

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

Case No. 18-80111-cr-Rosenberg/Reinhart

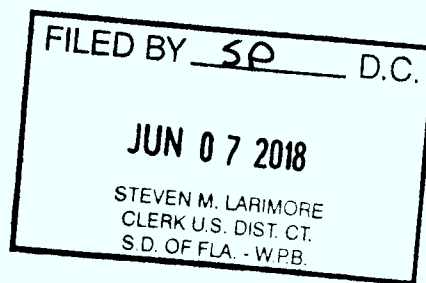
18 U.S.C. § 1349  
18 U.S.C. § 1347  
18 U.S.C. § 1952  
18 U.S.C. § 1956(h)  
18 U.S.C. § 1956(a)(1)(B)(i)  
18 U.S.C. § 981(a)(1)  
28 U.S.C. § 2461

UNITED STATES OF AMERICA

vs.

ERIC SNYDER,  
PAUL R. MATERIA,  
JOSEPH LUBOWITZ, and  
CHRISTOPHER FULLER,

Defendants.



INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

At all times material to this Indictment:

Federal Guidelines for Substance Abuse Treatment

1. The U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, Center for Substance Abuse Treatment ("SAMHSA") was tasked with establishing and implementing a comprehensive program to improve the provision of treatment and related services to individuals with respect to substance abuse and with protecting the legal rights of individuals who were substance abusers. 42 U.S.C. § 290aa.

2. “Substance abuse” was defined as “the abuse of alcohol or other drugs.” 42 U.S.C. § 290cc-34(4). “Treatment” meant “the management and care of a patient suffering from alcohol or drug abuse, a condition which is identified as having been caused by that abuse, or both, in order to reduce or eliminate the adverse effects upon the patient.” 42 C.F.R. § 2.11.

3. In addition to substance abuse treatment programs, SAMHSA promulgated guidelines for “sober homes.” Sober homes were living facilities where clients lived together in a drug-free and alcohol-free environment while working to maintain sobriety. Sober homes generally did not provide medical care or clinical services to their residents; such services were provided at a substance abuse treatment center. Clients at sober homes were expected to pay their own rent and utilities, allowing the sober homes to recover their costs. When properly managed, sober homes operated as alcohol and drug free residential environments for individuals attempting to abstain from alcohol and drugs.

4. Substance abuse treatment centers provided services, such as individual or group therapy sessions, to assist clients in overcoming their addictions. There were varying levels of treatment provided, including Partial Hospitalization Programs (“PHP”), Intensive Outpatient Programs (“IOP”), and Outpatient Programs (“OP”). PHPs, IOPs, or OPs could be billed to health care benefit programs when they were medically necessary and provided by, or overseen by, licensed medical professionals.

5. Pursuant to SAMHSA Guidelines, PHPs were formal substance abuse treatment programs that were provided to clients with mild to moderate symptoms of withdrawal that were not likely to be severe or life threatening and that did not require 24 hour medical support. PHPs were considered a “step down” from an inpatient detoxification program for patients with more severe and medically acute withdrawal symptoms. Clients attending PHPs were supposed to

participate in 30 or more hours of treatment per week, often provided in at least six hour-long sessions per day, for five days a week. Clients who successfully completed a PHP program would transition to IOP.

6. According to SAMHSA's Guidelines, IOPs were formal substance abuse treatment programs that adhered to a set of formal guidelines. IOPs had to be overseen by a qualified professional. Clients had to receive a thorough evaluation to determine the severity and stage of their illness, including medical and mental disorders. Qualified medical personnel were to assign clients to a formal treatment plan. The IOP was accountable for the treatment or referral of the client to additional services as necessary. The IOP was obligated to maintain contact with the client until recovery was completed. SAMHSA's Guidelines recommended that IOPs provided at least nine hours of treatment per week, typically in three, 3-hour sessions. Additionally, clients at IOPs were also supposed to attend at least one 30-60 minute individual counseling session per week.

7. Pursuant to SAMHSA's Guidelines, OPs, also known as "aftercare" or "continuing care," were traditional outpatient treatments that followed residential or intensive outpatient treatment ("IOP"). This type of treatment was generally associated with mutual help support groups such as the 12-Step programs used by Alcoholics Anonymous ("AA") and Narcotics Anonymous ("NA").

#### **Substance Abuse Treatment in Florida**

8. Substance abuse services in Florida were governed by the "Hal S. Marchman Alcohol and Other Drug Services Act" ("the Marchman Act"), Fl. Stat. § 397.301. Under the Marchman Act, private substance abuse service providers' policies regarding payment for services had to comply with federal and state law. Fl. Stat. § 397.431.

9. The “Florida Patient Brokering Act,” made it a felony offense for any person, health care provider, or health care facility, including any state licensed substance abuse service provider, to: “(a) Offer or pay any commission, bonus, rebate, kickback, or bribe, directly or indirectly, in cash or in kind, or engage in any split-fee arrangement, in any form whatsoever, to induce the referral of patients referral of patients or patronage to or from a health care provider or health care facility; (b) Solicit or receive any commission, bonus, rebate, kickback, or bribe, directly or indirectly, in cash or in kind, or engage in any split-fee arrangement, in any form whatsoever, in return for referring patients or patronage to or from a health care provider or health care facility; (c) Solicit or receive any commission, bonus, rebate, kickback, or bribe, directly or indirectly, in cash or in kind, or engage in any split-fee arrangement, in any form whatsoever, in return for the acceptance or acknowledgement of treatment from a health care provider or health care facility; or (d) Aid, abet, advise, or otherwise participate in the conduct prohibited under paragraph (a), paragraph (b), or paragraph (c).” Fla. Stat. § 817.505.

10. Florida law also provided that it was “a material omission and insurance fraud . . . for any service provider, other than a hospital, to engage in a general business practice of billing amounts as its usual and customary charge, if such provider has agreed with the insured or intends to waive deductibles or copayments, or does not for any other reason intend to collect the total amount of such charge.” Fla. Stat. § 817.234(7)(a).

#### **Payment for Residing at Sober Homes**

11. Unlike substance abuse treatment centers, sober homes generally did not provide medical care or clinical services that could be reimbursed by health insurance. While there were federal and state guidelines, sober homes were not licensed or funded by state or local governments. Since sober homes were ostensibly places to live, legitimate sober homes generated income through

the collection of weekly or monthly rent paid by their residents, just as with any landlord-tenant relationship.

**Payment for Substance Abuse Treatment**

12. Insurance coverage for substance abuse treatment and testing was available through a number of avenues, including federal health care benefits programs like the Federal Employees Health Benefits Program (“FEHBP”), health plans sponsored by employers (including the National Railroad Passenger Corporation [“Amtrak”] employee health care benefit plans), and health plans offered directly by private insurance companies. Health plans sponsored by private employers were governed by the Employee Retirement Income Security Act of 1974 (“ERISA”), 29 U.S.C. §§ 1001, et. seq., while those sponsored by government employer and certain others are exempted from ERISA’s jurisdiction.

13. Both ERISA and non-ERISA health benefit plans, including Affordable Care Act plans, were offered or administered by private insurance companies.

14. Aetna Health Management LLC and Aetna Life Insurance for Members (“Aetna”); Blue Cross/Blue Shield (“BCBS”); Cigna Healthcare (“Cigna”); Humana Inc. (“Humana”); Medical of Ohio (“Med Mutual”); United Health Group, Inc. (“United”); Adventist Health Care Claims; Allegiant; Ceridian COBRA Continuation Services; Conway Regional Health System; Coresource; HealthSmart Benefit Solutions; Horizon BlueCross/Blue Shield of New Jersey; International Organization of Masters; Mates & Pilots; Kaiser Permanente; Magnacare; National Association of Letter Carriers Health Benefit Plan; Old Dominion Insurance Co.; Preferred Medical Claim Solutions; Tufts Health Plan; Unicare Life & Health Ins. Co.; Value Options, FEHBP; and Amtrak Health Benefit Plan were health insurance providers doing business in the State of Florida.

15. The health insurance providers described above in paragraphs 12 through 14 (collectively referred to hereinafter as “the Insurance Plans”) were “health care benefit programs,” as defined in Title 18, United States Code, Section 24(b), that is “public or private plans or contracts, affecting commerce, under which any medical benefit, item or service is provided to any individual.”

16. Under the terms of the insurance policies and consistent with state and federal law, the Insurance Plans were only responsible for claims for services that: (a) were medically necessary and actually rendered, (b) were provided by a properly licensed service provider, and (c) complied with the terms of the health care plans, including the obligation to pay co-insurance and deductibles.

#### **Bodily Fluid Testing**

17. Bodily fluid testing could be used to detect recent drug or alcohol use by a client by conducting various tests on a client’s urine, blood, and saliva.

18. To aid in the processing and adjudication of claims, health care benefits programs used standardized codes to describe clients’ diagnoses, tests, treatments, and procedures for which health care providers sought payment and reimbursement. The procedural codes used by substance abuse treatment centers to bill health care benefits programs for these items included:

<b>CPT CODE – Current Procedural Terminology Code</b>	<b>Procedural Code Description</b>
H0015	IOP – Intensive Outpatient Program Drug and Alcohol
H0035	PHP – Partial Hospitalization Program Drug and Alcohol
H0048	Drug and Alcohol Testing
80101	Drug Screen – Qualitative; Single Drug Class Method
80152	Drug Test – Amitriptylineam

<b>CPT CODE – Current Procedural Terminology Code</b>	<b>Procedural Code Description</b>
80160	Drug Test - Desipramine
80166	Drug Test - Doxepin
80174	Drug Test – Imipramine
80182	Drug Test – Nortriptyline
82055	Alcohol Testing – No Breath
82542	Mass Spectrometry – Column Chromatography
82646	Drug Test – Dihydrocodeinone
82649	Drug Test - Dihydromorphinone
83925	Drug Test - Opiates
90853	Group Psychotherapy

19. Like other medical tests, bodily fluid testing could be billed and reimbursed pursuant to the terms of the insurance policy. The Insurance Plans were only responsible for claims for testing that was “medically necessary,” actually performed, prescribed, and conducted by a properly licensed service provider, and conducted and billed in compliance with the terms of the health care plan, including the obligation to pay co-insurance.

20. Urine Analysis or Urinalysis (“UA”) testing ranged in complexity from screening tests—also known as point of care (“POC”) testing—which provided instant results and was relatively simple and inexpensive, to confirmatory testing, which was sent to a laboratory for more complex analysis and was substantially more expensive. Laboratories could also conduct complex analysis on blood and saliva samples.

21. Point of Care (“POC”) urine testing involved collecting a client’s urine in a specific cup designed for testing. The specimen was analyzed using a color banded or numbered dipstick, allowing for visual positive or negative results. POC urine testing usually tested for the presence of nine to thirteen specific types of drugs. POC tests typically cost between \$5 and \$10 and could be read easily by a layperson. This testing was convenient, less costly, and the results could be read quickly. POC testing was the most common form of testing performed at sober homes and treatment facilities.

22. Confirmatory testing, conducted in a laboratory setting, made use of gas liquid chromatography, mass spectrometry, and/or gas chromatography, or high performance liquid chromatography, to analyze the client’s urine specimen. These techniques were highly sensitive, and accurately and definitively identified specific substances and the quantitative concentrations of the drugs or their metabolites. Confirmatory testing was more precise, more sensitive, and detected more substances than other types of urine testing. Results of confirmatory testing took longer and were significantly more expensive.

### **Defendants and Related Entities**

#### **The Treatment Center**

23. Real Life Recovery Delray, LLC (“RLR”) was located at 258 S.E. 6th Avenue, Suite 7, Delray Beach, Florida, in Palm Beach County. RLR purported to operate as a licensed “substance abuse service provider” or “substance abuse treatment center,” that is, it purportedly offered clinical treatment services for persons suffering from alcohol and drug addiction. According to corporate records filed with the State of Florida, RLR was incorporated on or about May 16, 2011. **ERIC SNYDER** was listed as one of three Managing Members of RLR. **SNYDER** became the sole Managing Member and owner of RLR on August 27, 2013.



### **The Sober Home**

24. A Safe Place, LLC (“ASP”) was a multi-bed residence located at 1100 SW 4th Avenue, Apartment 21B, Delray Beach, Florida, in Palm Beach County, purporting to operate as a “recovery residence,” also referred to as a “sober home.” According to corporate records filed with the State of Florida, ASP was incorporated on December 3, 2010, with **ERIC SNYDER** as the Registered Agent and one of two Managing Members. **SNYDER** became the sole Managing Member and owner of ASP on March 20, 2014. ASP’s corporate bank accounts opened in January 2011 referred that it did business as Halfway There Florida, LLC. (“HWT”)

25. HWT was a multi-bed residence in Palm Beach County, Florida, located at 1100 SW 4th Avenue, Delray Beach, Florida, purporting to operate as a “recovery residence,” also referred to as a “sober home.” According to corporate records filed with the State of Florida, HWT was incorporated on September 4, 2013, and **ERIC SNYDER** became the sole owner of HWT on October 2, 2013.

26. HWT/ASP and RLR (collectively “HWT/RLR”) were separate legal entities, but functioned as the same business. HWT/ASP was the “sober home” portion of the business, while RLR served as the “substance abuse treatment center” or substance abuse treatment portion of the business. RLR billed health care benefits programs for substance abuse treatment services it purportedly rendered to HWT/ASP “sober home” residents, also referred to as “clients.” Most HWT/RLR clients were between the ages of 18 and 26 years old, and were dependent on their parents’ health insurance, which covered addiction treatment services. Occasionally, HWT/RLR would accept uninsured clients who were referred to as “scholarship” clients or patients.

27. HWT/RLR submitted claims for reimbursement to more than twenty health benefit plans, including the FEHBP plans, Amtrak’s established plans, and private ERISA and non-ERISA

health benefit plans, and to the health benefit programs listed above in paragraph 14 (“the Insurance Plans”).

28. From approximately January 2011 through September 2015, HWT/RLR submitted claims for substance abuse treatment services in excess of approximately \$58,209,385 to the Insurance Plans, and received insurance payments of approximately \$20,190,941.

### **The Defendants**

29. **ERIC SNYDER**, a resident of Palm Beach County, Florida, was the founder and owner of HWT/RLR, along with Individual #1. In or around August to October of 2013, **SNYDER** became the sole owner of HWT/RLR. **SNYDER** managed all aspects of the treatment center and sober home, including hiring and firing personnel, admitting and discharging patients, and making financial decisions. **SNYDER** was a signatory on all HWT/RLR corporate bank accounts. **SNYDER** was also the owner of Eric Snyder Inc.; Klean Consulting Group LLC; No Limit Management, LLC; and No Limit Holdings, LLC. All of these corporations were located in Palm Beach County and incorporated in the State of Florida.

30. **PAUL R. MATERIA**, a resident of Port St. Lucie County, Florida, was the Chief Executive Officer (CEO) of RLR and responsible for day-to-day operations. **MATERIA** reported directly to **ERIC SNYDER**, and was responsible for the majority of the insurance billings at HWT/RLR. **MATERIA** directed and supervised the lab technicians responsible for the UA testing procedures in RLR’s on-site laboratory. **MATERIA** also owned Lifeline Consulting LLC, and Treatment Center Consulting, LLC. Both of these corporations were located in St. Lucie County, FL and incorporated in the State of Florida. Even though he did not appear on the corporate documents, **MATERIA** was an owner of Apex Billing, Inc., a/k/a Apex Financial Enterprises Inc.,

which was responsible for the billing for HWT/RLR beginning in 2014. Apex Billing, Inc., was located in St. Lucie County, FL and incorporated in the State of Florida.

31. **JOSEPH LUBOWITZ**, a Pennsylvania State resident as well as a resident of Palm Beach County, Florida, was a patient broker who recruited clients for HWT/RLR. **LUBOWITZ** sent clients from the northeast United States to treatment centers in South Florida. **LUBOWITZ** owned multiple companies, including: Tri-State Treatment Connections, LLC; Big Business of Delray, LLC; and JAL Management & Consulting LLC. All of these corporations were located in Palm Beach County, FL and incorporated in the State of Florida. **LUBOWITZ** also owned Humble Beginnings Recovery Centers, which was located in Camden County, New Jersey, and incorporated in the State of New Jersey. **LUBOWITZ** was paid a commission for each client he sent to HWT/RLR.

32. **CHRISTOPHER FULLER**, a resident of Palm Beach County, Florida, was a patient broker who recruited clients for HWT/RLR. **FULLER** was the owner of Surrender and Survive, Inc., which was located in Palm Beach County, FL and incorporated in the State of Florida. **FULLER** received a “consulting” fee in exchange for recruiting patients to HWT/RLR.

33. HWT/RLR required clients to undergo a urine drug screen two to four times per week. Regardless of the drug screen results, urine specimens were sent to external laboratories for routine confirmatory testing.

34. HWT/RLR and external laboratories treated insured patients with two different expensive automated drug screens: a qualitative test that measured the presence or absence of a drug or its metabolites, followed by a quantitative test that measured how much of a drug or its metabolite was present in the urine. During certain periods patients without insurance would not

get any confirmatory testing at external laboratories and were tested using only less expensive in-house testing, which included dipstick POCs and analyzers.

35. When a patient tested positive for something he or she should not have been taking, HWT/RLR seldom took action or imposed consequences for clients with insurance. Rarely were insured clients evicted from the sober home facility. Often, urine was collected but not tested, or urine was tested but the test results were not reviewed for days or weeks.

36. HWT/RLR ordered excessive, medically unnecessary confirmatory urine testing from external laboratories, and failed to use the results of these tests to guide treatment of their clients.

37. HWT/RLR treated uninsured patients differently than insured patients by giving them different laboratory tests based only on their method of payment, and for reasons that had nothing to do with their treatment.

**COUNT 1**  
**Conspiracy to Commit Health Care Fraud and Wire Fraud**  
**(18 U.S.C. § 1349)**

1. The General Allegations section of this Indictment is re-alleged and incorporated by reference as though fully set forth herein.

2. From in or around January of 2011, through in or around September of 2015, in Palm Beach County, in the Southern District of Florida, and elsewhere, the defendants,

**ERIC SNYDER,**  
**PAUL R. MATERIA,**  
**JOSEPH LUBOWITZ, and**  
**CHRISTOPHER FULLER,**

did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate and agree with each other, and others, known and unknown to the Grand Jury, to commit offenses against the United States, that is:

a. to knowingly and willfully execute and attempt to execute a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, the Insurance Plans, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, said health care benefit programs, in connection with the delivery of and payment for health care benefits, items, and services, in violation of Title 18, United States Code, Section 1347; and

b. to knowingly and with the intent to defraud, devise and intend to devise a scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing the pretenses, representations, and promises were false and fraudulent when made, and for the purpose of executing the scheme and artifice, did knowingly transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, certain writings, signs, signals, pictures and sounds, in violation of Title 18, United States Code, Section 1343.

#### **Purpose of the Conspiracy**

3. It was a purpose of the conspiracy for the defendants and their conspirators to unjustly enrich themselves by, among other things: (a) submitting and causing the submission of false and fraudulent claims to the Insurance Plans; (b) concealing the submission of false and fraudulent claims to the Insurance Plans, and the receipt and transfer of fraud proceeds; and (c) diverting the fraud proceeds for their personal use and benefit, the use and benefit of others, and to further the fraud.

#### **Manner and Means of the Conspiracy**

The manner and means by which the defendants and their conspirators sought to accomplish the objects and purpose of the conspiracy included:

4. **ERIC SNYDER** and conspirators established HWT, a sober home, which was purportedly in the business of providing a safe and drug-free residence for individuals suffering from drug and alcohol addiction.

5. **ERIC SNYDER** and conspirators established RLR, a substance abuse treatment center, which was purportedly in the business of providing effective clinical treatment services for persons suffering from alcohol and drug addiction.

6. To obtain residents for HWT and patients for RLR, the defendants provided kickbacks and bribes in the form of free or reduced rent, payment for travel, and other benefits to individuals with insurance who agreed to reside at HWT, and to attend drug treatment, often in the form of PHP and/or IOP sessions, and submit to regular and random drug testing (typically three or more times per week) at RLR, so members of the conspiracy could bill the substance abuse treatment and testing to the residents' Insurance Plans.

7. Defendants further paid patient recruiters kickbacks and bribes to provide patients to HWT/RLR, including but not limited to payments to **JOSEPH LUBOWITZ, CHRISTOPHER FULLER**, and others, in return for referring individuals to serve as patients at HWT/RLR.

8. In many instances, individual patients did not attend the purported IOP and/or PHP sessions and other sessions at RLR, and did not provide bodily fluid samples for testing. On such occasions, defendants and conspirators caused employees of HWT/RLR, and patients at HWT/RLR, to forge patients' signatures on sign-in sheets, to backdate forms, and to create fraudulent documents to make it appear as though absent patients had attended treatment and submitted bodily fluid samples.

9. **ERIC SNYDER, PAUL MATERIA**, and other conspirators caused confirmatory testing to be performed and substance abuse treatment to be billed for patients knowing that the

patients were not present at RLR, and did not receive treatment and/or submit bodily fluid samples for testing at the treatment center.

10. In order to entice patients to enroll in and remain at HWT/RLR for substance abuse treatment and testing so that conspirators could collect reimbursement from the Insurance Plans, HWT/RLR deliberately did not collect mandatory co-pays, deductibles, and other co-insurance from patients. Conspirators did not inform the Insurance Plans that they were not collecting the co-insurance payments as required by the terms of the Insurance Plans, and by law in the State of Florida.

11. **ERIC SNYDER** and other conspirators hired doctors to serve as medical directors of RLR. **SNYDER** paid the doctors a monthly salary, and in return the doctors ordered drug testing for the substance abuse treatment center's patients, regardless of whether such testing was medically necessary or conducted and billed in compliance with the terms of the patients Insurance Plans.

12. **ERIC SNYDER, PAUL MATERIA**, and other conspirators ordered and caused the ordering of expensive urine drug screens and tests which were not medically necessary or reimbursable by the Insurance Plans, in that: (i) the tests were double billed by both HWT and RLR for the same patients on the same days; (ii) the confirmatory tests were duplicative because patients' urine samples were deliberately spilt and sent to multiple laboratories for the same tests and/or for different tests that could have been accomplished by one laboratory; (iii) the tests were performed by outside laboratories but were billed to the Insurance Plans by HWT/RLR as if HWT/RLR had performed the tests; (iv) the tests results were not timely reviewed or used by a doctor or treatment professional in developing or modifying the patients' treatment plans; (v) tests were not ordered and/or authorized until after the tests were performed; and (vi) the tests were not determined to be medically necessary on an individualized basis by a doctor prior to being performed.

13. Defendants and conspirators submitted and caused the submission to the Insurance Plans of fraudulent insurance claims, via interstate and foreign wires, that falsely and fraudulently represented that various health care benefits, primarily substance abuse treatment and bodily fluid testing, qualified for reimbursement and were medically necessary and actually provided, when, in fact, some of the claimed benefits were not provided, and were not medically necessary. These fraudulent claims further failed to disclose that patients had not been asked to pay their co-payments and deductibles, and failed to disclose that HWT/RLR's patients had been obtained through kickbacks, bribes, and other remuneration paid to patients in violation of the laws of the State of Florida.

14. HWT/RLR billed approximately \$58,209,385 to the Insurance Plans. As a result of such false and fraudulent claims, HWT/RLR received insurance payments of approximately \$20,190,941 from said Insurance Plans.

15. The defendants and conspirators used the proceeds from the false and fraudulent claims for their own use and the use of others, and to further the fraud.

All in violation of Title 18, United States Code, Section 1349.

**COUNTS 2-12**  
**Health Care Fraud**  
**(18 U.S.C. § 1347)**

1. The General Allegations section of this Indictment is re-alleged and incorporated by reference as though fully set forth herein.

2. From in or around January of 2011, through in or around September of 2015, in Palm Beach County, in the Southern District of Florida, and elsewhere, the defendants,

**ERIC SNYDER,**  
**PAUL R. MATERIA,**  
**JOSEPH LUBOWITZ, and**  
**CHRISTOPHER FULLER,**



in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, the Insurance Plans, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, these health care benefit programs.

**Purpose of the Scheme and Artifice**

3. It was a purpose of the scheme and artifice for the defendants and their accomplices to unlawfully enrich themselves by, among other things: (a) submitting and causing the submission of false and fraudulent claims to the Insurance Plans; (b) concealing the submission of false and fraudulent claims to the Insurance Plans, and the receipt and transfer of fraud proceeds; and (c) diverting fraud proceeds for their personal use and benefit, the use and benefit of others, and to further the fraud.

**The Scheme and Artifice**

4. The allegations contained in the Manner and Means of the Conspiracy section of Count 1 are re-alleged and incorporated by reference as though fully set forth herein as a description of the scheme and artifice.

**Acts in Execution or Attempted Execution of the Scheme and Artifice**

5. On or about the dates set forth below, in Palm Beach County, in the Southern District of Florida, and elsewhere, the defendants, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute, and attempt to execute, the above-described scheme and artifice to defraud a health care benefit program affecting commerce, as defined by Title 18, United States Code, Section 24(b), that is, the Insurance Plans, and to obtain,

by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, said health care benefit programs, in that the defendants submitted and caused the submission of false and fraudulent claims seeking the identified dollar amounts, representing that the services listed below were provided to patients covered by the Insurance Plans:

<b>Count</b>	<b>Defendant(s)</b>	<b>Approx. Claim Date</b>	<b>Patient</b>	<b>Approx. Claim Amount</b>	<b>Benefit Provider/ Claim No.</b>	<b>Description of Claim</b>
2	<b>ERIC SNYDER</b>	06/13/13	S.B.	\$2,450	Aetna Claim No. EHFA7Q93K00	Claim for CPT Codes 80101, 82055, H0015, and H0048
3	<b>ERIC SNYDER</b>	06/25/13	C.B.	\$875	Med Mutual Claim No. 3176614245	Claim for CPT Code H0015
4	<b>ERIC SNYDER</b>	07/19/13	C.R.	\$250	BC/BS Claim No. H100000363045428	Claim for CPT Code 90853
5	<b>ERIC SNYDER and CHRISTOPHER FULLER</b>	09/18/13	M.H.	\$2,050	BCBS Claim No. H00001R541693105	Claim for CPT Code H0015
6	<b>ERIC SNYDER</b>	12/30/13	L.A.	\$4,100	BCBS Claim No. H100000387114192	Claim for CPT Code H0015
7	<b>ERIC SNYDER and PAUL MATERIA</b>	04/01/14	A.B.	\$1,254	BC/BS Claim No. H100000401470766	Claim for CPT Codes 82542, 82646, 82649, 80152, 80160, 80174, 80182, 80166, 82542, and 83925
8	<b>ERIC SNYDER and PAUL MATERIA</b>	04/01/14	A.B.	\$1,500	BC/BS Claim No. H100000401470497	Claim for CPT Code 80101
9	<b>ERIC SNYDER and PAUL MATERIA</b>	5/21/14	J.K.	\$1,254	BC/BS Claim No. H100000409827549	Claim for CPT Codes 80152, 80160, 80166, 80174, 80182, 82542, 82646, 82649, and 83925

Count	Defendant	Approx. Claim Date	Patient	Approx. Claim Amount	Benefit Provider/ Claim No.	Description of Claim
10	<b>ERIC SNYDER and PAUL MATERIA</b>	5/22/14	J.K.	\$1,500	BC/BS Claim No. H100000410025720	Claim for CPT Code 80101
11	<b>ERIC SNYDER, PAUL MATERIA, and JOSEPH LUBOWITZ</b>	05/22/14	T.A.	\$2,950	BC/BS Claim Nos. H100000410026475	Claim for CPT Code H0035
12	<b>ERIC SNYDER, PAUL MATERIA, and CHRISTOPHER FULLER</b>	07/14/14	C.S.	\$1,475	BC/BS Claim No. H100000418371487	Claim for CPT Code H0035

In violation of Title 18, United States Code, Sections 1347 and 2.

**COUNTS 13-15**

**Travel Act and Aiding and Abetting Patient Brokering (Kickbacks and Bribery)  
(18 U.S.C. § 1952(a)(3))**

1. The General Allegations section of this Indictment, and the allegations in the Manner and Means Section of the Conspiracy in Count 1 of this Indictment referring only to **ERIC SNYDER**, and those in paragraph 7 referring only to **JOSEPH LUBOWITZ**, are re-alleged and incorporated by reference as if fully set forth herein.

2. On or about the dates set forth below, in Palm Beach County, in the Southern District of Florida, and elsewhere, the defendants,

**ERIC SNYDER and  
JOSEPH LUBOWITZ,**

used, aided and abetted the use of, and willfully caused the use of mail and facilities in interstate commerce, with the intent to otherwise promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of an unlawful activity, namely, kickbacks and bribes in violation of the State of Florida Patient Brokering Act, Fla. Stat. § 817.505, and

thereafter performed, attempted to perform, and aided and abetted and willfully caused the performance of an act to promote, manage, establish, and carry on, and to facilitate the promotion, management, establishment, and carrying on of such unlawful activity as follows:

<b>COUNT</b>	<b>DEFENDANT(s)</b>	<b>APPROX. DATE</b>	<b>TRAVEL OR USE OF FACILITY IN INTERSTATE COMMERCE</b>	<b>ACTS PERFORMED THEREAFTER</b>
<b>13</b>	<b>ERIC SNYDER and JOSEPH LUBOWITZ</b>	07/30/2013	Purchase and use of AirTran airline ticket by Tri-State Treatment from Tri-State Treatment bank account ending in 5915 for patient C.Z. in the amount of \$399	On or about July 2013, patient C.Z. was enrolled at HWT/RLR, and was not charged rent. <b>JOSEPH LUBOWITZ</b> was paid a kickback for referring C.Z., and the Insurance Plans were billed for addiction treatment purportedly provided to C.Z. by HWT/RLR.
<b>14</b>	<b>ERIC SNYDER and JOSEPH LUBOWITZ</b>	04/15/2014	Purchase and use of US Airways airline ticket by RLR from RLR bank account ending in 9920 for patient T.A. in the amount of \$395	On or about April 2014, patient T.A. was enrolled at HWT/RLR, and was not charged rent. <b>JOSEPH LUBOWITZ</b> was paid a kickback for referring T.A., and the Insurance Plans were billed for addiction treatment purportedly provided to T.A. by HWT/RLR.
<b>15</b>	<b>ERIC SNYDER</b>	10/30/2014	Purchase and use of Spirit Airlines airline ticket by RLR from RLR bank account ending in 9920 for patient J.G. in the amount of \$252	On or about October 2014, patient J.G. was enrolled at HWT/RLR, and was not charged rent. A kickback was paid to Tri-State Treatment for referring J.G., and the Insurance Plans were billed for addiction treatment purportedly provided to J.G. by HWT/RLR .

In violation of Title 18, United States Code, Sections 1952(a)(3), and 2.

**COUNT 16**  
**Conspiracy to Commit Money Laundering**  
**(18 U.S.C. § 1956(h))**

From in and around January 2011, through in or around September 2015, in Palm Beach County, in the Southern District of Florida, and elsewhere, the defendants,

**ERIC SNYDER,**  
**PAUL R. MATERIA,**  
**JOSEPH LUBOWITZ, and**  
**CHRISTOPHER FULLER,**

did willfully, that is, with intent to further the object of the conspiracy, and knowingly combine, conspire, confederate, and agree with each other and with others, known and unknown to the Grand Jury, to violate Title 18, United States Code, Section 1956(a)(1)(B)(i), that is, to knowingly conduct a financial transaction affecting interstate and foreign commerce involving the proceeds of specified unlawful activity, knowing that the property involved in such financial transaction represented the proceeds of some form of unlawful activity, and knowing that such financial transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity.

It is further alleged that the specified unlawful activity is health care fraud and conspiracy to commit health care fraud, in violation of Title 18, United States Code, Sections 1347 and 1349.

All in violation of Title 18, United States Code, Section 1956(h).

**COUNTS 17-23**  
**Money Laundering**  
**(18 .S.C. § 1956(a)(1)(B)(i))**

On or about the date specified as to each count below, in Palm Beach County, in the Southern District of Florida, and elsewhere, the defendants did knowingly conduct and attempt to conduct a financial transaction affecting interstate and foreign commerce, which financial transaction involved the proceeds of specified unlawful activity, knowing that the property involved

in the financial transaction represented the proceeds of some form of unlawful activity, and knowing that such transaction was designed, in whole and in part, to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity, as more specifically described below:

<b>Count</b>	<b>Defendants</b>	<b>Approximate Date</b>	<b>Financial Transaction</b>
17	<b>ERIC SNYDER and JOSEPH LUBOWITZ</b>	07/01/2013	Negotiated RLR Check No. 1511 for \$9,000 using an account ending in 1976 at Wells Fargo Bank made payable to Tri-State Treatment, and deposited into Tri-State Treatment account ending in 5915 at Wells Fargo Bank.
18	<b>ERIC SNYDER and JOSEPH LUBOWITZ</b>	08/20/2013	Negotiated RLR Check No. 1504 for \$9,000 using an account ending in 1976 at Wells Fargo Bank made payable to Tri-State Treatment and deposited into Tri-State Treatment account ending in 5915 at Wells Fargo Bank.
19	<b>ERIC SNYDER and JOSEPH LUBOWITZ</b>	11/01/2013	Negotiated Lifeline Consulting Check No. 1001 for \$2,500 using an account ending in 9112 at Bank of America made payable to Tri-State Treatment and deposited into Tri-State Treatment account ending in 5915 at Wells Fargo Bank.
20	<b>PAUL MATERIA and JOSEPH LUBOWITZ</b>	01/06/2014	Negotiated Tri-State Treatment Check No. 2106 for \$1,000 using an account ending in 5915 at Wells Fargo Bank made payable to <b>PAUL MATERIA</b> .
21	<b>ERIC SNYDER and CHRISTOPHER FULLER</b>	07/23/2014	Negotiated RLR Check No. 1763 for \$5,000 using an account ending in 9904 at Wells Fargo Bank made payable to <b>CHRISTOPHER FULLER</b> , and deposited into his account ending in 5098 at Wells Fargo Bank.
22	<b>ERIC SNYDER and PAUL MATERIA</b>	08/20/2014	Negotiated RLR Check No. 1900 for \$2,000 using an account ending in 9904 at Wells Fargo Bank made payable to <b>PAUL MATERIA</b> .
23	<b>ERIC SNYDER and PAUL MATERIA</b>	11/14/2014	Purchased Cashier's Check No. 1223702751 for \$10,000 using an Apex Billing account ending in 5044 made payable to No Limit Management, and deposited into No Limit Management account ending in 7366 at Wells Fargo Bank.

It is further alleged that the specified unlawful activity is health care fraud and conspiracy to commit health care fraud, in violation of Title 18, United States Code, Sections 1347 and 1349.

In violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

**FORFEITURE**  
**(18 U.S.C. § 982(a)(1) and (a)(7))**

1. The allegations of Counts 1-12 of this Indictment are re-alleged and incorporated by reference for the purpose of alleging forfeiture to the United States, pursuant to the provisions of Title 18, United States Code, Sections 982(a)(1) and (a)(7).

2. Upon conviction of any of Counts 1-11, charging offenses in violation of Title 18, United States Code, Sections 1347 and 1349 (Health Care Fraud, and Conspiracy to Commit Health Care Fraud and Wire Fraud), the defendants so convicted shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(7), any property, real or personal, which constitutes or is derived from proceeds traceable to the offense. The property to be forfeited includes the following:

- a. A request for a money judgment in the amount of \$20,190,941, representing the approximate total amount of fraud proceeds defendants obtained, directly or indirectly, from the offenses alleged in Counts 1-12 of the Indictment;
- b. A single family residence located 14948 Markland Lane, Delray Beach, Florida;
- c. A single family residence located 426 Lucky Lane, Delray Beach, Florida;
- d. A single family residence located 430 Lucky Lane, Delray Beach, Florida;
- e. A single family residence located 514 Lucky Lane, Delray Beach, Florida;
- f. A single family residence located 518 Lucky Lane, Delray Beach, Florida;
- g. A single family residence located 522 Lucky Lane, Delray Beach, Florida;



h. Vacant lots located at Lots 12, 13, 14, and 15, block 5, SOUTHRIDGE PLAT NO. 2, according to the plat thereof recorded in Plat Book 13, Page 39, in the Public Records of Palm Beach County, Florida.

3. The allegations of Counts 16 to 23 of this Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 982(a)(1).

4. Upon conviction of Counts 16 to 23 of the Indictment, charging an offense in violation of Title 18, United States Code, Section 1956, the defendants so convicted shall forfeit to the United States any property, real or personal, involved in such offense, pursuant to Title 18, United States Code, Section 982(a)(1). The property to be forfeited includes the following:

- a. A request for a money judgment in the amount of \$20,190,941, representing the approximate total amount of fraud proceeds defendants obtained, directly or indirectly, from the offenses alleged in Counts 16 to 23 of the Indictment;
- b. A single family residence located 14948 Markland Lane, Delray Beach, Florida;
- c. A single family residence located 426 Lucky Lane, Delray Beach, Florida;
- d. A single family residence located 430 Lucky Lane, Delray Beach, Florida;
- e. A single family residence located 514 Lucky Lane, Delray Beach, Florida;
- f. A single family residence located 518 Lucky Lane, Delray Beach, Florida;
- g. A single family residence located 522 Lucky Lane, Delray Beach, Florida;
- h. Vacant lots located at Lots 12, 13, 14, and 15, block 5, SOUTHRIDGE PLAT NO. 2, according to the plat thereof recorded in Plat Book 13, Page 39, in the Public Records of Palm Beach County, Florida.

5. If any of the property described above, as a result of any act or omission of the



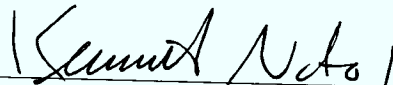
defendants:


- 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,

then the United States 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).

All pursuant to Title 18, United States Code, Section 982 (a)(1) and (a)(7).

  
A TRUE BILL  
FOREPERSON 

  
BENJAMIN G. GREENBERG  
UNITED STATES ATTORNEY

  
JAMES V. HAYES  
ASSISTANT UNITED STATES ATTORNEY