

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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U.S. DISTRICT COURT
SAN JUAN, PR

The Grand Jury charges that:

GENERAL ALLEGATIONS

At times material to this Indictment:

I. The Defendants.

1. The defendant, **WILDO VARGAS**, was a Physiatrist, 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. Physiatrists are rehabilitation physicians, who have completed training in the medical specialty of physical medicine and rehabilitation. Physiatrists 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.

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."

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.

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).

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	April 10, 2013	866-676-2913	Transmission of Medical Report to SSA for Person B.

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

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.

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 WEBSITE	DOCUMENT TRANSMITTED
SIX	November 29, 2012	http://www.ssa.gov	Transmission of Disability Report (Adult) to SSA for Person B.

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

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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,

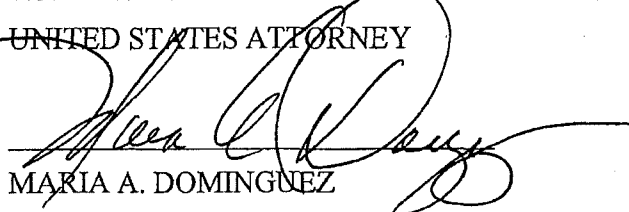
the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

TRUE BILL

FOREPERSON

8/16/13

ROSA EMILIA RODRIGUEZ VELEZ
UNITED STATES ATTORNEY


MARIA A. DOMINGUEZ
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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U.S. DISTRICT COURT
SAN JUAN, P.R.

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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.

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.

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.

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,

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.

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

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.

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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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,

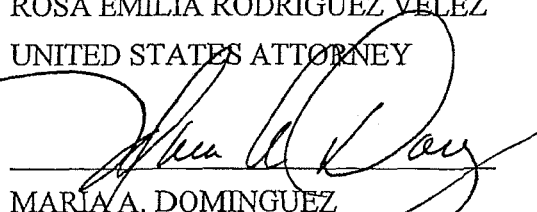
the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

TRUE BILL

FOREPERSON

8/16/13

ROSA EMILIA RODRIGUEZ VELEZ
UNITED STATES ATTORNEY


MARIA A. DOMINGUEZ
FIRST ASSISTANT U.S. ATTORNEY

Dated: 8-16-13