

STATE OF ILLINOIS

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF PROFESSIONAL REGULATION

IN RE:)
THE PETITION FOR RESTORATION OF:)
) No. 200107844
SESHAGIRI R. VAVILIKOLANU, Petitioner)
License No. 036070313)

ORDER

This matter having come before the Medical Disciplinary Board of the Department of Financial and Professional Regulation of the State of Illinois, and the Medical Disciplinary Board, having made certain Findings of Fact, Conclusions of Law and a Recommendation to the Director of the Department; and the Department having complied with all required notices; and the time allowed for filing of a Motion for Rehearing before the Director of the Department having now passed;


NOW, THEREFORE, I, JAY STEWART, DIRECTOR OF THE DIVISION OF PROFESSIONAL REGULATION of the DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION of the State of Illinois, do hereby 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 is Restored to Indefinite Probation. Petitioner cannot petition to restore his license to Good Standing for at least two years from the effective date of this Order. During the period of Probation, the Petitioner shall comply with the following conditions:

1. Petitioner shall submit quarterly reports to the Medical Disciplinary Board or its designee regarding the location and scope of his practice.

2. Said quarterly reports shall be submitted by January 1, April 1, July 1, and October 1 of each year.

3. Petitioner is required to continue treatment for his 

4. Petitioner shall immediately report any arrest in any jurisdiction to the Department's Probation Compliance Unit.

Petitioner is placed on notice that, should he violate any provision of the Medical Practice Act while his license is on Probation, the Department may initiate additional action or use such information in objection to any Petition for Restoration.

DATED THIS 29th DAY OF March, 2012.

DEPARTMENT OF FINANCIAL AND
PROFESSIONAL REGULATION
of the State of Illinois
BRENT E. ADAMS, SECRETARY

Division of Professional Regulation


JAY STEWART
DIRECTOR

REF: License No. 036070313
Case No. 200107844

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

In re: The Petition of Restoration of

**SESHAGIRI VAVILIKOLANU, M.D.,
a/k/a DR. RAO,
License No. 036.070313,
Petitioner,**

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No. 2001-07844

**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:

The Board adopts the Findings of Fact contained in the Report and Recommendation of Administrative Law Judge Michael J. Lyons and incorporates them herein.

CONCLUSIONS OF LAW:

The Board adopts the Conclusions of Law contained in the Report and Recommendation of Administrative Law Judge Michael J. Lyons and incorporates them herein.

RECOMMENDATION:

The Medical Disciplinary Board of the Department of Financial and Professional Regulation, Division of Professional Regulation of the State of Illinois, after making the above Findings of Fact and Conclusions of Law, accepts and proposes a modification of the recommendation as allowed by the Administrative Law Judge. The Medical Disciplinary Board recommends that the Certificate of Registration as a Physician and Surgeon in the State of Illinois, License No. 036.070313 of Seshagiri Vavilkolanu, M.D. be placed on INDEFINITE PROBATION for a minimum of two years subject to conditions. The terms of probation require Petitioner to submit quarterly reports to the Board or its designee regarding the location and scope of his practice. Petitioner is required to continue [REDACTED] He is also required to immediately report any arrest to the Department. Petitioner is placed on notice that, should he violate any provision of the Medical Practice Act while his license is on probation, the Department may initiate additional action or use such information in objection to any Petition for Restoration.

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DATED THIS 21st DAY OF December, 2011.

CHAIRMAN, Tariq H. Butt, M.D.

MEMBER

MEMBER

MEMBER

MEMBER

MEMBER

MEMBER

MEMBER

MEMBER

Ref: Case No. 2001-07844
Lic. No. 036.07313

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

In re: The Petition for Restoration of)
)
SESHAGIRI VAVILIKOLANU, M.D.,) No. 2001-07844
a/k/a DR. RAO,)
License No. 036-070313,)
)
Petitioner.)

REPORT OF THE ADMINISTRATIVE LAW JUDGE TO THE
MEDICAL DISCIPLINARY BOARD

BACKGROUND OF CASE

On January 7, 2002, the Department of Financial and Professional Regulation, Division of Professional Regulation (hereinafter "Department") filed a Complaint against the Physician and Surgeon license of the Petitioner in this case, Dr. Seshagiri Vavilikolanu, also known as Dr. Rao, (hereinafter "Petitioner"), alleging that he violated Section 22(a)(3) of the Medical Practice Act of 1987 when he pled guilty to and received a felony conviction for participating in a racketeering enterprise. To resolve this matter, Petitioner entered into a Stipulation and Recommendation for Settlement with the Department whereby he agreed to the indefinite suspension of his license (Dept. Ex. 2). The suspension became effective July 11, 2002.

Petitioner previously filed a petition seeking restoration of his license which was denied in 2007 after formal hearing. Petitioner more recently filed another petition for termination of suspension of his license on December 22, 2010. A formal evidentiary hearing was held on the Petitioner's petition on September 20, 2011, before Administrative Law Judge Michael J. Lyons. Representing the Department was its attorney David Igasaki with the assistance of Illinois Supreme Court Rule 711 Senior Law Student Shane Bradwell. Petitioner appeared personally and was represented by his attorneys, Alan Rhine of The Law Offices of Alan Rhine, and William Serpico of Serpico, Petrosino & DiPiero, Ltd.

EXHIBITS

The Petitioner, Dr. Vavilikolanu, submitted the following documents which were admitted into evidence:

Exhibit 1: Curriculum Vitae of Dr. Joel M. Silberberg, M.D., Associate Professor of Psychiatry and Director of the Division of Forensic Psychiatry at The Feinberg School of Medicine of Northwestern University.

Exhibit 2: Findings and opinions of Joel M. Silberberg, M.D., after conducting a psychiatric evaluation of Seshagiri Vavilikolanu, M.D.

Exhibit 3: Special Purpose Examination (SPEX) Official Score Report, printed December 22, 2009.

Exhibit 4: Letter from Jessie Mabaquiao, Attending Psychiatrist at the John H. Stroger Hospital located in Chicago, Illinois, dated March 29, 2010.

Exhibit 5: Suspension Order and subsequent Consent Order in Department of Financial and Professional Regulation v. Ravi T. Barnabas, Case No. 2001-07821.

Exhibit 6: Consent Order in Department of Financial and Professional Regulation v. Kumar Kaliana, Case No. 2001-07823.

The Department submitted the following documents which were admitted into evidence:

Exhibit 1: Multidisciplinary Assessment Program summary for Seshagiri R. Vavilikolanu prepared by Stafford C. Henry, M.D., Medical Director of the Multidisciplinary Assessment Program at Rush behavioral Health Center located in Oak Park, Illinois, dated November 27, 2005.

Exhibit 2: Stipulation and Recommendation for Settlement signed by the Petitioner on May 20, 2002, and approved by the Medical Disciplinary Board on June 19, 2002; Director's Order suspending Petitioner's license, effective July 11, 2002.

Exhibit 3: Presentence Investigation Report in United States of America v. Sheshiqiri Rao Vavilikolanu, Docket No. 01 CR 469-4, in the United States District Court for the Northern District of Illinois.

FINDINGS OF FACT

Petitioner was the only witness to testify at formal hearing. Petitioner's testimony was forthcoming regarding the facts surrounding his conviction. Petitioner admitted that he had been involved in a fraudulent scheme whereby he accepted monetary payments for referring patients to hospitals, even in cases where hospitalization was not medically necessary. He acknowledged having offered his patients incentives to seek admission to the hospital, even patients who

appeared incapable of consenting to treatment. See Tr. pp. 45-51 for further testimony from Petitioner regarding the nature of his conduct. Also see the Presentence Investigation Report in the criminal case against Petitioner (Dept. Ex. 3). Petitioner began cooperating with the government by wearing a wire to record conversations of his co-conspirators after his role in the scheme was discovered by the Federal Bureau of Investigation (FBI). On or about October 10, 2001, Petitioner pled guilty to and was convicted of one count participating in a racketeering enterprise and was sentenced to serve 35 months in federal prison followed by supervised release for a term of three years. He was released from prison in 2004 after serving 29 months, and he successfully completed the required term of supervised release on or about June 11, 2007. Petitioner is still working to pay the restitution mandated by the federal court (Tr. p. 51-52).

After his release from prison in 2004, Petitioner worked as a business development consultant for both a medical equipment company and a medical center. He also briefly managed a clinic and worked for a call center in a sales capacity. Currently, he holds employment in the real estate office of a medical center (Tr. p. 28). Petitioner took and passed the SPEX examination on his third attempt with a score of [REDACTED] (Pet'r Ex. 3). Thus far, he has completed 90 hours of continuing education in 2011, and plans to complete 30 additional hours by October. In 2010, he completed 120 hours; in 2009, he completed 90 hours; and in 2008, he completed 90 hours in addition to his time spent studying for the SPEX examination. If allowed to return to the profession, Petitioner stated that he would return to his chosen field of anesthesiology (Tr. pp. 32-33).

Though the sole basis cited in the Stipulation and Recommendation for Settlement for suspending Petitioner's license is Petitioner's felony conviction, his ability to safely practice medicine was raised at hearing. Petitioner's first petition to restore his license was denied, in part, due to an evaluation Petitioner underwent to determine his fitness to return to practice. The

Department relied upon an assessment conducted in 2005 by Dr. Stafford C. Henry of Rush Behavioral Health Center, located in Chicago, Illinois, which found Petitioner to be “unable to show a genuine sense of remorse...” (Dept. Ex. 1, p. 9). Dr. Henry was of the opinion that Petitioner was “quite superficial and not very insightful” and cautioned that deep-seated issues must be addressed in order to safeguard against future unethical conduct (Dept. Ex. 1, p. 9-10). Dr. Henry concluded to a reasonable degree of medical and psychiatric certainty that Petitioner was not ready to return to the practice of medicine (Dept. Ex. 1, p. 10).

Petitioner testified that he has been receiving regular treatment for [REDACTED] [REDACTED] Dr. Jessie Mabaquiao, since 2007 (Tr. p. 34). Dr. Mabaquiao stated in a letter dated March 29, 2010, “I certify [Petitioner] to return to medical practice without any reservation” (Pet’r Ex. 4). Petitioner testified that he would be willing to follow the directions of his treating physicians and psychologists if his license was reinstated (Tr. p. 35). Petitioner also sought another evaluation in 2009 by Dr. Joel Silberberg, Associate Professor of Psychiatry and Director, Division of Forensic Psychiatry, Department of Psychiatry and Behavioral Science, Northwestern University Feinberg School of Medicine. In his report Dr. Silberberg concluded that there is no current condition that would prevent Dr. Rao from practicing medicine with reasonable skill, safety and judgment (Pet’r Ex. 2, p. 2). Moreover, Dr. Silberberg noted that Petitioner expressed remorse and guilt with regard to his patients and their families as well as the stress he caused his own family. (Pet’r Ex. 2, p. 24). Dr. Silberberg’s curriculum vitae (Pet’r Ex. 1) demonstrates his qualifications and his report is considered useful to this administrative law judge in determining whether Petitioner has been rehabilitated. See Pet’r Ex. 2 for details of Dr. Silberberg’s report. The Department relied upon Dr. Henry’s conclusions in the 2005 report and failed to offer any new evidence supporting its position that Petitioner’s license should not be restored.

Petitioner offered into evidence Consent Orders restoring the licenses of Drs. Barnabas and Kaliana, co-conspirators in the same racketeering enterprise as Petitioner. See Pet'r Ex. 5 and 6. Both physicians negotiated Consent Orders with the Department restoring their licenses to probationary status. Such documents were allowed into the record as relevant to this proceeding because all three physicians were intimately involved in the same fraudulent scheme. Of course neither this administrative law judge nor the Medical Disciplinary Board is bound by the terms of the Consent Orders in deciding this case.

CONCLUSIONS OF LAW

The Medical Disciplinary Board has jurisdiction over the parties and subject matter of this case. It is Petitioner's burden to prove by a preponderance of the evidence that his license should be restored. 68 Ill.Admin.Code 1110.190(b). The Rules for the Administration of the Medical Practice Act, 68 Ill.Admin.Code 1285.255, provide guidance in determining whether a Petitioner seeking restoration has been sufficiently rehabilitated to warrant the public trust and state as follows:

- a) Upon written application to the Disciplinary Board for restoration of a license or certificate, or for any other relief, the Disciplinary Board shall consider, but is not limited to, the following in determining if the person is to be deemed sufficiently rehabilitated to warrant the public trust:
 - 1) The seriousness of the offense that resulted in the disciplinary action being considered or being taken;
 - 2) The length of time that elapsed since the disciplinary action was taken;
 - 3) The profession, occupation and outside activities in which the applicant has been involved;
 - 4) Any counseling, medical treatment, or other rehabilitative treatment received by the applicant;
 - 5) Continuing medical education courses or other types of courses taken to correct the grounds for the disciplinary action being considered or having been taken;
 - 6) The results of a clinical competency examination, designated by the Disciplinary Board, and paid for by the petitioner;

- 7) Written reports and oral testimony by peer review committees or other persons relating to the skill, knowledge, honesty, integrity and contriteness of the applicant;
- 8) Restitution to injured parties;
- 9) Future plans of the applicant;
- 10) Involvement of the applicant's family and friends in his or her rehabilitation process;
- 11) A written report of a physical or mental examination given by a physician selected by the Disciplinary Board and paid for by the person being examined;
- 12) Any other information evidencing rehabilitation that would bear upon the applicant's request for relief or restoration of a license;
- 13) Whether the order imposing sanctions was appealed and, if so, whether a reviewing court granted a stay or delay of imposition of the sanction;
- 14) The date and disposition of any other petition for restoration filed since the last sanction was imposed; and
- 15) Whether there has been compliance with any probationary terms imposed.

Therefore, it must be determined whether, based upon the findings of fact, testimony and evidence presented at the formal hearing, Petitioner has demonstrated by a preponderance of the evidence that he is sufficiently rehabilitated according to the relevant above-referenced considerations. Although the nature of Petitioner's conduct is serious (factor 1), his license has been suspended for almost nine and a half years as a result of his prior conduct (factor 2). Petitioner has been gainfully employed and a productive member of society since his release from prison (factor 3). He has shown through his own testimony that he has sought treatment for [REDACTED] and has shown through the opinions of Dr. Mabaquiao and Dr. Silberberg that he can safely return to the practice of medicine. Petitioner has represented that he will continue to follow the directions of his treating physicians with regard to his [REDACTED] (factor 4). He has stayed abreast of the changing medical field by taking continuing education courses (factor 5) and his passing score on the SPEX examination indicates that he has met the

minimum level of competency to practice medicine (factor 6). He has successfully completed his required term of supervised release (factor 15) and continues to work to pay restitution (factor 8). It has been four years since his last petition for restoration of his license was denied (factor 14) and he has since then shown a change in demeanor, now expressing remorse for his actions, as evidenced by the evaluation conducted by Dr. Silberberg (factor 7). In considering the disciplines of Petitioner's co-defendants, the principle of consistency in discipline may favor granting Petitioner's petition to return to the practice of medicine on a probationary basis. Weighing the above factors, it becomes clear that Petitioner has shown by a preponderance of the evidence that he can safely return to the practice of medicine under probationary conditions sufficient to protect the public.

RECOMMENDATION

Based upon the above Findings of Fact and Conclusions of Law, this administrative law judge recommends to the Medical Disciplinary Board that Petitioner's license as a Physician and Surgeon in the State of Illinois be restored to probationary status for a definite term of two years subject to conditions. Terms of probation should require Petitioner to submit quarterly reports to the Board or its designee regarding the location and scope of his practice. Petitioner should be required to continue treatment [REDACTED]. He should also be required to immediately report any arrest to the Department. Utilizing its expertise, the Board may wish to modify or add to these suggested probationary terms.

Dated: November 17, 2011


[REDACTED]
Michael J. Lyons, Administrative Law Judge

Vavilikolanu 2001-07844
a/k/a Dr. Rao

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF PROFESSIONAL REGULATION)
of the State of Illinois, Complainant)
v.) 200107844
SESHAGIRI R. VAVILIKOLANU Respondent)

NOTICE


TO: SESHAGIRI R. VAVILIKOLANU


PLEASE TAKE NOTICE that the Director of the Division 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 Division of Professional Regulation will be implemented as of the date of the Order unless the Order states otherwise.

DIVISION 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 CONSENT OR 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 29th day of March, 2012 to all parties at the addresses listed on the attached documents.



AFFIANT

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF PROFESSIONAL REGULATION)
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v.) 200107844
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DIVISION OF PROFESSIONAL REGULATION
of the State of Illinois

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Clerk for the Department

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STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

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

v.)

) 200107844
)

SESHAGIRI R. VAVILIKOLANU Respondent)

NOTICE

TO: ALAN RHINE, ESQUIRE
111 W. WASHINGTON STREET
SUITE 1505
CHICAGO, IL 60602

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A large black rectangular redaction box covering the signature of the affiant.

AFFIANT