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Southern District of New York*

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**MANHATTAN U.S. ATTORNEY CHARGES NINE MEMBERS  
OF OXYCODONE DISTRIBUTION RING**

***Doctor-Led Drug Ring Allegedly Distributed Approximately  
11,000 Oxycodone Pills Purchased With Close  
To \$1 Million In Medicaid Funds***

PREET BHARARA, the United States Attorney for the Southern District of New York, JANICE K. FEDARCYK, the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), JOHN P. GILBRIDE, the Special-Agent-in-Charge of the New York Division of the United States Drug Enforcement Administration ("DEA"), RAYMOND W. KELLY, the Police Commissioner of the City of New York, MICHAEL LITTLE, the Deputy Medicaid Inspector General for Investigations of the New York State Office of Medicaid Inspector General ("NYS-OMIG"), and ROBERT DOAR, the Commissioner of the New York City Human Resources Administration ("NYC-HRA"), today announced the unsealing of charges against nine members of a Manhattan-based drug ring that allegedly distributed thousands of oxycodone pills obtained through Medicaid fraud.

Eight of the nine defendants -- DIANA WILLIAMSON, LENNY HERNANDEZ, MIGUEL ANGEL HERNANDEZ, FRANMI SAETA, IVETTE ARROYO,

REYNOLDO COLON, ANTONIO MARTINEZ, and CARL GUILFORD -- were arrested earlier today and are expected to appear in Manhattan federal court later today. JUNIOR JAQUEZ remains at large.

According to the Complaint and other documents filed in Manhattan federal court:

Between September 2009 and August 2010, WILLIAMSON, a Manhattan-based primary care physician, wrote oxycodone prescriptions to patients who had no legitimate need for the medication. Co-defendant LENNY HERNANDEZ recruited the individuals to obtain oxycodone prescriptions from WILLIAMSON. He also helped the individuals fill the prescriptions and arranged to resell the oxycodone to third parties. Three others -- MIGUEL ANGEL HERNANDEZ, SAETA, and ARROYO, a/k/a "Bori" -- assisted LENNY HERNANDEZ in obtaining and distributing oxycodone pills. Finally, MARTINEZ and GUILFORD obtained oxycodone prescriptions from WILLIAMSON -- despite having no medical need for the medication -- then used their government-provided health benefits to fill their prescriptions and sold the pills to LENNY HERNANDEZ and WILLIAMSON.

According to records obtained from the New York State Office of the Medicaid Inspector General, over the course of the conspiracy \$997,128 of \$4,392,832 in Medicaid drug expenses for medications prescribed by WILLIAMSON was attributable to Oxycontin prescriptions. Analysis of patient prescription data and surveillance during the course of the investigation established that approximately 11,000 oxycodone pills were obtained through health care fraud and distributed by members of the conspiracy.

Earlier today, law enforcement officers executed court-authorized search warrants on four locations where certain of the defendants distributed oxycodone, conducted health care fraud, or stored the proceeds of this illegal activity.

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The defendants each are charged with one count of conspiracy to distribute and possession with the intent to distribute a controlled substance, which carries a maximum penalty of 20 years in prison and maximum fine of \$1,000,000. WILLIAMSON, LENNY HERNANDEZ, MARTINEZ, and GUILFORD each are also charged with one count of conspiracy to commit health care fraud, which carries a maximum penalty of 20 years in prison and a maximum fine of \$250,000.

Mr. BHARARA praised the work of the FBI's New York Health Care Fraud Task Force -- which includes agents and officers of the FBI, the New York City Police Department, the NYS-OMIG, and the NYC-HRA -- and the DEA in the investigation of this case. The Task Force was formed in 2007 in an effort to combat health care fraud in the greater New York City-area and also includes agents and officers of the New York State Insurance Fraud Bureau, U.S. Department of Labor, U.S. Office of Personnel Management Inspector General, Food and Drug Administration, and the National Insurance Crime Bureau. Mr. BHARARA added that the investigation is continuing.

Manhattan U.S. Attorney PREET BHARARA stated: "Diana Williamson allegedly exploited her medical license by engaging in a scheme to prescribe profits for herself and her co-conspirators. In so doing, she betrayed the practice of medicine and, moreover, cheated an already-strapped Medicaid system out of almost a million dollars. This Office is committed to working with our partners on the New York Health Care Fraud Task Force and the DEA to combat the big money drain that fraud is to the multi-billion-dollar health care industry."

FBI Assistant Director-in-Charge JANICE K. FEDARCYK stated: "A doctor who commits Medicaid fraud by writing illicit prescriptions violates the law -- and the physician's oath to do no harm. Williamson and her co-defendants harmed the public by defrauding a taxpayer-funded program and by facilitating the abuse of a potentially dangerous drug. Health care fraud is an FBI priority because of its dual threat to the economy and to public safety."

DEA Special Agent-in-Charge JOHN P. GILBRIDE stated: "Law enforcement has combined multiple resources in order to fight the increased abuse of pharmaceutical drugs. Through concerted efforts with our local, state and federal law enforcement partners DEA has focused on those individuals who illegally purchase and distribute pharmaceutical drugs. Medication legally prescribed for individuals in pain is beneficial pain management, but like any illicit substance when it is abused and sold for no other reason than to make a profit it becomes a danger to the public and a violation of law."

New York City Police Commissioner RAYMOND W. KELLY stated: "The oath to 'do no harm' is turned on its head when a doctor's prescription pad is used for drug dealing. I want to commend our detectives and their Federal partners for their outstanding work in this important case."

Deputy Medicaid Inspector General for Investigations MICHAEL LITTLE stated: "The Office of the Medicaid Inspector General is proud of the work we did to contribute to these arrests. As an active member of the Task Force, the OMIG collaborates with members of law enforcement to stop fraudulent activities such as the use of Medicaid funds to purchase highly addictive drugs and then re-sell them for a profit. This case demonstrates clearly that New York State and the federal government will not tolerate this kind of behavior from health care professionals or recipients."

NYC-HRA Commissioner ROBERT DOAR stated: "New York City has zero tolerance for Medicaid providers who prey on the public and our health system through prescription drug diversion schemes. Not only is this criminal offense a drain on tax dollars, but it endangers public health. We look forward to continued cooperation with the Task Force to ensure that providers and others who set out to commit Medicaid fraud will be prosecuted to the fullest extent of the law."

This case is being handled by the Office's Narcotics Unit. Assistant U.S. Attorneys JANIS ECHENBERG, JUSTIN ANDERSON, SHANE T. STANSBURY and KAN NAWADAY are in charge of the prosecution.

The charges contained in the Complaint are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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