

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

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For Immediate Release

BABY SELLING RING BUSTED

NEWS RELEASE SUMMARY - August 9, 2011

United States Attorney Laura E. Duffy announced today that Theresa Erickson entered a guilty plea before United States Magistrate Judge William McCurine, Jr., in which she admitted to being part of a baby-selling ring that deceived the Superior Court of California and prospective parents for unborn babies. According to court records, Erickson (an internationally-renowned California attorney specializing in reproductive law) fraudulently submitted false declarations and pleadings to the California Superior Court in San Diego, in order to obtain pre-birth judgments establishing parental rights for Intended Parents ("IPs").

California law forbids the sale of parental rights to babies and children but permits surrogacy arrangements if the women expecting to carry the babies, Gestational Carriers ("GCs"), and the IPs enter into an agreement prior to an embryonic transfer. If the GC and IPs do not reach an agreement before the GC receives the embryonic transfer, the GC cannot transfer parental rights except through a formal adoption procedure.

In her guilty plea, Erickson admitted that she and her conspirators used GCs to create an inventory of unborn babies that they would sell for over \$100,000 each. They accomplished this by paying women to become implanted with embryos in overseas clinics. If the women (now GCs) sustained their pregnancies into the second trimester, the conspirators offered the babies to prospective parents by falsely representing that the unborn babies were the result of legitimate surrogacy arrangements, but that the original IPs had backed out.

In pleading guilty, Erickson also admitted that she prepared and filed with the Superior Court of California, County of San Diego, declarations and pleadings that falsely represented that the unborn babies were the products of legitimate surrogacy arrangements, that is, ones that involved agreements between the IPs and the GCs prior to embryonic transfer. With these fraudulently obtained pre-birth orders, the IPs' names would be placed on the babies' birth certificates and the conspirators would be able to profit from their sale of parental rights. Erickson also admitted that she caused applications containing materially false representations to be submitted to the State of California's Access for Infants and Mothers program to subsidize the medical expenses for delivering the babies.

Erickson is the third member of the conspiracy to plead guilty. Hilary Neiman, a Maryland attorney specializing in reproductive law, pled guilty on July 28, 2011 before Judge McCurine, Jr. (Case Number: 11CR3247-AJB) and scheduled for sentencing on October 14, 2011. Carla Chambers pled guilty on August 3, 2011 before United States Magistrate Judge William V. Gallo (Case Number: 11CR3368-AJB) and is scheduled for sentencing on October 28, 2011. Theresa Erickson is also scheduled to be sentenced on October 28, 2011. Each of the guilty pleas is subject to final acceptance by the District Court judge before or during the sentencing hearing.

United States Attorney Duffy praised the efforts of special agents of the Federal Bureau of Investigation.

DEFENDANTS

Theresa Erickson (11CR3372-AJB)

Carla Chambers (11CR3247-AJB)

Hilary Neiman (11CR3368-AJB)

SUMMARY OF CHARGES

Theresa Erickson and Hilary Neiman

Title 18, United States Code, Section 371-Conspiracy to Commit Wire Fraud – statutory maximum sentence of 5 years' custody, a maximum fine of \$250,000, \$100 special assessment, forfeiture of any proceeds, and restitution.

Carla Chambers

Title 18, United States Code, Section 371-Conspiracy to Engage in Monetary Transactions in Property Derived from Specified Unlawful Activity– statutory maximum sentence of 5 years' custody, a maximum fine of \$250,000, \$100 special assessment, forfeiture of any proceeds, and restitution.

AGENCY

Federal Bureau of Investigation