INDEX

The Oaks Diagnostics, Inc. & Ronald Grusd

Exhibit #	Document
1	United States of America v. Ronald Grusd et al (Case no. 15CR2821-BAS)
2	CA Secretary of State: Statement of Information, 11/02/2017

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SOUTHERN DISTRICT OF CALIFORNIA

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UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

September 2016 Grand Jury

UNITED STATES OF AMERICA, Plaintiff, v. RONALD GRUSD (1), GONZALO PAREDES (2) CALIFORNIA IMAGING NETWORK MEDICAL GROUP (5), WILLOWS CONSULTING COMPANY (6), Defendants.	Case No. 15CR2821-BAS I N D I C T M E N T **(Superseding)** Title 18, U.S.C., Sec. 1349 - Conspiracy to Commit Honest Services Mail Fraud, Mail Fraud, Honest Services Wire Fraud, Wire Fraud, and Health Care Fraud; Title 18, U.S.C., Secs. 1341 and 1346 - Honest Services Mail Fraud; Title 18, U.S.C., Secs. 1343 and 1346 - Honest Services Wire Fraud; Title 18, U.S.C., Sec. 1347 - Health Care Fraud; Title 18, U.S.C., Sec. 1952(a)(1) and (a)(2) - Travel Act; Title 18, U.S.C., Sec. 1956(a)(1)- Money Laundering; Title 18, U.S.C., Sec. 2 - Aiding and Abetting; Title 18, U.S.C., Sec. 981(a)(1)(C), and Title 28, U.S.C., Sec. 2461(c) - Criminal Forfeiture

The grand jury charges, at all times relevant:

INTRODUCTORY ALLEGATIONS

THE DEFENDANTS AND OTHER PARTICIPANTS

1. Defendant RONALD GRUSD ("GRUSD") was a physician who has been licensed by the State of California since 1987. Defendant GRUSD's primary area of practice was radiology, and he was certified by the American Board of Radiology in Diagnostic and Nuclear Radiology.

Defendant GRUSD was an officer of several entities, including defendants CALIFORNIA IMAGING NETWORK MEDICAL GROUP and WILLOWS CONSULTING COMPANY, as well as Oaks Diagnostics and Advanced Radiology, all of which shared the same principal business address: 8641 Wilshire Blvd., Ste. 105, Beverly Hills, California.

2. Defendant GONZALO PAREDES ("PAREDES") was an administrator for several of defendant GRUSD's entities, including defendants CALIFORNIA IMAGING NETWORK MEDICAL GROUP and WILLOWS CONSULTING COMPANY, and Advanced Radiology.

3. Defendant CALIFORNIA IMAGING NETWORK MEDICAL GROUP ("CALIFORNIA IMAGING NETWORK") was a California Corporation formed in August 2007, which listed locations on its website in Los Angeles, Beverly Hills, San Diego, Fresno, Rialto, Santa Ana, Studio City, Bakersfield, Calexico, East Los Angeles, Lancaster, Victorville and Visalia. According to its website, defendant CALIFORNIA IMAGING NETWORK's principal business address was located at 8641 Wilshire Blvd., Ste. 105, Beverly Hills, California. Among the various services defendant CALIFORNIA IMAGING NETWORK offered were diagnostic imaging services and "Extracorporeal Shockwave Therapy," known as "shockwave." Defendant CALIFORNIA IMAGING NETWORK listed defendant GRUSD as its chief executive officer, chief financial officer, secretary and only director. Defendant GRUSD was also the signatory on defendant CALIFORNIA IMAGING NETWORK's bank accounts.

4. Defendant WILLOWS CONSULTING COMPANY ("WILLOWS CONSULTING") was a California corporation, formed in June 2011, which listed 8641 Wilshire Blvd., Ste. 105, Beverly Hills, California as its principal

business address. Defendant GRUSD was listed as its president and the only signatory on defendant WILLOWS CONSULTING's bank accounts.

5. The Oaks Diagnostics, a California corporation formed in 1989 and doing business as Advanced Radiology, listed 8641 Wilshire Blvd., Ste. 105, Beverly Hills, California as its principal business address. Advanced Radiology provided Shockwave, nerve conduction velocity ("NCV") and electromyography ("EKG") testing and diagnostic imaging services. Advanced Radiology listed defendant GRUSD as its president, and he was the only signatory on Advanced Radiology's bank accounts.

6. Dr. Steven Rigler (charged elsewhere) was a chiropractor licensed to practice in California, who operated three clinics in the Southern District of California specializing in chiropractic medicine.

7. Alexander Martinez (charged elsewhere) worked as a marketer and administrator on behalf of Dr. Steven Rigler. Alexander Martinez owned and operated Line of Sight, a professional corporation incorporated in Nevada whose principal place of business was in Calexico, California. Ruben Martinez (charged elsewhere) worked as a marketer for Dr. Rigler, soliciting patients for treatment at Dr. Rigler's clinic in Calexico, California. Ruben Martinez owned and operated Desert Blue Moon, a professional corporation in Nevada.

8. Fermin Iglesias and Carlos Arguello (both charged elsewhere) recruited injured workers to seek Workers' Compensation benefits in the state of California. Iglesias and Arguello controlled and operated multiple entities, including Providence Scheduling, INC., MedEx Solutions, Inc., Meridian Medical Resources, Inc. d.b.a. Meridian Rehab Care, and Prime Holdings, Int., Inc.

9. Julian Garcia (charged elsewhere) was a provider of durable medical equipment ("DME") licensed by the State of California to sell or rent such equipment to medical practitioners, including chiropractors, who paid physicians $50 per Workers' Compensation patient referred to him for DME.

10. Jonathan Peña (charged elsewhere) worked as a medical marketer, who recruited doctors to refer medical goods and services, including DME, compound creams, and MRIs, to particular providers in exchange for per-patient referral fees.

11. Physicians, including medical doctors and chiropractors, owed a fiduciary duty to their patients, requiring physicians to act in their patients' best interests, and not for their own professional, pecuniary, or personal gain. Physicians owed a duty of honest services to their patients for decisions made relating to the care of those patients, including the informed choice as to whether to undergo ancillary medical procedures and, if so, an informed choice as to the providers of such ancillary medical procedures.

CALIFORNIA WORKERS' COMPENSATION SYSTEM

12. The California Workers' Compensation System ("CWCS") required that employers in California provide Workers' Compensation benefits to their employees for qualifying injuries sustained in the course of their employment. Under the CWCS, all claims for payments for services or benefits provided to the injured employee, including medical and legal fees, were billed directly to, and were paid by, the insurer. Most unpaid claims for payment were permitted to be filed as liens against the employee's Workers' Compensation claim, which accrued interest until paid in an amount ordered by the Workers' Compensation Appeals Board or

an amount negotiated between the insurer and the service or benefits provider. The CWCS was regulated by the California Labor Code, the California Insurance Code, and the California Code of Regulations, and was administered by the California Department of Industrial Relations.

13. CWCS benefits were administered by the employer, an insurer, or a third party administrator. The CWCS required claims administrators to authorize and pay for medical care that was "reasonably required to cure or relieve the injured worker from the effects of his or her injury," and included medical, surgical, chiropractic, acupuncture, and hospital treatment.

14. The CWCS and private and public CWCS insurers were "health care benefit programs," that is, a public or private plan or contract, affecting commerce, under which any medical benefit, item, or service was provided to any individual, and any individual or entity who was providing a medical benefit, item or service for which payment may be made under the plan or contract.

15. California law, including but not limited to the California Business and Professions Code, the California Insurance Code, and the California Labor Code, prohibited the offering, delivering, soliciting, or receiving of anything of value in return for referring a patient for ancillary medical procedures.

16. Effective January 1, 2012, California Labor Code Section 139.3 made it a crime for a physician to refer Workers' Compensation patients for a variety of medical goods and services, including diagnostic imaging goods and services and pharmacy goods, to an entity in which that physician had a financial interest, including any remuneration, rebate, subsidy, or other form of direct or indirect payment.

17. According to California Labor Code Section 3209.3, the term "physician" in the Labor Code included physicians and surgeons holding an M.D. or D.O. degree, psychologists, acupuncturists, optometrists, dentists, podiatrists, and chiropractic practitioners licensed by California state law and within the scope of their practice as defined by California state law.

Count 1

CONSPIRACY TO COMMIT HONEST SERVICES MAIL FRAUD, MAIL FRAUD, HONEST SERVICES WIRE FRAUD, WIRE FRAUD, AND HEALTH CARE FRAUD, 18 USC § 1349

18. Paragraphs 1 through 17 of this Superseding Indictment are realleged and incorporated by reference.

19. Beginning on a date no later than December 2012, and continuing through at least September 2015, within the Southern District of California and elsewhere, defendants RONALD GRUSD, GONZALO PAREDES, CALIFORNIA IMAGING NETWORK MEDICAL GROUP, and WILLOWS CONSULTING COMPANY, conspired with Dr. Steven Rigler, Alexander Martinez, Line of Sight, Ruben Martinez, Desert Blue Moon, Fermin Iglesias, Providence Scheduling, MexEx, Meridian, Carlos Arguello, Jonathan Peña, and others to:

a. commit Honest Services Mail Fraud, that is, to knowingly and with the intent to defraud, devise and participate in a material scheme to defraud and to deprive patients of the intangible right to their physician's honest services, and for the purpose of executing such scheme, mail and cause to be mailed via the U.S. Postal Service any matter and thing, in violation of Title 18, United States Code, Sections 1341 and 1346;

b. commit Mail Fraud, that is, to knowingly and with the intent to defraud, devise and participate in a material scheme to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, promises, and omissions and concealments of material facts, and for the purpose of executing such scheme, mail and cause to be mailed via the U.S. Postal Service any matter and thing, in violation of Title 18, United States Code, Section 1341;

c. commit Honest Services Wire Fraud, that is, to knowingly and with the intent to defraud, devise and participate in a material scheme to defraud and to deprive patients of the intangible right to Dr. Rigler's honest services, and for the purpose of executing such scheme, transmit and cause to be transmitted by interstate wire any writings, signs, signals, pictures, and sounds, in violation of Title 18, United States Code, Sections 1343 and 1346;

d. commit Wire Fraud, that is, to knowingly and with the intent to defraud, devise and participate in a material scheme to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, promises, and omissions and concealments of material facts, and for the purpose of executing such scheme, transmit and cause to be transmitted by interstate wire any writings, signs, signals, pictures, and sounds, in violation of Title 18, United States Code, Section 1343; and

e. commit Health Care Fraud, that is, to knowingly and with the intent to defraud, devise and participate in a material scheme to defraud a health care benefit program, and to obtain money and property owned by, and under the custody and control of, a health-care benefit

program, by means of false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1347.

FRAUDULENT PURPOSE

20. It was the goal of the conspiracy to fraudulently obtain money from health care benefit programs by seeking payment for medical goods and services that were secured through a pattern of bribes and kickbacks to physicians and to those acting on their behalf, in exchange for the referral of patients to certain health care providers owned or operated by co-conspirators.

MANNER AND MEANS

21. The conspirators used the following manner and means, among others, in pursuit of their fraudulent purpose:

a. Using business cards, advertisements, flyers, and call centers in the United States, Mexico, and Central America, co-conspirators Fermin Iglesias and Carlos Arguello and companies they controlled recruited people who had been injured at work to seek Workers' Compensation benefits pursuant to the CWCS.

b. Once they had recruited new Workers' Compensation patients, Iglesias and Arguello and companies they controlled, including Providence Scheduling, referred these injured workers to certain chiropractors, including Dr. Rigler (primarily for his San Diego and Escondido clinics), in exchange for Dr. Rigler's agreement to refer those patients for ancillary procedures and DME to certain providers designated by Iglesias or Arguello.

c. To extract the maximum value from each Workers' Compensation patient, Iglesias and Arguello assigned a "value" to certain ancillary procedures and DME, such as $30-$50 per MRI referral,

and informed Dr. Rigler of those values. They also established a quota for the "value" of ancillary services and DME that Dr. Rigler was expected to prescribe for each patient sent to him by Providence Scheduling.

d. When Dr. Rigler fell behind in meeting the quota for ancillary procedures and DME, Iglesias, Arguello, and Providence Scheduling ceased to refer patients to Dr. Rigler until he agreed to make up for the shortfall in some manner.

e. Alexander Martinez and Ruben Martinez also recruited people who had been injured at work to seek Workers' Compensation benefits pursuant to the CWCS, and referred these injured workers to Dr. Rigler (primarily to his clinic in Calexico), in exchange for Dr. Rigler's agreement to refer those patients for ancillary procedures and DME to certain providers designated by Alexander Martinez or Ruben Martinez.

f. Defendant CALIFORNIA IMAGING NETWORK and Company A were diagnostic imaging companies designated by the co-conspirators as the providers to which physicians were expected to refer patients who needed certain types of ancillary services, including Magnetic Resonance Imagery ("MRI") scans, Electromyography ("EMG") tests, Nerve Conduction Velocity ("NCV") tests, and Extracorporeal Shockwave Therapy ("shockwave") treatments.

g. In exchange, defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK, WILLOWS CONSULTING, and Company A, knowing that the payment of per-patient referral fees was unlawful, paid bribes to Dr. Rigler, directly and indirectly, and to Iglesias, Arguello, Alexander

Martinez, Ruben Martinez, and Jonathan Peña for the referral of Workers' Compensation patients for those services.

h. It was a further part of the conspiracy that proceeds from insurance claims paid to defendant CALIFORNIA IMAGING NETWORK were funneled through bank accounts by defendants GRUSD to a bank account in the name of defendant WILLOWS CONSULTING, including at least $6 million, out of which GRUSD and PAREDES paid kickback payments to Dr. Rigler, Iglesias, Arguello, Alexander Martinez, Ruben Martinez, Jonathan Peña, and others.

i. It was a further part of the conspiracy that defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK, and WILLOWS CONSULTING used the mails to send bribes to Dr. Rigler, Iglesias, Arguello, Alexander Martinez, Ruben Martinez, Jonathan Peña, and others in exchange for the referral of patients for ancillary medical procedures, and to send claims for payment to insurers, attorneys, and employers.

j. It was a further part of the conspiracy that the co-conspirators obscured the true nature of their financial relationships in order to conceal their corrupt cross-referral scheme designed to compensate the referral of applicants to specific providers of ancillary procedures and DME.

k. For example, it was a part of the conspiracy that defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK, and WILLOWS CONSULTING characterized the bribes to Dr. Rigler and to Iglesias, Arguello, Alexander Martinez, and Ruben Martinez, as payments for "professional services," when in fact the corrupt payments were made exclusively for the referral of patients for ancillary medical procedures.

l. It was a part of the conspiracy that the co-conspirators inserted intermediaries, including individuals and their companies, between GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK, and WILLOWS CONSULTING and the physicians who referred patients to GRUSD's companies.

m. It was a further part of the conspiracy that Alexander Martinez and Ruben Martinez falsely labeled correspondence concerning lists of Workers' Compensation patients who had been corruptly referred for ancillary medical procedures as pertaining to "marketing hours" and similarly misleading phrases.

n. It was a part of the conspiracy that the co-conspirators utilized interstate facilities, including cellular telephones and email, in order to coordinate and promote their corrupt kickback and cross-referral scheme.

o. It was a part of the conspiracy that the co-conspirators caused claims to be submitted to health care benefit program insurers containing the following fraudulent and misleading declaration: "I have not violated [California] Labor Code section 139.3 and the contents of the report and bill are true and correct to the best of my knowledge. This statement is made under penalty of perjury."

p. It was a part of the conspiracy that the co-conspirators concealed from patients, and intended to cause the physicians to conceal from patients, the bribe payments the physicians and those working on their behalf received directly and indirectly from defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and WILLOWS CONSULTING and others in exchange for referring patients, in violation of those physicians' fiduciary duties to their patients and in violation of California law.

q. It was a part of the conspiracy that the co-conspirators concealed from insurers, and intended to cause the physicians to conceal from insurers, the bribe payments the physicians and those working on their behalf received directly and indirectly from defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and WILLOWS CONSULTING and others in exchange for referring patients, which would have rendered their claims for reimbursement unpayable under California law.

r. Using the manners and means described above, defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK, and WILLOWS CONSULTING submitted and caused to be submitted claims in excess of $20.3 million for ancillary medical services procured through the payment of bribes.

OVERT ACTS

22. In furtherance of the conspiracy and in order to effect the objects thereof, the defendants and others committed or caused the commission of the following overt acts within the Southern District of California and elsewhere:

a. In or about 2010 or 2011, Ruben Martinez met with PAREDES and GRUSD to discuss an arrangement to refer and schedule patients from Dr. Rigler's Calexico clinic, at which GRUSD and PAREDES agreed to pay a per-patient referral fee for MRI services.

b. In or about 2012, PAREDES and GRUSD agreed to pay $180 per MRI per body part, $350 per EMG or NCV procedure, and $50 per shockwave treatment, for each patient referred to GRUSD's company from Dr. Rigler's Calexico clinic.

c. In or about 2013, PAREDES and GRUSD agreed to pay $150 per MRI per body part, $280 per EMG or NCV procedure, and $50 per

shockwave treatment, for each patient referred to GRUSD's company from Dr. Rigler's Calexico clinic.

d. In or about September 2013, Iglesias, Arguello, and Julian Garcia (charged elsewhere) agreed to send Workers' Compensation patients to Dr. Rigler's San Diego and Escondido clinics if Dr. Rigler, in turn, referred those applicants for a certain amount of ancillary procedures and DME from providers designated by Iglesias and Arguello.

e. In or about September 2013, Iglesias, Arguello, Providence Scheduling and Julian Garcia (charged elsewhere) told Dr. Rigler that a company operated by Dr. Grusd and Company A, were the two entities that would provide MRI services for Dr. Rigler's applicants, and explained that Dr. Rigler would have to schedule MRIs through MedEx.

f. In or about 2014, PAREDES and GRUSD agreed to pay $50 per MRI for the first body part and $25 for each additional body part, $75 per EMG or NCV procedure, and $50 per shockwave treatment, for each patient referred to GRUSD's company from Dr. Rigler's Calexico clinic.

g. In or about the Spring of 2014, Iglesias and Arguello informed Dr. Rigler that MRIs would only be completed by Company A and that MRI referrals from MedEx to defendants GRUSD, PAREDES, and CALIFORNIA IMAGING NETWORK had been cut off. This was because GRUSD had fallen behind in paying bribes and kickbacks for MRIs referred to his companies.

h. On November 7, 2014, Alexander Martinez emailed defendant PAREDES a list of patients that had been referred to GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and Advanced Radiology for ancillary medical procedures.

i. On or about November 7, 2014, following receipt of the email above and in consideration of patients referred for ancillary medical procedures, defendants GRUSD, PAREDES and WILLOWS CONSULTING caused a bribe to be paid to defendants Alexander Martinez and Line of Sight acting on behalf of Dr. Rigler

j. On November 25, 2014, Alexander Martinez emailed defendant PAREDES a list of patients that had been referred to defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and Advanced Radiology for ancillary medical procedures.

k. On or about December 3, 2014, in consideration of patients referred for ancillary medical procedures, defendants GRUSD, PAREDES and WILLOWS CONSULTING caused a bribe to be paid to Ruben Martinez and Desert Blue Moon acting on behalf of Dr. Rigler.

l. On December 15, 2014, in consideration of patients referred for ancillary medical procedures, defendants GRUSD, PAREDES and WILLOWS CONSULTING caused a bribe to be paid to Ruben Martinez and Desert Blue Moon acting on behalf of Dr. Rigler.

m. On or about December 17, 2014, in consideration of patients referred for ancillary medical procedures, defendants GRUSD, PAREDES and WILLOWS CONSULTING caused a bribe to be paid to Alexander Martinez and Line of Sight acting on behalf of Dr. Rigler.

n. On December 17, 2014, Alexander Martinez and Ruben Martinez exchanged emails in an effort to reconcile Dr. Rigler's patients referred for ancillary medical procedures and the bribes that had been paid and were due and owing from various providers, including defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and WILLOWS CONSULTING.

o. On or about January 12, 2015, Ruben Martinez and Desert Blue Moon caused payments to be made, directly and indirectly, to Dr. Rigler and Alexander Martinez, which represented a portion of bribe payments from various providers, including defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and WILLOWS CONSULTING, that had been received by Ruben Martinez and Desert Blue Moon while acting on behalf of Dr. Rigler and his patients.

p. On January 14, 2015, Alexander Martinez emailed defendant PAREDES a list of the patients who had been recruited and referred to CALIFORNIA IMAGING NETWORK or another entity designated by GRUSD for MRI and Shockwave treatments in November 2014.

q. On January 14, 2015, Alexander Martinez emailed defendant PAREDES an invoice labeled "EMG/NCV," listing 35 patient names with $75 next to each patient name, for a total of $2,625 for the 35 patients.

r. In or about March 2015, in a meeting at GRUSD's Beverly Hills office, GRUSD offered to pay Jonathan Peña $50 per MRI that Peña referred to GRUSD's company.

s. In or about March 2015, in a meeting at GRUSD's Beverly Hills office, GRUSD suggested that it would be "cleaner," or words to that effect, to pay Jonathan Peña a flat monthly fee instead of per item referred.

t. On March 1, 2015, Alexander Martinez emailed defendant PAREDES an invoice labeled "EMG/NCV," listing 36 patient names with $75 next to each patient name, for a total of $2,700 for the 36 patients, and wrote in the email, "I have attached the Marketing hours for February 2015 for your review."

u. On March 2, 2015, defendant GRUSD sent a text message to Dr. Rigler in order to facilitate a meeting to discuss the referral of patients for ancillary medical procedures and the payment of bribes.

v. On March 4, 2015, defendants GRUSD and PAREDES met with Dr. Rigler in order to discuss the referral of patients for ancillary medical procedures and the payment of bribes.

w. On March 4, 2015, in consideration of patients referred for ancillary medical procedures, defendants GRUSD, PAREDES and WILLOWS CONSULTING caused bribes to be paid to Dr. Rigler and to Alexander Martinez and Line of Sight acting on behalf of Dr. Rigler.

x. On March 6, 2015, Alexander Martinez and Line of Sight caused a payment to be made to Dr. Rigler, which represented a portion of bribe payments from various providers, including defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and WILLOWS CONSULTING, that had been received by Alexander Martinez, Ruben Martinez, Line of Sight and Desert Blue Moon while acting on behalf of Dr. Rigler and his patients.

y. On March 26, 2015, defendant PAREDES emailed Alexander Martinez, explaining that Dr. Rigler had already been paid for his January 2015 NCV referrals.

z. On April 2, 2015, Alexander Martinez and Ruben Martinez caused an email to be sent to defendant PAREDES with a list of patients that had been referred to defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and Advanced Radiology for ancillary medical procedures.

aa. On April 6, 2015, in consideration of patients referred for ancillary medical procedures, defendants GRUSD, PAREDES and WILLOWS CONSULTING caused a bribe to be paid to Alexander Martinez and Line of Sight acting on behalf of Dr. Rigler.

bb. On May 7, 2015, defendant PAREDES emailed Alexander Martinez stating that the invoice for MRI referrals from January 2015 had already been paid.

cc. On June 5, 2015, defendant GRUSD spoke with Dr. Rigler via cellular phone and confirmed the amount of bribes to be paid for the referral of patients to defendants GRUSD, PAREDES, CALIFORNIA IMAGING NETWORK and Advanced Radiology for ancillary medical procedures.

dd. On June 5, 2015, defendant PAREDES emailed Ruben Martinez claiming that Alexander Martinez had already been paid $7050 of the $7150 owed for referrals for shockwave treatments from February 2015, and $925 of the $975 owed for MRIs for January 2015, and that additional pending payments of $7500 for April 2015 shockwave referrals and $1125 for March NCV referrals would be made around the 15th of the month.

ee. On June 17, 2015, Ruben Martinez emailed defendant PAREDES invoices for April and May 2015, for shockwave treatments, listing patient names with $50 next to each patient name.

ff. In or about July 2015, Jonathan Peña met with GRUSD at GRUSD's office in Beverly Hills, to reconcile the payments owed to Peña for referring patients for MRIs and EKG. GRUSD also offered to pay Peña $100 per compound cream prescription Peña could get a physician to prescribe.

gg. On or about July 1, 2015, in consideration of patients referred for ancillary medical procedures, defendants GRUSD, PAREDES and WILLOWS CONSULTING paid Jonathan Peña $2,700.

hh. On July 16, 2015, in consideration of patients referred for ancillary medical procedures, defendants GRUSD, PAREDES and WILLOWS CONSULTING caused a bribe to be paid to Alexander Martinez, Ruben

Martinez, Line of Sight and Desert Blue Moon acting on behalf of Dr. Rigler.

ii. On or about August 20, 2015, in consideration of patients referred for ancillary medical procedures, defendants GRUSD, PAREDES and WILLOWS CONSULTING paid Jonathan Peña $2,000.

jj. On or about August 25, 2015, in consideration of patients referred for ancillary medical procedures, defendants GRUSD, PAREDES and WILLOWS CONSULTING paid Jonathan Peña $2,000.

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

Counts 2-16

HONEST SERVICES MAIL FRAUD, 18 U.S.C. §§ 1341, 1346 AND 2

23. Paragraphs 1 through 17 of this Superseding Indictment are realleged and incorporated by reference.

24. Beginning on a date unknown and continuing through at least September 2015, within the Southern District of California and elsewhere, defendants RONALD GRUSD, GONZALO PAREDES, CALIFORNIA IMAGING NETWORK MEDICAL GROUP, WILLOWS CONSULTING COMPANY knowingly and with the intent to defraud, devised and participated in a material scheme to defraud, that is, to deprive patients of their intangible right to their physician's honest services.

25. Paragraphs 20 through 22 of this Superseding Indictment are realleged and incorporated by reference as more fully describing the scheme to defraud, that is, to deprive patients of their intangible right to their physician's honest services.

EXECUTIONS OF THE SCHEME TO DEFRAUD

26. On or about the following dates, within the Southern District of California and elsewhere, defendants RONALD GRUSD, GONZALO PAREDES,

CALIFORNIA IMAGING NETWORK MEDICAL GROUP, and WILLOWS CONSULTING, for the purpose of executing the scheme and attempting to do so, knowingly caused the following mail matter to be placed in a post office and authorized depository for mail matters to be delivered by the United States Postal Service and private and commercial interstate carrier:

Count	Date	Item Mailed
2	Nov. 10, 2014	$4,725 check from Willows Consulting Company to Line of Sight for "Professional Services"
3	Jan. 30, 2015	Request for payment of **$1100** for **NCV** procedure for **Karla B.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
4	Feb. 27, 2015	Request for payment of **$1100** for **NCV** procedure for **Richard D.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
5	Mar. 9, 2015	Request for payment of **$2830** for **MRI** scan for **Luz S.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
6	Mar. 9, 2015	Request for payment of **$5660** for two **MRI** scans for **Maria V.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
7	Mar. 10, 2015	Request for payment of **$5660** for two **MRI** scans for **Maria V.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"

Count	Date	Item Mailed
8	Mar. 10, 2015	Request for payment of **$2830** for **MRI** scan for **Javier F.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
9	Mar. 12, 2015	Request for payment of **$2900** for **shockwave** treatment for **Socorro C.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
10	April 7, 2015	Request for payment of **$1100** for **NCV** procedure for **Sergio S.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
11	May 7, 2015	Request for payment of **$1100** for **NCV** procedure for **Alan B.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
12	May 7, 2015	Request for payment of **$1100** for **NCV** procedure for **Ariel J.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
13	May 7, 2015	Request for payment of **$1100** for **NCV** procedure for **Marco S.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
14	June 1, 2015	Request for payment of **$2900** for **shockwave** treatment for **Jose R.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"

Count	Date	Item Mailed
15	June 11, 2015	Request for payment of **$1100** for **NCV** procedure for **Hortencia R.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
16	July 8, 2015	Request for payment of **$1100** for **NCV** procedure for **Karina S.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"

All in violation of Title 18, United States Code, Sections 1341, 1346 and 2.

Counts 17-22

HONEST SERVICES WIRE FRAUD, 18 U.S.C. §§ 1343, 1346 AND 2

27. Paragraphs 1 through 17 of this Superseding Indictment are realleged and incorporated by reference.

28. Beginning on a date unknown and continuing through at least September 2015, within the Southern District of California and elsewhere, defendants RONALD GRUSD, GONZALO PAREDES, CALIFORNIA IMAGING NETWORK MEDICAL GROUP, and WILLOWS CONSULTING COMPANY knowingly and with the intent to defraud, devised and participated in a material scheme to defraud, that is, to deprive patients of their intangible right to their physician's honest services.

29. Paragraphs 20 through 22 of this Superseding Indictment are realleged and incorporated by reference as more fully describing the scheme to defraud, that is, to deprive patients of their intangible right to their physician's honest services.

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EXECUTIONS OF THE SCHEME TO DEFRAUD

30. On or about the following dates, within the Southern District of California and elsewhere, defendants RONALD GRUSD, GONZALO PAREDES, CALIFORNIA IMAGING NETWORK MEDICAL GROUP, and WILLOWS CONSULTING, for the purpose of executing the scheme and attempting to do so, knowingly transmitted and caused to be transmitted the following writings, signs, signals, and sounds via interstate wire transmission:

Count	Date	Interstate Wire Transmission
17	Jan. 14, 2015	Email from Alexander Martinez to defendant GONZALO PAREDES attaching invoice for December 2014
18	March 1, 2015	Email from Alexander Martinez to defendant GONZALO PAREDES attaching invoice for February 2015, described in email as "Marketing hours"
19	March 26, 2015	Email from defendant GONZALO PAREDES to Alexander Martinez, explaining that Dr. Rigler had already been paid for his January 2015 NCV referrals
20	May 7, 2015	Email from defendant GONZALO PAREDES to Alexander Martinez, explaining that Martinez had already been paid for January 2015 MRIs
21	June 5, 2015	Email from defendant GONZALO PAREDES to Ruben Martinez, explaining that invoices for Shockwave and MRI referrals had already been paid
22	June 17, 2015	Email from Ruben Martinez to defendant GONZALO PAREDES attaching the April and May 2015 invoices of patient referrals for shockwave treatments, at $50 apiece

All in violation of Title 18, United States Code, Sections 1343 and 2.

Counts 23-36

HEALTH CARE FRAUD, 18 U.S.C. §§ 1347 AND 2

31. Paragraphs 1 through 17 of this Superseding Indictment are realleged and incorporated by reference.

32. Beginning on a date unknown and continuing through at least September 2015, within the Southern District of California and elsewhere, defendants RONALD GRUSD, GONZALO PAREDES, CALIFORNIA IMAGING NETWORK MEDICAL GROUP, WILLOWS CONSULTING COMPANY knowingly and with the intent to defraud, devised and participated in a material scheme to defraud a health care benefit program, and to obtain money and property owned by, and under the custody and control of, a health-care benefit program, by means of false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1347.

33. Paragraphs 20 through 22 of this Superseding Indictment are realleged and incorporated by reference as more fully describing the scheme to defraud

EXECUTIONS OF THE SCHEME TO DEFRAUD

34. On or about the following dates, within the Southern District of California and elsewhere, defendants RONALD GRUSD, GONZALO PAREDES, CALIFORNIA IMAGING NETWORK MEDICAL GROUP, and WILLOWS CONSULTING, for the purpose of executing the scheme and attempting to do so, knowingly submitted and caused to be submitted the following claims to health care insurers seeking payment:

Count	Date	Claims
23	Jan. 30, 2015	Request for payment of **$1100** for **NCV** procedure for **Karla B.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"

Count	Date	Claims
24	Feb. 27, 2015	Request for payment of **$1100** for **NCV** procedure for **Richard D.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
25	Mar. 9, 2015	Request for payment of **$2830** for **MRI** scan for **Luz S.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
26	Mar. 9, 2015	Request for payment of **$5660** for two **MRI** scans for **Maria V.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
27	Mar. 10, 2015	Request for payment of **$5660** for two **MRI** scans for **Maria V.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
28	Mar. 10, 2015	Request for payment of **$2830** for **MRI** scan for **Javier F.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
29	Mar. 12, 2015	Request for payment of **$2900** for **shockwave** treatment for **Socorro C.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
30	April 7, 2015	Request for payment of **$1100** for **NCV** procedure for **Sergio S.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"

Count	Date	Claims
31	May 7, 2015	Request for payment of **$1100** for **NCV** procedure for **Alan B.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
32	May 7, 2015	Request for payment of **$1100** for **NCV** procedure for **Ariel J.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
33	May 7, 2015	Request for payment of **$1100** for **NCV** procedure for **Marco S.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
34	June 1, 2015	Request for payment of **$2900** for **shockwave** treatment for **Jose R.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
35	June 10, 2015	Request for payment of **$1100** for **NCV** procedure for **Hortencia R.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"
36	July 8, 2015	Request for payment of **$1100** for **NCV** procedure for **Karina S.** secured through the payment of bribes to Dr. Rigler and those acting on his behalf, containing the fraudulent and misleading statement, "I have not violated Labor Code section 139.3"

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

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Counts 37 - 42

TRAVEL ACT, 18 USC §§ 1952(a)(1), (a)(2) AND 2

35. Paragraphs 1 through 17 of this Superseding Indictment are realleged and incorporated by reference.

36. Beginning on date unknown and continuing through at least August 2015, within the Southern District of California and elsewhere, defendants RONALD GRUSD, GONZALO PAREDES, CALIFORNIA IMAGING NETWORK MEDICAL GROUP, and WILLOWS CONSULTING COMPANY, knowingly used and cause to be used facilities in interstate commerce with the intent to promote, manage, establish, carry on, distribute the proceeds of, and facilitate the promotion, management, establishment, carrying on, and distribution of the proceeds of an unlawful activity, that is, bribery in violation of California Penal Code Sections 139.3-32 and California Labor Code Section 3215, and, thereafter, to promote and attempt to perform acts to promote, manage, establish, carry on, distribute the proceeds of, and facilitate the promotion, management, establishment, carrying on, and distribution of the proceeds of such unlawful activity as follows:

Count	Date	Use of Facility in Interstate Commerce	Acts Performed Thereafter
37	Nov. 7, 2014	Email, as set forth in Paragraph 22(h)	Act as set forth in Paragraph 22(i)
38	Nov. 25, 2014	Email, as set forth in Paragraph 22(j)	Acts as set forth in Paragraph 22 (k), (l), and (m)
39	Dec. 17, 2014	Emails, as set forth in Paragraph 22(n)	Acts as set forth in Paragraph 22(o)
40	March 2, 2015	Text Message, as set forth in Paragraph 22(u)	Acts as set forth in Paragraph 22(v), (w), and (x)
41	April 2, 2015	Email, as set forth in Paragraph 22(z)	Act as set forth in Paragraph 22(aa)

Count	Date	Use of Facility in Interstate Commerce	Acts Performed Thereafter
42	June 5, 2015	Cellular Telephone Call, as set forth in Paragraph 22(cc)	Acts as set forth in Paragraph 22(hh)

All in violation of Title 18, United States Code, Sections 1952(a)(1),(a)(2) and 2.

Counts 43-45

MONEY LAUNDERING, 18 USC §§ 1956(a)(1) AND 2

37. Paragraphs 1 through 17 of this Superseding Indictment are realleged and incorporated by reference.

38. On or about the dates set forth below, within the Southern District of California, defendants RONALD GRUSD, GONZALO PAREDES, CALIFORNIA IMAGING NETWORK MEDICAL GROUP, and WILLOWS CONSULTING COMPANY, knowing that the property involved in the designated financial transactions represented the proceeds of some form of unlawful activity, did conduct financial transactions, as set forth below, which in fact involved proceeds of specified unlawful activities, to wit, Conspiracy, Honest Services Mail Fraud, Mail Fraud, Honest Services Wire Fraud, Wire Fraud, and Health Care Fraud in violation of Title 18, United States Code, Sections 1341, 1346, 1347, and 1349, with the intent to promote the carrying on of the specified unlawful activities, and knowing that the transactions were 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 the specified unlawful activities:

Count	Date	Financial Transaction
43	July 16, 2015	Deposit of check issued by GRUSD and PAREDES out of an account in the name of WILLOWS CONSULTING, for $2,500.00, payable to Line Of Sight, Inc., with "professional services" in the memo line, to pay per-patient referral fees for referrals by Dr. Rigler for services provided by CALIFORNIA IMAGING NETWORK

Count	Date	Financial Transaction
44	July 31, 2015	Deposit of check issued by GRUSD and PAREDES out of an account in the name of WILLOWS CONSULTING, for $5,000.00, payable to Line Of Sight, Inc., with "professional services" in the memo line, to pay per-patient referral fees for referrals by Dr. Rigler for services provided by CALIFORNIA IMAGING NETWORK
45	Sept. 1, 2015	Defendant GRUSD's transfer of $15,000 from an account in the name of Oaks Diagnostic into an account in the name of defendant WILLOWS CONSULTING

All in violation of Title 18, United States Code, Sections 1956(a)(1) and 2.

CRIMINAL FORFEITURE

39. Paragraphs 1 through 38 of this Indictment are realleged and incorporated as if fully set forth herein for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

40. Upon conviction of the offenses of Conspiracy, Honest Services Mail Fraud, Mail Fraud, Honest Services Wire Fraud, Wire Fraud, Travel Act, and Money Laundering as alleged in Counts 1 - 45, defendants RONALD GRUSD, GONZALO PAREDES, CALIFORNIA IMAGING NETWORK MEDICAL GROUP, and WILLOWS CONSULTING COMPANY shall forfeit to the United States all right, title, and interest in any property, real or personal, that constitutes or is derived from proceeds traceable to a violation of such offenses, including:

(1) An amount not less than $206.330.56 in the real property located at 14655 Mulholland Drive, Los Angeles, California, legally described as:

Assessor's Parcel No. 2275-024-001
LOT NUMBER: 6; TRACT: 14524; CITY/MUNI/TWNSP: REGION/CLUSTER: 03/03172, BOOK 390, PAGE 14, CITY OF LOS ANGELES, COUNTY OF LOS ANGELES;

Owner of Record: Goslings, L.P., Ronald S. Grusd, General Partner

(2) A money judgment equal to the amount of proceeds obtained directly or indirectly from the commission of the offenses.

41. If any of the above described forfeitable property, as a result of any act or omission of defendants RONALD GRUSD, GONZALO PAREDES, CALIFORNIA IMAGING NETWORK MEDICAL GROUP, and WILLOWS CONSULTING COMPANY (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; it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) and Title 18, United States Code, Section 982(b), to seek forfeiture of any other property of defendants RONALD GRUSD, GONZALO PAREDES, CALIFORNIA IMAGING NETWORK MEDICAL GROUP, WILLOWS CONSULTING COMPANY, up to the value of the forfeitable property described above.

All pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

DATED: July 11, 2017.

A TRUE BILL:

_____
Foreperson

ALANA W. ROBINSON
Acting United States Attorney

By: _____
VALERIE H. CHU
CAROLINE P. HAN
FRED SHEPPARD
Assistant U.S. Attorneys

State of California
Secretary of State

S

Statement of Information
(Domestic Stock and Agricultural Cooperative Corporations)
FEES (Filing and Disclosure): $25.00.
If this is an amendment, see instructions.
IMPORTANT – READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

FS06373

FILED

In the office of the Secretary of State of the State of California

NOV-02 2017

This Space for Filing Use Only

1. **CORPORATE NAME**
THE OAKS DIAGNOSTICS, INC.

2. **CALIFORNIA CORPORATE NUMBER**
C1457755

No Change Statement (Not applicable if agent address of record is a P.O. Box address. See instructions.)

3. **If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement of information has been previously filed, this form must be completed in its entirety.**
☐ If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed **to Item 17**.

Complete Addresses for the Following (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

	CITY	STATE	ZIP CODE
4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE 6310 SAN VICENTE BLVD. STE 101, LOS ANGELES, CA 90048			
5. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY 6310 SAN VICENTE BLVD. STE 101, LOS ANGELES, CA 90048			
6. MAILING ADDRESS OF CORPORATION, IF DIFFERENT THAN ITEM 4 8641 WILSHIRE BLVD. SUITE 105, BEVERLY HILLS, CA 90211			

Names and Complete Addresses of the Following Officers (The corporation must list these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

	ADDRESS	CITY	STATE	ZIP CODE
7. CHIEF EXECUTIVE OFFICER/ RONALD S. GRUSD	6310 SAN VICENTE BLVD. STE 101, LOS ANGELES, CA 90048			
8. SECRETARY RONALD S. GRUSD	6310 SAN VICENTE BLVD. STE 101, LOS ANGELES, CA 90048			
9. CHIEF FINANCIAL OFFICER/ RONALD S. GRUSD	6310 SAN VICENTE BLVD. STE 101, LOS ANGELES, CA 90048			

Names and Complete Addresses of All Directors, Including Directors Who are Also Officers (The corporation must have at least one director. Attach additional pages, if necessary.)

	ADDRESS	CITY	STATE	ZIP CODE
10. NAME RONALD S. GRUSD	6310 SAN VICENTE BLVD. STE 101, LOS ANGELES, CA 90048			
11. NAME				
12. NAME				

13. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY:

Agent for Service of Process If the agent is an individual, the agent must reside in California and Item 15 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 15 must be left blank.

14. NAME OF AGENT FOR SERVICE OF PROCESS [Note: The person designated as the corporation's agent MUST have agreed to act in that capacity prior to the designation.]
KEITH R. KAPLAN

15. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, **IF AN INDIVIDUAL** CITY STATE ZIP CODE
9200 ALDEA AVENUE, NORTHRIDGE, CA 91325

Type of Business

16. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION
DIAGNOSTIC RADIOLOGY

17. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE CALIFORNIA SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

DATE	TYPE/PRINT NAME OF PERSON COMPLETING FORM	TITLE	SIGNATURE
11/02/2017	KEITH R. KAPLAN	CPA	