



Department of Justice

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Two Miami Physicians Plead Guilty and Admit Ordering \$6.8 Million Worth of Unnecessary HIV Infusion Treatments

WASHINGTON – Miami physicians, Carlos Contreras, M.D., and Ramon Pichardo, M.D., each pleaded guilty today to defrauding the Medicare program in connection with a \$6.8 million HIV infusion fraud scheme, Acting Assistant Attorney General Matthew Friedrich of the Criminal Division and U.S. Attorney R. Alexander Acosta of the Southern District of Florida announced.

Contreras, 60, pleaded guilty to conspiracy to commit healthcare fraud before U.S. District Judge Federico Moreno in Miami. In his plea, Contreras admitted that he owned a Miami clinic named CNC Medical Inc. (CNC), which purported to specialize in the treatment of HIV positive patients. Beginning in November 2002 and continuing through April 2004, Contreras admitted that he conspired with others to submit approximately \$6.8 million in fraudulent Medicare bills; that he signed documents containing false information about treatments purportedly given to HIV positive patients; and that he approved medically unnecessary treatments at CNC. Contreras also admitted that the clinic received approximately \$4.2 million from the Medicare program as a result of his and his co-conspirators' conduct.

Furthermore, Contreras admitted that he entered into an agreement in approximately November 2002 with Carlos Benitez, Luis Benitez, Thomas McKenzie, Pichardo and others to operate CNC as a fraudulent HIV infusion clinic. Contreras admitted that the Benitez brothers would refer HIV positive Medicare beneficiaries to the clinic, provide staff members to work at the clinic and transport patients to CNC, in exchange for a substantial share of CNC's profits. Contreras was aware that the patients referred to CNC by the Benitezes were paid cash kickbacks in exchange for visiting the clinic and allowing their names to be used to bill the Medicare program. Contreras admitted that he agreed to approve expensive and medically unnecessary HIV infusion claims at the clinic, and to falsify medical records.

Pichardo, 58, also pleaded guilty before U.S. District Judge Federico Moreno to one count of conspiracy to commit health care fraud. Pichardo admitted in his plea that he worked as a physician at CNC, and conspired with Carlos and Luis Benitez, McKenzie, Contreras and others to assist in operating CNC as a fraudulent HIV infusion clinic. Pichardo further admitted that he and Contreras ordered numerous unnecessary and expensive HIV infusion treatments for the purpose of defrauding Medicare rather than providing legitimate health care services.

In a related case, Carlos and Luis Benitez, their brother Jose Benitez and McKenzie were indicted on June 11, 2008, for their role in a \$110 million HIV infusion and money laundering scheme. The indictment alleges that Carlos, Luis and Jose Benitez were the masterminds of a massive HIV infusion fraud operation throughout South Florida involving at least 11 clinics and that they laundered the proceeds of their crimes. According to the indictment, Carlos and Luis

Benitez were the true owners of CNC. All three Benitez brothers remain fugitives, while McKenzie is currently being detained pending an Oct. 14, 2008, trial.

The case was prosecuted by Trial Attorneys Hank Bond Walther and John K. Neal of the Criminal Division's Fraud Section, and Constantine Lizas of the Criminal Division's Asset Forfeiture and Money Laundering Section. The case was investigated by the Department of Health and Human Services, Office of the Inspector General, and the FBI. The case was brought as part of the Medicare Fraud Strike Force, supervised by Deputy Chief Kirk Ogrosky of the Criminal Division's Fraud Section and U.S. Attorney Acosta of the Southern District of Florida. Federal prosecutors have indicted 82 cases with 142 defendants in South Florida since investigations opened during the period of strike force operations between March and October 2007. Collectively, these defendants fraudulently billed the Medicare program for more than \$492 million.