



COMMONWEALTH of VIRGINIA

David E. Brown, D.C.
Director

Department of Health Professions

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Henrico, Virginia 23233-1463

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January 24, 2020

Udaya Kumar Shetty, M.D.
1300 Diamond Springs Rd
Suite 503
Virginia Beach, VA 23455

DUPLICATE COPY
VIA FIRST CLASS MAIL

DATE 1/24/20

RE: License Number: 0101-047614
Case Number: 199434

Dear Udaya Kumar Shetty:

Pursuant to Virginia Code § 54.1-2409, you are hereby given notice that your license to practice medicine and surgery in the Commonwealth of Virginia has been mandatorily suspended by the enclosed Order entered January 24, 2020. You are hereby advised that you may not practice medicine and surgery or hold yourself out as a licensed physician and surgeon unless and until the Board of Medicine has notified you in writing that your license has been reinstated. Please return your license to William L. Harp, Executive Director of the Virginia Board of Medicine ("Board"), at the above address, immediately upon receipt of this letter.

You may apply to the Board for reinstatement of your license, and you shall be entitled to a formal administrative hearing not later than the next regular meeting of the Board after the expiration of 60 days from the Board's receipt of your reinstatement application. The reinstatement of your license shall require the affirmative vote of three-fourths of the members of the Board present at the hearing. You may contact Tamika Hines at (804) 367-4513 to obtain the reinstatement application.

If you have any questions about this matter, you can contact me at (804) 367-4474 or anne.joseph@dhp.virginia.gov.

Sincerely,

Anne Joseph, Deputy Director
Administrative Proceedings Division

cc: William L. Harp, M.D., Executive Director, Virginia Board of Medicine
Enclosures

Board of Audiology & Speech-Language Pathology – Board of Counseling – Board of Dentistry – Board of Funeral Directors & Embalmers
Board of Long-Term Care Administrators – Board of Medicine – Board of Nursing – Board of Optometry – Board of Pharmacy
Board of Physical Therapy – Board of Psychology – Board of Social Work – Board of Veterinary Medicine
Board of Health Professions

BEFORE THE VIRGINIA DEPARTMENT OF HEALTH PROFESSIONS

IN RE: UDAYA KUMAR SHETTY, M.D.
License Number: 0101-047614
Case Number: 199434

ORDER OF MANDATORY SUSPENSION

In accordance with Virginia Code § 54.1-2409, the Director of the Virginia Department of Health Professions received evidence that Udaya Kumar Shetty, M.D., was convicted of a felony offense, to wit: health care fraud, in the United States District Court for the Eastern District of Virginia. A copy of the Judgment in a Criminal Case is attached hereto as Commonwealth's Exhibit 1.

WHEREUPON, by the authority vested in the Director of the Department of Health Professions pursuant to Virginia Code § 54.1-2409, it is hereby ORDERED that the license of Udaya Kumar Shetty, M.D., to practice medicine and surgery in the Commonwealth of Virginia is hereby SUSPENDED.

Upon entry of this Order, the license of Udaya Kumar Shetty, M.D., will be recorded as suspended. Should Dr. Shetty seek reinstatement of his license pursuant to Virginia Code § 54.1-2409, he shall be responsible for any fees that may be required for the reinstatement of the license prior to issuance of the license to resume practice.

Pursuant to Virginia Code § 2.2-4023 and § 54.1-2400.2, the signed original of this Order shall remain in the custody of the Department of Health Professions as a public record and shall be made available for public inspection or copying on request.



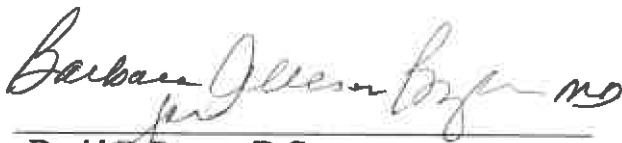
David E. Brown, D.C., Director
Virginia Department of Health Professions

ENTERED:

1.24.2020

CERTIFICATION OF DUPLICATE RECORDS

As Director of the Department of Health Professions, I hereby certify that the attached Judgment in a Criminal Case entered January 16, 2020, regarding Udaya Kumar Shetty, M.D., is a true copy of the records received from the United States District Court for the Eastern District of Virginia.

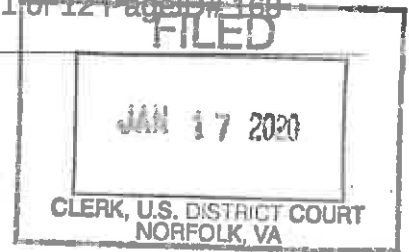


David E. Brown, D.C.



Date

UNITED STATES DISTRICT COURT
Eastern District of Virginia
Norfolk Division



UNITED STATES OF AMERICA

v.

UDAYA K. SHETTY

Defendant.

Case Number: 2:19CR00089-001

USM Number: 93761-083

Defendant's Attorney: Brian Whisler



JUDGMENT IN A CRIMINAL CASE

The defendant pleaded guilty to Count 1 of the Criminal Information.

Accordingly, the defendant is adjudged guilty of the following count involving the indicated offense.

<u>Title and Section</u>	<u>Nature of Offense</u>	<u>Offense Class</u>	<u>Offense Ended</u>	<u>Count</u>
T.18, USC, Sections 1347	Health Care Fraud	Felony	2018	1

As pronounced on January 16, 2020, the defendant is sentenced as provided in pages 2 through 6 of this Judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

It is ORDERED that the defendant shall notify the United States Attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant must notify the court and United States Attorney of material changes in economic circumstances.

Given this 16th day of January, 2020.

RS
 Rebecca Beach Smith
 Senior United States District Judge *RS*

Rebecca Beach Smith
 Senior United States District Judge

Case Number: 2:19CR00089-001
Defendant's Name: SHETTY, UDAYA K.

IMPRISONMENT

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a term of TWENTY-SEVEN (27) MONTHS.

The Court makes the following recommendations to the Bureau of Prisons:

- 1) The defendant shall receive a full medical evaluation and receive all appropriate medical treatment.
- 2) The defendant shall undergo a full mental health evaluation and receive appropriate mental health treatment and counseling for Post-traumatic stress disorder (PTSD) and any other conditions he may have.
- 3) The defendant's medical records, mental health counseling records, and his current medications should be forwarded to the BOP by the Probation Office under seal with the PSR to aid in the defendant's treatment while incarcerated and, if needed, a waiver should be signed by the defendant so that these records may be forwarded.
- 4) The court recommends that the defendant be incarcerated in a facility as close to the State of Virginia as possible.

The defendant remains on his same bond conditions and shall self-report for the service of the sentence at the institution designated by the Bureau of Prisons at or before 3:00 p.m., on Monday, March 2, 2020. If an institution has not been designated by that time, the defendant shall self-report for service of the sentence to the United States Marshal's Office, 600 Granby Street, Norfolk, VA 23510, at or before 3:00 p.m., on Monday, March 2, 2020.

RETURN

I have executed this judgment as follows: _____

Defendant delivered on _____ to _____
at _____, with a certified copy of this Judgment.

UNITED STATES MARSHAL

By

DEPUTY UNITED STATES MARSHAL

Case Number: 2:19CR00089-001
Defendant's Name: SHETTY, UDAYA K.

SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of **THREE (3) YEARS**. The defendant may be considered for early termination of supervised release, upon the recommendation of the probation officer, after all terms and conditions of supervised release have been successfully met.

The Probation Office shall provide the defendant with a copy of the standard conditions and any special conditions of supervised release.

The defendant shall report to the probation office in the district to which the defendant is released within 72 hours of release from the custody of the Bureau of Prisons.

The defendant shall not commit another federal, state or local crime.

The defendant shall not unlawfully possess a controlled substance. The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of release from imprisonment and periodic drug tests thereafter, as determined by the court.

The defendant shall not possess a firearm, ammunition, destructive device, or any other dangerous weapon.

If this judgment imposes a fine or restitution obligation, it is a condition of supervised release that the defendant pay any such fine or restitution in accordance with the Schedule of Payments set forth in the Criminal Monetary Penalties sheet of this judgment.

STANDARD CONDITIONS OF SUPERVISION

The defendant shall comply with the standard conditions that have been adopted by this court set forth below:

- 1) the defendant shall not leave the judicial district without the permission of the court or probation officer;
- 2) the defendant shall report to the probation officer and shall submit a truthful and complete written report within the first five days of each month;
- 3) the defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 4) the defendant shall support his or her dependents and meet other family responsibilities;
- 5) the defendant shall work regularly at a lawful occupation, unless excused by the probation officer for schooling, training, or other acceptable reasons;
- 6) the defendant shall notify the probation officer at least ten days prior to any change in residence or employment;
- 7) the defendant shall refrain from excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any narcotic or other controlled substance or any paraphernalia related to such substances, except as prescribed by a physician;
- 8) the defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
- 9) the defendant shall not associate with any persons engaged in criminal activity and shall not associate with any person convicted of a felony, unless granted permission to do so by the probation officer;
- 10) the defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view of the probation officer;
- 11) the defendant shall notify the probation officer within seventy-two hours of being arrested or questioned by a law enforcement officer;
- 12) the defendant shall not enter into any agreement to act as an informer for a special agent of a law enforcement agency without the permission of the court;
- 13) as directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.

Case Number: 2:19CR00089-001
Defendant's Name: SHETTY, UDAYA K.

SPECIAL CONDITIONS OF SUPERVISION

While on supervised release pursuant to this Judgment, the defendant shall also comply with the following additional special conditions:

- 1) The defendant shall continue to participate in a medical and mental health treatment and counseling program at the direction and discretion of the probation officer. The defendant shall bear the costs of these programs.
- 2) The defendant shall waive all rights of confidentiality regarding medical/mental health treatment in order to allow the release of information to the United States Probation Office and authorize communication between the probation officer and the treatment provider.
- 3) The defendant shall perform ONE HUNDRED (100) HOURS of community service each year while on supervised release, as directed by the probation officer.
- 4) The defendant shall apply monies received from income tax refunds, lottery winnings, inheritances, judgments, and any anticipated or unexpected financial gains to the outstanding court-ordered financial obligation, or in a lesser amount to be determined by the Court upon the recommendation of the probation officer.
- 5) The defendant shall not incur new credit charges or open additional lines of credit without the approval of the probation officer, if the defendant has any outstanding financial obligations to the court.
- 6) The defendant shall provide the probation officer access to any requested financial information, if the defendant has any outstanding obligations to the court.
- 7) During the period of supervised release, the defendant shall provide a copy of his state and federal income tax returns each year to the probation officer, if the defendant has any outstanding financial obligations to the court.
- 8) The court does not deny federal benefits because the denial is not applicable.

Case Number: 2:19CR00089-001
Defendant's Name: SHETTY, UDAYA K.

CRIMINAL MONETARY PENALTIES

The defendant must pay the total criminal monetary penalties under the Schedule of Payments on Sheet 6.

<u>Count</u>	<u>Assessment</u>	<u>Fine</u>	<u>Restitution</u>
1	\$100.00	\$10,000.00	\$465,942.00
TOTALS:	\$100.00	\$10,000.00	\$465,942.00

The court notes that \$403,975.00 has been paid towards restitution, leaving a balance of \$61,967.00, as noted in the Restitution Order.

FINES

The defendant shall pay a fine of \$10,000.00 as to Count 1.

COSTS

The Court waives the cost of prosecution, incarceration, and supervised release, except to the extent the defendant will have to bear costs as outlined in the Special Conditions of Supervision.

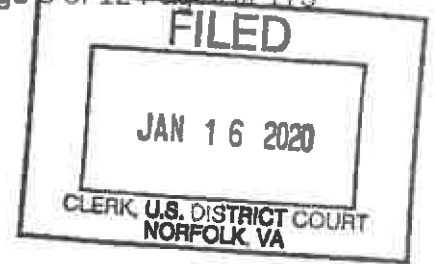
RESTITUTION

See attached Restitution Order entered and filed on January 16, 2020.

FORFEITURE

The court entered a Consent Order of Forfeiture on January 16, 2020, which is made a part hereof, thereby becoming a monetary judgment in the amount of \$403,975.00, to the extent all applicable notice and legal requirements set forth in the Consent Order of Forfeiture are met.

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Norfolk Division



UNITED STATES OF AMERICA

v.

UDAYA K. SHETTY,

Defendant.

Criminal No. 2:19-cr-00089-001

RESTITUTION ORDER

1. Pursuant to 18 U.S.C § 3663A(a)(1), the defendant is ordered to pay restitution to the victim in the amount of \$61,967.00.
2. The victims' names, addresses, and respective total loss amounts are listed in Attachment A to this Restitution Order.
3. The amount of restitution paid to any victim, collectively, shall not exceed the victim's total loss from the offenses of conviction.
4. Interest:
☒ is waived.
☐ accrues as provided in 18 U.S.C § 3612(f).
5. Notwithstanding any other provision of this Restitution Order or the sentence imposed, including the directive to make periodic payments, restitution ordered pursuant to 18 U.S.C § 3663A(a)(1), is due in full and payable immediately from assets known and unknown and including assets identified in the Presentence Report. The Government may enforce restitution at any time.
6. Pursuant to 18 U.S.C. § 3572(d) and 18 U.S.C. § 3664(f)(2), the defendant will pay restitution in full at the time of sentencing.
7. All payments shall be made to the Clerk of Court, United States District Court, 600 Granby Street, Norfolk, Virginia 23510-1811.
8. Within 30 days of (a) any change of name, residence, or mailing address; and/or (b) any material change in economic circumstances that affects the ability to pay restitution, the defendant shall notify the Clerk of Court and the United States Attorney's Office, Financial Litigation Unit, 8000 World Trade Center, Norfolk, Virginia 23510.

10. No delinquent or default penalties will be imposed except upon Order of the Court.



Rebecca Beach Smith
Senior United States District Judge

Honorable Rebecca Beach Smith
United States District Judge

ENTERED this 16th day of Jan, 2020.
at Norfolk, Virginia

WE ASK FOR THIS:

G. Zachary Terwilliger
United States Attorney



Joseph L. Kosky
Assistant United States Attorney
United States Attorney's Office
101 West Main Street
Suite 8000
Norfolk, Virginia 23510
Telephone (757) 441-6331
joseph.kosky@usdoj.gov

SEEN AND AGREED:



Udaya K. Shetty
Defendant

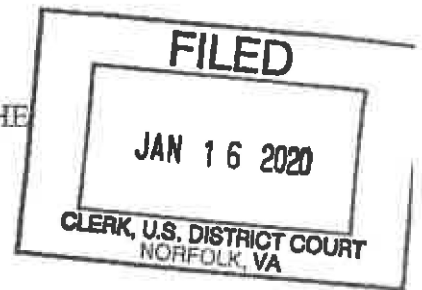


Brian L. Whisler
Counsel for Defendant
815 Connecticut Ave. NW
Washington, DC 20006
Telephone (202) 452-7019
brian.whisler@bakermckenzie.com

ATTACHMENT A TO RESTITUTION ORDER

Victim:	Loss Amount:
Anthem, Inc. Melinda Matzell, Senior Investigator Special Investigation Unit 2015 Staples Mill Rd. Richmond, VA 23230 Mail Drop: VA2002-S450	\$61,967.00
Total Restitution Amount	\$61,967.00

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA
Norfolk Division



UNITED STATES OF AMERICA

V.

UDAYA K. SHETTY,

Defendant.

CRIMINAL NO. 2:19-CR-89

CONSENT ORDER OF FORFEITURE

BASED UPON the defendant's plea agreement with the United States, and FINDING that the requisite nexus exists between the property listed below, in which the defendant has an interest, and the offense(s) to which the defendant has pled guilty, IT IS HEREBY ORDERED pursuant to Federal Rule of Criminal Procedure 32.2 that:

1. The following property is forfeited to the United States pursuant to 18 U.S.C. § 982(a)(7):

The sum of money in the amount of \$403,975, which represents the proceeds of the offense obtained by the defendant and which sum shall constitute a monetary judgment against the defendant in favor of the United States.


2. The United States may collect this monetary judgment by all lawfully available means, including but not limited to forfeiture of direct proceeds and substitute assets. Insofar as the United States seeks forfeiture of substitute assets, the defendant agrees that one or more of the criteria set forth in 21 U.S.C. §853(p)(1) are present here and the United States may therefore seek forfeiture of substitute assets pursuant to § 853(p).

3. This forfeiture order shall be included in the judgment in this case pursuant to Fed. R. Crim. P. 32.2(b)(4). The defendant agrees not to file or interpose any claim to the property listed herein, in whole or in part, in any proceedings or manner whatsoever.

4. The defendant hereby waives the requirements of Federal Rules of Criminal Procedure 11(b)(1)(J), 32.2, and 43(a) regarding notice of the forfeiture in the charging instrument, announcement of the forfeiture at sentencing, and incorporation of the forfeiture in the judgment, and consents to the entry of this order.

5. Pursuant to Fed. R. Crim. P. 32.2(b)(3), upon entry of this order, the United States is hereby authorized to conduct any appropriate discovery for the purpose of identifying, locating, or disposing of property subject to forfeiture.

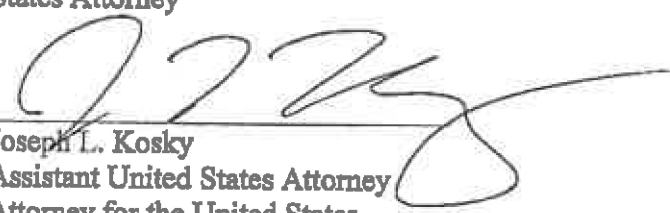
Dated this 16th day of January, 2020.

/s/ 
Rebecca Beach Smith
Senior United States District Judge
UNITED STATES DISTRICT JUDGE

I ask for this:

G. Zachary Terwilliger
United States Attorney

By:



Joseph L. Kosky
Assistant United States Attorney
Attorney for the United States
101 West Main Street, Suite 8000
Norfolk, VA 23510
Office Number: (757) 441-6331
Facsimile Number: (757) 441-6689
Email Address: joseph.kosky@usdoj.gov

Seen and Agreed
Udaya K. Shetty
Defendant

By:



Udaya K. Shetty

By:



Brian L. Whisler
Counsel for Defendant

Case Number: 2:19CR00089-001
Defendant's Name: SHETTY, UDAYA K.

SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties is due as follows:

The special assessment and restitution shall be due in full immediately.

Interest on the restitution is waived.

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the Clerk of the Court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

Payments shall be applied in the following order: (1) assessment (2) restitution principal (3) restitution interest (4) fine principal (5) fine interest (6) community restitution (7) penalties and (8) costs, including cost of prosecution and court costs.

Nothing in the court's order shall prohibit the collection of any judgment, fine, or special assessment by the United States.