



**Department of Justice**

Office of Public Affairs

FOR IMMEDIATE RELEASE

Friday, July 10, 2020

## **Florida Man Charged with COVID Relief Fraud and Health Care Fraud**

A Florida man was arrested today on allegations that he fraudulently sought several Paycheck Protection Program (PPP) loans, and that he participated in a scheme to defraud Medicare of at least \$5.6 million. It is further alleged that a portion of the PPP loan proceeds were potentially used in furtherance of the Medicare fraud scheme.

Acting Assistant Attorney General Brian C. Rabbitt of the Justice Department's Criminal Division, U.S. Attorney Ariana Fajardo Orshan of the Southern District of Florida, Special Agent in Charge George L. Piro of the FBI's Miami Field Office, Omar Perez Aybar of the U.S. Department of Health and Human Services-Office of the Inspector General (HHS-OIG), and Special Agent in Charge Kevin Kupperbusch of the Small Business Administration's Office of the Inspector General (SBA-OIG) made the announcement.

Carlos Belone, 37, of Coconut Creek, Florida, was charged by criminal complaint, unsealed today upon his arrest, in the Southern District of Florida with wire fraud; conspiracy to commit health care fraud; payment of health care kickbacks; and making false statements to a financial institution. He made his initial appearance before U.S. Magistrate Judge Lurana S. Snow.

The complaint alleges that Belone submitted several fraudulent PPP loan applications to federally insured financial institutions, other SBA-approved lenders, and the SBA in the name of R&S Pharmacy Inc. (R&S Pharmacy), a durable medical equipment company that allegedly submitted false and fraudulent claims to Medicare for orthotic braces that were medically unnecessary, ineligible for Medicare reimbursement and/or not provided as represented. Belone was an owner of R&S Pharmacy. Patients interviewed as part of the investigation stated that they did not want or need orthotic braces; had not authorized their Medicare number to be used to submit claims for orthotic braces; and/or that they did not receive orthotic braces as represented by R&S Pharmacy in the claims that Belone and his co-conspirators submitted to Medicare.

The complaint alleges that, to support the fraudulent PPP loan applications, Belone submitted fake tax documents and doctored profit and loss statements for R&S Pharmacy. The complaint additionally alleges that Belone succeeded in fraudulently obtaining over \$22,000 in PPP loan proceeds, and shortly thereafter, made payments, or caused payments to be made, to a company suspected of furthering the Medicare fraud scheme, and directed approximately \$12,000 of the PPP loan money to a personal account under his control.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a federal law enacted March 29. It is designed to provide emergency financial assistance to millions of Americans who are suffering the economic effects resulting from the COVID-19 pandemic. One source of relief provided by the CARES Act is the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and certain other expenses through the PPP. In April 2020, Congress authorized over \$300 billion in additional PPP funding.

The PPP allows qualifying small businesses and other organizations to receive loans with a maturity of two years and an interest rate of one percent. Businesses must use PPP loan proceeds for payroll costs, interest on mortgages, rent

and utilities. The PPP allows the interest and principal to be forgiven if businesses spend the proceeds on these expenses within a set time period and use at least a certain percentage of the loan towards payroll expenses.

A criminal complaint is merely an allegation and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

This case was investigated by SBA-OIG, the FBI's Miami Field Office, and HHS-OIG. The Department of Justice also thanks the U.S. Attorney's Office for the Southern District of Florida, the Florida Department of Revenue, IRS-Criminal Investigation, and the U.S. Department of Labor's Office of Inspector General for assistance they provided. Trial Attorney Sara Clingan of the Criminal Division's Fraud Section is prosecuting the case.

Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Department of Justice's National Center for Disaster Fraud Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

The Fraud Section leads the Medicare Fraud Strike Force. Since its inception in March 2007, the Medicare Fraud Strike Force, which maintains 15 strike forces operating in 24 districts, has charged more than 4,200 defendants who have collectively billed the Medicare program for nearly \$19 billion. In addition, the HHS Centers for Medicare & Medicaid Services, working in conjunction with the HHS-OIG, are taking steps to increase accountability and decrease the presence of fraudulent providers.

The year 2020 marks the 150th anniversary of the Department of Justice. Learn more about the history of our agency at [www.Justice.gov/Celebrating150Years](http://www.Justice.gov/Celebrating150Years).

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**Topic(s):**

Coronavirus  
Health Care Fraud

**Component(s):**

[Criminal Division](#)  
[Criminal - Criminal Fraud Section](#)  
[USAO - Florida, Southern](#)

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