

4. That substantial justice has been done in this case.

IT IS THEREFORE ORDERED that the Motion for Rehearing is DENIED.

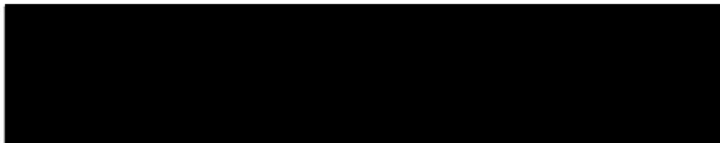
Furthermore, I, Daniel E. Bluthardt, Director of the Division of Professional Regulation, adopt the Findings of Fact, Conclusions of Law and Recommendation of the Medical Disciplinary Board in this matter.

IT IS THEREFORE ORDERED that the Certificate of Registration, License No. 036070313, heretofore issued to Seshagiri R. Vavilikolanu to practice as a Physician and Surgeon in the State of Illinois remain Indefinitely Suspended and that his Petition for Restoration is DENIED.

DATED THIS 5th DAY OF December, 2007.

DEPARTMENT OF FINANCIAL AND
PROFESSIONAL REGULATION
of the State of Illinois
DEAN MARTINEZ, SECRETARY

Division of Professional Regulation



DANIEL E. BLUTHARDT
DIRECTOR

REF: License No. 036070313
Case No. 200107844

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF PROFESSIONAL REGULATION**

DEPARTMENT OF FINANCIAL)	
AND PROFESSIONAL REGULATION)	
Of the State of Illinois,)	
)	
IN RE THE PETITION FOR)	
RESTORATION OF:)	No. 2001-07844
)	
SESHAGIR R. VAVILIKOLANUE)	
License No. 036-070313)	
Petitioner.)	

**FINDINGS OF FACT, CONCLUSIONS OF LAW,
AND RECOMMENDATION TO THE DIRECTOR**

Now comes the Medical Disciplinary Board of the Division of Professional Regulation of the Department of Financial and Professional Regulation of the State of Illinois and, after reviewing the record in this matter, a majority of its members hereby makes the following Findings of Fact, Conclusions of Law and Recommendation to the Director:

FINDINGS OF FACT:

1. The Board adopts the Findings of Fact contained in the Report and Recommendation of Administrative Law Judge James Jeffrey Canavan and incorporates them herein.


CONCLUSIONS OF LAW:

1. The Board adopts the Conclusions of Law contained in the Report and Recommendation of Administrative Law Judge James Jeffrey Canavan and incorporates them herein.

RECOMMENDATION:

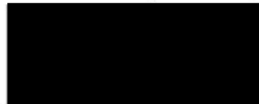
The Board adopts the Recommendation contained in the Report and Recommendation of Administrative Law Judge James Jeffrey Canavan. Therefore, based on the above Findings of Fact and Conclusions of Law, the Medical Disciplinary Board of the Division of Professional Regulation of the Department of Financial and Professional Regulation of the State of Illinois recommends to the Director that Petitioner Seshagir R. Vavilikolanu's Petition for Restoration be Denied, and that the license to practice as a physician and surgeon of Seshagir R. Vavilikolanu, Medical License No. 036-070313 remain Suspended.

DATED THIS 1 DAY OF August, 2007.


CHAIRMAN, Linda L. Zange, D.C.



MEMBER



MEMBER



MEMBER

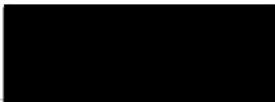
 LD

MEMBER



MEMBER

MEMBER



MEMBER

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF PROFESSIONAL REGULATION

DEPARTMENT OF FINANCIAL AND)
PROFESSIONAL REGULATION OF THE)
STATE OF ILLINOIS) ;
)
IN RE THE PETITION FOR)
RESTORATION OF:) NO. 02-078441
)
SESHAGIR R. VAVILIKOLANU, M.D.,)
LICENSE NO. 036-070313,)
)
)
Petitioner.)

~~02-078441~~
01-1844

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND
RECOMMENDATION TO THE ILLINOIS MEDICAL
DISCIPLINARY BOARD

The following Findings of Fact,
Conclusions of Law and Recommendation for case number,
2002-078441, Illinois Department of Professional
Regulation, In Re Petition for Restoration of:
Seshagagir R. Vavilikolanu, M.D., license number,
36-070313 are hereby being submitted to the Illinois
Medical Disciplinary Board of the Illinois Department
of Professional Regulation pursuant to Illinois
Compiled Statutes, Chapter 225, Act 60, Section 45.

FINDINGS OF FACT

The Petitioner filed a Petition for Restoration of his Licensure. A formal hearing was held on August 31, 2006, and continued upon Petitioner's request until February 21, 2007. The Petitioner and his counsel, Edward Bruno, were present as well as the distinguished Board Member, Dr. Tariq Butt. The Department was represented by David Igasaki. The Administrative Law Judge that heard this case was James Jeffrey Canavan.

The Department's Complaint alleged that on or about October 10, 2001 the Petitioner was convicted of 57 counts of participating in a Racketeering Enterprise, a felony. Petitioner's license has been suspended for five years. On October 10, 2001, Petitioner was convicted of 57 counts of participating in a Racketeering Enterprise. On May 20, 2002 the Petitioner entered into a Stipulation and Settlement Agreement with the Department. In that Agreement uncontested in the record, the Petitioner admits to the felony conviction. The Petitioner's license was indefinitely suspended on June 19, 2002.

On July 11, 2002 the Director signed an order suspending the Petitioner's license in

accordance with the Stipulation and Recommendation. This is uncontested in the record. The Petitioner admits to such, and his testimony was forthcoming concerning the facts and circumstances surrounding his conviction. Petitioner has attempted to mitigate his suspension by presenting testimony from a current treater. I find this testimony unconvincing in light of the admitted felony conviction. Some review of the undisputed facts is warranted.

Petitioner became involved in a fraudulent insurance maneuver which he referred to as an "Enterprise." Dr. Vavilikolanu was initially involved in family practice in Forest Park (See Hearing transcript Page 8/Line 6). He later became Chairman of Anesthesiology at Hyde Park Hospital. A colleague, Dr. Krasnow, introduced him to Dr. James Desnick of the Desnick Eye Centers (See Hearing transcript Page 9/Line 9).

The Petitioner was also introduced to a "referral source." This "source," described as "church member," had told Petitioner that he had a wealth of referral patients that "needed" to be referred to the hospital. Petitioner introduced this "source," later described as a Pastor, to Dr. Krasnow.

who was affiliated with Hyde Park Hospital. This "source" wanted \$600 cash for each patient referred to the hospital (See Hearing transcript Page 10/Line 3).

Dr. Krasnow gave Dr. Vavilikolanu the \$600 cash for such presentations and admissions. Dr. Vavilikolanu gave the \$600 to the "source." Apparently the scheme seemed acceptable to Petitioner; the money flowed to the "source" and the patients were sent to the hospital (See Hearing transcript Page 10/Line 24).

Patients that went to the hospital were coached to lie by the Petitioner and their attorney, Michael Rantis, to gain inpatient status so as to trigger payments from insurance companies (See Hearing transcript Page 11/Lines 3, 8, 15).

Dr. Vavilikolanu administered anesthesia to some of these patients (See Hearing transcript Page 12/Line 9). He also billed and collected for unnecessary abdominal service (See Hearing transcript Page 12/Line 24). He admittedly did so for the monetary incentive of it (See Hearing transcript Page 13/Line 7).

The "Enterprise" grew and moved to Edgewater Hospital along with Dr. Vavilikolanu, who

had become Chief of Anesthesiology at that facility. At Edgewater, Dr. Vavilikolanu's wife became involved in recruiting detoxification victims for the same scheme. Later, Petitioner, Dr. Vavilikolanu, extended the business to the Desnick Eye Center where he administered anesthesia for cataract removal (See Hearing transcript Page 17/Line 17).

The "Enterprise" ended for Dr. Vavilikolanu when a fellow physician wearing a wire brought him under the radar of the FBI. The Petitioner began cooperating with the Government, wearing a wire of his own. He eventually entered into the plea agreement, which is made part of the evidentiary record. Restitution was placed at \$5,000,000 and Petitioner was sentenced to prison for "Racketeering."

The initial assessment by Rush Behavioral found Dr. Vavilikolanu to be less than remorseful and to suffer [REDACTED]. The Rush evaluation is also made part of the evidentiary record.

His current physician, Dr. Robert Reff, testified that he believed Dr. Vavilikolanu had suffered from [REDACTED] (See

Hearing transcript Page 38/Line 12). He believes Petitioner now to be stable and fit to return to practice (See Hearing transcript Page 68/Line 15). It is also uncontested that his is a chronic condition. (See Hearing transcript Page 68/Line 21). Dr. Vavilikolani has failed his [REDACTED] on two occasions (See Hearing transcript page 87/Line 19).

The testimony offered by Chaplain Leonard Ray Harris offered little or no foundation for the granting of Petitioner's restoration.

EVIDENCE

The Department offered the following evidence:

Department Exhibit No. 1 was an Order of the Director dated July 11, 2002.

Department Exhibit No. 2 was a Petition to Request a Hearing dated June 14, 2004.

Department Exhibits Nos. 3 and 4 were investigative reports dated November 9, 2001.

Department Exhibits Nos. 5 and 6 were investigative reports dated November 28, 2001, and Department Exhibit No. 7 was the Multidisciplinary Assessment Summary dated November 2, 2005.

The Petitioner presented the testimony of

Dr. Robert Reff, treating physician, and Leonard Ray Harris, character witness.

DISCUSSION

It must first be noted that the Petitioner's license was indefinitely suspended for his participation in, and subsequent felony conviction for, an extensive criminal Racketeering Enterprise. For this the Petitioner was imprisoned for three years and thereafter was placed on supervised release until at least March/April, 2007. The testimony of Dr. Reff relates to Petitioner's past and present [REDACTED] condition. Since the Petitioner's license was not suspended for an inability to practice because of a [REDACTED] Dr. Reff's testimony can only be viewed as an attempt to explain why the Petitioner had become involved in a criminal Racketeering Enterprise. In this regard Dr. Reff testified that the Petitioner while being assessed recognized that he was motivated at the time by [REDACTED] and the Petitioner believes his judgment was impaired at the time (See Hearing transcript Page 64/Line 18). While this may have well been what the Petitioner expressed at the time to Dr. Reff, Dr. Reff did not directly offer an opinion that some [REDACTED] condition caused the

Petitioner to engage in Racketeering which could then be considered as a factor mitigating his criminal conviction. Therefore, all that is left is a Petitioner who participated in an extensive criminal Racketeering Enterprise; was convicted in 2001; spent three years imprisoned; was thereafter on supervised release until at least March/April 2007; and is now receiving treatment for [REDACTED]

CONCLUSIONS OF LAW

Based upon the above Findings of Fact, I, James Jeffrey Canavan, the Administrative Law Judge, make the following Conclusions of Law:

The Illinois Medical Disciplinary Board has jurisdiction over the subject matter and of the parties in this case.

The Petitioner has not proved by the preponderance of the evidence that the Petitioner's licensure should be restored.

RECOMMENDATION

Based upon the above Findings of Fact and Conclusions of Law, I, James Jeffrey Canavan, the Administrative Law Judge, recommend to the Illinois Medical Disciplinary Board that the Petition for Restoration be denied.



James Jeffrey Canavan

STATE OF ILLINOIS
DEPARTMENT OF PROFESSIONAL REGULATION

DEPARTMENT OF PROFESSIONAL REGULATION)
of the State of Illinois, Complainant)

v.)

) 2001-07844
)

SESHAGIRI R. VAVILIKOLANU Respondent)

NOTICE

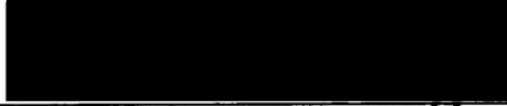
TO: SESHAGIRI R. VAVILIKOLANU


PLEASE TAKE NOTICE that the Director of the Department of Professional Regulation did sign the attached Order.

YOU ARE FURTHER NOTIFIED that you have a right to judicial review of all final administrative decisions of this Department, pursuant to the provisions of the "ADMINISTRATIVE REVIEW ACT," approved May 8, 1945, and all amendments and modifications thereof, and the rules adopted pursuant thereto.

The order of the Director of the Department of Professional Regulation will be implemented as of the date of the Order unless the Order states otherwise.

DEPARTMENT OF PROFESSIONAL REGULATION
of the State of Illinois

BY: 
Clerk for the Department

All inquiries should
be directed to:
Chicago Office - 312-814-4504
Springfield Office - 217-785-0820

STATE OF ILLINOIS)
)
COUNTY OF SANGAMON) ss:

UNDER PENALTY of perjury, as provided by law pursuant to Section 1-109 of the Illinois Code of Civil Procedure, the undersigned certifies that I caused copies of the attached NOTICE AND ORDER, to be deposited in the United States mail, by CERTIFIED mail at 320 W. Washington, Springfield, Illinois 62786, before 5:00 p.m. with proper postage prepaid on the 5th day of December, 2007 to all parties at the addresses listed on the attached documents.



AFFIANT

STATE OF ILLINOIS
DEPARTMENT OF PROFESSIONAL REGULATION

DEPARTMENT OF PROFESSIONAL REGULATION)
of the State of Illinois, Complainant)
)
v.) 2001-07844
)
SESHAGIRI R. VAVILIKOLANU Respondent

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AFFIANT

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