

R. J. Rudd: This Year at Murrieta

January 1, 1978

No one is more vulnerable to a con than a person afflicted with an incurable or terminal disease. Snake oil salesmen have been around forever, preying on the desperate hopes of the sick and the infirm. On New Year's Day 1978, Mike Wallace reported on a particularly grievous representative of the species, an individual named R.J. Rudd who was running a cancer clinic at a spa in Murrieta Hot Springs, California.

After receiving a number of letters about Murrieta and conferring with California medical authorities and the local sheriff, who had looked over the place himself, *60 Minutes* decided there was enough material to support an investigation. R. J. Rudd was treated to a classic journalistic sting operation, itself a con of sorts.

The scam began when a wealthy, semiretired investment counselor who called himself "The Colonel" enrolled in the Murrieta cure program. He wanted treatment because he'd just learned he had leukemia. The Colonel arrived with an entourage: his concerned nephew, who was a traveling photographer by trade, and his longtime secretary.

In fact, "The Colonel" was *60 Minutes* soundman James Camery. His "nephew" was cameraman Greg Cook, and producer Marion Goldin played the role of his "secretary." The three began looking into what was going on at Murrieta, secretly filming and recording as they went. To add to the aura of affluence they wanted to establish, the threesome arrived in the international symbol of wealth, a Rolls-Royce.

Camery paid \$560 up front for a week's stay at the spa and was told he should plan on being there a minimum of two weeks. The Colonel was then seen by the Murrieta doctor, Horace Gibson. It was the only time Camery met with Dr. Gibson. In the diagnostic part of the examination, Gibson looked into Camery's eyes and told him he didn't in fact have leukemia. But Gibson did not send Camery home. Gibson diagnosed what he described as a "leaky lung" as the source of his difficulties.

Over the next few days, Camery the patient was not supervised closely. What attention he got came from the spa's "counselors" or "testers," who administered Murrieta's singular treatment. Like everyone at the spa, Camery was placed on a three-day fast during which he was given only distilled water and lemon juice. After the fast, he moved to a light vegetable diet augmented with vitamins and mineral supplements. Camery's progress was monitored by a series of saliva and urine tests administered by the counselors. None of the counselors was a medical doctor. Some were chiropractors. One said he used to sell flooring; another had been an embalmer's assistant.

Camery's urine was collected twice a day, taken away, and tested. The test produced complicated sets of numbers. Patients were told that these numbers were fed into a computer. The results supposedly showed how patients were doing, presumably documenting their improving health.

But while Camery was apparently subsisting on the prescribed regimen of distilled water and lemon juice, he was actually eating quite well. More substantial breakfasts and lunches were brought to his room by his colleagues. There was so little supervision that the Colonel's nephew and secretary had no difficulty in taking their charge out to dinner each night. Camery was filmed enjoying a decidedly unhealthy-looking meal, complete with a glass of red wine.

The fact that Camery was not fasting should have compromised the results produced by the - - - - of his urine. To further test the validity of the process – or to undermine it – cameraman Greg Cook's urine was substituted for Camery's on two occasions, and once Marion Goldin provided the sample. Despite these deceptions, Camery's counselor said that his urine number showed he was making remarkable progress. The results had been especially good, Camery was told, while he had been fasting.

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At the time the Colonel was being treated, there were about twenty inpatients at Murrieta, most of whom were older women. Some of them spoke about the highly unconventional medical treatments they had been advised to undertake. One elderly woman from Mexico City had painful arthritis and had been told to stop her medication during her fast. Two young women with diabetes left the program early, after it was suggested that they gradually eliminate their insulin.

What was especially striking about the place was that there was more talk around Murrieta's well-groomed grounds about making money than about curing people. The Colonel's Rolls-Royce had the desired effect right away. As soon as Dr. Horace Gibson saw it, he told Camery to talk to Dr. Rudd about investment opportunities at the spa, saying, "We can always use a few million."

The Colonel quickly arranged a meeting with Dr. Rudd and an associate. Dr. Rudd, sitting casually outdoors and unaware that he was being recorded, told Camery that some money would be a big help, especially as he was presently waiting for a loan to go through. He tantalized his guests not with the span's medical mission but with the remarkable tax shelters it could afford. "It's just unreal what you can do in the field of taxes if you know how to use one of those foundations," Rudd said.

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The Colonel and his cohorts had been at the spa for nine days when Mike Wallace decided it was time he went to see Dr. Rudd himself, as an out-in-the-open *60 Minutes* reporter. Rudd had no idea that Golding, Cook, and Camery had any association with Wallace who arrived with a separate camera crew.

There was any underlying atmosphere of commerce that seemed to pervade Murrieta, This atmosphere prompted Mike Wallace to begin by asking Rudd whether he was in the health care business or the real estate business. Standing on a nicely maintained putting green, Rudd responded that he had to be in the real estate business to stay in the health care business. Not everything in this apothecary's garden was rosy. Rudd did concede that he had some cash-flow problems and that the interference of the local sheriff had slowed him down somewhat.

Rudd was a somewhat short, unremarkable-looking man with combed-back graying hair. He served as the promoter of the Murrieta Health Clinic, but he was also a self-described Baptist minister who preached each Sunday at the Murrieta Chapel. Mike Wallace wanted to know about his seemingly impressive credentials. Rudd admitted he was not a medical doctor. But he did have two Ph.D.'s. Wallace asked him what they were in, eliciting a somewhat confused response:

R. J. Rudd: "In economics and one in philosophy. And I also am a – a – a full-time licensed ordained minister of the Gospel. My two Ph. D.'s, one came from the Tennessee University, and from a – "

Mike Wallace: "University of Tennessee?"

Rudd: "No, the Christian Tennessee University. And I got one from Florida – Te – Tennessee – Let's see. Trinity Christian College in Florida."

Wallace noticed that Rudd had his diplomas on display on the wall in his office. The two men, trailed by the camera crew, went over to look. Rudd said that he believed Trinity Christian College was presently in Fort Lauderdale, Florida, but Wallace noticed that Rudd's Trinity Christian diploma had been signed and sealed in Brownsville, Texas, in 1973. Tennessee Christian was near Chattanooga, Rudd said, although he didn't sound too sure.

Authorities in Tennessee, Florida, and Texas later said that what Rudd had on his wall were mail-order degrees from non-existent universities. Church officials also denied many times that Rudd had ever been ordained a Baptist minister.

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The Murrieta testing lab had an aura of medical professionalism about it, with rows of measuring tubes arranged in lines being worked by a technician. There, Mike Wallace asked Dr. Horace Gibson about his medical methods. Gibson admitted he didn't test every patient's blood or give everyone an X-ray. He could get a blood test done if he needed to, but it was not routine. When Gibson was asked what he did when he examined someone, Gibson said he used his "forty years of experience, Mike, just like you use yours in your work."

Wallace was also curious about some of the health products being promoted hard at the spa. They were products such as "Mivita," "Fo-Ti-Tieng," and "Formula-X." Wallace asked Gibson what Mivita was for.

Horace Gibson: "Well, it's good for wounds – wounds externally."

Mike Wallace: "Well, wait a minute. I've taken a look at that bottle of Mivita, and it says drink it."

Gibson: "You can drink it."

Wallace: "You can drink it. You can use it for a douche. You can use it for an enema. It's good for hemorrhoids. All these things?"

An independent toxicologist and chemist who analyzed the Murrieta products without knowing what they were being peddled as said that Mivita, which sold for \$6 a quart, was “a very small amount of material and a lot of water.” Fo-Ti-Tieng was a kind of tea that cost \$13.50 for fifty capsules, and Formula-X was, essentially, rubbing alcohol. At the time, rubbing alcohol cost nineteen cents a quart in a drugstore, while Formula-X was being sold at \$12 for three ounces.

Mike Wallace wanted to know if Dr. Gibson was ashamed to be part of an operation that sold rubbing alcohol at such an enormous markup. By this point, Dr. Gibson was looking more and more uncomfortable. He said he thought they should eliminate it. Dr. Rudd, who was sitting next to Gibson as he was trying to deal with Wallace’s questions, said he hadn’t known they were - - - .

R. J. Rudd had big expansion plans for his spa operation. He told Mike Wallace that he wanted to build 350 Murrieta-like facilities across the country. Also, his treatment was being promoted by a national network of at least eight hundred “testers.” Many of these individuals had paid Rudd \$1,500 for one week’s tuition at Murrieta. They sent him a commission on urine and saliva tests they performed when they got home and also referred their clients to Rudd for further treatment. Murrieta was being franchised.

Many of the therapies were extraordinarily expensive. Rudd admitted that a urine test could cost more than \$2,000. He also confirmed that he projected a long-range business plan that had four thousand testers doing as many as forty thousand procedures a day for a gross of \$400,000. Mike Wallace knew those figures because they were ones that had been used on the Colonel by Rudd as part of his sales pitch. When he was asked about the much-vaunted computer that analyzed all the urine and saliva tests, Rudd said that it was set up somewhere in California, in the Los Angeles area, but he was vague as to exactly where. Apparently it wasn’t available for inspection at that precise moment.

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Finally, the Colonel, his nephew, and his secretary revealed themselves to be *60 Minutes* staff. This scene, enacted outdoors in a very civilized manner, attracted a small crowd of onlookers. Wallace asked Dr. Gibson about his initial, brief, and particularly emphatic evaluation of the Colonel. Gibson admitted that no, it wasn’t possible to tell if someone had leukemia simply by looking into his eyes. But Dr. Gibson had told - - - he didn’t have leukemia without looking at his medical records or performing more sophisticated tests, either. Gibson said that as far as he knew Camery didn’t have leukemia. He didn’t seem to be able to remember precisely what he’d said to the Colonel when he’d examined him.

Mike Wallace next produced Camery’s “urine-saliva” analyses and told Gibson that he had unwittingly tested Greg Cook’s and Marion Golding’s urine when he’d thought he was working with the Colonel’s alone. “These don’t mean anything as they are, they’re just a bunch of mixed-up specimens,” said Gibson, looking at the numbers. No one had thought to tell the Colonel at the time. And claiming that numbers varied greatly during a fast, as Gibson tried to do, was no help because Camery had never actually been fasting. Dr. Rudd gamely stood up for his testing methods. It was still his opinion, he said, that the tests could evaluate changes in an individual’s body chemistry.

Moving on to some of the other unusual treatments offered at Murrieta, Wallace mentioned a woman he'd spoken with who had been enrolled for two to three months and been given twenty-four colonic irrigations over that period. When asked if he thought that was medically a good idea, Gibson admitted that it "may be a little excessive." There was also the case of another elderly woman who had been placed on an eight-day fast. In the light of everything he'd observed, Wallace asked Rudd a couple of direct questions.

Mike Wallace: "The question is, are you preying on human frailty? Preying on the elderly? On the abandoned? Taking - - - from - - - - who can't afford to - - - that money in order to build yourself some kind of small empire?"

R. J. Rudd: "I don't believe that's true."

Wallace: "Many who disagree with you would say there's a kind of con-game operation going on at Murrieta Springs right now. They're not delivering what people are paying for."

Rudd: "Well, I still feel this is not a con game. I feel it's a sincere effort by a lot of good people who are giving some of the best years of their life here to - to build a retreat program where people can come and get nutritional assistance."

In the crowd, watching Rudd defend himself, was local doctor Michael Perlin. He was appalled by what he heard. In telling people to stop taking their insulin, the staff at Murrieta was, in effect, practicing medicine without a license. Urine analysis, on which the whole treatment was - - - was - - - . "- - - don't know how you can make a diagnosis on numbers that don't mean anything," Dr. Perlin said.

Rudd did have his passionate defenders. Such as his young secretary, Halina Allain, who said that detractors shouldn't just look at the "little things." You could kill any hospital or doctor, she contended, by concentrating on the little things.

Halina Allain's own sister-in-law Stella offered a different perspective. In a letter, she accused Rudd of bilking her out of her life savings of \$5,000. Rudd needed the money, he had said, for his computer. In exchange, he had given Stella a handwritten receipt and promised to give the money back in a month with interest. More than six months later, she had seen nothing.

Another woman, Helene Senay, had lent Rudd \$200,000 and was wondering what had become of it. She didn't know if it had disappeared into a hole or if someone was building a nest egg out of it. Mike Wallace asked Helene Senay if she was talking to the FBI about all this. Senay said it was talking to her. The FBI had come calling at eight o'clock one morning. As she said, "You usually open the door when they knock."

It had become clear that Murrieta was only one of a number of costly enterprises R. J. Russ had a hand in. Mike Wallace asked Rudd about a newspaper report of a securities charge in Florida that had led to his arrest. The report alleged that an elderly leukemia victim had lost \$25,000 in a land investment scheme. Rudd told Wallace that there had been an investigation into that but that the findings had been

news to him. He said there'd never been a trial on it and his own attorneys were checking on the investigation.

Golden Zimmerly, the elderly woman in question, had no doubts about Rudd. "I think he's a con man," she said. Zimmerly, who also suffered with crippling arthritis, had been introduced to Rudd in Cocoa, Florida, in 1973. She had given Rudd \$25,000 with only a handwritten contract as security. A number of R. J. Rudd's victims might well have seconded her closing comments:

Golden Zimmerly: "I never thought a Baptist minister, or any kind of minister, would cheat you out of your money. I didn't know they were that crooked, but I found out that they are. That is, if he *is* a minister."

Executive producer Don Hewitt remembered Rudd on a special edition of the program dedicated to the con men the program had encountered over the years. On occasion, Hewitt said, he had felt sorry for some of the scam artists it had exposed. But not R. J. Rudd. "This was such a patently phony and dangerous racket that I had no second thoughts about doing that story," he recalled. Mike Wallace agreed: "This was a bold, bold, mean-spirited scam," he said.

The Road More Traveled

Over the years, *60 Minutes* correspondents have been offered opportunities to invest in all sorts of scams. Steve Kroft went undercover to talk to Bill Whitlow, who had a thriving business rolling back odometers on used cars and forging their titles, all to increase resale value. Kroft posed as a potential investor who might want to put \$100,000 into the operation.

Whitlow was very forthcoming, saying that in an average month he might make \$50,000 tax free. Whitlow said he hadn't filed taxes for thirteen or fifteen years. When Kroft told Bill Whitlow he had the whole thing on tape, he had a good news-bad news scenario for him. "The good news is we're not cops," Kroft said. "The bad news is we're *60 Minutes*."

As a result of the program, Whitlow got seven years in a federal penitentiary. Steve Kroft said he felt a little sorry for Bill Whitlow because people can get just six months in a more comfortable "Club Fed" for much more serious offenses. For his part, Whitlow blamed the reporter for his predicament. "You can scrape the bottom of hell with a fine-tooth comb," he said, and never come up with a man like Steve Kroft."

False Diagnosis

Over the years, *60 Minutes* has reported on other kinds of fake degrees. In 1985, Diane Sawyer reported on the practice of selling phony medical school diplomas. She met an agent for the U.S. Postal Service who had bought a medical degree over the phone. It was easy, if pricey. All the agent had had to do

was pay \$16,500 and fly to the Dominican Republic to pick up her diploma at graduation time form the school, CETECH. That investigation led to the arrest of the degree peddler, thirty of his clients, and other instant doctors who had been practicing medicine in states from New York to Texas.

Diane Sawyer met one man who had managed to work for ten years in various civilian and military hospitals, including Bethesda Naval Hospital, without any legitimate license whatsoever. He had attended at hundreds of operations over the years as an anesthesiologist. How widespread was this phenomenon? Dr. Pascal Imperato, who had run the Health and Hospitals Corporation in New York City, told Sawyer about “offshore medical schools” like CETECH. He reckoned, in 1985, that there were “several thousand” physicians with fraudulent diplomas practicing in the United States.

<http://www.cbsnews.com/stories/2003/05/16/60minutes/main554286.shtml>

Crooks and Con Men

By Rebecca Leung

Wallace has never met a diploma he didn't like. And sometimes, it's on the wall of a bogus health clinic.

Take, for instance, R. J. Rudd, who says he has a Ph.D. in economics and philosophy from Tennessee University and Christian Tennessee University. "Then I got one from Florida - Tennessee - let's see. Trinity Christian College in Florida," adds Rudd, which he says is located in Fort Lauderdale.

Rudd told Wallace that Trinity Christian College was located in Fort Lauderdale, Florida. But Wallace noticed that the diploma was signed and sealed in Brownsville, Texas, back in 1973.

"OK," admits Rudd. "That was a branch of that operation, you see."

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