



Magyar Telekom and Deutsche Telekom Resolve Foreign Corrupt Practices Act Investigation and Agree to Pay Nearly \$64 Million in Combined Criminal Penalties

(USDOJ: Justice News)

Submitted at 11:43 AM December 29, 2011

The department filed a criminal information against Magyar Telekom and a two-year deferred prosecution agreement in U.S. District Court for the Eastern District of Virginia today.

The Year in Review, Part 2

fbi (White-Collar Crime)

Submitted at 7:30 AM December 29, 2011

A look back at cases, from cyber and hate crimes to public corruption and fraud schemes.

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indictment were created and manufactured from umbilical cord blood obtained from birth mothers who were patients of Ramon—a licensed midwife who operated The Maternity Care Clinic in Del Rio, Texas. Ramon allegedly sold the cord blood to a company called Global Laboratories located in Scottsdale, Ariz. After obtaining the cord blood from Ramon, the indictment alleges Global Laboratories would send the tissue to Dammai—a professor of pathology and laboratory medicine in Charleston, S.C. Dammai, without obtaining approval from FDA or University authorities, allegedly used university facilities to create stem cells that were later sold by Global Laboratories. As a result of this fraudulent scheme, the public was misled into believing that stem cells and other drug and biological products sold by defendants had been approved by the FDA to treat cancer, ALS, MS and Parkinson's Disease. The defendants allegedly received more than \$1.5 million from patients suffering from incurable diseases.

The case is being prosecuted by Assistant United States Attorneys Samuel Louis and Cedric Joubert with the assistance of Carol Wallack with the Consumer Protection Branch in the Department of Justice's Civil Division. The case was investigated by the FDA-OCI, FBI and Internal Revenue Service—Criminal

Federal Indictments Lead to Arrests in Stem Cell Case

McNabb Associates, P.C. (Federal Criminal Defense Lawyers)

Submitted at 6:29 AM December 29, 2011

The Federal Bureau of Investigation (FBI) on December 28, 2011 released the following:

“Three men have been arrested for their participation in a scheme to manufacture, distribute and sell to the public stem cells and stem cell procedures that were not approved by the Food and Drug Administration (FDA), United States Attorney Kenneth Magidson announced today along with Assistant Attorney General Tony West of the Department of Justice's Civil Division, Special Agent in Charge Patrick J. Holland of the FDA—Office of Criminal Investigations (OCI) and Special Agent in Charge Cory B. Nelson of the FBI.

Francisco Morales, 52, of Brownsville, Texas, was arrested by Customs and Border Protection agents pursuant to a arrest warrant late Dec. 22, 2011. He made his initial appearance the following morning at which time he was ordered held without bond. Alberto Ramon, 48, of Del Rio, Texas, and Vincent Dammai, 40, of Mount Pleasant, S.C., were arrested yesterday. Ramon was arrested as he was about to enter his clinic and has already made his initial appearance in Del Rio, while Dammai was arrested in Florence, S.C., and is expected to make his initial appearance in Charleston, S.C., this morning. Lawrence Stowe, 58, of Dallas, Texas, also charged in relation to this case, is considered a fugitive and a warrant remains outstanding for his arrest. The two indictments in this matter, returned Nov. 9 and 10, 2011, have been unsealed by order of the court.

“Protecting the public from unproven and potentially dangerous drug and medical procedures is very important,” said Magidson. “This office will continue to prosecute violations involving threats to the public health.”

“This investigation identified a scheme whereby the suffering and hopes of victims in extreme medical need were used and manipulated for personal profit,” said Nelson. “The predatory and opportunistic nature of the crimes alleged in this indictment mirrors images from science fiction.”

The defendants allegedly conspired to commit mail fraud and unlawfully distributed stem cells derived from umbilical cord blood. According to the indictment, Morales and the others manufactured, distributed and used stems cells produced from umbilical cord blood to perform procedures not approved by the FDA to treat persons suffering from cancer, amyotrophic lateral sclerosis (ALS), multiple sclerosis (MS) and other autoimmune diseases. FDA approval is required before stem cells can be marketed to the public and used to treat incurable diseases and the FDA has not determined that stem cells are safe and effective in treating these diseases. “This indictment demonstrates the commitment of the FDA to protect the American public from the harms inherent in being exposed to unapproved new drugs,” said Holland. “The FDA will continue to aggressively pursue perpetrators of such acts and ensure that they are punished to the full extent of the law.”

Beginning in March 2007 and continuing through 2010, the indictment alleges Morales falsely represented to the public that he was a physician licensed to practice medicine in the United States and provided medical advice to individuals regarding the benefits of stem cell treatments. Morales also allegedly falsely represented that he operated a medical clinic named Rio Valley Medical Clinic in Brownsville, Texas, in order to convince the public that he specialized in using stem cells to treat incurable diseases. After meeting patients in the United States, Morales would allegedly travel to Mexico to perform the stem cell procedures. The indictment further alleges that Stowe marketed, promoted and sold stem cells along with other drug and biological products for the treatment of cancer, ALS, MS and Parkinson's Disease that had not been reviewed or approved by the FDA. Stowe operated several entities, including The Stowe Foundation and Stowe Biotherapy Inc., through which he allegedly marketed and sold these products.

The stem cells referenced in the



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Investigations.

An indictment is a formal accusation of criminal conduct, not evidence.

A defendant is presumed innocent unless convicted through due process of law.”

Douglas McNabb – McNabb Associates,
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Federal Criminal Defense Attorneys

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Douglas McNabb and other members of the U.S. law firm practice and write and/or report extensively on matters involving Federal Criminal Defense, INTERPOL Red Notice Removal, International Extradition and OFAC SDN Sanctions Removal.

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