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Approved:

JH Cohen
JONATHAN COHEN
Assistant United States Attorney

Before: HON. SARAH NETBURN
United States Magistrate Judge
Southern District of New York

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 UNITED STATES OF AMERICA : SEALED COMPLAINT
 :
 -v.- : Violation of
 : 18 U.S.C. § 1349
 OSCAR HUACHILLO and :
 GEORGE JUVIER, : COUNTY OF OFFENSE:
 : NEW YORK
 Defendants. :
 :
 - - - - - x

SOUTHERN DISTRICT OF NEW YORK, ss.:

LIZBETH ROLON, being duly sworn, deposes and says that she is a Special Agent with the United States Department of Health and Human Services, Office of the Inspector General ("HHS-OIG"), and charges as follows:

COUNT ONE

(Conspiracy to Commit Health Care Fraud)

1. From at least 2009 up to and including in or about May 2013, in the Southern District of New York and elsewhere, OSCAR HUACHILLO and GEORGE JUVIER, the defendants, and others known and unknown, wilfully and knowingly did combine, conspire, confederate and agree together and with each other to commit an offense against the United States, to wit, to violate Title 18, United States Code, Section 1347.

2. It was a part and an object of the conspiracy that OSCAR HUACHILLO and GEORGE JUVIER, the defendants, and others known and unknown, willfully and knowingly would and did execute and attempt to execute a scheme and artifice to defraud health care benefit programs and obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, 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.

3. Among the means and methods by which OSCAR HUACHILLO and GEORGE JUVIER, the defendants, and others known and unknown, would and did carry out the conspiracy were the following:

a. HUACHILLO and JUVIER set up and operated health care clinics to enable the fraudulent billing of Medicare.

b. HUACHILLO and JUVIER made cash payments to Medicare beneficiaries to induce them to come to clinics operated by the defendants and to provide their Medicare beneficiary numbers for use in billing.

c. HUACHILLO and JUVIER used Medicare beneficiaries' numbers to submit claims and cause claims to be submitted to Medicare for reimbursement for drugs which had purportedly been provided to the beneficiaries, but in truth had not been purchased, were not provided to the Medicare beneficiaries, and/or were medically unnecessary.

(Title 18, United States Code, Section 1349.)

The bases for my knowledge and the foregoing charges are, in part, as follows:

4. I am a Special Agent with HHS-OIG. I have been personally involved in the investigation of this matter. This affidavit is based upon my conversations with other law enforcement agents and witnesses, my examination of reports and records, and my personal participation in the investigation of this matter. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all the facts that I have learned during the course of my investigation. Where the contents of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

5. Throughout this affidavit, where I assert that a statement was made, I was not personally the individual to whom the statement was made, unless I specifically so state. Rather, the information was provided by a witness, a confidential source, or by other law enforcement officers (any of whom may have had either direct or hearsay knowledge of that statement) to whom I have spoken or whose reports I have read and reviewed. Likewise, the information resulting from surveillance, except where otherwise indicated, does not set forth my personal observations but rather has been provided directly or indirectly through law

enforcement officers who observed the events that have been set forth below.

THE MEDICARE PROGRAM

6. Based on my training and experience as a Special Agent at HHS-OIG, I know, in substance and in part, that:

a. The Medicare Program ("Medicare") is a federal health care program providing benefits to persons who are over the age of 65 or disabled. Medicare is administered by the Centers for Medicare and Medicaid Services, a federal agency under the United States Department of Health and Human Services.

b. Individuals who receive benefits under Medicare are referred to as "Medicare beneficiaries." Part B of Medicare, which is the relevant program for purposes of this case, is a "health care benefit program," as defined by Title 18, United States Code, Section 24(b).

c. Part B of Medicare covers a limited set of medications, including medications that are administered via injection or infusion and that are furnished as part of a physician service and are medically necessary for a Medicare beneficiary. Injection treatments involve the administration of medication by inserting a syringe directly into a vein, muscle or the fatty tissue beneath the skin. Infusion treatments involve the administration of medication through a catheter into the bloodstream.

d. Health care providers who meet certain criteria can obtain Medicare provider numbers, which allow them to submit claims directly to Medicare seeking reimbursement for the cost of injection and infusion treatments provided to eligible Medicare beneficiaries.

e. In order to receive a payment from Medicare, a health care provider is required to submit a health insurance claim form to Medicare. The claims can be submitted in hard copy or electronically. A health care provider can contract with a billing company to transmit claims to Medicare on its behalf.

OVERVIEW OF THE FRAUDULENT SCHEME

7. Since at least in or about September 2011, the Federal Bureau of Investigation and the Department of Health and Human Services, Office of the Inspector General ("HHS-OIG") have been investigating several medical clinics that bill Medicare for purportedly treating HIV/AIDS patients through the administration

of prescription drugs typically reserved for cancer and anemia patients. The clinics that are the subjects of the investigation include clinics located at 121 Graham Avenue, Brooklyn, New York (the "Graham Avenue Clinic"); 30-51 36th Street, Astoria, New York (the "Astoria Clinic"); and 601 West 177th Street, Manhattan, New York (the "Washington Heights Clinic") (these three clinics are referred to herein as the "Clinics"). The Clinics purportedly provide injection and infusion treatments to Medicare-eligible HIV/AIDS patients. According to bills submitted to Medicare by the Clinics, the patients typically visited the Clinics two to three times a week, and purportedly received injections or infusions of Neupogen, Procrit, Rituxin, and/or Sandostatin (the "Drugs"), and/or a combination thereof. However, these drugs, which cost hundreds of dollars each to administer, are typically prescribed for cancer or anemia patients, and not for HIV/AIDS patients.

8. Through the investigation, as described in more detail herein, the FBI and HHS-OIG have determined that the Clinics served as medical fraud mills which routinely billed Medicare for treatments involving the Drugs even though the drugs were either: (i) never provided; or (ii) unnecessary, because the person being "treated" did not medically need the treatments. The Clinics, which were operated by OSCAR HUACHILLO and GEORGE JUVIER, the defendants, and others known and unknown, recruited HIV/AIDS patients eligible for Medicare to come to the Clinics to undergo "treatments" that were typically unnecessary, multiple times a week, for multiple months. In exchange, HUACHILLO and JUVIER paid the patients, or caused to be paid to the patients, a kickback of up to \$300 a week. The Clinics then billed Medicare for these treatments, which were either never provided or were unnecessary, often receiving tens of thousands of dollars per patient. HUACHILLO also offered approximately \$50 for each additional patient a patient was able to refer to the Clinics.

9. From in or about March 2010, up to and including in or about September 2010, OSCAR HUACHILLO, the defendant, submitted bills, or caused bills to be submitted, to Medicare for the repeated treatments of at least 28 Medicare patients with the Drugs at the Graham Avenue Clinic under the Medicare billing number of a doctor who is a co-conspirator not named as a defendant herein ("Doctor-1").¹ From in or about November 2010, up to and including in or about October 2011, HUACHILLO submitted

¹ Doctor-1 has met with the Government on multiple occasions and is cooperating in the Government's investigation. The information that Doctor-1 has provided the Government has been corroborated by information from other areas of the investigation.

bills, or caused bills to be submitted, to Medicare for the repeated treatments of at least approximately 37 Medicare patients with the Drugs at the Astoria Clinic under the Medicare billing numbers of two doctors ("Doctor-2" and "Doctor-3"). From in or about June 2011, up to and including at least December 2012, HUACHILLO submitted bills, or caused bills to be submitted, to Medicare for the repeated treatments of more than 30 Medicare patients with the Drugs at the Washington Heights Clinic under the Medicare billing numbers of Doctor-3 and two other doctors ("Doctor-4" and "Doctor-5").

BACKGROUND ON THE CLINICS

10. From my conversations with a cooperating witness ("CW")² and my review of Medicare records, I learned, in substance and in part, the following:

- a. The CW was trained as a doctor in Peru;
- b. Starting in or about 2006 and continuing until in or about 2009, the CW and others operated three fraudulent health care clinics in New York City (a different set of clinics than the Clinics described above);
- c. The CW recruited a set of HIV positive patients who were Medicare beneficiaries and used those patients' Medicare beneficiary numbers to bill Medicare for millions of dollars in fraudulent treatments.
- d. The CW's clinics billed Medicare for drugs with high reimbursement amounts -- including Neupogen, Procrit, Rituxin and Corticotropin -- despite the fact that the drug treatments were not in fact administered to the patients or were administered at a highly diluted dose.
- e. The CW typically paid patients a kickback of at least \$50 per visit.
- f. Starting in or about late 2009, the CW had multiple meetings and phone calls with OSCAR HUACHILLO, the defendant, during which they discussed opening a clinic for HIV patients in the tri-state area and the CW investing in that clinic.

² The CW was charged with conspiring to commit federal health care fraud in or about February 2010. After his/her arrest, the CW began cooperating with the Government and pled guilty pursuant to a cooperation agreement. The CW is currently pending sentence.

g. HUACHILLO asked the CW to provide him with information about Medicare billing practices specific to the New York region, and the CW provided HUACHILLO with certain information, including the number of medical units Medicare would reimburse for certain medications at New York area clinics, as well as various billing codes for which Medicare would issue reimbursements in New York area clinics.

h. After HUACHILLO mentioned Sandostatin, a medication, to the CW, the CW provided HUACHILLO with two billing codes associated with two different forms of Sandostatin and told HUACHILLO which of the two forms of Sandostatin was in fact reimbursable by Medicare. The CW also told HUACHILLO that Sandostatin was not a proper treatment for diarrhea in HIV patients, only for diarrhea in patients with stomach cancer.

i. In connection with opening this clinic with HUACHILLO, the CW provided HUACHILLO with the names of many patients that the CW had previously recruited and used in connection with the fraudulent billing of Medicare.

j. The CW also provided HUACHILLO with the contact information for GEORGE JUVIER, the defendant, as an individual who would be able to find doctors for the clinic.

k. After the CW provided HUACHILLO with patient names and information regarding Medicare reimbursement practices, HUACHILLO refused to involve the CW further in opening the clinic. The CW, who had paid approximately \$50,000 to HUACHILLO as an investment in the clinic, was eventually able to secure the return of that investment from HUACHILLO.

THE GRAHAM AVENUE CLINIC

11. From my review of Medicare records and my involvement in this investigation, I believe that OSCAR HUACHILLO, the defendant, used the information that the CW provided to him, among other things, to open a fraudulent clinic at 121 Graham Avenue, Brooklyn, New York (labeled above as the "Graham Avenue Clinic"), which is described in greater detail below.

12. From my conversations with Doctor-1 and from my review of Medicare records, I learned, in substance and in part, the following:

a. In the spring or summer of 2009, OSCAR HUACHILLO and GEORGE JUVIER, the defendants, as well as two other individuals, met at a restaurant in Manhattan with Doctor-1 and

discussed setting up a clinic where HIV patients would be treated. At this meeting (the "First Dinner"), HUACHILLO stated that the patients would be treated with very expensive medication and that insurance would reimburse "very well" for the medications. At the First Dinner, HUACHILLO told Doctor-1 that he already had a clinic established at 121 Graham Avenue and was looking for a doctor who would only have to sign off on the bills.

b. In the summer of 2009, the same individuals present at the First Dinner met at a restaurant for another dinner (the "Second Dinner"). At that dinner, HUACHILLO and Doctor-1 agreed that HUACHILLO's company would receive 85% of the anticipated Medicare reimbursements and that Doctor-1's company would receive 15% of the Medicare reimbursements. At the dinner, they also discussed Medicare billing codes and setting up Doctor-1's corporation.

c. Doctor-1 is an anaesthesiologist and does not have expertise in treating HIV patients. HUACHILLO and JUVIER were aware that Doctor-1 did not have expertise in treating HIV patients. Doctor-1 was aware from the time of the First Dinner that his arrangement with HUACHILLO and JUVIER was an illegal one.

d. Doctor-1 began working at the Graham Avenue Clinic in March 2010 and worked at that clinic until September 2010. Over this period, Doctor-1 went to the Graham Avenue Clinic approximately once a week or every ten days but did not treat patients at the Clinic at any point. On his first day at the Clinic, Doctor-1 did not treat any patients but was given medical records that were already filled in and bills to sign. As a general matter, when Doctor-1 would come to the Graham Avenue Clinic, HUACHILLO would give Doctor-1 medical records and bills to sign. HUACHILLO generally kept the medical records in a locked cabinet in HUACHILLO's office at the Graham Avenue Clinic. When Doctor-1 reviewed medical charts, Doctor-1 remembers seeing the same patient names over and over again.

e. From March 18, 2010, to June 22, 2010, Medicare was billed a total of \$591,945.10 under Doctor-1's Medicare provider number, which resulted in reimbursements from Medicare totaling \$430,404.20. Reimbursements for Sandostatin constituted approximately 69% of the total reimbursement amount (\$295,629.47) and reimbursements for Neupogen constituted approximately 21% of the total reimbursement amount (\$91,274.64).

f. These reimbursements were electronically deposited into a bank account in the name of Doctor-1. After

Doctor-1 and HUACHILLO established a corporation under the name of "Healthview," on or about June 22, 2010, Doctor-1 obtained a bank account in the name of that corporation (the "Healthview Bank Account") (together with the account in the name of Doctor-1, the "Doctor-1 Bank Accounts").

g. From June 22, 2010, to September 14, 2010, Medicare was billed a total of \$895,753.12 under Doctor-1's Medicare provider number, which resulted in reimbursements from Medicare totaling \$706,443.59. Reimbursements for Gamunex constituted approximately 43% of the total reimbursement amount (\$303,698.43); reimbursements for Neupogen constituted approximately 27% of the total reimbursement amount (\$193,330.00); reimbursements for Sandostatin constituted approximately 23% of the total reimbursement amount (\$165,796.18). The reimbursements from June 22, 2010, to September 14, 2010, were deposited by Medicare into the Healthview Bank Account.

h. Doctor-1 provided HUACHILLO with signed, blank checks so that HUACHILLO could write checks to HUACHILLO's company to take HUACHILLO's share of the Medicare reimbursements. HUACHILLO transferred approximately 90% of the value of the Medicare reimbursements out of the Doctor-1 Bank Accounts. In reviewing bank records, Doctor-1 noticed four checks that were written from his Healthview Bank Account to entities that he did not recognize. After Doctor-1 asked HUACHILLO about these checks, HUACHILLO told him that two of the checks went to pay JUVIER and two of the checks went to pay one of the individuals who was at the First Dinner and the Second Dinner. These checks totaled approximately \$13,500 for each of these two individuals. Doctor-1 was uncomfortable having money go from his Healthview Bank Account directly to JUVIER and the other individual, rather than passing through HUACHILLO's company. Accordingly, Doctor-1 got back the money from the four checks and then wrote a check, in the same approximate aggregate amount, to HUACHILLO's company, so that the money would be passed through HUACHILLO's company.

i. Once the Graham Avenue Clinic was operational, Doctor-1 had dinner with HUACHILLO and JUVIER, as well as the other two individuals present at the First Dinner and Second Dinner, on multiple occasions. During the last dinner, Doctor-1 told HUACHILLO he was uncomfortable continuing on at the Graham Avenue Clinic. Doctor-1 told HUACHILLO that Doctor-1 would prefer if HUACHILLO paid out more medications and medical supplies from the Healthview Bank Account to make the business appear more legitimate. HUACHILLO told Doctor-1 that medications were paid for from HUACHILLO's company account and it would not make sense to pay for them from the Healthview Bank Account.

13. On or about October 18, 2012, at the direction of law enforcement, Doctor-1 met with OSCAR HUACHILLO, the defendant, at a restaurant in New York, New York, in order to discuss Doctor-1 coming to work at one of HUACHILLO's clinics again. At that meeting, which was recorded, Doctor-1 stated to HUACHILLO, "I gave you my check book and the deposit slips and stuff and you paid some expenses out of the check book and I had always asked you to pay some more expenses if possible[,] " to which HUACHILLO stated, "Yes."³ Doctor-1 then stated, "Cause I was always worried, you know, I mean ultimately my license is on the line right so if if I get not, you know, not, you know, it's my license so I just want to, if God forbid I get audited by the IRS, you know, they they they say oh you had this business and there's like, you know, very few expenses out of it. Can you think of any other expenses that you could possibly put into that from the check book?" HUACHILLO replied, "Absolutely, absolutely, you know, I can, you know, increase the expenses from my side." Later on in the same conversation, Doctor-1 stated, "I just sort of want to cover myself as far as, you know, putting more in it because, you know, these days you never know when all of a sudden, you know, you get audited and stuff like that so." HUACHILLO replied, "[Doctor-1's first name], I understand perfectly. I'm on your side because I have to protect . . . if I protect you, I protect myself."

THE ASTORIA CLINIC

14. From my review of Medicare billing records and my conversations with an employee at the Astoria Clinic ("Employee-1"), I learned, in substance and in part, the following:

a. In or about January 2011, Employee-1 began working at the Astoria Clinic as a receptionist and was trained for two weeks at the Graham Avenue Clinic.

b. OSCAR HUACHILLO, the defendant, hired Employee-1 to work at the Astoria Clinic, which HUACHILLO managed. HUACHILLO was at the Graham Avenue Clinic most of the time and was at the Astoria Clinic once or twice a week.

c. GEORGE JUVIER, the defendant, was at the Astoria Clinic almost every day, for most of the day. When HUACHILLO was not at the Astoria Clinic, JUVIER was in charge.

³ The quotations included in this paragraph are draft transcriptions and are subject to revision.

d. Doctor-2 came to the Astoria Clinic approximately once a week to sign medical charts but did not treat patients.

e. Doctor-3 would sign off on treatment sheets and so-called "superbills" (a term used by clinics to refer to billing forms) even when patients were not treated.

f. JUVIER or HUACHILLO made cash payments to patients on Thursdays. JUVIER primarily made the payments and HUACHILLO would pay patients when JUVIER was not available. JUVIER would pay the patients in the doctor's office located in the back of the Astoria Clinic.

g. Patients would ask for HUACHILLO and JUVIER every Thursday and would get upset if HUACHILLO and JUVIER were not present. At times, patients would enter and leave the clinic without being seen by a doctor, yet Doctor-3 or JUVIER would still sign off on the treatment sheets and superbills. Approximately two to three patients would cancel their appointments during the week and only come to the Astoria Clinic on Thursdays for payments. When patients refused treatment, they were told to see JUVIER.

h. In or about August 2012, Employee-1 walked in on JUVIER as he was paying patients. On another occasion, JUVIER told Employee-1 that JUVIER needed to give money to a patient but that JUVIER had to leave. JUVIER asked Employee-1 to make the payment, which consisted of cash inside of a white envelope. Employee-1 refused to make the payment for JUVIER. On another occasion, in or around August or September 2012, a patient called the Astoria Clinic and asked to speak to HUACHILLO because he was promised \$50.

i. The Astoria Clinic ordered medications from three pharmaceutical companies ("Pharmacy-1," "Pharmacy-2," and "Pharmacy-3"). Employee-1 ordered medications for some time but, in approximately July 2011, HUACHILLO told Employee-1 to stop ordering medications and that another employee would take over.

j. The Astoria Clinic's mail included letters with checks that were mailed to the attention of Doctor-3. HUACHILLO told Employee-1 never to give the mail to Doctor-3 no matter what the letters said. JUVIER would open mail with checks that arrived at the clinic and would give the mail to HUACHILLO. Employee-1 learned that HUACHILLO had gotten into a fight with Doctor-3 regarding money and mailings and that Doctor-3 was fired or quit. After Doctor-3 was no longer working at the clinic, Employee-1 came to the Astoria Clinic on a Friday night after her

shift and noticed small pieces of paper with Doctor-3's signature on them and treatment sheets with the small pieces of paper taped to them.

k. In the first week of December 2012, Employee-1 learned that Medicare was reviewing the Astoria Clinic. HUACHILLO informed employees of the Astoria Clinic that the clinic would be closing due to the Medicare review.

HUACHILLO AND JUVIER PAID PATIENTS KICKBACKS

15. From my conversations with an individual ("Patient-1"), I learned, in substance and in part, the following:

a. Patient-1 went to the Graham Avenue Clinic for a couple of months and then went to the Astoria Clinic.

b. Patient-1 was paid \$200 a week and was paid about five to six times at the Graham Avenue Clinic. The same individual paid Patient-1 each time at the Graham Avenue Clinic. After being shown a "six-pack" photo array by law enforcement, Patient-1 identified a picture of OSCAR HUACHILLO, the defendant, as the individual who paid him/her at the Graham Avenue Clinic.

c. After blood was drawn from Patient-1 at the time of his/her first visit, HUACHILLO told Patient-1 not to talk about the money and not to discuss it with other patients in the clinic. When HUACHILLO paid Patient-1, HUACHILLO would say to Patient-1, "Don't tell anybody[,] and to keep the money "low[.]"

16. From my conversations with an individual ("Patient-2"), I learned, in substance and in part, the following:

a. Patient-2 first went to the Graham Avenue Clinic, for three to four months, and later went to the Astoria Clinic and the Washington Heights Clinic.

b. Patient-2 was paid \$50 to have blood drawn and was told by another patient that s/he could receive \$100 for referring patients to the clinics. Patient-2 was paid about \$200 a week for going to the Astoria Clinic three times a week.

c. Patient-2 was paid \$100 in cash, hand-to-hand, by an individual s/he identified as "Oscar" with an unknown last name. After being shown a "six-pack" photo array by law enforcement, Patient-2 identified a picture of OSCAR HUACHILLO, the defendant, as the individual named "Oscar" who had paid

him/her. Patient-2 was also paid by another individual who worked for HUACHILLO and who was based out of the Washington Heights Clinic.

d. HUACHILLO told Patient-2 that Patient-2 could only go to the clinic for so long before Medicare got suspicious.

e. Patient-2 requested antibiotics at one of the Clinics due to an infection that s/he had, but was told to see his/her primary care physician.

17. From my conversations with an individual ("Patient-3"), I learned, in substance and in part, the following:

a. Patient-3 was referred by a friend to the Graham Avenue Clinic. Patient-3 received about \$50 in cash for having his/her blood drawn during the first visit to the Graham Avenue Clinic in approximately 2011. Patient-3 continued to go to the Graham Avenue Clinic for approximately two months after the first visit.

b. An individual named "Oscar" paid Patient-3 \$200 in cash per week and paid Patient-3 in the back room of the clinic. After being shown a "six-pack" photo array by law enforcement, Patient-3 identified a picture of OSCAR HUACHILLO, the defendant, as the individual named "Oscar." HUACHILLO paid Patient-3 a total of about 10 to 15 times and Patient-3 made approximately \$2500.

c. Patient-3 began to go to the Washington Heights Clinic because HUACHILLO sent him/her to the Washington Heights Clinic without explanation.

d. HUACHILLO told Patient-3 that Patient-3 would receive \$50 for each person Patient-3 brought to the clinic, and Patient-3 did in fact refer another patient to the clinic. Patient-3 stated that he believed everybody who goes to the clinic goes to get paid.

e. Patient-3 last went to the Washington Heights Clinic in December 2012. Patient-3 stopped going to the clinic because HUACHILLO said that HUACHILLO was not going to take Patient-3 anymore, but Patient-3 does not know why HUACHILLO was no longer going to take Patient-3.

18. From my conversations with an individual ("Patient-4"), I learned, in substance and in part, the following:

a. Patient-4 went to the Graham Avenue Clinic, the Astoria Clinic, and the Washington Heights Clinic, and last went to any of the clinics in December 2012.

b. When Patient-4 went to the Graham Avenue Clinic, he was paid by an individual named "Oscar" every week. After being shown a "six-pack" photo array by law enforcement, Patient-4 identified a picture of OSCAR HUACHILLO, the defendant, as the individual named "Oscar."

c. HUACHILLO paid Patient-4 \$100 in cash for each of the visits and HUACHILLO would exchange the money through a hand shake. HUACHILLO would tell Patient-4 to put the cash in his pocket before walking out.

d. When Patient-4 went to the Astoria Clinic, he was paid by an individual named "George" who would have a clip board with a spreadsheet that contained the names of the patients. Once he paid a patient, "George" would check off the name from the list. Patient-4 went to the Astoria Clinic for about 10 to 12 weeks, three times a week, and "George" was the one who paid Patient-4 each week on all but about two occasions. After being shown a "six-pack" photo array by law enforcement, Patient-4 identified a picture of GEORGE JUVIER, the defendant, as the individual named "George" who paid him/her.

e. On one occasion when HUACHILLO paid Patient-4, HUACHILLO told Patient-4 that s/he "must always tell [HUACHILLO] if they contact you." HUACHILLO told Patient-4 to say as little as possible if contacted, to say that Patient-4 was treated, and to "keep it as simple as possible."

19. From my conversations with law enforcement agents who interviewed an individual ("Patient-5"), I learned, in substance and in part, the following:

a. Patient-5 went to the Washington Heights Clinic and had been referred there by a friend.

b. Patient-5 was shown four different "six-pack" photo arrays by law enforcement and identified a photo of OSCAR HUACHILLO, the defendant, as the "top guy" at the Washington Heights Clinic. Patient-5 did not identify anyone else from the four different photo arrays at that time.

c. Patient-5 stated that s/he was paid \$50 on one occasion and \$100 on another occasion by an individual named "George" whose last name he/she did not know. Patient-5 was paid

in cash. After being shown one of the four "six-pack" photo arrays by law enforcement a second time, Patient-5 identified GEORGE JUVIER, the defendant, as the individual who would pass Patient-5 cash for the visits.

BANK RECORDS

20. From my conversations with a law enforcement agent ("Agent-1"), who reviewed bank records and Medicare records relating to this case, and from my review of Medicare records, I learned, in substance and in part, the following:

a. OSCAR HUACHILLO, the defendant, is the sole signatory on bank accounts in the names of the following entities: "NY Management Enterprise Corp," "NYQ Med-Services Co Inc," and "WH Med-Management Co Inc" (the "Huachillo Bank Accounts").

b. At least \$18,000,000 in Medicare reimbursements was deposited into bank accounts associated with Doctor-1, Doctor-2, Doctor-3, Doctor-4 and Doctor-5 (the "Doctor Bank Accounts") between March 2010 and December 2012.

c. At least \$11,000,000 in funds was transferred from the Doctor Bank Accounts to the Huachillo Bank Accounts between March 2010 and March 2012.⁴

d. Since 2012, HUACHILLO has made approximately \$8,000,000 in real estate purchases. HUACHILLO also currently has at least approximately \$4,000,000 in cash in bank accounts that he and/or his wife controls.

e. From approximately June 2010 to January 2012, approximately \$44,025 was transferred from the "NY Management Enterprise Corp" bank account to a bank account in the name of "Unlimited Group Management Inc." Based on a search of the New York Department of State Corporation and Business Entity Database, "Unlimited Group Management Inc." is a company that is registered with an address in the Bronx (the "Address"). Based on a search of GEORGE JUVIER, the defendant, in a commercial database, the Address comes up as one of the addresses associated with JUVIER. In addition to the \$44,025, approximately \$11,740 was transferred directly to JUVIER from the "NY Management Enterprise Corp" bank account.

⁴ Agent-1 is awaiting additional bank records covering dates after March 2012.

f. Between February 2011 and June 2011 approximately \$38,832 was transferred from the "NYQ Med-Services Co Inc" bank account to the "Unlimited Group Management Inc." bank account. In addition to the \$38,832, approximately \$1,250 was transferred directly to JUVIER from the "NYQ Med-Services Co Inc" bank account.

PURCHASING AND BILLING RECORDS

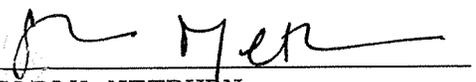
21. I learned from a law enforcement analyst (the "Analyst"), who has reviewed records of purchases made by the Astoria Clinic from Pharmacy-1, Pharmacy-2 and Pharmacy-3 as well as Medicare billing records for the Astoria Clinic, that from in or about November 2010, up to and including in or about October 2011, while the Astoria Clinic purchased approximately 395 units of the Drugs, these clinics billed Medicare for approximately 173,210 units of the Drugs under the Medicare billing numbers of Doctor-2 and Doctor-3. In other words, the Astoria Clinic billed for far more units of the Drugs than it actually purchased from the pharmacies. I've learned from the Analyst that based on his/her records the approximate amounts of the Drugs the Astoria Clinic purchased, billed for, and were reimbursed for, from in or about November 2010, up to and including, in or about October 2011, were:

Drug	Units Purchased	Units Billed For	Amount Billed For	Amount Reimbursed
Gamunex	40 units	138,600 units	\$6,391,698.00	\$3,403,571.14
Sandostatin	250 units	29,610 units	\$3,519,264.60	\$2,474,784.22
Neupogen	100 units	3,864 units	\$1,115,645.60	\$615,621.77
Rituxin	5 units	1,136 units	\$733,895.36	\$499,553.52
TOTAL	395 units	173,210 units	\$11,760,503.56	\$6,993,530.65

WHEREFORE, deponent respectfully requests that warrants be issued for the arrest of OSCAR HUACHILLO and GEORGE JUVIER, the defendants, and that they be arrested and imprisoned, or bailed, as the case may be.


SPECIAL AGENT LIZBETH ROLON
United States Department of
Health and Human Services

Sworn to before me this
9th day of August 2013


HON. SARAH NETBURN
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK