Doctor Pleads Not Guilty In Stem Cell Implant Case

Ken Ritter, AP
A prominent Las Vegas-area pediatrician pleaded not guilty Thursday to federal charges that he and a man who falsely claimed he was a doctor conspired to implant chronically ill patients with stem cells harvested from human placentas. A lawyer for Dr. Ralph Conti issued a statement saying Conti was cooperating with federal authorities and "believes the facts of the case will unfold in a different fashion."
Conti is accused of performing procedures on patients in Las Vegas in 2006 at the direction of Alfred Sapse. The indictment alleges that some patients became infected with unspecified ailments. Prosecutors say Sapse had no medical license in Nevada or any state but operated a company called StemCell Pharma, Inc. in Las Vegas. The company solicited investors and patients with promises to use abdominal implants of placenta tissue to treat incurable diseases such as multiple sclerosis, cerebral palsy and the degenerative eye disease retinitis pigmentosa.

Sapse, now 85, was indicted in 2010 on 20 mail and wire fraud charges. He has pleaded not guilty. His federal public defender, Richard Boulware, declined to comment Thursday. The indictment handed up Wednesday replaces the previous one against Sapse and leaves both Conti and Sapse facing 34 fraud and conspiracy charges. "By misrepresenting his credentials, the nature of his treatment, the source of his 'stem cells,' and the adverse effects suffered by previous patients, defendant Sapse convinced chronically ill patients to undergo experimental implant procedures, many of which were performed by Conti," the indictment said.

The document chronicles payments of $2,500 for implants and says the scheme reaped more than $1 million. Prosecutors allege that Sapse spent about $700,000 of the money on himself, including gambling sprees at Las Vegas casinos. U.S. Magistrate Judge Carl Hoffman set trial for March 22. Both men could face decades in prison and millions of dollars in fines if convicted. The government also seeks the forfeiture of almost $914,000 it says is tied to the scheme.

Conti's lawyer, Stan Hunterton, said outside court that Conti has six offices in the Las Vegas area and that he planned to continue to practice while awaiting trial. "The matter relates to events that occurred five years ago and is unrelated to the pediatric medical practice he has operated successfully in Las Vegas for more than 20 years," the statement said. Prosecutors say Sapse claimed to be a retired physician who studied at the Filatov Institute of Eye Diseases and Tissue Therapy in Odessa, Ukraine. The indictment alleges he hired Conti, who had no stem cell training, to perform placenta tissue implants on about 34 patients in Las Vegas from February to November 2006.

Prosecutors allege that several patients contracted infections, leading the federal Food and Drug Administration to issue a warning in November 2006 that alleged Sapse failed to properly obtain, store, test and process the placentas, or screen donors and patients. A spokeswoman for U.S. Attorney Daniel Bogden declined to provide details about the infections, pending trial.

Three months after the FDA letter, Sapse moved his operation to Mexico and enlisted an unnamed physician in Nuevo Progresso who the indictment alleges performed about 100 implant procedures from February 2007 to May 2010.

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