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**FILED**

~~JUNE 15, 2011~~

**NEW JERSEY STATE BOARD  
OF MEDICAL EXAMINERS**

STATE OF NEW JERSEY  
DEPARTMENT OF LAW AND PUBLIC SAFETY  
DIVISION OF CONSUMER AFFAIRS  
STATE BOARD OF MEDICAL EXAMINERS

IN THE MATTER OF THE SUSPENSION  
OR REVOCATION OF THE LICENSE OF

**DEMETRIOS PERDIKIS, M.D.**  
LICENSE NO. 25MA06988200

TO PRACTICE MEDICINE AND SURGERY  
IN THE STATE OF NEW JERSEY

Administrative Action

**FINAL CONSENT ORDER**

This matter involving Demetrios Perdikis, M.D. ("Respondent"), was opened to the State Board of Medical Examiners ("Board") upon receipt of information concerning Respondent's conviction via guilty plea to federal tax evasion in violation of 26 U.S.C. § 7201, for which he was adjudged and sentenced on March 18, 2010, at a hearing in the U.S. District Court for the District of New Jersey. In summary, the federal case involved Respondent's receipt during the period 2002-2003 of \$168,276.00 in unreported income, which included unlawful kickbacks paid by a diagnostic testing laboratory in exchange for referrals of patients. Respondent participated in this scheme along with his then-partners, Louis Tsarouhas, M.D., Giacomo Mangiaracina, M.D., and Brian Shaffer, M.D., all of whom also separately pled guilty in federal court and have been disciplined by the

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Board. The Board notes that as compared to his then-partners, Respondent was adjudged by the federal court to be less culpable, in that his participation in the unlawful scheme ended one year earlier than the others. Respondent was therefore sentenced to two years of probation and ordered to comply with Internal Revenue Service efforts to recover the back taxes owed, with additional court-ordered fines waived due to a showing of financial hardship.

In addition to the federal case, information about Respondent was received by the Medical Practitioner Review Panel ("Panel") concerning his clinical competency, the circumstances of the termination of his staff privileges at Robert Wood Johnson University Hospital, Hamilton, and the circumstances of his termination by his subsequent medical practice, Cardinal Medical Associates, L.L.C. (and related entities, Finch Health, Inc., Finch Health of New Jersey, P.C., and Inspirem Medical Associates, L.L.C.). After Respondent gave sworn testimony to the Panel on July 17, 2009, the Panel found that Respondent's deficient medical recordkeeping at Robert Wood Johnson University Hospital was not contested at an internal hospital hearing. The Panel raised concerns about Respondent's clinical competency after a discussion involving hypothetical patient presentations. The Panel further raised concerns about whether Respondent would supervise medical personnel after he expressed an interest in health care management. The Panel then referred the matter to the Board pursuant to N.J.S.A. 45:9-19.9.

#### **FINDINGS OF FACT**

Based upon the record of Respondent's proceedings before the federal court and the Panel, the Board finds that Respondent received payments constituting illegal kickbacks in violation of N.J.A.C. 13:35-6.17. The Board finds that Respondent failed to report the income from these kickbacks on his tax returns in an attempt to evade taxes on this income. The Board finds that

Respondent, while represented by counsel, freely entered into a plea agreement with the U.S. Attorney and freely pled guilty under oath in open court to the crime of tax evasion. The Board finds that furthermore, Respondent admitted under oath to the unlawful conduct charged by the U.S. Attorney in the course of his plea and sentencing hearings.

The Board further finds that based upon the proceedings before the Panel, there is sufficient good cause shown for an evaluation of Respondent's clinical competency. The Board finds Respondent's uncontested termination from Robert Wood Johnson University Hospital indicative of the need to evaluate Respondent's medical recordkeeping practices. The Board finds that although Respondent has professed a desire to engage in medical practice management and administration, his desired administrative roles would still place him in a position to supervise clinical colleagues. The Board also notes that Respondent's New Jersey medical license lapsed on June 30, 2009 and was not renewed.

The Board finds that the actions of Respondent described herein constitute violations of N.J.S.A. 45:1-21(b) (engaging in the use of dishonesty, fraud, deception, misrepresentation, false promise, or false pretense); N.J.S.A. 45:1-21(e) (professional misconduct); N.J.S.A. 45:1-21(f) (conviction of a crime or offense involving moral turpitude or relating adversely to the practice of medicine); N.J.S.A. 45:1-21(h) (failure to comply with the provisions of any act or regulation administered by the Board, specifically N.J.A.C. 13:35-6.17, the prohibition on kickbacks); and N.J.S.A. 45:9-6 (failure to meet the continuing requirement of good moral character). The Board deems it to be in the public interest to require Respondent to submit to an assessment of skills to determine whether he can continue to practice with reasonable skill and safety, pursuant to N.J.S.A. 45:1-18(g).

## ORDER

In order to avoid formal proceedings in this matter, Respondent agrees to each and every term of this Final Consent Order. The Board has determined that the terms of this Final Consent Order are sufficient to protect the health, safety, and welfare of the public. For such reasons and other good cause shown,

IT IS on this 15<sup>TH</sup> day of JUNE, 2011,

ORDERED:

1. The license of Respondent Demetrios Perdikis, M.D., to practice medicine and surgery in New Jersey is suspended for a period of three years. The first six months of such suspension shall be an active suspension during which Respondent shall completely cease and desist from the practice of medicine and surgery in New Jersey. The remaining term of suspension shall be stayed and served as a period of probation. Credit for the period of active suspension shall begin upon Respondent's renewal of his medical license. Pursuant to N.J.A.C. 13:35-6.15(i) and upon entry of this Final Consent Order, Respondent shall have a two year extension of time to complete any and all delinquent continuing medical education ("C.M.E.") credits required as a condition of licensure reinstatement.

2. Pursuant to N.J.S.A. 45:1-25, Respondent is assessed an aggregate of \$20,000.00 in fines, investigative costs, and attorney's fees. Payment of this sum may be made in installments of \$666.66 per month, beginning upon the end of the period of active suspension, with fulfillment of payment of the total amount no later than three years from the entry of this Final Consent Order. The Board, in its sole discretion, may file a Certificate of Debt for the amounts due under this Final Consent Order, and the Certificate shall be discharged upon payment in full of all amounts required

under this Final Consent Order. Payments shall be made by certified check or money order payable to the "State Board of Medical Examiners" and delivered to the Executive Director of the Board.

3. Upon reinstatement of licensure, Respondent shall be restricted to non-clinical practice. Respondent shall not have any direct patient contact, shall not engage in the clinical practice of medicine, and shall not provide medical advice or supervise any other physicians, nurses, or other medical professionals. Respondent may engage in administrative and managerial work not involving clinical or supervisory duties.

4. The restriction set forth in Paragraph 3 above shall remain in effect until Respondent successfully completes the Drexel University College of Medicine Physician Refresher/Re-Entry Course ("Drexel"), and fully and satisfactorily completes in their entirety any remedial measures recommended by Drexel. Respondent shall authorize the Board to release any investigative material to Drexel the Board believes necessary to facilitate course completion. Respondent shall waive any claims of confidentiality he may have concerning any report, recommendations, or evaluations prepared on behalf of or by Drexel and shall authorize Drexel to communicate directly with the Board. Respondent shall authorize Drexel to release any assessment report within one week of completion or at the time it is provided to him, whichever is sooner. The Drexel course and any recommended remedial measures shall be completed within one year of the filing date of this Final Consent Order. Respondent shall assume all costs of completing the Drexel course and any recommended remedial measures. Respondent specifically acknowledges that any recommendations, evaluations, or reports issued by Drexel may be introduced as a matter of public record during the course of any future disciplinary proceedings. Work performed by Respondent as part of the Drexel course and any recommended remedial measures which may qualify for C.M.E.

credit may be applied in satisfaction of Respondent's delinquent C.M.E. requirements, upon successful completion of the Drexel course.

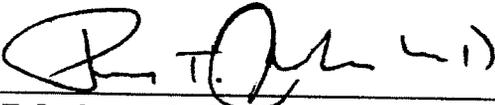
5. Respondent shall, within one year of the filing date of this Final Consent Order, demonstrate successful completion of a Board-approved course in ethics. Respondent shall assume all costs of completing such a course. "Successful completion" means that Respondent attended all sessions of the course, fully participated in the course, and received a final evaluation of an unconditional passing grade. Respondent shall submit to the Executive Director of the Board written verification of said successful completion of the course. Remedial measures focusing on ethics as recommended by Drexel shall be deemed to satisfy this requirement.

6. Respondent shall comply with all terms of the Board's "Directives Applicable to Any Medical Board Licensee Who is Disciplined or Whose Surrender of Licensure Has Been Accepted," copy attached and incorporated into this Final Consent Order by reference.

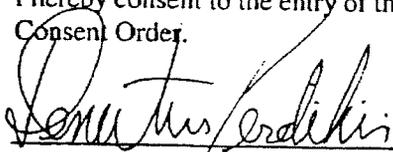
7. Failure to comply with any provision of this Final Consent Order may result in subsequent disciplinary proceedings pursuant to N.J.A.C. 13:45C-1.1 et seq. for failure to comply with an order of the Board.

NEW JERSEY STATE BOARD OF MEDICAL EXAMINERS

By:

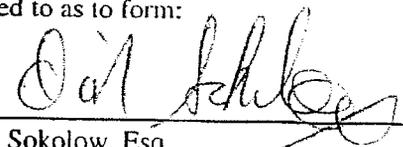
  
\_\_\_\_\_  
Paul T. Jordan, M.D., President

I have read the within Final Consent Order.  
I understand the Final Consent Order and I  
agree to be bound by its terms and conditions.  
I hereby consent to the entry of this Final  
Consent Order.

  
\_\_\_\_\_  
Demetrios Perdikis, M.D., Respondent

Dated: 6/13/11

Consented to as to form:

  
\_\_\_\_\_  
David S. Sokolow, Esq.  
Attorney for Respondent

Dated: 6/17/11

**DIRECTIVES APPLICABLE TO ANY MEDICAL BOARD LICENSEE  
WHO IS DISCIPLINED OR WHOSE SURRENDER OF LICENSURE  
HAS BEEN ACCEPTED<sup>1</sup>**

All licensees who are the subject of a disciplinary order of the Board are required to provide the information required on the Confidential Information page enclosed with these directives. The information provided will be maintained separately and will not be part of the public document filed with the Board. Failure to provide the information required may result in further disciplinary action for failing to cooperate with the Board, as required by N.J.A.C. 13:45C-1 et seq. Paragraphs 1 through 4 below shall apply when a license is suspended or revoked or permanently surrendered, with or without prejudice. Paragraph 5 applies to licensees who are the subject of an order which, while permitting continued practice, contains a probation or monitoring requirement.

**1. Document Return and Agency Notification**

The licensee shall promptly forward to the Board office at Post Office Box 183, 140 East Front Street, 2nd floor, Trenton, New Jersey 08625-0183, the original license, current biennial registration and, if applicable, the original CDS registration. In addition, if the licensee holds a Drug Enforcement Agency (DEA) registration, he or she shall promptly advise the DEA of the licensure action. (With respect to suspensions of a finite term, at the conclusion of the term, the licensee may contact the Board office for the return of the documents previously surrendered to the Board. In addition, at the conclusion of the term, the licensee should contact the DEA to advise of the resumption of practice and to ascertain the impact of that change upon his/her DEA registration.)

**2. Practice Cessation**

The licensee shall cease and desist from engaging in the practice of medicine in this State. This prohibition not only bars a licensee from rendering professional services, but also from providing an opinion as to professional practice or its application, or representing him/herself as being eligible to practice. (Although the licensee need not affirmatively advise patients or others of the revocation, suspension or surrender, the licensee must truthfully disclose his/her licensure status in response to inquiry.) The disciplined licensee is also prohibited from occupying, sharing or using office space in which another licensee provides health care services. The disciplined licensee may contract for, accept payment from another licensee for or rent at fair market value office premises and/or equipment. In no case may the disciplined licensee authorize, allow or condone the use of his/her provider number by any health care practice or any other licensee or health care provider. (In situations where the licensee has been suspended for less than one year, the licensee may accept payment from another professional who is using his/her office during the period that the licensee is suspended, for the payment of salaries for office staff employed at the time of the Board action.)

A licensee whose license has been revoked, suspended for one (1) year or more or permanently surrendered must remove signs and take affirmative action to stop advertisements by

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<sup>1</sup>APPROVED BY THE BOARD ON MAY 10, 2000

which his/her eligibility to practice is represented. The licensee must also take steps to remove his/her name from professional listings, telephone directories, professional stationery, or billings. If the licensee's name is utilized in a group practice title, it shall be deleted. Prescription pads bearing the licensee's name shall be destroyed. A destruction report form obtained from the Office of Drug Control (973-504-6558) must be filed. If no other licensee is providing services at the location, all medications must be removed and returned to the manufacturer, if possible, destroyed or safeguarded. (In situations where a license has been suspended for less than one year, prescription pads and medications need not be destroyed but must be secured in a locked place for safekeeping.)

### **3. Practice Income Prohibitions/Divestiture of Equity Interest in Professional Service Corporations and Limited Liability Companies**

A licensee shall not charge, receive or share in any fee for professional services rendered by him/herself or others while barred from engaging in the professional practice. The licensee may be compensated for the reasonable value of services lawfully rendered and disbursements incurred on a patient's behalf prior to the effective date of the Board action.

A licensee who is a shareholder in a professional service corporation organized to engage in the professional practice, whose license is revoked, surrendered or suspended for a term of one (1) year or more shall be deemed to be disqualified from the practice within the meaning of the Professional Service Corporation Act. (N.J.S.A. 14A:17-11). A disqualified licensee shall divest him/herself of all financial interest in the professional service corporation pursuant to N.J.S.A. 14A:17-13(c). A licensee who is a member of a limited liability company organized pursuant to N.J.S.A. 42:1-44, shall divest him/herself of all financial interest. Such divestiture shall occur within 90 days following the entry of the Order rendering the licensee disqualified to participate in the applicable form of ownership. Upon divestiture, a licensee shall forward to the Board a copy of documentation forwarded to the Secretary of State, Commercial Reporting Division, demonstrating that the interest has been terminated. If the licensee is the sole shareholder in a professional service corporation, the corporation must be dissolved within 90 days of the licensee's disqualification.

### **4. Medical Records**

If, as a result of the Board's action, a practice is closed or transferred to another location, the licensee shall ensure that during the three (3) month period following the effective date of the disciplinary order, a message will be delivered to patients calling the former office premises, advising where records may be obtained. The message should inform patients of the names and telephone numbers of the licensee (or his/her attorney) assuming custody of the records. The same information shall also be disseminated by means of a notice to be published at least once per month for three (3) months in a newspaper of general circulation in the geographic vicinity in which the practice was conducted. At the end of the three month period, the licensee shall file with the Board the name and telephone number of the contact person who will have access to medical records of former patients. Any change in that individual or his/her telephone number shall be promptly reported to the Board. When a patient or his/her representative requests a copy of his/her medical record or asks that that record be forwarded to another health care provider, the licensee shall promptly provide the record without charge to the patient.

## **5. Probation/Monitoring Conditions**

With respect to any licensee who is the subject of an Order imposing a probation or monitoring requirement or a stay of an active suspension, in whole or in part, which is conditioned upon compliance with a probation or monitoring requirement, the licensee shall fully cooperate with the Board and its designated representatives, including the Enforcement Bureau of the Division of Consumer Affairs, in ongoing monitoring of the licensee's status and practice. Such monitoring shall be at the expense of the disciplined practitioner.

(a) Monitoring of practice conditions may include, but is not limited to, inspection of the professional premises and equipment, and inspection and copying of patient records (confidentiality of patient identity shall be protected by the Board) to verify compliance with the Board Order and accepted standards of practice.

(b) Monitoring of status conditions for an impaired practitioner may include, but is not limited to, practitioner cooperation in providing releases permitting unrestricted access to records and other information to the extent permitted by law from any treatment facility, other treating practitioner, support group or other individual/facility involved in the education, treatment, monitoring or oversight of the practitioner, or maintained by a rehabilitation program for impaired practitioners. If bodily substance monitoring has been ordered, the practitioner shall fully cooperate by responding to a demand for breath, blood, urine or other sample in a timely manner and providing the designated sample.

**NOTICE OF REPORTING PRACTICES OF BOARD  
REGARDING DISCIPLINARY ACTIONS**

Pursuant to N.J.S.A. 52:14B-3(3), all orders of the New Jersey State Board of Medical Examiners are available for public inspection. Should any inquiry be made concerning the status of a licensee, the inquirer will be informed of the existence of the order and a copy will be provided if requested. All evidentiary hearings, proceedings on motions or other applications which are conducted as public hearings and the record, including the transcript and documents marked in evidence, are available for public inspection, upon request.

Pursuant to 45 CFR Subtitle A 60.8, the Board is obligated to report to the National Practitioners Data Bank any action relating to a physician which is based on reasons relating to professional competence or professional conduct: (1) Which revokes or suspends (or otherwise restricts) a license; (2) Which censures, reprimands or places on probation; (3) Under which a license is surrendered.

Pursuant to 45 CFR Section 61.7, the Board is obligated to report to the Healthcare Integrity and Protection (HIP) Data Bank, any formal or official actions, such as revocation or suspension of a license (and the length of any such suspension), reprimand, censure or probation or any other loss of license or the right to apply for, or renew, a license of the provider, supplier, or practitioner, whether by operation of law, voluntary surrender, non-renewability, or otherwise, or any other negative action or finding by such federal or State agency that is publicly available information.

Pursuant to N.J.S.A. 45:9-19.13, if the Board refuses to issue, suspends, revokes or otherwise places conditions on a license or permit, it is obligated to notify each licensed health care facility and health maintenance organization with which a licensee is affiliated and every other board licensee in this state with whom he or she is directly associated in private medical practice.

In accordance with an agreement with the Federation of State Medical Boards of the United States, a list of all disciplinary orders are provided to that organization on a monthly basis. Within the month following entry of an order, a summary of the order will appear on the public agenda for the next monthly Board meeting and is forwarded to those members of the public requesting a copy. In addition, the same summary will appear in the minutes of that Board meeting, which are also made available to those requesting a copy. Within the month following entry of an order, a summary of the order will appear in a Monthly Disciplinary Action Listing which is made available to those members of the public requesting a copy. On a periodic basis the Board disseminates to its licensees a newsletter which includes a brief description of all of the orders entered by the Board. From time to time, the Press Office of the Division of Consumer Affairs may issue releases including the summaries of the content of public orders.

Nothing herein is intended in any way to limit the Board, the Division or the Attorney General from disclosing any public document.