

The United States Attorney's Office

Press Release

TWO CHARGED IN COMPUTER FRAUD, IDENTITY THEFT AND HEALTH CARE FRAUD CONSPIRACY

September 8, 2006

FOR IMMEDIATE RELEASE

R. Alexander Acosta, United States Attorney for the Southern District of Florida, and Jonathan I. Solomon, Special Agent in Charge, Federal Bureau of Investigation, Miami Field Office, announced today that defendants **Fernando Ferrer, Jr.**, of Naples, and **Isis Machado**, of Miami Lakes, were charged in an eight (8) count Indictment.

Specifically, the Indictment charges **Fernando Ferrer, Jr.** and **Isis Machado** with one count of conspiracy to commit computer fraud, conspiracy to commit identity theft and conspiracy to wrongfully disclose individually identifiable health information, in violation of 18 U.S.C. § 371 (Count 1). The Indictment also charges both defendants with fraud in connection with computers, in violation of 18 U.S.C. § 1030 (Count 2). In addition, the defendants are charged with violating the Health Insurance Portability and Accountability Act (HIPAA), through their wrongful disclosure of individually identifiable health information, in violation of 42 U.S.C. § 1320d-6(a)(2) (Count 3). Lastly, the defendants are also charged with five counts of aggravated identity theft, in violation of 18 U.S.C. § 1028A (Counts 4 - 8).

According to the Indictment, defendant Machado was employed at the Cleveland Clinic's Weston Office from May 2005 to June 2006 as a front desk office coordinator, with access to computerized patient information in the performance of her duties. Machado allegedly wrongfully accessed the Cleveland Clinic's computerized patient files and downloaded the personal identification information of more than 1,100 patients. This information included patients' names, dates of birth, Social Security numbers, Medicare numbers, and home addresses. Machado sold the patient information to her cousin, co-defendant Ferrer, who caused the stolen patient information to be used in connection with the submission of approximately \$2.8 million in false claims to Medicare.

The confidentiality of patient information, including Medicare numbers and other medical information, is strictly protected by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). HIPAA precludes the unauthorized release of information that is created or received by a health care provider and relates to the past, present or future physical or mental condition of an individual, the provision of health care to the individual, and either identifies the individual or includes information that could be used to identify the individual. This HIPAA prosecution is the first of its kind in the Southern District of Florida, and the third in the nation.

United States Attorney Alex Acosta stated, "In a rapidly expanding world of electronic medical records, preserving the privacy and integrity of confidential patient information is critical. Today's case is an unwholesome criminal trilogy of medical privacy violations, identity theft, and health care fraud. The United States Attorney's Office will continue to aggressively prosecute all fraud cases, especially those that combine computer crimes, identity theft, and health care fraud – all priorities of this Office."

FBI Special Agent in Charge Solomon stated, "Under HIPAA, we expect health care employees to keep our personal information confidential and secure. We will not stand by when this confidentiality is broken and criminals sell and profit from patients' health records. Criminals who commit health care fraud steal from all of us as U.S. taxpayers, and, in the end, make medical care more expensive for all of us. The FBI recognizes the prevalence of health care fraud in South Florida and we will continue to work with our partners to combat this crime problem."

If convicted, the defendants face a statutory maximum of five (5) years and a \$250,000 fine on Counts 1 and 2; and a statutory maximum of ten (10) years and a \$250,000 fine on Count 3. As to Counts 4-8, defendants face a two (2) year mandatory sentence, per count.

Mr. Acosta commended the investigative efforts of the Federal Bureau of Investigation. He also commended the Cleveland Clinic for quickly reporting the incident to law enforcement and for its continued cooperation in the federal investigation. This case is being prosecuted by Assistant United States Attorney Laurence Bardfeld.

Attachments:
[Indictment](#) (PDF)

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.

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