



Department of Justice

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Toxicology Lab Owner and Marketer Sentenced for Payment of Kickbacks; Doctor Pleads Guilty to Receipt of Kickbacks

LEXINGTON, Ky. — Several defendants were recently convicted or sentenced for their roles in a conspiracy to violate the federal Anti-Kickback Statute. On December 4 and December 7, 2020, Uday Shah, 66, of Houston, Texas, and Timothy Andrews, 57, of Deer Park, Texas, were sentenced by Chief United States District Judge Danny C. Reeves to 24 and 15 months' imprisonment, respectively, for their roles in a conspiracy to pay kickbacks to a physician, Dr. Ghyasuddin Syed, in exchange for Dr. Syed's referral of urine drug testing to laboratories operated by Shah. On Wednesday, December 2, 2020, Dr. Syed pleaded guilty to soliciting and accepting kickbacks as part of the same scheme.

According to their plea agreements, Shah owned and operated several toxicology laboratories, including Pinnacle Laboratory in Lexington. Andrews worked as a marketer on behalf of Shah's labs. Shah and Andrews admitted that between November 2014 and August 2017, they paid \$475,992 in kickbacks to Dr. Syed, a Houston-area physician, and Dr. Syed's wife, Shazana Begum. The kickbacks were often disguised as lease payments for office space owned by Dr. Syed and Begum. In his plea agreement, Dr. Syed disputed the exact amount of kickbacks, but acknowledged receiving them from Shah and Andrews, and referring urine drug testing for his patients to Shah's labs in exchange. All of the defendants agreed that Pinnacle and Shah's other labs billed the Medicare program for the urine drug testing tainted by these kickbacks, and that Medicare paid the labs \$325,739 to which they were not entitled.

Andrews pleaded guilty in June 2019, and Shah pleaded guilty in October 2019. In addition to their respective terms of incarceration, Shah and Andrews were ordered to pay \$325,739 to the Medicare program in restitution, jointly and severally. Under federal law, Giles and Wallace must serve 85 percent of their prison sentences. Upon their release, they will be under the supervision of the U.S. Probation Office for three years.

Dr. Syed is scheduled to be sentenced on March 12, 2021, in Lexington. He faces up to five years in prison for the conspiracy to violate the Anti-Kickback Statute, and a maximum fine of \$250,000. However, any sentence will be imposed by the Court, after its consideration of the U.S. Sentencing Guidelines and the applicable federal sentencing statutes.

Dr. Syed's wife, Shazana Begum, has entered into a pretrial diversion agreement wherein she admitted her role in the offense, and agreed to be under the supervision of the United States Probation Office for 12 months, to pay restitution of \$325,739 along with Shah and Andrews, and to perform community service.

Robert M. Duncan, Jr., United States Attorney for the Eastern District of Kentucky; James Robert Brown, Special Agent in Charge, FBI, Louisville Field Office; and Derrick Jackson, Special Agent in Charge, U.S. Department of Health and Human Services, Office of Inspector General (HHS-OIG), Atlanta Field Office, jointly made the announcement.

The investigation was conducted by the FBI and HHS-OIG. The United States was represented by Assistant U.S. Attorney Paul McCaffrey.

The year 2020 marks the 150th anniversary of the Department of Justice. Learn more about the history of our agency at www.Justice.gov/Celebrating150Years.

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