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**Before the
State Of Wisconsin
Medical Examining Board**

In the Matter of the Disciplinary Proceedings
Against Siamak B. Arassi, M.D.

FINAL DECISION AND ORDER

Order No. **ORDER 0008921**

Division of Legal Services and Compliance Case No. 23 MED 139

The State of Wisconsin, Medical Examining Board, having considered the above-captioned matter and having reviewed the record and the Proposed Decision of the Administrative Law Judge, make the following:

ORDER

NOW, THEREFORE, it is hereby ordered that the Proposed Decision annexed hereto, filed by the Administrative Law Judge, shall be and hereby is made and ordered the Final Decision of the State of Wisconsin, Medical Examining Board.

The rights of a party aggrieved by this Decision to petition the department for rehearing and the petition for judicial review are set forth on the attached "Notice of Appeal Information."

Dated at Madison, Wisconsin on the 20th day of December, 2023.

Clarence Chau (M.D.)

Member
Medical Examining Board



**Before The
State Of Wisconsin
DIVISION OF HEARINGS AND APPEALS**

In the Matter of Disciplinary Proceeding
Against Siamak B. Arassi, M.D., Respondent

DHA Case No. SPS-23-0044
DLSC Case No. 23 MED 139

PROPOSED DECISION AND ORDER

The parties to this proceeding for purposes of Wis. Stat. §§ 227.47(1) and 227.53 are:

Siamak B. Arassi, M.D.
19115 W. Capitol Dr., Suite 117
Brookfield, WI 53045
healing.corner1@gmail.com

Wisconsin Medical Examining Board
P.O. Box 8366
Madison, WI 53708- 8366

Department of Safety and Professional Services, Division of Legal Services and
Compliance, by

Attorney Gretchen Mrozinski
Department of Safety and Professional Services
Division of Legal Services and Compliance
P.O. Box 7190
Madison, WI 53707-7190

PROCEDURAL HISTORY

On July 11, 2023, the Department of Safety and Professional Services (Department), Division of Legal Services and Compliance (Division), served a Notice of Hearing and Complaint on Siamak B. Arassi, M.D. (Respondent). The Respondent failed to file an answer to the Complaint within 20 days of the date of service.

The Administrative Law Judge (ALJ) scheduled a telephone prehearing conference for August 22, 2023, at 9:00 a.m. Notice of the conference was sent to both parties. The Respondent did not appear for the prehearing conference.

Based on the Respondent's failure to file an answer to the Complaint and failure to appear at the prehearing conference, the Division moved for a finding that the Respondent was in default. On August 23, 2023, the ALJ issued a Notice of Default against the Respondent and ordered the Division to file a recommended proposed decision and order by September 22, 2023.

FINDINGS OF FACT

Facts Related to the Alleged Violations

Findings of Fact 1-12 are taken from the Division's Complaint filed against the Respondent in this matter.

1. Siamak B. Arassi, M.D. (Respondent) (YOB: 1963) is licensed in the state of Wisconsin to practice medicine and surgery, having license number 41661-20, first issued on September 24, 1999, with registration current through October 31, 2023.
2. Respondent's license and registration to practice medicine and surgery in Wisconsin is currently suspended.
3. Respondent's most recent address on file with the Department is 19115 W. Capital Drive, Suite 117, Brookfield, Wisconsin 53045.
4. Respondent no longer resides in the United States and has moved to Iran.
5. Respondent continues to utilize his email address: healing.corner1@gmail.com.

Prior Discipline

6. On August 19, 2015, the Medical Examining Board (Board) reprimanded Respondent and ordered that for six (6) months, he retain a professional mentor to review case files. The Board found that Respondent prescribed opioids without reviewing prior treatment records, without conducting or charting an appropriate physical examination, without ordering appropriate testing, without making or charting objective findings supporting the given diagnosis(es) and his prescribing, without discussing and/or ordering alternate non-opioid treatments, without implementing adequate precautions against prescription drug abuse and/or diversion, without recognizing and acting on commonly recognized red flags for potential prescription drug abuse and/or diversion, and by prescribing opioids and benzodiazepines in combination without having a discussion of the potential dangers. See Board Order No. 0004202.

7. On February 15, 2023, the Board indefinitely suspended Respondent's license to practice medicine and surgery in Wisconsin. The Board found that Respondent engaged in false, misleading, and deceptive advertising; made false statements in the practice of medicine; engaged in illegal and unethical business practices; failed to conform to the standard of minimally competent medical practice; failed to establish and maintain patient health care records; and violated a law(s) substantially related to the practice of medicine. See Board Order No. 0008407.

Current Case

8. At all times relevant to these proceedings, Respondent practiced as a physician and Medical Director providing substance abuse prevention and treatment services at The Healing Corner LLC, a clinic located in Brookfield, Wisconsin (Clinic).

9. From at least 2012 through 2014-15, Respondent was the sole owner of the Clinic. Since 2014-15, Respondent's wife became the sole owner of the Clinic. Throughout the Clinic's existence, Respondent maintained complete control over the Clinic, was responsible for the day to day operations of the Clinic, and was responsible for ensuring that the Clinic and its personnel complied with applicable statutes and codes.

10. The Clinic ceased operations sometime in August or September 2022.

11. On February 28, 2023, in U.S. District Court, Eastern District of Wisconsin, United States v. The Healing Corner, LLC, and Dr. Siamak B. Arassi, 19-CV-1791, the Court entered default judgment against Respondent and the Clinic, finding that both violated 31 U.S.C. § 3279(a)(1)(A) (Federal False Claims Act), and Wis. Stat. § 49.485 (Wisconsin False Claims Act). The Court held Respondent and the Clinic jointly and severally liable for \$2,346,545.78.

12. According to the pleadings filed in U.S. District Court, Eastern District of Wisconsin, United States v. The Healing Corner, LLC, and Dr. Siamak B. Arassi, 19-CV-1791, on various occasions between 2015 and 2016, Respondent prescribed and ordered Vivitrol, a prescription medication used to treat alcohol and drug addiction, under the name of one or more patients and/or former patients. The Vivitrol would then be delivered to the Clinic by the pharmacy that processed the prescription. The Vivitrol was not provided to and/or administered to one or more patients and/or former patients who were designated as the patient/recipient on the prescription. One or more of the patients and/or former patient(s) who did not receive the prescribed Vivitrol was a Medicaid recipient and as such, Respondent was "reimbursed" by Wisconsin Medicaid for the cost of the prescription. Respondent would then prescribe and sell "stockpiled doses of Vivitrol to current patients for out-of-pocket cash."

Facts Related to Default

13. On July 11, 2023, the Division served the Notice of Hearing and Complaint on the Respondent at his last known address on file with the Department by both certified and regular mail. On this same date, the Division also emailed a copy of the Notice of Hearing and Complaint to the Respondent's last known email address on file with the Department.

14. The Respondent failed to file an answer to the Complaint.

15. Following the expiration of the 20-day period to file an answer, the ALJ scheduled a telephone prehearing conference for August 22, 2023, at 9:00 a.m. Notice of the prehearing conference was sent to both parties via email and regular mail, consistent with Wis. Admin. Code § HA 1.03. The Notice also instructed the Respondent to contact the ALJ with a

telephone number at which the Respondent could be reached for the conference no later than August 21, 2023.

16. The Respondent failed to contact the ALJ by August 21, 2023, with his current phone number.

17. On August 22, 2023, the ALJ held the prehearing telephone conference. Attorney Gretchen Mrozinski appeared on behalf of the Division; the Respondent failed to appear. The ALJ was unable to make contact with the Respondent via telephone and/or email. The Division did not have a working telephone number for the Respondent. The ALJ emailed the Respondent at the email address on file with the Department and held the prehearing conference open for 15 minutes. The Respondent did not contact the ALJ regarding this matter.

18. On August 22, 2023, the Division moved for default based on the Respondent's failure to file an answer to the Division's Complaint, his failure to appear at the August 22, 2023, prehearing conference and his failure to provide the ALJ with a telephone number at which he could be reached, pursuant to Wis. Admin. Code § SPS 2.14 and Wis. Admin. Code § HA 1.07(3).

19. On August 23, 2023, the ALJ granted the Division's Motion and issued a Notice of Default and Order against Respondent. The ALJ ordered the Division to file, no later than September 22, 2023, a recommended proposed decision and order to include proposed findings of fact, conclusions of law with respect to the violations, recommended discipline, and costs. The Division timely filed its recommended proposed decision and order.

DISCUSSION AND CONCLUSIONS OF LAW

Jurisdictional Authority

The Wisconsin Medical Examining Board (Board) has jurisdiction over this matter pursuant to Wis. Stat. § 448.02(3). Wisconsin Stat. § 440.03(1) provides that the Department "may promulgate rules defining uniform procedures to be used by the department . . . and all examining boards and affiliated credentialing boards attached to the department or an examining board, for . . . conducting [disciplinary] hearings." These rules are codified in Wis. Admin. Code ch. SPS 2.

The Division of Hearings and Appeals has authority to preside over this disciplinary proceeding and issue this proposed decision and order in accordance with Wis. Stat. § 227.46(1). Wis. Admin. Code § SPS 2.10(2).

Default

The Division properly served the Complaint on the Respondent by mailing a copy to his address of record with the Department by both certified and regular mail. A copy of the Complaint was also emailed to the Respondent at his email address of record with the Department. Service by mail is complete upon mailing. Wis. Admin. Code § SPS 2.08.

The Division of Hearings and Appeals properly served the Respondent with its notice pursuant to Wis. Admin. Code § HA 1.03 (The division may serve decisions, orders, notices, and other documents by first class mail.).

An answer to a complaint must be filed within 20 days from the date of service of the Complaint. Wis. Admin. Code § SPS 2.09(4). If a respondent “fails to answer as required by s. SPS 2.09 or fails to appear at the hearing at the time fixed therefor, the respondent is in default and the disciplinary authority may make findings and enter an order on the basis of the complaint and other evidence.” Wis. Admin. Code § 2.14.

For a telephone prehearing conference, the administrative law judge may find a failure to appear grounds for default if any of the following conditions exist for more than ten minutes after the scheduled time for prehearing conference: (1) the failure to provide a telephone number to the ALJ after it had been requested; (2) the failure to answer the telephone; (3) the failure to free the line for the proceeding; and (4) the failure to be ready to proceed with the prehearing conference as scheduled. Wis. Admin. Code § HA 1.07(3)(c).

Here, the Respondent failed to file an answer to the Amended Complaint, failed to appear at the prehearing conference on August 22, 2023, failed to provide a telephone number after the LJ requested it, and failed to be ready to proceed with the prehearing conference as scheduled. Therefore, the Respondent is in default and findings and an order may be entered based on the Complaint.

Violations of Wisconsin Statute and Administrative Code

The Board has the authority to impose discipline against the Respondent. Wis. Stat. § 448.02(3). If a licensed physician is found guilty of unprofessional conduct after an investigation and disciplinary hearing, the Board may “suspend or revoke any license or certificate granted by the board to that person.” Wis. Stat. § 448.02(3)(c).

Unprofessional conduct for physicians that is grounds for the Department to take disciplinary action includes, but is not limited to, “a violation or conviction of any laws or rules of this state, or of any other state, or any federal law or regulation that is substantially related to the practice of medicine and surgery.” Wis. Admin. Code § Med 10.03(3)(i).

The Respondent practiced as a physician and Medical Director for a substance abuse prevention and treatment clinic. From at least 2012 through 2014-15, the Respondent was the sole owner of the Clinic. Throughout the Clinic’s existence, the Respondent maintained complete control over the Clinic, was responsible for the day to day operations of the Clinic, and was responsible for ensuring that the Clinic and its personnel complied with applicable statutes and codes.

On February 28, 2023, in U.S. District Court, Eastern District of Wisconsin, United States v. The Healing Corner, LLC, and Dr. Siamak B. Arassi, 19-CV-1791, the Court entered default judgment against Respondent and the Clinic, finding that both violated 31 U.S.C. § 3279(a)(1)(A) (Federal False Claims Act), and Wis. Stat. § 49.485 (Wisconsin False Claims

Act). The Court held the Respondent and the Clinic jointly and severally liable for \$2,346,545.78.

According to the pleadings filed in U.S. District Court, Eastern District of Wisconsin, United States v. The Healing Corner, LLC, and Dr. Siamak B. Arassi, 19-CV-1791, on various occasions between 2015 and 2016, the Respondent prescribed and ordered Vivitrol, a prescription medication used to treat alcohol and drug addiction, under the name of one or more patients and/or former patients. Vivitrol would then be delivered to the Clinic by the pharmacy that processed the prescription. Vivitrol was not provided to and/or administered to one or more patients and/or former patients who were designated as the patient/recipient on the prescription. One or more of the patients and/or former patient(s) who did not receive the prescribed Vivitrol was a Medicaid recipient and as such, the Respondent was “reimbursed” by Wisconsin Medicaid for the cost of the prescription. The Respondent would then prescribe and sell “stockpiled doses of Vivitrol to current patients for out-of-pocket cash.”

The above violations are substantially related to the practice of medicine. The Respondent committed the violations in a clinic he owned and/or operated to serve individuals seeking his medical care as a licensed physician in Wisconsin.

By engaging in this conduct, the Respondent committed unprofessional conduct. Because of this unprofessional conduct, and his failure to participate in these proceedings and make arguments to the contrary, the Respondent is subject to discipline pursuant to Wis. Stat. § 448.02(3).

Discipline

The Division recommends that the Respondent’s license and registration to practice medicine and surgery in Wisconsin, as well as his right to renew the same, be revoked. Because Respondent has been disciplined by the Board on multiple occasions prior to the case at hand, because his medical license is currently suspended due to unprofessional conduct, because Respondent is in default for his failure to participate in any part of these proceedings, and because the recommended discipline is consistent with the purposes articulated in *Aldrich*, I adopt the Division’s recommendation and the specific order proposed by the Division.

The three purposes of discipline are “(1) to promote the rehabilitation of the licensee; (2) to protect the public from other instances of misconduct; and (3) to deter other licensees from engaging in similar conduct. *State v. Aldrich*, 71 Wis. 2d 206, 237 N.W.2d 689 (1976).

Revocation of the Respondent’s license to practice medicine in Wisconsin is consistent with the purposes articulated in *Aldrich*. In 2015, the Board reprimanded the Respondent and required that he work under a professional mentor due to multiple instances of professional misconduct. Requiring a professional mentor is an unusual, burdensome, and restrictive limitation on a license to practice medicine. In a February 2023 Order, the Board indefinitely suspended the Respondent’s license to practice medicine for additional violations. Following the February 2023 Board Order, default judgment was entered against the Respondent in federal

court for violating the Federal and Wisconsin False Claims Acts—violations that involved fraud and dishonesty. Under these circumstances, rehabilitation of the Respondent is not possible.

Revoking the Respondent's license to practice medicine provides the most protection to the public. The 2015 and February 2023 Board Orders were the result of the Respondent engaging in professional misconduct involving patient care, as well as engaging in fraud and dishonesty while he practiced medicine. The subsequent violations of the Federal and Wisconsin False Claims Acts are evidence that the Respondent has, and may continue, to act in a fraudulent and dishonest manner involving his patients if he holds a Wisconsin license to practice medicine.

The Wisconsin Supreme Court has acknowledged that “the purpose of licensing statutes is not to benefit those persons licensed to practice under the statutes, but rather to protect the public by the requirement of a license as a condition precedent to practicing in a given profession. The granting of a license pursuant to such a statute has been characterized as a privilege.” *Gilbert v. State Medical Examining Board*, 119 Wis. 2d 168, 188, 349 N.W. 2d 68 (1984). “Such statutes are grounded in the state’s police power to protect the public welfare through safeguarding the life, health, and property of its citizens.” *Id.* “Protection of the public is the purpose of requiring a license.” *State ex rel. Green v. Clark*, 235 Wis. 628, 631, 294 N.W. 25 (1940). As such, the only means left to protect the public is to revoke the Respondent’s license to practice medicine and surgery in Wisconsin.

Finally, revocation of the Respondent’s license will serve to deter other license holders from repeatedly violating the statutes and code that pertain to the practice of medicine and surgery. Revoking the Respondent’s license will put other Wisconsin physicians on notice that should they act in a similar manner, they too face revocation of their license. Revocation of the Respondent’s license sends a clear message that the Board will invoke progressive discipline should the license holder fail to demonstrate rehabilitation and instead, continue to violate applicable statutes and rules following Board discipline.

Although the Division seeks the harshest discipline under the law, the recommended discipline is consistent with Board precedent. *See In the Matter of Disciplinary Proceedings Against Irene Gurvits, M.D.*, Order Number 0007323 (April 21, 2021) (Board revoked Dr. Gurvits’ license following the revocation of her New York license, her failure to respond to the Wisconsin Board during its investigation, and following default judgment)¹; *In the Matter of Disciplinary Proceedings against Matthew R. Bauer, D.O.*, Order Number 0006278 (July 17, 2019) (Board revoked Dr. Bauer’s right to renew his license and registration based upon adverse actions taken against Dr. Bauer’s license in another state, and following default judgment)² *In the Matter of Disciplinary Proceedings against Leonard J. Green, III, M.D.*, Order Number 0002508 (June 19, 2013) (Board revoked Dr. Green’s license following revocation of his license in another state, and following default judgment)³; and, *In the Matter of Disciplinary Proceedings Against Prasad V. Yalavarthi, M.D.*, Order Number LS0902251MED (August 19, 2009) (Board

¹ See the Order at: <https://online.drl.wi.gov/decisions/2021/ORDER0007323-00018284.pdf>

² See the Order at: <https://online.drl.wi.gov/decisions/2019/ORDER0006278-00015705.pdf>

³ See the Order at: <https://online.drl.wi.gov/decisions/2013/ORDER0002508-00008609.pdf>

revoked Dr. Yalavarthi's license following revocation of his license in another state, and following default judgment).⁴

Based upon the facts of these cases and the factors set forth in *Aldrich*, revocation of Respondent's license, pursuant to the terms and conditions of the Order below, is warranted.

Costs

The Board is vested with discretion concerning whether to assess all or part of the costs of this proceeding against the Respondent. *See* Wis. Stat. § 440.22(2). In exercising such discretion, the Board must look at aggravating and mitigating facts of the case. *Noesen v. State Department of Regulation & Licensing, Pharmacy Examining Board*, 2008 WI App 52, ¶¶ 30-32, 311 Wis. 2d 237, 751 N.W.2d 385. In previous orders, Boards have considered the following factors when determining if all or part of the costs should be assessed against a respondent: (1) the number of counts charged, contested and proven; (2) the nature and seriousness of the misconduct; (3) the level of discipline sought by the prosecutor; (4) the respondent's cooperation with the disciplinary process; (5) prior discipline, if any; (6) the fact that the Department is a program revenue agency, funded by other licensees; and (7) any other relevant circumstances. *See In the Matter of Disciplinary Proceedings Against Elizabeth Buenzli-Fritz* (LS0802183 CHI) (Aug. 14, 2008). It is within the Board's discretion as to which of these factors to consider, whether other factors should be considered, and how much weight to give any factors considered.

Considering the above factors, it is appropriate for the Respondent to pay the full costs of the investigation and prosecution of these proceedings. The Respondent defaulted and the factual allegations identified in the Division's Complaint were deemed admitted. The Respondent's misconduct involves violation of a law substantially related to the practice of medicine. The Respondent's actions that led to the federal judgment against him involved fraud and dishonesty perpetrated upon his patients and the Federal and Wisconsin Medicaid programs. The Respondent's misconduct is highly serious and necessitates revocation of his license—the highest level of discipline imposed. The Respondent failed to cooperate with the hearing proceedings and as such, default judgment was entered against him. He has been the recipient of several prior Board Orders imposing a reprimand, mentor requirement and indefinite suspension. Finally, the Department is a program revenue agency whose operating costs are funded by the revenue received from credential holders. It would be unfair to impose the costs of pursuing discipline in this proceeding on those licensees who have not engaged in misconduct.

Therefore, it is appropriate for the Respondent to pay the full costs of the investigation and prosecution in this matter, as determined pursuant to Wis. Admin. Code § SPS 2.18.

CONCLUSIONS OF LAW

1. The Wisconsin Medical Examining Board (Board) has jurisdiction over this matter pursuant to Wis. Stat. § 448.02(3).

⁴ See the Order at: <https://online.drl.wi.gov/decisions/2009/ls0902251med-00077047.pdf>.

2. The Respondent is in default by failing to answer the Complaint and failing to appear at the August 22, 2023, prehearing conference pursuant to Wis. Admin. Code § HA 1.07(3)(c) and Wis. Admin. Code § SPS 2.14.
3. The Respondent violated a federal and state law or rule that is substantially related to practice of medicine and surgery pursuant to Wis. Admin. Code § Med 10.03(3)(i).
4. As a result of these violations, the Respondent is subject to discipline pursuant to Wis. Stat. § 448.02(3).
5. Revocation of the Respondent's license to practice medicine and surgery in the state of Wisconsin, as well as his right to renew the same, is reasonable and appropriate, consistent with the purposes articulated in *Aldrich*, and consistent with Board precedent.
6. It is appropriate for the Respondent to pay the full costs of the investigation and prosecution in this matter pursuant to Wis. Admin. Code § SPS 2.18.
7. The Division of Hearings and Appeals has authority to issue this proposed decision pursuant to Wis. Stat. § 227.46 and Wis. Admin. Code § SPS 2.10.

ORDER

For the reasons set forth above, IT IS ORDERED:

1. Respondent's license and registration to practice medicine and surgery in the state of Wisconsin (license no. 41661-20), and Respondent's right to renew his license and registration, is REVOKED.
2. Respondent shall pay all recoverable costs in this matter in an amount to be established pursuant to Wis. Admin. Code. § SPS 2.18.
3. Payment of costs (made payable to the Department of Safety and Professional Services), and any other questions or submissions related to this Order, may be directed to the Department Monitor at:


Department Monitor
Division of Legal Services and Compliance
Department of Safety and Professional Services
P.O. Box 7190, Madison, WI 53707-7190
Telephone (608) 266-2112; Fax (608) 266-2264
DSPSMonitoring@wisconsin.gov

Respondent may also submit payment online at: <http://dspsmonitoring.wi.gov>.

4. The terms of this Order are effective the date the Final Decision and Order in this matter is signed by the Board.

Dated at Madison, Wisconsin on October 27, 2023.

STATE OF WISCONSIN
DIVISION OF HEARINGS AND APPEALS
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By: 
Angela Chaput Foy
Administrative Law Judge