

STATE OF MICHIGAN  
DEPARTMENT OF CONSUMER & INDUSTRY SERVICES  
BUREAU OF HEALTH SERVICES  
BOARD OF MEDICINE  
DISCIPLINARY SUBCOMMITTEE

In the Matter of

FRED WOOLLEY STELSON, M.D.

Complaint No. 43-01-0808-00

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ADMINISTRATIVE COMPLAINT

Attorney General Jennifer M. Granholm, through Assistant Attorney General Julie A. McMurtry, on behalf of the Department of Consumer & Industry Services, Bureau of Health Services (Complainant), files this complaint against Fred Woolley Stelson, M.D., (Respondent), alleging upon information and belief as follows:

1. The Board of Medicine, (Board), an administrative agency established by the Public Health Code, 1978 PA 368, as amended; MCL 333.1101 et seq, is empowered to discipline licensees under the Code through its Disciplinary Subcommittee (DSC).

2. Respondent is currently licensed to practice medicine as a Board certified psychiatrist.<sup>1</sup>

3. At all times relevant to this Complaint, Respondent was a practicing psychiatrist with Associates in Psychiatric Medicine, P.C., later known as ADD Life Center, P.C., and practiced in the Ann Arbor and Jackson offices.

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<sup>1</sup> Respondent also holds a license to practice pharmacy in Michigan. An administrative complaint is also being filed against his pharmacist's license.

4. Section 16221(a) of the Public Health Code authorizes the Board's DSC to take disciplinary action against Respondent for violation of a general duty, consisting of negligence or failure to exercise due care, including negligent delegation to or supervision of employees or other individuals, whether or not injury results, or any conduct, practice, or condition which impairs, or may impair, Respondent's ability to safely and skillfully practice psychiatry.

5. Section 16221(b)(i) of the Public Health Code authorizes the DSC to take disciplinary action against Respondent for incompetence, which is defined in section 16106(1) of the Code to mean "a departure from, or failure to conform to, minimal standards of acceptable and prevailing practice for the health profession, whether or not actual injury to an individual occurs."

6. Section 16221 (b)(vi) of the Public Health Code provides the DSC with authority to take disciplinary action against Respondent for a lack of good moral character. Good moral character is defined at section 1 of 1974 PA 381, as amended; MCL 338.41 *et seq*, as "the propensity on the part of the person to serve the public in a fair, honest and open manner."

7. Section 16221(c)(iv) of the Public Health Code provides the DSC with authority to take disciplinary action against Respondent for selling, prescribing, giving away, or administering drugs for other than lawful diagnostic or therapeutic purposes.

8. Section 16226 of the Public Health Code authorizes the DSC to impose sanctions against persons licensed by the Board if, after opportunity for a hearing, the DSC determines that a licensee violated one or more of the subdivisions contained in section 16221 of the Public Health Code.

9. In June 1995, patient LV (initials used to protect confidentiality), then a :  
began seeing a psychiatrist in Respondent's practice. LV subsequently transferred to Respondent's care in 1996. Until early 1998, LV only saw Respondent quarterly for medication reviews.

10. In early 1998, LV began seeing Respondent for therapy. Sessions occurred one to three times per week.

11. As early as October 1999 and continuing until August 2000, LV wrote Respondent long detailed letters wherein she question the parameters of their "relationship." These letters contained references to LV's sexual attraction to Respondent, in which she declared her love for Respondent. These letters also question whether Respondent's conduct was sexualized. In a letter from May 2, 2000, LV writes that Respondent had an erection during a therapy session and that it sounded like he was masturbating while they were on the phone. Despite the fact that the letters are contained within Respondent's medical records for LV, the therapy records do not reflect that Respondent addressed these letters during therapy.

12. In December 1999, LV and Respondent had a telephone conversation that lasted for hours, arguing about how much LV had been charged for therapy. Although LV and Respondent had previously agreed that LV would have a reduced rate based upon her referral of clients to Respondent, the bills did not reflect that reduced amount. Respondent assured LV that she would be billed properly.

13. According to the therapy notes, billing was listed as an issue on July 11, 2000, July 14, 2000, and July 21, 2000.

14. On August 7, 2000, Respondent records in the therapy notes that he will make a referral for LV to another therapist. However, LV states that Respondent terminated her from treatment at that time. LV begged to resume treatment with Respondent and Respondent agreed.

15. At her first return appointment, Respondent kissed LV. According to the therapy notes, LV's first appointment after August 7, 2000 was on August 11, 2000.

16. At the next appointment, Respondent and LV had sexual intercourse on the couch in Respondent's office. Respondent referred to the intercourse as therapy in his conversation with LV. The therapy notes record the next date of therapy as August 14, 2000.

17. LV and Respondent engaged in sexual intercourse four times. The relations occurred three times in Respondent's office and one time at LV's home.

18. LV tape-recorded a conversation wherein Respondent acknowledged their sexual relations. LV also kept a bed sheet with Respondent's semen on it.

19. LV and Respondent concluded therapy after LV left a message at Respondent's office on August 31, 2000, stating that she did not want to see him again.

20. While LV was a patient with Respondent, she was prescribed the following medications: Guanfacine (for high blood pressure); Zyprexa (for mental disorders, including schizophrenia); Diazepam (for anxiety disorders); Estradiol (for hormones); Neurontin (for epilepsy/seizures); Zithromax (an antibiotic); Estazolam (for sleep); Claritin (an antihistamine); Ultram (for pain); Sonata (for sleep); Cylert (for Attention Deficit Disorder); Medroxyprogesterone (for hormones); Depakote (for seizures); Lithobid (for manic depression);

Provigil (for narcolepsy); Dexedrine (for narcolepsy); Effexor (for depression); Alprazolam (for anxiety); Serzone (for depression); Revia (for alcohol/narcotic addiction); Celexa (for depression); Cytomel (for thyroid); Lamictal (for seizures); Meclzine (for nausea); Propranolol (for high blood pressure); Doxepin (for depression); and Indocin (for swelling/inflammation).

21. Despite the fact that LV was prescribed between four and nine medications at a time, including hormonal and seizure medications, Respondent did not order regular testing to monitor LV's condition. According to the medical records, lab work was ordered on July 10, 1999; August 23, 1999, and May 2, 2000. In addition to insufficient testing, the documentation for the use of so many controlled substances was also deficient.

22. Among the medications that Respondent prescribed for LV were antibiotics. Respondent did not follow standard practice when prescribing the antibiotics. Respondent did not request or document the patient's history, perform an examination, or make or document a diagnosis when dispensing the antibiotics.

23. According to Respondent, when he first met LV, he diagnosed her as suffering from social phobia, anxiety, depression, and post term anxiety. He later changed his diagnoses to post traumatic or disassociative syndrome, manic depression, bipolar, and attention deficit disorder. Other than in the termination summary, the medical records do not reflect Respondent's rationale for these diagnoses or his reasons for changing them.

#### COUNT I

Respondent's conduct as described above constitutes negligence, in violation of section 16221(a) of the Code.

COUNT II

Respondent's conduct as described above constitutes incompetence, in violation of section 16221(b)(i) of the Code.

COUNT III

Respondent's conduct as described above constitutes a lack of good moral character, in violation of section 16221(b)(vi) of the Code.

COUNT IV

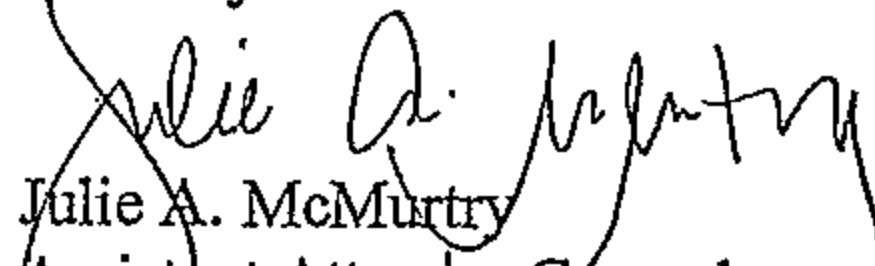
Respondent's conduct as described above constitutes prescribing a controlled substance for other than therapeutic purposes, in violation of section 16221(c)(iv) of the Code.

THEREFORE, Complainant requests that this complaint be served upon Respondent and that Respondent be offered an opportunity to show compliance with all lawful requirements for retention of the aforesaid license. If compliance is not shown, Complainant further requests that formal proceedings be commenced pursuant to the Public Health Code, rules promulgated pursuant to it, and the Administrative Procedures Act of 1969, 1969 PA 306, as amended; MCL 24.201 *et seq.*

RESPONDENT IS HEREBY NOTIFIED that, pursuant to section 16231(7) of the Public Health Code, Respondent has 30 days from receipt of this complaint to submit a written response to the allegations contained in it. The written response shall be submitted to the Bureau of Health Services, Department of Consumer & Industry Services, P.O. Box 30670, Lansing, MI 48909, with a copy to the undersigned assistant attorney general. Further, pursuant to section 16231(8), failure to submit a written response within 30 days shall be treated as an admission of

the allegations contained in the complaint and shall result in transmittal of the complaint directly to the Board's Disciplinary Subcommittee for imposition of an appropriate sanction.

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