

**IN THE MATTER OF**  
**THOMAS J. RALEY, M.D.**

**Respondent**

**License Number: D68746**

**\* BEFORE THE**  
**\* MARYLAND STATE**  
**\* BOARD OF PHYSICIANS**  
**\* Case Number: 2223-0001B**

\* \* \* \* \*

**FINAL DECISION AND ORDER**

**PROCEDURAL HISTORY**

Thomas J. Raley, M.D., was originally licensed to practice medicine in the State of Maryland, on February 27, 2009, under license number D68746. On November 19, 2021, in the United States District Court for the Eastern District of Virginia, Case Number 1:21-cr-00246, Dr. Raley was charged with one count of conspiracy to receive health care kickbacks, in violation of 18 U.S.C. § 371, and one count of conspiracy to commit wire fraud, in violation of 18 U.S.C. § 1349. On November 19, 2021, Dr. Raley pled guilty to both counts in the indictment. On November 18, 2022, the Court sentenced Dr. Raley to thirty-six months of incarceration, to commence after January 1, 2023, followed by three years of supervised release.

On January 27, 2023, the Office of the Attorney General filed with the Maryland Board of Physicians (the “Board”) a petition to revoke Dr. Raley’s license to practice medicine (“the Petition”) and a proposed show cause order pursuant to section 14-404(b)(2) of the Maryland Medical Practice Act. The statute provides:

- (1) On the filing of certified docket entries with the Board by the Office of the Attorney General, a disciplinary panel shall order the suspension of a license if the licensee is convicted of or pleads guilty or nolo contendere with respect to a crime involving moral turpitude, whether or not any appeal or other proceeding is pending to have the conviction or plea set aside.
- (2) After completion of the appellate process if the conviction has not been reversed or the plea has not been set aside with respect to a crime involving

moral turpitude, a disciplinary panel shall order the revocation of a license on the certification by the Office of the Attorney General.

Md. Code Ann., Health Occ. § 14-404(b) (2021 Repl. Vol.). Attached to the Petition were certified copies of the criminal information, docket entries, statement of facts, transcripts of the plea agreement and sentencing proceedings, and the judgment.

On March 3, 2023, Dr. Raley filed a response to the Petition and show cause order through counsel. Dr. Raley stated that he “does not intend to object and show cause as to the Board’s right to revoke his medical license.” Dr. Raley acknowledged that he pled guilty to one count of conspiracy to receive health care kickbacks and one count of conspiracy to commit wire fraud and asked that the Board not impose a permanent revocation of his license.

Having reviewed and considered the entire record in this case, Panel B issues this Final Decision and Order. COMAR 10.32.02.07H(1).

### **FINDINGS OF FACT**

Panel B finds the following:

1. Thomas Raley, M.D., was originally licensed to practice medicine in the State of Maryland on February 27, 2009, under license number D68746.
2. On November 19, 2021, in the United States District Court for the Eastern District of Virginia, Case Number 1:21-cr-00246, Dr. Raley was charged with one count of conspiracy to receive health care kickbacks, in violation of 18 U.S.C. § 371, and one count of conspiracy to commit wire fraud, in violation of 18 U.S.C. § 1349.<sup>1</sup> On November 19, 2021, Dr. Raley pled guilty to both counts in the indictment.
3. The statement of facts that formed the basis of the guilty plea included the following:

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<sup>1</sup> 18 U.S.C. § 371 states, “If two or more persons conspire either to commit any offense against the United States, or to defraud the United States, or any agency thereof in any manner or for any purpose, and one or more of such persons do any act to effect the object of the conspiracy, each shall be fined under this title or imprisoned not more than five years, or both.”

Dr. Raley violated 18 U.S.C. § 1349 by “knowingly and with the intent to defraud, devising and intending to devise, a scheme and artifice to defraud insurance companies and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, transmitting and causing to be transmitted by means of wire communication in interstate commerce, certain writings, signs, signals, and sounds for the purpose of executing the scheme or artifice.”

From in and around spring 2013 and continuing through at least early-2016, in the Eastern District of Virginia and elsewhere, RALEY knowingly and willfully did combine, conspire, confederate and agree with . . . others, known and unknown, to commit the following offenses against the United States: (1) violating Title 42, United States Code, Section 1320a-7(b)(1)(A), by knowingly and willfully soliciting or receiving remuneration in return for referring patients to specific pharmacies for the furnishing, and/or arranging for the furnishing, of items and services for which payment was made, in whole or in part, under a Federal health care program, namely TRICARE, Medicare, and Medicaid; and (2) violating Title 18, United States Code, Section 1343, by knowingly and with the intent to defraud, devising and intending to devise, a scheme and artifice to defraud insurance companies and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises; transmitting and causing to be transmitted by means of wire communication in interstate commerce, certain writings, signs, signals, and sounds for the purpose of executing the scheme or artifice.

[As detailed more specifically in the statement of facts,] RALEY and [ ] entered into agreements with pharmacies to send prescriptions for lucrative compound medications to the pharmacies and agreements with durable medical equipment (“DME”) companies to utilize specific companies’ DME in surgeries in exchange for payments from these companies, which represented significant percentages of the profits these companies were receiving from federal health benefit programs, i.e., impermissible kickbacks. At all relevant times, RALEY knew that these pharmacies and DME companies were submitting claims to federal health benefit programs for payment for the prescriptions or the DME, and that paying or receiving kickbacks violated the terms of the agreements these companies had with the federal health benefit programs and/or the prescription benefits managers (“PBMs”) that administered the programs on the federal health benefit programs’ behalf. At all relevant times, RALEY also knew that this conduct was prohibited by federal law.

...

In total, RALEY agrees that [ ] it was reasonably foreseeable to him that the conspiracy generated a net profit of approximately \$2,914,197.77 from payments made by TRICARE for compound prescriptions to [ ].

4. On November 18, 2022, the Court sentenced Dr. Raley to thirty-six months of incarceration, to commence after January 1, 2023, followed by three years of supervised release.

5. Dr. Raley did not appeal his conviction within the time prescribed by law and the guilty plea and conviction have not been set aside.

## DISCUSSION

Pursuant to COMAR 10.32.02.07E(2), Dr. Raley had the opportunity to respond to the order to show cause, in writing, to address the following limited issues: “(a) Lack of conviction or plea; (b) Whether the crime is one involving moral turpitude; (c) Misidentity of the respondent with the defendant in the criminal matter; and (d) Other relevant issues, if any, other than mitigation.” In his response, Dr. Raley does not dispute that he pled guilty to a crime involving moral turpitude and does not dispute that his license should be revoked. Dr. Raley asks the Board to refrain from imposing a permanent revocation in this case.

Under Health Occ. §14-404(b)(2), a disciplinary panel has the obligation and discretion to determine what types of crimes are crimes involving moral turpitude for licensing and disciplinary purposes. “[I]t is settled that whatever else [moral turpitude] may mean . . . a crime in which an intent to defraud is an essential element is a crime involving moral turpitude. It is also settled that the related group of offenses involving intentional dishonesty for purposes of personal gain are crimes involving moral turpitude[.]” *Attorney Grievance Comm’n of Md. v. Walman*, 280 Md. 453, 459-60 (1977). “[I]n the context of a licensing board’s review of the conduct of its licensee, the concept of moral turpitude is rather broad.” *Oltman v. Maryland State Bd. Of Physicians*, 162 Md. App. 457, 483 (2005).

“Determining whether an individual has been convicted of a crime involving moral turpitude ‘necessarily begins with an examination of the criminal statute itself.’” *Burke v. Maryland Bd. of Physicians*, 250 Md. App. 334, 348 (2021) (quoting *Walman*, 280 Md. at 460). “If the criminal statute does not establish moral turpitude on its face, then the analysis ‘hinges on the facts present in the individual case at hand.’” *Id.* (quoting *Walman*, 280 Md. at 460). Maryland

appellate courts have repeatedly held that if dishonesty, fraud, or intent to deceive is an essential element of a statute under which a defendant is convicted, the crime involves moral turpitude as a matter of law. See *Board of Physician Quality Assurance v. Felsenberg*, 351 Md. 288, 295 (1998) (crimes involving fraud are crimes involving moral turpitude); *Attorney Grievance Comm'n v. Klauber*, 289 Md. 446, 457-59, cert. denied, 451 U.S. 1018 (1981) (the term "moral turpitude" connotes a fraudulent or dishonest intent); *Walman*, 280 Md. at 459-60; *Oltman*, 162 Md. App. at 485-87.

In pleading guilty, Dr. Raley admitted to "knowingly and willfully soliciting or receiving remuneration in return for referring patients to specific pharmacies for the furnishing, and/or arranging for the furnishing, of items and services for which payment was made, in whole or in part, under a Federal health care program, namely TRICARE, Medicare, and Medicaid[.]" The elements of the crime Dr. Raley pled guilty to under 18 U.S.C. § 371 includes the intent to defraud the United States. 18 U.S.C. § 371 states, "If two or more persons conspire either to commit any offense against the United States, or to defraud the United States, or any agency thereof in any manner or for any purpose, and one or more of such persons do any act to effect the object of the conspiracy, each shall be fined under this title or imprisoned not more than five years, or both." Further, the factual basis for the crime of conspiracy to receive health care kickbacks involved intentional dishonesty for purposes of personal gain, which also constitutes a crime involving moral turpitude. *Walman*, 280 Md. at 459-60.

Dr. Raley also admitted to "knowingly and with the intent to defraud, devising and intending to devise, a scheme and artifice to defraud insurance companies and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises; transmitting and causing to be transmitted by means of wire communication in interstate

commerce, certain writings, signs, signals, and sounds for the purpose of executing the scheme or artifice.” Fraud is an essential element of conspiracy to commit wire fraud. The facts of the guilty plea also demonstrate that Dr. Raley was intentionally dishonest for purposes of personal gain, which also supports the conclusion that he pled guilty to a crime involving moral turpitude. *Walman*, 280 Md. at 459-60.

Upon determining that a licensee has been convicted of a crime involving moral turpitude, Health Occ. § 14-404(b)(2) requires a disciplinary panel to order the revocation of a license after the appellate proceedings have been completed.

#### CONCLUSION OF LAW

Based on the above findings of fact and discussion, Panel B concludes that Dr. Raley’s convictions for conspiracy to receive health care kickbacks, 18 U.S.C. § 371, and conspiracy to commit wire fraud, 18 U.S.C. § 1349, are crimes involving moral turpitude. As a result, Health Occ. § 14-404(b)(2) requires Panel B to order the revocation of Dr. Raley’s medical license.

#### ORDER

It is, by Board Disciplinary Panel B, hereby:

**ORDERED** that the license of Thomas J. Raley, M.D., license number D68746, to practice medicine in Maryland is **REVOKED**, as mandated by Health Occ. § 14-404(b)(2); and it is further

**ORDERED** that this is a **PUBLIC DOCUMENT**. *See* Md. Code Ann., Health Occ. § 1-607, 14-411.1(b)(2) and Gen. Prov. § 4-333(b)(6).

04/19/2023  
Date

*Signature On File*

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

**NOTICE OF RIGHT TO PETITION FOR JUDICIAL REVIEW**

Pursuant to Md. Code Ann., Health Occ. § 14-408, Dr. Raley 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 mailing of this Final Decision and Order. The cover letter accompanying this final decision and order indicates the date the decision is 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 Dr. Raley files a petition for judicial review, the Board is a party and should be served with the court's process at the following address:

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

Notice of any petition for judicial review should also be sent to the Board's counsel at the following address and emailed to [Stacey.darin@maryland.gov](mailto:Stacey.darin@maryland.gov):

**Stacey Darin, Assistant Attorney General  
Office of the Attorney General  
Maryland Department of Health  
300 West Preston Street, Suite 302  
Baltimore, Maryland 21201**