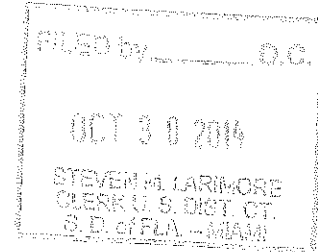


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. **14 - 20807 CR-MORENO / O'SULLIVAN**

18 U.S.C. § 1349
18 U.S.C. § 1347
18 U.S.C. § 371
18 U.S.C. § 1035(a)(2)
18 U.S.C. § 2
18 U.S.C. § 982(a)(7)



UNITED STATES OF AMERICA

vs.

PEDRO HERNANDEZ,
a/k/a "Peter Hernandez,"
FREDDY S. ZERON,
ERENDIRA V. DELGADO,
a/k/a "Eren Delgado,"
EDGARDO RODRIGUEZ,
RODNEY MONTOYA,
SANTIAGO BERNABE MONTOYA,
JOSE ELOY SANCHEZ,
a/k/a "Jose Eloy Sanchez Arguello,"
ABRAM J. RODRIGUEZ,
a/k/a "Abe Rodriguez,"
MIRNA L. BLANCO,
DEBORAH SMITH, and
AUGUSTIN ABAGA,

Defendants.

INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

At all times material to this Indictment:

The Medicare Program

1. The Medicare Program ("Medicare") was a federally funded program that provided free or below-cost health care benefits to certain individuals, primarily the elderly, blind, and disabled. The benefits available under Medicare were governed by federal statutes and regulations. The United States Department of Health and Human Services ("HHS"), through its agency, the Centers for Medicare and Medicaid Services ("CMS"), oversaw and administered Medicare. Individuals who received benefits under Medicare were commonly referred to as Medicare "beneficiaries."

2. Medicare 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. "Part B" of the Medicare program covered outpatient hospital services and professional services provided by physicians and other providers; it also covered certain drugs provided "incident to" a physician's service and durable medical equipment. "Part D" of the Medicare program, also known as Medicare prescription drug coverage, helped cover the cost of prescription drugs. Medicare offered Part D through approved private insurance companies.

4. "Part C" of the Medicare program, also known as Medicare Advantage ("MA"), was offered through private insurance companies approved by CMS to offer MA plans within a specific geographic area, referred to as the "service area," which could be one or more counties in the United States and its territories. Private insurance companies approved to offer these plans are known as MA Organizations. MA plans provided beneficiaries all of the same benefits

provided by Part A and Part B, except hospice care, and could offer extra benefits if approved by CMS. Most MA plans also provided Medicare prescription drug coverage (Part D). MA Organizations were required to adhere to all Medicare laws and rules.

5. Beneficiaries were enrolled in managed care plans offered by an MA Organization, such as health maintenance organization (“HMO”) plans, through several means, including by filling out a paper enrollment form and via interstate wire transmissions. In order to be enrolled in an MA plan, the beneficiary had to permanently reside within the MA plan’s service area, be entitled to Medicare Part A, and be enrolled in Medicare Part B.

6. There were specific time periods when a beneficiary could enroll in an MA plan. However, beneficiaries who were eligible for both Medicare and Medicaid (“dual eligibles”) could enroll in an MA plan at any time and dis-enroll or switch plans to another Part C plan at any time, and beneficiaries with chronic or disabling conditions could enroll at any time, but dis-enrollment and plan-changing were more restricted.

7. Except in limited emergency and urgent situations, Medicare and MA plans did not cover health care goods and services provided outside the United States or its territories.

Payment Procedures

8. Rather than reimbursing for each individual claim, as in other parts of Medicare, CMS made fixed, monthly payments, which were referred to as “capitated” payments, for each beneficiary enrolled in Part C. That is, every month CMS paid MA Organizations a pre-determined amount for each beneficiary enrolled in one of its MA plans, regardless of whether or not the enrolled beneficiary utilized the plan's services that month. CMS determined the monthly capitated payment amount paid for each enrolled beneficiary based on the MA Organization’s bid amount and the enrolled beneficiary’s risk score. CMS adjusted the capitation

rates annually, recalculating each enrolled beneficiary's risk score. CMS calculated the risk score for each MA enrollee using a number of factors, including the beneficiary's county of residence, age, sex, and health status. The beneficiary health status is based on diagnoses identified in the year prior to the payment year.

9. On a regular basis, MA plans submitted to CMS certain information and data regarding its enrolled beneficiaries, including the diagnosis codes for any claims paid for that beneficiary. CMS used this data to adjust the capitation rates for each enrollee for the following plan year. Thus, claims submitted in one plan year would affect the amount of capitation payments for those beneficiaries in subsequent plan years.

10. Any claims paid by the MA Organization to health care providers that exceeded the capitation payment amounts resulted in a loss to the MA Organization. Similarly, if a beneficiary's claims for services were less than the capitated amount, the MA Organization retained the difference as profit.

The Medicaid Program

11. The Medicaid Program ("Medicaid") was a joint federal-state health care program providing benefits to low-income individuals and families. In Florida, Medicaid was administered by CMS and the State of Florida Agency for Health Care Administration ("AHCA"). Medicaid was a "health care benefit program," as defined by Title 18, United States Code, Section 24(b).

12. Eligibility for Florida Medicaid was determined by the Florida Department of Children and Families (DCF) and by the federal Social Security Administration (SSA). Florida residency was one of the requirements to qualify for Florida Medicaid. Florida residency existed when the intent of the individual was to remain in the state. Residency did not exist when the

individual's presence in Florida was for a temporary purpose, such as a vacation, and the individual intended to return to a residence outside of Florida.

13. Florida Medicaid, through its cost saving programs, paid Medicare premiums, co-payments, and deductibles, of eligible Medicare beneficiaries. The cost saving programs are known as the Qualified Medicare Beneficiaries Program (QMB), Special Low Income Medicare Beneficiary (SLMB) program, and the Qualifying Individuals 1 (QI1) program. To be eligible for these Florida Medicaid cost saving programs, a Medicare beneficiary must have income and assets below a set threshold and be a resident of Florida.

14. AHCA contracted with HP Enterprises ("HP"), formerly known as Electronic Data Systems (EDS), to administer Medicaid claims and pay the Medicare premiums, co-insurance, and deductibles, of qualified Medicaid beneficiaries.

The Defendants and Related Companies

15. Florida Healthcare Plus, Inc. ("FHCP") was a Florida corporation located at 2100 Ponce de Leon Boulevard, Suite PH-1, Coral Gables, Florida. FHCP was licensed as an HMO in the State of Florida. FHCP was an MA Organization approved by Medicare to offer MA plans ("FHCP MA plans") to beneficiaries in a few counties in Florida, including Miami-Dade County.

16. Pharmovisa Health Services, Inc. was a Florida corporation located at 7305 SW 87th Avenue, Miami Florida. Pharmovisa Health Services contracted with FHCP as a medical services provider. On or about September 14, 2011, Pharmovisa Health Services registered "Integrated Health Medical Centers" as a fictitious business name for Pharmovisa Health Services.

17. Axis Le Professional Medical Group Corp. ("Axis Le") was a Florida corporation located at 2604 NW 21 Terrace, Miami, Florida, and 717 Ponce de Leon Boulevard, Coral Gables,

Florida. Axis Le contracted with FHCP and other MA Organizations as a medical services provider.

18. Rodney Montoya Corp. was a Florida corporation located at 10392 SW 1st Street, Miami, Florida. Rodney Montoya Corp. contracted with FHCP and other MA Organizations as a medical services provider.

19. Santiago B. Montoya, M.D., Corp. was a Florida corporation located at 10404 West Flagler Street, Suite 15, Miami, Florida. On or about October 1, 2012, Santiago B. Montoya, M.D., Corp. registered "Integrated Health Medical Center" as a fictitious business name for Santiago B. Montoya, M.D., Corp.

20. Extended Medical Services, LLC was a Florida company purportedly located at 8100 SW 81 Street, Suite 210, Miami, Florida.

21. Defendant **PEDRO HERNANDEZ**, a/k/a "Peter Hernandez," was the chief operating officer ("COO") of FHCP from on or about December 23, 2010, through on or about May 8, 2013.

22. Defendant **FREDDY S. ZERON** was an owner of Rodney Montoya Corp. beginning in or around September 2012, and its secretary from on or about March 23, 2014, through on or about June 16, 2014.

23. Defendant **ERENDIRA V. DELGADO**, a/k/a "Eren Delgado," incorporated Axis Le on or about January 13, 2011. **DELGADO** was president and registered agent of Axis Le.

24. Defendant **EDGARDO RODRIGUEZ** was employed by FHCP to market and offer FHCP MA plans in Nicaragua in 2011 and 2012. Beginning in or around September 2012,

RODRIGUEZ also marketed and offered other MA plans, as well as FHCP MA plans, in Nicaragua.

25. Defendant **RODNEY MONTOYA** incorporated Rodney Montoya Corp. on or about January 20, 2010. **RODNEY MONTOYA** was an owner, officer and registered agent of Rodney Montoya Corp. throughout its existence, including at various times president, secretary, treasurer, and registered agent.

26. Defendant **SANTIAGO BERNABE MONTOYA**, father of **RODNEY MONTOYA**, was a Florida licensed physician. **SANTIAGO BERNABE MONTOYA** was president of Rodney Montoya Corp. from on or about March 23, 2014, until on or about June 16, 2014, and president, treasurer, secretary, and registered agent of Santiago B. Montoya, M.D., Corp. throughout its existence.

27. Defendant **JOSE ELOY SANCHEZ, a/k/a "Jose Eloy Sanchez Arguello,"** organized Extended Medical Services, LLC on or about September 25, 2012. **SANCHEZ** was manager and registered agent of Extended Medical Services.

28. Defendant **ABRAM J. RODRIGUEZ, a/k/a "Abe Rodriguez,"** was employed by FHCP as the marketing director from in or around February 2011 through on or about April 21, 2014.

29. Defendant **MIRNA L. BLANCO** was employed by FHCP as manager of social services from on or about June 18, 2012 through 2014. **BLANCO** was also employed by Axis Le and Rodney Montoya Corp. in 2013 and 2014.

30. Defendant **DEBORAH SMITH** was a licensed insurance agent employed by FHCP as a benefits consultant from on or about August 5, 2011 through in or around November 2013.

31. Defendant **AUGUSTIN ABAGA** was a licensed insurance agent employed by FHCP as a benefits consultant from 2012 through on or about June 21, 2013.

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

1. Paragraphs 1 through 31 of the General Allegations section of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

2. From at least as early as in or around July of 2011, and continuing through the date of the filing of this Indictment, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants,

PEDRO HERNANDEZ,
a/k/a “Peter Hernandez,”
FREDDY S. ZERON,
ERENDIRA V. DELGADO,
a/k/a “Eren Delgado,”
EDGARDO RODRIGUEZ,
RODNEY MONTOYA,
SANTIAGO BERNABE MONTOYA,
JOSE ELOY SANCHEZ,
a/k/a “Jose Eloy Sanchez Arguello,”
ABRAM J. RODRIGUEZ,
a/k/a “Abe Rodriguez,”
MIRNA L. BLANCO,
DEBORAH SMITH, and
AUGUSTIN ABAGA,

did knowingly and willfully, that is with the intent to further the objects of the conspiracy, combine, conspire, confederate and agree with each other and others known and unknown to the Grand Jury, to commit offenses against the United States, that is:

a. to knowingly and willfully 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 Medicaid, 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, in violation of Title 18, United States Code, Section 1347 (Health Care Fraud); and

b. to knowingly and with the intent to defraud devise and intend to devise a scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing the pretenses, representations, and promises were false and fraudulent when made, and for the purpose of executing the scheme and artifice, did knowingly transmit and cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, signals, and sounds, in violation of Title 18, United States Code, Section 1343 (Wire Fraud).

Purpose of the Conspiracy

3. It was a purpose of the conspiracy for the defendants and their co-conspirators to unlawfully enrich themselves by, among other things: (a) recruiting Medicare beneficiaries residing in Nicaragua and the Dominican Republic to enroll in MA plans; (b) submitting to CMS MA plan enrollment requests on behalf of the Medicare beneficiaries residing in Nicaragua and the Dominican Republic, outside of the MA plan service area, by falsely and fraudulently representing that the beneficiaries resided in the MA plans' service area within Florida, including Miami-Dade County; and (c) enrolling Medicare beneficiaries residing in Nicaragua and the Dominican Republic into Florida Medicaid by falsely and fraudulently representing to DCF that the beneficiaries resided in Florida.

Manner and Means of the Conspiracy

The manner and means by which the defendants and their co-conspirators sought to accomplish the object and purpose of the conspiracy included, among other things, the following:

4. **PEDRO HERNANDEZ, FREDDY S. ZERON, ERENDIRA V. DELGADO, EDGARDO RODRIGUEZ, RODNEY MONTOYA, SANTIAGO BERNABE MONTOYA, JOSE ELOY SANCHEZ, ABRAM J. RODRIGUEZ, MIRNA L. BLANCO, DEBORAH SMITH, AUGUSTIN ABAGA,** and others marketed and offered, and caused the marketing and offering of, MA plans, including FHCP MA plans, to individuals residing in Nicaragua and the Dominican Republic. To induce individuals to enroll into MA plans, the defendants initially represented that Medicare benefits were available in Nicaragua and the Dominican Republic. When questions about Medicare coverage outside the United States were raised, the defendants made false and fraudulent representations, including that “people retired in the U.S. now in Nicaragua can get free medical care,” and that the medical coverage offered in Nicaragua and the Dominican Republic was not offered by, or billed to, Medicare.

5. **PEDRO HERNANDEZ, FREDDY S. ZERON, ERENDIRA V. DELGADO, EDGARDO RODRIGUEZ, RODNEY MONTOYA, SANTIAGO BERNABE MONTOYA, JOSE ELOY SANCHEZ, ABRAM J. RODRIGUEZ, MIRNA L. BLANCO, DEBORAH SMITH, AUGUSTIN ABAGA,** and others submitted, and caused the submission of, MA-plan enrollment requests to CMS on behalf of Medicare beneficiaries residing in Nicaragua and the Dominican Republic, outside the MA plans’ service area. The defendants completed, and caused the completion of, MA plan enrollment applications that falsely and fraudulently represented that the beneficiaries resided within the service area of the MA plans, including Miami-Dade County and other Florida counties. In the enrollment applications, the defendants used, and caused the

use of, non-residential property addresses, addresses of beneficiaries' relatives and friends, and addresses associated with the defendants, in Miami-Dade County, and other Florida counties, as the beneficiaries' residence address. The defendants used interstate wire transmissions and other means to submit, and cause the submission of, the false and fraudulent MA plan enrollment applications to CMS.

6. Through the false and fraudulent enrollment requests submitted to CMS, **PEDRO HERNANDEZ, FREDDY S. ZERON, ERENDIRA V. DELGADO, EDGARDO RODRIGUEZ, RODNEY MONTOYA, SANTIAGO BERNABE MONTOYA, JOSE ELOY SANCHEZ, ABRAM J. RODRIGUEZ, MIRNA L. BLANCO, DEBORAH SMITH, AUGUSTIN ABAGA,** and others caused CMS to make monthly capitation payments to MA Organizations, including FHCP, on behalf of beneficiaries who were not eligible to enroll and who did not reside in the MA plans service area.

7. **FREDDY S. ZERON, ERENDIRA V. DELGADO, EDGARDO RODRIGUEZ, RODNEY MONTOYA, SANTIAGO BERNABE MONTOYA, JOSE ELOY SANCHEZ, MIRNA L. BLANCO, DEBORAH SMITH,** and others enrolled, and caused the enrollment of, Medicare beneficiaries residing in Nicaragua and the Dominican Republic into Florida Medicaid by falsely and fraudulently representing to DCF their Florida residency.

8. Through the false and fraudulent enrollments submitted to DCF, **FREDDY S. ZERON, ERENDIRA V. DELGADO, EDGARDO RODRIGUEZ, RODNEY MONTOYA, SANTIAGO BERNABE MONTOYA, JOSE ELOY SANCHEZ, MIRNA L. BLANCO, DEBORAH SMITH,** and others caused Florida Medicaid to pay Medicare premiums, deductibles, and co-insurance for beneficiaries who did not reside in Florida.

9. **FREDDY S. ZERON, ERENDIRA V. DELGADO, EDGARDO RODRIGUEZ, RODNEY MONTOYA, SANTIAGO BERNABE MONTOYA, JOSE ELOY SANCHEZ, MIRNA L. BLANCO, DEBORAH SMITH, AUGUSTIN ABAGA,** and others caused physicians associated with Pharmovisa, Axis Le, Rodney Montoya Corp. and other entities, such as **SANTIAGO BERNABE MONTOYA**, to be designated as the primary care physicians (PCP) for the beneficiaries residing in Nicaragua and the Dominican Republic. MA Organizations would then pay Pharmovisa, Axis Le, Rodney Montoya Corp., and other entities a monthly capitation rate and other compensation for the beneficiaries residing in Nicaragua and the Dominican Republic fraudulently enrolled in MA plans.

10. **FREDDY S. ZERON, ERENDIRA V. DELGADO, EDGARDO RODRIGUEZ, RODNEY MONTOYA, SANTIAGO BERNABE MONTOYA, JOSE ELOY SANCHEZ,** and others paid for beneficiaries to travel to Miami-Dade County from Nicaragua and the Dominican Republic as an incentive to enroll in MA plans and to have a U.S. licensed physician certify diagnoses relevant to the calculation of the capitation rates.

11. **PEDRO HERNANDEZ, FREDDY S. ZERON, ERENDIRA V. DELGADO, EDGARDO RODRIGUEZ, RODNEY MONTOYA, SANTIAGO BERNABE MONTOYA, JOSE ELOY SANCHEZ, ABRAM J. RODRIGUEZ, MIRNA L. BLANCO, DEBORAH SMITH, AUGUSTIN ABAGA,** and others used the money falsely and fraudulently obtained from Medicare and Florida Medicaid, approximately \$25,247,413, for their personal use and benefit, and to further the fraud.

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

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

1. Paragraphs 1 through 31 of the General Allegations section of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

2. From at least as early as in or around July of 2011, and continuing through the date of the filing of this Indictment, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants,

PEDRO HERNANDEZ,
a/k/a "Peter Hernandez,"
FREDDY S. ZERON,
ERENDIRA V. DELGADO,
a/k/a "Eren Delgado,"
EDGARDO RODRIGUEZ,
RODNEY MONTOYA,
SANTIAGO BERNABE MONTOYA,
JOSE ELOY SANCHEZ,
a/k/a "Jose Eloy Sanchez Arguello,"
ABRAM J. RODRIGUEZ,
a/k/a "Abe Rodriguez,"
MIRNA L. BLANCO,
DEBORAH SMITH, and
AUGUSTIN ABAGA,

in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, a scheme and artifice to defraud a health care benefit program affecting commerce, as defined by Title 18, United States Code, Section 24(b), that is, Medicare and Medicaid, 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.

Purpose of the Scheme and Artifice

3. It was a purpose of the scheme and artifice for the defendants and their accomplices to unlawfully enrich themselves by, among other things: (a) recruiting Medicare beneficiaries residing in Nicaragua and the Dominican Republic to enroll in MA plans; (b) submitting to CMS MA plan enrollment requests on behalf of the Medicare beneficiaries residing in Nicaragua and the Dominican Republic, outside of the MA plan service area, by falsely and fraudulently representing that the beneficiaries resided in the MA plans' service area within Florida, including Miami-Dade County; and (c) enrolling Medicare beneficiaries residing in Nicaragua and the Dominican Republic into Florida Medicaid by falsely and fraudulently representing to DCF that the beneficiaries resided in Florida.

The Scheme and Artifice

4. The allegations contained in paragraphs 4 through 11 of the Manner and Means section of Count 1 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein as a description of the scheme and artifice.

Acts in Execution or Attempted Execution of the Scheme and Artifice

5. On or about the dates set forth below as to each count, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants as specified below, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, the above-described scheme and artifice to defraud a health care benefit program affecting commerce, that is, Medicare and Medicaid, 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 that the defendants submitted and caused the submission of false and fraudulent MA plan enrollments,

fraudulently representing that beneficiaries resided in the MA plans' authorized service area, as set forth below:

Count	Defendant(s)	Approx. Effective Date of Enrollment/ Date of Application	MA Organization/ Medicaid; MA Organization Enrollment File Number/Medicaid Access Application Number	Enrollee
2	PEDRO HERNANDEZ, FREDDY S. ZERON, and EDGARDO RODRIGUEZ	03/01/2012	FHCP; 12062M01_8_400008	F.T.
3	PEDRO HERNANDEZ, ERENDIRA V. DELGADO, ABRAM J. RODRIGUEZ, and DEBORAH SMITH	06/01/2012	FHCP; 12153M01_47_2350022	F.C.
4	PEDRO HERNANDEZ, FREDDY S. ZERON, EDGARDO RODRIGUEZ, ABRAM J. RODRIGUEZ, and MIRNA L. BLANCO	07/26/2012	Medicaid; 1399218174	C.P.
5	PEDRO HERNANDEZ, FREDDY S. ZERON, EDGARDO RODRIGUEZ, and ABRAM J. RODRIGUEZ	08/01/2012	FHCP; 12213M01_33_1650025	C.P.
6	PEDRO HERNANDEZ, FREDDY S. ZERON, EDGARDO RODRIGUEZ, and ABRAM J. RODRIGUEZ	08/01/2012	FHCP; 12213M01_33_1650017	J.A.
7	PEDRO HERNANDEZ, ERENDIRA V. DELGADO, ABRAM J. RODRIGUEZ, and DEBORAH SMITH	08/01/2012	FHCP; 12209M01_47_2350010	S.G.
8	PEDRO HERNANDEZ, ERENDIRA V. DELGADO, ABRAM J. RODRIGUEZ, and DEBORAH SMITH	09/01/2012	FHCP; 12248M01_81_4050067	M.B.
9	PEDRO HERNANDEZ, FREDDY S. ZERON, EDGARDO RODRIGUEZ, and ABRAM J. RODRIGUEZ	09/01/2012	FHCP; 12241M01_29_1450018	E.A.
10	PEDRO HERNANDEZ, ERENDIRA V. DELGADO, ABRAM J. RODRIGUEZ, MIRNA L. BLANCO and DEBORAH SMITH	10/25/2012	Medicaid; 10405447958	R.G.

Count	Defendant(s)	Approx. Effective Date of Enrollment/ Date of Application	MA Organization/ Medicaid; MA Organization Enrollment File Number/Medicaid Access Application Number	Enrollee
11	PEDRO HERNANDEZ, EDGARDO RODRIGUEZ, JOSE ELOY SANCHEZ, and ABRAM J. RODRIGUEZ	11/01/2012	FHCP; 12304M01_60_2850019	M.M.
12	PEDRO HERNANDEZ, FREDDY S. ZERON, RODNEY MONTOYA, SANTIAGO BERNABE MONTOYA, and ABRAM J. RODRIGUEZ	12/13/2012	Medicaid; 1408367441	C.B.
13	PEDRO HERNANDEZ, ERENDIRA V. DELGADO ABRAM J. RODRIGUEZ, and AUGUSTIN ABAGA	01/01/2013	FHCP; 12311M02_20_800017	M.F.
14	PEDRO HERNANDEZ, ERENDIRA V. DELGADO, ABRAM J. RODRIGUEZ, MIRNA L. BLANCO, and DEBORAH SMITH	01/01/2013	FHCP; 12306M07_3_120003	R.G.
15	PEDRO HERNANDEZ, ERENDIRA V. DELGADO ABRAM J. RODRIGUEZ, and AUGUSTIN ABAGA	01/01/2013	FHCP; 12306M02_9_360004	J.G.
16	PEDRO HERNANDEZ, ERENDIRA V. DELGADO, ABRAM J. RODRIGUEZ, MIRNA L. BLANCO, and DEBORAH SMITH	01/01/2013	FHCP; 12366M01_4_200004	J.P.
17	PEDRO HERNANDEZ, FREDDY S. ZERON, RODNEY MONTOYA, SANTIAGO BERNABE MONTOYA, and ABRAM J. RODRIGUEZ	02/01/2013	FHCP; 1317M01_15_750003	C.B.
18	PEDRO HERNANDEZ, FREDDY S. ZERON, RODNEY MONTOYA, SANTIAGO BERNABE MONTOYA, and ABRAM J. RODRIGUEZ	02/01/2013	FHCP; 1331M05_27_1350023	S.B.

In violation of Title 18, United States Code, Sections 1347 and 2.

COUNT 19
Conspiracy to Defraud the United States
and Make False Statements Related to Health Care Matters
(18 U.S.C. § 371)

1. Paragraphs 1 through 31 of the General Allegations section of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

2. From at least as early as in or around July of 2011, and continuing through the date of the filing of this Indictment, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants,

PEDRO HERNANDEZ,
a/k/a "Peter Hernandez,"
FREDDY S. ZERON,
ERENDIRA V. DELGADO,
a/k/a "Eren Delgado,"
EDGARDO RODRIGUEZ,
RODNEY MONTOYA,
SANTIAGO BERNABE MONTOYA,
JOSE ELOY SANCHEZ,
a/k/a "Jose Eloy Sanchez Arguello,"
ABRAM J. RODRIGUEZ,
a/k/a "Abe Rodriguez,"
MIRNA L. BLANCO,
DEBORAH SMITH, and
AUGUSTIN ABAGA,

did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate and agree with each other, and others known and unknown to the Grand Jury, to commit certain offenses against the United States, that is:

a. to defraud the United States by impairing, impeding, obstructing, and defeating, through deceitful and dishonest means, the lawful government functions of the United States Department of Health and Human Services in its administration and oversight of the Medicare and Medicaid programs; and

b. to violate Title 18, United States Code, Section 1035(a)(2), by knowingly and willfully making any materially false, fictitious, and fraudulent statements and representations, and making and using any materially false writing and document knowing the same to contain any materially false, fictitious and fraudulent statement and entry, in connection with the delivery of and payment for health care benefits, items, and services.

Purpose of the Conspiracy

3. It was a purpose of the conspiracy for the defendants and their co-conspirators to unlawfully enrich themselves by, among other things: (a) enrolling Medicare beneficiaries residing in Nicaragua and the Dominican Republic into MA plans by falsely and fraudulently representing that the beneficiaries resided in the MA plans' service area within Florida, including Miami-Dade County; (b) enrolling Medicare beneficiaries residing in Nicaragua and the Dominican Republic into Florida Medicaid by falsely and fraudulently representing to DCF that the beneficiaries resided in Florida; and (c) concealing the enrollment Medicare beneficiaries residing in Nicaragua and the Dominican Republic into MA plans by making and using, and causing the making and using of, materially false, fictitious, and fraudulent statements, representations and documents.

Manner and Means of the Conspiracy

The manner and means by which the defendants and their co-conspirators sought to accomplish the object and purpose of the conspiracy included, among other things, the following:

4. **PEDRO HERNANDEZ, FREDDY S. ZERON, ERENDIRA V. DELGADO, EDGARDO RODRIGUEZ, RODNEY MONTOYA, SANTIAGO BERNABE MONTOYA, JOSE ELOY SANCHEZ, ABRAM J. RODRIGUEZ, MIRNA L. BLANCO, DEBORAH SMITH, AUGUSTIN ABAGA,** and others marketed and offered, and caused the marketing and

offering of MA plans, including FHCP MA plans, to individuals residing in Nicaragua and the Dominican Republic. To induce individuals to enroll into FHCP MA plans, and other MA plans, the defendants initially represented that Medicare benefits were available in Nicaragua and the Dominican Republic. When questions about Medicare coverage outside the United States were raised, the defendants made false and fraudulent representations, including that “people retired in the U.S. now in Nicaragua can get free medical care,” and that the medical coverage offered in Nicaragua and the Dominican Republic was not offered by, or billed to, Medicare.

5. **PEDRO HERNANDEZ, FREDDY S. ZERON, ERENDIRA V. DELGADO, EDGARDO RODRIGUEZ, RODNEY MONTOYA, SANTIAGO BERNABE MONTOYA, JOSE ELOY SANCHEZ, ABRAM J. RODRIGUEZ, MIRNA L. BLANCO, DEBORAH SMITH, AUGUSTIN ABAGA,** and others made and used, and caused the making and use of, MA plan enrollment request forms on behalf of Medicare beneficiaries residing in Nicaragua and the Dominican Republic, outside the MA plans’ service area. The MA plan enrollment request forms falsely and fraudulently represented that the beneficiaries resided within the service area of the MA plans in Miami-Dade County and other Florida counties. In the enrollment request forms, the defendants used, and caused the use of, non-residential property addresses, addresses associated with the defendants, and addresses of beneficiaries’ relatives and friends in Miami-Dade County, and other Florida counties, as the beneficiaries’ residence address.

6. **FREDDY S. ZERON, ERENDIRA V. DELGADO, EDGARDO RODRIGUEZ, RODNEY MONTOYA, SANTIAGO BERNABE MONTOYA, JOSE ELOY SANCHEZ, MIRNA L. BLANCO, DEBORAH SMITH,** and others, enrolled, and caused the enrollment of, Medicare beneficiaries residing in Nicaragua and the Dominican Republic into Florida Medicaid by falsely and fraudulently representing their Florida residency.

Overt Acts

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

1. On or about January 19, 2012, **PEDRO HERNANDEZ** sent an email to **EDGARDO RODRIGUEZ** asking for the beneficiaries' names for six new enrollment applications **RODRIGUEZ** had submitted from Nicaragua.

2. On or about February 29, 2012, **EDGARDO RODRIGUEZ** completed an FHCP Individual Enrollment Request Form for beneficiary F.T. which falsely and fraudulently represented the permanent residence address for F.T.

3. On or about May 31, 2012, **DEBORAH SMITH** completed an FHCP Individual Enrollment Request Form for beneficiary F.C. which falsely and fraudulently represented the permanent residence address for F.C.

4. On or about July 26, 2012, **MIRNA L. BLANCO** submitted a Medicaid Access Enrollment Application for beneficiary C.P. which falsely and fraudulently represented C.P.'s permanent residence.

5. On or about July 26, 2012, **DEBORAH SMITH** completed an FHCP Individual Enrollment Request Form for beneficiary S.G. which falsely and fraudulently represented the permanent residence address for S.G.

6. On or about July 30, 2012, **EDGARDO RODRIGUEZ** completed an FHCP Individual Enrollment Request Form for beneficiary J.A. which falsely and fraudulently represented the permanent residence address for J.A.

7. On or about August 31, 2012, **DEBORAH SMITH** completed an FHCP Individual Enrollment Request Form for beneficiary M.B. which falsely and fraudulently represented the permanent residence address for M.B.

8. On or about September 24, 2012, **ABRAM J. RODRIGUEZ** sent an email in which he instructed M.L. and J.C. to negotiate advertising space with a Nicaraguan newspaper.

9. On or about October 5, 2012, **ABRAM J. RODRIGUEZ** sent an email to **FREDDY S. ZERON** in which he provided artwork for a newspaper advertisement offering and promoting Medicare and Florida Medicaid benefits in Nicaragua.

10. On or about October 23, 2012, **SANTIAGO BERNABE MONTOYA** sent an email to **RODNEY MONTOYA** in which he provided information needed to obtain a permit to establish a medical clinic in Nicaragua.

11. On or about October 24, 2012, **DEBORAH SMITH** provided **MIRNA L. BLANCO** a Medicaid Access Enrollment Application for beneficiary R.G. which falsely and fraudulently represented R.G.'s permanent residence.

12. On or about October 29, 2012, **AUGUSTIN ABAGA** completed an FHCP Individual Enrollment Request Form for beneficiary J.G. which falsely and fraudulently represented the permanent residence address for J.G.

13. On or about November 12, 2012, **ERENDIRA V. DELGADO** forwarded an email to C.R., a primary care physician contracted by Axis Le, containing an airline E-Ticket confirmation for C.R. to travel round trip from Miami to the Dominican Republic.

14. On or about December 6, 2012, **RODNEY MONTOYA** sent an email instructing A.G. to investigate the status of MA plan enrollment applications **SANTIAGO BERNANBE MONTOYA** and others had brought to Miami.

15. On or about January 3, 2013, **AUGUSTIN ABAGA** sent an email to **ERENDIRA V. DELGADO** which contained a list of beneficiaries residing in the Dominican Republic for whom an MA plan enrollment application had been submitted.

16. On or about January 17, 2013, **FREDDY S. ZERON** sent an email to **PEDRO HERNANDEZ** in which he provided a list of FHCP MA plan enrollments recently completed for beneficiaries residing in Nicaragua.

17. On or about January 23, 2013, **JOSE ELOY SANCHEZ** sent an email to **EDGARDO RODRIGUEZ** in which he provided a list of the MA plan enrollment applications submitted for beneficiaries residing in Nicaragua.

18. On or about April 10, 2013, **SANTIAGO BERNABE MONTOYA** sent an email to an employee of an MA Organization asking to reschedule a meeting.

19. On or about April 29, 2013, **RODNEY MONTOYA** sent an email to J.O., an employee of an MA Organization, in which he provided **ERENDIRA V. DELGADO**'s telephone number.

20. On or about August 13, 2013, **FREDDY S. ZERON** sent an email to **MIRNA L. BLANCO** in which he asked her to verify the benefits of beneficiary R.S.P.

21. On or about September 20, 2013, **MIRNA L. BLANCO** sent an email regarding beneficiary E.E. in which she provided information regarding E.E., including his address in Nicaragua, and asked to be informed when E.E. changed his address so that **BLANCO** could apply for Medicaid on behalf of E.E.

22. On or about October 16, 2013, **ERENDIRA V. DELGADO** sent an email to an employee of an MA Organization asking when the check representing the MA Organization's capitation payment to Axis Le for October 2013 would be available to be picked up.

23. On or about November 21, 2013, **JOSE ELOY SANCHEZ** sent an email to **EDGARDO RODRIGUEZ** in which he provided a list of beneficiaries residing in Nicaragua enrolled in an MA plan.

24. On or about January 17, 2014, **PEDRO HERNANDEZ** sent an email to J.L. in which he provided the names of beneficiaries residing in the Dominican Republic who they had enrolled into an MA plan.

All in violation of Title 18, U.S.C., Section 371.

COUNTS 20-36
False Statements Related to Health Care Matters
(18 U.S.C. § 1035(a)(2))

1. Paragraphs 1 through 31 of the General Allegations section of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

2. On or about the dates set forth below as to each count, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants as specified below, in any matter involving a health care benefit program, knowingly and willfully made, and caused to be made, any materially false, fictitious, and fraudulent statements and representations, and made and used, and caused to be made and used, any materially false writing and document knowing the same to contain any materially false, fictitious, and fraudulent statement and entry, in connection with the delivery of and payment for health care benefits, items, and services, that is, the defendants falsely and fraudulently represented, and caused to be falsely and fraudulently represented, that beneficiaries, as specified below, permanently resided in Florida, when in truth and in fact, and as the defendants then and there well knew, the beneficiaries did not permanently reside in Florida, as set forth below:

Count	Defendant(s)	Date	MA Organization/ Medicaid	Beneficiary
20	PEDRO HERNANDEZ, FREDDY S. ZERON, and EDGARDO RODRIGUEZ	03/01/2012	FHCP	F.T.
21	PEDRO HERNANDEZ, ERENDIRA V. DELGADO, ABRAM J. RODRIGUEZ, and DEBORAH SMITH	06/01/2012	FHCP	F.C.
22	PEDRO HERNANDEZ, FREDDY S. ZERON, EDGARDO RODRIGUEZ, ABRAM J. RODRIGUEZ, and MIRNA L. BLANCO	07/26/2012	Medicaid	C.P.
23	PEDRO HERNANDEZ, FREDDY S. ZERON, EDGARDO RODRIGUEZ, and ABRAM J. RODRIGUEZ	08/01/2012	FHCP	C.P.
24	PEDRO HERNANDEZ, FREDDY S. ZERON, EDGARDO RODRIGUEZ, and ABRAM J. RODRIGUEZ	08/01/2012	FHCP	J.A.
25	PEDRO HERNANDEZ, ERENDIRA V. DELGADO, ABRAM J. RODRIGUEZ, and DEBORAH SMITH	08/01/2012	FHCP	S.G.
26	PEDRO HERNANDEZ, ERENDIRA V. DELGADO, ABRAM J. RODRIGUEZ, and DEBORAH SMITH	09/01/2012	FHCP	M.B.
27	PEDRO HERNANDEZ, FREDDY S. ZERON, EDGARDO RODRIGUEZ, and ABRAM J. RODRIGUEZ	09/01/2012	FHCP	E.A.
28	PEDRO HERNANDEZ, ERENDIRA V. DELGADO, ABRAM J. RODRIGUEZ, MIRNA L. BLANCO and DEBORAH SMITH	10/25/2012	Medicaid	R.G.
29	PEDRO HERNANDEZ, EDGARDO RODRIGUEZ, JOSE ELOY SANCHEZ, and ABRAM J. RODRIGUEZ	11/01/2012	FHCP	M.M.

30	PEDRO HERNANDEZ, FREDDY S. ZERON, RODNEY MONTOYA, SANTIAGO BERNABE MONTOYA, and ABRAM J. RODRIGUEZ	12/13/2012	Medicaid	C.B.
31	PEDRO HERNANDEZ, ERENDIRA V. DELGADO ABRAM J. RODRIGUEZ, and AUGUSTIN ABAGA	01/01/2013	FHCP	M.F.
32	PEDRO HERNANDEZ, ERENDIRA V. DELGADO, ABRAM J. RODRIGUEZ, MIRNA L. BLANCO, and DEBORAH SMITH	01/01/2013	FHCP	R.G.
33	PEDRO HERNANDEZ, ERENDIRA V. DELGADO ABRAM J. RODRIGUEZ, and AUGUSTIN ABAGA	01/01/2013	FHCP	J.G.
34	PEDRO HERNANDEZ, ERENDIRA V. DELGADO, ABRAM J. RODRIGUEZ, MIRNA L. BLANCO, and DEBORAH SMITH	01/01/2013	FHCP	J.P.
35	PEDRO HERNANDEZ, FREDDY S. ZERON, RODNEY MONTOYA, SANTIAGO BERNABE MONTOYA, and ABRAM J. RODRIGUEZ	02/01/2013	FHCP	C.B.
36	PEDRO HERNANDEZ, FREDDY S. ZERON, RODNEY MONTOYA, SANTIAGO BERNABE MONTOYA, and ABRAM J. RODRIGUEZ	02/01/2013	FHCP	S.B.

In violation of Title 18, United States Code, Sections 1035(a)(2) and 2.

FORFEITURE
(18 U.S.C. § 982 (a)(7))

1. The allegations contained in this Indictment are re-alleged 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 each of the defendants **PEDRO HERNANDEZ, a/k/a “Peter Hernandez,” FREDDY S. ZERON, ERENDIRA V. DELGADO, a/k/a “Eren Delgado,” EDGARDO RODRIGUEZ, RODNEY MONTOYA, SANTIAGO BERNABE**

MONTOYA, JOSE ELOY SANCHEZ-ARGUELLO, a/k/a "Jose Eloy Sanchez Arguello," ABRAM J. RODRIGUEZ, a/k/a "Abe Rodriguez," MIRNA L. BLANCO, DEBORAH SMITH, and AUGUSTIN ABAGA, has an interest.

2. Upon conviction of any violation of Title 18, United States Code, Sections 1347, 1349, 1035(a)(2), or a conspiracy to commit such violation, as alleged in this Indictment, each defendant shall forfeit to the United States any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense pursuant to Title 18, United States Code, Section 982(a)(7).

3. The property subject to forfeiture includes a money judgment in the amount of approximately \$25,247,413 in United States currency, which sum represents the value of the gross proceeds traceable to the commission of the health care offenses alleged in this Indictment.

4. If any of the property described above, as a result of any act or omission of any of the defendants:

- 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 to seek forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), including but not limited to the following:

- 1) the real property located at 10392 SW 1st Street, Miami, FL;
- 2) the real property located at 705 N.W. 123rd Ave., Miami, FL;

- 3) the real property located at 2425 W. 76th St., Apt. 204, Hialeah, FL;
- 4) the real property located at 8649 N. Himes Ave., Apt. 1018, Tampa, FL;
- 5) 2014 Mercedes-Benz, VIN: WDZPE8DC1E5920071;
- 6) 2014 Mercedes-Benz, VIN: 4JGDA2EB7EA383016;
- 7) 2014 Mercedes-Benz, VIN: WDZPE7DC0E5890328;
- 8) 2014 Mercedes-Benz, VIN: WDZPE7DC2E5894199;
- 9) 2014 Mercedes-Benz, VIN: WDDHF5KB3EA920838;
- 10) 2014 Mercedes-Benz, VIN: WDDUG8CB8EA064769;
- 11) 2008 Nissan Armada, VIN: 5N1BA08D88N630971;
- 12) 2012 Porsche Cayenne, VIN: WP1AC2A25CLA84373;
- 13) 2012 Ford F250, VIN: 1FT7W2BT4CEB95088;
- 14) 2008 Mercedes SUV, VIN: 4JGCB22E88A075896;
- 15) 2014 Acura RDX SUV, VIN: 5J8TB3H59EL002667;
- 16) 2012 Ford Truck Escape, VIN: 1FMCU0C75CKA88140;
- 17) 2008 Honda Civic LX, VIN: 1HGFA16548L053439.

All pursuant to Title 18, United States Code, Section 982(a)(7), and the procedures set forth in Title 21, United States Code, Section 853.

A TRUE BILL

FOREPERSON

Wifredo A. Ferrer

WIFREDO A. FERRER
UNITED STATES ATTORNEY

Eric E. Morales

ERIC E. MORALES
ASSISTANT U.S. ATTORNEY

Hagerenesh Simmons

HAGERENESH SIMMONS
SPECIAL ASSISTANT U.S. ATTORNEY