

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

07 - 20202 CR - MARTINEZ

Case No. _____

18 U.S.C. § 1349
18 U.S.C. § 1347
18 U.S.C. § 1956(h)
18 U.S.C. § 1956(a)(1)(B)(i)
18 U.S.C. § 1957
18 U.S.C. § 371
18 U.S.C. § 2
18 U.S.C. § 1503(a)
18 U.S.C. § 1512(b)
18 U.S.C. § 1623(a)
18 U.S.C. § 982

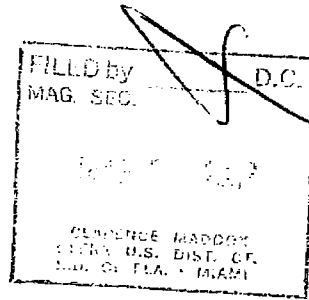
2020 JUN 10 10:00 AM
MARTINEZ

UNITED STATES OF AMERICA

vs.

RAUL RODRIGUEZ,
ARMANDO ARIAS,
CARLOS ENRIQUE MONTEAGUDO,
ALAIN RHAF VEGA,
MARISOL GONZALEZ TORRES,
EDITH BALOG,
LEONEL GALDOS, JR.,
WILLIAM BALLADARES,
YULEN ARDERI,
and
JANNETTE MORALES,

Defendants.



INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

The Medicare Program

1. The Medicare Program (“Medicare”) was a federal program that provided free or below-cost health care benefits to certain individuals, primarily the elderly, blind, and disabled. The benefits available under Medicare were governed by federal statute and regulations. Medicare was administered by the United States Department of Health and Human Services (“HHS”), through its agency, the Centers for Medicare and Medicaid Services (“CMS”). Individuals who receive 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. Medicare Part B paid for a portion of the cost of certain necessary medical services and medications that are provided and ordered by physicians, clinics, and other qualified health care providers. Medicare Part B was administered in Florida by First Coast Service Options (“First Coast”), a company that contracted with CMS to receive, adjudicate, process, and pay Medicare Part B claims, including claims submitted by medical clinics treating patients with human immunodeficiency virus and acquired immune deficiency syndrome (“HIV” and “AIDS”).

4. Durable medical equipment (“DME”) is equipment that is designed for repeated use and for a medical purpose, such as oxygen concentrators, incontinence supplies, orthotic devices (such as knee braces, prosthetic limbs, back braces, wrist braces), and wheelchairs.

5. The Medicare Part B program covering DME and related health care benefits, items, and services for beneficiaries in Florida was administered by Palmetto Government Benefits Administrators (“Palmetto”) pursuant to a contract with HHS. Among its responsibilities as administrator, Palmetto received, adjudicated, and paid the claims of authorized suppliers seeking

reimbursement for the cost of DME and related health care benefits, items, or services supplied to Medicare beneficiaries.

Medicare Billing Procedure

6. Physicians, clinics, and other health care providers that provided services to Medicare beneficiaries applied for a Medicare “provider number.” A health care provider who had been issued a Medicare provider number was able to file claims with Medicare to obtain reimbursement for items or services provided to beneficiaries. A Medicare claim was required to set forth, among other things, the beneficiary’s name and Medicare identification number, the items or services that had been ordered or provided for the beneficiary, the date the items or services were ordered or provided, the cost of the items or services, and the name and identification number of the physician or other qualified health care professional who had ordered or provided the items or services.

7. DME companies that supplied medical equipment to Medicare beneficiaries applied for a Medicare “supplier number.” The supplier number allowed such DME companies to submit bills or claims for payment to Medicare in order to seek reimbursement for medical equipment that they had supplied to Medicare beneficiaries.

8. In order to receive payment from Medicare, a participating DME supplier was required to submit a health insurance claim form, known as a Form CMS-1500. Medicare permitted authorized Medicare suppliers and providers to submit these claims on paper claim forms or electronically.

9. Medicare, through Palmetto or First Coast, would generally pay a substantial amount of the cost for health care, benefits, items or services that were medically necessary, ordered by a licensed health care professional, and provided to Medicare beneficiaries.

10. For Medicare billing purposes, medical services, equipment and medications provided to beneficiaries were identified by Current Procedural Terminology (“CPT”) codes and/or Healthcare Common Procedure Coding System (“HCPCS”) codes.

The Defendants

11. Defendant, **RAUL RODRIGUEZ**, controlled and operated Coral Way Professional Health Services, Inc., also known as Coral Way Professional Services, Inc. (hereinafter “Coral Way”), and Sunshine Health Center of Miami, Inc. (hereinafter “Sunshine”) which were medical clinics located in Miami-Dade County. **RAUL RODRIGUEZ** also controlled R & J Medical Services, Inc. (hereinafter “R & J”) and N.R. Medical Services, Inc. (hereinafter “N.R.”) which were DME companies located in Miami-Dade County.

12. Defendant, **ARMANDO ARIAS**, controlled and operated Coral Way and Sunshine along with **RAUL RODRIGUEZ**. **ARMANDO ARIAS** also helped **RAUL RODRIGUEZ** control R & J and N.R.

13. Defendant, **CARLOS ENRIQUE MONTEAGUDO**, assisted **RAUL RODRIGUEZ** and **ARMANDO ARIAS** in connection with Coral Way and Sunshine.

14. Defendant, **ALAIN RHAF VEGA**, assisted **RAUL RODRIGUEZ** and **ARMANDO ARIAS** in connection with R & J and Coral Way.

15. Defendant, **EDITH BALOG**, was the owner of record of R & J from in or around November 2002 through in or around August 2004.

16. Defendant, **MARISOL GONZALEZ TORRES**, was an office manager and patient recruiter at Coral Way from in or around October 2004 through in or around March 2005, when the clinic closed. A “patient recruiter,” as used in this Indictment refers to someone who located and

often paid cash kickbacks and bribes to Medicare beneficiaries to induce them to serve as patients.

17. Defendant, **LEONEL GALDOS, JR.**, was the owner of record of Associate Marketing, Inc. (hereinafter "Associate Marketing"), a Florida corporation.

18. Defendant, **WILLIAM BALLADARES**, was the owner of record of W.B. Investment and Associate, LLC. (hereinafter "W.B. Investment"), a Florida corporation.

19. Defendant, **JANNETTE MORALES**, was a medical assistant at Coral Way and Sunshine from in or around October 2004 through in or around September 2005.

20. Defendant, **YULEN ARDERI**, was a receptionist at R & J, Coral Way, and Sunshine from in or around October 2004 through in or around September 2005.

The Companies Related to the Defendants

21. R & J purported to be a DME company located at 7500 N.W. 25th Street, Suite 242, Miami, Florida. **EDITH BALOG** was R & J's president from in or around January 2003 through in or around September 2005. R & J was an authorized DME Medicare supplier and submitted claims under Medicare supplier number 4606590001.

22. N.R. purported to be a DME company located at 7500 N.W. 25th Street, Suite 244, Miami, Florida. An unindicted coconspirator (hereinafter "R.D.") served as the president and nominal owner of N.R. N.R. was an authorized Medicare DME supplier and submitted these claims under Medicare supplier number 4602230001.

23. Coral Way purported to be a medical clinic located at 10766 S.W. 24th Street, Miami, Florida, operating from in or around September 2004, through in or around May 2005. Jorge Lazaro Ocejo served as the president and nominal owner of Coral Way. Coral Way submitted claims to

Medicare under provider number K6798 and under a provider number assigned to D.R., a Florida-licensed physician.

24. Coral Way purported to provide injection treatments, *i.e.*, treatments involving the insertion of a syringe into the patient's arm, and intravenous infusion treatments, *i.e.*, treatments involving the insertion of a needle into a patient's vein, in order to administer specialized medications typically prescribed for patients with cancer, HIV or AIDS.

25. Sunshine purported to be a medical clinic located at 2050 West 56th Street, Bays 15-16 in Hialeah, Florida, operating from in or around April 2005, through in or around September 2005. An unindicted co-conspirator served as the nominal owner of Sunshine. Sunshine submitted claims to Medicare under provider number K7657 and under a provider number assigned to D.R., a Florida-licensed physician.

26. W.B. Investment was a Florida corporation established in or around April 2005. The corporation maintained a mailing address at 1650 N.W. 5th Avenue, # 201, Miami, Florida, 33125. **RAUL RODRIGUEZ** and **ARMANDO ARIAS** established and controlled W.B. Investment through **WILLIAM BALLADARES**, who served as W.B. Investment's nominal owner.

27. General Investments Loan, Corp. (hereinafter "General Investments") was a Florida corporation established in or around January 2005. The corporation maintained a mail box address at 8004 N.W. 154th Street, # 454, Miami Lakes, Florida 33016. **RAUL RODRIGUEZ** and **ARMANDO ARIAS** established and controlled General Investments through a nominal owner.

28. Associate Marketing was a Florida corporation established in or around April 2005. The corporation maintained a mail box address at 8004 N.W. 154th Street, # 272, Miami Lakes, Florida, 33016. **RAUL RODRIGUEZ** and **ARMANDO ARIAS** established and controlled

Associate Marketing through **LEONEL GALDOS, JR.**, who served as the company's nominal owner.

29. Med Supplies Pharmaceutical, LLC (hereinafter "Med Supplies") was a Florida corporation established in or around April 2005. The corporation maintained a mail box address at 4410 West 16th Avenue, # 5, Hialeah, Florida, 33012. **RAUL RODRIGUEZ** and **ARMANDO ARIAS** established and controlled Med Supplies through an unindicted co-conspirator, who was the company's nominal owner.

30. BMA Investment Lending Corp. (hereinafter "BMA") was a Florida corporation, established in or around April 2005. The corporation maintained a mail box address at P.O. Box 133181, Hialeah, Florida, 33013. **CARLOS ENRIQUE MONTEAGUDO** established and controlled BMA.

31. Carmont Investment, Inc. was a Florida corporation established in or around July 2005. The corporation maintained a mailing address at 725 East 23rd Street, Hialeah, Florida, 33013. **CARLOS ENRIQUE MONTEAGUDO** established and controlled Carmont Investment, Inc.

COUNT 1

(Health Care Fraud Conspiracy: 18 U.S.C. § 1349)

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

2. From in or around January 2004, and continuing through in or around September 2005, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants,

**RAUL RODRIGUEZ,
ARMANDO ARIAS,**

**CARLOS ENRIQUE MONTEAGUDO,
ALAIN RHAF VEGA,
MARISOL GONZALEZ TORRES,
and
EDITH BALOG,**

did willfully, that is, with the intent to further the object of the conspiracy, and knowingly combine, conspire, confederate and agree with each other and with others known and unknown to the Grand Jury, to violate Title 18, United States Code, Section 1347, that is, to execute a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, Medicare, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, said health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services.

PURPOSE OF THE CONSPIRACY

3. It was the purpose of the conspiracy for **RAUL RODRIGUEZ, ARMANDO ARIAS, CARLOS ENRIQUE MONTEAGUDO, ALAIN RHAF VEGA, MARISOL GONZALEZ TORRES, and EDITH BALOG**, and their co-conspirators to unlawfully enrich themselves by, among other things: (a) submitting false and fraudulent claims to Medicare; (b) paying kickbacks and bribes to Medicare beneficiaries so that they would serve as patients, thereby furthering the billing fraud scheme; (c) concealing the submission of fraudulent claims to Medicare, the receipt and transfer of fraud proceeds, and the payment of kickbacks; and/or (d) diverting fraud proceeds for the personal use and benefit of the defendants and their co-conspirators.

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, but were not limited to, the following:

4. **RAUL RODRIGUEZ** and **ARMANDO ARIAS** acquired and gained control over DME companies in Miami-Dade County, Florida, including R & J and N.R.

5. **RAUL RODRIGUEZ** and **ARMANDO ARIAS** installed nominal owners to conceal their control of R & J, N.R., and other DME companies.

6. **RAUL RODRIGUEZ** and **ARMANDO ARIAS** established and controlled medical clinics, including Coral Way and Sunshine.

7. **RAUL RODRIGUEZ, ARMANDO ARIAS, and ALAIN RHAF VEGA** installed nominal owners to conceal their control of the medical clinics, Coral Way and/or Sunshine.

8. **RAUL RODRIGUEZ, ARMANDO ARIAS, and EDITH BALOG** caused R & J to submit approximately \$1,364,000 of Medicare claims that falsely and fraudulently represented that various DME items and services had been ordered by physicians and had been provided to Medicare beneficiaries. From in or around March 2004, through in or around July 2004, R & J received approximately \$1,078,000 in Medicare payments.

9. **RAUL RODRIGUEZ** and **ARMANDO ARIAS** caused N.R. to submit approximately \$2,675,290 of Medicare claims that falsely and fraudulently represented that various DME items and services had been ordered by physicians and had been provided to Medicare beneficiaries. From in or around April 2004, through in or around November 2004, N.R. received approximately \$1,494,000 in Medicare payments.

10. **RAUL RODRIGUEZ, ARMANDO ARIAS, and MARISOL GONZALEZ TORRES** submitted or caused the submission to Medicare of approximately \$8,651,000 in false and fraudulent claims on behalf of Coral Way, seeking reimbursement for the cost of injections, infusion treatments, and medications that were not provided, not provided as claimed, or were not medically necessary. From in or around October 2004 through in or around May 2005, Coral Way received approximately \$3,200,000 in Medicare payments.

11. To promote and continue the fraud scheme at Coral Way, **RAUL RODRIGUEZ, ARMANDO ARIAS, MARISOL GONZALEZ TORRES, and ALAIN RHAF VEGA** paid cash kickbacks and bribes to Medicare beneficiaries to ensure that the beneficiaries would serve as patients at this clinic.

12. **RAUL RODRIGUEZ, ARMANDO ARIAS, and MARISOL GONZALEZ TORRES** directed an unindicted co-conspirator physician to prescribe unnecessary medications and treatments to patients at Coral Way.

13. **RAUL RODRIGUEZ, ARMANDO ARIAS, CARLOS ENRIQUE MONTEAGUDO, and MARISOL GONZALEZ TORRES** instructed a medical assistant to tamper with and alter blood samples drawn from Coral Way patients in order to justify the ordering of unnecessary medications and treatments.

14. **RAUL RODRIGUEZ, ARMANDO ARIAS, and MARISOL GONZALEZ TORRES** instructed a medical assistant to inject Coral Way patients with saline solution instead of the medications for which Coral Way was submitting claims to Medicare.

15. **RAUL RODRIGUEZ, ARMANDO ARIAS, and MARISOL GONZALEZ TORRES** directed Coral Way employees to falsely state on "Infusion Therapy" treatment sheets that

the medical assistants had provided patients with infusion therapy treatments or injections containing specific dosages of medications.

16. **RAUL RODRIGUEZ, ARMANDO ARIAS, and MARISOL GONZALEZ TORRES**, among others, fabricated superbills and related documents that stated that Coral Way patients had received infusion treatments or injections of specific dosages of medications, when, in fact, the patients had not received the treatments or medications reflected on the superbills and related documents. **RODRIGUEZ, ARIAS, CARLOS ENRIQUE MONTEAGUDO, and ALAIN RHAF VEGA** would deliver the falsified superbills to various medical billing companies which would thereafter result in the submission of false and fraudulent claims to Medicare.

17. **RAUL RODRIGUEZ, ARMANDO ARIAS, and MARISOL GONZALEZ TORRES** caused Coral Way to submit claims for approximately \$8,651,000 to Medicare for the cost of injections and infusion treatments and medications. These claims falsely and fraudulently represented that the treatments and services were medically necessary and had been provided to Medicare beneficiaries.

18. As a result of the submission of such false and fraudulent claims, Medicare paid Coral Way the approximate amount of \$3,200,000. Approximately \$2,800,000 of these payments were deposited into three Coral Way corporate bank accounts, including Commercebank account numbers xxxxxxxx9506 and xxxxxxxx8606, and First National Bank account number xxxxxxxx1418.

19. **RAUL RODRIGUEZ, ARMANDO ARIAS and CARLOS ENRIQUE MONTEAGUDO** then transferred and disbursed, and caused the transfer and disbursement of, monies in Coral Way's various corporate bank accounts to themselves and others.

20. **RAUL RODRIGUEZ** and **ARMANDO ARIAS**, among others, fabricated superbills and related documents that stated that Sunshine patients had received infusion treatments or injections of specific dosages of medications, when, in fact, the patients had not received the treatments or medications reflected on these documents.

21. **RAUL RODRIGUEZ** and **ARMANDO ARIAS** caused Sunshine to submit claims for approximately \$74,000 to Medicare for the cost of injections and infusion treatments and medications. These claims falsely and fraudulently represented that the treatments and services were medically necessary and had been provided to Medicare beneficiaries. From in or around May 2005 through in or around September 2005, Sunshine received approximately \$1,288 in Medicare payments.

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

COUNTS 2-12
Health Care Fraud
(18 U.S.C. §§ 1347 and 2)

1. Paragraphs 1 through 31 of the General Allegations section of this Indictment are realleged and incorporated as though fully set forth herein.

2. From in or around January 2004, and continuing through in or around September 2005, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants,

RAUL RODRIGUEZ,
ARMANDO ARIAS,
MARISOL GONZALEZ TORRES,
and
EDITH BALOG,

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 in Title 18, United States Code, Section 24(b), that is, Medicare, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of Medicare, in connection with the delivery of and payment for health care benefits, items, and services.

PURPOSE OF THE SCHEME AND ARTIFICE

3. It was the purpose of the scheme and artifice for **RAUL RODRIGUEZ, ARMANDO ARIAS, MARISOL GONZALEZ TORRES, EDITH BALOG**, and their accomplices to unlawfully enrich themselves by, among other things: (a) submitting false and fraudulent claims to Medicare; (b) paying kickbacks and bribes to Medicare beneficiaries so that they would serve as patients, thereby furthering the billing fraud scheme; (c) concealing the submission of fraudulent claims to Medicare, the receipt and transfer of fraud proceeds, and the payment of kickbacks; and/or (d) diverting fraud proceeds for the personal use and benefit of the defendants and their accomplices.

THE SCHEME AND ARTIFICE

4. Paragraphs 4 through 21 of Count 1 of this Indictment are realleged and incorporated by reference as though fully set forth herein as a description of the scheme and artifice.

ACTS IN EXECUTION OF THE SCHEME AND ARTIFICE

5. On or about the dates specified as to each count below, in the Southern District of Florida, and elsewhere, the defendants, identified as to each count 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 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:

Count	Defendants	Medicare Beneficiary	Approximate Date of Service	Approximate Date of Claim	Items; Approx. Amount Billed; CPT/HCPCS code	DME or Medical Clinic
2	RAUL RODRIGUEZ, ARMANDO ARIAS, and EDITH BALOG	E.D.	04-02-04	05-07-04	replacement knee socket; \$2,310; (L5700)	R & J
3	RAUL RODRIGUEZ, ARMANDO ARIAS, and EDITH BALOG	R.A.	04-09-04	04-29-04	replacement knee socket; \$4,620; (L5700)	R & J
4	RAUL RODRIGUEZ, ARMANDO ARIAS, and EDITH BALOG	H.A.	04-02-04	04-08-04	ankle foot orthoses; \$230; (L1930)	R & J
5	RAUL RODRIGUEZ and ARMANDO ARIAS	L.D.	04-06-04	06-21-04	replacement knee socket; \$2,310; (L5700)	N.R.
6	RAUL RODRIGUEZ and ARMANDO ARIAS	M.A.	04-15-04	04-28-04	replacement knee socket; \$4,620; (L5700)	N.R.
7	RAUL RODRIGUEZ, ARMANDO ARIAS, and MARISOL GONZALEZ TORRES	J.S.	12-22-04	04-07-05	Injection, Voriconazole; \$5,994; (J3465)	Coral Way
8	RAUL RODRIGUEZ, ARMANDO ARIAS, and MARISOL GONZALEZ TORRES	T.W.	01-18-05	04-19-05	Octreotide, Intramuscular Injection; \$8,550; (J2353)	Coral Way
9	RAUL RODRIGUEZ, ARMANDO ARIAS, and MARISOL GONZALEZ TORRES	C.B.	02-22-05	03-21-05	Octreotide, Intramuscular Injection; \$5,880; (J2353)	Coral Way

Count	Defendants	Medicare Beneficiary	Approximate Date of Service	Approximate Date of Claim	Items; Approx. Amount Billed; CPT/HCPCS code	DME or Medical Clinic
10	RAUL RODRIGUEZ and ARMANDO ARIAS	J.C.	07-07-05	07-11-05	Injection, Pegfilgrastim; \$2,600; (J2505)	Sunshine
11	RAUL RODRIGUEZ and ARMANDO ARIAS	L.M.	07-25-05	07-25-05	Rituximab; \$415; (J9310)	Sunshine
12	RAUL RODRIGUEZ and ARMANDO ARIAS	R.W.	07-25-05	07-25-05	Rituximab; \$415; (J9310)	Sunshine

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

COUNT 13

(Money Laundering Conspiracy: 18 U.S.C. § 1956(h))

From in or around January 2005, and continuing through in or around June 2005, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants,

**RAUL RODRIGUEZ,
ARMANDO ARIAS,
CARLOS ENRIQUE MONTEAGUDO,
ALAIN RHAF VEGA,
LEONEL GALDOS, JR.,
and
WILLIAM BALLADARES,**

did willfully, that is, with the intent to further the object of the conspiracy, and knowingly combine, conspire, confederate, and agree with each other and with others known and unknown to the Grand Jury to commit a violation of Title 18, United States Code, Section 1956(a)(1)(B)(i), that is: to knowingly conduct a financial transaction involving the proceeds of specified unlawful activity, knowing that the property involved in such financial transaction represented the proceeds of some form of unlawful

activity, and knowing that such transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity.

It is further alleged that the specified unlawful activity is health care fraud, in violation of Title 18, United States Code, Section 1347.

All in violation of Title 18, United States Code, Section 1956(h).

COUNTS 14-29
(Money Laundering: 18 U.S.C. §§ 1956(a)(1)(B)(i) and 2)

On or about the dates set forth below, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants,

**RAUL RODRIGUEZ,
ARMANDO ARIAS,
CARLOS ENRIQUE MONTEAGUDO,
ALAIN RHAF VEGA,
LEONEL GALDOS, JR.,
WILLIAM BALLADARES,
JANNETTE MORALES,
and
YULEN ARDERI,**

did knowingly conduct and attempt to conduct a financial transaction involving the proceeds of specified unlawful activity, knowing that the property involved in such financial transaction represented the proceeds of some form of unlawful activity, and knowing that such transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity.

Count	Defendants	Approximate Date of Transaction	Description of Financial Transaction
14	RAUL RODRIGUEZ, ARMANDO ARIAS, and ALAIN RHAF VEGA	06-21-04	The withdrawal of funds using check number 198 in the amount of \$5,202.62, drawn on R & J's Ocean Bank account xxxxxxxx5805, and made payable to Jorge Oejo.
15	RAUL RODRIGUEZ, ARMANDO ARIAS, and ALAIN RHAF VEGA	06-25-04	The withdrawal of funds using check number 204 in the amount of \$3,125, drawn on R & J's Ocean Bank account xxxxxxxx5805, and made payable to P.R.
16	RAUL RODRIGUEZ, ARMANDO ARIAS, and ALAIN RHAF VEGA	07-08-04	The withdrawal of funds using check number 217 in the amount of \$3,375.12, drawn on R & J's Ocean bank account xxxxxxxx5805, and made payable to A.M.
17	RAUL RODRIGUEZ, ARMANDO ARIAS, CARLOS MONTEAGUDO, and WILLIAM BALLADARES	05-11-05	The purchase of Commercebank cashier's check number 225595 made payable to W.B. Investment in the amount of \$62,440.
18	RAUL RODRIGUEZ, ARMANDO ARIAS, CARLOS MONTEAGUDO, and WILLIAM BALLADARES	05-11-05	The purchase of Commercebank cashier's check number 225597 made payable to W.B. Investment in the amount of \$65,570.
19	RAUL RODRIGUEZ, ARMANDO ARIAS, and CARLOS MONTEAGUDO	05-11-05	The purchase of Commercebank cashier's check number 225596 made payable to Med. Supplies, in the amount of \$52,376.44.
20	RAUL RODRIGUEZ, ARMANDO ARIAS, and YULEN ARDERI	05-12-05	The cashing by YULEN ARDERI of check number 1115 in the amount of \$3,250, drawn on Coral Way's CommerceBank account xxxxxxxx8606.
21	RAUL RODRIGUEZ, ARMANDO ARIAS, and JANNETTE MORALES	05-12-05	The cashing by JANNETTE MORALES of check number 1035 in the amount of \$3,500, drawn on Coral Way's First National Bank account xxxxxxxx1418.
22	RAUL RODRIGUEZ, ARMANDO ARIAS, and WILLIAM BALLADARES	05-18-05	The purchase of First National Bank cashier's check number 603303, made payable to W.B. Investment, in the amount of \$62,345.72.

Count	Defendants	Approximate Date of Transaction	Description of Financial Transaction
23	RAUL RODRIGUEZ and ARMANDO ARIAS	05-18-05	The purchase of First National Bank cashier's check number 603296, made payable to Med Supplies, in the amount of \$21,342.37.
24	RAUL RODRIGUEZ and ARMANDO ARIAS	05-20-05	The withdrawal of funds using check number 1055 in the amount of \$7,500, drawn on Coral Way's First National Bank account xxxxxxxx1418.
25	RAUL RODRIGUEZ, ARMANDO ARIAS, CARLOS MONTEAGUDO, and WILLIAM BALLADARES	05-26-05	The purchase of First National Bank cashier's check number 603335, made payable to W.B. Investment, in the amount of \$62,333.37.
26	RAUL RODRIGUEZ, ARMANDO ARIAS, and CARLOS MONTEAGUDO	05-26-05	The purchase of First National Bank cashier's check number 603336, made payable to General Investments, in the amount of \$56,632.25.
27	RAUL RODRIGUEZ, ARMANDO ARIAS, CARLOS MONTEAGUDO, and LEONEL GALDOS, JR.	05-26-05	The purchase of First National Bank cashier's check number 603337, made payable to Associate Marketing, in the amount of \$54,317.28.
28	RAUL RODRIGUEZ, ARMANDO ARIAS, and CARLOS MONTEAGUDO	05-26-05	The withdrawal of funds using check number 1062 in the amount of \$5,000, drawn on Coral Way's First National Bank account xxxxxxxx1418, made payable to Jorge Lazaro Oejo.
29	RAUL RODRIGUEZ and ARMANDO ARIAS	06-04-05	The withdrawal of funds using check number 1068 in the amount of \$7,500, drawn on Coral Way's First National Bank account xxxxxxxx1418, made payable to Jorge Lazaro Oejo.

It is further alleged that the specified unlawful activity is health care fraud, in violation of Title 18, United States Code, Section 1347.

In violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

COUNT 30
(Money Laundering Conspiracy: 18 U.S.C. § 1956(h))

From in or around January 2005, and continuing through in or around June 2005, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants,

**RAUL RODRIGUEZ,
ARMANDO ARIAS,
LEONEL GALDOS, JR.,
and
WILLIAM BALLADARES,**

did willfully, that is, with the intent to further the object of the conspiracy, and knowingly combine, conspire, confederate, and agree with each other and with persons known and unknown to the Grand Jury to commit a violation of Title 18, United States Code, Section 1957, that is: to knowingly engage in a monetary transaction affecting interstate commerce, involving criminally derived property of a value greater than \$10,000, and such property having been derived from specified unlawful activity.

It is further alleged that the specified unlawful activity is health care fraud, in violation of Title 18, United States Code, Section 1347.

All in violation of Title 18, United States Code, Section 1956(h)

COUNTS 31-38
(Money Laundering: 18 U.S.C. §§ 1957 and 2)

From in or around January 2005 through in or around June 2005, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendants,

**RAUL RODRIGUEZ,
ARMANDO ARIAS,
LEONEL GALDOS, JR.,
and
WILLIAM BALLADARES,**

did knowingly engage and attempt to engage in a monetary transaction affecting interstate commerce, involving criminally derived property of a value greater than \$10,000, and such property having been derived from specified unlawful activity:

Count	Defendants	Approximate Date of Transaction	Description of Monetary Transaction
31	RAUL RODRIGUEZ and ARMANDO ARIAS	02-08-05	The withdrawal of funds from Coral Way's Commercebank account number xxxxxxxx9506, by way of the cashing of check number 1013 made payable to General Investments, in the amount of \$36,000.
32	RAUL RODRIGUEZ and ARMANDO ARIAS	03-04-05	The withdrawal of funds from Coral Way's Commercebank account number xxxxxxxx9506, by way of the cashing of check number 1036 made payable to General Investments, in the amount of \$45,000.
33	RAUL RODRIGUEZ and ARMANDO ARIAS	03-07-05	The withdrawal of funds from Coral Way's Commercebank account number xxxxxxxx8606, by way of the cashing of check number 1091 made payable to General Investments, in the amount of \$40,000.
34	RAUL RODRIGUEZ and ARMANDO ARIAS	04-18-05	The withdrawal of funds from Coral Way's Commercebank account number xxxxxxxx9506, by way of the cashing of check number 1071 made payable to General Investments, in the amount of \$47,400.
35	RAUL RODRIGUEZ, ARMANDO ARIAS, and LEONEL GALDOS, JR.	05-04-05	The purchase of First National Bank cashier's check number 603251 made payable to Associate Marketing, in the amount of \$35,000.
36	RAUL RODRIGUEZ, ARMANDO ARIAS, and WILLIAM BALLADARES	05-04-05	The purchase of First National Bank cashier's check number 603252 made payable to W. B. Investment, in the amount of \$150,000.
37	RAUL RODRIGUEZ, ARMANDO ARIAS, and LEONEL GALDOS, JR.	06-04-05	The purchase of First National Bank cashier's check number 701413 made payable to Associate Marketing, in the amount of \$52,217.24.

Count	Defendants	Approximate Date of Transaction	Description of Monetary Transaction
38	RAUL RODRIGUEZ, ARMANDO ARIAS, and WILLIAM BALLADARES	06-04-05	The purchase of First National Bank cashier's check number 701411 made payable to W.B. Investment, in the amount of \$56,726.37.

It is further alleged that the specified unlawful activity is health care fraud, in violation of Title 18, United States Code, Section 1347.

In violation of Title 18, United States Code, Sections 1957 and 2.

COUNT 39
Obstruction of Justice and Witness Tampering Conspiracy
(18 U.S.C. § 371)

1. From on or about September 16, 2005, and continuing through March 7, 2007, in Miami-Dade and Broward Counties, in the Southern District of Florida, the defendants,

RAUL RODRIGUEZ
and
ARMANDO ARIAS,

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 with persons known and unknown to the Grand Jury:

(A) to violate Title 18, United States Code, Section 1503(a), by knowingly and corruptly endeavoring to influence, obstruct, and impede the due administration of justice; and

(B) to violate Title 18, United States Code, Section 1512(b), by knowingly and corruptly persuading, and attempting to corruptly persuade, another person, and engaging in misleading conduct toward another person, with intent to: (1) influence, delay, and prevent the testimony of any person in an official proceeding; (2) cause and induce any person to withhold testimony from an official

proceeding; and (3) hinder, delay, and prevent the communication to a law enforcement officer of the United States of information relating to the commission and possible commission of a Federal offense.

PURPOSE OF THE CONSPIRACY

2. It was the purpose of the conspiracy for the defendants and their co-conspirators to thwart and impede a Federal criminal investigation, by inducing and, persuading, witnesses to lie to special agents of the Federal Bureau of Investigation and to a Federal grand jury.

MANNER AND MEANS OF THE CONSPIRACY

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

3. Members of the conspiracy, knowing that there was a criminal investigation, relating to **RAUL RODRIGUEZ** and **ARMANDO ARIAS**, told witnesses to lie to a Federal grand jury and special agents of the Federal Bureau of Investigation.

4. Members of the conspiracy paid witnesses to persuade and induce them to lie to special agents of the Federal Bureau of Investigation about **RAUL RODRIGUEZ** and **ARMANDO ARIAS**.

OVERT ACTS

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

1. On or about September 16, 2005, **ARMANDO ARIAS** instructed two witnesses (hereinafter "W1" and "W2") to lie to special agents of the Federal Bureau of Investigation and state that **ARIAS** was a "handyman" for Coral Way and Sunshine.

2. On or about October 15, 2005, **ARMANDO ARIAS** gave W2 \$1,500, in the form of three Western Union money orders, and instructed W2 to retain an attorney and to conceal **RAUL RODRIGUEZ** and **ARIAS'** connection to Coral Way.

3. On or about November 18, 2005, **RAUL RODRIGUEZ** arranged a meeting with R.D., who previously had been contacted by the Federal Bureau of Investigation. **RODRIGUEZ** instructed R.D. to lie to the special agents of the Federal Bureau of Investigation and falsely state that R.D. knew Jorge Lazaro Ocejo.

4. On or about November 18, 2005, **RAUL RODRIGUEZ** instructed R.D. to lie to the special agents of the Federal Bureau of Investigation about **RODRIGUEZ'**s business relationship with R.D. and then paid R.D. \$10,000 in United States currency.

5. On or about March 14, 2006, **ARMANDO ARIAS** met with R.D., who had been subpoenaed to testify before a Federal grand jury and told R.D. to lie to the grand jury and state that paperwork associated with N.R. had been stolen.

6. On or about March 14, 2006, **ARMANDO ARIAS** instructed R.D. to lie to the grand jury and state that **ARIAS** and **RAUL RODRIGUEZ** were not associated with N.R.

7. On or about March 14, 2006, **ARMANDO ARIAS** instructed R.D. to lie to a Federal grand jury and state that R.D. had his identity stolen and that R.D. had no association with General Investments.

8. On or about March 7, 2007, **ARMANDO ARIAS** met with W1, who had been subpoenaed to testify before a Federal grand jury, and instructed W1 to lie to the Federal grand jury and state that **RAUL RODRIGUEZ** and **ARIAS** were not the true owners of Coral Way.

9. On or about March 7, 2007, **ARMANDO ARIAS** instructed WI to withhold and conceal information from a Federal grand jury about fraud at Coral Way.

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

COUNT 40
Witness Tampering
(18 U.S.C. § 1512(b)(3))

On or about November 18, 2005, in ~~Miami Dade~~ **BROWARD** County, in the Southern District of Florida, the defendant,

RAUL RODRIGUEZ,

did knowingly and corruptly persuade, and attempt to corruptly persuade, another person, R.D., and engage in misleading conduct toward R.D., with intent to hinder, delay, and prevent the communication to a law enforcement officer of the United States of information relating to the commission and possible commission of a Federal offense, that is, the defendant instructed R.D. to lie to special agents of the Federal Bureau of Investigation by stating that R.D. knew Jorge Lazaro Ocejo, when, in fact, R.D. did not know Jorge Lazaro Ocejo, in violation of Title 18, United States Code, Section 1512(b)(3).

COUNT 41
Obstruction of Justice
(18 U.S.C. § 1503(a))

On or about March 14, 2006, in Miami Dade County, in the Southern District of Florida, the defendant,

ARMANDO ARIAS,

did knowingly and corruptly influence, obstruct, and impede and endeavor to influence, obstruct, and impede the due administration of justice, that is, the defendant instructed R.D. to lie to a Federal grand

jury and state that R.D.'s identity had been stolen and that R.D. had no association with General Investments, in violation of Title 18, United States Code, Section 1503(a).

COUNT 42
Obstruction of Justice
(18 U.S.C. § 1503(a))

On or about March 7, 2007, in Miami-Dade County, in the Southern District of Florida, the defendant,

ARMANDO ARIAS,

did knowingly and corruptly influence, obstruct, and impede and endeavor to influence, obstruct, and impede the due administration of justice, that is, the defendant instructed W1 to lie to a Federal grand jury about fraud at Coral Way, in violation of Title 18, United States Code, Section 1503(a).

COUNT 43
False Declarations Before Grand Jury
(18 U.S.C. § 1623(a))

On or about December 6, 2005, in Miami-Dade County, in the Southern District of Florida, the defendant,

LEONEL GALDOS, JR,

having taken an oath to testify truthfully before a grand jury of the United States, did knowingly, contrary to said oath, make any false material declaration, knowing it to be a false material declaration, concerning the defendant's having knowledge of a company known as Associate Marketing, Inc. and about having signed documents in connection with Associate Marketing, Inc., as set forth below:

Q: Okay. Are you familiar with a company by the name of Associate Marketing, Inc.?

A: No.

Q: You have never heard of this company?

A: Never.

Q: Is it your testimony before this Grand Jury today that you never signed any documents associated with that company?

A: No.

Q: And you never incorporated a company by the name of Associate Marketing, Inc. with the State of Florida?

A: No.

It is alleged that **LEONEL GALDOS, JR.** knew that he had caused a company by the name of Associated Marketing, Inc. to be incorporated with the State of Florida and that **GALDOS** had filled out and signed paperwork for a mail box in the name of Associate Marketing, Inc.

In violation of Title 18, United States Code, Section 1623(a).

FORFEITURE
(18 U.S.C. § 982)

1. The allegations contained in Counts 1 through 43 of this Indictment are realleged and incorporated by reference as though fully set forth herein for the purpose of alleging forfeiture to the United States of America of certain property in which the defendants have an interest.

2. Upon conviction of any violation of Title 18, United States Code, Section 1349 or Title 18, United States Code, Section 1347, the defendants 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. Upon conviction of any violation of Title 18, United States Code, Section 1956 or Title 18, United States Code, Section 1957, the defendants shall forfeit to the United States any property real

or personal, involved in such offense or any property traceable to such property, pursuant to Title 18, United States Code, Section 982(a)(1).

4. Upon conviction of any violation of Title 18, United States Code, Sections 1503 or 1512 or of a conspiracy to violate either of these statutes, the defendants shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to such violation, pursuant to the provisions of Title 18, United States Code, Section 981(a)(1)(C), as incorporated by Title 28, United States Code, Section 2461(c).

5. The property which is subject to forfeiture, includes but is not limited to the following:

(A) a money judgment in the amount of \$5,772,012, which represents the gross proceeds of the fraud.

(B) Real Property:

(1) real property located at 1556 SE Troost Street, Palm Bay, Brevard County, Florida, and more particularly described as Lots 11 and 12, in Block 945, of Port Malabar Unit Eighteen, according to the Plat thereof, as recorded in Plat Book 15, at Page(s) 109 through 119, inclusive of the Public records of Brevard County, Florida, in the name of **ARMANDO ARIAS** and others;

(2) real property located at 1596 SE Troost Street, Palm Bay, Brevard County, Florida, and more particularly described as Lots 11 and 12, in Block 945, of Port Malabar Unit Eighteen, according to the Plat thereof, as recorded in Plat Book 15, at Page(s) 109 through 119, inclusive of the Public records of Brevard County, Florida, in the name of **ARMANDO ARIAS** and others; and

(3) four (4) real properties located at 3205, 3207, 3209 and 3211 3rd Street S.W., Lehigh Acres, Lee County, Florida, and more particularly described as Lots 5,6,7 and 8, Block 79, Replat of Tract D Unit 9, Section 35, Township 44 South, Range 26 east, page 163 of the Public records of Lee County, Florida, in the name of **CARMONT INVESTMENTS, INC.**

(C) Bank Accounts:

all funds on deposit and interest accrued thereto at Regions Bank, account number xxxxxxxxx0544, held in the name of **RAUL RODRIGUEZ**; and

(D) United States Currency:

ten thousand dollars (\$10,000.00) in United States currency.

6. Pursuant to Title 21 United States Code, Section 853(p), as incorporated by reference by Title 18, United States Code, Section 982(b), if any of the forfeitable property, or any portion thereof, 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 subdivided without difficulty;

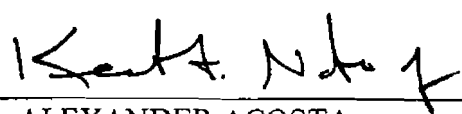
it is the intent of the United States to seek the forfeiture of other property of the defendants up to the value of the above-described forfeitable properties, including, but not limited, to the following property:

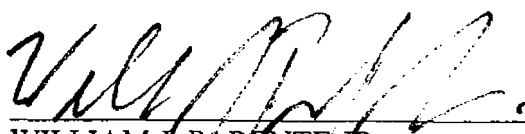
- (1) Real property located at 4862 S.W. 173rd Avenue, Miramar, Florida, and more particularly described as Lot 142, of Sunset Falls Plat One, according to the plat thereof, as recorded in Plat Book 175, Page 40 of the Public Records of Broward County, Florida, in the name **RAUL RODRIGUEZ** and others.

All pursuant to Title 18, United States Code, Section 982(a)(1), Title 18, United States Code, Sections 982(a)(7), Title 18, United States Code, Section 981(a)(1)(C), as incorporated by Title 28, United States Code, Section 2461(c), and the procedures set forth at Title 21, United States Code, Section 853.

A TRUE BILL


FOREPERSON


R. ALEXANDER ACOSTA
UNITED STATES ATTORNEY


WILLIAM J. PARENTE JR.
SPECIAL ASSISTANT UNITED STATES ATTORNEY