



Food and Drug Administration
OFFICE OF CRIMINAL INVESTIGATIONS
MEMORANDUM OF INTERVIEW

CASE NUMBER: 2010-DAT-713-0411
CASE TITLE: DR. LARRY STOWE
DOCUMENT NUMBER:
PERSON INTERVIEWED: Steven Watters
PLACE OF INTERVIEW: 3500 S. 1st St., Lufkin, TX75901
DATE OF INTERVIEW: 05/05/2010
TIME OF INTERVIEW: 9:20 AM - 10:21 AM
INTERVIEWED BY: SA Chris Romolo
OTHER PERSONS PRESENT: None

On May 5, 2010, I, SA Chris Romolo, FDA/OCI Dallas Domicile, personally interviewed Steven Watters at 3500 S. 1st St., Lufkin, TX 75901 (Angelina College). Upon introducing myself, I provided Watters with my credentials. I had previously corresponded with Watters, and he was aware the interview was in regards to Drs. Larry STOWE and Frank MORALES.

Watters said he was officially diagnosed with ALS (Amyotrophic lateral sclerosis) in July 2009. Watters advised since his diagnosis, he has done extensive research on ALS via the internet. Watters stated he was able to educate himself on ALS from the abundance of information available on the internet. Watters also said he discovered fraudulent web sites that offered cures for ALS and other neurological diseases. Watters specifically recalled companies in China and Germany that sold stem cell replacement cures. Watters said he quickly realized that the cures for ALS from stem cell therapy, and other therapies, did not exist.

Watters advised he attended an international stem cell conference in September 2009 in Baltimore, Maryland. Watters stated while at the conference he met Stephen Byer, who operates ALS Worldwide. Watters said ALS Worldwide is a non-profit organization dedicated to helping families who have members with ALS find information, support, and advice. Watters stated he and Byer continued to communicate with one another, and in December 2009 Byer contacted Watters to inquire about Watters helping 60 Minutes get Michael Martin's money back from Dr. STOWE. Prior to being contacted by Byer, Watters said he had never heard about Drs. STOWE and MORALES.

Watters stated in December 2009 he began corresponding with 60 Minutes, whom Watters claimed directed the "sting" involving Drs. STOWE and MORALES. Watters corresponded with Sam Homblower and David Gelber from 60 Minutes. Watters said on January 10, 2010, he was directed to drive to Houston and meet Martin and Michael Sias, Martin's significant other, at their townhome. Watters stated the meeting was supposed to be on January 8, 2010, but had to be rescheduled for two days later. Watters advised upon arriving at Martin's and Sias' townhome, he discovered it had already been wired with cameras and microphones for the meeting with Dr. STOWE. Watters stated prior to meeting with Dr. STOWE, he was provided an outline by 60 Minutes for how the meeting should go, and what questions should be asked. Watters further advised he had done enough research on ALS that he was comfortable with meeting Dr. STOWE.

Watters advised one of the goals of the meeting with Dr. STOWE was to let Dr. STOWE talk as much as he

desired. Watters stated he did not question or contradict anything Dr. STOWE said during the meeting. Watters claimed the meeting lasted between 2-3 hours. Watters said due to Dr. STOWE'S inaccurate answers to questions during the meeting, Watters realized Dr. STOWE was "unsophisticated." Watters advised Dr. STOWE said some things did not make sense. For example, Watters stated Dr. STOWE mentioned going to London to receive treatment with an orphan drug, which Watters found unusual. Watters further advised Dr. STOWE claimed to have cured his mother's pancreatic cancer. Watters said Dr. STOWE also claimed to have helped one of Donny Osmond's brothers. Watters was unsure which brother, but thought the claim was bogus. Watters stated Dr. STOWE never provided the names of any other patients Dr. STOWE had cured.

Watters stated during the meeting Dr. STOWE spoke a lot about lowering the body's inflammation. Watters said Dr. STOWE claimed for the stem cells to "take," the body must be rid of chronic inflammation. Watters advised Dr. STOWE also spoke about Multiple Sclerosis (MS), Parkinson's Disease, and other neurological disorders that had been helped by stem cell therapy. Watters stated Dr. STOWE was generally accurate about the various types of stem cells. Watters said during the meeting with Dr. STOWE, a protocol was discussed in regards to receiving the stem cell therapy. Watters advised the protocol would begin by the patient's blood being drawn and sent to a lab for analysis. Next the patient would be given AIMSPRO, which is a possible treatment for Multiple Sclerosis. Watters said Dr. STOWE mentioned AIMSPRO several times throughout the interview. Watters advised after the patient is given the AIMSPRO, the patient would be given stem cell therapy. Watters advised Dr. STOWE said the last part of the protocol were follow up procedures conducted by Dr. STOWE. Watters said Dr. STOWE was very unclear on these follow up procedures, except saying that the patient would be given certain dietary supplements and would need to change his/her lifestyle. Further, Watters stated Dr. STOWE never provided a firm answer on the duration of the protocol.

In regards to Dr. MORALES being discussed at the initial meeting at Martin's residence, Watters said Dr. STOWE mentioned he knew Dr. MORALES for 5 years. Watters advised Dr. STOWE claimed to have met Dr. MORALES while he worked in San Diego, and Dr. MORALES had a clinic in Tijuana, Mexico. Watters was unsure if he or Martin mentioned Dr. MORALES during the interview. Watters said the meeting with Dr. STOWE was more of a sales pitch about what Dr. STOWE could do, not about Dr. MORALES and stem cell therapy. Watters stated after listening to Dr. STOWE'S presentation, Watters feels Dr. STOWE is a "true believer" in his ability to cure ALS and other neurological disorders.

As for the undercover meeting in Monterrey, Mexico that was documented by 60 Minutes, Watters advised upon arriving in Monterrey, Mexico, Dr. MORALES gave Watters, Martin, and Dr. STOWE a tour of the hospital where the stem cell therapy would occur. Watters stated the hospital was, "dingy" and had a strong odor of fresh paint. Watters said Dr. MORALES then took the group to the "Ave Building," which Watters described as an apparently new building in downtown Monterrey, Mexico. Watters stated Dr. MORALES claimed he was going to be the Medical Director at the Ave Building. Watters said Dr. STOWE then claimed he was going to have an office in the building.

Watters said after the tour of the Ave Building, the group went back to the hotel where CBS had pre-wired a hotel room with audio and video equipment. Watters advised Dr. MORALES was hesitant to go upstairs to the hotel room, and wanted to have the meeting in a room near the lobby. Watters advised he and Martin convinced Dr. MORALES they had \$35,000 in the room for payment of services. Watters said Dr. MORALES went outside and placed a phone call to De La Garza, who Watters claimed was the brother-in-law of Dr. MORALES. Watters was unable to provide De La Garza's full name. Watters stated shortly after Dr. MORALES placed the telephone call, De La Garza arrived at the hotel. Watters advised the group then proceeded upstairs to the hotel room. Watters stated De La Garza claimed to be a OB/GYN doctor.

Watters advised during the meeting in the hotel room, he attempted to pin down Dr. MORALES on where Dr. MORALES obtained the stem cells. Watters recalls Dr. MORALES mentioning a location in Mexico, but Watters was unable to remember the name. Watters stated Dr. MORALES also claimed to obtain stem cells from college universities in the United States. Watters advised Dr. MORALES never specifically named a university. Watters said Dr. MORALES told him stem cell therapy can be completed with several different types of stem cells. Watters advised Dr. MORALES described how the procedure could be done through the

spinal cord or carotid artery. Watters said in his opinion, Dr. MORALES appeared slightly more knowledgeable than Dr. STOWE, and like Dr. STOWE, Watters advised Dr. MORALES was a "talker."

Watters stated Scott Pelley from 60 Minutes interrupted the meeting to confront Drs. STOWE and MORALES. Watters advised watching the entire video recording would be a good way to see what occurred after Pelley arrived. Watters recalled Dr. MORALES left the meeting and telephoned an attorney. Watters said after speaking with the attorney, Dr. MORALES quietly spoke with Pelley, and then left the hotel room. Watters advised after a long day he and Martin were extremely tired, and at one point Watters simply told Dr. STOWE to leave Martin alone because Dr. STOWE was still attempting to convince Martin to participate in Dr. STOWE'S program. Watters said, as documented in the 60 Minutes news piece, Dr. STOWE badgered Martin about what would happen to Martin if the therapy protocol was not followed. Watters stated the interview ceased, and Dr. STOWE left the hotel room.

In regards to some general statements by Watters during his interview with me, Watters said it appeared as if Drs. STOWE and MORALES only had a casual relationship. Watters stated it did not appear as if Drs. STOWE and MORALES were business partners. Watters advised Dr. STOWE seemed to be a true believer in the protocol, but Watters feels Dr. MORALES was simply "trying to make a buck." Watters stated he was not compensated by 60 Minutes for his assistance, although 60 Minutes paid for all of Watters expenses. Watters further advised 60 Minutes is paying for his attorney representation in the law suit filed by Dr. MORALES. Watters said his attorney is Thomas Leatherberry in Ft. Worth, Texas. Watters said it appeared as if 60 Minutes orchestrated the entire operation. Watters reiterated that 60 Minutes gave him a script of questions prior to the initial meeting with Dr. STOWE.

Watters stated it would be best to view and listen to all of the recordings compiled by 60 Minutes because Watters was unable to recall some details of his interactions with Drs. STOWE and MORALES.

NAME-TITLE _____
Christopher A. Romolo, Special Agent

NAME-TITLE _____

DATE 05/06/2010

DATE

APPROVED: _____
Patrick J. Holland, SAIC

DATE:

DISTRIBUTION: Orig: Case File
Cc: DAT
Cc: KCK
Cc: HST
Cc: AD-IOD

ATTACHMENTS: None at this time.