

ETHICS & MEDICS

A Commentary of The National Catholic Bioethics Center on Health Care and the Life Sciences

COMMERCIAL MARKETS CREATED BY ABORTION

Abortion is commonly viewed from an ideological perspective. Little is publicly known about the abortion industry's role as a supplier of aborted fetuses to industries that exploit them for economic gain. In fact, abortion provides the foundation for a fetal distribution chain where profits grow with each link. Can human body parts be bought and sold? Technically, they cannot. But money can change hands to reimburse for "reasonable" expenses associated with securing human tissue. The question is at what point trafficking in fetal parts violates the law.

In 2000, Congress became concerned about this distinction. The House of Representatives began hearings on the marketing of body parts obtained from fetuses killed in elective abortions. The information at the heart of the hearings was based on a thirty-one-month undercover investigation by Life Dynamics, Inc., a nonprofit pro-life organization in Texas founded by Mark Crutcher in 1992. Information was provided by employees of Comprehensive Health for Women, a Kansas affiliate of Planned Parenthood.¹

Sellers and Buyers

The undercover Life Dynamics report describes a system devised within the abortion industry to financially profit from the growing market in fetal tissues, parts, and organs. The system circumvents legal restrictions on buying and selling human bodies and body parts. Three participants are commonly involved—the seller, the buyer, and the wholesaler. The wholesaler (or middleman) enters a financial agreement with an abortion clinic (the seller) to pay a monthly "site-fee" to the clinic, comparable to rent. In exchange, the wholesaler is allowed to position a retrieval agent inside the clinic, where he is given access to the dead fetuses and a workspace to harvest their parts. In some cases, the retrieval agent may be a clinic employee who was trained by the wholesaler. The buyer is usually a researcher working for a medical school, pharmaceutical company, biotechnology company, or government agency. When orders are received by the wholesaler from the buyer, they are faxed to the retrieval agent at the clinic, who harvests the requested parts and ships them to the buyer via common carrier.²

On the surface, this system does not appear to violate the legal prohibitions against trafficking in human body parts since, technically speaking, no one is buying or selling anything. The loophole is that site fees

and retrieval reimbursement amounts are unregulated. The law requires that such payments be reasonable and reflect the actual cost of securing the parts, but there are no state or federal laws which establish guidelines or set limits regarding these payments. Additionally, no governmental or law enforcement agency is charged with overseeing the system. This means that the wholesaler is free to set site fees and retrieval fees at any amount.³

The fundamental legal question is whether site fees and retrieval reimbursements are used as proxy payments to circumvent state and federal laws making it illegal to buy or sell human body parts. For the transfers to be legal, the fetal parts and tissue must be donated, not sold. Only reasonable costs associated with the retrieval process may change hands.

There are three entities in a position to profit from the fetal parts industry: (1) the abortion provider, who supplies fetuses from abortions performed; (2) the wholesaler, who fills researchers' orders by procuring the fetal parts, preserving them, and preparing them for shipment, thus facilitating their transfer; and (3) the researcher, who is the end user of the fetal parts. Technically, the abortion provider is permitted to receive only reasonable reimbursement for retrieval costs incurred. This amount is easily augmented through negotiation of favorable contract terms with the wholesaler, along with the application of some accounting ingenuity.

Wholesalers' profits can be substantial. There is a material difference between the costs of harvesting fetal parts—consisting of wholesalers' financial obligations to the abortion providers plus administrative overhead expenses—and the amount they can realize from researchers. The most significant profit potential, however, rests with the end users, the researchers, who work in educational and governmental institutions and in the product-development departments of pharmaceutical, biotechnology, and cosmetics companies. The prospects for profit here are virtually unlimited.

Adding Up the Numbers

The Life Dynamics report illustrates these arrangements with concrete numbers. During the undercover investigation, it was determined that the Comprehensive

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PROFITING FROM THE FETAL DISTRIBUTION CHAIN

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Health for Women clinic received monthly site fees or rent supplements of \$600 per month. In addition, they were paid \$10 an hour for each hour the retrieval agent used work space at the clinic. The abortion clinic received these payments without having to incur any additional costs, “just because [the wholesaler’s] technician walked in the door.”⁴ Calculations based on this information show that during the period under review, the clinic would have netted additional income of approximately \$1,200 a month from this arrangement.

Traveling up the fetal distribution chain, profits of the company acting as wholesaler were calculated to be much higher. The wholesaler paid the clinic an average of \$1,200 per month. It also incurred costs for salaries of its retrieval agents, administrative overhead, amortization of equipment (instruments, hood/dissection table, etc.), and disposable supplies. These costs were generously estimated to be approximately \$5,500 per month. Total costs, including the payments of \$1,200 to the clinic, were thus about \$6,700 per month.⁵

To calculate the wholesaler’s monthly net profit, gross revenue received from the researchers was first computed. Payments for specific fetal parts and harvested tissues were based on a price list called “Fee for Services Schedule A” published by wholesaler Anatomical Gifts Foundation Inc. (AGF).⁶ The fee schedule purports to estimate the reimbursable cost allocable to retrieval of a particular body part, organ, or tissue. If the laws against trafficking were being observed, the fees for providing the fetal parts ordered should essentially correspond to the wholesaler’s costs of \$6,700 computed above.⁷

According to logs detailing tissue shipments by AGF, 155 “specimens” were shipped in a representative month. These included 47 livers, 11 liver fragments, 7 brains, 21 eyes, 8 thymuses, 23 legs, 14 pancreases, 14 lungs, 6 arms, 1 kidney/adrenal gland, and 3 intact specimens for purposes of securing the blood.⁸ When priced out according to the fee-for-service schedule, the shipments of parts for the month would have generated gross revenues of between \$18,700 and \$24,700, depending on whether the parts were shipped fresh or frozen.⁹ Based on these transactions, the calculated monthly profit to the wholesaler was between \$12,000 and \$18,000 (gross revenues of \$18,700 to \$24,700 less monthly costs of \$6,700).

The profits being earned by these middlemen are so significant that it now appears that some researchers are cutting out the middlemen to deal directly with abortion clinics. In these cases, the site-fee and reimbursement system is replaced with a bartering system. One bartering example involved a medical school that traded pathology reports for fetal cadavers or parts. “However, if an abortion clinic is trading baby parts for services which it would otherwise have to pay for, and the school is trading services for baby parts it would normally have to buy, both are still in violation of those statutes which prohibit trafficking in human body parts.”¹⁰

The End Users

Where do the parts go? The predominant industries engaged in fetal tissue research are components of the

emerging life science industry: the pharmaceutical, biotechnology, and biologics sectors. The pharmaceutical industry is involved in the discovery, development, production, and marketing of drugs licensed as medications. The field of biologics is narrower and typically involves highly specific and potent medicines derived from living cells as opposed to chemical processes. It tends toward personalizing medicine through genetic testing and treating diseases at a molecular level. Biologics encompass a wide range of medical products, including bacterial and viral vaccines, blood and blood components, tissues, allergenics, somatic cells, gene therapies, and recombinant therapeutic proteins created by biological processes.¹¹

Although there is much money to be made in the pharmaceutical sectors, many people who work there are undoubtedly motivated by the altruistic belief that they act in service of humanity. The cosmetics industry cannot claim the same lofty motive. In their article “Fetuses Harvested for Cosmetic Procedures,” Drs. Michael Arnold Glueck and Robert J. Cihak bring the problem into focus:

Lawyers love to talk about the slippery slope, how you bend the rules a little or do something a little wrong and it leads inevitably to worse. But sometimes the slope turns into a precipice and you find yourself looking into the abyss. The use of fetal tissue for cosmetic purposes—especially fetal tissue conceived only for that purpose—is such a precipitous plunge. The scientific and medical community knew it would happen eventually but didn’t know how soon. False hope for stem cells is cruel enough—but using stem cells from fetuses created for monetary gain to use for cosmetic purposes seems to us to cross the moral line.¹²

Yes, it does *seem* so, does it not? The end here is so superficial that one cannot even appeal to the good of humanity. It is only vanity that is being served.

Anti-aging cosmetics developed using fetal stem cells fall into the loose and unofficial category of “cosmeceuticals.” This term, coined simply for marketing purposes, refers to a marriage between cosmetics and pharmaceuticals. Like cosmetics, cosmeceuticals are topically applied but contain active ingredients purported to have medical or drug-like benefits that influence the biological function of the skin. Some biotechnology companies have turned to the development of these beauty products. They hope the products will generate an early return on the lavish investments that have been made in stem-cell technology, since the prospects for therapeutic applications remain vague and distant.

The U.S. Food and Drug Administration (FDA) does not recognize the category of cosmeceuticals under the federal Food, Drug and Cosmetic Act, nor are these compounds subject to review and approval by the agency. Although they are tested for safety, testing to determine whether beneficial ingredients live up to manufacturers’ claims is not mandatory.¹³ A manufacturer benefits if its products are not regulated as drugs by the FDA, as the FDA review process is costly and may prevent or delay introduction of a marketable product.

The use of fetal tissue for cosmetic purposes arose from its successful clinical use in burn victims. Stem-

cell-based cosmetic lines were modeled on treatments employing fetal skin-cell cultures to heal second- and third-degree burn wounds in children. After years of research, physicians discovered that fetal skin has a unique ability to heal wounds without scarring. According to a 2005 study, researchers from University Hospital in Lausanne, Switzerland, “obtained a four-centimeter skin donation from a fourteen-week aborted male fetus. Cells were expanded in culture and used to seed collagen sheets, and then grown for two more days until the sheets were applied to burn wounds. The fetal cells were used to treat eight children considered to be candidates for traditional grafting. . . . The cosmetic and functional results were excellent in all eight children.”¹⁴

From the original fetal skin biopsy, the University Hospital of Lausanne research team went on to establish a dedicated cell bank for developing a cream designed to reduce signs of aging and improve skin texture and the appearance of wrinkles. It is alleged that this fetal cell bank will provide a lasting supply of cells for producing a proprietary skin-care ingredient. The active ingredient, trademarked by Neocutis as Processed Skin Care Proteins, or PSP, is a combination of human growth factors and cytokines (intercellular messengers).

Neocutis, a privately held specialty biopharmaceutical company, was founded in 2003 as a spin-off of the University Hospital of Lausanne. Commercial activities are carried out by its U.S. subsidiary, Neocutis Inc.¹⁵ The company’s founding replicates a pattern common in the pharmaceutical industry, where hospital research personnel become founding entrepreneurs of commercial enterprises based on their successful research.

Market Demographics

The cosmetic industry in general, and the anti-aging market in particular, have benefited from three factors converging to provide a perfect storm for business development. These factors—a record number of consumers, a high level of affluence, and a fear of aging—converged as a result of the so-called baby boom following World War II. Between the years 1946 and 1964, seventy-five million babies were born in the United States according to the U.S. Census Bureau. Today, those in this age group earn over two trillion dollars, control seven trillion dollars of wealth, and own over 77 percent of financial assets in the United States. They account for 28 percent of the U.S. population.¹⁶

This is a generation that believes it can stay young forever and is equipped with the resources to try. They are a captive market. One company’s marketing strategy speaks of the opportunity to cash in on this phenomenon. “The boomers are commanding attention with their voices and their wallets as they will be the primary contributors to the projected \$12 billion increase in money spent on anti-aging products and supplements in the next year and a half alone. . . . The anti-aging market is presently a \$30 billion market. In the next three years, it is expected to grow to \$70 billion. . . . This is the fastest growing market in the U.S.”¹⁷

At the “low” end, miracle claims are made for creams, serums, and emulsions developed with fibroblasts and human growth factors—that is, with fetal cell technologies. Most are produced in the United States, and none of their claims have been evaluated by the FDA. All are unproven as to efficacy. One product, Amatokin, produced by Voss Laboratories, costs \$190 for 30 milliliters or 1 ounce. A direct competitor, RéVive Skincare’s *Peau Magnifique*, retails for \$1,500 for four one-milliliter ampoules. Another anti-aging treatment, Neocutis’s *Journée Bio-Restorative Day Cream with PSP*, can be purchased only through the offices of a doctor or dermatologist, and its price is kept confidential from the general public.¹⁸ The products are expensive because they are not mass produced and have a very limited shelf life.

At the “high” end, exclusive clinics all over the world offer face lifts and cosmetic procedures using tissues from aborted fetuses and stem cells from human embryos. The cells are said to rejuvenate the skin.¹⁹ Wealthy American and British women, who cannot avail themselves of these treatments at home because of regulatory restraints, could travel to the Institute of Regenerative Medicine in Barbados, for example, where they could “spend \$25,000 for a ‘treatment’ consisting of having liquefied unborn babies’ tissues injected into their bodies so they can feel ‘refreshed.’”²⁰ The Institute promised improvement in its clients’ appearance, quality of life, and libido. Although the Institute reportedly closed after a 2006 exposé by the BBC, similar clinics continue to operate.²¹ They are not regulated by any local or national government body, nor are they subject to outside medical supervision. They have all refused membership in the International Stem Cell Forum, the only recognized international board regulating stem cell research.²²

According to a 2007 report by Brian Clowes, the investigative reporter who uncovered this story for Human Life International, the raw materials for producing these liquefied fetal serums for injection were exported from the Ukraine. “Women were paid \$200–\$300—three months’ salary—to carry their pregnancies to a very late stage and deliver the babies alive in a kind of forced premature birth. This procedure allows the living baby’s organs to be harvested while they are still as fresh as possible.”²³ The parts are passed to buyers, who screen the material and sell it at a huge mark-up to a worldwide network of clinics like the one in Barbados. In Moscow alone, there are more than fifty beauty parlors and cellulite clinics offering fetal injections. These establishments attract rich Russian and Western women for fetal injections to “eliminate cellulite from their buttocks, thighs, and arms.” Treatments cost up to \$20,000.²⁴ The fetal and newborn tissue network is driven by an enormous and increasing demand for fetal cells and organs for this purpose.

Clowes questions why the Institute for Regenerative Medicine in Barbados would “bother to import babies from 5,000 miles away [in the Ukraine] when you can get them locally?” He then answers his own question:

Barbados news sources are now reporting that women are having their newborn babies stolen at Queen Elizabeth Hospital. They are told their babies are “gone” or



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have died, and they never see them again. Perhaps not coincidentally, one of the members of the Board of Directors of Queen Elizabeth Hospital is George Griffith, who is the director of the Barbados Family Planning Association, the island's largest abortion provider and an affiliate of the International Planned Parenthood Federation.²⁵

Even the most ardent advocates of fetal tissue research express dismay at the abuses that are rife in these cosmetic procedures. It is an understatement to say that these uses of science and technology are not only dangerously experimental, but also damaging to the reputation of legitimate researchers. New and profoundly disturbing motives for expanded trafficking in fetal body parts are increasing worldwide.

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¹Mark Crutcher, *Baby Body Parts for Sale: The Marketing of Aborted Baby Parts*, Life Dynamics, February 2000, updated March 2007, http://www.lifedynamics.com/abortion_information/baby_body_parts/.

²Ibid., p. 1.

³Ibid.

⁴Ibid., p. 4.

⁵Ibid.

⁶Ibid.

⁷Ibid.

⁸Ibid., p. 5.

⁹Sample prices for individual body parts from another wholesaler, Opening Lines, a division of Consultative and Diagnostic Pathology, Inc., are liver \$150, pancreas \$100, thymus \$100, kidney \$125, lungs and heart block \$150, brain \$999, spinal cord \$325,

bone marrow \$350, both eyes \$75, gonads \$550, intact cadaver \$400, intact trunk with/without limbs \$500, limbs (at least 2) \$150. These prices were in effect through December 31, 1999. See the Opening Lines "Fee for Services Schedule," *ibid.*, p. 7

¹⁰Ibid., p. 8.

¹¹U.S. Food and Drug Administration, "Vaccines, Blood and Biologics: Resources for You (Biologics)," May 11, 2010, <http://www.fda.gov/BiologicsBloodVaccines/ResourcesforYou/default.htm>.

¹²Michael Arnold Glueck and Robert J. Cihak, "Fetuses Harvested for Cosmetic Procedures," *Newsmax.com*, August 24, 2006, <http://archive.newsmax.com/archives/articles/2006/8/23/155813.shtml>.

¹³See the *Food, Drug and Cosmetic Act, U.S. Code* 21 (1938), chapter VI, "Cosmetics," sections 361–363, <http://www.fda.gov/RegulatoryInformation/Legislation/FederalFoodDrugandCosmeticAct/FDCA/default.htm>.

¹⁴K. Gale, "Fetal Skin Cells Help Heal Burn Wounds in Children," *RedOrbit.com*, August 18, 2005, http://www.redorbit.com/news/health/212483/fetal_skin_cells_help_heal_burn_wounds_in_children.html; and Judith Hohlfeld et al., "Tissue Engineered Fetal Skins Constructs for Paediatric Burns," *Lancet* 366.9488 (September 3, 2005): 840–842.

¹⁵See the Neocutis Web site at www.neocutis.com.

¹⁶See data from the U.S. Census Bureau at <http://www.census.gov/popest/national/>.

¹⁷Zeolite Marketing, "The Anti-Aging Market," http://www.zeolite-marketing.com/anti_aging_market.html.

¹⁸Neocutis Web site, <http://neocutis.com/categories.php?catid=73>.

¹⁹Glueck and Cihak, "Fetuses Harvested for Cosmetic Procedures."

²⁰Thomas J. Euteneuer, "Pro-Choice Violence and Big Pharmaceutical," *Human Life International e-Newsletter* 1.50 (January 12, 2007), http://www.hli.org/index.php?option=com_acajoom&act=mailing&task=view&listid=2&mailingid=608.

²¹Matthew Hill, "The Stem Cell Swindle," *BBC Radio 4*, December 12, 2006.

²²Brian Clowes, "Special Report: Ukrainian Trafficking in Baby Parts," *Human Life International Special Report* 270 (June 2007), 2, http://www.hli.org/files/sr_june_07.pdf.

²³Ibid., 4.

²⁴Ibid., 5.

²⁵Ibid., 6.

