

IN THE MATTER OF
SREEDHAR V. POTARAZU, M.D.
Applicant for Reinstatement

*** BEFORE THE**
*** MARYLAND STATE**
*** BOARD OF PHYSICIANS**
*** Case No.: 2224-0094**

* * * * *

FINAL DECISION AND ORDER

PROCEDURAL HISTORY

On April 25, 2024, Disciplinary Panel B (“Panel B”) of the Maryland State Board of Physicians (the “Board”) issued a Notice of Intent to Deny (“Notice”) the License Reinstatement Application¹ of **SREEDHAR V. POTARAZU, M.D.** (“Dr. Potarazu”), pursuant to the Maryland Medical Practice Act (“Act”), Md. Code Ann., Health Occupations (“Health Occ.”) §§ 14-101 *et seq.* In accordance with Health Occ. § 14-205(b)(3)(i), the Notice was based on Dr. Potarazu’s failure to demonstrate that he met the good moral character requirements for reinstatement of a medical license under Health Occ. § 14-307(b) and § 14-404(a)(44), and the facts underlying his 2016 conviction of two felonies in the United States District Court, Eastern District of Virginia - crimes of moral turpitude under Health Occ. § 14-404(b)(2). Dr. Potarazu was convicted of:

(1) Count 1²: From 2009 through 2016, intentionally concealing material facts, making false representations, providing misleading information and telling deceptive half-truths to 160 victim investors and shareholders about the financial condition, imminent sale, and tax liability and compliance of his former healthcare technology company in a scheme he devised to defraud them and induce their financial investments of \$32 million, a scheme that involved his creation of fake bank accounts and bank statements, fake websites, fake emails, false financial and tax records, false income tax returns, and having people pose as fake investors; and

¹ Dr. Potarazu’s Maryland medical license expired on September 30, 2011.

² Inducing Interstate Travel to Commit Fraud, in violation of 18 U.S.C. § 2314.

(2) Count 2³: For a nine-year period from 2007 through 2016, willfully failing to truthfully account for and pay over to the Internal Revenue Service (“IRS”) over \$7.5 million in employment taxes that he withheld from paychecks of his company employees.

On August 1, 2024, the case was referred to the Office of Administrative Hearings (“OAH”) for an evidentiary hearing before an Administrative Law Judge (“ALJ”). At the hearing held on December 16, 2024, Dr. Potarazu testified on his own behalf and presented character testimony from two witnesses. The State did not call any witnesses. The ALJ admitted into evidence seventeen exhibits of Dr. Potarazu and eleven exhibits offered by the State. In a Proposed Decision issued on March 13, 2025, the ALJ recommended that a Board disciplinary panel deny Dr. Potarazu’s application for reinstatement of his Maryland medical license. Dr. Potarazu filed written exceptions to the ALJ’s Proposed Decision, and the State filed a Response to Dr. Potarazu’s exceptions. The parties appeared before Disciplinary Panel A (“Panel A” or the “Panel”) of the Board for an oral exceptions hearing on June 11, 2025.⁴ After considering the entire record, including all the documentary and testimonial evidence before the ALJ, the written and oral exceptions arguments by both parties, and all relevant Maryland law, including the licensing provisions of the Act and § 1-209 of the Criminal Procedure Article, Md. Code Ann., Panel A now issues this Final Decision and Order.

FINDINGS OF FACT

Panel A adopts and sets forth below the undisputed ALJ’s proposed Findings of Fact numbered 1-31.⁵ Pursuant to its authority under Md. Code Ann., State Gov’t § 10-216(b), the Panel modifies the ALJ’s proposed Findings of Fact 21, 24, and 31 to reflect that on December 1,

³ Willful Failure to Account For and Pay Employment Taxes, in violation of 26 U.S.C. § 7202.

⁴ Dr. Potarazu was represented by counsel during the written and oral exceptions processes.

⁵ The ALJ’s proposed findings included his consideration of testimony, stipulations of fact, facts set forth in the criminal Plea Agreement and Judgment, Items 15 through 21 in Dr. Potarazu’s Pre-hearing Conference Statement document, and other evidence. The ALJ incorporated by reference those documents, and portions of documents, as if fully set forth in his proposed findings.

2025, the U.S. District Court granted Dr. Potarazu an early release from Supervised Probation. The Panel also refers to Dr. Potarazu by name.⁶ The findings of fact were proven by a preponderance of the evidence and are as follows:

1. From July 27, 1989 until September 30, 2011, Dr. Potarazu held a physician's license (neuro-ophthalmology) in the State of Maryland. During that time, Dr. Potarazu had no disciplinary infractions in Maryland.
2. From June 1, 1995 until May 1, 2000, Dr. Potarazu held a physician's license in the Commonwealth of Virginia.
3. In September 2000, Dr. Potarazu established a healthcare data collection company, VitalSpring Technologies, Inc. ("Company"), that was to help employers improve the use of employee healthcare benefits and resources through data analysis relating to health care expenses.
4. From September 2000 until December 1, 2016, Dr. Potarazu was the Chief Executive Officer and a member of the board of directors of the Company.
5. In or around 2002, Dr. Potarazu took classes at Johns Hopkins University in a "Business of Medicine" cohort in the business school. That program addressed, among other things, data collection about medical treatments, disposition of patients, improper care, process of care, and medicine prescriptions and dosages. The academic discipline was to help improve clinical practice, processes of care, and provision of care.
6. From 2007 until 2016, Dr. Potarazu was the person at the Company who was responsible for hiring employees, directing employees, approving expenditure, collecting and paying payroll taxes, and making financial decisions.

⁶ The ALJ refers to Dr. Potarazu as "the Appellant" throughout the proposed decision.

7. In 2007, Dr. Potarazu began intentionally failing to file the Company's quarterly tax returns with the IRS. From 2007 through 2016, the Company's federal tax debt accumulated to \$7,691,071.22.
8. From 2009 through 2016, Dr. Potarazu intentionally provided false information to the shareholders of the Company. Included in his false information was the lie that there was a buyer for the Company, a sale was imminent, and that such a sale would result in profits for the shareholders. He concealed the Company's substantial tax liabilities and poor financial condition. Through his schemes, Dr. Potarazu raised about \$32,000,000.00 from about 160 investors or shareholders. Dr. Potarazu intentionally misrepresented to shareholders that the Company had millions of dollars in cash reserves, when in reality, he knew that the Company never generated a profit, was frequently behind in its payroll and payments to vendors, and had substantial tax liabilities. In his schemes, Dr. Potarazu intentionally presented investors and shareholders with fake bank statements. He also intentionally supplied false tax returns to shareholders and investors.
9. In 2014, after having been sued by shareholders in the State of Delaware, in response to the suit, Dr. Potarazu formed a "Special Review Committee" within the Company to help assure investors and shareholders that they were getting truthful and accurate financial records from the Company. Dr. Potarazu then provided the "Special Review Committee" with false financial records, false tax records, and fake tax returns, with the intent to cause shareholders and investors to believe that the Company was financially healthy.

10. From 2011 until sometime in 2015, Dr. Potarazu diverted and converted a portion of shareholder and investor monies to his own use, in the amount of about \$900,000.00. Of that money, Dr. Potarazu paid \$180,000.00 to pay off a mortgage debt of a certain institution in India. With Company money that was earmarked for taxes, Dr. Potarazu paid for some Company expenses and some personal expenses like a self-published book, a sedan car service, and travel.
11. In 2014, when questioned by a potential buyer of the Company or an investor about the fake financial documents that Dr. Potarazu produced, Dr. Potarazu intentionally provided false email messages that purported to be from a bank. He also presented a fake website that was made to appear like that of a major bank. A link in an email message directed a reader to false bank statements. Dr. Potarazu concocted a “shadow secondary email account” for one of the Company’s employees by which Dr. Potarazu provided more false information to investors and a potential buyer. Dr. Potarazu also lied to the potential buyer or investor saying that the Company had one or more prior serious buyers.
12. In October 2014, a potential buyer of the Company said to Dr. Potarazu that the potential buyer was no longer interested. Dr. Potarazu, however, for months, continued to lie to shareholders saying that a sale of the Company was still pending.
13. In 2015, the Company began doing business as “Enziime, LLC.”
14. In March 2015, in an effort to continue the lie about the sale of the Company, Dr. Potarazu had a shareholder interview a fake “prospective buyer.” To effect Dr. Potarazu’s scheme, he had the shareholders give Dr. Potarazu a list of questions they

wanted propounded at the interview. With the questions in hand, Dr. Potarazu then had an individual pose as a buyer's agent at the fake interview.

15. In February 2016, Dr. Potarazu repeated the fake interview scheme.
16. On June 3, 2016, Dr. Potarazu told shareholders at a shareholder meeting that there were buyers, and that the sale of the Company was imminent. On that intentionally false information, an investor invested another \$5,000.00 in the Company.
17. During the many years that Dr. Potarazu held onto the Company's payroll tax money and income tax money and defrauded shareholders out of millions of dollars, he bought lavish properties, vehicles, and travel. All of this conduct was done knowingly, willfully, and intentionally.
18. On October 6, 2016, on the basis of a sealed charging document, Dr. Potarazu was arrested. Dr. Potarazu was charged with several federal crimes. He was charged with inducing interstate travel to commit fraud, 18 U.S.C. § 2314, and collecting payroll tax money and withholding income tax money willfully, not truthfully, accounting for the monies and failing to pay them over to the United States, 26 § U.S.C. 7202.
19. On December 1, 2016, Dr. Potarazu signed an extensive plea agreement. It incorporated an agreed Statement of Facts. Part of that plea agreement caused Dr. Potarazu to forfeit three properties with houses in Potomac, Maryland; an E*Trade investment account; a Cadillac Escalade; a Volkswagen Tiguan; a 2016 Mercedes-Benz; and a Mini Cooper automobile. The agreement listed money owed but not paid to the United States from 2007 until March of 2016 in the amount of \$7,691,071.22.

20. On December 2, 2016, in the Federal District Court, Eastern District of Virginia, Dr. Potarazu pleaded guilty to the crimes, the agreed Statement of Facts was entered into the record of the case, and a sentencing hearing was scheduled.
21. On July 17, 2017, after having heard from many witnesses who were victims of Dr. Potarazu, the sentencing judge ordered restitution in the amount of \$57,900,173.22, and sentenced Dr. Potarazu to incarceration for 119 months and 29 days on the interstate fraud count, and 35 months, concurrent, on the willfully withholding and failing to pay count. The sentencing judge imposed three years of supervised probation upon release. Some of the special conditions of probation that were imposed, but are no longer in effect because of the recent Court Order discharging him from Supervised Release, were: a) Dr. Potarazu was prohibited from engaging in any civil occupation in which Dr. Potarazu would have access to money; b) without approval of a probation officer, Dr. Potarazu was not to incur any debts on credit or open any lines of credit; c) Dr. Potarazu was to allow the probation officer access to his financial information; and d) was prohibited from self-employment without approval of the probation officer. Dr. Potarazu was imprisoned in a federal facility in Cumberland, Maryland.
22. On or about July 26, 2017, Dr. Potarazu filed a notice of appeal to the U.S. Court of Appeals for the Fourth Circuit.
23. On May 18, 2018, Dr. Potarazu voluntarily dismissed his appeal.
24. On May 18, 2023, Dr. Potarazu was released from prison to supervised probation. At the time of the OAH hearing in this matter, Dr. Potarazu was on supervised probation.

25. In July 2023, Dr. Potarazu began working as a technician at the American Eye Care Center in Silver Spring, Maryland. At the time of the hearing, Dr. Potarazu worked there. No patient at the Center has reported a public safety issue or concern regarding Dr. Potarazu.
26. On December 6, 2023, Dr. Potarazu, through a business that he had hired, filed with the Board an application for reinstatement of his medical license. He wants to practice ophthalmology.
27. On December 22, 2023, Dr. Potarazu's sentence of 119 months and 29 days expired.
28. Currently, Dr. Potarazu has been offered a position as an ophthalmologist at the center, if his medical license is reinstated. Dr. Potarazu does not intend to have responsibilities regarding finances of his practice at the center.
29. On April 25, 2024, the Board issued to Dr. Potarazu a notice of intent to deny the reinstatement of Dr. Potarazu's lapsed medical license. The Notice recited many allegations of fact and noted a failure to demonstrate good moral character, and noted, upon investigation by the Board, a conviction for a crime of moral turpitude.
30. On or about August 1, 2024, Dr. Potarazu filed a request for a hearing to challenge the proposed denial of the reinstatement of his medical license.
31. At the time of the OAH hearing, Dr. Potarazu had no reported violations of the terms of his probation order. As set forth *supra* in Findings of Fact 21 and 24, he was discharged from Supervised Release on December 1, 2025 by Order of the Court.

REVIEW OF APPLICATION FOR REINSTATEMENT

On December 6, 2023, Dr. Potarazu submitted his reinstatement application to the Board. (St. Exh. 1) The Board's license application form requires all applicants to answer "YES" or "NO" to a sequence of Character and Fitness Questions, and to provide a written explanation for all "YES" answers. Question 7 asks:

Have you ever pleaded guilty or nolo contendere to any criminal charge, or have you ever been convicted of a crime or placed on probation before judgment because of a criminal charge?

On the application form itself and in an undated, written statement regarding his affirmative response, Dr. Potarazu stated:

"... I founded, in 2000, a healthcare software company and was the CEO for 16 years. The company was focused on providing employers with analytical software to better manage the healthcare benefits of their employees. Our clients included many of the Fortune 500. The company was sold in November of 2016. I was charged with not paying and filing payroll tax for certain years. My accountant of 9 years never told me that the 941 tax return [*sic*] were not filed. When I was made aware I contacted the IRS to work out a payment plan. The government charged me with failure to file and pay payroll taxes. Even though I did not willfully tell anyone not to file or pay taxes it did not matter since I was the CEO. Even though I was not aware of the returns that were not filed I accepted responsibility for not disclosing the issue to shareholders. I have accepted full responsibility as the CEO and deeply regret the mistakes I made. I am deeply remorseful and ashamed, and I have completed the sentence. I spent 5 years at a federal camp and the entire time was devoted to teaching GED and Cognitive Behavioral Therapy. . ."

In the Release and Certification section of the application form, Dr. Potarazu attested:

Under penalties of perjury, I attest that I have personally reviewed all responses to the items in the application and that the information I have given is true and correct to the best of my knowledge, information, and belief. I understand that providing any false, misleading, or incomplete information may result in disciplinary action or denial of licensure by the Maryland Board of Physicians (the Board).

In response to a Board email request issued on December 12, 2023 for Continuing Medical Education (“CME”) documents, Dr. Potarazu provided documentation showing his completion of the requisite Category 1 CMEs. On December 13, 2023, Board staff requested supporting documents regarding the case that led to his five years of incarceration. Dr. Potarazu responded in an email dated December 14, 2023, and attached a “Sentencing Memo” stating that it was an “official document which addresses the details of the case.”⁷

EVIDENTIARY HEARING

The Parties: Positions and Arguments

At the evidentiary hearing on December 16, 2024, the State argued that the evidence from Dr. Potarazu did not show he has good moral character – a required qualification for licensure under Health Occ. §14-307(b); that Dr. Potarazu had committed crimes involving moral turpitude under §14-404(b) which also constituted reasons for the proposed intent to deny reinstatement; and that § 1-209 of the Criminal Procedure Article did not apply in his case.

Dr. Potarazu characterized his crimes as “significant mistakes,” did not dispute that they involved moral turpitude under Health Occ. § 14-404(b), acknowledged his burden to show that he currently possesses good moral character, and argued that he qualifies for a medical license because he now has good moral character and is rehabilitated. He further argued that the disciplinary panel ignored the legal provisions and balancing factors of § 1-209 of the Criminal Procedure Article, and that the Board’s intent to deny reinstatement in his case was based solely on his conviction.

⁷ The attached document was a Sentencing Memorandum dated March 24, 2017 filed by defense counsel for Dr. Potarazu in his criminal case, in the U.S. District Court, Eastern District of Virginia, containing arguments to support his request that the Court impose a sentence far below the advisory federal sentencing guideline range. Dr. Potarazu did not include the Sentencing Memo to the ALJ in his documentary exhibits.

Testimony: Character Witnesses

In calling the first of two witnesses, Dr. Potarazu informed the ALJ that this witness would testify about his knowledge of Dr. Potarazu's character. On direct examination, the witness testified that he: knew Dr. Potarazu since 2003 when Dr. Potarazu was a former student in his clinical practice improvement class; was aware of the seriousness of Dr. Potarazu's crimes; did not question Dr. Potarazu's integrity, truthfulness, moral or ethical character; and thought Dr. Potarazu's character had not changed since Dr. Potarazu was in his class. The witness further testified that Dr. Potarazu took responsibility for his actions, was remorseful, and paid his debt to the state.

On cross-examination, when questioned about his knowledge of Dr. Potarazu's convictions, the witness testified that he knew Dr. Potarazu was convicted for not paying payroll taxes for his company. He was unaware of Dr. Potarazu's conviction for continuously lying to and defrauding investors from 2009-2016, his guilty plea for creating false bank accounts, fake websites, and fake tax returns in carrying out his scheme to defraud, and the order to pay restitution in excess of \$57 million. With respect to this witness's submission of a written affidavit of good moral character on behalf of Dr. Potarazu, the witness testified that he signed it but did not write it and did not know who wrote it. He also testified that he last saw Dr. Potarazu for an eye exam a week before the evidentiary hearing, and prior to that, before he went to prison.

The second character witness, an organization policy advisor, testified on direct examination that he had discussed issues in the case with Dr. Potarazu, and that Dr. Potarazu had forthrightly explained his criminal history, background, and his desire for a license. The witness understood from Dr. Potarazu that the crime was finance-related, not directly related to a medical

license, involved defrauding shareholders, creating fake bank statements and failure to pay employment taxes. He testified that this information did not change his opinion of Dr. Potarazu's good moral character today because Dr. Potarazu paid for his crime by serving prison time. Regarding rehabilitation, the witness further testified about his knowledge of Dr. Potarazu's teaching, instruction, and education of prisoners while incarcerated, his professional activities in the ophthalmology field since his release, and letters from Dr. Potarazu's employers showing stellar conduct and great moral character. In addition, based on his multiple conversations with Dr. Potarazu, the witness stated that Dr. Potarazu's criminal actions pointed to bad business practices or bad character in 2016, but not today, as changes in character occurred while incarcerated, he had learned his lesson, was fully rehabilitated and of good moral character.

On cross-examination, the witness testified that he had never met Dr. Potarazu in-person until the day of the hearing, and that their interactions over two years consisted of 4-5 virtual meetings and approximately 13-14 phone calls. He confirmed his understanding that the guilty plea involved defrauding shareholders with information, and IRS filings for a certain amount of dollars, and that his knowledge of Dr. Potarazu's educational pursuits in prison came second-hand from Dr. Potarazu and state legislature staff. In contrast to his direct examination testimony that he knew of Dr. Potarazu's fake bank statements, the witness stated that he had no knowledge of Dr. Potarazu's creation of false bank accounts, fake websites, fake tax returns, and having people pose as potential investors to defraud his investors. He also testified that he did not know of the pending restitution order for millions of dollars and that he was unaware of the probationary conditions prohibiting Dr. Potarazu from self-employment, and from engaging in any aspect of banking, business, or in an occupation where he could access other people's money.

Testimony, Statements, and Arguments: Dr Potarazu

Dr. Potarazu correctly acknowledged his burden to demonstrate that, since his conviction for crimes of Interstate Travel Fraud and IRS Tax Fraud, he now possesses good moral character and has been rehabilitated. He testified about his own favorable views of his character and rehabilitation based on his six years in prison, GED classes he taught to inmates, publication of a book chapter on the importance of literacy, and his employment as an ophthalmic technician at an eye center since his release. Dr. Potarazu also testified that he engaged in cognitive behavioral therapy to change his thinking and improve rational self-analysis in how he deals with situations, so he does not get into the kind of situation that he ran into before his conviction and stated: “My behavior was irrational.” He indicated that he had focused on his own mental health, his psychiatrist provided a professional assessment in terms of his character and rehabilitation since his release, he had enrolled in the Maryland Physician Health Program (“MPHP”) and they provided a letter regarding his participation on a monthly basis and supervision of his daily work activities. Dr. Potarazu additionally testified that he is in full compliance with his probationary conditions and his restitution payments of over \$57 million and that he is seeking a license “only to write prescriptions for eye drops and eyeglasses.”

On cross-examination, Dr. Potarazu agreed that he had pled guilty because he was in fact guilty of the two criminal offenses and admitted that all the specific factual details of his crimes set forth in his Plea Agreement and Statement of Facts were true and correct. He also acknowledged providing an undated written explanation to the Board conveying the same statements and information that were in his application. When asked why he made no mention of his guilty plea to the crime of interstate fraud on his application and written explanation, Dr.

Potarazu did not answer the question directly but claimed he had submitted the plea agreement along with his application. When asked why he blamed his accountant for his failure to pay employment taxes to the IRS, he testified that it was “verbatim” language from his plea agreement of December 2016 “and reported in the document.” The 2016 Plea Agreement and Statement of Facts, however, contain no mention of Dr. Potarazu’s tax accountant. Rather, the Statement of Facts that Dr. Potarazu signed affirms that:

POTARAZU knew about this employment tax liability as early as 2007 and was frequently apprised between 2007 and 2016 of VitalSpring’s payroll tax responsibilities . . . and in 2011 and 2012, Potarazu was interviewed by IRS Special Agents and was separately informed that VitalSpring had accrued an employment tax liability. Statements of Facts, ¶ 11.

The Statement of Facts further affirms that:

POTARAZU engaged in the conduct described above (tax fraud) willfully and knowingly and not because of accident, mistake, or other innocent reason. Statement of Facts ¶ 16.

Throughout the hearing, Dr. Potarazu reiterated that: § 1-209 of the Criminal Procedure Article was the applicable law in his case; the Board told the General Assembly in a position statement that it follows § 1-209; and § 1-209 does not provide a bypass road to use moral character as a reason for denial because there is no evidence of bad moral character outside of his crime. Pursuant to Crim. Proc. § 1-209(d), he further argued that a license cannot be denied solely on the basis of a criminal conviction, unless there is either a direct relationship between the previous conviction and the license being requested, or an unreasonable risk to public safety today, not in 2016, based on the Board’s consideration of the mandatory seven factors of § 1-209(e). He also argued that in his case, the standard is what rehabilitation has taken place since the time of the conviction.

Documentary Evidence

State Exhibits

Dr. Potarazu did not object to any of the 11 exhibits offered by the State and admitted by the ALJ.

St. Exh. 1: Dr. Potarazu's licensure application file, various dates;

St. Exh. 2: A separate, undated, written statement to the Board containing the same information that Dr. Potarazu provided on his application form;

St. Exh. 3: Criminal Case Docket entries, 2016/2017;

St. Exh. 4: Criminal Charging Document, 12/02/16;

St. Exh. 5: Plea Agreement and Statement of Facts, 12/01/2016;

St. Exh. 6: Sentencing Hearing Transcript, 07/19/2017;

St. Exh. 7: Criminal Case Judgment, 07/26/2017;

St. Exh. 8: Board's Profile of Dr. Potarazu, 01/17/2024;

St. Exh. 9: Virginia Health Professions Record, 01/12/2024;

St. Exh. 10: Bureau of Prisons Record, 01/12/2024;

St. Exh. 11: Notice of Intent to Deny, 04/25/2024.

Dr. Potarazu - Applicant (Appl.) Exhibits

With respect to his documentary evidence intended to show good moral character and rehabilitation as an Applicant ("Appl."), Dr. Potarazu offered 22 Exhibits, 17 of which were admitted by the ALJ below. The Panel has reviewed each of the exhibits admitted by the ALJ as well as the testimony that Dr. Potarazu provided about the exhibits at the hearing.

Appl. Exh. 1: Portion of Online Application and email message threads, various dates;

The emails to and from Dr. Potarazu in this exhibit do not relate to the attributes of good moral character or rehabilitation.

Appl. Exhs. 3, 4, 5: Email message threads, 08/2024, various dates;

The emails of legislative staff in these exhibits do not address good moral character or rehabilitation.

Appl. Exhs. 6 and 7: Affidavit and Letters from Physician Employer, dated 10/2024;

Dr. Potarazu discussed these two electronically signed letters dated October 7 and 12, 2024 (one letter was characterized as an Affidavit). He testified they were from a physician friend who employed him as an Ophthalmic Technician at an Eye Care Center after his release from prison, the physician had been seriously ill on those dates, had died on October 13, 2024, and they wrote the October 7 letter together at the physician's request for Dr. Potarazu to help him. He also confirmed that the letter dated October 12 was written on the day before the physician's death, a letter that attested to Dr. Potarazu's "honesty, integrity, trustworthiness" and "unequivocal good moral character," and stated that "Dr. Potarazu has shown absolute remorse and regret for his mistakes and accepted absolute responsibility." The Panel's review finds that the statements in Appl. Exh. 6 are identical to statements in Appl. Exh. 20 from his psychiatrist and are conclusory without meaningful analysis or information.

Appl. Exh. 8: Email message thread, dated 08/16/2024 and 09/09/2024

This document contains an email response from legislative staff to Dr. Potarazu confirming, *inter alia*, that his license has not been denied yet; he is entitled to an evidentiary hearing before denial; the Board does not believe a prior criminal conviction should always serve as a barrier to licensure; the Board has issued numerous licenses to returning citizens with prior convictions after a review of the context and circumstances of the conviction; and the Board

considers the factors in § 1-209 of the Criminal Procedure Article and applicable provisions of its statute.

Appl. Exh. 10: Letter of Support from Kara Gotsch - “Sentencing Project,” dated 06/19/24;

This letter from Kara Gotsch, Executive Director of “The Sentencing Project” supports Dr. Potarazu’s request for licensure reinstatement and concludes that he was rehabilitated in serving his sentence. She praises his advocacy, promotion of educational opportunities and mentoring of his prison inmates, and his efforts and accomplishments to advance prison rehabilitative programming and improvement of confinement conditions, as well as the health and safety of inmates during the Covid-19 pandemic. The Panel commends Dr. Potarazu’s educational efforts on behalf of his prison inmates and his time spent teaching GED classes to inmates during his incarceration.

Appl. Exh. 11: Letter of Support and recommendation from a CEO of an investment firm who has known Dr. Potarazu since 2015, dated 06/17/24;

The CEO notes his respect for the responsibility of a licensing entity to protect public safety and his understanding that any candidate seeking reinstatement must be able to demonstrate that they understand the severity and implications of their conduct and the need to clearly demonstrate their path towards rehabilitation.

Appl. Exh. 12: Attestation of Support from Character Witness 1, dated 12/07/24;

At the evidentiary hearing, the witness testified that he read the attestation and signed it but did not write it and did not know who wrote it.

Appl. Exh. 14: 2024 Session Position Paper

This Session Position Paper from Health Occupations Boards to the Maryland Legislature states that they thoroughly review each applicant’s criminal history and use the balancing factors outlined in the Criminal Procedure Article § 1-209 . . . when making determinations about

licensure. The Position Paper established that in 2023, the Board of Physicians processed 7,100 Criminal History Background Checks, including 118 with positive results, and did not deny a single applicant due to a criminal conviction.

Appl. Exh. 16: Note/Letter, dated 11/14/24

At the hearing, Dr. Potarazu acknowledged that this letter was originally an email from a patient that he cut and pasted and then presented as a letter. The letter states the patient's appreciation for eye care she received from Dr. Potarazu and his employing physician.

Appl. Exh. 17: Book chapter by Dr. Potarazu

This book chapter authored by Dr. Potarazu discusses the importance of improving literacy opportunities for inmates in the prison system, and lists Dr. Potarazu's educational and medical background as an ophthalmologist and a businessman with an MBA from Johns Hopkins and experience in health care data and analytics.

Appl. Exh. 18: Employment Offer Letter for Dr. Potarazu detailing Ophthalmologist duties and responsibilities if reinstated, dated 11/04/24

The employment offer details a broad list of clinical duties and responsibilities that would include:

- 1) Performing comprehensive examinations of the visual system to determine the nature and extent of ocular disorders;
- 2) Diagnosing and treating disorders and diseases of the eye and eye structures;
- 3) Documenting and evaluating patients' medical histories;
- 4) Performing, ordering, and interpreting diagnostic or clinical test results;
- 5) Providing or directing postoperative care;
- 6) Developing treatment plans based on patient history and goals, the nature and severity of disorders, and treatment risks and benefits;
- 7) Performing laser surgeries to alter, remove, reshape, or replace ocular tissue;
- 8) Referring patients for more specialized treatments when indicated.

Appl. Exh. 19: Recidivism Risk Assessment

The Panel agrees with the ALJ that this fifteen-question recidivism risk assessment tool utilized by the Federal Bureau of Prisons and offered by Dr. Potarazu to show good moral character is generic and unimpressive and not probative in such an assessment.

Appl. Exh. 20: “To whom it may concern” Psychiatrist note, dated 10/24/24

Dr. Potarazu testified that this note dated October 24, 2024, was a professional assessment of his mental health in terms of his character and rehabilitation written by his psychiatrist since his release from prison. In his testimony, Dr. Potarazu verified that he drafted the note for the psychiatrist to review and sign. The note states that Dr. Potarazu had known the psychiatrist for one year through their doctor-patient relationship. In phrases identical to some of the character reference statements from Dr. Potarazu’s physician employer, the note purports to show Dr. Potarazu’s good moral character and states that Dr. Potarazu “has shown honesty, integrity and trustworthiness, . . .” is “an individual of good moral character,” and has “shown absolute remorse and regret for his mistakes and has accepted absolute responsibility.” The Panel finds that these sentences are identical to phrases in the October 12 letter from Dr. Potarazu’s physician employer. It is undisputed that Dr. Potarazu drafted it. The note does not address mental health, clinical progress or therapeutic issues.

Appl. Exh. 21: “To whom it may concern” MPHP note, dated 11/24/24

The MPHP note dated November 11, 2024, states that “a clinical plan was developed to support Dr. Potarazu moving forward,” which included “professional feedback from his employer, monthly meetings with [MPHP’s] clinical staff,” and that he “is fully cooperative with all clinical recommendations and meetings.” The document does not indicate fitness or safety to practice medicine.

Having considered each of Dr. Potarazu's exhibits above, the Panel believes that his post-conviction educational activities in prison to help inmates are commendable, and his employment as an ophthalmic technician since his release is also laudable. The Panel, however, finds that drafting some of the character recommendations for himself that claim to show good moral character or rehabilitation does not evince good moral character. His conviction, in part, was based on fraudulent conduct and false statements to shareholders to enrich himself. By submitting references purportedly from third parties but actually self-drafted, he has not demonstrated rehabilitation, but reinforced that he has not learned lessons from his incarceration. Even on their own terms, the documents he presented were repetitive, summary endorsements, and did not provide meaningful evidence of rehabilitation. The Panel does not find those exhibits persuasive.

THE ALJ'S PROPOSED DECISION

ALJ Analysis: Crimes of Moral Turpitude - Health Occ. § 14-205 and § 14-404(b)(2)

In his analysis, the ALJ determined that the Board is authorized to deny reinstatement of Dr. Potarazu's license because his criminal conviction under 18 U.S.C. § 2314 (devising any scheme or artifice to defraud or inducing any person . . .to travel . . . in interstate or foreign commerce in the execution of a scheme or artifice to defraud that person . . . of money or property having a value of \$5,000 or more . . .) involved a crime of moral turpitude in Maryland under Health Occ. § 14-404(b)(2). The ALJ referred to Maryland Supreme and Appellate Court cases and the definition of a crime of moral turpitude as conduct that is "base or vile and contrary to the accepted and customary conduct between men." *Ricketts v. State*, 291 Md. 701, 707 (1981). Such crimes are more expansive in the context of licensing statutes because they strike the "broader chord of public confidence in the administration of government." *Stidwell v.*

Maryland State Bd. of Chiropractic Exam'rs, 144 Md. App. 613, 619 (2002). “It is also settled that the related group of offenses involving intentional dishonesty for purposes of personal gain are crimes of moral turpitude.” *Oltman v. Maryland State Bd. of Physicians*, 162 Md. App. 457, 479 (2005). The ALJ concluded that Dr. Potarazu’s conviction was for a crime of moral turpitude because it involved his intentional dishonesty for purposes of personal gain, and the element of fraud was an essential element of proof. *See Oltman*, 162 Md. App. at 479 and 486.

ALJ Analysis: Lack of Good Moral Character - Health Occ. § 14-307(b)

The ALJ observed that the Notice of Intent to Deny reinstatement was also based on Dr. Potarazu’s failure to demonstrate that he possesses good moral character - an essential qualification for reinstatement under Health Occ. § 14-307(b). The ALJ found, in part, that character traits which appear to be the basis of Dr. Potarazu’s lying to his investors and shareholders about fundamental, material, financial facts for years before his conviction do not change much over time and showed that he could not be trusted as a licensed physician. The ALJ described Dr. Potarazu’s summary of his criminal charges to the Board - “not paying and filing payroll taxes for certain years” - and failure to mention the interstate fraud charge on his application, as an extreme understatement. He pointed out that the two witnesses offered by Dr. Potarazu to show his good moral character were unfamiliar with his pattern of fraudulent conduct, and that the second witness only met Dr. Potarazu in-person for the first time at the hearing.

ALJ Analysis: State Policy - Crim. Proc. § 1-209

Based on Dr. Potarazu’s arguments that the issue of his reinstatement after his criminal conviction required the application of § 1-209 of the Criminal Procedure Article (employment of

nonviolent ex-offenders), the ALJ set forth the statutory language and addressed Crim. Proc. § 1-209(c), § 1-209(d)(1)-(2) and § 1-209(e)(1-7) in the proposed decision.

The ALJ found that: § 1-209 does not apply in Dr. Potarazu's case because the intent to deny is not "*solely*" on the basis of [Dr. Potarazu's] "conviction of a crime," but on his underlying admitted conduct - independent of any conviction - and admitted by Dr. Potarazu in the Statement of Facts contained in the plea agreement. The ALJ found that there is no need to show any conviction at all in order to show a lack of good moral character under Health Occ. §§ 14-307(b) and 14-404(a)(44); and the Board has not yet denied the license. As a result, the ALJ did not perform a detailed analysis of the seven factors of § 1-209(e).

The ALJ did not find Dr. Potarazu's prison term, supervised probation, teaching of GED classes, publishing a book chapter, enrolling in an MPHP program, and recent employment as an ophthalmic technician persuasive in demonstrating character rehabilitation. The ALJ also determined that a fifteen-question recidivism risk assessment tool utilized by the Federal Bureau of Prisons and offered by Dr. Potarazu to show good moral character was generic and unimpressive. The ALJ was similarly unimpressed by an "Affidavit of good moral character" from the ophthalmology physician friend who hired Dr. Potarazu at the Eye Center, because it was short and conclusory, and appeared to have a stamped signature or be electronically signed on the day before the physician died. Overall, the ALJ found Dr. Potarazu's documentary exhibits unpersuasive to demonstrate that he is now rehabilitated or has attained good moral character.

CONSIDERATION OF EXCEPTIONS

Dr. Potarazu does not take exception to the ALJ's proposed legal conclusion that he committed crimes of moral turpitude under Health Occ. § 14-404(b). Nor does he except to the

ALJ's proposed Findings of Fact detailing the scope, nature, and duration of his criminal offenses. He does take exception to the ALJ's determination that § 1-209 of the Criminal Procedure Article does not apply in his case. He contends that the ALJ applied the licensing provisions of the Health Occupations Article⁸ (§§ 14-404 and 14-307) without regard to the equally valid and binding provisions of § 1-209. He further argues that the ALJ addressed § 1-209 without any actual analysis, erroneously concluded that § 1-209 did not matter, and did not properly apply the balancing factors of § 1-209(e).

The Panel does not adopt the ALJ's methodology and analysis of Crim. Proc. § 1-209 and declines to give any significant weight to the ALJ's assessment of the seven factors of § 1-209(e). The Panel further agrees that thorough consideration of the balancing factors of § 1-209(e) is warranted. Accordingly, the Panel will review these provisions. Section 1-209(c) provides:

(c) It is the policy of the State to encourage the employment of nonviolent ex-offenders and remove barriers to their ability to demonstrate fitness for occupational licenses or certifications required by the State.

Section 1-209 (d) provides:

(d) Except as provided in subsection (f) of this section, a department may not deny an occupational license . . . to an applicant solely on the basis that the applicant has previously been convicted of a crime, unless the department determines that:

- 1) there is a direct relationship between the applicant's previous conviction and the specific occupational license or certificate sought; or
- 2) the issuance of the license or certificate would involve an unreasonable risk to property or to the safety or welfare of specific individuals or the general public.

Section 1-209(e) provides:

⁸ Dr. Potarazu referred to the Health General Article in his exceptions, but the Board's licensing provisions at issue in his case are in the Health Occupations Article.

In making the determination under subsection (d) of this section, the department shall consider:

- (1) the policy of the State expressed in subsection (c) of this section;
- (2) the specific duties and responsibilities required of a licensee or certificate holder;
- (3) whether the applicant's previous conviction has any impact on the applicant's fitness or ability to perform the duties and responsibilities authorized by the license or certificate;
- (4) the age of the applicant at the time of the conviction and the amount of time that has elapsed since the conviction;
- (5) the seriousness of the offense for which the applicant was convicted;
- (6) other information provided by the applicant or on the applicant's behalf with regard to the applicant's rehabilitation and good conduct; and
- (7) the legitimate interest of the department in protecting property and the safety and welfare of specific individuals or the general public.

Section 1-209(e)(1): the policy of the State expressed in subsection (c) of this section:

As indicated in one of Dr. Potarazu's exhibits - an email response from legislative staff to Dr. Potarazu - "the Board does not believe that a prior criminal conviction should always serve as a barrier to licensure, has issued numerous licenses to returning citizens with prior convictions after a review of the context and circumstances of the conviction, and considers the factors in § 1-209 of the Criminal Procedure Article." In Dr. Potarazu's Exh. 14, the Board also confirmed that it "processed 7,100 CHRCs in 2023, including 118 with positive results, and did not deny a single application due to criminal history." These statistics establish that the Board always considers State policy while honoring its public safety obligations.

Section 1-209(e)(2): the specific duties and responsibilities required of a licensee or certificate holder;

Dr. Potarazu applied for reinstatement of his license to practice medicine, a comprehensive license that does not limit the clinical practice of any specialty, including ophthalmology. As defined in Health Occ. § 14-101(o):

- (1) "Practice medicine "means to engage, with or without compensation, in medical:

- (i) Diagnosis;
 - (ii) Healing;
 - (iii) Treatment; or
 - (iv) Surgery.
- (2) “Practice medicine” includes: “doing, undertaking, professing to do, and attempting any of the following:
- (i) Diagnosing, healing, treating, preventing, prescribing for, or removing any physical, mental or emotional ailment of an individual:
 - 1. By physical, mental, emotional, or other process that is exercised or invoked by the practitioner, the patient, or both; or
 - 2. By appliance, test, drug, operation, or treatment;

Health Occ. § 14-101(o).

Contrary to Dr. Potarazu’s four-line summary of his proposed ophthalmology clinical duties in his written Exceptions and his hearing testimony that he is seeking a license “only to write prescriptions for eye drops and eyeglasses,” an offer from his current employer dated November 4, 2024 confirmed that, in addition to “prescribing and administering topical or systemic medications to treat ophthalmic conditions and to manage pain, prescribing ophthalmologic treatments and therapies, and prescribing corrective lenses such as glasses and contact lenses,” the full scope of his responsibilities as a full-time ophthalmologist upon reinstatement would include:

- 1) Performing comprehensive examinations of the visual system to determine the nature and extent of ocular disorders;
- 2) Diagnosing and treating disorders and diseases of the eye and eye structures;
- 3) Documenting and evaluating patients’ medical histories;
- 4) Performing, ordering, and interpreting diagnostic or clinical test results;
- 5) Providing or directing postoperative care;
- 6) Developing treatment plans based on patient history and goals, the nature and severity of disorders, and treatment risks and benefits;
- 7) Performing laser surgeries to alter, remove, reshape, or replace ocular tissue;
- 8) Referring patients for more specialized treatments when indicated.

Dr. Potarazu’s medical acumen, competence, and professional ability to perform these specific clinical tasks as an ophthalmologist are not at issue. But his attempt to downplay the

nature, complexity and challenges of the practice of medicine and ophthalmology in his written exceptions is concerning. His claim that his conviction for “serious financial crimes” is unrelated to his clinical practice as an ophthalmologist is a statement commensurate with his very narrow definition of the clinical practice of ophthalmology and ignores the fact that healthcare fraud can occur in the clinical practice of medicine.

The Board’s disciplinary panels have extensive experience regulating and disciplining physicians who violate the disciplinary grounds of Health Occ. § 14-404 to increase financial revenue or profit. Panel A is therefore keenly aware of violations by licensed physicians without financial or billing duties in a medical practice, who willfully establish patterns of excessive or medically unnecessary treatment, falsely document or exaggerate diagnosis or treatment complexity in decision-making, pay or agree to pay any sum to any person for bringing or referring a patient or accept or agree to accept any sum from any person for bringing or referring a patient, and willfully engage in upcoding or other unprofessional conduct in the clinical practice of medicine in every specialty.

The Panel is mindful of the unreasonable risks that such unethical practices pose for patient and public safety, as well as the safety and welfare of physician practices and the integrity of the medical profession. Consistent with its core mission and responsibility to protect public health, safety and welfare under Health Occ. § 1-102(a), when reviewing licensure applications of applicants with a criminal history or conviction for crimes of moral turpitude, the Panel must fairly and equitably ensure that the applicants have good moral character and have rehabilitated from prior unethical behavior that precipitated the fraudulent offenses.

Section 1-209(e)(3): whether the previous conviction has any impact on the applicant's fitness or ability to perform the duties and responsibilities authorized by the license;

In his written exceptions, Dr. Potarazu faulted the ALJ's finding that "the conviction and underlying conduct impacted Dr. Potarazu's ability to be trusted as an independent professional healthcare provider." He disagreed with the ALJ's rationale of "trust" without an explanation of how the conviction has any impact on his "fitness or ability" to perform the clinical duties of an ophthalmologist. At the oral exceptions hearing, however, Dr. Potarazu stated, "No excuses for my bad decisions, I understand it was a breach of ethical standards, none of my actions related to the practice of medicine or clinical care, but I completely understand the importance of trust, and how it underpins the very sanctity of the medical profession." The Panel is not persuaded by his assertions. Licensed physicians are entrusted with the obligation to be honest in dealings with patients, and with all health care peers, organizations, and entities associated with the profession. The record shows that Dr. Potarazu's investors and shareholders trusted him and had little or no knowledge of his lies, concealment of material facts, and his unethical scheme to defraud them to induce their financial investments of \$32 million from 2009-2016. In 2023, seven years after his conviction, he failed to disclose that crime of Interstate Travel Fraud to the Board. His misleading statements, concealment and misrepresentation of the totality of his criminal offenses on his application and his statements at his evidentiary hearing in 2024 contradicting the facts to which he pled guilty do not give the Panel any assurance that he is trustworthy or can perform his clinical duties honestly and ethically if he is licensed as a physician practicing medicine as an ophthalmologist or in any medical specialty.

Section 1-209(e)(4): the age of the applicant at the time of the conviction and the amount of time that has elapsed since the conviction;

Dr. Potarazu was an adult in his early forties in 2007 and 2009 when he initiated his criminal offenses of Interstate Travel Fraud and Tax Fraud. He was a highly intelligent, highly educated, and technologically sophisticated physician with a medical degree from George Washington University and an MBA from Johns Hopkins. He was licensed in Maryland from 1989 until 2011 when his license expired and was 51 years old when convicted in 2016 of two crimes involving moral turpitude. Seven years had elapsed since the time of the conviction and his application for reinstatement of his medical license in 2023. As he acknowledges in his written exceptions, his criminal conduct did not occur because of a youthful indiscretion.

Section 1-209(e)(5): the seriousness of the offense for which the applicant was convicted;

Dr. Potarazu's conviction was based on two serious crimes. He was incarcerated until May 2023, owes \$57.9 million in restitution, and at the time of the hearing, was still on supervised probation. He does not dispute the serious nature of his criminal offenses as set forth in the Plea Agreement and Statement of Facts and recounted in the ALJ's Findings of Fact on pages 3-8 of this document. Nor does he dispute that his crimes involved moral turpitude. The crime of Interstate Travel Fraud occurred from 2009-2016. The crime of withholding taxes from the IRS occurred from 2007-2016. His criminal conduct was not an isolated incident but occurred repeatedly over multiple years. In his written Exceptions, Dr. Potarazu equates consideration of criminal facts with the conviction. The seriousness of the crime, however, is one of the § 1-209 factors for requisite consideration, and one that requires a thorough evaluation of the nature, circumstances and duration of the criminal offenses based on the necessity of evaluating whether an applicant has met his burden to fulfill the requirement of rehabilitation before licensure can be granted. He comprehensively engaged in intentional deceit, including a

pattern of falsifying documentation for a sustained period. This factor is not one to be ignored or minimized. And it is not in his favor.

Section 1-209(e)(6): other information provided by the applicant or on the applicant's behalf with regard to the applicant's rehabilitation and good conduct;

While Dr. Potarazu's past fraudulent schemes against his investors and shareholders and his willful failure to pay over and account for millions of dollars in withheld employment taxes to the IRS clearly indicate egregious criminal conduct and bad moral character from 2007-2016, the issue before the Panel is whether there is "convincing evidence of the applicant's rehabilitation" at the time of his application. *See In Re Application of Allan S.*, 282 Md. 683, 692 (1978) (granting Bar admission to an attorney applicant who had committed criminal offenses involving moral turpitude in the past, but demonstrated good moral character and more importantly, convincing evidence of his rehabilitation by presenting strong character endorsements and readily admitting his guilt at the time of his application). Because the criminal conduct underlying Dr. Potarazu's crimes and conviction occurred in the past, the critical issue before the panel is whether he has now met his burden to demonstrate rehabilitation. He has not. As recognized by the Maryland Appellate Court, "fundamental principles of ethics require that "a physician shall deal honestly with patients and colleagues." *Cornfeld v. Maryland Bd. of Physicians*, 174 Md.App. 456, 479 (2007) (quoting *Dr. K. v. State Bd. of Physician Quality Assurance*, 98, Md.App. 103, 110 (1993)). Dr. Potarazu's dishonesty with the Board ignored the significant ethical responsibility for truthfulness that applies to licensure applicants and licensed physicians and does not indicate rehabilitation or rehabilitation potential.

In addition, the testimony of Dr. Potarazu's character witnesses at the hearing revealed that he misled them about the nature and scope of his crimes. The recommendation letters he presented were unpersuasive because they provided only conclusory statements regarding his

moral character and rehabilitation since his conviction. He presented no information regarding therapeutic support or progress and failed to present objective clinical reports or meaningful documentation to substantiate his conclusory statements of rehabilitation. He admitted drafting the note for his psychiatrist to sign and helping his physician employer to draft an Affidavit of good moral character, actions that further exposed his lack of honesty, integrity and insight, and most significantly, the lack of any clear rehabilitation. Teaching GED classes to his inmates during his incarceration and his employment since 2023, while commendable, do not relieve him of his burden to demonstrate that he is rehabilitated. For those reasons, granting a medical license to Dr. Potarazu would involve an unreasonable risk for patients, public safety, and the safety and welfare of physician practices.

At the evidentiary hearing, Dr. Potarazu correctly acknowledged his burden to show that rehabilitation had occurred since his conviction for crimes of Interstate Travel Fraud and IRS Tax Fraud. The plain language of § 1-209(e)(6) requires tangible evidence provided by the applicant or on his behalf showing existing, measurable rehabilitation from behavior that caused the criminal conduct and conviction, not an assumption of potential or currently unrealized rehabilitation that may or may not develop at some indeterminate time in the future. Nowhere does § 1-209(e)(6) suggest, either expressly or impliedly, that a reinstatement applicant may demonstrate current fitness for an occupational license based on a nebulous premise of future rehabilitation that is currently lacking. Such a hypothesis not only misconstrues § 1-209 but would effectively strip the disciplinary panels of the ability to protect the public health, safety and welfare, as required by the statutory mandate of Health Occ. § 1-102(a).

Section 1-209(e)(7): the Board's legitimate interest in protecting property and the safety and welfare of specific patients and the general public.

Because the Board's statutory obligation is to protect the health, safety, and welfare of the public, it is impossible to overlook the disturbing similarities between the nature of Dr. Potarazu's underlying conduct from 2007-2016 when he intentionally concealed and misrepresented material facts and provided misleading information to his investors and his misleading written statements to the Board on his December 6, 2023 application. Despite mentioning his five-year incarceration, he concealed from the Board the very crime that resulted in that sentence and misrepresented the nature and scope of his crimes. His explanations for his non-disclosure are simply not believable. He distanced himself from his crime of Tax Fraud and blamed his accountant. In subsequent sworn testimony at his evidentiary hearing on December 16, 2024, he contradicted the information in his signed 2016 Statement of Facts and Plea Agreement and again blamed his accountant.

During the application and hearing processes, an applicant has the burden to show convincing rehabilitation from the underlying behavior or conduct that led to criminal offenses. He did not. Section 1-209(d) does not operate as a mechanism to exempt physician applicants from the requirements of honesty, full disclosure of all criminal information, and adherence to the ethical standards that apply to all licensed physicians.

The Board's Notice of Intent to Deny Dr. Potarazu's Application for Reinstatement

Dr. Potarazu took exception to the ALJ's determination that his license had not yet been denied at the time of the hearing and argued that the Board's proposed denial of his reinstatement application is not distinct from a denial. As confirmed in an email response to Dr. Potarazu from Maryland legislative staff, an applicant issued a Notice of Intent to Deny a license under Health Occ.§ 14-205 is entitled to an evidentiary hearing before the independent Office of

Administrative Hearings which issues proposed decisions. The email explained that final decisions are issued by the panel of board members that did not vote to issue the Notice or charges, and that the Board's processes follow the Administrative Procedure Act for contested cases, which provides an applicant the requisite due process to contest allegations in the Notice. The response also informed Dr. Potarazu of the Board's role to balance its responsibility to protect the public with its duty to provide a fair and respectful application process, that the Board does not believe a prior criminal conviction should always serve as a barrier to licensure, and therefore conducts a thorough investigation and review of context and circumstances surrounding a conviction, including serious crimes involving moral turpitude. In addition, as in Dr. Potarazu's case, the Board considers the factors set forth in § 1-209 of the Criminal Procedure Article along with the requirements for criminal history record information. Dr. Potarazu availed of his opportunity for an evidentiary hearing. The panel denies his exception.

The Statutory Requirement of Good Moral Character - Health Occ. § 14-307(b)

Dr. Potarazu also took exception to the ALJ's determination that good moral character is an essential qualification for reinstatement under Health Occ. § 14-307(b). He argued that under Health Occ. § 14-205(b)(3)(i) and § 14-404(a)(44), a disciplinary panel has discretion to ignore the plain language of 14-307(b) that "the applicant *shall* be of good moral character." He claimed that this is somehow possible if the provisions of § 1-209 are met. His interpretation and dismissal of a statutorily mandated licensure requirement to ensure public trust, safety, and respect for the integrity of the medical profession is without merit. As previously stated, granting Dr. Potarazu reinstatement of his medical license would involve an unreasonable risk to the safety and welfare of patients or the general public because of his demonstrated lack of

credibility, lack of good moral character and rehabilitation during the Board's application and hearing processes. Panel A denies his exception.

Analysis: Good Moral Character

Pursuant to the plain language of the Act, an applicant for physician licensure is required to demonstrate good moral character. Health Occ. § 14-307(b). In Maryland, the attribute of good moral character for health care professionals is not defined by statute. Long before the enactment of § 1-209 of the Criminal Procedure Article, however, and consistent with its core obligation to protect public health, safety, and welfare, the Board's disciplinary panels have never determined the presence or absence of good moral character in a vacuum. Rather, the disciplinary panels take into account relevant factors outlined by the Maryland Supreme Court when considering attorney license applicants with criminal histories or convictions, to fairly and equitably determine whether medical licensure applicants with a criminal history have good moral character *at the time of an application*, not based on past underlying facts leading to a prior conviction. Depending on the nature of an applicant's criminal history, the Court has weighed some of the following non-exhaustive factors, which include:

1. The nature, circumstances, number and duration of offenses committed.
2. The age and maturity of the applicant when the offenses were committed.
3. The sufficiency of punishment undergone and restitution made in connection with the offenses.
4. The number of years that have elapsed since the offenses were committed and the presence or absence of misconduct during that period.
5. The applicant's current attitude about prior offenses (e.g., acceptance of responsibility and renunciation of past wrongdoing, and remorse).
6. The applicant's candor, sincerity and full disclosure on the filings and proceedings (application form) on character and fitness.

7. The applicant's constructive activities and accomplishments subsequent to the criminal conviction.
8. The opinions of character witnesses about the applicant's moral fitness.

Application of Factors to Dr. Potarazu's Criminal Offenses

1. The nature, circumstances, number and duration of offenses committed

In his Plea Agreement and accompanying Statement of Facts, Dr. Potarazu admitted to the underlying facts, serious nature, circumstances, number and duration of his offenses committed over an extended time period. His crime of Interstate Travel Fraud occurred over a seven-year period and his crime of IRS Fraud over a nine-year period. Findings of Fact ¶¶ 7-12, 14-17. He does not dispute the Findings of Fact or the seriousness of his crimes.

2. The age and maturity of the applicant when the offenses were committed.

Dr. Potarazu's commission of the offenses between 2007-2016 was not due to youthful indiscretion, as he correctly acknowledges. He was a highly intelligent, highly educated mature adult in his forties with both medical and business degrees, and a medical license in Maryland from 1989-2011. He was the CEO and a member of the Board of Directors of a healthcare data collection company which he established in 2000 with the goal of helping employers improve the use of employee healthcare benefits and resources through data analysis relating to health care expenses until his conviction in 2016 for committing serious criminal offenses while running his company from 2007-2016. Findings of Fact 3 and 6.

3. The sufficiency of punishment undergone and restitution made in connection with the offenses.

The sentencing judge sentenced Dr. Potarazu to 119 months and 29 days' incarceration on the Interstate Travel Fraud count, and 35 months concurrent, on the Tax Fraud count. Finding of Fact 21. Dr. Potarazu was incarcerated from July 2017 to May 2023, and was on supervised probation until December 2025 during which time he was prohibited from engaging in any civil occupation in which he would have access to money, from incurring any debts on credit or opening any lines of credit without approval of a probation officer, and from self-employment without approval of the probation officer. He was also required to allow the probation officer access to his financial information. The sentencing judge ordered restitution in the amount of over \$57 million. Finding of Fact 21.

4. The number of years that have elapsed since the offenses were committed and the presence or absence of misconduct during that period.

There is no evidence of misconduct by Dr. Potarazu during his incarceration from July 2017 to May 2023, or during his employment as an ophthalmic technician since his release. After his criminal offenses were committed and after his release from incarceration, his misconduct and misrepresentations resumed in December 2023 on his reinstatement application to the Board. He acknowledged spending five years in prison but concealed one of his serious crimes by failing to disclose the Interstate Travel Fraud crime resulting in that prison sentence on his application. Although he did disclose being "charged with not paying and filing payroll taxes for certain years," he stated that "[his] accountant of 9 years never told [him] that the 941 tax returns were not filed," and that "he did not willfully tell anyone not to file or pay taxes" Those statements directly

contradicted his admissions on the criminal Statement of Facts ¶¶ 11, 16. He attested, however, that the information he had given on his application was “true and correct,” and stated his understanding “that providing any false, misleading, or incomplete information may result in . . . denial of licensure.”

5. The applicant’s current attitude about prior offenses (e.g., acceptance of responsibility and renunciation of past wrongdoing, and remorse).

In written and oral statements, Dr. Potarazu expressed remorse before the ALJ and the Panel regarding his criminal offenses and contended that he accepted responsibility for his wrongdoing by pleading guilty and serving his sentence. At the oral exceptions hearing, Dr. Potarazu also stated his understanding that his bad decisions were “a breach of ethical standards,” and “I completely understand the importance of trust, and how it underpins the very sanctity of the medical profession.” As set forth in Factor 4, he did not disclose his crime of Interstate Travel Fraud to the Board and blamed his accountant for his crime of Tax Fraud, in contradiction of his admissions in the Statement of Facts document. By omitting one serious crime on his application and attributing blame to his accountant for the other, he disclaimed his criminal responsibility for his offenses and signified his affirmation and retention of his enduring proclivity for concealment and material misrepresentation of inconvenient or unfavorable facts. Such a lack of integrity reflects adversely on his moral character and the rehabilitation needed to practice medicine.

6. The applicant’s candor, sincerity and full disclosure on the filings and proceedings (application form) on character and fitness.

Dr. Potarazu was neither truthful nor sincere in his answers to questions on the reinstatement application he filed with the Board. He attempted to mislead the Board by

failing to disclose his conviction for Interstate Travel Fraud and by concealing and misrepresenting the nature and scope of his criminal offenses. In disclosing his IRS Fraud crime, he blamed his accountant and denied his willful commission of this crime. As stated above, when questioned about these answers on cross-examination during the evidentiary proceedings, he testified under oath that he provided the Plea Agreement to the Board with his application and that his answers regarding his crime of IRS Fraud contained “verbatim” language from his Plea Agreement of December 2016 “and reported in the document.” The extensive documentary evidence presented by Dr. Potarazu, however, did not support his claims of ever providing the Plea Agreement to the Board. The Statement of Facts contradicted his sworn testimony at OAH. He admitted that he knew about the employment tax liability as early as 2007 and was frequently apprised between 2007 and 2016 of his company’s payroll tax responsibilities. Statement of Facts, ¶ 11. In addition, he admitted that he engaged in the Tax Fraud crime willfully and knowingly and not because of accident, mistake, or other innocent reason. Statement of Facts ¶ 16.

7. The applicant’s constructive activities and accomplishments subsequent to the criminal conviction.

While incarcerated, Dr. Potarazu advocated for his fellow prison inmates, promoted their educational opportunities and mentoring by teaching GED classes, and made efforts to accomplish prison rehabilitative programming and improvement of confinement conditions, as well as the health and safety of inmates during the Covid-19 pandemic.

8. The opinions of character witnesses about the applicant’s moral fitness.

The testimony of Dr. Potarazu’s character witnesses at the hearing revealed that he misled them about the nature and scope of his crimes. The recommendation letters he

presented provided only conclusory statements regarding his moral character and rehabilitation since his conviction. He did not present information regarding any therapeutic progress or objective clinical reports or meaningful documentation to substantiate his conclusory statements of rehabilitation. He admitted drafting the note for his psychiatrist to sign and helping his physician employer to draft an Affidavit of good moral character, actions that further exposed his lack of honesty, integrity and insight, and most significantly, the lack of any clear rehabilitation.

The Maryland Supreme Court considered these factors in *In re Application of Allan S.*, 282 Md. 683, 692-93 (1978) (granting bar admission to an applicant who pleaded guilty to theft and, in the Court's opinion, showed convincing evidence of rehabilitation and good moral character based on his truthfulness and candor in readily admitting his criminal offenses). In determining that "a prior conviction is not conclusive of a lack of present good moral character," . . . and that "it adds to [the applicant's] burden of establishing present good moral character by requiring proof of his full and complete rehabilitation," the Court also noted that "the absence of good moral character in the past is secondary to the existence of good moral character in the present. . . ." *Id.* at 690.

In a later case, the Court held that an applicant's application omissions and lack of candor warranted denial of his petition for admission to the Bar because he provided incomplete and misleading information and failed to disclose an arrest and conviction for DUI and multiple other material facts. *Ie Re Application of Cramer*, 427 Md. 612, 614 (2012). The Court also concluded that the applicant showed total disregard for the application process and failed to demonstrate that he had adequately addressed the underlying causes of his prior convictions. *Id.* at 627; *see also Application of Brown*, 392 Md. 44 (2006) (denying Bar admission to an applicant who was

convicted of bank fraud 13 years before his application, failed to disclose the conviction on his application, and concealed his incarceration on the resume he attached to his law school application). In the Court's view, the applicant failed to meet his burden of proving that he is fully and completely rehabilitated, such that he presently possesses the good moral character and fitness required for admission to the Bar. *Brown*, 392 Md. at 59.

Apart from the one positive Factor 7 concerning Dr. Potarazu's constructive activities on behalf of his prison inmates during his incarceration, and his employment as an ophthalmic technician since his release from prison, the Panel's consideration of the remaining factors does not support granting reinstatement of Dr. Potarazu's medical license. His obvious lack of credibility and disregard for honesty, truthfulness, and accountability on his reinstatement application in 2023 and at his evidentiary hearing in 2024 reveal an enduring commitment to concealing and misrepresenting inconvenient facts and an aversion to disclosing such facts. He has shown disregard for the application process and the ethical obligations of a physician and failed to demonstrate that he had adequately addressed the underlying causes of his prior convictions. For those reasons, he has not met his burden to show that he possesses good moral character or is rehabilitated.

CONCLUSIONS OF LAW

Based on the foregoing discussion and analysis, Panel A concludes as a matter of law that Dr. Potarazu's convictions for Inducing Interstate Travel to Commit Fraud, in violation of 18 U.S.C. § 2314, and Willful Failure to Account for and Pay Employment Taxes, in violation of 26 U.S.C. § 7202, are crimes involving moral turpitude. Pursuant to Health Occ. § 14-205(b)(3)(i) and § 14-404, Panel A further concludes that it is authorized to deny Dr. Potarazu's application for reinstatement of his medical license for reasons that are grounds for

action under Health Occ. § 14-404(b)(2) (Conviction of a crime involving moral turpitude). In addition, Panel A concludes that Dr. Potarazu lacks good moral character, an essential requirement for licensure reinstatement, in violation of Health Occ. § 14-307(b). Panel A therefore concludes that Dr. Potarazu fails to meet the qualifications for licensure under Subtitle 3 of this title, in violation of Health Occ. § 14-404(a)(44). Finally, Panel A concludes that the issuance of a license to Dr. Potarazu would involve an unreasonable risk to property or to the safety and welfare of specific individuals or the general public, pursuant to Md. Code Ann. Crim. Proc. § 1-209(d)(2), and further concludes that based upon its consideration of the factors for determination set forth in Crim. Proc. § 1-209(e)(1)-(7), Dr. Potarazu's application for reinstatement should be denied.

DISPOSITION

The ALJ proposed that Dr. Potarazu's application for reinstatement be denied because of his lack of good moral character and the conclusion that Crim. Proc. § 1-209 is inapplicable. Panel A declines to adopt the ALJ's reasoning as it pertains to Crim. Proc. § 1-209. Nevertheless, based on its application of the determination factors of § 1-209(e)(1)-(7) of the Criminal Procedure Article, Panel A concludes that License reinstatement is not appropriate for Dr. Potarazu.

Dr. Potarazu committed serious crimes from 2007 through 2016. He combined both fact and fiction in his answers to questions about his criminal history on his application in 2023 and to follow-up questions under oath at his evidentiary hearing in 2024. His misleading answers are red flags that reflect his lack of rehabilitation for his past criminal conduct and the same troublesome pattern of dishonesty and deceit that typified his scheme to defraud his investors, shareholders and the IRS over many years from 2007-2016. Based on Dr. Potarazu's revisionist

descriptions of his criminal offenses and attribution of blame to his accountant for his crime of Tax Fraud, his declarations of remorse are not, in the panel's opinion, sincere or credible. Sixteen years after his criminal offenses began, and seven years after his conviction, his material misrepresentations to the Board on his application reflect a worrisome disregard for honesty, truthfulness, and accountability. Panel A is not reassured that he has fully addressed his reparative needs or accepted meaningful responsibility for his ethical deficiencies. Nor is the panel persuaded that he understands the gravity of his past criminal conduct or gained sufficient insight into the thinking and behavior that led to his incarceration for almost six years. His recent conduct reveals a troubling lack of rehabilitation and trustworthiness and an inability or unwillingness to adhere to the ethical standards that govern the practice of medicine in any specialty.

Having considered the entire record in this case, Panel A concludes that Dr. Potarazu was convicted of crimes involving moral turpitude, in violation of Health Occ. § 14-404(b)(2); and lacks the good moral character required for licensure reinstatement, in violation of § Health Occ. 14-307(b). Panel A further determines that under Crim. Proc § 1-209(d)(2) and after consideration of the factors set forth in § 1-209(e)(1)-(7), that the reinstatement of Dr. Potarazu's Maryland medical license would involve an unreasonable risk to public safety and welfare and the best interests of the medical profession. The Panel, therefore, denies his application for reinstatement.

ORDER

It is, on the affirmative vote of a majority of the quorum of Disciplinary Panel A, hereby:

ORDERED that the Application for Reinstatement of Medical License filed by Sreedhar Potarazu, M.D., is **DENIED**.

Signature on File

04/22/2026
Date

Christine A. Farrelly, Executive Director
Maryland State Board of Physicians

NOTICE OF RIGHT TO JUDICIAL REVIEW

Pursuant to Health Occ. § 14-408, the Applicant has the right to seek judicial review of this Final Decision and Order. Any petition for judicial review shall be filed within thirty (30) days from the date of the mailing of this Final Decision and Order. The date of the cover letter accompanying this Final Decision and Order is the date the Final Decision and Order was mailed. Any petition for judicial review shall be made as provided for in the Administrative Procedure Act, Md. Code Ann., State Gov't § 10-222 and Title 7, Chapter 200 of the Maryland Rules of Procedure.

If the Applicant files a petition for judicial review, the Board is a party and should be served with the court's process at the following address:

Maryland State Board of Physicians
Christine A. Farrelly, Executive Director
4201 Patterson Avenue, 4th Floor
Baltimore, Maryland 21215

Notice of any petition should also be sent to the Board's counsel at the following address:

Noreen Rubin
Assistant Attorney General
Maryland Department of Health
300 West Preston Street, Suite 302
Baltimore, Maryland 21201