



U.S. Department of Justice

*Rosa Emilia Rodríguez-Vélez*  
United States Attorney  
District of Puerto Rico

Torre Chardón, Suite 1201  
350 Carlos Chardón Street  
San Juan, Puerto Rico 00918

(787) 766-5656

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**Contact: U.S. Attorney's Office**  
**Lymarie V. Llovet-Ayala**  
**Public Affairs Specialist**  
**(787) 282-1820; (787) 340-1835**

### **TEN INDIVIDUALS ARRESTED FOR HEALTH CARE FRAUD**

SAN JUAN, P.R. – On August 26 and 29, 2011, a Federal grand jury returned three indictments and one superseding indictment against thirteen individuals for conspiracy to commit health care fraud, announced Rosa Emilia Rodríguez-Vélez, United States Attorney for the District of Puerto Rico. The investigation was lead by the Department of Health and Human Services, Office of the Inspector General (HHS-OIG), with the collaboration of the United States Secret Service (USSS) and the Federal Bureau of Investigation (FBI).

Doctor José López-Díaz, his brother Doctor Carlos López-Díaz, Ana and Nicole López-Díaz, daughters of José López-Díaz; Leslie Williams-Nieves and Nahir Rodríguez-Candelario, secretaries of Centro Pediátrico, a health clinic owned and operated by José López-Díaz are charged in a 20-count indictment for conspiracy to commit health care fraud and a forfeiture allegation of \$547,410.01. The government seeks to forfeit one property located at urbanization Paseo San Juan, one property located at Villa Nevares, one apartment in Río Grande and 100 pieces of jewelry, which include precious gemstones and precious metals, which were seized in July, 2011.

The indictment alleges that José Lopez-Díaz a general practitioner licensed to practice medicine in Puerto Rico, was billing for Medicare services not rendered. The indictment further alleges that the services billed and not rendered included: billing Medicare for over 1,825 claims for medical treatment allegedly provided to Medicare patients at Guaynabo Medical Center's Emergency Room, even though he had never worked at such institution and never saw the patients; billing of Medicare code 53085, known as "Drainage Perineal Urinary Extravasation", a procedure which was allegedly performed by José López-Díaz on female patients, when this procedure can only be performed on male patients. José Lopez-Díaz never provided medical treatment to the Medicare beneficiaries whose identities he used in order to bill Medicare.

Over the period of time referred to in the Indictment, José Lopez-Díaz fraudulently billed Medicare for \$1,611,115.09 and received the amount of \$547,410.01 in Medicare reimbursements.

Doctor Carlos López-Díaz is a licensed dentist in Puerto Rico and the brother of José Lopez-Díaz. Over the course of the health care fraud scheme, Carlos López-Díaz conspired with his brother to defraud Medicare and provided him with names and Medicare beneficiary numbers of patients treated by Carlos López-Díaz at his dental clinic in order for his brother to bill Medicare for services not rendered to those patients. The brothers are facing five (5) charges of aggravated identity theft.

Ana and her sister Nicole López-Villamil conspired with their father to defraud Medicare, by completing HCFA 1500 forms used by José Lopez-Díaz to bill Medicare for services not rendered. When completing the HCFA 1500 claim forms, Ana and Nicole López-Villamil included billing information for procedures which they knew were not performed and related to patients that they knew were not seen or treated by their father. The sisters were given things of value by their father for filling out the fraudulent claim forms.

Leslie Williams-Nieves and Nahir Rodríguez-Candelario were secretaries at Centro Pediátrico, and at the business office of Carlos López-Díaz. They conspired with José Lopez-Díaz by performing billing services for him for services that they knew were not rendered and received payments by him.

The health care fraud scheme charged in the second indictment involves one individual, Dr. Edgard Rivera-Morales, a licensed physician in Puerto Rico who was engaged in a scheme to defraud Medicare through the practice of over-billing for medications administered to Medicare beneficiaries. According to the indictment, from on or about January 2006, through on or about August 2011, Rivera-Morales, with intent to defraud, over-billed Medicare for ROBAXIN, an intra-muscular relaxant. Reviews of patient medical records showed that Rivera-Morales would administer one (1) unit of ROBAXIN to his Medicare patients while billing Medicare as though he administered 50 to 100 units (vials). Rivera-Morales' fraudulent billing practices caused Medicare to over-pay the sum of \$659,569.96 in connection with 836 fraudulent claims. The government seeks to forfeit \$659,569.96 derived from Rivera-Morales fraudulent scheme.

The third indictment involves Damaris Carrasco-Flores, president of Las Piedras Medical Equipment ("LPME") and Nahomy Báez-Martínez, employee of MMM, both of whom engaged in a scheme to defraud Medicare y Mucho Mas ("MMM"), a Part C Medicare carrier.

The indictment alleges that between March 2008, through March 2011, Carrasco-Flores submitted at least 1,096 false and fraudulent claims, through Báez-Martínez, an employee of MMM's Appeals and Grievances Department, by-passing and obviating any internal billing controls and regulations of MMM. The claims included: claims for durable medical equipment ("DME") that was not provided to the Medicare beneficiary; claims which had been previously denied; and/or claims which would have otherwise been denied under Medicare billing regulations and procedures. Carrasco-Flores was paid in excess of over one million dollars for her fraudulent claims. As a result of her participation in the scheme Báez-Martínez was paid by Carrasco-Flores in excess of \$250,000.00 dollars in check payments.

The two other codefendants named in the third indictment, Rafael A. Casanova-Carrasco, aka “Junito,” and Rafael F. Casanova-Carrasco, aka “Rafo,” two sons of Carrasco-Morales, are indicted for obstructing a health care fraud investigation.

A related superseding indictment alleges that, defendants María Montiel and her husband Armando Montiel, owners/operators of Care Plus, submitted more than 464 claims to Medicare for approximately \$1,527,791.71 for durable medical equipment, including prosthetic and orthotic devices and power wheelchairs. The equipment was either not provided to the patient or was not necessary. The defendants received approximately \$262,687.54 in reimbursements from Medicare as a result of the false claims.

“Medicare is the nation’s health care system and it serves vulnerable populations,” said United States Attorney, Rosa Emilia Rodríguez-Vélez. “Today’s arrests by HHS-OIG agents and our law enforcement partners show that we will not tolerate criminals who engage in fraudulent schemes which deplete the Medicare program of funds which are destined for our elderly population in order to enrich themselves.”

“We are proud to be a part of the federal team that brought these defendants to justice for defrauding the Medicare program and exploiting the elderly, said Thomas O’Donnell, Special Agent in Charge of the Office of Inspector General’s New York Regional Office which also covers Puerto Rico. “Arresting owners and providers, freezing their assets and prosecuting them to the fullest extent possible, are some of the tools that the federal government has available, and will be utilized to remove these individuals from participating in the Medicare program”.

“The U.S. Secret Service is committed to investigate any financial fraud crimes to include identity theft along with our partner agencies to safeguard our financial system,” said Pedro Gómez, Special Agent in Charge. We will continue to investigate these types of crimes to the fullest extent of the law and bring to justice these criminals that engage in identity theft to facilitate other criminal activities.”

HHS-OIG, USSS and the FBI, the investigative agencies received substantial collaboration from the Special Investigative & Compliance Units from Medical Card System Inc., Triple-S Salud, Medicare y Mucho Más and Preferred Medicare Choice. The agencies that conducted the arrests were HHS-OIG, USSS and the US Marshal Service.

The cases are being prosecuted by Assistant U.S. Attorneys Julia Díaz-Rex, Health Care Fraud Coordinator and Héctor Ramírez-Carbó.

If found guilty, the defendants could face a possible sentence of twenty (20) years in prison. Indictments contain only charges and are not evidence of guilt. Defendants are presumed to be innocent unless and until proven guilty.

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