject to forfeiture, as a result of any act or omission of the defendant, **GILBERT SANABRIA, JR.**:

- 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 subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as made applicable through Title 18, United States Code, Section 982(b)(1), to seek forfeiture of any other property of the defendant, **GILBERT SANABRIA, JR.**, up to the value of the above forfeitable property and, in addition, to seek a court order requiring the defendants to return any such property to the jurisdiction of the court for seizure and forfeiture.

A TRUE BILL

~~FOR PERSON~~



WIFREDO A. FERRER
UNITED STATES ATTORNEY



ADAM L. SCHWARTZ
ASSISTANT UNITED STATES ATTORNEY