

JUSTICE NEWS

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Owner of Florida Pharmacy Pleads Guilty in \$100 Million Compounding Pharmacy Fraud Scheme; Real Properties, Cars and a 50-Foot Boat Will Be Forfeited

Seven Others Previously Pleaded Guilty

The president and owner of a Florida pharmacy that was at the center of a massive compounding pharmacy fraud scheme, which impacted private insurance companies, Medicare and TRICARE, pleaded guilty today for his role in the scheme. Seven other individuals have previously pleaded guilty in connection to the scheme. Various real properties, cars and a 50-foot boat will be forfeited as part of the guilty pleas.

Acting Assistant Attorney General Kenneth A. Blanco of the Justice Department's Criminal Division, Acting U.S. Attorney W. Stephen Muldrow of the Middle District of Florida, Special Agent in Charge Eric W. Sporre of the FBI's Tampa Field Office, Special Agent in Charge Robert F. Lasky of the FBI's Miami Field Office, Special Agent in Charge Shimon Richmond of the U.S. Department of Health and Human Services Office of Inspector General's (HHS-OIG) Miami Regional Office and Resident Agent in Charge Brooke Harris of the U.S. Defense Criminal Investigative Service's (DCIS) Tampa Regional Office made the announcement.

Nicholas A. Borgesano Jr., 45, of New Port Richey, Florida, the president and owner of A to Z Pharmacy of New Port Richey, pleaded guilty in the Middle District of Florida to one count of conspiracy to commit health care fraud and one count of conspiracy to engage in monetary transactions involving criminally derived property. His sentencing will be scheduled before U.S. District Judge James S. Moody Jr of the Middle District of Florida.

According to admissions made as part of his plea agreement, Borgesano owned and operated numerous pharmacies and shell companies that he and his co-conspirators used to execute a fraud scheme involving prescription compounded medications. The scheme generated over \$100 million in fraud proceeds, he admitted. Borgesano acquired and controlled A to Z Pharmacy in New Port Richey, Havana Pharmacy, Medplus/New Life Pharmacy and Metropolitan Pharmacy, all of Miami; and Jaimy Pharmacy and Prestige Pharmacy, both of Hialeah, Florida. He admitted using these pharmacies to cause the submission of false and fraudulent reimbursement claims for prescription compounded medications, chiefly pain creams and scar creams, to private insurance companies, Medicare and TRICARE. Borgesano admitted that he and his co-conspirators manipulated billing codes in the reimbursement claims and submitted reimbursement claims for pharmaceutical ingredients they did not have. Borgesano and his co-conspirators also paid kickbacks and bribes in exchange for prescriptions and patient identifying information used to further the scheme, including to a physician in exchange for the physician signing prescriptions for patients he never saw. Borgesano admitted using A to Z Pharmacy as the hub of his operation on behalf of all his pharmacies. He disbursed proceeds of the fraud scheme through a variety of methods, including by check and wire transfer to co-conspirators' shell companies and through the purchase of assets, he admitted.

In addition to Borgesano, the following defendants have previously pleaded guilty to conspiracy to commit health care fraud for their roles in the scheme:

- Bradley Sirkin, 55, of Boca Raton, Florida;
- Scott P. Piccininni, 49, of Fort Lauderdale, Florida;
- Edwin Patrick Young, 49, of New Port Richey, Florida;
- Wayne M. Kreisberg, 40, of Parkland, Florida;
- Matthew N. Sterner, 48, of New Port Richey, Florida;
- Peter B. Williams, 57, of New Port Richey, Florida; and
- Joseph Degregorio, 71, of New Port Richey, Florida

The cars that will be forfeited include a 1936 Ford Deluxe, a 1964 Chevrolet Corvette convertible, a 1967 Chevrolet Camaro, a 1970 Chevrolet Monte Carlo and a 2008 Lamborghini convertible. The boat that will be forfeited is a 2009 50'7" Cigarette racing boat. The cars and boat had previously been seized. The combined equity in the real properties, cars and boat that will be forfeited is over \$7.6 million. The real properties, cars and boat had been purchased with proceeds from the fraud scheme.

This case was investigated by the FBI with support from HHS-OIG and DCIS and was brought as part of the Medicare Fraud Strike Force, under the supervision of the Criminal Division's Fraud Section and the U.S. Attorney's Office for the Middle District of Florida. The case is being prosecuted by Senior Trial Attorney Christopher J. Hunter and Trial Attorney Timothy P. Loper of the Fraud Section.

The Fraud Section leads the Medicare Fraud Strike Force, which is part of a joint initiative between the Department of Justice and HHS to focus their efforts to prevent and deter fraud and enforce current anti-fraud laws around the country. The Medicare Fraud Strike Force operates in nine locations nationwide. Since its inception in March 2007, the Medicare Fraud Strike Force has charged over 3,500 defendants who collectively have falsely billed the Medicare program for over \$12.5 billion.

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