

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	
)	
v.)	
)	12 CR 487
JAMES BARTA,)	
GUSTAVO BUENROSTRO, and)	Violation: Title 18, United States
AMBROSIO MEDRANO)	Code, Section 371

The SPECIAL FEBRUARY 2011-2 GRAND JURY charges:

1. At times material to this indictment, Los Angeles County was a local government that received in excess of \$10,000 in federal funding in the twelve-month period from June 28, 2011, to June 27, 2012.

2. At times material to this indictment:

A. CW1 was an individual who, unbeknownst to the defendants, was cooperating with law enforcement.

B. UC1 was an undercover law enforcement agent posing as a procurement agent for private and public hospitals in Los Angeles.

C. Sav-Rx Prescription Services and its affiliated entities (collectively, “Sav-Rx”) were a national provider of managed care prescription services, with over 11,000,000 members nationwide. Sav-Rx was headquartered in Fremont, Nebraska.

D. Defendant JAMES BARTA was the President and owner of Sav-Rx.

E. Defendant GUSTAVO BUENROSTRO was an associate of BARTA who had previously worked on behalf of Sav-Rx.

F. Defendant AMBROSIO MEDRANO was an associate of BUENROSTRO.

G. UC1 informed defendants that UC1 had a connection to an official, UC2, who worked for the Los Angeles County hospital system.

3. From approximately on or about November 15, 2011, to approximately on or about June 28, 2012, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

JAMES BARTA,
GUSTAVO BUENROSTRO, and
AMBROSIO MEDRANO,

defendants herein, and others known and unknown to the Grand Jury, knowingly conspired and agreed with each other to commit offenses against the United States, namely to corruptly give, offer, and agree to give things of value, namely, money, including the payment of \$6,500 in United States Currency and the promise of additional payments, intending to influence and reward an agent of Los Angeles County in connection with a business, transaction and series of transactions of Los Angeles County involving a thing of value of \$5,000 or more, that is, a contract for Sav-Rx to provide pharmaceutical services to Los Angeles County, in violation of Title 18, United States Code, Section 666(a)(2).

Manner and Means of the Conspiracy

4. It was part of the conspiracy that BARTA, MEDRANO, and BUENROSTRO agreed to give UC1 and UC2 money in exchange for UC2 approving a contract for Sav-Rx to provide pharmaceutical services to Los Angeles County.

5. It was further part of the conspiracy that BARTA, MEDRANO, and BUENROSTRO agreed to have UC2 tailor Los Angeles County's request for proposals for the pharmaceutical services contract in such a way that only Sav-Rx would qualify for the contract.

6. It was further part of the conspiracy that BARTA, MEDRANO, and BUENROSTRO agreed to provide an initial \$10,000 payment to UC1 before the pharmaceutical services contract was approved.

7. It was further part of the conspiracy that BARTA, MEDRANO, and BUENROSTRO agreed to have UC1 provide UC2 with \$5,000 of the initial \$10,000 payment before the contract was approved.

8. It was further part of the conspiracy that BARTA, MEDRANO, and BUENROSTRO agreed that if UC2 did not obtain the pharmaceutical services contract for Sav-Rx, UC1 and UC2 would return the initial \$10,000 payment.

9. It was further part of the conspiracy that BARTA, MEDRANO, and BUENROSTRO agreed that BARTA would pay UC1 and UC2 \$6,500, and MEDRANO and BUENROSTRO would pay the remaining \$3,500 of the initial \$10,000 payment.

10. It was further part of the conspiracy that on or about June 22, 2012, BARTA, MEDRANO, and BUENROSTRO informed UC1 that they would not pay UC2 directly, but agreed that UC1 would provide the payments to UC2.

11. It was further part of the conspiracy that on or about June 22, 2012, BARTA provided UC1 with a check in the amount of \$6,500, which represented BARTA's portion of the initial \$10,000 payment.

12. It was further part of the conspiracy that on or about June 22, 2012, MEDRANO and BUENROSTRO agreed to pay UC1 the remaining \$3,500 within 30 days.

13. It was further part of the conspiracy that BARTA, MEDRANO, and BUENROSTRO agreed that after the contract was approved, they would pay UC1 and UC2 a percentage of the profits that BARTA, MEDRANO, and BUENROSTRO would receive as a result of Los Angeles County's contract with Sav-Rx.

14. It was further part of the conspiracy that BARTA, MEDRANO, and BUENROSTRO agreed that the back-end payments would be paid to UC1 through a minority-owned company run by MEDRANO and BUENROSTRO.

Overt Acts

15. In furtherance of the conspiracy and to effect its unlawful objectives, defendants BARTA, MEDRANO, and BUENROSTRO committed and caused to be committed the following overt acts, among others:

A. On or about November 23, 2011, MEDRANO called CW1 and informed CW1 that individuals associated with Sav-Rx were interested in meeting with UC1 and paying money to obtain a pharmaceutical services contract with Los Angeles County.

B. On or about November 28, 2011, MEDRANO forwarded an email from BUENROSTRO to CW1 containing information about Sav-Rx.

C. On or about December 15, 2011, MEDRANO and BUENROSTRO met with CW1 in Chicago and discussed paying money, through UC1, to UC2 to obtain a contract for Sav-Rx to perform pharmaceutical services for Los Angeles County.

D. On or about March 21, 2012, BARTA, MEDRANO, and BUENROSTRO met with UC1 and CW1 in Chicago and discussed paying UC1 and UC2 in exchange for UC2 approving a contract for Sav-Rx to provide pharmaceutical services to Los Angeles County.

E. On or about May 9, 2012, BARTA, MEDRANO, and BUENROSTRO met UC1 and CW1 in Chicago and further discussed paying UC1 and UC2 in connection with Sav-Rx obtaining the Los Angeles County pharmaceutical services contract.

F. On or about May 24, 2012, MEDRANO, BUENROSTRO, and UC1 met in Chicago and discussed UC2 drafting a request for proposal for Sav-Rx to obtain the Los Angeles County pharmaceutical services contract.

G. On or about June 12, 2012, BUENROSTRO spoke with UC1 on the telephone and stated that if Sav-Rx did not obtain the Los Angeles County contract,

BUENROSTRO, BARTA, and MEDRANO expected that UC1 would return the initial payment made to UC1 and UC2.

H. On or about June 18, 2012, BUENROSTRO spoke with UC1 on the telephone and stated that BARTA was prepared to provide money to UC1.

I. On or about June 22, 2012, MEDRANO and BUENROSTRO traveled to Omaha, Nebraska, to meet with UC1 and BARTA.

J. On or about June 22, 2012, BARTA gave \$6,500 to UC1.

All in violation of Title 18, United States Code, Section 371.

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY