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8 **BEFORE THE**  
9 **MEDICAL BOARD OF CALIFORNIA**  
10 **DEPARTMENT OF CONSUMER AFFAIRS**  
**STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

Case No. 800-2024-112145

12 **RAHIM SHAFI, M.D.**  
13 **8 Fairland St.**  
**Lexington, MA 02421-7510**

**ACCUSATION**

14 **Physician's and Surgeon's Certificate**  
15 **No. A 50853,**

Respondent.

16  
17  
18 **PARTIES**

19 1. Reji Varghese (Complainant) brings this Accusation solely in his official capacity as  
20 the Executive Director of the Medical Board of California, Department of Consumer Affairs  
21 (Board).

22 2. On or about June 9, 1992, the Medical Board issued Physician's and Surgeon's  
23 Certificate Number A 50853 to Rahim Shafi, M.D. (Respondent). The Physician's and  
24 Surgeon's Certificate was in full force and effect at all times relevant to the charges brought  
25 herein and will expire on May 31, 2026, unless renewed.

26 **JURISDICTION**

27 3. This Accusation is brought before the Board, under the authority of the following  
28 laws. All section references are to the Business and Professions Code (Code) unless otherwise

1 indicated.

2 4. Section 802.1 of the Code states:

3 (a) (1) A physician and surgeon, osteopathic physician and surgeon, a doctor of  
4 podiatric medicine, and a physician assistant shall report either of the following to the  
5 entity that issued his or her license:

6 (A) The bringing of an indictment or information charging a felony against the  
7 licensee.

8 (B) The conviction of the licensee, including any verdict of guilty, or plea of  
9 guilty or no contest, of any felony or misdemeanor.

10 (2) The report required by this subdivision shall be made in writing within 30  
11 days of the date of the bringing of the indictment or information or of the conviction.

12 (b) Failure to make a report required by this section shall be a public offense  
13 punishable by a fine not to exceed five thousand dollars (\$5,000).

14 5. Section 2004 of the Code states:

15 The board shall have the responsibility for the following:

16 (a) The enforcement of the disciplinary and criminal provisions of the Medical  
17 Practice Act.

18 (b) The administration and hearing of disciplinary actions.

19 (c) Carrying out disciplinary actions appropriate to findings made by a panel or  
20 an administrative law judge.

21 (d) Suspending, revoking, or otherwise limiting certificates after the conclusion  
22 of disciplinary actions.

23 (e) Reviewing the quality of medical practice carried out by physician and  
24 surgeon certificate holders under the jurisdiction of the board.

25 (f) Approving undergraduate and graduate medical education programs.

26 (g) Approving clinical clerkship and special programs and hospitals for the  
27 programs in subdivision (f).

28 (h) Issuing licenses and certificates under the board's jurisdiction.

(i) Administering the board's continuing medical education program.

6. Section 2234 of the Code states:

The board shall take action against any licensee who is charged with  
unprofessional conduct. In addition to other provisions of this article, unprofessional  
conduct includes, but is not limited to, the following:

1 (a) Violating or attempting to violate, directly or indirectly, assisting in or  
abetting the violation of, or conspiring to violate any provision of this chapter.

2 (b) Gross negligence.

3 (c) Repeated negligent acts. To be repeated, there must be two or more  
negligent acts or omissions. An initial negligent act or omission followed by a  
4 separate and distinct departure from the applicable standard of care shall constitute  
5 repeated negligent acts.

6 (1) An initial negligent diagnosis followed by an act or omission medically  
appropriate for that negligent diagnosis of the patient shall constitute a single  
7 negligent act.

8 (2) When the standard of care requires a change in the diagnosis, act, or  
omission that constitutes the negligent act described in paragraph (1), including, but  
9 not limited to, a reevaluation of the diagnosis or a change in treatment, and the  
licensee's conduct departs from the applicable standard of care, each departure  
10 constitutes a separate and distinct breach of the standard of care.

11 (d) Incompetence.

12 (e) The commission of any act involving dishonesty or corruption that is  
substantially related to the qualifications, functions, or duties of a physician and  
13 surgeon.

14 (f) Any action or conduct that would have warranted the denial of a certificate.

15 (g) The failure by a certificate holder, in the absence of good cause, to attend  
and participate in an interview by the board no later than 30 calendar days after being  
16 notified by the board. This subdivision shall only apply to a certificate holder who is  
the subject of an investigation by the board.

17 (h) Any action of the licensee, or another person acting on behalf of the  
licensee, intended to cause their patient or their patient's authorized representative to  
18 rescind consent to release the patient's medical records to the board or the  
Department of Consumer Affairs, Health Quality Investigation Unit.

19 (i) Dissuading, intimidating, or tampering with a patient, witness, or any person  
20 in an attempt to prevent them from reporting or testifying about a licensee.

21 7. Section 2236 of the Code states:

22 (a) The conviction of any offense substantially related to the qualifications,  
functions, or duties of a physician and surgeon constitutes unprofessional conduct  
23 within the meaning of this chapter [Chapter 5, the Medical Practice Act]. The record  
of conviction shall be conclusive evidence only of the fact that the conviction  
24 occurred.

25 (b) The district attorney, city attorney, or other prosecuting agency shall notify  
the Medical Board of the pendency of an action against a licensee charging a felony  
26 or misdemeanor immediately upon obtaining information that the defendant is a  
licensee. The notice shall identify the licensee and describe the crimes charged and  
27 the facts alleged. The prosecuting agency shall also notify the clerk of the court in  
which the action is pending that the defendant is a licensee, and the clerk shall record  
28 prominently in the file that the defendant holds a license as a physician and surgeon.

1 (c) The clerk of the court in which a licensee is convicted of a crime shall,  
2 within 48 hours after the conviction, transmit a certified copy of the record of  
3 conviction to the board. The division may inquire into the circumstances surrounding  
4 the commission of a crime in order to fix the degree of discipline or to determine if  
5 the conviction is of an offense substantially related to the qualifications, functions, or  
6 duties of a physician and surgeon.

7 (d) A plea or verdict of guilty or a conviction after a plea of nolo contendere is  
8 deemed to be a conviction within the meaning of this section and Section 2236.1.  
9 The record of conviction shall be conclusive evidence of the fact that the conviction  
10 occurred.

11 8. California Code of Regulations, title 16, section 1360, states:

12 (a) For the purposes of denial, suspension or revocation of a license pursuant to  
13 Section 141 or Division 1.5 (commencing with Section 475) of the code, a crime,  
14 professional misconduct, or act shall be considered to be substantially related to the  
15 qualifications, functions or duties of a person holding a license if to a substantial  
16 degree it evidences present or potential unfitness of a person holding a license to  
17 perform the functions authorized by the license in a manner consistent with the public  
18 health, safety or welfare. Such crimes, professional misconduct, or acts shall include  
19 but not be limited to the following: Violating or attempting to violate, directly or  
20 indirectly, or assisting in or abetting the violation of, or conspiring to violate any  
21 provision of state or federal law governing the applicant's or licensee's professional  
22 practice.

23 (b) In making the substantial relationship determination required under subdivision  
24 (a) for a crime, the board shall consider the following criteria:

- 25 (1) The nature and gravity of the crime;  
26 (2) The number of years elapsed since the date of the crime; and  
27 (3) The nature and duties of the profession.

### 28 **COST RECOVERY**

9. Section 125.3 of the Code provides, in pertinent part, that the Board may request the  
administrative law judge to direct a licensee found to have committed a violation or violations of  
the licensing act to pay a sum not to exceed the reasonable costs of the investigation and  
enforcement of the case, with failure of the licensee to comply subjecting the license to not being  
renewed or reinstated. If a case settles, recovery of investigation and enforcement costs may be  
included in a stipulated settlement.

### **FACTUAL ALLEGATIONS**

10. Respondent was a psychiatrist who owned and operated clinics in Milford and Natick,  
Massachusetts.

1           11. Between approximately January 2008 through about January 2018, Respondent and  
2 his wife purchased naltrexone pellet implants, disulfiram pellet implants, and disulfiram  
3 injections (implants and injections) from a distributor in Hong Kong and arranged to have them  
4 shipped to the United States. However, while the Food and Drug Administration (FDA) has  
5 approved drugs containing disulfiram to treat alcohol dependence in the United States in tablet  
6 form for oral ingestion, the FDA has not approved of either the injectable form or the pellet  
7 implant. The FDA has also approved drugs containing naltrexone to treat alcohol and opioid  
8 dependence in the United States as a tablet for oral injection and as an injectable liquid, but the  
9 FDA has not approved the use of the naltrexone pellet implant.

10           12. The shipping documents and packing slip falsely claimed that the packages contained  
11 plastic beads in plastic tubes and misrepresented the value of the package contents.

12           13. Respondent and his wife received money from patients in exchange for providing the  
13 implants and injections.

14           14. Respondent and his wife created patient schedules for false and fraudulent service  
15 claims that were submitted to Medicare for reimbursement. Additionally, they filed claims with  
16 Medicare for office visits during times that Respondent was out of the country.

17           15. On or about July 8, 2021, based on the aforementioned facts in Paragraphs 11 through  
18 14, Respondent was indicted in a Superseding Indictment (Indictment) by the U.S. District Court  
19 for the District of Massachusetts (Court) on one count of Conspiracy to Commit International  
20 Money Laundering in violation of 18 U.S.C. § 1956(h); three counts of International Money  
21 Laundering; Aiding and Abetting in violation of 18 U.S.C. §§ 1956(a)(2)(A) and (2); one count of  
22 Conspiracy to Defraud the United States in violation of 18 U.S.C. § 371; three counts of  
23 Importing Merchandise Contrary to Law; Aiding and Abetting in violation of 18 U.S.C. §§ 545  
24 and 2; one count of Receipt and Delivery of Misbranded Drug in violation of 21 U.S.C. §§ 331(c)  
25 and 333; and one count of Conspiracy to Commit Health Care Fraud in violation of 18 U.S.C. §  
26 1349.

27           16. On or about February 9, 2024, in a federal criminal proceeding entitled *United States*  
28 *of America v. Rahim Shafa*, D. Mass. Case No. 4:20-cr-40021-MRG, a jury found Respondent

1 guilty of three counts of International Money Laundering and/or Aiding and Abetting the Same in  
2 violation of 18 U.S.C. § 1956(a)(2)(A); three counts of Importing Merchandise Contrary to Law  
3 and/or Aiding and Abetting the Same in violation of 18 U.S.C. § 545, and one count of Receipt  
4 and Delivery of Misbranded Drug without the Intent to Defraud in violation of 21 U.S.C. §  
5 331(c), all federal felonies.

6 17. On or about February 12, 2025, the Court sentenced Respondent to 36 months in  
7 federal prison to be followed by 36 months of supervised release. The Court further ordered  
8 Respondent to pay an assessment of \$625.00, a fine of \$150,000.00, and \$115,765.00 in  
9 restitution.

10 **FIRST CAUSE FOR DISCIPLINE**

11 **(Criminal Conviction)**

12 18. The allegations set forth in Paragraphs 10 through 17 are incorporated by reference  
13 as if fully set out herein.

14 19. By reason of the facts stated in Paragraphs 10 through 17, above, Respondent is  
15 subject to disciplinary action under Code section 2236 and California Code of Regulations, title  
16 16, section 1360 in that on or about February 9, 2024, in a federal criminal proceeding entitled,  
17 *United States of America v. Rahim Shafa*, D. Mass. Case No. 4:20-cr-40021-MRG, Respondent  
18 was convicted of federal felonies when a jury found him guilty of three counts of International  
19 Money Laundering in violation of 18 U.S.C. § 1956(a)(2)(A); three counts of Importing  
20 Merchandise Contrary to Law in violation of 18 U.S.C. § 545, and one count of Receipt and  
21 Delivery of Misbranded Drug in violation of 21 U.S.C. § 331(c).

22 20. These convictions are substantially related to the qualifications, functions, and duties  
23 of a physician and surgeon.

24 **SECOND CAUSE FOR DISCIPLINE**

25 **(Unprofessional Conduct – Commission of Act of Dishonesty)**

26 21. The allegations set forth in Paragraphs 10 through 17 are incorporated by reference  
27 as if fully set out herein.

28 22. By reason of the facts stated in Paragraphs 10 through 17, above, Respondent is

1 subject to disciplinary action under Code section 2234 and/or 2234(e) in that he purchased  
2 implants and injections from a distributor in Hong Kong and arranged to have them shipped to the  
3 United States with false shipping documents and packing slip, even though these implants and  
4 injections were not approved for use in the United States, and because he submitted false claims  
5 to Medicare.

6 **PRAYER**

7 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,  
8 and that following the hearing, the Medical Board of California issue a decision:

9 1. Revoking or suspending Physician's and Surgeon's Certificate Number A 50853,  
10 issued to Respondent Rahim Shafa, M.D.;

11 2. Revoking, suspending or denying approval of Respondent Rahim Shafa, M.D.'s  
12 authority to supervise physician assistants and advanced practice nurses;

13 3. Ordering Respondent Rahim Shafa, M.D., to pay the Board the costs of the  
14 investigation and enforcement of this case, and if placed on probation, the costs of probation  
15 monitoring; and

16 4. Taking such other and further action as deemed necessary and proper.

17  
18 DATED: MAY 01 2025

  
REJI VARGHESE  
Executive Director  
Medical Board of California  
Department of Consumer Affairs  
State of California  
Complainant

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