

November 30, 2018
For Immediate Release

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Office Manager Convicted of 51 Felony Counts in Massive Patient Referral Scam

Gonzalo Paredes Faces over 43 Years in State Prison at Sentencing

San Diego County District Attorney [Summer Stephan](#) announced today that a jury has convicted Gonzalo Paredes, 62, of 51 felony counts of paying illegal kickbacks to a doctor for patient referrals and fraudulently billing workers' compensation insurance companies in the California workers' compensation system. The jury reached their verdict on Thursday, November 29, after a nine-day trial.

This prosecution resulted from Operation Backlash, a large-scale, joint federal and state investigation into multi-million dollar fraud and illegal kickbacks in the state workers' compensation system. Paredes was the office administrator for Advanced Radiology of Beverly Hills, owned by radiologist Dr. Ronald Grusd. Earlier this year, the U.S. Attorney's office convicted Grusd on 39 felony fraud counts for paying kickbacks for patient referrals from multiple clinics in San Diego and Imperial counties, resulting in fraudulent bills to insurance companies of over \$22 million for medical services. Grusd was sentenced to 10 years in federal prison.

The scheme in San Diego involved Advanced Radiology paying a local chiropractor money in exchange for the referral of patients. This allowed Advanced Radiology to treat the patients and then bill several million dollars to insurance companies. As the office administrator for Advanced Radiology, Paredes helped negotiate the kickback deals with the chiropractor and facilitated the kickback payments to the chiropractor and those working with him.

"When law enforcement became aware of the scam, we began following the trail of dirty money and it took us in many different directions," DA Summer Stephan said. "This criminal network bought and sold patients like cattle and they cashed in on the backs of people who trusted them with their health. They conspired to illegally game the system on a level that we've not seen before, but the game is over."

The District Attorney's Office partnered with the FBI, California Department of Insurance, and U.S. Attorney's Office in the investigation and prosecution of Paredes.

“Crimes like these contribute to higher insurance premiums for California consumers,” said Insurance Commissioner Dave Jones. “Paredes was part of a conspiracy with providers who built a complex system of paying money to get patients. Thanks to the hard work of investigators at the FBI, Department of Insurance and the San Diego District Attorney's office he has been brought to justice.”

“When it comes to their health, the American people demand nothing less than honest services from their medical providers,” said FBI Special Agent in Charge John Brown. “Operation Backlash has proven that there are those in our communities who would trade patients for money. Working hand-in-hand with the District Attorney’s Office, the United States Attorney’s Office and the Department of Insurance, the FBI remains committed to bringing those who compromise our medical system with greed and callousness to justice.”

Paredes faces a maximum of 43 years and four months in state prison. His sentencing is set for February 1 in Department 1803 of the San Diego Superior Court downtown.

Insurance fraud in California is a \$15 billion-a-year problem. It’s the second-largest economic crime in America, exceeded only by tax evasion. The San Diego County District Attorney’s Insurance Fraud Division addresses this problem by dedicating specialists to handle complex insurance fraud prosecutions.

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About the San Diego County District Attorney’s Office

The San Diego County DA’s Office prosecutes all felony crimes in the county and misdemeanor crimes committed outside the City of San Diego. The office files about 40,000 criminal cases a year and balances prosecution with numerous crime prevention programs. District Attorney Summer Stephan leads the office of more than 1,000 dedicated employees who pursue justice and support victims daily across San Diego County. DA Summer Stephan has devoted her life to protecting children and families and providing justice to the voiceless and most vulnerable. She is a national leader in the fight against sexual exploitation and human trafficking, and has served as a Deputy District Attorney in San Diego County for 28 years.