

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
BOARD OF MEDICINE**

**In re:** :  
 :  
**THOMAS J. RALEY, M.D.** :  
 :  
**License No.: MD037178** :  
 :  
**Respondent** :

**FINAL DECISION AND ORDER**

This matter comes before the District of Columbia Board of Medicine (the “Board”) pursuant to the Health Occupations Revision Act (HORA). D.C. Official Code § 3-1201.01, *et seq.* (2016, Repl.). The Board has broad jurisdiction to regulate the practice of medicine and to impose a variety of disciplinary sanctions upon a finding of a violation of the HORA. D.C. Official Code, § 3-1202.03; *Mannan v. District of Columbia Board of Medicine*, 558 A.2d 329, 333 (D.C.1989).

**Background**

Dr. Thomas Raley (Respondent) was licensed in the District of Columbia to practice medicine on March 6, 2008; his license was summarily suspended on February 10, 2023. Respondent was also previously licensed to practice in the Commonwealth of Virginia, however his license was mandatorily suspended on November 28, 2022. Additionally, Respondent was licensed to practice medicine in the State of Maryland, where his license was revoked on April 19, 2023.

On November 19, 2021, in the United States District Court for the Eastern District of Virginia, Case Number 1:21-cr-00246, Dr. Raley pled guilty to 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 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.<sup>1</sup>

As a result of this, the Virginia Department of Health Professions issued an Order of Mandatory Suspension concluding Respondent violated Virginia Code § 54.1-2409 (conviction of a felony), effectively suspending Respondent's Virginia license on November 30, 2022. The D.C. Board voted to take reciprocal discipline and independent discipline against Respondent's medical license in the District of Columbia. On or about February 10, 2023, the Department of Health's Health Regulation and Licensing Administration (DOH) issued Respondent a Notice of Summary Action to Suspend Respondent's medical license on reciprocal grounds pursuant to D.C. Official Code § 3-1205.15(a)(1)(A) for violation of D.C. Official Code § 3-1205.14(a)(3), and on independent grounds for violation of D.C. Official Code § 3-1205.14(a)(4) and (45). Respondent timely requested a hearing which was held before the Office of Administrative Hearings on January 13, 2025 and resulted in the summary suspension being upheld.

The Board elected to issue Respondent a Notice of Intent to take Disciplinary Action which was mailed, certified mail<sup>2</sup>, to Respondent at his home address. According to the United States Post Office, the NOI was delivered on February 10, 2025 which constitutes service<sup>3</sup>. Respondent had twenty (20) days after service of the notice<sup>4</sup> but did not do so. As a result, the Board is proceeding to final action<sup>5</sup>.

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<sup>1</sup> See United States v. Raley, Case No. 1:21CR00246-001 (E.D. Va. November 18, 2022).

<sup>2</sup> USPS Tracking No. 7018183000095341109

<sup>3</sup> 17 DCMR § 4105.5 If service is by certified mail, it shall be deemed to have been made on the date shown on the return receipt showing delivery of the notice to the party or refusal of the party to accept delivery.

<sup>4</sup> See 17 DCMR § 4102.4(c)(1).

<sup>5</sup> See 17 DCMR § 4103.1.

### **Findings of Fact**

The Board incorporates the Statement of Facts in the United States District Court for the Eastern District of Virginia case, Case Number 1:21-cr-00246. The key facts are as follows:

Respondent's primary practice was in Maryland. He specialized in orthopedic surgery, spinal surgery, and comprehensive pain management. He was the owner of a medical practice called Advanced Spine and Pain (ASAP) at which he worked, and which had offices in both Maryland and Virginia. In 2008, Raley became acquainted with attorney Seth Myers (Myers), who was experienced in setting up businesses for clients. In his capacity as Respondent's attorney, Myers helped him set up multiple businesses, one of which was Laboratory RX, LLC (LabRx), which was used exclusively to "market items to other medical practices that had in-office pharmacies." While Myers was publicly listed as the President of LabRx and its sole owner, in reality Respondent controlled "key parts of the business, including most of the assets..."; Respondent knew that he could not be listed as an owner because he intended to send prescriptions to LabRx.

Respondent, Myers, and other co-conspirators managed a scheme where they would each send prescriptions for specialized compounded medicines to specialty pharmacies and then receive kickbacks from these pharmacies through LabRx. Respondent further created prescription pads with pre-printed prescription formulas designed to elicit the highest monetary reimbursement possible from insurance companies, regardless of whether such a drug was truly necessary for a given patient. Respondent received over \$2,200,000.00 from this scheme; while LabRx records officially did not link earnings to Respondent, he stipulated that in fact he was receiving the bulk of the profit.

Following his conviction on November 19, 2021, Respondent was sentenced to thirty-six months of incarceration, to commence on January 1, 2023, followed by three years of supervised release. On May 2, 2024, Respondent was granted early release from prison.

### Conclusions of Law

The Board is authorized to sanction Respondent under the HORA for his actions, which are related to the practice of medicine. D.C. Official Code § 3-1205.14(c) provides, in pertinent part:

Each board, subject to the right of a hearing as provided by this subchapter, on an affirmative vote of a quorum of its appointed members may take one or more of the disciplinary actions provided in subsection (c) of this section against any applicant for a license, registration, or certification, an applicant to establish or operate a school of nursing or nursing program, or a person permitted by this subchapter to practice a health occupation regulated by the board in the District who:

\* \* \*

- (3) is disciplined by a licensing or disciplinary authority or peer review body or convicted or disciplined by a court of any jurisdiction for conduct that would be grounds for disciplinary action under this section;
- (4) Has been convicted of an offense that is related to the occupation for which the license, registration, or certification is sought or held;
- (45) Commits fraud or makes false claims in connection with the practice of an occupation regulated by this chapter, or relating to Medicaid, Medicare, or insurance.

Respondent's conduct demonstrated a violation of D.C. Official Code §3-1205.14(a)(3), (4) and (45). Accordingly, Respondent's conduct has provided the D.C. Board with a basis in law and fact to take reciprocal and independent action against Respondent under the authority of D.C. Official Code § 3-1205.14(c).

### ORDER

ACCORDINGLY, based upon the foregoing, it is by the District of Columbia Board of Medicine hereby,

**ORDERED** that Thomas J. Raley, M.D.'s License No. MD037178, be and is hereby **REVOKED**, pursuant to D.C. Official Code § 3-1205.14(c)(2); and it is further

**ORDERED**, that the foregoing is a FINAL ORDER of the District of Columbia Board of Medicine.

DISTRICT OF COLUMBIA BOARD OF MEDICINE

06.20.2025

Date



By: Andrea Anderson, M.D., M.Ed., FAAFP  
Chair

Copies to:

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*Respondent*

## Review of a Final Decision

District of Columbia Municipal Regulations, § 17-4122.1 provides:

A party aggrieved by a decision of a board issued after a hearing may seek review of the decision by the District of Columbia Court of Appeals in accordance with the District of Columbia Administrative Procedure Act, D.C. Code §§ [2-501 *et seq.*].

NOTE: *Any appeal noted to the Court of Appeals must be filed within 30 days of the final decision of the Board.*

D.C. Official Code, §2-510 provides:

(a) Any person suffering a legal wrong, or adversely affected or aggrieved, by an order or decision of the Mayor or an agency in a contested case, is entitled to a judicial review thereof in accordance with this subchapter upon filing in the District of Columbia Court of Appeals a written petition for review. If the jurisdiction of the Mayor or an agency is challenged at any time in any proceeding and the Mayor or the agency, as the case may be, takes jurisdiction, the person challenging jurisdiction shall be entitled to an immediate judicial review of that action, unless the Court shall otherwise hold. The reviewing Court may by rule prescribe the forms and contents of the petition and, subject to this subchapter, regulate generally all matters relating to proceedings on such appeals. A petition for review shall be filed in such Court within such time as such Court may by rule prescribe and a copy of such petition shall forthwith be served by mail by the clerk of the Court upon the Mayor or upon the agency, as the case may be. Within such time as may be fixed by rule of the Court, the Mayor or such agency shall certify and file in the Court the exclusive record for decision and any supplementary proceedings, and the clerk of the Court shall immediately notify the petitioner of the filing thereof. Upon the filing of a petition for review, the Court shall have jurisdiction of the proceeding, and shall have power to affirm, modify, or set aside the order or decision complained of, in whole or in part, and, if need be, to remand the case for further proceedings, as justice may require. Filing of a petition for review shall not in itself stay enforcement of the order or decision of the Mayor or the agency, as the case may be. The Mayor or the agency may grant, or the reviewing Court may order, a stay upon appropriate terms. The Court shall hear and determine all appeals upon the exclusive record for decision before the Mayor or the agency. The review of all administrative orders and decisions by the Court shall be limited to such issues of law or fact as are subject to review on appeal under applicable statutory law, other than this subchapter. In all other cases the review by the Court of administrative orders and decisions shall be in accordance with the rules of law which define the scope and limitations of review of administrative proceedings. Such rules shall include, but not be limited to, the power of the Court:

- (1) So far as necessary to decision and where presented, to decide all relevant questions of law, to interpret constitutional and statutory provisions, and to determine the meaning or applicability of the terms of any action;
- (2) To compel agency action unlawfully withheld or unreasonably delayed; and
- (3) To hold unlawful and set aside any action or findings and conclusions found to be:
  - (A) Arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;
  - (B) Contrary to constitutional right, power, privilege, or immunity;

- (C) In excess of statutory jurisdiction, authority, or limitations or short of statutory jurisdiction, authority, or limitations or short of statutory rights;
- (D) Without observance of procedure required by law, including any applicable procedure provided by this subchapter; or
- (E) Unsupported by substantial evidence in the record of the proceedings before the Court.