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SOUTHERN DISTRICT *of* CALIFORNIA

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Department of Justice

U.S. Attorney's Office

Southern District of California

FOR IMMEDIATE RELEASE

Thursday, April 16, 2020

**Carmel Valley Physician Charged with Fraud for Selling
Purported COVID-19 “Miracle Cure”****NEWS RELEASE SUMMARY – April 16, 2020**

SAN DIEGO – Dr. Jennings Ryan Staley, a licensed physician and the operator of Skinny Beach Med Spa in San Diego, was charged today with mail fraud in connection with the sale of what he described as a “100%” cure for COVID-19 that he said would render customers immune to the virus for at least six weeks. Staley is scheduled to be arraigned in federal court tomorrow at 2 p.m. before U.S. Magistrate Judge Jill L. Burkhardt.

FBI Agents began investigating this COVID-19 related fraud immediately upon receiving a tip from the public and shortly thereafter introduced an undercover agent. Today, FBI Agents also executed a search warrant at the business of Skinny Beach Med Spa located in Carmel Valley. As alleged in the criminal complaint, Skinny Beach Med Spa, based in Carmel Valley, offered a range of beauty-related services such as botox, hair removal, and fat transfer. In late March, Skinny Beach began sending emails advertising “COVID-19 treatment packs,” described as a “concierge medicine experience” priced at \$3,995 for a family of four, that included among other things access to Dr. Staley, the medications hydroxychloroquine and azithromycin, and “anti-anxiety treatments to help you avoid panic if needed and help you sleep.” In a recorded call in which Dr. Staley was selling his services to a would-be customer – in fact, the undercover FBI agent – Dr. Staley described the medication he was offering as “an amazing cure” and a “miracle cure” that would cure COVID-19 “100%.” He added that if you take the medication without having the disease, “you’re immune for at least 6 weeks.” Staley referred to medication he offered as a “magic bullet,” and said, “It’s preventative and curative. It’s hard to believe, it’s almost too good to be true. But it’s a remarkable clinical phenomenon.” Staley also stated, “I’ve never seen anything like this in

medicine, just so you know. Really, I can't think of anything. That, you've got a disease that literally disappears in hours."

Dr. Staley was interviewed a week later by the FBI as part of the overt investigation. When Dr. Staley was asked by agents whether Skinny Beach has told patients that the treatments are a 100% effective cure for COVID-19, Dr. Staley said, "No, that would be foolish. We would never say anything like that." He also told the FBI that it was "not definitive" that the medication he offered cures COVID-19.

As set out in the complaint, Dr. Staley also offered the would-be customer Xanax (alprazolam) – a Schedule IV controlled substance – as part of his concierge package, and shipped the drug without conducting any sort of medical examination. He claimed that his broker was smuggling hydroxychloroquine from China to make his own pills, and had concealed the shipment from customs authorities by describing it as sweet potato extract. Shipping records confirmed that Dr. Staley was indeed importing a shipment of "yam extract," scheduled to arrive in the U.S. in a matter of days.

"We will not tolerate COVID-19 fraudsters who try to profit and take advantage of the pandemic fear to cheat, steal and harm others," said U.S. Attorney Brewer. "Rest assured: those who engage in this despicable conduct will find themselves in the crosshairs of federal prosecutors."

"The sale of false cures, especially by a medical professional, will be vigorously investigated by the FBI," said Omer Meisel, the Acting Special Agent in Charge of the FBI's San Diego Field Office. "The FBI is using a variety of tools to identify anyone who exploits the current crisis with fraudulent scams or a variety of cyber schemes – and is proactively warning the public about products claiming to save lives, before losing their money or creating false hope. Scammers seeking to profit by exploiting fear and uncertainty during this COVID-19 pandemic will be brought to justice."

"The FDA will continue to collaborate with our fellow law enforcement partners to bring to justice those who place profits above the public health during the Covid-19 pandemic," said Special Agent in Charge Lisa L. Malinowski, FDA Office of Criminal Investigations Los Angeles Field Office. "Today's announcement should serve as a reminder that we will take appropriate action against bad actors who take advantage of a crisis while jeopardizing the health of Americans."

The FBI continues to warn the public about health care fraud schemes: <https://www.fbi.gov/news/pressrel/press-releases/fbi-warns-of-emerging-health-care-fraud-schemes-related-to-covid-19-pandemic> and other COVID-19 related crimes at: <https://www.fbi.gov/coronavirus>.

If you think you are a victim of COVID-19 fraud, immediately report it the FBI (visit ic3.gov, tips.fbi.gov, or call 1-800-CALL-FBI or the San Diego FBI at 858-320-1800.

In addition, the public is urged to report suspected fraud schemes related to COVID-19 by calling the National Center for Disaster Fraud (NCDF) hotline (1-866-720-5721) or by e-mailing the NCDF at disaster@leo.gov.

DEFENDANTS

Case Number 20-mj-1407

Jennings Ryan Staley

Age: 44

San Diego, CA

SUMMARY OF CHARGES

Title 18, United States Code, section 1341 (mail fraud)

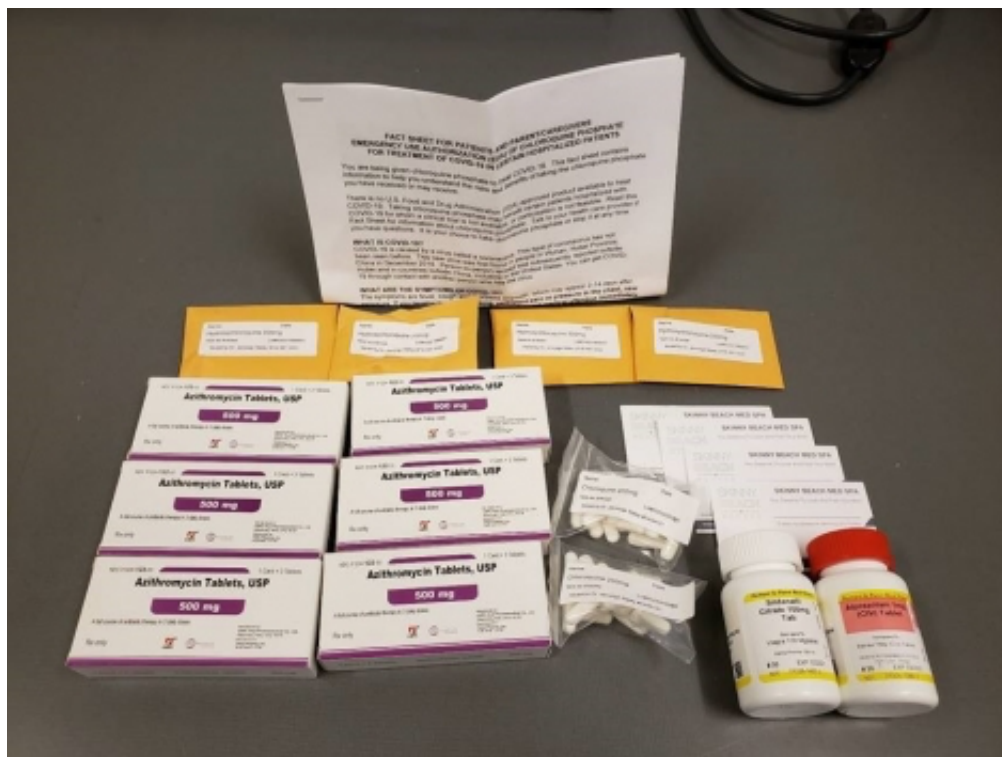
Maximum penalty: 20 years in prison; fine; penalty assessment

AGENCY

Federal Bureau of Investigation

U.S. Food and Drug Administration

*The charges and allegations contained in an indictment or complaint are merely accusations, and the defendants are considered innocent unless and until proven guilty.



COVID-19 Concierge Medicine Pack (Criminal Complaint, Case No. 20-mj-1407, p. 9)

Topic(s):

Health Care Fraud

Component(s):

USAO - California, Southern

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Press Release Number:

CAS20-0416-Staley