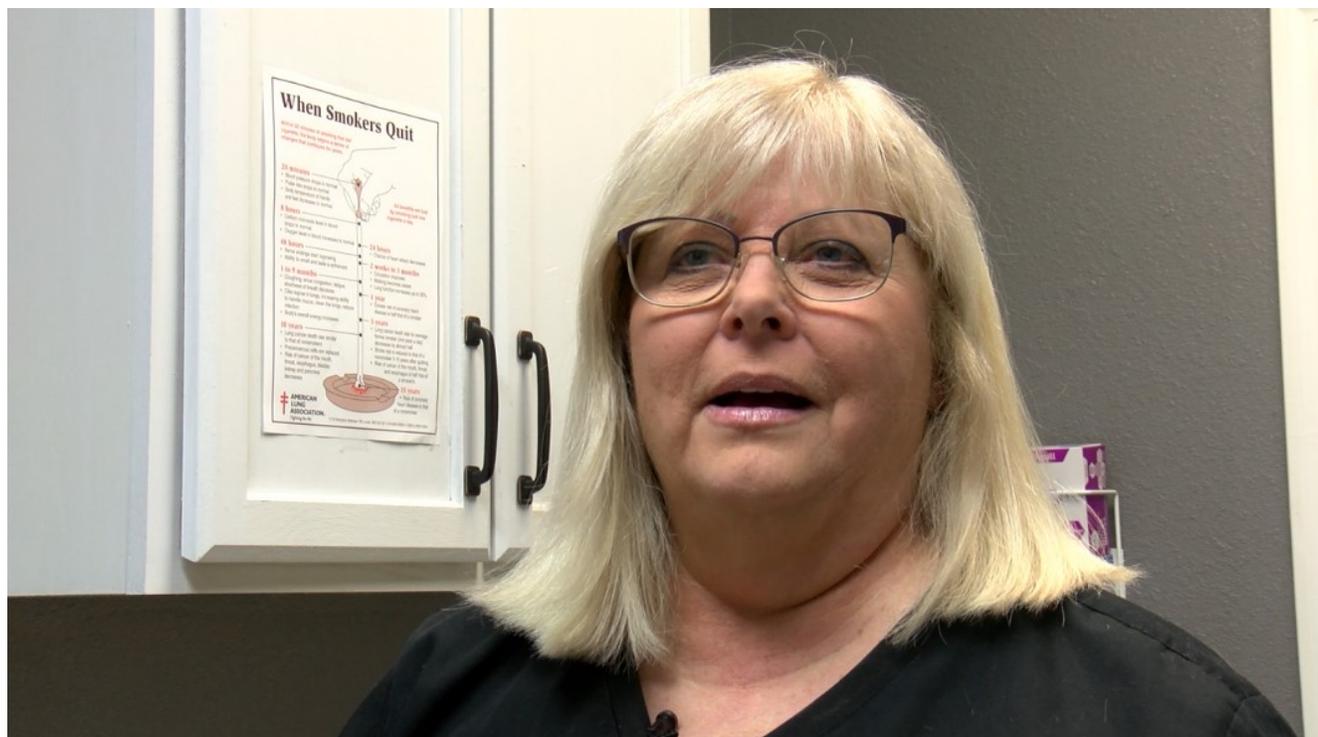


State Lawmaker indicted for stem cell fraud scheme, illegally distributing prescription drugs

By **Staff** - February 2, 2021



Patricia "Tricia" Ashton Derges

SPRINGFIELD, Mo. – An elected Missouri state representative has been indicted by a federal grand jury for a fraud scheme in which she made false claims about a supposed stem cell treatment marketed through her clinics in southern Missouri, and for illegally providing prescription drugs to clients of those clinics.

"This defendant abused her privileged position to enrich herself through deception," said U.S. Attorney Tim Garrison. "The indictment alleges she lied to her patients and she lied to federal agents. As an elected official and a health care provider, she deserves to be held to a high standard. This grand jury indictment exposes her deception and holds her accountable for her actions."

Patricia "Tricia" Ashton Derges, 63, of Nixa, Missouri, was charged in a 20-count indictment returned under seal by a federal grand jury in Springfield, Mo. The indictment was unsealed and made public today following Derges's self-surrender and initial court appearance.

This investigation began as a result of false or misleading statements made by Derges in April 2020 to a Springfield television station regarding her potential use of stem cells to treat COVID-19. Derges was elected in November 2020 as a Missouri state representative in District 140 (Christian County). Derges, who is not a physician but is licensed as an assistant physician, operates three Ozark Valley Medical Clinic locations in Springfield, Ozark, and Branson, Mo.

“We place our hope and our trust in health care providers and government officials,” said Timothy Langan, Special Agent in Charge of FBI Kansas City. “The defendant’s actions are not only a betrayal of that trust, but her actions erode the very core of our confidence in a system we rely on. Derges vowed to do no harm as a health care professional and was elected to serve the people, not deceive them. She used her position for personal gain and damaged the public’s trust.”

“Medical professionals who knowingly abuse their power by prescribing medications, without ensuring they are for legitimate medical purposes, take advantage of the public’s trust,” said Inez Davis, St. Louis Division Diversion Program Manager for the Drug Enforcement Administration. “With the support of our enforcement partners, DEA will investigate to the maximum extent of our ability to ensure these individuals are prevented from risking lives within our communities.”

“Ms. Derges knowingly provided false information and made false claims about the medical treatment she was providing, and these falsehoods may have significant consequences for the patients she served,” said Curt L. Muller, Special Agent in Charge for the Office of Inspector General of the U.S. Department of Health and Human Services. “We will continue to hold accountable individuals who abuse their positions of power to prey on unsuspecting individuals.”

Wire Fraud Scheme

The federal indictment charges Derges with eight counts of wire fraud related to five specific victims (identified by their initials). These five victims were among those who lost a total of nearly \$200,000 in the fraud scheme, which lasted from December 2018 to May 2020.

During this time, Derges exclusively obtained amniotic fluid, which she marketed under

the name Regenerative Biologics, from the University of Utah. Derges advertised Ozark Valley Medical Clinic as a "Leader in ... Regenerative Medicine," including stem cells, and marketed her "stem cell" practice through seminars, media interviews, and social media. The federal indictment cites an August 2019 seminar in which Derges told her audience that the amniotic fluid she used in her stem cell practice was a "stem cell shot" and that it contained "mesenchymal stem cells." According to the indictment, Derges made similar claims in personal consultations.

In fact, however, the amniotic fluid Derges administered to her patients did not contain mesenchymal stem cells, or any other stem cells. The amniotic fluid she obtained from the University of Utah was a sterile filtered amniotic fluid allograft (a tissue graft comprised of human amniotic membrane and amniotic fluid components derived from placental tissue). The amniotic fluid allograft was "acellular," meaning it did not contain any cells, including stem cells.

Despite being told that the University of Utah's amniotic fluid allograft was "acellular" and did not contain mesenchymal stem cells, Derges allegedly continued to tell her patients and the public that the amniotic fluid allograft contained stem cells.

Derges administered amniotic fluid, which she falsely claimed contained stem cells, to patients who suffered from, among other things, tissue damage, kidney disease, chronic obstructive pulmonary disease (COPD), Lyme disease, erectile dysfunction, and urinary incontinence. In an April 11, 2020, Facebook post Derges wrote of amniotic fluid allograft: "This amazing treatment stands to provide a potential cure for COVID-19 patients that is safe and natural."

The University of Utah sold its amniotic fluid allograft to Derges for approximately \$244 per milliliter and \$438 for two milliliters. Derges charged her patients \$950 to \$1,450 per milliliter. In total, Derges's patients paid her approximately \$191,815 for amniotic fluid that did not contain stem cells.

The Controlled Substances Act

The federal indictment charges Derges with 10 counts of distributing Oxycodone and Adderall over the internet without valid prescriptions.

The indictment alleges that Derges, without conducting in-person medical evaluations of the patients, wrote electronic prescriptions for Oxycodone and Adderall for patients and transmitted them to pharmacies over the internet.

Because none of the assistant physicians whom Derges employed at Ozark Valley Medical Clinic could prescribe Schedule II controlled substances, the indictment says, it was the standard practice of the assistant physicians to see a patient and later communicate to Derges the controlled substances they wanted her to prescribe to their patients. Derges, allegedly without conducting an in-person medical evaluation of the patients, wrote electronic prescriptions for the patients and transmitted the prescriptions over the internet to pharmacies.

False Statements

The federal indictment charges Derges with two counts of making false statements to federal agents investigating this case in May 2020.

Derges allegedly told agents that the amniotic fluid allograft that she used in her practice contained mesenchymal stem cells, which she knew was false. Derges also allegedly told federal agents that she had not treated a patient for urinary incontinence with amniotic fluid allograft, which she knew was false.

The charges contained in this indictment are simply accusations, and not evidence of guilt. Evidence supporting the charges must be presented to a federal trial jury, whose duty is to determine guilt or innocence.

Assistant Physician

Derges is not a physician but is licensed as an assistant physician. An assistant physician is a mid-level medical professional in the state of Missouri. Under Missouri law, medical school graduates who have not been accepted into a residency program but have passed Step 1 and Step 2 of the United States Medical Licensing Examination may apply to become an assistant physician. State law mandates that assistant physicians practice pursuant to a collaborative practice arrangement with a licensed physician.

Derges obtained her medical degree from the Caribbean Medical University of Curacao in

May 2014 but was not accepted into a post-graduate residency program. Derges was licensed as an assistant physician by the state of Missouri on Sept. 8, 2017.

This case is being prosecuted by Assistant U.S. Attorney Shannon Kempf. It was investigated by the FBI, Health and Human Services – Office of Inspector General, and the DEA.

