The Center for Reproductive Health was a fertility clinic run by a partnership of world-renowned fertility specialists from 1986 to 1995. The Center operated at three clinic locations under affiliation with the University of California Irvine's Medical Center (UCIMC). The Center's renowned specialists and medical success stories attracted clients worldwide until evidence of highly unethical practices conducted by doctors there resulted in over one hundred lawsuits against the University. At issue was the doctors' misappropriation and unauthorized use of eggs and embryos. The three partners of the Center were indicted for mail fraud, for billing insurance companies for work not performed, and for violating California State legislation requiring consent to use eggs and embryos and outlawing egg and embryo theft. The three partners indicted for the unethical practices at the Center were Sergio Stone, a uterine surgery and hormonal treatment specialist, José Balmaceda, a Rockefeller Foundation fellowship award winner in reproductive endocrinology, and Ricardo Asch, director of the clinics and inventor of the gamete intrafallopian transfer (GIFT) assisted reproduction technique.

The Center for Reproductive Health's first clinic was opened as a private practice by Asch and Balmaceda in 1986 at the American Medical International facility in the Garden Grove medical center in California. This was the location of an estimated two-thirds of the unauthorized egg transfers. In 1989 the Center opened another clinic location at Saddleback Memorial Medical Center in Laguna Hills. In 1990 Dr. Stone joined the partnership, the Garden Grove offices were closed, and the clinic was moved to the new Pavilion II building in the UCI hospital complex. All went well and an estimated seven hundred patients visited the clinics annually until indications of misconduct began to surface within the clinics. In 1991 missing funds prompted three audit investigations within the clinics, revealing a history of poor documentation of money handling and procedural details. This red flag influenced Norbert Giltner, a nurse at the clinic, to divulge his suspicions of unauthorized egg transfers. Toula Batshoun, the clinic manager, also came forward during this time informing the auditor of improper egg use and offering documentation to prove it. Batshoun claimed she confronted Asch, who denied these charges and shredded the alleged evidence. Though some comments of unauthorized egg use were found in informal notes of the audit, the formal reports left out any mention of the egg misappropriation and concluded with emphatic approval of the clinic, suggesting a casual dismissal of the claims. These early investigations signal the point at which the university first failed to take administrative action regarding claims of serious ethical lapses.

In 1994 office manager Marilyn Killane prompted an investigation into the use of HMG Massone within the clinic, a fertility drug that had not yet been approved by the Food and Drug Administration (FDA) in the United States. Around the same time Debra Krahel, originally appointed as the senior director of ambulatory care, became increasingly concerned about the Center's financial operations. During Krahel's investigations of the fertility clinics' wrongdoings, she uncovered additional documentation relating to unauthorized egg transfers.
transfers. On 4 September 1994 an Improper Governmental Activities complaint was filed against the University. An approved panel sustained four out of nine charges against the clinic, including at least two charges of unauthorized egg and embryo transfer as well as the use of non-FDA-approved fertility drugs. Meanwhile, Krahel was transferred from her position and put on leave since she could not be terminated under California whistle-blower protection laws. In 1995 Krahel signed a confidentiality agreement and was awarded nearly a half-million dollars for any alleged distress caused through her treatment by the university. Before settling for monetary awards, Krahel and other whistle-blowers contacted the Orange County Register, which later received a Pulitzer Prize and the George Polk Award for its medical reporting and investigative journalism encompassing the Center’s scandals.

On 26 April 1995, Asch and Balmaceda obtained embryology reports and lab records pertaining to many egg transfers and arranged for a large shipment of frozen embryos and sperm donations to be moved from the Irvine clinic to the California Cryobank in Los Angeles, California. During this time, confirmation was obtained that the doctors had filed fictitious insurance claims in addition to failing to report cash payments to the University. As evidence of the scandals at the Center, perpetrated by its trusted doctors, continued to accrue, the University attempted to negotiate with Asch for his resignation. Upon his refusal he was instructed to vacate the clinic premises 28 April 1995.

The university officially terminated its agreements with Asch and closed the Center’s clinics on 2 June 1995. Asch, Balmaceda, and Stone were subpoenaed to appear before a Select Committee on Higher Education in mid-June, where they all denied any part in the fertility scandals. The homes of the doctors were searched 19 September 1995 with hopes of finding logs or documents pertaining to the stolen eggs. Stone denied ever having access to the logs, and by October, Asch had escaped the country and taken up residence in Mexico City and Balmaceda had fled to Chile. Due to contractual stipulations, both doctors were on paid leave, and it was not until January 1996 that the university successfully terminated the doctors’ salaries despite legal restrictions due to Asch’s tenure.

In 1996 Stone was indicted on ten counts, Balmaceda was declared a fugitive and indicted on twenty counts, and Asch on thirty-five counts of federal mail fraud, charged with scheming against insurance agencies and billing them for extra work. During these indictments more than one-hundred lawsuits brought by former patients at the Center for Reproductive Health inundated the courts. Accusations against the doctors and the university included negligence, conspiracy, fraud, causing emotional and physical distress, as well as stealing, selling, donating, misappropriating, and destroying eggs and embryos. In all, around twenty-five cases of unauthorized egg and embryo transfers were believed to have transpired within the Center’s clinics. By 1997 fifty lawsuits were settled and claimants had been awarded sums based on their individual case circumstances. University officials claim that approximately twelve births resulted from the stolen eggs, while plaintiff lawyers estimated the actual number was around fifty. By 1999 the university had paid over twenty million dollars to settle one hundred and seven lawsuits out of court. The California Cryobank also filed a lawsuit insisting the University take back the tanks of sperm and frozen embryos that the doctors had stored in 1995. However, questions regarding couples whose embryos were unknowingly frozen and accusations of swapped embryos forced the court to assume custody of the tanks.

In addition to the indictments of the Center’s three partners and lawsuits against the University of California Irvine, several statutory laws were enacted in California in response to the medical misconduct. The first law made it a felony to transplant eggs without donor consent, a crime punishable with up to five years in prison and $50,000 in fines if sperm,
eggs, or embryos are knowingly used without both donor and recipient consent, except in the case of sperm [13] donated by a licensed sperm bank [15]. The second law requires physicians who remove sperm [13] or ova from a patient to acquire consent prior to using the material for any procedure other than implantation [16] in the patient?s spouse or re-implantation [16] within the same patient.

The Center for Reproductive Health?s fertility clinics? scandals ended careers, disrupted lives, altered families, and damaged the reputations of many individuals. The doctors maintained their innocence in connection with unauthorized egg [4] transfers and claimed that the practice of billing insurance companies for extra work was a common practice, a claim contested by the UCI. Asch and Balmaceda [6] escaped their indictments on mail fraud and thus their fates by fleeing the country. Many officials later deemed Stone a scapegoat who had never actually participated in the egg [4] theft. The crimes committed at the Center for Reproductive Health are a reminder of the importance of bioethical and professional responsibility within the medical community and are evidence of the consequences that result from unethical practices.