BEFORE THE
MEDICAL BOARD OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation Against: **Cornelius Joseph O'Leary, Jr., M.D.** **Physician's and Surgeon's Certificate No. A 160284** Respondent.	**Case No. 800-2022-087995**

ORDER CORRECTING
CLERICAL ERROR IN "EFFECTIVE DATE" OF THE ORDER DENYING PETITION FOR RECONSIDERATION

On its own motion, the Medical Board of California (hereafter "Board") finds that there is a clerical error in the Decision in the above-entitled matter and that such mistake or clerical error should be corrected.

IT IS HEREBY ORDERED that the effective date of the Order Denying Petition for Reconsideration in the above-entitled matter be and hereby is amended and corrected on the date of entry of the decision to read as "February 25, 2026."

Order: February 27, 2026

Richard E. Thorp, M.D.
Chair
Panel B

BEFORE THE
MEDICAL BOARD OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation Against: Cornelius Joseph O'Leary Jr., M.D. Physician's & Surgeon's Certificate No A 160284 Petitioner.	Case No.: 800-2022-087995

ORDER DENYING PETITION FOR RECONSIDERATION

The Petition filed by Dr. Cornelius Joseph O'Leary Jr., for the reconsideration of the decision in the above-entitled matter having been read and considered by the Medical Board of California, is hereby denied.

This Decision remains effective at 5:00 p.m. on February 23, 2026.

IT IS SO ORDERED: February 23, 2026

Richard E. Thorp, M.D., Chair
Panel B

BEFORE THE
MEDICAL BOARD OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation Against: Cornelius Joseph O'Leary, Jr., M.D. Physician's and Surgeon's Certificate No. A 160284 Respondent.	Case No. 800-2022-087995

DECISION

The attached Proposed Decision is hereby adopted as the Decision and Order of the Medical Board of California, Department of Consumer Affairs, State of California.

This Decision shall become effective at 5:00 p.m. on February 25, 2026.

IT IS SO ORDERED January 26, 2026.

MEDICAL BOARD OF CALIFORNIA

Richard E. Thorp, M.D., Chair
Panel B

BEFORE THE
MEDICAL BOARD OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation Against:

CORNELIUS JOSEPH O'LEARY, JR., M.D.,

Physician's and Surgeon's Certificate No. A 160284

Respondent.

Agency Case No. 800-2022-087995

OAH No. 2025070455

PROPOSED DECISION

Administrative Law Judge Karen Reichmann, State of California, Office of Administrative Hearings, heard this matter on January 5, 2026, by videoconference.

Deputy Attorney General C. Hay-Mie Cho represented complainant Reji Varghese, Executive Director of the Medical Board of California.

Respondent Cornelius Joseph O'Leary, Jr., M.D., appeared on his own behalf.

The matter was submitted for decision on January 5, 2026.

FACTUAL FINDINGS

Jurisdictional Matters

1. On January 9, 2019, the Medical Board of California (Board) issued Physician's and Surgeon's Certificate No. A 160284 (Certificate) to respondent Cornelius Joseph O'Leary, Jr., M.D. The Certificate was in full force and effect at all relevant times. The Certificate will expire on January 31, 2027, unless renewed. Respondent was previously licensed as a physician in New York and Florida.

2. On April 25, 2025, complainant Reji Varghese filed the Accusation solely in his official capacity as the Board's Executive Director. Complainant seeks to discipline respondent's Certificate based on a substantially related conviction, dishonesty, and discipline imposed on respondent's medical license in Florida. Complainant also seeks to recover prosecution costs.

Conviction

3. On March 2, 2021, in the United States District Court for the District of New Jersey, respondent entered a guilty plea to one count of conspiracy to commit health care fraud, in violation of 18 U.S.C. § 1347, [1] a felony.

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[1] The Accusation states that the conviction is for a violation of 18 U.S.C. § 1349, however the judgment reflects that the conviction if for a violation of 18 U.S.C. § 1347.

4. On December 17, 2024, respondent was sentenced to time served and was placed on supervised release for three years. Respondent was ordered to pay more than nine million dollars in restitution.

5. The facts and circumstances of the offense are that between July 2017 and April 2019, respondent, while working as a consultant for a telemedicine company, conspired with others to cause the submission of fraudulent claims to Medicare for orthotic braces and laboratory testing that were not medically necessary, ineligible for Medicare reimbursement, or not provided as represented. Respondent signed orders for the braces and tests without a pre-existing doctor-patient relationship with the patients, without physical examinations of the patients, and often without having any conversations with the patients. When pleading guilty, respondent admitted that he knowingly and willingly conspired to defraud a federal health care program.

Florida License Discipline

6. On September 24, 2021, the Florida Department of Health filed an administrative complaint against respondent with the Florida Board of Medicine (FL Board), seeking discipline based on respondent's guilty plea in federal court.

7. In October 2021, respondent signed an agreement to voluntarily relinquish his Florida medical license and not seek reinstatement. This agreement was adopted by the FL Board in an order dated April 27, 2022. The FL Board's order states that respondent's relinquishment of his Florida license constitutes license discipline.

Respondent's Evidence

8. Respondent stated many times that he accepts responsibility for his misconduct, but largely minimized his role in the conspiracy. Respondent emphasized

that no patients were harmed and asserted that his actions "complied with California's progressive telemedicine laws at the time." He mentioned that he agreed to plead guilty on the advice of his attorney, suggesting that he does not believe himself to be guilty. He stated that his medical decisions were based on patient records generated by medical assistants who engaged in "extensive" telephone intake calls with the patients, and that these patient records met "medical standards." Respondent further stated: that he did not understand the Medicare rules at the time because he was "not fully trained" and there is no information available online; that he did not directly submit any claims to Medicare; that he did not intend to defraud anyone; that he was instructed by the company he worked with that he did not need to see patients in person; and that the conduct was "not inherently unethical." He also noted that federal agents posed as patients, conduct which respondent views as fraudulent. Respondent also blamed the State of California (UCLA) for altering his surgical rotations during his residency, which prevented him from a career in orthopedic surgery and exposed him to "higher-risk" jobs such as telemedicine. Respondent's statements reflect a denial of responsibility for his criminal and dishonest conduct.

9. Respondent reported that he is in compliance with the terms of his supervised release, including attending psychotherapy for the past year and making monthly restitution payments of $25.

10. Respondent presented certificates of completion from two continuing medical education programs he completed in May 2025 related to Medicare fraud. He took these courses at the recommendation of an attorney he consulted regarding this disciplinary action. He expressed his willingness to take further courses.

11. Respondent submitted a statement in which he referenced certain documents, but he did not offer many of these items into evidence, including a letter

from his therapist, the transcript of the sentencing proceedings in federal court, and letters from colleagues. Respondent called no witnesses to testify in support of his continuing licensure.

12. Respondent testified that he worked directly with Covid patients in California during the pandemic. He stated that during this work, he filed a state report for violations he observed, and because of this report his assignment ended early, depriving him of $20,000.

13. In a reference form dated November 14, 2019, Mark Tamsen, M.D., identified himself as respondent's supervisor at the time and rated respondent's competency in all domains as "excellent."

14. Respondent lives in Las Vegas, Nevada. He has primary custody of his six-year-old son, who is disabled. He reported that he has been unable to find any employment due to his felony conviction and that he has suffered financial hardship during the past several years. Respondent requested a reduction of costs and/or an extended payment plan.

15. Respondent reported that he "gave up" his medical license in New York state and is now licensed only in California.

16. Respondent would like to practice in California as a locum tenens in an urgent care setting. Respondent testified that he "had fun" working with rural and Spanish-speaking low-income patients and would love to resume working with these patient populations. He requests that the Board impose probation.

Costs

17. Complainant seeks to recover $11,628.75 for legal services provided by the Department of Justice through November 3, 2025. These costs are supported by a declaration in compliance with the requirements of California Code of Regulations, title 1, section 1042, and are reasonable.

LEGAL CONCLUSIONS

1. It is complainant's burden to demonstrate the truth of the allegations by "clear and convincing evidence to a reasonable certainty," and that the allegations constitute cause for discipline of respondent's Certificate. (*Ettinger v. Board of Medical Quality Assurance* (1982) 135 Cal.App.3d 853, 856.)

2. Business and Professions Code section 2236 provides that the Board may discipline a licensee who has been convicted of any offense that is substantially related to the qualifications, functions, or duties of a physician. Respondent's felony conviction for conspiracy to commit health care fraud is a substantially related offense. (Cal. Code Regs., tit. 16, § 1360.) Cause to suspend or revoke respondent's Certificate was established, in light of the matters set forth in Finding 3.

3. Business and Professions Code section 2234, subdivision (e), provides that the Board may discipline a licensee who has committed acts of dishonesty. The conduct resulting in respondent's felony conviction involved acts of dishonesty. Cause to suspend or revoke respondent's Certificate was established, in light of the matters set forth in Finding 5.

4. Business and Professions Code sections 2305 and 141 provide that the Board may discipline a licensee who has been disciplined by another state for conduct which would be cause for discipline in California. Respondent's discipline in Florida involved conduct which would be cause for discipline in California. Cause to suspend or revoke respondent's Certificate was established, in light of the matters set forth in Finding 7.

5. In exercising its disciplinary functions, protection of the public is the Board's highest priority. (Bus. & Prof. Code, § 2229, subd. (a).) The Board is also required to take disciplinary action that is calculated to aid the rehabilitation of the physician whenever possible, as long as the Board's action is not inconsistent with public safety. (*Id.*, subds. (b), (c).)

6. The Board's Manual of Disciplinary Orders and Disciplinary Guidelines (12th ed., 2016; Cal. Code Regs., tit. 16, § 1361) provide for a minimum discipline of one year suspension followed by seven years of probation and a maximum discipline of revocation for licensees who have committed criminal offenses or acts of dishonesty arising from patient care or billing.

7. Respondent engaged in a protracted conspiracy to defraud Medicare of millions of dollars. This conduct undermines public trust in the medical profession. Respondent remains on supervised release for the offense. He minimized his misconduct and presented scant evidence of rehabilitation. It would be against the public interest to permit respondent to retain his Certificate. Revocation of respondent's Certificate is necessary for the protection of the public.

8. Business and Professions Code section 125.3 authorizes the Board to recover its reasonable costs of investigation and enforcement if the licensee is found

to have committed a violation of the licensing act. In *Zuckerman v. Board of Chiropractic Examiners* (2002) 29 Cal.4th 32, the California Supreme Court set forth standards by which a licensing board must exercise its discretion to reduce or eliminate cost awards to ensure that licensees with potentially meritorious claims are not deterred from exercising their right to an administrative hearing. Those standards include whether the licensee has been successful at hearing in getting the charges dismissed or reduced, the licensee's good faith belief in the merits of his or her position, whether the licensee has raised a colorable challenge to the proposed discipline, the financial ability of the licensee to pay, and whether the scope of the investigation was appropriate to the alleged misconduct. Respondent credibly testified that he has limited ability to pay the full amount of costs sought. Costs will be reduced by one-half, to $5,814.38.

ORDER

1. Physician's and Surgeon's Certificate No. A 160284, issued to respondent Cornelius Joseph O'Leary, Jr., M.D., is revoked.

2. Respondent shall reimburse the Board $5,814.38 for prosecution costs. The Board may permit respondent to pay these costs pursuant to a payment plan.

DATE: 01/09/2026

Karen Reichmann
KAREN REICHMANN
Administrative Law Judge
Office of Administrative Hearings