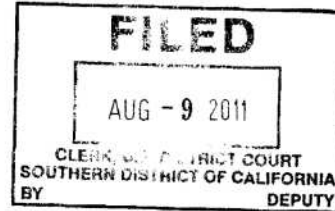


1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,
Plaintiff,
v.
THERESA ERICKSON,
Defendant.

Criminal Case No. 11cr3372-IEG
INFORMATION
Title 18, U.S.C., Sec. 371 – Conspiracy to
Commit Wire Fraud

The United States Attorney charges:

INTRODUCTORY ALLEGATIONS

1. Gestational Carriers (“GCs”) are women who are implanted with fertilized embryos with the intention that, if the pregnancy is successful, they will transfer parental rights to someone else after giving birth.
2. Intended Parents (“IPs”) assume custody of the child(ren) after the GC gives birth. Typically, IPs are listed on the child(ren)’s birth certificate as the parents and assume full parental rights for the child(ren).
3. In a surrogacy, GCs can receive compensation from IPs beyond medical costs and other expenses incurred by the GCs. In other words, GCs can profit from surrogacies. In an adoption, GCs may not make money for carrying a child, as GCs may only legally receive compensation for medical costs and expenses.
4. Under California law, the GC and IPs must have an agreement *prior* to any embryonic transfer in order for the arrangement to be a valid surrogacy. If the GCs and IPs have a valid surrogacy agreement prior to any embryonic transfer, then the IPs are entitled under California law to obtain a pre-

1 birth order from California Superior Court, which guarantees that the IPs' names would be placed on
2 the newborn baby's birth certificate and that the IPs would enjoy full parental rights.

3 5. If the GC and IPs reach an agreement *after* the GC receives the embryonic transfer, the
4 arrangement must be an adoption, instead of a surrogacy, under California law.

5 6. Theresa Erickson ("Erickson") is an attorney licensed in California, who is an
6 internationally renowned specialist in reproductive law. Erickson's law office is located in Poway,
7 California, in the Southern District of California.

8 7. Hilary Neiman ("Neiman") is an attorney licensed in Maryland, who specializes in
9 reproductive law. Neiman's law office is located in Rockville, Maryland.

10 8. Carla Chambers ("Chambers") has served as a GC on multiple occasions. During the
11 course of the conspiracy, Chambers also recruited other women to serve as GCs.

12 COUNT 1

13 TITLE 18 U.S.C. § 371

14 CONSPIRACY

15 9. Beginning on a date unknown, and continuing to and including at least on or about March
16 4, 2011, in the Southern District of California, and elsewhere, Chambers, Erickson (who joined the
17 conspiracy in 2005), and Neiman (who joined the conspiracy in 2008) did knowingly and intentionally
18 conspire and agree with each other and others (collectively referred to as "Conspirators") to commit the
19 following offense against the United States: Wire Fraud in violation of Title 18, United States Code,
20 Section 1343, that is, devising, intending to devise, and carrying out a material scheme to defraud and
21 to obtain money by means of materially false and fraudulent pretenses and representations, and
22 omissions of material facts, and for the purpose of executing this fraudulent scheme, to knowingly use,
23 and cause to be used, interstate and foreign wire communications.

24 MANNER AND MEANS OF THE CONSPIRACY

25 10. To further the criminal conspiracy, through which the Conspirators would circumvent
26 the State of California's prohibition against selling parental rights to babies, the Conspirators utilized
27 the following manner and means, among others:
28

1 a. Knowing that a legitimate surrogacy arrangement required an agreement between
2 IPs and GCs prior to any embryonic transfer, the Conspirators would arrange for GCs (including
3 Chambers herself) to receive embryonic transfers without having identified a single potential IP, much
4 less having a prior surrogacy agreement in place between the GCs and any IPs. In essence, women
5 would be solicited to travel overseas to become implanted with embryos in order to create a steady flow
6 of newborns with the promise that they would be paid between \$38,000 to \$45,000 for each successful
7 pregnancy that resulted in a birth.

8 b. Prior to the GC's travel, the Conspirators would provide the GCs with fertility
9 drugs obtained from foreign countries in preparation for embryonic transfers.

10 c. If the GCs sustained their pregnancies into the second trimester, the Conspirators
11 would solicit prospective parent(s) who were willing to pay them a significant fee to buy the parental
12 rights for the unborn babies. The Conspirators would deceive the prospective parent(s) by representing
13 to them that the unborn babies were the result of legitimate surrogacy arrangements, but the original IPs
14 backed out of the arrangement. The Conspirators would offer the prospective parent(s) the opportunity
15 to "assume" the non-existent surrogacy agreement for a fee of more than \$100,000. Hilary Neiman
16 would create and present "Assumption Agreements" between the prospective parents and fictitious IPs.

17 d. The Conspirators would misrepresent the identities of the sperm and egg donors.

18 e. The Conspirators would use the internet, including surrogacy blogs and email,
19 to recruit, solicit, and communicate with GCs and IPs (most of the GCs and IPs resided outside the state
20 of California).

21 f. Erickson would create and file with the Superior Court of California, County of
22 San Diego, false declarations and pleadings in order to obtain from the court pre-birth judgments
23 establishing parental rights in the IPs. In essence, Erickson would prepare and file with the court
24 declarations and pleadings that falsely represented that the unborn babies who were the subjects of the
25 pre-birth judgments were the product of a legitimate surrogacy arrangement, that is, one that involved
26 an agreement between the IPs and the GCs prior to embryonic transfer. With these fraudulently
27 obtained pre-birth orders, the IPs' names would be placed on the babies' birth certificates and the
28 Conspirators would be able to profit from their sale of parental rights.

1 g. The Conspirators would submit to the State of California's Access for Infants &
2 Mothers insurance program falsified applications in order to maximize the scheme's profits by
3 fraudulently obtaining AIM insurance for the GCs, who were ineligible to receive such coverage.

4 OVERT ACTS

5 11. In furtherance of the conspiracy and to accomplish its object, the Conspirators
6 committed the following overt acts within the Southern District of California and elsewhere:

7 a. On or about November 25, 2006, Chambers sent an email to Erickson, which
8 read, in part, "I belelve [sic] I have found someone for this pregnancy (its [sic] never difficult)."

9 b. On or about April 17, 2007, Erickson filed with the Superior Court of California,
10 County of San Diego, materially false and misleading pleadings and declarations.

11 c. On or about November 25, 2008, Erickson caused to be submitted to the State of
12 California's Access for Infants and Mothers program an application containing materially false
13 representations.

14 d. On or about June 2, 2009, Chambers and Neiman exchanged the following
15 emails:

16 [Neiman to Chambers]: "I have a question for you from some IPs interested in the
17 situation. They were wondering if they and their clos [sic] family friends could each parent a baby.
18 They would remain close and get together at least once a year(they liv [sic] in different states), but the
19 twins would be separated. Let me know how you feel about that.

20 [Chambers to Neiman]: "I honestly do not know how I feel about this. Firstly, I am not
21 opposed to it, however it does not give me the warm fuzzys. My second thoughts would be, what if
22 something goes wrong and one twin dies, there would need to be guidelines about what happens. I
23 would of course prefer to place together! But would be open to it."

24 e. On or about November 12, 2009, Erickson filed with the Superior Court of
25 California, County of San Diego, materially false and misleading pleadings and declarations.

26 f. On or about December 16, 2009, Erickson caused to be submitted to the State of
27 California's Access for Infants and Mothers program an application containing materially false
28 representations.

1 g. On or about January 15, 2010, Erickson filed with the Superior Court of
2 California, County of San Diego, materially false and misleading pleadings and declarations.

3 h. On or about January 26, 2010, Neiman sent an email to Chambers and Erickson,
4 which read, in part, "Her doctor told her to come back next week but [the GC] thinks she is going to
5 deliver this week. [The GC] does not think she can travel to CA. Where are we with the [pre-birth
6 order]? Do you think it will be upheld [outside of California]?"

7 i. On or about November 4, 2010, Neiman sent an email to Chambers, which read,
8 in part, "[Prospective IP] said that her family has voted and they have decided to wait for a boy or twins.
9 [GC] has 2 IPs who who [sic] are very interested and she thinks we should have a match with one of
10 them by the end of the wk. One of them has already [sic] sent me her profile. But, in the email she
11 asked for a fee reduction. I emailed back and said there is no negotiating [sic] and I will only send her
12 profile on if she is okay with the fees and can wire the money early next week."

13 j. On or about January 5, 2011, Erickson filed with the Superior Court of California,
14 County of San Diego, materially false and misleading pleadings and declarations.

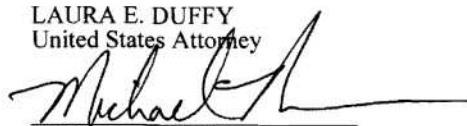
15

16 All in violation of Title 18, United States Code Section 371.

17

18 DATED: 8/9/11

LAURA E. DUFFY
United States Attorney



JASON A. FORGE
MICHAEL MERRIMAN
Assistant United States Attorneys

19

20

21

22

23

24

25

26

27

28