

NEWS

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Egg Harbor City Doctor Sentenced to 57 Months for Scheme to Defraud ALS Patients

(More)

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Breaking News (NJ) <http://www.usdoj.gov/usao/nj/publicaffairs/index.html>

CAMDEN – An Egg Harbor City doctor who purported to be able to “cure” amyotrophic lateral sclerosis (ALS), often referred to as "Lou Gehrig's disease," was sentenced today to 57 months in federal prison for defrauding ALS patients and their families, U.S. Attorney Christopher J. Christie announced.

U.S. District Judge Joseph H. Rodriguez also ordered Charlene C. DeMarco, 55, a former doctor of osteopathy with a practice and residence in Egg Harbor City, to make restitution to victims in the amount of \$32,190 and fined DeMarco \$7,500. DeMarco was ordered to surrender to the federal Bureau of Prisons by Oct. 19 to begin serving her prison sentence.

“This was a truly shameful crime, perpetrated with greed and cruelty by someone who preyed on the last hopes of patients stricken with a terminal illness and their families,” said Christie. “This ‘doctor’ violated all principles of her profession and human decency and deserves all her days in prison.”

On Dec. 8, 2006, a jury in federal court convicted DeMarco and her co-conspirator, Elizabeth Lerner, 38, a.k.a. “Elizabeth Copperman,” a.k.a. “Liza,” of Egg Harbor City, of all charges contained in an 11-count Indictment. The defendants were both convicted of one count of conspiracy to commit mail and wire fraud, three counts of mail fraud, six counts of wire fraud and one count of money laundering. Sentencing for Lerner, who recently retained a new lawyer, was adjourned from today to a date to be set by the court.

On March 30, 2006, the defendants were arrested by Special Agents of the U.S. Food and Drug Administration (FDA), Office of Criminal Investigations, on the Indictment, which was returned on March 29.

In convicting the defendants, the jury found that from October 2002 until November 2004, DeMarco and Lerner agreed with each other to defraud ALS patients and their families.

During the trial, the jury heard the testimony of 24 government witnesses and viewed hundreds of pieces of evidence regarding the defendants’ scheme to falsely claim that DeMarco, a doctor of osteopathy specializing in the treatment of Lyme disease, could treat ALS patients with stem cell therapy. In doing so, DeMarco induced the patients’ families to pay for such treatment, even though DeMarco would not and could not have provided the promised treatments. Families of the victimized patients paid up to \$35,000 to the defendants in anticipation of treatments that were never performed.

According to trial testimony and evidence, the defendants attempted to defraud four patients and their families, all of whom reside in Louisiana, of more than \$140,000 in total and successfully obtained more than \$40,000 through the scheme. The jury heard details of numerous false statements made by the defendants to the patients and their families, including that DeMarco had previously received FDA approval to treat ALS

using stem cells. The jury also heard how the defendants illegally laundered the funds they received from their scheme and used the proceeds for their own personal expenses.

For instance, the jury heard testimony that in May 2004, DeMarco spoke via telephone with a relative of an ALS patient who at the time resided in Johnson Bayou, La., and is now deceased, regarding the possibility of treating the patient with stem cells. In a subsequent phone call on June 12, 2004, DeMarco told the patient and the patient's family that she had an on-going study of stem cell treatments for ALS patients and that she required an up-front fee of \$35,000.

Christie credited Special Agents of the FDA's Office of Criminal Investigation, under the direction of Special Agent in Charge Kim A. Rice, in the Washington Field Office, with the investigation leading to the Indictment.

The case was prosecuted by Assistant U.S. Attorneys Eugenia A.P. Cowles and R. Stephen Stigall of the Criminal Division in Trenton and Camden, respectively.

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Defense Attorney:
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