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Friday, August 27  
All Times ET/PT

## Herbal Remedy Maker Pleads Guilty to Fraud

Jun 30, 2004 9:34 am US/Central

By Ginger Allen

Reporter

CBS-11 News

A year-long CBS 11 investigation leads to a warning to anyone considering buying herbal remedies from the internet.

The F-D-A has shut down the maker of a so-called internet cure that ended up in a North Texas operating room.

Months ago, CBS-11 News learned that a felon, Gregory Caton, owned and operated the Alpha Omega Labs website. We'd also learned that a North Texas doctor ordered a product from the site which led to big problems in the operating room.

Today, the site is down...and Caton is about to be sentenced.

Caton pleaded guilty to introducing unapproved drugs into interstate commerce and defrauding numerous victims.

CBS 11 obtained pictures of one of those victims, Sue Gilliatt of Indiana. The pictures show much of her nose eaten away, cartilage and bone protruding. Gilliatt claims it happened after she noticed a mysterious growth on her nose and ordered two products from the internet to treat it.

One of the products was Cansema salve from Alpha Omega Labs. The other was an herbal remedy from another website. Today she's undergone, six reconstructive surgeries. "I had to have a bone removed from my sternum and cartilage from my ribs and also the tissue for my nose is from my forehead," she said.

Another victim, Sharon Lee from Mexia, Texas, said it was her doctor who ordered another product from the website, H-3-O, which the site touted as a major discovery. Lee said H-3-O fused some of internal organs together. "I was so sick I thought I was dying," she said. Lee also underwent several surgeries to repair the damage she claims the product

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caused.

Dr. Charles Smith, Lee's doctor, later testified that he used the product to help patients heal faster, although he was unaware of its ingredients.

Asked what he believed H3O was, he responded, "I don't know."

CBS-11 ordered a bottle of H3O and tested it on an egg. It hardboiled the egg in 24 hours. A forensic lab that CBS-11 hired to test the substance said it was 9.7 percent sulfuric acid.

"It's eight ounces of battery acid," said Lee's attorney, Pete Malouf.

Both Lee and Gilliatt have filed lawsuits.

Using information from both cases and discoveries by CBS-11, the federal government raided Alpha Omega labs nine months ago in Lake Charles, Louisiana. Agents seized barrels of the solution and arrested the owner, Caton, for having firearms, thousands of rounds of live ammunition, and body armour...all violations for a convicted felon.

Caton had plead guilty to counterfeiting in 1990.

Now, Caton has pleaded guilty once again. This time for advertising and selling non-approved products as medicines that two women claim changed their lives.

"I do believe people should have the opportunity to have alternative treatments available," Gilliatt said. "But that they need to be safe as well as effective."

Caton's attorney says "Greg got a bad wrap. It doesn't appear Caton's materials are the cause of the medical claims the women are making. He (Caton) has a huge number of testimonials from people that have used these materials and think they're great. These are the only two people that have ever complained. both of them have very complicating factors involving other factors not limited to a Greg Caton product.

Caton must forfeit nearly one-million dollars and the buildings where he ran Alpha Omega Labs. He'll be sentenced in August.

Sue Gilliatt's lawsuit is still pending. Sharon Lee's attorney could not comment on the status of her case.

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