

Affidavit in Support of Arrest Warrant

Before me, _____ a Judge of the Eleventh Judicial Circuit of Florida, appeared your Affiant, Laura Clark, Senior Investigator, Medicaid Fraud Control Unit, Office of the Attorney General, who first being duly sworn, deposes and states as follows:

I have been employed as a Senior Investigator with the Medicaid Fraud Control Unit, Office of the Attorney General, Department of Legal Affairs, State of Florida since October 2001. Previously, I was employed as an Investigator with the Medicaid Fraud Control Unit, Office of the Attorney General, State of Indiana for over six years. While performing my duties as a Medicaid Fraud Investigator, I have personally conducted and coordinated criminal and civil investigations relating to the commission of Medicaid fraud.

The Agency for Health Care Administration (AHCA) is the State of Florida agency that oversees the Medicaid Program in providing medical services for indigent residents of Florida. Affiliated Computer Systems (ACS) is the fiscal agent for the State of Florida that administers funds to the Medicaid providers of Florida. The Medicaid Fraud Control Unit (MFCU) exists to investigate allegations of Medicaid Fraud reported in the State of Florida. The MFCU is under the authority and supervision of the Office of the Attorney General.

Pharmacy Depot Corp. filed Articles of Incorporation with the Florida Secretary of State on November 7, 2000. The document number for the corporation is P00000098150. On December 6, 2000, the Florida Department of Health/Division of Medical Quality Assurance issued license number PH 17561 to Pharmacy Depot Corp. The United States Department of Justice, Drug Enforcement Administration, issued Controlled Substance Registration Certificate (DEA#)

BP7050280 to Pharmacy Depot Corp. The “Florida Medicaid Management Information System,” otherwise known as “FMMIS” database, shows Pharmacy Depot Corp. as an active Medicaid provider beginning November 10, 2000, and issued Medicaid Provider Identification Number 0224855 00.

The MFCU investigation of Pharmacy Depot Corp. was initiated after receiving information from the Florida Department of Health (DOH) regarding a routine pharmacy inspection beginning on November 21, 2003.

A download of the claims submitted by Pharmacy Depot Corp. was reviewed. A download is obtained by accessing the database “Florida Rapid Entry Enhanced Data Online for Medicaid” otherwise known as “FREEDOM”. This database contains specific information pertaining to claims submitted by Florida Medicaid providers. From this download, Medicaid recipients and prescribing physicians were selected to be interviewed.

During the time frame from January 2004 through July 2004, Pharmacy Depot Corp. was paid \$107,241.55 by Florida Medicaid for claims submitted with Dr. Humberto Martinez, Florida Medical License #ME42667, as the prescriber for the drugs billed in these claims. On August 26, 2004, Dr. Humberto Martinez, ME#42667, was interviewed. Dr. Martinez reviewed the download of claims submitted by Pharmacy Depot Corp. during this time frame reflecting him as the prescriber. Dr. Martinez stated that the Medicaid recipients shown on these claims were not his patients and he did not write the prescriptions for the drugs billed.

During the time frame from January 2004 through July 2004, Pharmacy Depot was paid \$17,706.35 for claims submitted with Dr. Lazaro Miguel Garcia, Florida Medical License

#ME67163, as the prescriber for the drugs billed in these claims. On October 18, 2004, Dr. Lazaro Miguel Garcia, Florida Medical License #ME67163, was interviewed. Dr. Garcia reviewed the download of claims submitted by Pharmacy Depot Corp. during this time frame reflecting him as the prescriber. Dr. Garcia stated that the Medicaid recipients shown on these claims were not his patients and he did not write the prescriptions for the drugs billed.

During the time frame from January 2004 through July 2004, Pharmacy Depot Corp. was paid \$20,823.10 for claims submitted with Dr. A. Zas Oreste, Florida Medical License #ME32354, as the prescriber for the drugs billed in these claims. On October 18, 2004, Dr. A. Zas Oreste, Florida Medical License #ME32354 was interviewed. Dr. Oreste reviewed the download of claims submitted during this time frame by Pharmacy Depot Corp. reflecting him as the prescriber. Dr. Oreste stated that the Medicaid recipients shown on these claims were not his patients and he did not write the prescriptions for the drugs billed.

During the time frame of January 2004 through July 2004, Pharmacy Depot Corp. was paid \$10,368.77 for claims submitted with Dr. Pedro Roig, Florida Medical License #ME65933, as the prescriber for the drugs billed in these claims. On October 13, 2004, Dr. Pedro Roig, Florida Medical License #ME65933 was interviewed. Dr. Roig reviewed the download of claims submitted during this time frame by Pharmacy Depot Corp. reflecting him as the prescriber. Dr. Roig stated that the Medicaid recipients shown on these claims were not his patients and he did not write the prescriptions for the drugs billed.

During the time frame of January 2004 through July 2004, Pharmacy Depot Corp. was paid \$43,019.29 for claims submitted with Dr. Hubert G. Martinez, Florida Medical License #ME08184,

as the prescriber for the drugs billed in these claims. On October 18, 2004, Dr. Hubert G. Martinez, Florida Medical License #ME08184 was interviewed. Dr. Martinez stated that the Medicaid recipients shown on these claims were not his patients and he did not write the prescriptions for the drugs billed.

During the time frame of January 2004 through July 2004, Pharmacy Depot Corp. was paid \$45,228.12 for claims submitted with Dr. Manuel Suarez, Florida Medical License #ME47423, as the prescriber for the drugs billed in these claims. On October 12, 2004, Dr. Manuel Suarez, Florida Medical License #ME47423 was interviewed. Dr. Suarez stated that the Medicaid recipients shown on these claims were not his patients and he did not write the prescriptions for the drugs billed.

Recipient #1 was interviewed on December 2, 2004. Recipient #1 advised MFCU Investigators he/she never received drugs from Pharmacy Depot Corp. and he/she has never been treated by Dr. Manuel Suarez, the prescriber shown on these claims. Pharmacy Depot Corp. was paid a total of \$1,580.89 using the Medicaid RID# assigned to Recipient #1.

Recipient #2 was interviewed on December 7, 2004. Recipient #2 advised MFCU Investigators he/she never received drugs from Pharmacy Depot Corp. and he/she has never been treated by Dr. Manuel Suarez, the prescriber shown on these claims. Pharmacy Depot Corp. was paid a total of \$958.96 using the Medicaid RID# assigned to Recipient #2.

Recipient #3 was interviewed on December 8, 2004. Recipient #3 advised MFCU Investigators he/she has never received drugs from Pharmacy Depot Corp. and he/she has never been treated by Dr. Lazaro Garcia, the prescriber shown on these claims. Pharmacy Depot Corp. was paid a total of \$2,298.06 using the Medicaid RID# assigned to Recipient #3.

Recipient #4 was interviewed on December 7, 2004. Recipient #4 advised MFCU Investigators that he/she has never received drugs from Pharmacy Depot Corp. and he/she has never been treated by Dr. Lazaro Garcia, the prescriber shown on these claims. Pharmacy Depot Corp. was paid a total of \$729.99 using the Medicaid RID# assigned to Recipient #4.

Recipient #5 was interviewed on December 7, 2004. Recipient #5 advised MFCU Investigators that he/she has never received drugs from Pharmacy Depot Corp. and he/she has never been treated by Dr. Pedro Roig, the prescriber shown on these claims. Pharmacy Depot Corp. was paid a total of \$1,949.82 using the Medicaid RID# assigned to Recipient #5.

The guardian for Recipient #6 was interviewed on September 29, 2004. The guardian for Recipient #6 advised MFCU Investigators that Recipient #6 has never received drugs from Pharmacy Depot Corp. and has never been treated by Dr. Humberto Martinez, the prescriber shown on these claims. Pharmacy Depot Corp. was paid a total of \$3,979.37 using the Medicaid RID# assigned to Recipient #6.

Recipient #7 was interviewed on September 17, 2004. Recipient #7 advised MFCU Investigators that he/she has never received drugs from Pharmacy Depot Corp. and has never been treated by Dr. Humberto Martinez, the prescriber shown on these claims. Pharmacy Depot Corp. was paid a total of \$2,725.76 using the Medicaid RID# assigned to Recipient #7.

Recipient #8 was interviewed on September 28, 2004. Recipient #8 advised MFCU Investigators that he/she has never received drugs from Pharmacy Depot Corp. and has never been treated by Dr. Humberto Martinez, the prescriber shown on these claims. Pharmacy Depot Corp. was paid a total of \$1,732.85 using the Medicaid RID# assigned to Recipient #8.

Recipient #9 was interviewed on September 28, 2004. Recipient #9 advised MFCU Investigators that he/she has never received drugs from Pharmacy Depot Corp. and has never been treated by Dr. Humberto Martinez, the prescriber shown on these claims. Pharmacy Depot Corp. was paid a total of \$872.85 using the Medicaid RID# assigned to Recipient #9.

Recipient #10 was interviewed on September 28, 2004. Recipient #10 advised MFCU Investigators that he/she has never received drugs from Pharmacy Depot Corp. and has never been treated by Dr. Humberto Martinez, the prescriber shown on these claims. Pharmacy Depot Corp. was paid a total of \$2,049.12 using the Medicaid RID# assigned to Recipient #10.

Recipient #11 was interviewed on September 28, 2004. Recipient #11 advised MFCU Investigators that he/she has never received drugs from Pharmacy Depot Corp. and has never been treated by Dr. Humberto Martinez. Pharmacy Depot Corp. was paid a total of \$2,218.80 using the Medicaid RID# assigned to Recipient #11.

Recipient #12 was interviewed on September 17, 2004. Recipient #12 advised MFCU Investigators that he/she has never received drugs from Pharmacy Depot Corp. and has never been treated by Dr. Humberto Martinez, the prescriber shown on these claims. Pharmacy Depot Corp. was paid a total of \$1,015.90 using the Medicaid RID# assigned to Recipient #12.

Recipient #13 was interviewed on December 2, 2004. Recipient #13 advised MFCU Investigators that he/she has never received drugs from Pharmacy Depot Corp. and has never been treated by Dr. Humberto Martinez, the prescriber shown on these claims. Pharmacy Depot Corp. was paid a total of \$4,078.88 using the Medicaid RID# assigned to Recipient #13.

A review of the billing data for Pharmacy Depot has revealed a volume of claims submitted after the hours of operation. A pharmacy claim is a "Point of Sale" claim; meaning the claim is submitted to Medicaid for payment when the medication is dispensed. Therefore, it is suspicious to find claims submitted after the hours of operation because the pharmacy was not open for business to dispense the medication at the time the claim was submitted.

The "Florida Medicaid Management Information System" (FMMIS) indicates the Medicaid payment checks for Pharmacy Depot are electronically deposited into a bank account in the name of Paul Magnum, owner of Pharmacy Depot Corp. Therefore, Paul Magnum has directly benefitted financially from the submission of these false claims.

Pharmacy Depot was abandoned by Paul Magnum in August 2004. Eviction proceedings were completed in November 2004. The former owner of the pharmacy filed a lawsuit against Paul Magnum alleging that Magnum forged documents reflecting payment in full was received by the former owner.

Efforts by DOH and MFCU to locate any existing pharmacy records related to the time frame Magnum was the owner of Pharmacy Depot have been unsuccessful. Magnum has absconded and has not responded to DOH requests for these records.

Based upon the information stated above, this Affiant has probable cause to believe and does believe that beginning on or about November 2003, Paul Magnum, owner of Pharmacy Depot Corp., did commit the criminal offenses of : Organized Fraud, 3nd degree, by engaging in a scheme to defraud and obtain property, to wit: illegal proceeds as U.S. Currency from the State of Florida Medicaid Program, in violation of Florida Statute 817.064(4)(a); and Grand Theft, 1st degree by

knowingly and feloniously obtaining or using or endeavoring to obtain Pharmaceutical Drugs and/or U.S. Currency valued at \$244,387.18, being the property of the State of Florida, Agency for Health Care Administration and/or its fiscal agents, Unisys Corporation and/or Consultec Corporation, with the intent to either temporarily or permanently deprive the same of a right to the money in violation of Florida Statute 812.014(1)(2)(a).

Sworn and subscribed on this _____ day of _____, 2004.

Laura Clark, Sr. Investigator
Medicaid Fraud Control Unit
Office of the Attorney General

County/Circuit Court Judge
Eleventh Judicial Circuit of Florida