

---

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

---

UNITED STATES OF AMERICA : CRIMINAL COMPLAINT  
 :  
 v. : Mag. No. 21-3008 (TJB)  
 :  
 HARRY PIZUTELLI, :  
 C.R. KRAUS, and :  
 MARITZA FLORES :

I, Julie Gettings, being duly sworn, state that the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this criminal complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached pages and made a part hereof.

s/ Julie Gettings  
JULIE GETTINGS  
SPECIAL AGENT  
FEDERAL BUREAU OF INVESTIGATION

ATTESTED TO BY TELEPHONE PURSUANT  
TO FED. R. CRIM. P. 4.1(B)(2)(A)  
ON JANUARY 27, 2021,  
IN THE DISTRICT OF NEW JERSEY

  
HON. TONIANNE J. BONGIOVANNI  
UNITED STATES MAGISTRATE JUDGE

RECEIVED  
JAN 27 2021  
AT 8:30  
WILLIAM T. WALSH  
CLERK

ATTACHMENT A  
(Conspiracy to Commit Health Care Fraud)

From in or about January 2009 to in or about June 2019, in Mercer County and Ocean County, in the District of New Jersey, and elsewhere, the defendants,

HARRY PIZUTELLI,  
C.R. KRAUS, and  
MARITZA FLORES,

knowingly and intentionally conspired and agreed with each other and others to execute a scheme and artifice to defraud the New Jersey Traumatic Brain Injury Fund, a health care benefit program as defined under Title 18, United States Code, Section 24(b), and to obtain, by means of 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, contrary to Title 18, United States Code, Section 1347.

In violation of Title 18, United States Code, Section 1349.

## ATTACHMENT B

I, Julie Gettings, am a Special Agent with the Federal Bureau of Investigation, and I have been so employed since 1999. I have been personally involved in the investigation of this matter. The information contained in this criminal complaint is based on my personal knowledge and on information obtained from other sources, including, but not limited to: (i) statements made or reported by witnesses or other law enforcement officers with knowledge of relevant facts; and (ii) my review of evidence obtained through search warrants, court orders, subpoenas, and other sources. Because this complaint is submitted for the limited purpose of establishing probable cause, it does not include every fact that I have learned during the investigation. Where the actions, statements, and conversations of individuals are recounted herein, they are recounted in sum and substance and in part.

### Overview

1. At various times relevant to this criminal complaint:
  - a. The New Jersey Traumatic Brain Injury Fund (“TBI Fund” or “Fund”) was a publicly funded program and a component of the New Jersey Department of Human Services, Division of Disability Services. The purpose of the Fund was to provide New Jersey residents who had suffered a traumatic brain injury (“TBI”) with services and support, in order to maximize their quality of life when funding from insurance, personal resources, or other programs was unavailable to meet their needs. The TBI Fund was a health care benefit program as defined in 18 U.S.C. § 24(b).
  - b. Defendant HARRY PIZUTELLI (“PIZUTELLI”) resided in Edison, New Jersey. PIZUTELLI was employed by the State of New Jersey, Department of Human Services, and was the manager of the TBI Fund. In that capacity, PIZUTELLI was responsible for the day-to-day operation of the Fund, and he supervised, managed, and oversaw the process by which third-party vendors were paid for services rendered to eligible TBI Fund patients.
  - c. Defendant C.R. KRAUS (“KRAUS”) resided in Toms River, New Jersey, in a single-family residence in which defendant MARITZA FLORES also resided. At times relevant to this criminal complaint, KRAUS also resided in Manville, New Jersey. KRAUS fraudulently held himself out as a TBI Fund contractor responsible for TBI-related services to eligible patients, including the installation of wheelchair ramps and other home-modification services. From in or about July 2009 to in or about June 2019, KRAUS received approximately \$3.25 million for home modification services that he purportedly provided to TBI Fund patients.

d. Defendant MARITZA FLORES (“FLORES”) resided in Toms River, New Jersey. FLORES was the owner of a company purporting to do business under the name Serenity’s Gate to Wellness (“Serenity’s Gate”). In her capacity as owner of Serenity’s Gate and also in her personal capacity, FLORES fraudulently held herself out as a TBI Fund vendor responsible for providing TBI-related services to eligible patients, including physical therapy, occupational therapy, and acupuncture. From in or about January 2009 to in or about January 2019, FLORES received approximately \$940,000 for services that she and/or Serenity’s Gate purportedly provided to TBI Fund patients.

e. Patients 1, 2, 4, 5, and 6 were New Jersey residents who previously suffered a TBI and were approved to receive services funded by the TBI Fund.

f. Patient 3 was a New Jersey resident who previously suffered a TBI and submitted an application to receive services funded by the TBI Fund.

2. Law enforcement conducted an investigation that revealed more than \$4.5 million in fraudulent payments misappropriated from the TBI Fund to multiple individuals, including defendants KRAUS, FLORES, and others, who, in furtherance of the conspiracy, were held out as having provided services to TBI Fund patients when, in fact, they provided no such services. The investigation further revealed that defendant PIZUTELLI, as the manager of the TBI Fund who had supervisory authority over the vendor reimbursement process, orchestrated the distribution of the fraudulent payments to his co-conspirators, including defendants KRAUS, FLORES, and others.

### The Conspiracy

3. From at least as early as January 2009 to in or about June 2019 (the “Relevant Period”), defendants PIZUTELLI, KRAUS, FLORES, and others conspired to defraud the TBI Fund, a health care benefit program, by misappropriating more than \$4.5 million in fraudulent vendor payments from the Fund for purported services that were never provided to TBI Fund patients.

4. As noted above, the TBI Fund was a publicly funded health care benefit program designed to provide individuals who had suffered from a TBI with necessary services or products to maximize their quality of life, when funding for such services/products was otherwise unavailable. Such services and products included, but were not limited to, physical, occupational, and speech therapy; service coordination; assistive technology; cognitive therapy; neuropsychological services; pharmaceuticals; wheelchair ramp installation and other home modifications; and general home management and maintenance.

5. To be eligible for services supported by the TBI Fund, a patient was required to provide medical documentation of a TBI, documentation showing liquid assets of less than \$100,000, and proof of residency in New Jersey for at least 90 consecutive days. After a potential TBI patient applied for services to be funded by the TBI Fund, Fund personnel reviewed the application and, if it was approved, the patient was authorized to secure designated services from a third-party vendor.

6. Once a patient received services approved by the TBI Fund, the vendor or service provider submitted an invoice to the Fund for payment. When an invoice was received, TBI Fund personnel reviewed the invoice to ensure that the patient had been approved to receive the billed services. If the invoice was approved, an internal payment voucher was generated, authorized by senior personnel (including defendant PIZUTELLI) and then was submitted to the New Jersey Department of the Treasury for payment, which issued a check directly to the vendor.<sup>1</sup>

7. The investigation revealed that during the Relevant Period, defendant PIZUTELLI orchestrated the distribution of fraudulent vendor payments to defendants KRAUS, FLORES, and other co-conspirators for purported services that KRAUS, FLORES, and the other co-conspirators provided to TBI Fund patients when, in fact, the co-conspirators provided no such services. In furtherance of the conspiracy and to effect its unlawful objective, PIZUTELLI fabricated and processed fraudulent invoices and internal payment vouchers reflecting purported services that KRAUS, FLORES, and other co-conspirators had provided to eligible patients. In his role as TBI Fund manager and in furtherance of the conspiracy, defendant PIZUTELLI also approved and transmitted the internal payment vouchers so that KRAUS, FLORES, and other co-conspirators received payment from the Fund.

8. The investigation further revealed (i) that PIZUTELLI facilitated the fraudulent distribution of public funds from the TBI Fund to defendants KRAUS and FLORES in furtherance of a romantic relationship that PIZUTELLI had developed and maintained with FLORES, and (ii) that PIZUTELLI facilitated the fraudulent distribution of public funds from the TBI Fund to several other female co-conspirators in furtherance of romantic and/or sexual relationships that PIZUTELLI developed with those individuals.

9. Summarized below is some of the evidence that law enforcement obtained during the investigation, which demonstrates the defendants' acts in furtherance of the conspiracy.

---

<sup>1</sup> Although payments to TBI Fund vendors were paid by the New Jersey Department of the Treasury, for simplicity's sake this complaint refers to defendants KRAUS, FLORES, and other co-conspirators as having received payment from the TBI Fund itself.

*PIZUTELLI's Statements to Law Enforcement*

10. During voluntary interviews with law enforcement in or around November 2020 and December 2020, PIZUTELLI admitted, in sum and substance and among other things, that during the Relevant Period he agreed with defendants KRAUS, FLORES, and others to defraud the TBI Fund as described in this criminal complaint. PIZUTELLI further admitted that, at the request of KRAUS and FLORES, he orchestrated the false invoice and billing scheme described herein, and that he facilitated the millions of dollars in fraudulent payments to defendants KRAUS, FLORES, and other female co-conspirators.

11. Specifically, PIZUTELLI admitted to law enforcement that he generated the false and fraudulent invoices and internal payment vouchers, and routed them through the Fund's approval process to ensure that KRAUS, FLORES, and other co-conspirators received payment from the Fund, even though they had not provided qualifying services for such payments. PIZUTELLI also confirmed—as law enforcement's investigation revealed—that KRAUS, FLORES, and other co-conspirators did not, in fact, provide the services to TBI Fund patients for which they received more than \$4.5 million in payments. PIZUTELLI acknowledged facilitating the fraudulent distribution of these funds to FLORES and KRAUS in connection with and in furtherance of a personal, romantic relationship that PIZUTELLI had developed and maintained with FLORES.

12. Finally, PIZUTELLI also admitted to law enforcement that he orchestrated the fraudulent distribution of additional funds from the Fund to other female co-conspirators not charged as defendants herein. Indeed, the investigation revealed that PIZUTELLI fraudulently caused more than \$400,000 in additional public funds to be distributed from the TBI Fund to these other female co-conspirators, who provided no services to TBI Fund patients. PIZUTELLI admitted to law enforcement, in sum and substance, that he arranged for the fraudulent distribution of TBI Fund money to these individuals in connection with and in furtherance of romantic and/or sexual relationships that he had developed with them.

*Fraudulent Payments to KRAUS for Purported Home Modifications*

13. Consistent with PIZUTELLI's statements to law enforcement described above, the investigation revealed that, during the Relevant Period and in furtherance of the conspiracy, KRAUS received significant sums of money from the Fund for billed services that KRAUS never, in fact, provided.

14. During the Relevant Period, numerous fraudulent invoices were generated, submitted, and processed at the TBI Fund reflecting services that

defendant KRAUS purportedly rendered for eligible Fund patients. Of the invoices that law enforcement obtained during the investigation, all of them requested payment for “home modifications” or similar physical contracting services that KRAUS purportedly performed at TBI Fund patients’ homes.

15. For example, in or around November 2017, invoice number 00881 requested payment in the amount of \$31,040 for home modification services that KRAUS purportedly rendered to three TBI Fund patients, including Patient 1 and Patient 2. The invoice bore the following letterhead: “+C.R. Krauss-Contractor; 10 S. Main Street-Suite 2A; Manville, NJ 08835.” The invoice sought payment for, among other things, the following services: “Home modification to make home accessible”; “Build & Install new 45 ft. wooden ramp”; “Install threshold ramp near doorway”; “Modify home for accessibility”; “Install Bruno Vertical Lift”; and “Pour concrete base/landing.”

16. The bottom of the invoice noted, “Bill to: TBI Fund, Attn: H. Pizutelli, Administrator of Assistance Programs/TBI Fund Mgr.” The invoice was approved by the TBI Fund, an internal payment voucher was generated, and KRAUS was paid the invoiced amount.

17. As another example, an invoice dated March 4, 2016, seeking payment in the amount of \$40,195 for home modification and remodeling services that KRAUS purportedly provided to four other TBI Fund patients, including Patient 3. The invoiced services were substantially similar to those appearing in the invoice described in paragraphs 15 and 16, above. With respect to Patient 3, the invoice requested payment in the amount of \$10,200 for the following services: (i) “Home Modification to make home accessible”; (ii) “Install Acorn vertical platform lift”; “Pour concrete base, electrical panel, etc[.]”; and (iv) “Price includes parts, labor & permits.” The invoice was processed through the TBI Fund, a payment voucher was authorized on or about March 22, 2016, and KRAUS was paid the invoiced amount.

18. The invoices described above, and other invoices reflecting services that KRAUS purportedly provided to TBI Fund patients, were false and fraudulent, and were generated and processed in furtherance of the scheme to defraud the TBI Fund. During its investigation, law enforcement interviewed numerous patients (or their family members) who allegedly received the home modification services that KRAUS provided, as reflected in the processed invoices. These interviews, and further investigation, revealed that defendant KRAUS never provided the home modification services reflected in the invoices and for which he was paid. Indeed, to date, law enforcement has yet to identify a TBI Fund patient who actually received the home modification services that KRAUS purportedly provided.

19. For example, law enforcement interviewed Patient 1 and Patient 3, who were identified in the invoices described in paragraphs 15 through 17, above. In those invoices, it was represented that KRAUS had provided “home modifications” to both Patient 1 and Patient 3 to “make [their] homes accessible.” Although Patient 1 and Patient 3 were, at one point, both eligible to receive services funded by the TBI Fund, both patients denied ever having been provided any services by KRAUS, and each had no idea who KRAUS was.

a. Whereas the invoice for Patient 1 claimed that KRAUS had installed a 45-foot wooden ramp in Patient 1’s home, Patient 1 denied ever having a wheelchair ramp installed at his/her residence, and stated that if someone billed the TBI Fund for a wheelchair ramp for him/her, that it was fraudulent. Indeed, Patient 1 said that while there was a brief period of time that s/he needed a wheelchair following the injury for which s/he sought TBI-funded services, Patient 1 had not used a wheelchair in well over ten years—whereas the fraudulent invoice seeking payment for services that KRAUS had rendered was dated November 2017.

b. Likewise, Patient 3—for whom a processed invoice reflected that KRAUS had installed a vertical platform lift—denied ever having needed a wheelchair, let alone a wheelchair lift. Like Patient 1, Patient 3 considered the relevant invoice listing wheelchair lift installation services provided to him/her as fraudulent. Indeed, according to documents that law enforcement obtained from the TBI Fund, Patient 3 was not authorized to receive services funded by the TBI Fund—and Patient 3 did not request any such services—because his/her needs were being met at that time by alternative funding sources.

20. The investigation also identified other evidence of the fraudulent scheme regarding KRAUS’s purported services. For example, an internal payment voucher processed by the TBI Fund approved a payment to KRAUS in the amount of \$30,195, which was paid to KRAUS by check dated June 6, 2019. The corresponding invoice generated in support of the payment request described “home modification” services for three TBI Fund patients. Each of those patients—as well as the services allegedly provided to them, and the amounts billed—appeared verbatim on two earlier invoices reflecting services purportedly rendered by KRAUS on separate occasions in or around March 2016 and November 2017, and which supported two separate payments from the Fund to KRAUS. It is exceedingly improbable that KRAUS provided the exact same home modification services, to the exact same three patients, for the exact same billed amounts, on three separate occasions, less than three years apart.

21. As another example, law enforcement interviewed the daughter of Patient 4, another purported recipient of KRAUS’s home modification services, as reflected in an invoice processed for payment. According to the invoice, which was dated in or about May 2017 and requested payment in the amount



of \$10,550, KRAUS provided “home modification” services, and installed a 48-foot wooden ramp at Patient 4’s home. While Patient 4’s daughter confirmed that her parent had suffered a TBI in or around 1990, she stated that Patient 4 died in January 2012—more than five years before KRAUS had purportedly installed a wheelchair ramp in Patient 4’s home. In addition to this payment, the investigation also revealed that KRAUS received additional payments from the Fund for purported home modification services provided to Patient 4 that KRAUS never, in fact, provided.

22. As part of its investigation, law enforcement also obtained emails among defendants PIZUTELLI, KRAUS, and FLORES regarding the scheme. These emails reflected, in sum and substance and among other things, the co-conspirators’ agreement regarding the fraudulent invoices and vouchers being processed for services that KRAUS purportedly had provided.

a. For example, on or about January 25, 2017, PIZUTELLI sent an email to KRAUS and FLORES, with the subject line, “K Voucher 12-23-16.xls.” In the email, PIZUTELLI stated, “Here’s the voucher I submitted.” Attached to the email was an internal payment voucher authorizing a \$20,000 payment to KRAUS for purported home modifications provided to two patients.

b. On or about February 3, 2017, PIZUTELLI sent an email to KRAUS and FLORES, with the subject line, “Voucher.” This email attached another internal payment voucher authorizing a \$19,994 payment to KRAUS for purported home modifications provided to two other patients.

c. On or about December 22, 2017, PIZUTELLI sent an email to KRAUS and FLORES attaching two internal payment vouchers, whose file names were “K-Voucher-12-15-17.xls” and “K-Voucher-12-12-17.xls.” These internal payment vouchers authorized payments to KRAUS in the amounts of \$29,850 and \$22,575, respectively, for purported home modifications that KRAUS had provided to six other patients.

d. On or about April 27, 2018, PIZUTELLI sent an email to KRAUS with the subject line, “FYI.” The email read, “Vouchers are now combined,” and attached another internal payment voucher authorizing a payment to KRAUS for \$55,695 for purported home modifications.

23. There was no legitimate reason for PIZUTELLI to send KRAUS and FLORES internal payment vouchers. Indeed, in an interview with law enforcement, senior personnel with the New Jersey Department of Human Services and the Division of Disability Services stated that they could not think of a legitimate reason why a TBI Fund employee would provide a payment voucher—an internal agency document used solely to process vendor payments—to an outside vendor. Consistent with PIZUTELLI’s statements to law enforcement described above, these communications demonstrate that, in

furtherance of the conspiracy, PIZUTELLI processed the fraudulent internal payment vouchers, and that KRAUS received these fraudulent payments from the TBI Fund for his own personal benefit and enrichment.

24. During the Relevant Period, KRAUS received approximately \$3.25 million in fraudulent payments from the TBI Fund for purported services to Fund patients that he did not, in fact, provide. KRAUS cashed most of these checks at check cashing facilities.

25. In furtherance of the conspiracy, KRAUS made materially false statements in his federal income tax returns relating to the funds that he fraudulently received from the TBI Fund during the Relevant Period. Specifically, the investigation revealed that in his federal income tax returns filed for tax years 2013 through 2019, KRAUS falsely deducted, as contract labor and other business-related expenses, substantial portions of the income that he had received from the TBI Fund during those years, for work that he did not, in fact, perform. The purpose of these false deductions was to give the appearance that KRAUS had, in fact, performed the home modification services associated, and to avoid the obligation to pay substantial amounts of income tax for the income generated. As a result of these false deductions, KRAUS significantly underreported the income that he fraudulently derived from the TBI Fund during the conspiracy.

*Fraudulent Payments to FLORES for Purported Physical and Occupational Therapy, Acupuncture, and Other Miscellaneous Services*

26. The investigation further revealed that, during the Relevant Period and in furtherance of the conspiracy, FLORES received more than \$940,000 for purported services that she provided to TBI Fund patients when, in fact, she provided no such services.

27. As noted above, during the Relevant Period, FLORES held herself out as the owner of Serenity's Gate. According to a social media page for the business, Serenity's Gate provided spa treatment and massage therapy services. During the Relevant Period, the co-conspirators generated and processed for payment fraudulent invoices in FLORES's own name and in the name of Serenity's Gate. The invoices processed on behalf of Serenity's Gate reflected services for physical therapy, occupational therapy, and acupuncture that FLORES and/or Serenity's Gate purportedly provided to TBI Fund patients. The investigation revealed, however, that FLORES and Serenity's Gate provided no such services.

28. The investigation revealed that the payments from the TBI Fund to Serenity's Gate were obtained through fraudulent invoices processed through the Fund in a manner similar to the invoices processed in KRAUS's name, as described above. As just noted, the Serenity's Gate invoices requested payment

for physical therapy, occupational therapy, and acupuncture services provided to actual TBI Fund patients. FLORES, however, was not licensed to practice occupational therapy, physical therapy, or acupuncture in the State of New Jersey. Indeed, the investigation revealed that neither FLORES nor anyone else acting on behalf of Serenity's Gate provided the services reflected on the processed invoices.

29. Law enforcement has conducted numerous interviews of TBI Fund patients (or their family members) who allegedly received services provided by Serenity's Gate. For example, law enforcement interviewed Patient 5 and Patient 5's sibling, who provided the following information: Patient 5 suffered a TBI in or around 1986, and eventually came to live with his/her sibling after Patient 5's mother passed away. Patient 5 applied for and was approved to receive services funded by the TBI Fund, and was awarded approximately \$14,400 to attend a day program, which Patient 5 did for three months. According to Patient 5's sibling, Patient 5 received no other services that were funded by the TBI Fund. According to Serenity's Gate invoices and/or internal payment vouchers, however, Patient 5 received physical therapy, occupational therapy, and acupuncture services, for which Serenity's Gate fraudulently received more than \$28,000 from the TBI Fund. Patient 5's sibling stated that Patient 5 did not request such services, did not need such services, and did not receive such services. Patient 5's sibling explained Patient 5 had been living with him/her during those years and that s/he would have been the one to request any services for Patient 5. Patient 5's sibling did not request the invoiced services and was certain that Patient 5 did not receive them.

30. As another example, law enforcement interviewed Patient 6, who had sustained a TBI more than ten years earlier and underwent rehabilitation thereafter. Patient 6 applied for and was authorized to receive certain services to be funded by the TBI Fund. Patient 6 recalled receiving cognitive therapy, psychological counseling, and career counseling and training in or around 2009, but was not certain which of those services had been funded by the TBI Fund. Patient 6 stated that s/he did not, however, receive acupuncture treatments in connection with his/her injury; indeed, Patient 6 stated that s/he had never received acupuncture at any time in his/her life, and was not familiar with Serenity's Gate or FLORES. However, Serenity's Gate invoices and/or internal payment vouchers reflected that approximately \$15,600 in acupuncture services had been provided to Patient 6.

31. During the Relevant Period, FLORES received—either personally or through Serenity's Gate—more than \$940,000 in fraudulent payments from the TBI Fund for purported services to Fund patients that she did not, in fact, provide. Bank and other financial records revealed that FLORES either (i) deposited TBI Fund checks issued to Serenity's Gate into bank accounts that she exclusively controlled; or (ii) personally cashed the checks issued from the

TBI Fund at one or more check cashing facilities. The investigation revealed that FLORES received the fraudulent payments from the TBI Fund for her own personal benefit and enrichment

32. In furtherance of the conspiracy, FLORES made materially false statements in her federal income tax returns relating to the funds that she fraudulently received from the TBI Fund during the Relevant Period. Specifically, the investigation revealed that in her federal personal and/or corporate income tax returns filed for tax years 2013 through 2019, FLORES (i) falsely underreported income that she received from the TBI Fund, and/or (ii) falsely deducted as ordinary business expenses substantial portions of the income that she had received from the TBI Fund during those years, for work that she did not, in fact, perform. The purpose of these false statements was (i) to obscure the fact that FLORES fraudulently derived income from the Fund in the relevant years, (ii) to give the appearance that FLORES had, in fact, performed the services claimed in the associated invoices, and (iii) ultimately, to avoid the obligation to pay substantial amounts of income tax for the fraudulent income that FLORES generated during those years. As a result of these false deductions, FLORES significantly underreported the income that she fraudulently derived from the TBI Fund during the conspiracy.