

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

UNITED STATES OF AMERICA,

Plaintiff,

v.

**WILDO VARGAS,
ERICA RIVERA CASTRO, and
SAMUEL TORRES CRESPO.**

Defendants.

CRIMINAL NO. 13-538 (FAB)

INDICTMENT

CRIMINAL VIOLATIONS:

18 USC § 1343

18 USC § 2

42 USC § 408 (a)(3)

SIX COUNTS AND FORFEITURE
ALLEGATION

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The Grand Jury charges that:

GENERAL ALLEGATIONS

At times material to this Indictment:

I. The Defendants.

1. The defendant, **WILDO VARGAS**, was a Psychiatrist, licensed to practice medicine in Puerto Rico, and operated, a medical office in Rio Piedras, Puerto Rico, where he treated patients. Many of the patients treated by the defendant, **WILDO VARGAS**, were referred for Social Security Administration, hereinafter (SSA), disability insurance benefits, based on claims of physical limitations, supported by the medical reports submitted by the defendant, **WILDO VARGAS**.

2. Psychiatrists are rehabilitation physicians, who have completed training in the medical specialty of physical medicine and rehabilitation. Psychiatrists treat disabilities resulting from injuries or illness.

3. The defendant, **WILDO VARGAS**, charged a fee for the medical visits, and in addition to that fee, the defendant, **WILDO VARGAS**, also charged a fee, typically in the amount of \$500.00, for sending the medical records for the patient to the SSA.

4. The defendant, **ERICA RIVERA CASTRO**, was a Psychiatrist, licensed to practice medicine in Puerto Rico, and operated a medical office in Carolina, Puerto Rico.

5. Psychiatrists are medical doctors who specialize in the diagnosis and treatment of mental disorders.

6. Many of the patients treated by the defendant, **ERICA RIVERA CASTRO**, were referred for SSA disability insurance benefits, based on claims of psychiatric disabilities, supported by the medical reports submitted by the defendant, **ERICA RIVERA CASTRO**.

7. The defendant, **ERICA RIVERA CASTRO**, charged a fee for the medical visits, and in addition to that fee, the defendant, **ERICA RIVERA CASTRO**, also charged a fee, typically in the amount of \$150.00, for sending the medical records for the patient to the SSA.

8. The defendant, **SAMUEL TORRES CRESPO**, was a non-attorney representative who represented Person B. Person B was referred to defendant, **SAMUEL TORRES CRESPO**, by the defendant, **WILDO VARGAS'** office.

9. A non-attorney representative is a person who represented a claimant for social security benefits. Non-attorney representatives submit forms to the SSA on behalf of the claimants.

10. The defendant, **SAMUEL TORRES CRESPO**, charged a fee equal to 25% of the retroactive benefits paid to SSA disability insurance claimants, calculated from the onset date to the approval date, but not to exceed \$6,000.00.

II. The Social Security Administration.

11. The United States Social Security Administration ("SSA") was a department and agency of the United States. Among its duties, the SSA is responsible for oversight and implementation of the Disability Insurance Benefits Program.

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12. The SSA has provided cash benefits to workers with severe, long-term disabilities, who have worked in Social Security covered employment for the required length of time. Spouses and dependent children of disabled workers may also be eligible to receive benefits.

13. To qualify for disability insurance benefits, an individual must meet the insured status requirements, be under the age of 65, submit an application, and be under a disability as defined in the Social Security Act ("Act"), codified as 41 USC §§ 416(i) and 423.

14. Under the Act, the term disability is defined as the inability "to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months."

III. Obtaining SSA Disability Insurance Program Benefits.

15. Pursuant to SSA regulations, a claimant must prove to SSA that he or she is disabled by furnishing medical and other evidence with the application. The application and supporting evidence will be evaluated by SSA to determine the claimant's medical impairment and the effect of that impairment on the claimant's ability to work on a sustained basis.

16. The claimant may provide a medical opinion from his or her treating physician or psychologist, and if SSA finds the medical opinion to be well-supported and not inconsistent with other substantial evidence in the record, SSA gives the opinion controlling weight.

17. If a claimant's medical sources do not provide SSA sufficient medical evidence concerning the claimant's impairments, SSA may request that the claimant undergo one or more physical or mental examinations at SSA's expense. These examinations are performed by licensed physicians or psychologists referred to as "consultative examiners."

18. An individual's statement of pain or other symptoms is not sufficient alone to support a finding of disability. The statement must be supported by objective medical evidence, which demonstrates conditions which could reasonably be expected to cause the symptoms claimed. For this reason, many SSA claimants are referred by their treating physicians for psychiatric evaluation, since a psychiatric diagnosis would be generally more difficult for SSA to challenge, given the largely subjective nature of the diagnosis.

19. Upon a finding that a claimant is disabled, SSA evaluates the beneficiary's impairments from time to time, to determine continued eligibility for disability cash benefits.

20. SSA's ability to properly determine a beneficiary's continued entitlement to disability insurance benefits is directly dependent on SSA's ongoing access to accurate information regarding the beneficiary's medical condition.

IV. Treatment of Person B by Defendants WILDO VARGAS and ERICA RIVERA CASTRO.

21. At times material to this Indictment, the Federal Bureau of Investigation, and the Office of the Inspector General of the Social Security Administration, were investigating fraudulent SSA disability insurance benefit claims filed in the District of Puerto Rico.

22. At times material to this Indictment, and as a part of the law enforcement investigation, a person known to the Grand Jury, hereinafter referred to as "Person B", was referred to the defendant, **WILDO VARGAS**, for evaluation and treatment, as part of Person B's efforts to obtain SSA disability insurance benefits.

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23. Person B was selected to act as a putative patient for the defendant, **WILDO VARGAS**, among other things, because Person B was generally in good health, and was not suffering from any physical or mental disabling conditions.

24. Person B was treated by the defendant, **WILDO VARGAS**, beginning in or about, March, 2012, through in or about April, 2013.

25. The defendant, **WILDO VARGAS**, referred Person B for psychiatric evaluation and treatment with the defendant, **ERICA RIVERA CASTRO**.

26. Person B was treated by the defendant, **ERICA RIVERA CASTRO**, beginning in or about June, 2012, through in or about, February, 2013.

27. The defendant, **WILDO VARGAS**, submitted medical reports to SSA suggesting that Person B was suffering from disabling medical conditions, and was unable to carry out the responsibilities of any occupational activities at the moment of treatment or in the future, and that Person B was totally and permanently impaired.

28. The defendant, **ERICA RIVERA CASTRO**, submitted medical reports to SSA suggesting that Person B was suffering from disabling psychiatric conditions.

V. Denial of SSA Benefits for Person B.

29. At times material to this Indictment, SSA denied Person B's application for SSA disability insurance benefit payments. Due to the denial of benefits, Person B was never paid any sums of money by SSA.

COUNT ONE

**False Statement or Representation to SSA
42 USC § 408 (a)(3)**

1. Paragraphs one through twenty-nine of the General Allegations, are realleged and incorporated herein by reference, as if fully set forth herein.

2. On or about April 10, 2013, in the District of Puerto Rico, the defendant,

WILDO VARGAS,

in a matter within the jurisdiction of the Social Security Administration, made false statements or representations of material fact for use in determining rights to Social Security Disability Insurance payments for Person B, namely, the defendant stated on a Psychiatric Report to SSA that Person B was unable to carry out the responsibilities of any occupational activities, was unable to work, and was pennanently and totally impaired. In violation of Title 42, United States Code, Section 408(a)(3).

COUNT TWO

**False Statement or Representation to SSA
42 USC § 408 (a)(3)**

1. Paragraphs one through twenty-nine of the General Allegations, are realleged and incorporated herein by reference, as if fully set forth herein.

2. On or about June 5, 2013, in the District of Puerto Rico, the defendant,

ERICA RIVERA CASTRO,

in a matter within the jurisdiction of the Social Security Administration, made false statements or representations of material fact for use in determining rights to Social Security Disability Insurance payments for Person B, namely, the defendant stated on a Mental Disorder Questionnaire that Person

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B was suffering from emotional disability due to pain, that Person B was distant and withdrawn due to panic, was unable to understand complex instructions due to retraction as a result of pain, and was suffering from a variety of cervical and lumbar conditions that limited Person B's ability to stand, walk, or carry out the responsibilities of any occupational activity. In violation of Title 42, United States Code, Section 408(a)(3).

COUNT THREE

False Statement or Representation to SSA

42 USC§ 408 (a)(3)

1. Paragraphs one through twenty-nine of the General Allegations, are realleged and incorporated herein by reference, as if fully set forth herein.

2. On or about November 29, 2012, in the District of Puerto Rico, the defendant,

SAMUEL TORRES CRESPO,

in a matter within the jurisdiction of the Social Security Administration, made false statements or representations of material fact for use in determining rights to Social Security Disability Insurance payments for Person B, namely, the defendant stated on a Disability Report (Adult) to SSA that Person B suffered from back problems, cervical conditions, Carpal Tunnel Syndrome, numbness in legs and arms, intense cervical pain, and was limited in ability to function on a daily basis, and that Person B was also suffering from depression, anxiety, fatigue, psychomotor retardation, difficulties with concentration and memory, loss of interest in daily activities, loss of appetite and sleeping problems. In violation of Title 42, United States Code, Section 408(a)(3).

COUNT FOUR

WIRE FRAUD

18 USC 1343

1. Paragraphs one through twenty-nine of the General Allegations are realleged and incorporated by reference as if fully set forth herein.

2. From in or about March, 2012 though in or April, 2013, in the District of Puerto Rico, the defendant,

WILDO VARGAS,

devised and intended to devise, a scheme and artifice to defraud and deprive the Social Security Administration, of money and property, that is, Social Security disability insurance benefits to be paid to Person B, by means of materially false and fraudulent statements, and for the purpose of executing the scheme and artifice to defraud and deprive, did knowingly transmit and cause to be transmitted in interstate commerce, by means of wire communications, certain signs and signals, as more specifically set forth in Count Four of this Indictment.

OBJECT OF THE SCHEME

3. It was the purpose and the object of the illegal scheme and artifice to defraud and deprive, that the defendant, WILDO VARGAS, would file false and fraudulent medical reports with the SSA, in order to improperly induce and cause SSA to make a positive disability determination with respect to Person B, and to pay Person B retroactive disability insurance benefits, and to continue to pay Person B disability insurance benefits in the future. The defendant, WILDO VARGAS, would derive financial benefits both from the medical treatment process, and from the payment of a fee for submission of medical reports to SSA.

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Manner and Means of the Scheme and Artifice to Defraud and Deprive

4. The manner and means of the scheme and artifice to defraud and deprive included:

5. That the defendant, **WILDO VARGAS**, would evaluate, treat, and diagnose Person B in a manner calculated to justify a non-existent medical disability, in order to improperly deceive and persuade the SSA to award Person B retroactive and future disability benefit payments.

6. That the defendant, **WILDO VARGAS**, would derive financial benefits from the application process, by charging and collecting a fee in the amount of \$500.00, for the submission of his medical report to SSA.

Use of Wires for Execution of the Scheme

7. On or about the date noted below, in the District of Puerto Rico and elsewhere, the defendant, **WILDO VARGAS**, for the purpose of executing and attempting to execute the above described scheme and artifice to defraud and deprive the SSA of money and property, transmitted and caused to be transmitted by means of wire communications in interstate commerce, the following writings and signals, as more specifically described below:

COUNT	DATE	SSA FAX NO	DOCUMENT TRANSMITTED
FOUR SSA for Person B.	April 10, 2013	866-676-2913	Transmission of Medical Report to

All in violation of Title 18, United States Code, Sections 1343.

COUNT FIVE

WIRE FRAUD

18 USC 1343

1. Paragraphs one through twenty-nine of the General Allegations are realleged and incorporated by reference as if fully set forth herein.

2. From in or about June, 2012 though in or February, 2013, in the District of Puerto Rico, the defendant,

ERICA RIVERA CASTRO,

devised and intended to devise, a scheme and artifice to defraud and deprive the Social Security Administration, of money and property, that is, Social Security disability insurance benefits to be paid to Person B, by means of materially false and fraudulent statements, and for the purpose of executing the scheme and artifice to defraud and deprive, did knowingly transmit and cause to be transmitted in interstate commerce, by means of wire communications, certain signs and signals, as more specifically set forth in Count Five of this Indictment.

OBJECT OF THE SCHEME

3. It was the purpose and the object of the illegal scheme and artifice to defraud and deprive, that the defendant, **ERICA RIVERA CASTRO**, would file false and fraudulent psychiatric reports with the SSA, in order to improperly induce and cause SSA to make a positive disability determination with respect to Person B, and to pay Person B retroactive disability insurance benefits, and to continue to pay Person B disability insurance benefits in the future. The defendant, **ERICA RIVERA CASTRO**, would derive financial benefits both from the medical treatment process, and from the payment of a fee for submission of medical reports to SSA.

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Manner and Means of the Scheme and Artifice to Defraud and Deprive

4. The manner and means of the scheme and artifice to defraud and deprive included:
5. That the defendant, **ERICA RIVERA CASTRO**, would evaluate, treat, and diagnose Person B in a manner calculated to justify a non-existent medical disability, in order to improperly deceive and persuade the SSA to award Person B retroactive and future disability benefit payments.
6. That the defendant, **ERICA RIVERA CASTRO**, would derive financial benefits from the application process, by charging and collecting a fee in the amount of \$150.00, for the submission of his medical report to SSA.

Use of Wires for Execution of the Scheme

7. On or about the date noted below, in the District of Puerto Rico and elsewhere, the defendant, **ERICA RIVERA CASTRO**, for the purpose of executing and attempting to execute the above described scheme and artifice to defraud and deprive the SSA of money and property, transmitted and caused to be transmitted by means of wire communications in interstate commerce, the following writings and signals, as more specifically described below:

COUNT	DATE	SSA FAX NO.	DOCUMENT TRANSMITTED
FIVE	June 5, 2013	866-676-2913	Transmission of Psychiatric Medical Report to SSA for Person B.

All in violation of Title 18, United States Code, Sections 1343.

COUNT SIX

WIRE FRAUD

18 USC 1343

1. Paragraphs one through twenty-nine of the General Allegations are realleged and incorporated by reference as if fully set forth herein.

2. From in or about November, 2012 though in or about July, 2013, in the District of Puerto Rico, the defendant,

SAMUEL TORRES CRESPO,

devised and intended to devise, a scheme and artifice to defraud and deprive the Social Security Administration, of money and property, that is, Social Security disability insurance benefits to be paid to Person B, by means of materially false and fraudulent statements, and for the purpose of executing the scheme and artifice to defraud and deprive, did knowingly transmit and cause to be transmitted in interstate commerce, by means of wire communications, certain signs and signals, as more specifically set forth in Count Six of this Indictment.

OBJECT OF THE SCHEME

3. It was the purpose and the object of the illegal scheme and artifice to defraud and deprive, that the defendant, **SAMUEL TORRES CASTRO,** would file false and fraudulent SSA disability applications and adult function reports with the SSA, in order to improperly induce and cause SSA to make a positive disability determination with respect to Person B, and to pay Person B retroactive disability insurance benefits, and to continue to pay Person B disability insurance benefits in the future. The defendant, **SAMUEL TORRES CRESPO,** would derive financial benefits from the payment of the retroactive lump sum paid to Person B upon approval.

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Manner and Means of the Scheme and Artifice to Defraud and Deprive

4. The manner and means of the scheme and artifice to defraud and deprive included:
5. That the defendant, **SAMUEL TORRES CRESPO**, would complete an SSA disability insurance application for Person B in a manner calculated to justify a non-existent medical disability, in order to improperly deceive and persuade the SSA to award Person B retroactive and future disability benefit payments.
6. That the defendant, **SAMUEL TORRES CRESPO**, would derive financial benefits in the event SSA disability benefits were approved for Person B, by charging and collecting a fee equal to 25% of the retroactive lump sum payment made by SSA, but not to exceed \$6,000.00.

Use of Wires for Execution of the Scheme

7. On or about the date noted below, in the District of Puerto Rico and elsewhere, the defendant, **SAMUEL TORRES CRESPO**, for the purpose of executing and attempting to execute the above described scheme and artifice to defraud and deprive the SSA of money and property, transmitted and caused to be transmitted by means of wire communications in interstate commerce, the following writings and signals, as more specifically described below:

COUNT	DATE	SSA WEB SITE	DOCUMENT TRANSMITTED
SIX (Adult) to SSA	November 29, 2012	http://www.ssa.gov	Transmission of Disability Report for Person B. All in violation of Title 18, United States Code, Sections

1343.

FORFEITURE ALLEGATION

1. The allegations contained in Counts FOUR, FIVE, and SIX of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. Upon conviction of the offense in violation of Title 18, United States Code, Section 1343 set forth in Counts FOUR, FIVE, and SIX of this Indictment, the defendants shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offense, including, but not limited to:

a. **Redacted**

Redacted

Redacted

Redacted

Redacted

Redacted

Redacted

Redacted

Redacted

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Redacted

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~~Redacted~~

3. If any of the property described above, as a result of any act or omission 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,

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

TRIJE BILL



8/16/13

ROSА EMILIA RODRIGUEZ VELEZ
~~UNITED STATES ATTORNEY~~



FIRST ASSISTANT U.S. ATTORNEY

Dated: 8-16-13

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF PUERTO RICO

UNITED STATES OF AMERICA,

Plaintiff,

v.

WILDO VARGAS,
RAFAEL MIGUEZ BALSEIRO, and
SAMUEL TORRES CRESPO.

Defendants.

CRIMINAL NO. 13-539 (ADC)

INDICTMENT

CRIMINAL VIOLATIONS:

- 18 USC § 1341
- 18 USC § 1343
- 18 USC § 1347
- 18 USC § 2
- 42 USC § 408(a)(3)

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ELEVEN COUNTS AND FORFEITURE ALLEGATION

The Grand Jury charges that:

GENERAL ALLEGATIONS

At times material to this Indictment:

I. The Defendants.

1. The defendant, **WILDO VARGAS**, was a Psychiatrist, licensed to practice medicine in Puerto Rico, and operated a medical office in Rio Piedras, Puerto Rico, where he treated patients. Many of the patients treated by the defendant, **WILDO VARGAS**, were referred for Social Security Administration, hereinafter (SSA) disability insurance benefits, based on claims of physical limitations, supported by the medical reports submitted by the defendant, **WILDO VARGAS**.

2. Psychiatrists are rehabilitation physicians, who have completed training in the medical specialty of physical medicine and rehabilitation. Psychiatrists treat disabilities resulting from injuries or illness.

3. The defendant, **WILDO VARGAS**, charged a fee for the medical visits, and in addition to that fee, the defendant, **WILDO VARGAS**, also charged a fee, typically in the amount of \$500.00, for sending the medical records for the patient to the SSA.

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4. The defendant, **RAFAEL MIGUEZ BALSEIRO**, was a Psychiatrist, licensed to practice medicine in Puerto Rico, and operated a medical office in Caguas, Puerto Rico.

5. Psychiatrists are medical doctors who specialize in the diagnosis and treatment of mental disorders.

6. Many of the patients treated by the defendant, **RAFAEL MIGUEZ BALSEIRO**, were referred for SSA disability insurance benefits, based on claims of psychiatric disabilities, supported by the medical reports submitted by the defendant, **RAFAEL MIGUEZ BALSEIRO**.

7. The defendant, **RAFAEL MIGUEZ BALSEIRO**, charged a fee for the medical visits, and in addition to that fee, the defendant, **RAFAEL MIGUEZ BALSEIRO**, also charged a fee, typically in the amount of \$450.00, for sending the medical records for the patient to the SSA.

8. The defendant, **SAMUEL TORRES CRESPO**, was a non-attorney representative who represented Person A. Person A was referred to defendant, **SAMUEL TORRES CRESPO**, by the defendant, **WILDO VARGAS'** office.

9. A non-attorney representative is a person who represented a claimant for social security benefits. Non-attorney representatives submit forms to the SSA on behalf of the claimants.

10. The defendant, **SAMUEL TORRES CRESPO**, charged a fee equal to 25% of the retroactive benefits paid to SSA disability insurance claimants, calculated from the onset date to the approval date, but not to exceed \$6,000.00. Person A paid the defendant, **SAMUEL TORRES CRESPO**, approximately \$3,911.25.

II. The Social Security Administration.

11. The United States Social Security Administration ("SSA") was a department and agency of the United States. Among its duties, the SSA is responsible for oversight and implementation of the Disability Insurance Benefits Program.

12. The SSA has provided cash benefits to workers with severe, long-term disabilities, who have worked in Social Security covered employment for the required length of time. Spouses and dependent children of disabled workers may also be eligible to receive benefits.

13. To qualify for disability insurance benefits, an individual must meet the insured status requirements, be under the age of 65, submit an application, and be under a disability as defined in the Social Security Act ("Act"), codified as 41 USC §§ 416(i) and 423.

14. Under the Act, the term disability is defined as the inability "to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months."

III. Obtaining SSA Disability Insurance Benefits Program.

15. Pursuant to SSA regulations, a claimant must prove to SSA that he or she is disabled by furnishing medical and other evidence with the application. The application and supporting evidence will be evaluated by SSA to determine the claimant's medical impairment and the effect of that impairment on the claimant's ability to work on a sustained basis.

16. The claimant may provide a medical opinion from his or her treating physician or psychologist, and if SSA finds the medical opinion to be well-supported and not inconsistent with other substantial evidence in the record, SSA gives the opinion controlling weight.

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17. If a claimant's medical sources do not provide SSA sufficient medical evidence concerning the claimant's impairments, SSA may request that the claimant undergo one or more physical or mental examinations at SSA's expense. These examinations are performed by licensed physicians or psychologists referred to as "consultative examiners."

18. An individual's statement of pain or other symptoms is not sufficient alone to support a finding of disability. The statement must be supported by objective medical evidence, which demonstrates conditions which could reasonably be expected to cause the symptoms claimed. For this reason, many SSA claimant are referred by their treating physicians for psychiatric evaluation, since a psychiatric diagnosis would be generally more difficult for SSA to challenge, given the largely subjective nature of the diagnosis.

19. Upon a finding that a claimant is disabled, SSA evaluates the beneficiary's impairments from time to time, to determine continued eligibility for disability cash benefits.

20. SSA's ability to properly determine a beneficiary's continued entitlement to disability insurance benefits is directly dependent on SSA's ongoing access to accurate information regarding the beneficiary's medical condition.

IV. Treatment of Person A by Defendants WILDO VARGAS and RAFAEL MIGUEZ BALSEIRO.

21. At times material to this Indictment, the Federal Bureau of Investigation, and the Office of the Inspector General of the Social Security Administration, were investigating fraudulent SSA disability insurance benefit claims filed in the District of Puerto Rico.

22. At times material to this Indictment, and as a part of the law enforcement investigation, a person known to the Grand Jury, hereinafter referred to as "Person A", was referred

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to the defendant, **WILDO VARGAS**, for evaluation and treatment, as part of Person A's efforts to obtain SSA disability insurance benefits.

23. Person A was selected to act as a putative patient for the defendant, **WILDO VARGAS**, among other things, because Person A was generally in good health, and was not suffering from any physical or mental disabling conditions.

24. Person A was treated by the defendant, **WILDO VARGAS**, beginning in or about, November, 2011, through in or about June, 2012.

25. Person A was referred for a psychiatric evaluation and treatment. Person A was provided with a list containing the names of various potential psychiatrists, from which Person A selected the defendant, **RAFAEL MIGUEZ BALSEIRO**.

26. Person A was treated by the defendant, **RAFAEL MIGUEZ BALSEIRO**, beginning in or about January, 2012, through in or about, February, 2012.

27. The defendant, **WILDO VARGAS**, submitted medical reports to SSA suggesting that Person A was suffering from disabling medical conditions, and was unable to carry out the responsibilities of any occupational activities at the moment of treatment or in the future.

28. The defendant, **RAFAEL MIGUEZ BALSEIRO**, submitted medical reports to SSA suggesting that Person A was suffering from disabling psychiatric conditions.

V. Approval of Person A for SSA Benefits.

29. On or about September, 2012, Person A was approved by SSA for disability insurance benefit payments, with an onset date of October 1, 2011.

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30. Person A was initially paid \$15,645.00, as a retroactive payment calculated from the onset date through the approval date. Thereafter, Person A received monthly disability insurance benefit payments of approximately \$2,235.00.

31. As part of the law enforcement investigation, the SSA was not advised that Person A was covertly working as a government agent. Rather, the claim was allowed to proceed as any claim within the SSA, subjected to the regular evaluation and approval process. As part of this investigation, law enforcement requested that Person A's benefits be terminated in or about July, 2013.

32. All monies paid by SSA to Person A were returned to the SSA.

COUNT ONE

**False Statement or Representation to SSA
42 USC § 408 (a)(3)**

1. Paragraphs one through thirty-two of the General Allegations, are realleged and incorporated herein by reference, as if fully set forth herein.

2. On or about August 6, 2012, in the District of Puerto Rico, the defendant,

WILDO VARGAS,

in a matter within the jurisdiction of the Social Security Administration, made false statements or representations of material fact for use in determining rights to Social Security Disability Insurance payments for Person A, namely, the defendant stated on a Psychiatric Report to SSA that Person A was unable to work, was limited in physical activities, could not use upper extremities, could not sit, stand, walk, carry or lift objects, and was unable to carry out the responsibilities of any occupational activities now or in the future. In violation of Title 42, United States Code, Section 408(a)(3).

COUNT TWO

False Statement or Representation to SSA

42 USC § 408 (a)(3)

1. Paragraphs one through thirty-two of the General Allegations, are realleged and incorporated herein by reference, as if fully set forth herein.

2. On or about July 16, 2012, in the District of Puerto Rico, the defendant,

RAFAEL MIGUEZ BALSEIRO,

in a matter within the jurisdiction of the Social Security Administration, made false statements or representations of material fact for use in determining rights to Social Security Disability Insurance payments for Person A, namely, the defendant stated on a Psychiatric Medical Report to SSA that Person A was suffering from recurrent and severe depressive disorder, accompanied by anxiety, that the patient was experiencing crying spells, that the patient's body and mind were slow, that the patient had problems concentrating, and suffered from feelings of inadequacy, desperation, and felt useless and worthless, and was suicidal. In violation of Title 42, United States Code, Section 408(a)(3).

COUNT THREE

False Statement or Representation to SSA

42 USC § 408 (a)(3)

1. Paragraphs one through thirty-two of the General Allegations, are realleged and incorporated herein by reference, as if fully set forth herein.

2. On or about June 5, 2012, in the District of Puerto Rico, the defendant,

SAMUEL TORRES CRESPO,

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in a matter within the jurisdiction of the Social Security Administration, made false statements or representations of material fact for use in determining rights to Social Security Disability Insurance payments for Person A, namely, the defendant stated on a Disability Report (Adult) to SSA that Person A was unable to speak or write English, and suffered from depression, anxiety, deep sadness, was vulnerable, irritable, frustrated and anxious, had crying episodes, felt hopeless, and alone, and had difficulty concentrating, difficulty with memory, and sleeping problems, which interfered with his ability to work. In violation of Title 42, United States Code, Section 408(a)(3).

COUNTS FOUR THROUGH EIGHT

HEALTH CARE FRAUD 18 USC1347

1. Paragraphs one through thirty-two of the General Allegations are realleged and incorporated by reference as if fully set forth herein.
2. At times material to this Indictment, Triple-S was a health insurance company that provided a health care benefit program to beneficiaries in Puerto Rico.
3. From on or about the dates noted below, in the District of Puerto Rico, the defendant, **RAFAEL MIGUEZ BALSEIRO**, aided and abetted by others known and unknown to the Grand Jury, knowingly and willfully executed and attempted to execute a scheme and artifice to defraud Triple-S, a health care benefit program, as defined by Title 18, United States Code, Section 24(b), and to obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of Triple-S, in connection with the delivery and payment for health care benefits, items and services, namely, the defendant fraudulently billed, and caused to be billed, private insurance carriers for medical visits which never took place.

COUNT	DATE OF VISIT BILLED	AMOUNT BILLED TO TRIPLE-S
FOUR	March 30, 2012	\$50.00
FIVE	May 2, 2012	\$ 50.00
SIX	June 5, 2012	\$50.00
SEVEN	July 13, 2012	\$50.00
EIGHT	August 21, 2012	\$50.00

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

COUNT NINE

**WIRE FRAUD
18 USC 1343**

1. Paragraphs one through thirty-two of the General Allegations are realleged and incorporated by reference as if fully set forth herein.

2. From in or about May, 2012, though in or about September, 2012, in the District of Puerto Rico, the defendant,

SAMUEL TORRES CRESPO,

devised and intended to devise, a scheme and artifice to defraud and deprive the Social Security Administration, of money and property, that is, Social Security disability insurance benefits to be paid to Person A, by means of materially false and fraudulent statements, and for the purpose of executing the scheme and artifice to defraud and deprive, did knowingly transmit and cause to be transmitted in interstate commerce, by means of wire communications, certain signs and signals, as more specifically set forth in Count Nine of this Indictment.

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OBJECT OF THE SCHEME

3. It was the purpose and the object of the illegal scheme and artifice to defraud and deprive, that the defendant, **SAMUEL TORRES CRESPO**, would file false and fraudulent SSA disability applications and adult function reports with the SSA, in order to improperly induce and cause SSA to make a positive disability determination with respect to Person A, and to pay Person A retroactive disability insurance benefits, and to continue to pay Person A disability insurance benefits in the future. The defendant, **SAMUEL TORRES CRESPO**, would derive financial benefits from the payment of the retroactive lump sum paid to Person A upon approval.

Manner and Means of the Scheme and Artifice to Defraud and Deprive

4. The manner and means of the scheme and artifice to defraud and deprive included:

5. That the defendant, **SAMUEL TORRES CRESPO**, would complete an SSA disability insurance application for Person A in a manner calculated to justify a non-existent medical disability, in order to improperly deceive and persuade the SSA to award Person A retroactive and future disability benefit payments.

6. That the defendant, **SAMUEL TORRES CRESPO**, would derive financial benefits in the event SSA disability benefits were approved for Person A, by charging and collecting a fee equal to 25% of the retroactive lump sum payment made by SSA, but not to exceed \$6,000.00.

Use of Wires for Execution of the Scheme

7. On or about the date noted below, in the District of Puerto Rico and elsewhere, the defendant, **SAMUEL TORRES CRESPO**, for the purpose of executing and attempting to execute the above described scheme and artifice to defraud and deprive the SSA of money and property, transmitted and caused to be transmitted by means of wire communications in interstate commerce, the following writings and signals, as more specifically described below:

COUNT	DATE	SSA FAX NO.	DOCUMENT TRANSMITTED
NINE Adult to SSA	June 5, 2012 for Person A.	http://www.ssa.gov	Transmission of Disability Report

All in violation of Title 18, United States Code, Sections 1343.

**COUNTS TEN AND ELEVEN MAIL FRAUD
18 USC 1341**

1. The Puerto Rico Department of Treasury ("Departamento de Hacienda") is a department of the Executive Branch of the government of the Commonwealth of Puerto Rico, which is tasked, among other lawful duties, with the responsibility for collection of taxes, and serves as the central disbursement agency of the government.

2. From in or about 2010, through in or about 2011, in the District of Puerto Rico, the defendant,

SAMUEL TORRES CRESPO,

with the intent to defraud, devised and intended to devise, a scheme and artifice to defraud and deprive the Puerto Rico Taxing Authority ("Departamento de Hacienda"), of money and property, that is, the payment of lawful taxes on income derived by the defendant, **SAMUEL TORRES CRESPO**, by means of materially false and fraudulent statements, and for the purpose of executing the scheme and artifice to defraud and deprive, did knowingly place in an authorized depository for mail, to be sent and delivered by the Postal Service, the mail matter more specifically described in Counts Ten and Eleven below.

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OBJECT OF THE SCHEME

3. It was the purpose and the object of the illegal scheme and artifice to defraud and deprive, that the defendant, **SAMUEL TORRES CRESPO**, would file false and fraudulent income tax returns with the Puerto Rico Treasury Department, which he would deposit in a depository of the United States Postal Service. The returns would significantly under report the defendant's taxable income, in an effort to minimize his tax liability, and in an effort to deprive the Puerto Rico Treasury Department of monies and revenues to which it was entitled, and for the defendant's personal enrichment.

Manner and Means of the Scheme and Artifice to Defraud and Deprive

4. The manner and means of the scheme and artifice to defraud and deprive included:

5. The defendant, **SAMUEL TORRES CRESPO**, derived significant income from the services he provided to claimants for SSA disability insurance benefits.

6. The defendant, **SAMUEL TORRES CRESPO**, maintained a large volume of clients due to his willingness to exaggerate medical or psychiatric conditions, in order to maximize his clients' chances of obtaining an approval of disability insurance benefits from SSA.

7. The defendant, **SAMUEL TORRES CRESPO**, deposited large sums of this income in personal accounts maintained by him, and by family members, but would fail to report this income to the Puerto Rico Treasury Department.

Use of Mails for Execution of the Scheme

8. On or about the dates noted below, in the District of Puerto Rico, the defendant, **SAMUEL TORRES CRESPO**, for the purpose of executing and attempting to execute the above described scheme and artifice to defraud and deprive the Puerto Rico Department of Treasury of

money and property, the defendant knowingly placed in an authorized depository for mail, to be sent and delivered by the Postal Service, on or about the dates noted below, the following matter:

COUNT	DATE OF MAILING	WIRES
TEN	April 9, 2010	Puerto Rico Income Tax Return for tax year 2009.
ELEVEN	April 13, 2011	Puerto Rico Income Tax Return for tax year 2010.

All in violation of Title 18, United States Code, Sections 1343.

FORFEITURE ALLEGATION

1. The allegations contained in Counts FOUR through EIGHT of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(7).

2. Upon conviction of the offense in violation of Title 18, United States Code, Section 1347 set forth in Counts FOUR through EIGHT of this Indictment, the defendant shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(7), any property, real or personal, which constitutes or is derived from proceeds traceable to the offense.

3. If any of the property described above, as a result of any act or omission 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, the United States of America shall be entitled to forfeiture of substitute property pursuant to Title

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21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

FORFEITURE ALLEGATION

1. The allegations contained in Count NINE of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. Upon conviction of the offense in violation of Title 18, United States Code, Section 1343 set forth in Count NINE of this Indictment, the defendant shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offense, including, but not limited to:

Redacted

Redacted

Redacted

Redacted

Redacted

Redacted

Redacted

Redacted

Redacted

Redacted

Redacted

Redacted

3. If any of the property described above, as a result of any act or omission 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, the United

States of America shall be entitled to forfeiture of substitute property pursuant to Title

21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

TRUE BILL

8/16/13

ROSA EMILIA RODRIGUEZ VELEZ
UNITED STATES ATTORNEY

FIRST ASSISTANT U.S. ATTORNEY

Dated: __8-16-13

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

UNITED STATES OF AMERICA

Plaintiff,

V.

JOSE R. HERNANDEZ GONZALEZ,

Defendant.

CRIMINAL NUM.:

I N F O R M A T I O N

The United States Attorney charges:

General Allegations:

1. At times material to this Information, the defendant, JOSE R. HERNANDEZ GONZALEZ, was a neurologist, licensed to practice medicine in the Commonwealth of Puerto Rico.

2. At times material to this Information, the defendant, JOSE R. HERNANDEZ GONZALEZ, treated a substantial number of patients who were pursuing disability insurance benefit payments from the Social Security Administration.

3. The United States Social Security Administration ("SSA") was a department and agency of the United States. Among its duties, the SSA is responsible for oversight and implementation of the Disability Insurance Benefits ("DIB") Program.

4. To qualify for DIB, an individual must meet the insured status requirements, be under the age of 65, submit an application, and be under a disability as defined in the Social Security Act ("Act"), codified as 42 USC §§ 416(1) and 423. Under the Act, the term disability is

defined as the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

5. Pursuant to SSA regulations, a claimant must prove to SSA that he or she qualifies for disability, by furnishing medical and other evidence with the application. The application and supporting evidence is then evaluated by SSA to determine the claimant's medical impairment and the effect of that impairment on the claimant's ability to work on a sustained basis.

6. The claimant may provide a medical opinion from his or her treating physician or psychologist, and if SSA finds the medical opinion to be well-supported and not inconsistent with other substantial evidence in the record, SSA gives the opinion controlling weight.

7. An individual's statement of pain or other symptoms is not sufficient alone to support a finding of disability. The statement must be supported by objective medical evidence, which demonstrates conditions which could reasonably be expected to cause the symptoms claimed.

8. Upon having determined that a claimant is disabled, SSA evaluates the beneficiary's impairments from time to time, to determine continued eligibility for disability benefits.

9. SSA's ability to properly determine a beneficiary's continued entitlement to DIB is directly dependent on SSA's ongoing access to accurate information regarding the beneficiary's medical condition. The beneficiary is therefore required to report changes in his or her condition

to the SSA.

COUNT ONE

**Conspiracy to Make False Statements to the SSA
18 USC §371**

From on or about the year 2008, the exact date being unknown to the Grand Jury, through in or about the year 2011, the exact date being unknown to the Grand Jury, in the District of Puerto Rico, the defendant,

JOSE R. HERNANDEZ GONZALEZ,

knowingly and willfully combined, conspired, and agreed together with others, known to the Grand Jury, to defraud the United States to commit an offense against the United States, that is, in a matter within the jurisdiction of the Social Security Administration, to make false statements or representations of material fact for use in determining rights to Social Security Disability Insurance Benefit payments, in violation of Title 41, United States Code, Section 408(a)(3). All in violation of Title 18, United States Code, Section 371.

OBJECT OF THE CONSPIRACY

It was the purpose of the conspiracy that the defendant, JOSE R. HERNANDEZ GONZALEZ, and other co-conspirators, would exaggerate medical symptoms and conditions of patients who were applicants for Social Security Administration disability insurance benefit payments, in order to maximize the prospect that the applications would be approved, for the financial gain and profit of the beneficiaries, and of the defendant, JOSE R. HERNANDEZ GONZALEZ, and his co-conspirators.

MANNER AND MEANS OF THE UNLAWFUL CONSPIRACY

The manner and means by which the unlawful conspiracy was accomplished included the following:

1. The defendant, JOSE R. HERNANDEZ GONZALEZ, would treat a large number of patients who were attempting to secure Social Security Administration disability insurance benefit payments.

2. Many of these patients were represented by a non-attorney representative, hereinafter referred to as Person A, who is known to the Grand Jury.

3. In the event that a particular applicant was approved for disability insurance benefit payments, then Person A would receive a payment from the Social Security Administration, which was based on a percentage of the retroactive payment paid by the Social Security Administration to the beneficiary.

4. Person A would share a portion of this payment with the defendant, JOSE R. HERNANDEZ GONZALEZ.

5. The defendant, JOSE R. HERNANDEZ GONZALEZ, also charged fees for the medical visits, and for the submission of the medical report to the Social Security Administration, in support of the disability claims.

6. In order to maximize the prospect that the disability claims would be approved, the defendant, JOSE R. HERNANDEZ GONZALEZ, exaggerated medical symptoms and conditions on the medical reports submitted to the Social Security Administration.

7. Person A also exaggerated responses to questions posed to the beneficiaries in Social Security Administration questionnaires, and coached beneficiaries on how to respond, in order to maximize the possibility of approval of the applications.

8. In approximately October 2011, the defendant, JOSE R. HERNANDEZ GONZALEZ, transferred his practice to another physician known to the Grand Jury, hereinafter referred to as Person B, not charged herein, who took over the practice and continued to treat the disability applicants, in the same manner that the defendant, JOSE R. HERNANDEZ GONZALEZ, had done to maximize the probability of approval of benefits by the Social Security Administration.

OVERT ACTS IN FURTHER OF THE CONSPIRACY

In furtherance of the conspiracy, and in order to effect its objects, at least one of the co-conspirators committed at least one of the below enumerated overt acts, among others, in the District of Puerto Rico, and elsewhere:

1. In or about March 2009, the defendant, **JOSE R HERNANDEZ GONZALEZ**, caused a medical report containing false and fraudulent information to be submitted to the Social Security Administration with respect to Beneficiary A.

2. On or about August 3, 2009, the defendant, **JOSE R. HERNANDEZ GONZALEZ**, caused a medical report containing false and fraudulent information to be submitted to the Social Security Administration with respect to Beneficiary B.

3. On or about October 25, 2010, the defendant, **JOSE R. HERNANDEZ GONZALEZ**, caused a medical report containing false and fraudulent information to be submitted to the Social Security Administration with respect to Beneficiary C.

4. On or about May 21, 2011, the defendant, JOSE R. HERNANDEZ GONZALEZ, caused a medical report containing false and fraudulent information to be submitted to the Social Security Administration with respect to Beneficiary D.

5. On or about July 31, 2011, the defendant, JOSE R. HERNANDEZ GONZALEZ, caused a medical report containing false and fraudulent information to be submitted to the Social Security Administration with respect to Beneficiary E.

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

In San Juan, Puerto Rico, this 25th day of October, 2013.

Rosa Emilia Rodríguez-Vélez
United States Attorney



First Assistant U. S. Attorney