

INDICTMENT

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF QUEENS

-----X	
THE PEOPLE OF THE STATE OF NEW YORK	x
	x
	x
-against-	x
	x
X 1. JUAN POVEDA, <i>also known as</i>	x
JUAN POVEDA EGAS,	x
X 2. JAVIER BURBANO,	x
X 3. CSE DRUG CORP. d/b/a	x
SANTIAGO PHARMACY,	x
X 4. B & H HEALTH DISTRIBUTORS, INC.,	x
and	x
X 5. POBAL CARGO, LLC,	x
	x
	x
Defendants.	x
-----X	

INDICTMENT NO. 690/2023

- COUNT 1 GRAND LARCENY IN THE FIRST DEGREE, PENAL LAW §155.42,
(Defendants 1, 2 and 3)
- COUNT 2 HEALTH CARE FRAUD IN THE SECOND DEGREE, PENAL LAW §177.20,
(Defendants 1, 2 and 3)
- COUNT 3 MONEY LAUNDERING IN THE FIRST DEGREE, PENAL LAW
§§470.20(1)(b)(ii)(A) & (iii), (Defendants 1, 3, and 4)
- COUNT 4 MONEY LAUNDERING IN THE SECOND DEGREE, PENAL LAW
§§470.15(1)(b)(ii)(A) & (iii), (Defendants 1, 3, and 5)
- COUNT 5 MEDICAL ASSISTANCE PROVIDER; PROHIBITED PRACTICES,
SOCIAL SERVICES LAW § 366-d(2)(b)(ii),
(Defendants 1, 2 and 3)

A TRUE BILL

GRAND JURY FOREPERSON

LETITIA JAMES
ATTORNEY GENERAL
STATE OF NEW YORK
Medicaid Fraud Control Unit
28 Liberty St, 13th Floor
New York, NY 10005

Dated: June 22, 2023
 Kew Gardens, New York

COUNT ONE

THE GRAND JURY OF THE COUNTY OF QUEENS, by this Indictment, accuses JUAN POVEDA, also known as, JUAN POVEDA EGAS, JAVIER BURBANO AND CSE DRUG CORP, d/b/a SANTIAGO PHARMACY of the crime GRAND LARCENY IN THE FIRST DEGREE, in violation of Penal Law §155.42, committed as follows:

JUAN POVEDA and JAVIER BURBANO, individually and as a high managerial agent acting within the scope of their employment and in behalf of corporate defendant CSE DRUG CORP, d/b/a SANTIAGO PHARMACY, acting in concert with each other and with others known and unknown, from on or about and between January 1, 2018 and July 31, 2022, in the County of Queens and elsewhere in the State of New York, stole property from Amida Care, Inc., a managed care organization funded by the New York State Medical Assistance Program (“Medicaid”), and the value of said property exceeded one million dollars (\$1,000,000.00).

COUNT TWO

THE GRAND JURY OF THE COUNTY OF QUEENS, by this Indictment, accuses JUAN POVEDA, also known as, JUAN POVEDA EGAS, JAVIER BURBANO and CSE DRUG CORP, d/b/a SANTIAGO PHARMACY of the crime HEALTH CARE FRAUD IN THE SECOND DEGREE, in violation of Penal Law §177.20, committed as follows:

JUAN POVEDA and JAVIER BURBANO, individually and as high managerial agents acting within the scope of their employment and in behalf of corporate defendant CSE DRUG CORP, d/b/a SANTIAGO PHARMACY, acting in concert with each other and with others known and unknown, from on or about and between January 1, 2022 and December 31, 2022, in the County of Queens and elsewhere in the State of New York, with intent to defraud a health plan, knowingly and willfully provided materially false information and omitted material information for the purpose of requesting payment from a health plan for a health care item and service, and as a result of such information and omission the Defendants wrongfully received payment or a portion of the payment, as the case may be, from a single health plan, in a period of not more than one year, exceeding fifty thousand dollars (\$50,000.00) in the aggregate, to wit, the defendants knowingly and willfully submitted or caused to be submitted false claims and omitted material information from claims submitted to the New York State Medical Assistance Program (“Medicaid”), directly and indirectly through Medicaid-funded managed care organizations, including Amida Care and

VNS Choice, and as a result wrongfully received in excess of fifty thousand dollars (\$50,000.00) in the aggregate to which they were not entitled.

COUNT THREE

THE GRAND JURY OF THE COUNTY OF QUEENS by this Indictment, accuses JUAN POVEDA, CSE DRUG CORP, d/b/a SANTIAGO PHARMACY and B & H HEALTH DISTRIBUTORS, INC., of the crime MONEY LAUNDERING IN THE FIRST DEGREE, in violation of Penal Law §§ 470.20(1)(b)(ii)(A), (iii), committed as follows:

JUAN POVEDA, individually and as a high managerial agent acting within the scope of his employment and in behalf of corporate defendants CSE DRUG CORP, d/b/a SANTIAGO PHARMACY, and B & H HEALTH DSITRIBUTORS, INC., acting in concert with each other and others known and unknown, on or about and between January 1, 2018 and December 31, 2022, in the County of Queens and elsewhere in the State of New York, knowing that the property involved in one or more financial transactions represented the proceeds of a class B and C felony, conducted one or more such financial transactions, which in fact involved the proceeds of a class B and C felony, knowing that such transactions in whole or in part were designed to conceal and disguise the nature, the location, the source, the ownership and the control of the proceeds of a class B and C felony, and the total value of the property involved in such financial transactions exceeded one million dollars (\$1,000,000.00).

COUNT FOUR

THE GRAND JURY OF THE COUNTY OF QUEENS by this Indictment, accuses JUAN POVEDA, CSE DRUG CORP, d/b/a SANTIAGO PHARMACY and POBAL CARGO, LLC, of the crime MONEY LAUNDERING IN THE SECOND DEGREE, in violation of Penal Law § 470.15(1)(b)(ii)(A), (iii), committed as follows:

JUAN POVEDA, individually and as a high managerial agent acting within the scope of his employment and in behalf of corporate defendant CSE DRUG CORP, d/b/a SANTIAGO PHARMACY, and POBAL CARGO, LLC, acting in concert with each other and with others known and unknown, on or about and between January 1, 2018 and December 31, 2022, in the County of Queens and elsewhere in the State of New York, knowing that the property involved in one or more financial transactions represented the proceeds of specified criminal conduct, conducted one

or more such financial transactions, which in fact involved the proceeds of specified criminal conduct, knowing that such transaction or transactions in whole or in part were designed to conceal and disguise the nature, the location, the source, the ownership and the control of the proceeds of specified criminal conduct, and the total value of the property involved in such financial transactions exceeded one hundred thousand dollars (\$100,000.00).

COUNT FIVE

THE GRAND JURY OF THE COUNTY OF QUEENS by this Indictment, accuses JUAN POVEDA, JAVIER BURBANO, and CSE DRUG CORP, d/b/a SANTIAGO PHARMACY, of the crime MEDICAL ASSISTANCE PROVIDER; PROHIBITED PRACTICES, in violation of Social Service Law § 366-d(2)(b)(ii), committed as follows:

From on or about and between January 1, 2022 and December 31, 2022, in the County of Queens and elsewhere in the State of New York, JUAN POVEDA and JAVIER BURBANO, individually and as high managerial agents acting within the scope of their employment and in behalf of corporate defendant CSE DRUG CORP, d/b/a SANTIAGO PHARMACY, acting in concert with each other and with others known and unknown, each being a medical assistance provider, offered, agreed to give and gave payment and other consideration to another person to the extent such payment and other consideration was given to purchase, lease or order any good, facility, service or item for which payment was made under Title Eleven of Article Five of the Social Services law and thereby obtained money and property having a value in excess of seven thousand five hundred dollars (\$7,500.00)