

Health Fraud—What's Going on in North Carolina?

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All of us in medicine have at least a nodding acquaintance with health fraud. We have all seen the statistics—billions of dollars wasted on fraudulent cures, thousands of people bilked by charlatans. Most of us probably know at least one doctor whom we consider to use dubious practices, or a surgeon a little too quick with the knife. But all of us have come to feel secure in the belief that the multitude of federal, state and local investigative agencies and licensing authorities protect us and the public from the really questionable practitioners—particularly those with no legitimate qualifications at all.

Unfortunately, that is far from the truth. For over two years the State of North Carolina, the North Carolina Board of Medical Examiners (NCBME), the North Carolina State Bureau of Investigation (SBI), the Food and Drug Administration (FDA), the Federal Aviation Administration (FAA), and other state and federal agencies seemed strangely tolerant of a blatant disregard of the medical licensing laws.

This primarily is a story of how our state tolerates the unlicensed practice of medicine; how the State Bureau of Investigation ignores the recommendations of the State Board of Medical Examiners and allows an unlicensed practitioner to continue to charge unsuspecting patients large sums of money for diagnostic tests he cannot legally interpret; how the state Board of Medical Examiners must tolerate the prescription of enormous quantities of injectable analgesics without medical justification; how the Federal Aviation Agency laughs off repeated falsification of pilot license applications by an admitted perjurer and heavy user of drugs; how the FDA ignores the use of an unlicensed medical device which supposedly diagnoses vitamin and mineral deficiencies by computer analysis; and how the perpetrators go on and on unchecked.

I will also have a few comments on how a few chiropractors have vastly exceeded the scope of their competence and the sphere of practice that the laws of our state allow.

And mostly, this is a story of how sick people, many suffering from cancer, arthritis, heart disease, or other chronic illnesses, have been "ripped off" by an unqualified, unlicensed "M.D." whose only documented qualification to deliver any aspect of health care in the United States is to take X-rays in Florida. The State of North Carolina allowed this to continue in spite of irrefutable evidence of continuing violation of our licensing laws for over two years.

An Unusual Specialist

I remember the day I first learned my mountain county had been blessed with a most unusual medical specialist. A "court of last resort" for those with incurable diseases.

He seemed a nice enough young fellow, having his lunch at a table near my group. And the lady next to me seemed to know him quite well.

"That's Doctor Caplinger," she explained. "He has cancer." And she told us how a brilliant medical career had been cut short when he had had to drop out of a medical residency.

He didn't look too ill. "Must have been a lymphoma," I offered my across-the-room diagnosis.

"No, I believe he said it was his colon. It had spread everywhere," she corrected me.

When she introduced us as we left, I decided he did look a bit unhealthy. His handshake was limp and a bit myxedematous. Our town is the summer home of several thousand visitors each year, many wealthy Floridians, and it is not unusual for us to have several hundred new faces each year. I didn't expect to see the unfortunate Dr. Caplinger again.

It was only a week or two later that the first puzzling incident occurred. My telephone rang one evening. It was Dr. Caplinger. "I understand you are an FAA medical examiner.

From Blowing Rock Medical Clinic, P.O. Box 8, Blowing Rock 28605.

My certificate is about to expire, and I need to make a trip to Florida. Is there any way you could do an FAA exam for me tomorrow?"

All pilots have regular physical exams by Federal Aviation Agency-designated examiners. We have special training in aviation medicine and the stringent physical requirements a pilot must meet. I have been an FAA examiner for over 10 years. Until recently I have been impressed with the Agency's efforts to make the skies safer by keeping marginal candidates for pilot licenses out of the air.

"That depends on your physical condition. Just how is your health?" I knew he might have qualified for an FAA certificate if his cancer was in remission, but I also knew that I wouldn't be able to issue a medical certificate. I would have to defer his application to one of the regional flight surgeons and the process would take several weeks. I expected to hear the details of the story the lady at lunch had told.

Instead his reply was a simple, "My health is fine. No problems at all."

It wouldn't be the first time Mrs. Brown had gotten a story wrong, and I assumed she had made a mistake. In any event, I had a full schedule and was unable to schedule a pilot exam. He had a thorough FAA physical exam from an examiner in Florida, and was issued an unrestricted certificate. He was a frequent flyer at our small local airport. But things kept coming up. I heard stories about seizures and a coma lasting several days. Several other sources confirmed that Dr. Caplinger himself had told them of his tumor. And the story deepened. He had "almost died after his tumor was discovered." "Modern medicine" had been unable to palliate his disease. In desperation, he had turned to Naturopathy and "the natural methods of healing." And he had "cured himself through naturopathic techniques."

As an FAA medical examiner I have a responsibility to the safety of the public. Visions of a Cessna crashing into a schoolhouse began to trouble me. I am very familiar with the FAA regulations and I knew that there was no way anyone with even a potential seizure disorder would make it through the certification process unless the pilot falsified his medical application. I contacted the FAA regional air surgeon in Jacksonville with my concerns. He reviewed the application Dr. Caplinger had submitted. It showed no evidence of cancer, no history of seizures, no significant medical treatment of any kind.

Now the application a pilot submits when he or she applies for a medical certificate is very specific. It asks specifically about any history of a disorder which might impair a pilot's ability to operate an aircraft safely. Specific items ask about seizures, neurological problems and "medical treatment of any kind." The applicant signs a declaration attesting to the truth of his or her statements under penalty of a "\$10,000 fine and up to five years' imprisonment" for falsification of the application.

Clearly, things didn't make sense. Either Dr. Caplinger had falsified his application or he was lying about his medical history. Something was wrong.

The Clinic

Things began to make a lot more sense when I learned that Dr. Caplinger had opened the "Natural Health and Therapy Clinic" in Boone, a neighboring town. Operating as "Gregory Caplinger, M.D., N.D.," he was practicing naturopathy. Curious, I asked the NCBME about his credentials. They had none on record. I made further inquiries at our monthly county medical society meeting. I found I was not alone in my questions.

"Who is this guy, anyway?" was the response from several members. Several told of seeing patients who had consulted a physician they had never heard of. These patients had been diagnosed as having unusual illnesses—and they were all being treated with large and expensive combinations of vitamins and food supplements. When questioned about his qualifications the response from the patients was always the same: "He must be o.k.—he's a real 'M.D.'"

Just how real an M.D. he was, I was soon to learn. A respected retired cardiologist stopped me after church the next week. "Can't we do something about this quack Caplinger?" He asked. The same lady who had introduced me to him in the restaurant had taken the cardiologist to see Dr. Caplinger's operation. Not realizing he was demonstrating his miraculous equipment to a real physician, he had proudly displayed his computerized diagnostic scanner and other devices for assessing a patient's physical ailments and diagnosing the accompanying vitamin deficiencies. "He's going to kill someone if something isn't done."

I wrote the NCBME again, and the Medical Society also requested that an investigation be made. Just a few weeks later I learned that Dr. Caplinger had used his therapeutic skills on a new patient—an old friend of mine being treated for metastatic malignant melanoma at Duke. Once again the lady from the restaurant was being well meaning. Out of misguided concern she had urged and had finally scheduled an appointment for Jack to see our local "cancer specialist." Both Jack and his wife were Harvard graduates. They were surprised that Dr. Caplinger could do in his office things that couldn't be done at Duke.

Jack described in detail the device with the probe that had been run over his body, and the computer that printed out the analysis with the suggested vitamin and mineral therapy. He wasn't taken in, but he figured he "didn't have much to lose" when he purchased and took the megapriced megavitamins and minerals. He later changed his mind.

Jack passed on to me a copy of Dr. Caplinger's office brochure. He listed himself as "M.D.," and just as many others apparently had, Jack said, "I figured if he was an 'M.D.' he must be qualified." His brochure contained many disclaimers stating that he didn't "diagnose or treat" disease, which seemed obviously designed to protect him from a charge by a patient that he was practicing without a license. The brochure also stated that he worked "closely with the patient's regular doctor." Curious, in view of the fact that none of the 40 licensed doctors in the county ever had any

contact with him.

Within a few weeks of Jack's megamineral therapy his condition began to deteriorate. His melanoma showed up in his liver and bone marrow. Just before he entered the Clinical Research Unit at Duke for an unsuccessful attempt at massive chemotherapy he told me, "You know, I was doing pretty well until I went to see that quack. Do you think that stuff he gave me could have speeded up my cancer?"

I contacted the FDA. I figured they might be interested in an unregistered medical device that purported to be able to diagnose vitamin and mineral deficiencies by running a probe over a patient's body. The FDA, after all, published a number of pamphlets dealing with health fraud and quackery.

I was wrong. I spent the better part of a morning trying to find anyone to talk to about the problem. After I reached the proper people, I was surprised to learn they weren't interested in taking any action against an individual practitioner—licensed or unlicensed. I learned that unless the device is being sold or advertised through the mails, the government will take no action. The FDA urged me to contact my state licensing authorities—which I had already done.

More Questions

The stories continued. On one hand Dr. Caplinger was supposed to be dying, on the other he was actively seeing patients. A local family practitioner received a request to transfer a patient's medical records to him. A local pediatrician saw a child with strep throat who was being treated with a fruit juice preparation and no antibiotic. Several people reported that he was busily doing blood work and electrocardiograms. Contact with the AMA established that Dr. Caplinger had never been licensed in the United States or Canada. He had never taken any licensing examination or the ECFMG. The state of Florida had issued him a license in the early 1980s—as an X-ray technician. He continued to hold a valid pilot's license and was said to own an airplane—in spite of stories of continued seizures and other problems with his health. Both the county medical society and I forwarded incidents as we learned of them to the FAA and NCBME. The FAA was concerned enough to investigate the situation, but Dr. Caplinger was apparently able to convince the regional flight surgeons that he was healthy.

In the summer of 1987, I learned there was documented evidence of his medical problems. During a discussion of his practicing medicine without a license, a local surgeon described a bizarre situation where Dr. Caplinger had requested treatment for a condition that would obviously disqualify him from flying. In the interest of patient confidentiality, he was unable to give details, but I was able to learn that Dr. Caplinger had filled out a medical history questionnaire. I immediately forwarded the surgeon's name and address to the FAA, strongly urging them to investigate. I was amazed and remain so. They never bothered to follow up.

Suddenly, Dr. Caplinger closed the "Natural Therapy Clinic" in Boone and vanished. This apparently coincided with a visit by a representative of the Board of Medical Examiners. We hoped he would fold his tent and steal away, and for several weeks it did appear that he was gone.

Suddenly, he reappeared, operating out of a local chiropractor's office. It was apparently business as usual. It became apparent that he had a little help from a member of the medical profession—an older physician in another county was operating as his "medical consultant." This apparently included telephone prescriptions for thyroid and nystatin for patients the physician had never seen. (When questioned about this practice by an agent, the physician stated he "hadn't realized this was unethical.")

I wondered if he could be practicing chiropractic without a license, and wrote to the chairman of our State Board of Chiropractic Examiners. My letter was never answered.

Suddenly, he moved again, amid rumors of a rift with the chiropractor. He opened the "Blue Ridge Health Clinic" in Blowing Rock. An advertisement appeared in the yellow pages under "Naturopathic Physicians" advising patients that he was "Registered with the North Carolina Board of Naturopathic Physicians." Curious; I didn't know the State of North Carolina had a "Board of Naturopathic Physicians." Neither did the State of North Carolina. But I did find a telephone number for the "NCB of NP." It seems it is headquartered right here in town—at Dr. Caplinger's office.

And he acquired an associate. Dr. Laurence Perry, M.D., a specialist in pain control and "biomagnetic medicine" who treated illness by treating the root cause of disease, "a misaligned magnetic field." He was also an "M.D." I have a copy of his CV. He obtained his M.D. from the British West Indies Medical College in less than two years—apparently by correspondence. And he had a host of impressive diplomas and certificates—all from unaccredited diploma mills with fancy names and seals. The National Council Against Health Fraud was able to identify most of his certifying boards—one of which, the "John F. Kennedy College" in Gary, Indiana, was noted for having certified a cat and a hamster as qualified to practice nutritional medicine.

And in clear violation of North Carolina law they were drawing blood for analysis, doing electrocardiograms, and making medical diagnoses.

Almost by accident, we discovered how extensive their volume was. We asked our hospital laboratory technician to check with some of the outside labs to see if they were picking up specimens at the "Blue Ridge Health Clinic."

"I don't have to ask," she replied. "Several times in the past few months the courier has left reports here when he couldn't find anyone at their office. Lots of reports."

"What kinds of reports?"

Oh, the usual. Chem profiles. A few AIDS tests. Pap smears. I think there was a biopsy report once."

"Well, well, well, I thought. Clear and unequivocal evidence that they were indeed practicing medicine without a license. And also clear and unequivocal evidence that

Roche Biomedical Labs doesn't bother to verify the credentials of their clients. I forwarded the information to the NCBME in Raleigh and waited for action. That was almost two years ago. To the best of my knowledge, the practice is continuing even as I write.

Dr. Caplinger's associate left, but Caplinger continued his practice. Finally an investigator from the NCBME arrived and agreed with our assessment. He was clearly practicing medicine without a license—and his background indicated a license would be a long time coming.

But now came another problem. Since he wasn't a doctor, the Board of Medical Examiners had no authority to take any action against him. They could act against the physician calling in the prescriptions for him, but they were powerless against an unlicensed practitioner.

They referred the matter to the State Bureau of Investigation. More time passed. Nothing seemed to happen. A full year passed without discernible action.

Drugs

More than one person commented "He may not be a real doctor, but that stuff he gives his patients really seems to make them feel better." Maybe there was something to the roots and herbs business, after all. Or maybe not.

Another piece of information came in late summer. I learned that the out-of-county physician had been prescribing large quantities of injectable drugs for Dr. Caplinger. By large, I mean approximately 1,000 10cc vials of injectables like Buprenex and Nubain in less than a year. And there were other drugs as well—Dilantin and Valium. Far more than anyone could be expected to use and safely fly and airplane. Actually, far more than any patient I ever had could take and walk. But it was a quantity conceivably appropriate for a man dying of cancer—which is what the physician who prescribed the drugs apparently told the NCBME he felt Dr. Caplinger was.

I began to wonder if it was the vitamins and herbs that made the naturopathic patients feel better—or whether the magic of modern medicine was simply being repackaged. I wrote perhaps my sixth letter to the FAA strongly urging them to investigate the situation at a particular local drugstore. They finally began to take action, confronting Dr. Caplinger with the evidence of the prescription drugs.

I watched the paper, waiting for the FAA to bring charges. Again, nothing happened. Perhaps embarrassed at being hoodwinked, they allowed Dr. Caplinger to admit that he had perjured himself several times and to voluntarily surrender his pilot's license.

In spite of the FAA's vaunted program to make the skies safer and their avowed determination to prosecute applicants who falsify their applications, they took no action. And yet he admitted a criminal offense.

At least he was out of the air, but it still seems to me the FAA dropped the ball more than once—and missed a chance

to make an example of an admitted perjurer.

After almost a year the State Bureau of Investigation finally appeared and began to ask questions. One of their biggest concerns was the lack of witnesses willing to testify. The only witness I knew of who would have testified gladly was dead—his death possibly speeded up by the gentleman in question.

They produced a stack of lab reports from Roche Biomedical Labs, obtained under a court order. We saw reports clearly indicative of serious medical conditions—including AIDS—but no one we knew personally. To any eye, drawing blood, doing pap smears, taking electrocardiograms and diagnosing and treating human illness is the practice of medicine. And he was clearly doing just that.

And there was the question of where the needles were going. We had unequivocal evidence that his lab was drawing blood from AIDS patients, but where were the dirty needles going?

With a sinking feeling I realized they might be going into his garbage—putting our local sanitation force at risk—and then on to our local landfill.

My partner and I stressed to the agents that we were not so concerned about the vitamins and herbal therapies. Our concern was with his use of "M.D." and North Carolina Board registration quotation—both clearly deceptive. And the use of diagnostic tests such as blood chemistries, urinalysis, pap smears, and electrocardiograms is clearly limited by state law to physicians.

Being a man of great faith, I fully expected the authorities to swoop down and put an end to Dr. Caplinger's act. After all, I reasoned, if I sold a man a bottle of 100 tablets to drop in his gas tank with a promise that they would improve the number of miles per gallon his car delivered, the authorities would be on me like a crow on a June bug. Surely a man selling a bottle of worthless tablets with a promise that they would improve a man's health could expect even swifter action.

I was wrong again. The SBI and our Board of Medical Examiners had in their possession clear and unequivocal evidence that Dr. Caplinger was practicing medicine without a license for almost three years. There was strong evidence of either excessive use or diversion of analgesics. No action was taken for well over two years after this was called to the attention of the only authorities able to do anything about it.

The FAA had an admitted perjurer—a pilot who had admitted the falsification of multiple application forms and may have endangered hundreds of lives. Federal law allows prosecution for fraud, imprisonment for up to five years and a large fine. No action has been taken to date by the FAA.

Finally, something happened. In late November, 1988, the SBI arrested Dr. Caplinger on four counts of practicing medicine without a license. Four counts. He faces fines totalling all of \$400, after charging patients what probably amounts to several hundred thousand dollars. And the SBI raid didn't even slow him down—he announced the next day he would continue his activities.

I spoke to our district attorney. He assured me he understood the concerns of our medical society, and was ready to act. But he could not take any action until the SBI provided him with some evidence on which to bring a charge, and the punishment could not exceed that of a misdemeanor.

Seized in the SBI raid were an amazing collection of framed medical certificates. These included a Doctor of Medicine degree from the British West Indies School of Medicine—a correspondence institution—certificates from various diploma mills attesting to his extensive training in nutrition, and both a privilege license and certification from the “North Carolina Board of Naturopathic Examiners”—a state board the attorney general’s office assures me does not exist. I have an awful feeling these will be returned to him after the trial.

Perhaps I am a bit paranoid. But I wonder. How many real doctors have been censured for excessive use of diagnostic tests? How many surgeons have been called on the carpet when they have erred on the side of caution and implanted that equivocal pacemaker?

In North Carolina, the Board of Medical Examiners reviews any physician prescribing anorexants for more than three months. Yet, in North Carolina the most unequivocal practice of medicine without a license is allowed.

North Carolina law clearly limits chiropractors to manipulating the spine. The Board of Medical Examiners tells me that state law does not allow the drawing of blood, performance of diagnostic tests, and diagnosis of medical conditions by chiropractors. Who are they kidding? One chiropractor in Boone has a half page ad in the yellow pages advertising “Family Health Care” and “Laboratory Services.” A bill from a computerized ECG service was misdelivered to our office and opened by mistake. You guessed it—our local chiropractic clinic was doing ECGs.

We have chiropractors doing everything from rapid strep tests to glucose tolerance tests in their office. I saw a patient concerned because he had been diagnosed as having diabetes by a glucose tolerance test performed in a chiropractor’s office. When a repeat test and glycosylated hemoglobin level were normal he called to complain. Guess what? The adjustments, pancreatic supplements, and diet had “cured” this young man’s diabetes. The chiropractor told him he should be grateful.

Patients routinely bring in bottles of desiccated bovine adrenal, thyroid and ovarian tissue prescribed by a local chiropractor for thyroid, ovarian and adrenal disease. Sold as a food product, no state or federal legislation limits their sale.

I saw a young man after church a few weeks ago. “Doc, I was feeling awfully bad last month, and I thought I was going to have to come see you. But my chiropractor found out what was wrong.”

I was scared to guess. “Mono, maybe?”

“No, adrenal insufficiency. I had to take pills for a month.”

And it goes on. And on.

No licensed physician could stay out of an impaired

physician program if he were using hundreds of vials of injectable analgesics a month. The state health authorities make sure licensed physicians properly dispose of hazardous waste. Our office is inspected regularly by the state to make sure we are properly labeling and recording the samples we dispense. And under our very noses unlicensed, unqualified practitioners are allowed to continue their operation unimpeded. Why?

The Need for Strengthened Laws

I am afraid the answer is clear. Our authorities seem to have better things to do than protect the health of our citizens. If I had no license, I would need no malpractice insurance. I would have no PRO looking over my shoulder second guessing my every move. I could dispense everything from Vitamin B15 to adrenal extract at an enormous markup. And I would have nothing to worry about, because the people who should be doing something about this situation don’t seem to be interested in stopping this. Even though there seems to be more than a little suggestion that some of the prescription drugs prescribed for Dr. Caplinger might have been diverted to unsuspecting patients, the SBI has taken no action.

The Board of Medical Examiners says it is powerless to act against unlicensed practitioners. The board can only refer cases to the State Bureau of Investigation. And cases of this type are obviously not a high priority with the SBI.

Is there any other conclusion? Lacy Thornburgh, North Carolina Attorney General, had multiple reports documenting the unlicensed practice of medicine. He did nothing to stop the practice for over fourteen months. And the man in question was not even enjoined from continuing the clearly illegal practices when he was arrested.

He had the evidence of the pap smears and blood tests, the electrocardiograms and urine studies. The “natural remedies” prescribed for medical diagnoses. The NCBME provided their opinion that the state’s medical practice act was being violated. The district attorney was waiting for something to act upon. And waiting. Waiting for years. It took the SBI over a year to bring any charges at all.

The licensed physician who provided Dr. Caplinger with hundreds of vials of injectable analgesics and who admittedly treated patients on the diagnosis of an x-ray technician without ever seeing them is still practicing his brand of medicine. Why?

Must we wait for a death? What will it take to stop this? Other states don’t allow things like this to go on and on. Why does North Carolina? No one seems to have the authority to act rapidly, even when lives are threatened.

It is clear that major changes in our laws dealing with health fraud must be made. The NCBME must be empowered to deal at once with violations when they learn of them. The penalties for practicing without a license must be increased. And practitioners charging a fee for their services must be held to the same standards as licensed practitioners.

A "Natural Healer" treating diabetes or heart disease should be subject to the same standards as a licensed physician. Someone giving dietary advice for a fee should be held to the same standards as a physician or registered dietician.

Roche Biomedical and other firms providing services that are clearly part of the practice of medicine should be required to verify the license status of their customers. Outside of some public health screening services where no diagnosis is made or advice given, laboratory services should be provided only on the order of a licensed professional.

And those who would use degrees from unaccredited diploma mills to enhance their prestige or credibility should be held to the standards they profess to have earned. Under current North Carolina law, a malpractice suit against a quack is impossible—there is simply no standard of care for quackery.

Is it my imagination? Is it just North Carolina? Or does no one really care? I wonder if we will let practices like this continue. Or will we pay attention and strengthen our laws before someone really pays the price? □

Comment

Eben Alexander, Jr., M.D.

This is a calm, measured, but shrill outcry of a justifiably outraged physician who has tried to find an answer to the problem he expressed through every legal means available to him.

Originally, having known that the "outside physician" who is allegedly supplying drugs to the unlicensed physician mentioned by Dr. Davant had been scheduled to meet with the Board of Examiners, I felt that this need not be published.

However, Dr. Davant has seen this go on now for several years and, at best, the North Carolina Board of Medical Examiners has available to it only the authority through the state statutes (90-14) to revoke, suspend, deny, or annul a medical license.

Obviously, the individuals who are alleged to have done the things that Dr. Davant describes could be found guilty of breaking the law and prosecuted by the state Board of Investigation. This is what Dr. Davant has been anticipating, but it has not occurred.

The North Carolina Board of Medical Examiners is conscious of the need to give everyone who is accused of wrongdoing DUE PROCESS and a formal hearing, if it is requested, with counsel present.

This excellent letter by Dr. Davant clearly points out the "cracks in the floor" through which some individuals, who may be committing criminal acts, fall and fail to be prosecuted by the law. □

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