



# Department of Justice

United States Attorney David E. Nahmias  
Northern District of Georgia

FOR IMMEDIATE RELEASE

03/29/06

<http://www.usdoj.gov/usao/gan/>

CONTACT: Patrick Crosby

(404)581-6016

FAX (404)581-6160

## **STEM CELL TREATMENT FRAUD CASE INDICTED**

ATLANTA, GA—A federal grand jury in Atlanta has returned an 51-count indictment yesterday against LAURA BROWN, 35, of Miami Beach, Florida, and STEPHEN VAN ROOYEN, 44, of Cape Town, South Africa, on charges of wire fraud and distributing unapproved and misbranded drugs relating to fraudulent claims of stem cell treatment and therapy.

United States Attorney David E. Nahmias said of the case, “Misrepresenting the effectiveness of a promising but untested therapy like stem cell treatment, without any basis in science, poses a grave threat to patients’ health. This type of fraud is especially harmful because it victimizes people in the most vulnerable situation –individuals who are suffering or who have a love one who is suffering from an incurable disease. The allegations in this indictment are serious and will be prosecuted vigorously.”

According to Nahmias and the indictment: From the Spring of 2002 to the present, LAURA BROWN and STEPHEN VAN ROOYEN, were paid thousands of dollars by individuals who were suffering from ALS, multiple sclerosis, and other serious and incurable diseases after the defendant provided false and misleading information to those victims regarding the efficacy of stem cell treatment or therapies. More details are included in the indictment, which is attached.

The indictment charges 51 counts of wire fraud and introduction into interstate commerce of misbranded drugs. The charges carry a maximum prison sentence of 20 years for the wire fraud count and three years per misbranding of drug count and a fine of up to \$1 million per count. A forfeiture provision in the indictment seeks the forfeiture of at least \$1.2 million derived from the fraud scheme.

This case is being investigated by Special Agents of the Food and Drug Administration and the FBI.

Assistant United States Attorney Randy S. Chartash is prosecuting the case.

Members of the public are reminded that the indictment contains only allegations. A defendant is presumed innocent of the charges and it will be the government's burden to prove a defendant's guilt beyond a reasonable doubt at trial.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney or Gentry Shelnett, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is [www.usdoj.gov/usao/gan](http://www.usdoj.gov/usao/gan).