

Department of Justice

U.S. Attorney's Office

Northern District of Texas

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Seven Guilty in Forest Park Healthcare Fraud Trial

Following four days of deliberations, a federal jury returned guilty verdicts for seven individuals implicated in the Forest Park Medical Center bribery scheme Tuesday evening, announced U.S. Attorney Erin Nealy Cox.

Wilton McPherson “Mac” Burt, Jackson Jacob, Douglas Sung Won, Michael Bassem Rimlawi, Shawn Mark Henry, Mrugeshkumar Shah, and Iris Kathleen Forrest were all convicted of conspiracy to pay or receive healthcare bribes.

“The verdict in the Forest Park case is a reminder to healthcare practitioners across the District that patients – not payments – should guide decisions about how and where doctors administer treatment,” said U.S. Attorney Nealy Cox. “We are grateful to the Forest Park jury, 12 men and women who listened attentively through seven long weeks of trial. It’s obvious from the verdict that they deliberated each charge carefully, and we appreciate their service.”

Ten other defendants had already pleaded guilty in the \$200 million scheme, 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 Beauchamp, who testified for the government, admitted that Forest Park “bought surgeries,” and then “papered it up to make it look good.”

The verdict was as follows:

Mr. **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 faces up to 65 years in federal prison.

Mr. **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 faces up to 20 years in federal prison.

Dr. **Won**, a spinal surgeon, was found guilty on one of two counts, conspiracy. He faces up to 5 years in federal prison.

Dr. **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 faces up to 15 years in federal prison.

Dr. **Henry**, a spinal surgeon who invested in FMPC, was found guilty on three of three counts, including conspiracy, commercial bribery, and money laundering. He faces up to 30 years in federal prison.

Dr. **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 faces up to 20 years in federal prison.

Ms. **Forrest**, a nurse who recruited and preauthorized worker's comp requests, was convicted on two of two counts, including conspiracy and paying kickbacks. She faces up to 10 years in federal prison.

Dr. William Daniel "Nick" **Nicholson**, a bariatric surgeon who invested in FPMC, was found not guilty on all three counts against him.

The jury could not come to a verdict as to Ms. Carli Adele **Hempel**, and the judge declared a mistrial for her.

Defendants who pleaded guilty before the case went to trial include: Alan Andrew **Beauchamp**, Richard Ferdinand **Toussaint**, Jr., Wade Neal **Barker**, Kelly Wade **Loter**, David Daesung **Kim**, Israel **Ortiz**, Andrea Kay **Smith**, Frank **Gonzales**, Jr., Andrew Jonathan **Hillman**, and Semyon **Narosov**.

Sentencing dates for convicted defendants have not yet been set.

The case was investigated by the U.S. Office of Personnel Management Office of Inspector General, 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, and Internal Revenue Service Criminal Investigation, with assistance from the Food and Drug Administration Office of Criminal Investigations.

Assistant U.S. Attorneys Andrew Wirmani, Kate Pfeifle, Marcus Busch, Mark Tindall and Gail Hayworth are prosecuting the case.

Topic(s):

Health Care Fraud

Component(s):

Federal Bureau of Investigation (FBI)

USAO - Texas, Northern

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