



State Medical Board of
Ohio

30 E. Broad St., 3rd Floor
Columbus, Ohio 43215
(614) 466-3934
www.med.ohio.gov

July 12, 2017

Sandra Sue Vonderembse, M.D.
2003 Grange Street
Oregon, OH 43616

RE: Case No. 17-CRF-0011

Dear Doctor Vonderembse:

Please find enclosed certified copies of the Entry of Order; the Report and Recommendation of R. Gregory Porter, Esq., Hearing Examiner, State Medical Board of Ohio; and an excerpt of draft Minutes of the State Medical Board, meeting in regular session on July 12, 2017, including motions approving and confirming the Report and Recommendation as the Findings and Order of the State Medical Board of Ohio, and adopting an Amended Order.

Section 119.12, Ohio Revised Code, may authorize an appeal from this Order. Any such appeal must be filed in accordance with all requirements specified in Section 119.12, Ohio Revised Code, and must be filed with the State Medical Board of Ohio and the Franklin County Court of Common Pleas within (15) days after the date of mailing of this notice.

THE STATE MEDICAL BOARD OF OHIO

Kim G. Rothermel, M.D.
Secretary

KGR:jam
Enclosures

CERTIFIED MAIL NO. 91 7199 9991 7036 9815 7611
RETURN RECEIPT REQUESTED

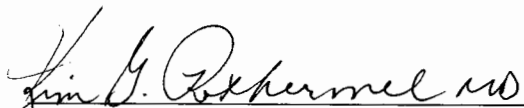
cc: Eric J. Plinke, Esq.
CERTIFIED MAIL NO. 91 7199 9991 7036 9815 7628
RETURN RECEIPT REQUESTED

Mailed 8-8-17

CERTIFICATION

I hereby certify that the attached copy of the Entry of Order of the State Medical Board of Ohio; Report and Recommendation of R. Gregory Porter, State Medical Board Hearing Examiner; and excerpt of draft Minutes of the State Medical Board, meeting in regular session on July 12, 2017, including motions approving and confirming the Findings of Fact, Conclusions and Proposed Order of the Hearing Examiner as the Findings and Order of the State Medical Board of Ohio, and adopting an amended Order; constitute a true and complete copy of the Findings and Order of the State Medical Board in the matter of Sandra Sue Vonderembse, M.D., Case No. 17-CRF-0011, as it appears in the Journal of the State Medical Board of Ohio.

This certification is made by authority of the State Medical Board of Ohio and in its behalf.



Kim G. Rothermel, M.D.
Secretary

(SEAL)

July 12, 2017

Date

BEFORE THE STATE MEDICAL BOARD OF OHIO

IN THE MATTER OF

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CASE NO. 17-CRF-0011

SANDRA SUE VONDEREMBSE, M.D.

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ENTRY OF ORDER

This matter came on for consideration before the State Medical Board of Ohio on July 12, 2017.

Upon the Report and Recommendation of R. Gregory Porter, State Medical Board Hearing Examiner, designated in this Matter pursuant to R.C. 4731.23, a true copy of which Report and Recommendation is attached hereto and incorporated herein, and upon the modification, approval, and confirmation by vote of the Board on the above date, the following Order is hereby entered on the Journal of the State Medical Board of Ohio for the above date.

It is hereby ORDERED that:

- A. **SUSPENSION OF CERTIFICATE:** The certificate of Sandra Sue Vonderembse, M.D., to practice medicine and surgery in the State of Ohio shall be SUSPENDED for an indefinite period of time, but not less than twelve months.
- B. **CONDITIONS FOR REINSTATEMENT OR RESTORATION:** The Board shall not consider reinstatement or restoration of Dr. Vonderembse's certificate to practice medicine and surgery until all of the following conditions have been met:
 - 1. **Application for Reinstatement or Restoration:** Dr. Vonderembse shall submit an application for reinstatement or restoration, accompanied by appropriate fees, if any.
 - 2. **Certification of Compliance with the Terms of Supervised Release:** At the time she submits her application for reinstatement or restoration, Dr. Vonderembse shall submit to the Board certification from the U.S. District Court for the Northern District of Ohio, Western Division, dated no earlier than 60 days prior to Dr. Vonderembse's application for reinstatement or restoration, indicating that Dr. Vonderembse has fully

complied with the terms of supervised release in criminal case number 3:16CR192 following her release from incarceration.

3. **Additional Evidence of Fitness To Resume Practice:** In the event that Dr. Vonderembse has not been engaged in the active practice of medicine and surgery for a period in excess of two years prior to application for reinstatement or restoration, the Board may exercise its discretion under Section 4731.222, Ohio Revised Code, to require additional evidence of her fitness to resume practice.

C. **PROBATION:** Upon reinstatement or restoration, Dr. Vonderembse's certificate shall be subject to the following PROBATIONARY terms, conditions, and limitations for a period of at least three years:

1. **Obey the Law and Terms of Supervised Release:** Dr. Vonderembse shall obey all federal, state and local laws; all rules governing the practice of medicine and surgery in Ohio; and all terms of supervised release imposed by the U.S. District Court for the Northern District of Ohio, Western Division, in criminal case number 3:16CR192.
2. **Declarations of Compliance:** Dr. Vonderembse shall submit quarterly declarations under penalty of Board disciplinary action and/or criminal prosecution, stating whether there has been compliance with all the conditions of this Order. The first quarterly declaration must be received in the Board's offices on or before the first day of the third month following the month in which Dr. Vonderembse's certificate is restored or reinstated, or as otherwise directed by the Board. Subsequent quarterly declarations must be received in the Board's offices on or before the first day of every third month.
3. **Evidence of Compliance with the Terms of Supervised Release:** At the time she submits her declarations of compliance, Dr. Vonderembse shall also submit declarations under penalty of Board disciplinary action and/or criminal prosecution stating whether she has complied with all the terms, conditions, and limitations imposed by the U.S. District Court for the Northern District of Ohio, Western Division, in criminal case number 3:16CR192.
4. **Personal Appearances:** Dr. Vonderembse shall appear in person for an interview before the full Board or its designated representative during the third month following the month in which Dr. Vonderembse's certificate is restored or reinstated, or as otherwise directed by the Board. Subsequent personal appearances shall occur every **six** months thereafter, and/or as otherwise directed by the Board. If an appearance is missed or is rescheduled for any reason, ensuing appearances shall be scheduled based on the appearance date as originally scheduled.

5. **Personal Ethics Course(s)**: Before the end of the first year of probation, or as otherwise approved by the Board, Dr. Vonderembse shall submit acceptable documentation of successful completion of a course or courses dealing with personal ethics. The exact number of hours and the specific content of the course or courses shall be subject to the prior approval of the Board or its designee. Any course(s) taken in compliance with this provision shall be in addition to the Continuing Medical Education requirements for relicensure for the Continuing Medical Education period(s) in which they are completed.

In addition, at the time Dr. Vonderembse submits the documentation of successful completion of the course(s) dealing with personal ethics, she shall also submit to the Board a written report describing the course(s), setting forth what she learned from the course(s), and identifying with specificity how she will apply what she has learned to her practice of medicine in the future.

6. **Office Management Course(s)**: Before the end of the first year of probation, or as otherwise approved by the Board, Dr. Vonderembse shall submit acceptable documentation of successful completion of a course or courses dealing with office management, **including IRS tax requirements for a medical office or other small business**. The exact number of hours and the specific content of the course or courses shall be subject to the prior approval of the Board or its designee. Any course(s) taken in compliance with this provision shall be in addition to the Continuing Medical Education requirements for relicensure for the Continuing Medical Education period(s) in which they are completed.

In addition, at the time Dr. Vonderembse submits the documentation of successful completion of the course(s) dealing with office management, she shall also submit to the Board a written report describing the course(s), setting forth what she learned from the course(s), and identifying with specificity how she will apply what she has learned to her practice of medicine in the future.

7. **Tolling of Probationary Period While Out of Compliance**: In the event Dr. Vonderembse is found by the Secretary of the Board to have failed to comply with any provision of this Order, and is so notified of that deficiency in writing, such period(s) of noncompliance will not apply to the reduction of the probationary period under this Order.
8. **Required Reporting of Change of Address**: Dr. Vonderembse shall notify the Board in writing of any change of residence address and/or principal practice address within 30 days of the change.

D. **TERMINATION OF PROBATION:** Upon successful completion of probation, as evidenced by a written release from the Board, Dr. Vonderembse's certificate will be fully restored.

E. **REQUIRED REPORTING WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THIS ORDER:**

1. **Required Reporting to Employers and Others:** Within 30 days of the effective date of this Order, Dr. Vonderembse shall provide a copy of this Order to all employers or entities with which she is under contract to provide healthcare services (including but not limited to third-party payors), or is receiving training, and the Chief of Staff at each hospital or healthcare center where she has privileges or appointments. Further, Dr. Vonderembse shall promptly provide a copy of this Order to all employers or entities with which she contracts in the future to provide healthcare services (including but not limited to third-party payors), or applies for or receives training, and the Chief of Staff at each hospital or healthcare center where she applies for or obtains privileges or appointments.

In the event that Dr. Vonderembse provides any healthcare services or healthcare direction or medical oversight to any emergency medical services organization or emergency medical services provider in Ohio, within 30 days of the effective date of this Order, she shall provide a copy of this Order to the Ohio Department of Public Safety, Division of Emergency Medical Services.

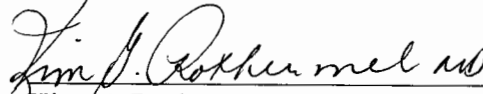
These requirements shall continue until Dr. Vonderembse receives from the Board written notification of the successful completion of her probation.

2. **Required Reporting to Other Licensing Authorities:** Within 30 days of the effective date of this Order, Dr. Vonderembse shall provide a copy of this Order to the proper licensing authority of any state or jurisdiction in which she currently holds any professional license, as well as any federal agency or entity, including but not limited to the Drug Enforcement Administration, through which she currently holds any professional license or certificate. Also, Dr. Vonderembse shall provide a copy of this Order at the time of application to the proper licensing authority of any state or jurisdiction in which she applies for any professional license or reinstatement/restoration of any professional license. This requirement shall continue until Dr. Vonderembse receives from the Board written notification of the successful completion of her probation.
3. **Required Documentation of the Reporting Required by Paragraph E:** Dr. Vonderembse shall provide this Board with **one** of the following documents as proof of each required notification within 30 days of the

date of each such notification: (a) the return receipt of certified mail within 30 days of receiving that return receipt, (b) an acknowledgement of delivery bearing the original ink signature of the person to whom a copy of the Order was hand delivered, (c) the original facsimile-generated report confirming successful transmission of a copy of the Order to the person or entity to whom a copy of the Order was faxed, or (d) an original computer-generated printout of electronic mail communication documenting the e-mail transmission of a copy of the Order to the person or entity to whom a copy of the Order was e-mailed.

- F. **VIOLATION OF THE TERMS OF THIS ORDER:** If Dr. Vonderembse violates the terms of this Order in any respect, the Board, after giving her notice and the opportunity to be heard, may institute whatever disciplinary action it deems appropriate, up to and including the permanent revocation of her certificate.

EFFECTIVE DATE OF ORDER: This Order shall become effective immediately upon the mailing of the notification of approval by the Board.



Kim G. Rothermel, M.D.
Secretary

(SEAL)

July 12, 2017

Date

JUN 15 2017

STATE MEDICAL BOARD
OF OHIO

BEFORE THE STATE MEDICAL BOARD OF OHIO

In the Matter of

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Case No. 17-CRF-0011

Sandra S. Vonderembse, M.D.,

*

Hearing Examiner Porter

Respondent.

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REPORT AND RECOMMENDATION

Basis for Hearing

In a notice of opportunity for hearing dated January 11, 2017 ("Notice"), the State Medical Board of Ohio ("Board") notified Sandra Sue Vonderembse, M.D., that it had proposed to take disciplinary action against her certificate to practice medicine and surgery in Ohio. The Board based its proposed action on an allegation that, in 2016, in the United States District Court for the Northern District of Ohio, Western Division, Dr. Vonderembse pleaded guilty to, and was convicted of, Attempted Income Tax Evasion, in violation of 26 U.S.C. Section 7201. The Board further alleged that the court sentenced Dr. Vonderembse to 18 months of incarceration followed by one year of supervised release, and ordered her to pay restitution in the amount of \$565,128.63. Additionally, the Board alleged that Dr. Vonderembse's guilty plea and conviction constitutes "[a] plea of guilty to, a judicial finding of guilt of, or a judicial finding of eligibility for intervention in lieu of conviction for, a felony," as that clause is used in Ohio Revised Code Section ("R.C.") 4731.22(B)(9). Accordingly, the Board advised Dr. Vonderembse of her right to request a hearing, and received her written request on February 9, 2017. (State's Exhibit ("St. Ex.") 1)

Appearances

Michael DeWine, Ohio Attorney General, and Melinda R. Snyder, Assistant Attorney General, on behalf of the State of Ohio. Eric J. Plinke, Esq., on behalf of Dr. Vonderembse.

Hearing Date: May 31, 2017

SUMMARY OF THE EVIDENCE

All exhibits and the transcript of testimony, even if not specifically mentioned, were thoroughly reviewed and considered by the Hearing Examiner prior to preparing this Report and Recommendation.

Background Information

1. Sandra S. Vonderembse, M.D., obtained her medical degree in 1990 from the Medical College of Ohio in Toledo, Ohio. From 1990 through 1994, Dr. Vonderembse participated in and completed a residency in adult psychiatry at the same institution. Following the completion of her residency, Dr. Vonderembse has practiced as a psychiatrist in the northwest Ohio area, including several correctional facilities and, most recently, at ProMedica Defiance Regional Psychiatric Services in Defiance, Ohio. (Respondent's Exhibit ("Resp. Ex.") A)
2. Dr. Vonderembse testified that she is not board-certified in psychiatry, and that she never took the certification examination, but that she is board-eligible. (Hearing Transcript ("Tr.") at 46)

Dr. Vonderembse's Criminal Conviction and Sentence

3. On or about June 13, 2016, an Information was filed in the United States District Court for the Northern District of Ohio, Western Division, that charged Dr. Vonderembse with willfully attempting to evade and defeat a large part of income tax due and owing by her, by filing and causing to be filed false and fraudulent tax returns for tax years 2009 through 2011, in violation of 26 U.S.C. Section 7201. The matter was assigned Case No. 3:16CR192. (St. Ex. 2)
4. On or around June 10, 2016, Dr. Vonderembse signed a Plea Agreement whereby she entered a plea of guilty to the June 13, 2016 Information. Dr. Vonderembse also agreed to pay restitution plus interest for tax years 2005 through 2011. The court approved the Plea Agreement on July 7, 2016. (St. Ex. 3)
5. On November 21, 2016, the court adjudicated Dr. Vonderembse guilty of the offense of Attempt to Evade or Defeat Tax or the Payment Thereof, in violation of 26 U.S.C. 7201, as charged in the Information, and sentenced her to 18 months of imprisonment to be followed by one year of supervised release, and ordered her to pay restitution to the Internal Revenue Service in the amount of \$565,128.63. The court waived payment of interest on the restitution. The court further ordered Dr. Vonderembse to surrender for service of sentence as directed by the U.S. Marshal. (St. Ex. 4)
6. Dr. Vonderembse testified that she had initially been ordered to report to the federal corrections facility in Alderson, West Virginia, on January 10, 2017; however, due to a medical illness, that was postponed to June 15, 2017. The location where she is to report also moved to a facility in Fort Worth, Texas. (Tr. at 15-16, 60-61)
7. Dr. Vonderembse testified that she developed a medical condition on December 27, 2016 that kept her in the hospital until March 23, 2017. Dr. Vonderembse testified that she lost consciousness and fell at home. (Tr. at 17) Dr. Vonderembse further testified that, rather than falling forward or backward:

Apparently I dropped straight down and landed on my right leg. It took most of the weight which means it cut off the circulation; and, therefore, the development -- the compartmental syndrome developed which is a massive infection, and then they had to actually cut my leg open in two large spots to drain it and heal it.

In the meantime along with the compartmental syndrome I developed rhabdomyolysis which is where your body eats its own muscle to provide energy. And then because of that I developed acute renal failure. It was a huge mess.

(Tr. at 18)

Dr. Vonderembse testified that she is back home, and wears a foot brace because of right foot drop. If she doesn't have her foot brace, she uses a walker. She further testified that she is not allowed to drive. (Tr. at 18)

8. Dr. Vonderembse testified that the Fort Worth institution to which she is to report is a women's minimum security facility. (Tr. at 61)

Testimony of Dr. Vonderembse Concerning the Conduct that Gave Rise to the Conviction

9. Dr. Vonderembse testified that, when she worked for ProMedica in Defiance, she was an employee subject to tax withholding and received a W-2. However, when she worked for the correctional institutions, she worked as an independent contractor and her income was reported on Form 1099s. Dr. Vonderembse testified that she understands that, as an independent contractor who receives form 1099, she is responsible to pay her taxes via quarterly declarations. However, she testified that, in the early 2000s, she was having trouble paying her taxes. (Tr. at 22-23, 39)
10. Dr. Vonderembse described how she became involved in the tax evasion scheme. She testified that, around 2003, she was working at the Toledo Correctional Institution. The major at that facility, along with several other officers and administrators, were meeting with the major's "accountant/lawyer," Joe Flickinger, for the purpose of setting up trust accounts. Dr. Vonderembse missed that meeting, but met with Mr. Flickinger a couple weeks later to set up a trust fund. Dr. Vonderembse testified that the purpose of the trust fund was to protect her assets from risks such as a malpractice lawsuit, and it would be payable on her death to her children. (Tr. at 23, 25-26, 28-29)

Dr. Vonderembse indicated that that trust had no impact on her responsibility to pay taxes; "It was the United American Workforce that was supposed to help us with that."

(Tr. at 29) Dr. Vonderembse also referenced an entity called the Oregon Sailors Fund. With respect to the latter, Dr. Vonderembse testified:

John Allen¹ at the time told -- explained to me that he had a paper from the IRS that he had applied for this not just for me but I guess several others also but that he had applied for this foundation which would be a tax/interest free -- interest free business checking account, and could have our funds put in there, and we could use it just like a personal checking account.

Q. [Mr. Plinke] Okay. Was -- how did that impact your responsibility to pay taxes on those moneys that were directed into that Oregon Sailors Foundation?

A. Mr. Allen explained that it was -- it would not be taxed because he had applied to the IRS for this, and he was given the permission to set that up for us.

(Tr. at 30)

Additionally, Dr. Vonderembse testified that her payors were directed to send Dr. Vonderembse's funds to either the United American Workforce ("UAW") or the Oregon Sailors Foundation. Funds sent to the UAW were supposed to be used by Joe and Ed Flickinger² to pay her taxes. The rest of her funds were deposited into the Oregon Sailors Foundation. (Tr. at 31-32, 39)

11. With respect to the supposed tax-free status of funds deposited to the Oregon Sailors Fund, the following exchange took place:

Q. [Mr. Plinke] Okay. Is that -- you're an educated person. You are a professional. Doesn't that sound a bit ridiculous?

A. [Dr. Vonderembse] Absolutely. And in retrospect and in looking back, I can see that the -- well, I just recently found out, or about a year ago found out that the trust was totally illegal, so I'm assuming that the Oregon -- Oregon Sailors Foundation was also totally illegal. And so, yeah, you're right. It did sound too good to be true.

Q. So what were you thinking at the time? I mean, if somebody presents me with something that sounds too good to be true, I might actually think that it's not true. What was your reaction in discussing these things with -- with these individuals?

A. Well, in the beginning when I talked to Joe Flickinger and the group of us at Toledo Correctional, I thought trusts were actually legal, and I know some of

¹ Dr. Vonderembse testified that John Allen was a paralegal and accountant to whom she was referred after Joe Flickinger became ill. Dr. Vonderembse further testified that he was the person she worked with concerning the Oregon Sailors Foundation. (Tr. at 34-35)

² Dr. Vonderembse testified that Joe and Ed Flickinger are twin brothers who worked together on the UAW and her trust fund. Dr. Vonderembse primarily dealt with Joe Flickinger. (Tr. at 35)

the other people there had trust funds. And so I -- I thought that would be -- I thought that was okay. I didn't have any inkling that there was an issue --

Q. Okay.

A. -- with that.

Q. But it sounds like the Oregon Sailors Fund was a little different. What was your reaction to that?

A. That was -- I was very hesitant at the time and actually worried. I wasn't sure what to do, and it's probably at that time I should have actually on my own called a different tax lawyer, but I didn't. I guess at that point I was very -- I was suspicious, not very suspicious. I was suspicious, but I didn't know what to do. And actually when I talked to John Allen about it and when he showed me the IRS paper, I guess that calmed me down a little bit, and I thought, well, okay, this is fine.

(Tr. at 32-34)

12. Dr. Vonderembse testified that her suspicions grew in 2011 or 2012 when two agents from the Internal Revenue Service ("IRS") came to her house. (Tr. at 35) Dr. Vonderembse further testified that she talked to John Allen about it, "[a]nd he said don't talk to them, that they couldn't butt into my funding -- my trust fund or my checking account, so I did not talk to them but what I should have done at that point was immediately call a tax lawyer." (Tr. at 35-36) When asked why she didn't, she testified, "I think at that point -- no, I know at that point I was scared and anxious and did not know what to do. And unfortunately I listened to his stories -- I mean, they are stories now. I mean, he would cite cases and send me information on cases and how all this was legal." (Tr. at 36)

Dr. Vonderembse also testified that, around that time, she started receiving notices from the IRS that she owed taxes. (Tr. at 36) When asked how she handled those, she replied:

Well, I would usually call John and send him a copy of the letter and sometimes he would send something in response to the IRS and sometimes he would send me a response to sign and forward to the IRS.

Q. [Mr. Plinke] Okay. What do these responses say?

A. Well, most of the responses cited cases and as to protection of our income, I guess is a way to put it. But he cited actual court cases. Now, I don't know if they were actual court cases now, but at the time I -- it sounded very legal to me.

(Tr. at 36-37)

Dr. Vonderembse testified that she never sent one of Mr. Allen's responses to a tax attorney to review the position Mr. Allen was having her take. (Tr. at 37)

13. Eventually, Dr. Vonderembse did contact an attorney:

[My son] was subpoenaed to the grand jury regarding the trust fund,³ and I'm thinking that was in August of 2015. And it is at that point that I had called Gary Harden and Catherine Killam regarding this. It was at that point I realized there were actual criminal charges. However, in March of 2014, the IRS had put a huge lien on my paycheck from ProMedica.

And so I talked to a tax relief company and realized that it was a big issue, and I had my accountant -- I mean an actual accountant in Defiance. He redid all of my taxes I'm thinking back to 2003, but I don't actually remember.

(Tr. at 47, 49)

14. After contacting counsel, Dr. Vonderembse learned that the Oregon Sailors Foundation was worthless as a vehicle for avoiding taxes. (Tr. at 38) Dr. Vonderembse further testified that she learned from her attorneys that the trust that Joe Flickinger set up to protect her property from lawsuits was "totally worthless. It meant nothing." (Tr. at 51-52) She added that she had not paid taxes on the money that went into the trust. (Tr. at 52)
15. Dr. Vonderembse acknowledged that she was criminally charged in the summer of 2016. (Tr. at 38)
16. Dr. Vonderembse acknowledged that she was ordered to pay restitution in the amount of approximately \$565,000.00, of which \$364,000.00 is back taxes and \$201,000.00 is interest. (Tr. at 41)
17. Dr. Vonderembse testified that she paid the Flickingers \$15,000.00 for the trust, along with between \$250.00 and \$500.00 annually for tax forms. She also paid \$250.00 per year to Mr. Allen for tax forms. (Tr. at 61)

Dr. Vonderembse testified that she has not pursued any claims against the Flickingers or Mr. Allen. (Tr. at 38)

Additional Information Concerning the Tax Evasion Schemes

18. Dr. Vonderembse presented a collection of documents that address the tax-avoiding schemes of John Allen and the Flickinger brothers. None are directly related to Dr. Vonderembse's criminal matter but they provide some insight into how the schemes

³ Dr. Vonderembse testified that her son was named executor of the trust. (Tr. at 37)

operated. One document in particular describes in detail the scheme promoted by Mr. Allen. It is a Complaint for Permanent Injunction and Other Relief filed in November 2012 in the U.S. District Court for the Southern District of Ohio by the U.S. Attorney against Mr. Allen. Mr. Allen advised his clients of various means to claim that their income is not subject to federal income tax. The Complaint indicates that Mr. Allen's schemes are frivolous, and rely on false premises and arguments that have been uniformly and repeatedly rejected by the courts. (Resp. Ex. C at 4-5)

As an example of Mr. Allen's schemes, in the case of Dr. Vonderembse, the Complaint states in part:

For example, Allen prepared a Form 1040X for tax year 2010 for customer Sandra Vonderembse of Oregon, Ohio. Allen reported Vonderembse's wages of \$114,314.45. However, Allen then falsely reported that Vonderembse had no taxable income, and requested an improper refund of \$11,821.97. The paid preparer on Vonderembse's Form 1040X was listed as "N/A." Allen drafted a cover letter, dated March 7, 2011, which Vonderembse signed and submitted to the IRS with the frivolous tax return.

(Resp. Ex. C at 9)

As another example, and with respect to a different client, the Complaint states:

Allen also attempted to file frivolous liens against the United States on behalf of his customers. For example, as a result of Allen's frivolous tax return preparation for customer Linda Steen, the IRS sent a notice of levy to Steen, and levied on Steen's wages from her employer, Waste Management. In response to a letter from Waste Management to Steen, Allen sent a letter dated March 3, 2009 to Waste Management in which he claimed to be "counsel of choice" for Steen,⁴ and claimed that "Linda L. Steen is exempt from Federal income tax under Fundamental Law, which is the Law of God and reorganized under the Common Law."

(Resp. Ex. C at 11) Mr. Allen then attempted to file a lien with the Recorder of Deeds for the District of Columbia. The purported lien named "IRS Commissioner Douglas Shulman and Secretary of the Treasury Timothy Geitner as 'Lienees.'" (Resp. Ex. C at 11)

In addition, the Complaint states:

The IRS has identified over 100 tax returns that Allen prepared that fraudulently claim that his customers have no income and claim unwarranted refunds.

⁴ Among the other misdeeds alleged in the Complaint, Mr. Allen falsely claimed to be an attorney. The Complaint states that, in a December 2005 order, the Supreme Court of Ohio found that Mr. Allen had engaged in the unauthorized practice of law in Ohio, enjoined him from such conduct, and assessed a civil penalty of \$40,000.00 against him. In July 2010, the court found him in contempt. (Resp. Ex. C at 12)

Because Allen does not sign the tax returns that he prepares or otherwise identify himself as the preparer in order to evade detection, and Allen refuses to comply with the IRS summons enforced by this Court, it is difficult to determine exactly how many tax returns Allen has prepared.

(Resp. Ex. C at 13)

19. The court granted the injunctions against Mr. Allen as requested in the Complaint.
(Resp. Ex. C at 28-31)
20. Joe Flickinger pleaded guilty to conspiracy and wire fraud in 2005. (Resp. Ex. C at 34-35)

Additional Testimony of Dr. Vonderembse

21. Dr. Vonderembse stated, in conclusion:

I feel that I am actually a very good psychiatrist. I truly enjoy my work as a psychiatrist. And I have worked in the forensic area which was kind of a subspecialty, I guess you could say, that I really enjoyed. However, I mostly enjoy working with the community mental health centers. Those patients are in general the most severely ill and I've always felt that that was helpful and I got a lot of reward from doing that.

* * * I do hope that when I am released from prison, that I would be able to go back not full-time but part-time community mental health work here in the Toledo area.

(Tr. at 43-44)

22. Dr. Vonderembse testified that she has never before faced Board discipline. (Tr. at 42-43)

FINDINGS OF FACT

On or about June 13, 2016, an Information was filed in the United States District Court for the Northern District of Ohio, Western Division, that charged Sandra Vonderembse, M.D., with willfully attempting to evade and defeat a large part of income tax due and owing by her, by filing and causing to be filed false and fraudulent tax returns for tax years 2009 through 2011, in violation of 26 U.S.C. Section 7201.

On or around June 10, 2016, Dr. Vonderembse signed a Plea Agreement whereby she entered a plea of guilty to the June 13, 2016 Information. Dr. Vonderembse also agreed to pay restitution plus interest. The court approved the Plea Agreement on or about July 7, 2016.

On November 21, 2016, the court adjudicated Dr. Vonderembse guilty of the offense of Attempt to Evade or Defeat Tax or the Payment Thereof, in violation of 26 U.S.C. 7201, sentenced her to 18 months of imprisonment to be followed by one year of supervised release, and ordered her to pay restitution to the Internal Revenue Service in the amount of \$565,128.63.

CONCLUSION OF LAW

The plea of guilty and/or judicial finding of guilt of Sandra Sue Vonderembse, M.D., as described in the Findings of Fact, individually and/or collectively, constitute a “plea of guilty to, a judicial finding of guilt of, or a judicial finding of eligibility for intervention in lieu of conviction for, a felony,” as that clause is used in R.C. 4731.22(B)(9).

Because the criminal acts that led to Dr. Vonderembse’s conviction took place prior to September 29, 2015, the Board is not authorized to impose a fine for this violation pursuant to R.C. 4731.225.

RATIONALE FOR THE PROPOSED ORDER

The evidence is uncontested that Dr. Vonderembse pleaded guilty to a federal offense of tax evasion. The seriousness of this offense is clear based on the sentence meted out by the court: 18 months of incarceration followed by one year of supervised release, and payment of more than a half-million dollars in restitution, approximately \$200,000 of which is interest. Dr. Vonderembse allowed herself to be taken in by some individuals who presented her and others, including her coworkers, with a scheme that in the end was too good to be true, and she is paying a substantial price for her poor judgment.

There are several mitigating factors in evidence. Her offense was not related to her medical practice, and she has never before faced Board disciplinary action. She cooperated fully with the authorities once she contacted legitimate counsel, she was very honest and candid at the hearing, and she took responsibility for her misconduct. Further, although she appeared via telephone due to a mix-up concerning her transportation to the hearing, her tone of voice and her testimony convinced the Hearing Examiner that she is genuinely remorseful for what she did. Moreover, the Hearing Examiner fully believes that Dr. Vonderembse will never repeat this conduct.

The Proposed Order would suspend Dr. Vonderembse’s medical license indefinitely, but for not less than eighteen months following the effective date of the Order. Conditions for reinstatement or restoration of her license, and the terms of her probation, require her full cooperation with the terms of supervised release imposed by the court. Following reinstatement or restoration, she will be subject to probationary terms and conditions for at least three years, which include a requirement that she complete a personal ethics course during her first year of probation. No fine is recommended because her criminal conduct ended before September 29, 2015.

PROPOSED ORDER

It is hereby ORDERED that:

- A. **SUSPENSION OF CERTIFICATE:** The certificate of Sandra Sue Vonderembse, M.D., to practice medicine and surgery in the State of Ohio shall be SUSPENDED for an indefinite period of time, but not less than eighteen months.
- B. **CONDITIONS FOR REINSTATEMENT OR RESTORATION:** The Board shall not consider reinstatement or restoration of Dr. Vonderembse's certificate to practice medicine and surgery until all of the following conditions have been met:
1. **Application for Reinstatement or Restoration:** Dr. Vonderembse shall submit an application for reinstatement or restoration, accompanied by appropriate fees, if any.
 2. **Certification of Compliance with the Terms of Supervised Release:** At the time she submits her application for reinstatement or restoration, Dr. Vonderembse shall submit to the Board certification from the U.S. District Court for the Northern District of Ohio, Western Division, dated no earlier than 60 days prior to Dr. Vonderembse's application for reinstatement or restoration, indicating that Dr. Vonderembse has fully complied with the terms of supervised release in criminal case number 3:16CR192 following her release from incarceration.
 3. **Additional Evidence of Fitness To Resume Practice:** In the event that Dr. Vonderembse has not been engaged in the active practice of medicine and surgery for a period in excess of two years prior to application for reinstatement or restoration, the Board may exercise its discretion under Section 4731.222, Ohio Revised Code, to require additional evidence of her fitness to resume practice.
- C. **PROBATION:** Upon reinstatement or restoration, Dr. Vonderembse's certificate shall be subject to the following PROBATIONARY terms, conditions, and limitations for a period of at least three years:
1. **Obey the Law and Terms of Supervised Release:** Dr. Vonderembse shall obey all federal, state and local laws; all rules governing the practice of medicine and surgery in Ohio; and all terms of supervised release imposed by the U.S. District Court for the Northern District of Ohio, Western Division, in criminal case number 3:16CR192.
 2. **Declarations of Compliance:** Dr. Vonderembse shall submit quarterly declarations under penalty of Board disciplinary action and/or criminal prosecution, stating whether there has been compliance with all the conditions of this Order. The first quarterly declaration must be received in the Board's offices on or before the first day of the third month following the month in which Dr. Vonderembse's certificate is restored or reinstated, or as otherwise directed by the Board. Subsequent quarterly

declarations must be received in the Board's offices on or before the first day of every third month.

3. **Evidence of Compliance with the Terms of Supervised Release:** At the time she submits her declarations of compliance, Dr. Vonderembse shall also submit declarations under penalty of Board disciplinary action and/or criminal prosecution stating whether she has complied with all the terms, conditions, and limitations imposed by the U.S. District Court for the Northern District of Ohio, Western Division, in criminal case number 3:16CR192.
4. **Personal Appearances:** Dr. Vonderembse shall appear in person for an interview before the full Board or its designated representative during the third month following the month in which Dr. Vonderembse's certificate is restored or reinstated, or as otherwise directed by the Board. Subsequent personal appearances shall occur every **six** months thereafter, and/or as otherwise directed by the Board. If an appearance is missed or is rescheduled for any reason, ensuing appearances shall be scheduled based on the appearance date as originally scheduled.
5. **Personal Ethics Course(s):** Before the end of the first year of probation, or as otherwise approved by the Board, Dr. Vonderembse shall submit acceptable documentation of successful completion of a course or courses dealing with personal ethics. The exact number of hours and the specific content of the course or courses shall be subject to the prior approval of the Board or its designee. Any course(s) taken in compliance with this provision shall be in addition to the Continuing Medical Education requirements for relicensure for the Continuing Medical Education period(s) in which they are completed.

In addition, at the time Dr. Vonderembse submits the documentation of successful completion of the course(s) dealing with personal ethics, she shall also submit to the Board a written report describing the course(s), setting forth what she learned from the course(s), and identifying with specificity how she will apply what she has learned to her practice of medicine in the future.
6. **Tolling of Probationary Period While Out of Compliance:** In the event Dr. Vonderembse is found by the Secretary of the Board to have failed to comply with any provision of this Order, and is so notified of that deficiency in writing, such period(s) of noncompliance will not apply to the reduction of the probationary period under this Order.
7. **Required Reporting of Change of Address:** Dr. Vonderembse shall notify the Board in writing of any change of residence address and/or principal practice address within 30 days of the change.

D. **TERMINATION OF PROBATION:** Upon successful completion of probation, as evidenced by a written release from the Board, Dr. Vonderembse's certificate will be fully restored.

E. **REQUIRED REPORTING WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THIS ORDER:**

1. **Required Reporting to Employers and Others:** Within 30 days of the effective date of this Order, Dr. Vonderembse shall provide a copy of this Order to all employers or entities with which she is under contract to provide healthcare services (including but not limited to third-party payors), or is receiving training, and the Chief of Staff at each hospital or healthcare center where she has privileges or appointments. Further, Dr. Vonderembse shall promptly provide a copy of this Order to all employers or entities with which she contracts in the future to provide healthcare services (including but not limited to third-party payors), or applies for or receives training, and the Chief of Staff at each hospital or healthcare center where she applies for or obtains privileges or appointments.

In the event that Dr. Vonderembse provides any healthcare services or healthcare direction or medical oversight to any emergency medical services organization or emergency medical services provider in Ohio, within 30 days of the effective date of this Order, she shall provide a copy of this Order to the Ohio Department of Public Safety, Division of Emergency Medical Services.

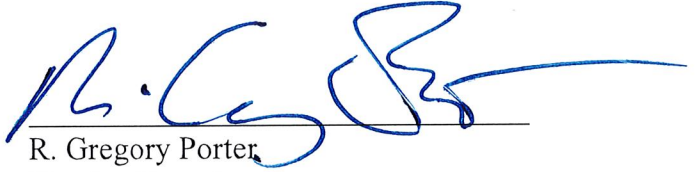
These requirements shall continue until Dr. Vonderembse receives from the Board written notification of the successful completion of her probation.

2. **Required Reporting to Other Licensing Authorities:** Within 30 days of the effective date of this Order, Dr. Vonderembse shall provide a copy of this Order to the proper licensing authority of any state or jurisdiction in which she currently holds any professional license, as well as any federal agency or entity, including but not limited to the Drug Enforcement Administration, through which she currently holds any professional license or certificate. Also, Dr. Vonderembse shall provide a copy of this Order at the time of application to the proper licensing authority of any state or jurisdiction in which she applies for any professional license or reinstatement/restoration of any professional license. This requirement shall continue until Dr. Vonderembse receives from the Board written notification of the successful completion of her probation.
3. **Required Documentation of the Reporting Required by Paragraph E:** Dr. Vonderembse shall provide this Board with **one** of the following documents as proof of each required notification within 30 days of the date of each such notification: (a) the return receipt of certified mail within 30 days of receiving that return receipt, (b) an acknowledgement of delivery bearing the original ink signature of the person to whom a copy of the Order was hand delivered, (c) the original

facsimile-generated report confirming successful transmission of a copy of the Order to the person or entity to whom a copy of the Order was faxed, or (d) an original computer-generated printout of electronic mail communication documenting the e-mail transmission of a copy of the Order to the person or entity to whom a copy of the Order was e-mailed.

- F. **VIOLATION OF THE TERMS OF THIS ORDER:** If Dr. Vonderembse violates the terms of this Order in any respect, the Board, after giving her notice and the opportunity to be heard, may institute whatever disciplinary action it deems appropriate, up to and including the permanent revocation of her certificate.

EFFECTIVE DATE OF ORDER: This Order shall become effective immediately upon the mailing of the notification of approval by the Board.



R. Gregory Porter
Hearing Examiner



EXCERPT FROM THE DRAFT MINUTES OF JULY 12, 2017

REPORTS AND RECOMMENDATIONS

Dr. Soin announced that the Board would now consider the Reports and Recommendations appearing on its agenda.

Dr. Soin asked whether each member of the Board had received, read and considered the hearing records, the Findings of Fact, Conclusions of Law, Proposed Orders, and any objections filed in the matters of: David M. Burkons, M.D.; Robert Raymond Daiber, M.D.; Michael Garber, M.D.; Anna G. Pollack, M.D.; David Antonio Velasquez, M.D.; and Sandra S. Vonderembse, M.D. A roll call was taken:

ROLL CALL:	Dr. Rothermel	- aye
	Dr. Saferin	- aye
	Dr. Schottenstein	- aye
	Dr. Steinbergh	- aye
	Mr. Giacalone	- aye
	Dr. Soin	- aye
	Mr. Gonidakis	- aye
	Mr. Kenney	- aye
	Dr. Schachat	- aye
	Dr. Factora	- aye
	Dr. Edgin	- aye
	Dr. Bechtel	- aye

Dr. Soin asked whether each member of the Board understands that the disciplinary guidelines do not limit any sanction to be imposed, and that the range of sanctions available in each matter runs from dismissal to permanent revocation. A roll call was taken:

ROLL CALL:	Dr. Rothermel	- aye
	Dr. Saferin	- aye
	Dr. Schottenstein	- aye
	Dr. Steinbergh	- aye
	Mr. Giacalone	- aye
	Dr. Soin	- aye
	Mr. Gonidakis	- aye
	Mr. Kenney	- aye
	Dr. Schachat	- aye
	Dr. Factora	- aye
	Dr. Edgin	- aye
	Dr. Bechtel	- aye

Dr. Soin noted that, in accordance with the provision in section 4731.22(F)(2), Ohio Revised Code, specifying that no member of the Board who supervises the investigation of a case shall participate in further adjudication of the case, the Secretary and Supervising Member must abstain from further participation in the adjudication of any disciplinary matters. In the matters before the Board today, Dr. Rothermel served as Secretary, Dr. Saferin served as Supervising Member, and Dr. Bechtel served as Secretary and/or Supervising Member.

Dr. Soin reminded all parties that no oral motions may be made during these proceedings.

The original Reports and Recommendations shall be maintained in the exhibits section of this Journal.

.....
SANDRA S. VONDEREMBSE, M.D.
.....

Dr. Steinbergh moved to approve and confirm Mr. Porter's Findings of Fact, Conclusions of Law, and Proposed Order in the matter of Sandra S. Vonderembse, M.D. Mr. Giacalone seconded the motion.

Dr. Soin stated that he will now entertain discussion in the above matter.

Dr. Edgin briefly reviewed Dr. Vonderembse's medical education and career. Following residency, Dr. Vonderembse practiced as a psychiatrist in northwest Ohio, including at several correctional facilities. On or about June 13, 2016, an Information was filed in U.S. District Court for Northern District of Ohio that charged Dr. Vonderembse with willfully attempting to evade and defeat a large part of income tax due and owing by her, by filing and causing to be filed false and fraudulent tax returns for tax years 2009 through 2011. On or around June 10, 2016, Dr. Vonderembse signed plea agreement whereby she entered a plea of guilty to the Information. Dr. Vonderembse also agreed to pay restitution plus interest for tax years 2005 through 2011, totaling \$565,128.63, of which about \$200,000 was interest. Dr. Vonderembse was supposed to report to a facility in West Virginia to serve a sentence of 18 months, but this was delayed when she sustained significant injuries in a fall. At this time, Dr. Vonderembse is supposed to be in a facility in Fort Worth, Texas.

Dr. Edgin stated that Dr. Vonderembse had gotten involved in at least two different schemes. Over the course of several years, one Mr. Flickinger and one Mr. Allen advised Dr. Vonderembse to set up the United American Workforce, which was meant to hold money to pay Dr. Vonderembse's taxes, and the Oregon Sailors Fund, which was supposed to be tax-free. Dr. Edgin noted that Dr. Vonderembse paid \$25,000 to one advisor and several thousand dollars to the other advisor. Dr. Edgin stated that Mr. Allen and Mr.

Flickinger would send letters in response to inquires about the funds, but Dr. Vonderembse would sign the letters. Dr. Edgin stated that Mr. Flickinger eventually pleaded guilty to a charge, but Dr. Edgin was uncertain if Dr. Allen ever had trouble with the authorities

Dr. Edgin commented that Dr. Vonderembse seems to have been very naïve about what she was doing and she did not suspect a problem until representatives from the Internal Revenue Service (IRS) came to her house. Dr. Edgin stated that at that time, Dr. Vonderembse consulted a tax attorney and found that the funds that were meant to avoid taxes were fraudulent. Dr. Edgin stated that Dr. Vonderembse pled guilty to, and was convicted of, Attempted Income Tax Evasion.

Dr. Edgin stated that there are mitigating factors in Dr. Vonderembse's case. Dr. Edgin stated that there is no question that Dr. Vonderembse is guilty of the charges against her, she was duped in the scheme, as were others. As a result, Dr. Vonderembse will spend 18 months in prison, which may be suspended, and she will pay over \$500,000 in restitution. The Proposed Ordre would suspend Dr. Vonderembse's medical license for a minimum of 18 months. Dr. Edgin stated that he would strongly support any suggestion to amend the Proposed Order so that, if Dr. Vonderembse is released from prison early, she would be able to apply for reinstatement of her medical license at that time. Dr. Edgin noted that Dr. Vonderembse has admitted that she made a mistake, has expressed remorse, and has been honest during the investigation. Dr. Edgin questioned how Dr. Vonderembse would be able to pay the restitution if her medical license is suspended beyond her release from prison.

Mr. Kenney stated that there was no patient harm involved in this case. Mr. Kenney also reiterated Dr. Edgin's observation that Dr. Vonderembse had paid for the financial advice that she had acted on. Mr. Kenney questioned why Dr. Vonderembse's license should be suspended at all since she is in prison and did not harm any patients. Mr. Kenney opined that Dr. Vonderembse is already paying enough for her actions.

Dr. Steinbergh stated that Dr. Vonderembse defrauded the government and all taxpayers. Dr. Steinbergh opined that Dr. Vonderembse has only taken responsibility for her actions because she was caught. Dr. Steinbergh disagreed with statements made by Ms. Snyder and by Dr. Vonderembse's attorney, Mr. Plinke, during the hearing that the way Dr. Vonderembse handled the situation was plausible. Dr. Steinbergh agreed that Dr. Vonderembse was susceptible to the scheme, but opined that Dr. Vonderembse had knowledge of the wrongness of the act prior to committing it. Dr. Steinbergh stated that tax evasion is a very serious matter. Dr. Steinbergh stated that she supports the Hearing Examiner's Findings of Fact, Conclusions of Law, and the Proposed Order to suspend Dr. Vonderembse's license for a minimum of 18 months. Dr. Steinbergh stated that the ethical and moral implications of a physician defrauding the government is significant to her.

Dr. Schottenstein stated that there are two possible cases that can be made in this matter. One case, which was made by the Hearing Examiner, is the Dr. Vonderembse was duped by scam artists, was credulous, was financially unsophisticated, used poor judgment, that her

behavior was unrelated to her medical practice, that she has no history of prior discipline, that she cooperated with the authorities, that she was described as honest and candid during the hearing, that she takes responsibilities for her actions, and she sounds genuinely remorseful. The other case is that Dr. Vonderembse was suspicious, if not well-aware, that she was filing fraudulent tax returns over many years and that it really strains credulity to believe that she was an innocent pawn.

Dr. Schottenstein noted that Dr. Vonderembse pled guilty to fraud, is required to pay about half a million dollars in restitution, and has been sentenced to 18 months in prison. Dr. Schottenstein further noted that the government's memorandum described Dr. Vonderembse as having a blatant disregard for her obligations under the tax laws. Dr. Schottenstein stated that according to the government memorandum, criminal prosecutions of this nature are relatively rare, and therefore it is noteworthy that Dr. Vonderembse is a party in one of those rare cases. Dr. Schottenstein opined that if Dr. Vonderembse did not have intent or knowledge of her wrongdoing, then the Proposed Order is reasonable. However, if Dr. Vonderembse did have such intent or knowledge, Dr. Schottenstein opined that a more serious sanction is warranted.

Dr. Schottenstein continued that Dr. Vonderembse indicated in her testimony multiple times that she had had suspicions regarding the handling of her taxes, but she was never suspicious enough to call a tax attorney until her son was subpoenaed by a grand jury. Dr. Schottenstein questioned whether Dr. Vonderembse knew on some level that she was participating in a scheme to file false tax returns, but was comforted by the fact that she had plausible deniability, that others were doing the actual dirty work of preparing and filing the tax returns, and that she could claim ignorance of the matter. Dr. Schottenstein noted that Dr. Vonderembse also engaged in behavior to prevent the IRS from collecting her taxes by using multiple fake documents, financial instruments, and tax returns. Dr. Schottenstein added that by using a fake foundation, Dr. Vonderembse actively concealed her income and assets to prevent the government from seizing them to satisfy her tax obligation. Dr. Schottenstein stated that, to him, this is a breath-taking level of fraud and a brazen scheme to defraud the United States government.

Dr. Schottenstein stated that he believes Dr. Vonderembse was initially duped by scam artists, who can be very convincing and persuasive by nature, and that Dr. Vonderembse is not financially sophisticated with regard to tax law, and most people or not. Dr. Schottenstein further believed that Dr. Vonderembse was presented with a situation that seemed very advantageous to her and she wanted to believe it was legitimate because she had been having tax delinquency issues even prior to engaging in this scheme. However, Dr. Schottenstein opined that the notion that Dr. Vonderembse received repeated notices from the IRS that she was out of compliance with her tax obligation, yet continued to perpetuate her behavior, is not plausible. Dr. Schottenstein further opined that it is not plausible that IRS agents would come to Dr. Vonderembse's home in 2011 and 2012 and she would refuse to meet with them. Dr. Schottenstein stated that this behavior seemed designed to keep a good thing going and to hope that the IRS would simply go away. It did

not seem plausible to Dr. Schottenstein that Dr. Vonderembse would not realize that she had a problem and not take steps to rectify it.

Dr. Schottenstein stated that he appreciates the opinions that were previously expressed by Board members. However, Dr. Schottenstein likened this situation to conversations the Board has had regarding the responsibility physicians have for the truthfulness of their licensure applications. Likewise, Dr. Schottenstein stated that people are ultimately responsible for the content of their tax returns and tax documents, even if they may be prepared by someone else.

Dr. Schottenstein opined that one could make a case for the permanent revocation of Dr. Vonderembse's medical license. However, having heard the opinions of his fellow Board members, Dr. Schottenstein suggested that a stayed permanent revocation would be appropriate.

Dr. Schottenstein moved to amend the Proposed Order to include a permanent revocation and to stay that permanent revocation, leaving the rest of the Proposed Order intact. Dr. Steinbergh seconded the motion.

In response to questions from Dr. Edgin, Dr. Steinbergh stated that a stayed permanent revocation sends a message to the licensee and to all licensees that the Board takes this matter very seriously and had considered a permanent revocation. Dr. Factora asked about the implications of including a stayed permanent revocation in the Order with regard to Dr. Vonderembse's practice, insurance, and her ability to develop an income so that she can pay her restitution. Dr. Steinbergh replied that it is the same Order, but with stronger language.

Dr. Edgin stated that it is not uncommon for people to be duped by scam artists. Dr. Edgin further stated that many people have others prepare their taxes because they do not understand tax law. Dr. Edgin stated that even intelligent people have been subject to financial scams and that naivete is not uncommon. Dr. Schottenstein noted that the scheme went on for multiple years. Dr. Edgin observed that Dr. Vonderembse had received letters from her advisors indicating that there were no problems. Mr. Kenney commented that he could not imagine increasing the sanction of the Proposed Order.

A vote was taken on Dr. Schottenstein's motion to amend:

ROLL CALL:	Dr. Rothermel	- abstain
	Dr. Saferin	- abstain
	Dr. Schottenstein	- aye
	Dr. Steinbergh	- aye
	Mr. Giacalone	- nay
	Dr. Soin	- nay
	Mr. Gonidakis	- nay
	Mr. Kenney	- nay

Dr. Schachat	- nay
Dr. Factora	- nay
Dr. Edgin	- nay
Dr. Bechtel	- abstain

The motion to amend did not carry.

Dr. Steinbergh suggested that Dr. Vonderembse be required, in addition to the personal ethics course in the Proposed Order, to take a course in office management which would include IRS tax requirements for medical offices or other small businesses. Dr. Steinbergh stated that this course would educate Dr. Vonderembse on her financial responsibilities as a taxpayer. Dr. Steinbergh noted that Dr. Vonderembse had gotten into this situation because, as a consultant, she had been required to pay her taxes on her own.

Dr. Steinbergh moved to add a requirement under the Probationary terms that Dr. Vonderembse take a course in office management which would include IRS tax requirements for medical offices or other small businesses. Dr. Schottenstein seconded the motion.

Mr. Giacalone stated that he wanted to move that the minimum time of suspension be reduced from 18 months to 12 months. Mr. Taylor stated that the proposed amendment is not germane to the pending motion.

A vote was taken on Dr. Steinbergh's motion to amend:

ROLL CALL:	Dr. Rothermel	- abstain
	Dr. Saferin	- abstain
	Dr. Schottenstein	- aye
	Dr. Steinbergh	- aye
	Mr. Giacalone	- nay
	Dr. Soin	- nay
	Mr. Gonidakis	- nay
	Mr. Kenney	- nay
	Dr. Schachat	- nay
	Dr. Factora	- nay
	Dr. Edgin	- nay
	Dr. Bechtel	- abstain

The motion to amend did not carry.

Dr. Steinbergh moved to reduce the minimum time of suspension from 18 months to 12 months. Dr. Steinbergh further moved to add a requirement under the Probationary terms that Dr. Vonderembse take a course in office management which

would include IRS tax requirements for medical offices or other small businesses. Dr. Factora seconded the motion. A vote was taken:

ROLL CALL:	Dr. Rothermel	- abstain
	Dr. Saferin	- abstain
	Dr. Schottenstein	- aye
	Dr. Steinbergh	- aye
	Mr. Giacalone	- aye
	Dr. Soin	- aye
	Mr. Gonidakis	- aye
	Mr. Kenney	- nay
	Dr. Schachat	- aye
	Dr. Factora	- aye
	Dr. Edgin	- aye
	Dr. Bechtel	- abstain

The motion to amend carried.

Dr. Steinbergh moved to approve and confirm Mr. Porter's Findings of Fact, Conclusions of Law, and Proposed Order, as amended, in the matter of Sandra S. Vonderembse, M.D. Dr. Schottenstein seconded the motion. A vote was taken:

ROLL CALL:	Dr. Rothermel	- abstain
	Dr. Saferin	- abstain
	Dr. Schottenstein	- aye
	Dr. Steinbergh	- aye
	Mr. Giacalone	- aye
	Dr. Soin	- aye
	Mr. Gonidakis	- aye
	Mr. Kenney	- nay
	Dr. Schachat	- aye
	Dr. Factora	- aye
	Dr. Edgin	- aye
	Dr. Bechtel	- abstain

The motion to approve carried.



State Medical Board of

Ohio

30 E. Broad St., 3rd Floor
Columbus, Ohio 43215
(614) 466-3934
www.med.ohio.gov

January 11, 2017

Case number: 17-CRF- 0011

Sandra Sue Vonderembse, M.D.
774 Deerwood Dr.
Defiance, OH 43512

Dear Doctor Vonderembse:

In accordance with Chapter 119., Ohio Revised Code, you are hereby notified that the State Medical Board of Ohio [Board] intends to determine whether or not to limit, revoke, permanently revoke, suspend, refuse to register or reinstate your certificate to practice medicine and surgery, or to reprimand you or place you on probation for one or more of the following reasons:

- (1) On or about June 13, 2016, an Information was filed against you in the United States District Court for the Northern District of Ohio, Western Division [U.S. District Court], which charged you with willfully attempting to evade and defeat a large part of income tax due and owing by you, by filing false and fraudulent tax returns for multiple tax years, in violation of Title 26, U.S.C., Section 7201.

In or around June 2016, you signed a Plea Agreement whereby you entered a plea of guilty to the Information that charged you with Attempted Income Tax Evasion, a felony in violation of 26 U.S.C. Section 7201. You also agreed to pay restitution plus interest. The U.S. District Court approved the Plea Agreement on or about July 7, 2016.

On or about November 21, 2016, the U.S. District Court imposed judgment whereby you were sentenced to eighteen (18) months of imprisonment to be followed by one year of supervised release. You were also ordered to pay restitution in the amount of \$565,128.63.

The facts as alleged in paragraph one (1) above, individually and/or collectively, constitute a "plea of guilty to, a judicial finding of guilt of, or a judicial finding of eligibility for intervention in lieu of conviction for, a felony," as that clause is used in Section 4731.22(B)(9), Ohio Revised Code.

Furthermore, for any violations that occurred on or after September 29, 2015, the board may impose a civil penalty in an amount that shall not exceed twenty thousand dollars, pursuant to Section 4731.225, Ohio Revised Code. The civil penalty may be in addition to any other action the board may take under section 4731.22, Ohio Revised Code.

Pursuant to Chapter 119., Ohio Revised Code, you are hereby advised that you are entitled to a hearing in this matter. If you wish to request such hearing, the request must be made in writing and must be received in the offices of the State Medical Board within thirty days of the time of mailing of this notice.

Mailed 1-12-17

You are further advised that, if you timely request a hearing, you are entitled to appear at such hearing in person, or by your attorney, or by such other representative as is permitted to practice before this agency, or you may present your position, arguments, or contentions in writing, and that at the hearing you may present evidence and examine witnesses appearing for or against you.

In the event that there is no request for such hearing received within thirty days of the time of mailing of this notice, the State Medical Board may, in your absence and upon consideration of this matter, determine whether or not to limit, revoke, permanently revoke, suspend, refuse to register or reinstate your certificate to practice medicine and surgery or to reprimand you or place you on probation.

Please note that, whether or not you request a hearing, Section 4731.22(L), Ohio Revised Code, provides that "[w]hen the board refuses to grant a certificate to an applicant, revokes an individual's certificate to practice, refuses to register an applicant, or refuses to reinstate an individual's certificate to practice, the board may specify that its action is permanent. An individual subject to a permanent action taken by the board is forever thereafter ineligible to hold a certificate to practice and the board shall not accept an application for reinstatement of the certificate or for issuance of a new certificate."

Copies of the applicable sections are enclosed for your information.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kim G. Rothermel" followed by a small mark.

Kim G. Rothermel, M.D.
Secretary

KGR/MRB/bjr
Enclosures

CERTIFIED MAIL #91 7199 9991 7036 9431 1536
RETURN RECEIPT REQUESTED

cc: Catherine H. Killam, Esq.
3450 W. Central Avenue, Suite 370
Toledo, OH 43606

CERTIFIED MAIL #91 7199 9991 7036 9431 1543
RETURN RECEIPT REQUESTED