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Department of Justice

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Northern District of Texas

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14 Defendants Sentenced to 74+ Years in Forest Park Healthcare Fraud

Fourteen defendants convicted in the Forest Park Medical Center bribery scam have been sentenced to a combined 74+ years in federal prison and ordered to pay a total of \$82.9 million in restitution, announced Acting U.S. Attorney for the Northern District of Texas Prerak Shah.

Seven defendants – Wilton McPherson “Mac” Burt, Jackson Jacob, Douglas Sung Won, Michael Bassem Rimlawi, Shawn Mark Henry, Mrugeshkumar Shah, and Iris Kathleen Forrest – were convicted at trial in April 2019, and were sentenced this week by U.S. District Judge Zack Zouhary. Ten other defendants pleaded guilty prior to trial, and one, who was granted a mistrial, pleaded guilty after trial.

“Patient needs, not physician finances, should dictate where, when, and how patients are treated. Money should never be allowed to influence medical decisions,” said Acting U.S. Attorney Prerak Shah. “We believe the stiff sentences handed down this week send a strong deterrent message: Violate anti-kickback laws, and you will face consequences.”

The \$200 million scheme was designed to induce doctors to steer lucrative patients – particularly those with high-reimbursing, out-of-network private insurance – to the now defunct hospital.

Most of the kickbacks, which totaled more than \$40 million, were disguised as consulting fees or “marketing money” doled as a percentage of surgeries each doctor referred to Forest Park.

Instead of billing patients for out-of-network co-payments, instituted by insurers to de-incentivize the high costs associated with out-of-network treatment, Forest Park allegedly assured patients they would pay in-network prices. Because they knew insurers wouldn’t tolerate such practices, they concealed the patient discounts and wrote off the difference as uncollected “bad debt.”

Hospital manager Alan Andrew **Beauchamp** – who pleaded guilty in August 2018 to one count of conspiracy to pay healthcare bribes and one count of commercial bribery under the Travel Act, then testified for the government during his coconspirators’ trial – admitted that Forest Park “bought surgeries,” and then “papered it up to make it look good.” Mr. Beauchamp was sentenced Friday afternoon to 63 months in federal prison.

Other defendants were sentenced as follows:

- Wilton “Mac” **Burt**, Forest Park’s managing partner, was found guilty on 10 of 12 counts, including one count of conspiracy, two counts of paying kickbacks, six counts of commercial bribery in violation of the Travel Act, and one count of money laundering. He was sentenced Wednesday to 150 months in federal prison.
- Jackson **Jacob**, owner of the shell companies through which some of the bribes were routed, was found guilty on four of 14 counts, including conspiracy and three counts of paying kickbacks. He was sentenced Wednesday to 96 months in federal prison.
- Dr. Douglas **Won**, a spinal surgeon, was found guilty on one of two counts, conspiracy. He was sentenced Thursday to 60 months in federal prison.
- Dr. Michael **Rimlawi**, a spinal surgeon who partnered with Won, was found guilty on three of four counts, including conspiracy and two counts of receiving kickbacks. He was sentenced Thursday to 90 months in federal prison.
- Dr. Shawn **Henry**, a spinal surgeon who invested in FMPC, was found guilty on three of three counts, including conspiracy, commercial bribery, and money laundering. He was sentenced Wednesday to 90 months in federal prison.
- Dr. Mrugeshkumar **Shah**, a pain management doctor, was found guilty on four of four counts, including conspiracy, two counts of paying kickbacks, and one count of commercial bribery. He was sentenced Thursday to 42 months in federal prison.
- Iris **Forrest**, a nurse who recruited and preauthorized worker’s comp requests, was convicted on two of two counts, including conspiracy and paying kickbacks. She was sentenced Wednesday to 36 months in federal prison.
- Israel **Ortiz**, the founder of Kortmed, a company that fills out preauthorization for worker’s comp patients, pleaded guilty in February 2017 to conspiracy to pay and receive healthcare kickbacks. He was sentenced Thursday to 12 months in federal prison.
- Dr. Wade Neal **Barker**, a bariatric surgeon who co-founded Forest Park in 2008, pleaded guilty in October 2018 to one count of conspiracy to pay health care bribes and one count of paying illegal remuneration in violation of the Travel Act. He was sentenced Thursday to 60 months in federal prison.
- Andrew Jonathan **Hillman**, a co-owner of Hospital Business Concepts, a surgeon brokerage, pleaded guilty in October 2018 to conspiracy to pay and receive healthcare bribes. He was sentenced in December 2019 to 60 months in federal prison.
- Dr. Frank **Gonzalez**, a chiropractor who referred patients to Forest Park in return for bribes, pleaded guilty in August 2018 to conspiracy to pay and receive healthcare kickbacks. He was sentenced Friday to 21 months in federal prison.
- Semyon **Narosov**, a co-owner of Hospital Business Concepts, pleaded guilty in October 2018 to conspiracy to pay and receive healthcare bribes. He was sentenced in July 2020 to 51 months in federal prison.
- Dr. Richard **Toussaint Jr.**, an anesthesiologist who co-founded Forest Park in 2008, pleaded guilty in March 2017 to one count of conspiracy to pay health care bribes and one count of paying illegal

remuneration in violation of the Travel Act. He was sentenced in August 2020 to 60 months in federal prison.

- Carli Adel **Hempel**, who pleaded guilty in July 2019 to conspiracy to misapply property of a health care benefit program, was sentenced in October 2020 to three years' probation.
- Kelly Wade **Loter** and Andrea Kay **Smith**, who both pleaded guilty to misprision of a felony (failure to report a felony), were sentenced in January 2020 to three and five years' probation, respectively.

The Forest Park prosecution is one of the first cases in the nation to use the federal Travel Act to prosecute healthcare fraud.

In addition to the \$82.9 million restitution, the government plans to collect more than \$25.5 million in money judgments against those convicted in the Forest Park scheme.

The case was investigated by the Federal Bureau of Investigation, the U.S. Department of Labor Office of Inspector General, the U.S. Department of Labor Employee Benefits Security Administration, the U.S. Department of Defense - Defense Criminal Investigative Service, the U.S. Office of Personnel Management Office of Inspector General, and Internal Revenue Service Criminal Investigation, with assistance from the Food and Drug Administration and the U.S. Postal Inspection Service. Assistant U.S. Attorneys Andrew Wirmani, Kate Pfeifle (fmr), Marcus Busch, Mark Tindall (fmr), and Gail Hayworth prosecuted the case.

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