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F. #2011R00745

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
----- X

UNITED STATES OF AMERICA

- against -

RAYMOND R. PELLEGRINO,

Defendant.

----- X

THE GRAND JURY CHARGES:

INDICTMENT

Cr. No. **CR 18 496**
(T. 18, U.S.C., §§ 982(a)(7),
982(b)(1), 1347, 2 and 3551
et seq.; T. 21, U.S.C., § 853(p))

BIANCO, J.

TOMLINSON, M.J.

INTRODUCTION

At all times relevant to this Indictment, unless otherwise indicated:

I. Background

A. The Defendant and Companies

1. The defendant RAYMOND R. PELLEGRINO was a licensed chiropractor with offices located in West Hempstead, New York and Hicksville, New York.
2. Epiq Medical, P.C. ("Epiq Medical") and Hicksville Primary Medical P.C. ("Hicksville Primary Medical") were New York corporations that were incorporated by Strong Island Consultants, a company owned by the defendant RAYMOND R. PELLEGRINO.
3. The defendant RAYMOND R. PELLEGRINO leased office space in Hicksville, New York for Epiq Medical and Hicksville Primary Medical.

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B. The Health Care Benefit Program

4. Empire Blue Cross/Blue Shield was a subsidiary of Anthem Blue Cross/Blue Shield (collectively known as “Anthem”). Anthem was a nationwide private health care insurance program under which medical benefits, items and services were provided to individuals (“Beneficiaries”). As such, Anthem constituted a “health care benefit program,” as defined in Title 18, United States Code, Section 24(b).

5. To receive reimbursement for a covered service from Anthem, a medical provider was required to submit a claim, either electronically or in writing. A medical provider was required to use a doctor’s Taxpayer Identification Number (“TIN”) when submitting a claim for reimbursement to Anthem. The claim was required to include information identifying the medical provider, the rendering physician, the patient and the services provided. A medical provider was permitted to submit claims to Anthem only for services that were actually provided, and was required to maintain patient records verifying the services provided.

6. Claims submitted by medical providers included “billing codes,” which were numbers that referred to specific medical services. Anthem reimbursed medical providers with set fees for many billing codes. One billing code referred to osteopathic manipulation, a treatment provided by medical doctors to patients with disorders of the musculoskeletal system and the nervous system.

II. The Scheme to Defraud

7. The defendant RAYMOND R. PELLEGRINO hired medical doctors John Doe 1 and John Doe 2, individuals whose identities are known to the Grand Jury, to

work at Epiq Medical and Hicksville Primary Medical, respectively, and billed Anthem under the TINs of those doctors for services purportedly provided by them to Beneficiaries.

8. Between approximately December 2013 and September 2014, both dates being approximate and inclusive, the defendant RAYMOND R. PELLEGRINO, together with others, engaged in a scheme to defraud Anthem by submitting, and causing to be submitted, to Anthem more than \$4.1 million dollars in fraudulent claims for medical services purportedly provided to Beneficiaries by John Doe 1 and John Doe 2. The claims falsely stated that osteopathic manipulation and other services had been provided to Beneficiaries by John Doe 1 and John Doe 2, when in fact, as PELLEGRINO knew, John Doe 1 and John Doe 2 had not provided the purported services.

HEALTH CARE FRAUD

9. The allegations contained in paragraphs one through eight are realleged and incorporated as if fully set forth in this paragraph.

10. In or about and between December 2013 and September 2014, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant RAYMOND R. PELLEGRINO, together with others, did knowingly and willfully execute and attempt to execute a scheme and artifice to defraud a health care benefit program, as defined in Title 18, United States Code, Section 24(b), to wit: Anthem, 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, Anthem,

in connection with the delivery of and payment for health care benefits, items and services, to wit: medical services purportedly provided by John Doe 1 and John Doe 2.

(Title 18, United States Code, Sections 1347, 2 and 3551 et seq.)

CRIMINAL FORFEITURE ALLEGATION

11. The United States hereby gives notice to the defendant that, upon his conviction of the offense charged herein, the government will seek forfeiture in accordance with Title 18, United States Code, Section 982(a)(7), which requires any person convicted of a federal health care offense to forfeit any property, real or personal, that constitutes, or is derived directly or indirectly from, gross proceeds traceable to the commission of such offense, including but not limited to the sum of \$2.44 million dollars.

12. If any of the above-described forfeitable property, 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, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described in this forfeiture allegation.

(Title 18, United States Code, Sections 982(a)(7) and 982(b)(1); Title 21, United States Code, Section 853(p))

A TRUE BILL

7 FOREPERSON

RICHARD P. DONOGHUE
UNITED STATES ATTORNEY
EASTERN DISTRICT OF NEW YORK

BY
ACTING UNITED STATES ATTORNEY
PURSUANT TO 28 C.F.R. O. 136

No. _____

UNITED STATES DISTRICT COURT

EASTERN *District of* NEW YORK

CRIMINAL DIVISION

THE UNITED STATES OF AMERICA

vs.

RAYMOND R. PELLEGRINO,

Defendant.

INDICTMENT

(T. 18, U.S.C., §§ 982(a)(7), 982(b)(1), 1347,
2 and 3551 et seq.; T. 21, U.S.C., § 853(p))

A true bill.

----- *7* ----- *Foreperson*

Filed in open court this ----- *day,*

of ----- *A.D. 20* -----

----- *Clerk*

Bail, \$ -----

Charles P. Kelly, Assistant U.S. Attorney (631) 715-7866