Florida Man Arrested in $230M HIV Drug Scam

The Miami businessman, who was released on bond, is accused of running HIV drug distribution schemes in Florida and other states.

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A Miami businessman was arrested and charged last month with allegedly distributing over $230 million in "adulterated and misbranded" prescription HIV meds, but he was released from a federal detention center last week on a $1.4 million bond, reports the Miami Herald.

Lazaro Hernandez, 51, was arrested June 17, according to a Department of Justice press release. Federal officials claim that "Hernandez acquired large quantities of HIV medication illegally and then created false drug labeling and other documentation to make it appear as though these high-priced drugs had been obtained legitimately. To carry out the scheme, Hernandez and co-conspirators established licensed wholesale drug distribution companies in Florida, New Jersey, Connecticut, and New York. Hernandez and his co-conspirators used those companies to sell the adulterated drugs at steep discounts to other co-conspirators at wholesale pharmaceutical distributors in Mississippi, Maryland, and New York. Those wholesale pharmaceutical distributors then resold the drugs to pharmacies throughout the country, which billed the drugs to health insurers, including Medicare, and dispensed the adulterated and misbranded HIV medication to unsuspecting patients."

Prosecutors claim the scheme took place between 2019 and 2021 and that Hernandez laundered hundreds of millions of dollars through various Miami businesses. He is charged with the following crimes:

- Conspiracy to deliver into interstate commerce adulterated and misbranded drugs;
- Conspiracy to traffic in medical products with false documentation;
- Conspiracy to commit money laundering; and

- Specific money laundering offenses.

Despite these charges, Magistrate Judge Jonathan Goodman granted the bond. As Hernandez's defense attorney said, according to the Miami Herald, the prosecutors didn't present evidence that Hernandez was a flight risk or a danger to the community.

If convicted, Hernandez could face more than 100 years in prison.

In related news, counterfeit antiretrovirals have been the subject of several lawsuits brought this year by Johnson & Johnson and Gilead Sciences. For details, read "UPDATE: Justice Department Probes Network That Allegedly Sold Fake HIV Meds" and "Another Drugmaker Sues to Stop the Sale of Fake HIV Meds."

To learn more about antiretrovirals, check out the POZ Basics on HIV Medications.

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