The New Offshore Baby Boom

The rush for designer babies brings a new line of business to the offshore banking centers.

Aretha and William Johnson are on their way home from the Cayman Islands. But this wasn’t a vacation, and Aretha and William weren’t interested in the sun, sea and sand. Instead, they spent the past few days on their second visit to the largest, most state-of-the-art in-vitro fertilization ("IVF") clinic in the world, run by the industry heavyweight, Advanced Germline Engineering ("AGE") Inc.

The Johnsons are a typical young, middle-class couple living in Atlanta. They are well-educated; both have good jobs, and are part of the country’s largest urban African-American middle-class community. They want to make sure that their children have every advantage they can give them, and they are coming back from a trip which is rapidly becoming a normal part of the American way of life.

This IVF clinic isn’t focused on helping infertile couples. Instead, it’s one of the leading centers in the world for enabling couples to create their own “designer babies”, or “d-babies” as they’re affectionately referred to by clinic employees.

The Johnsons are not alone in thinking that taking two trips to an offshore paradise is worthwhile for their future offspring. Recent estimates suggest as many as 10% of Americans born this year will be the result of this offshore baby boom. America is on its way to becoming a country of “designer babies”.

This is a development that means big business for the leading companies in the industry, who claim they’re helping create a healthier and happier nation.
How Designer Babies Went Offshore

But why do the Johnsons have to fly to the Cayman Islands to do their part to create a healthier and happier America? Back in the 2050’s, the so-called “designer baby” industry was burgeoning in the United States. But then it got hit by a double whammy of setbacks. First, a militant evangelical Christian group, the “Jesus Germline”, believing that any changes to the human germline would be a sacrilege since man was created in God’s image, began a militant campaign against domestic “designer clinics”, blowing up three of them and killing two embryologists. But, painful as this was, it wasn’t enough to stop the industry in its tracks. The knockout blow came when a disgruntled couple sued their IVF clinic, claiming their child was not growing up to resemble the child they had been led to expect. The judge, himself a fundamentalist Christian, imposed massive punitive damages on the clinic, which bankrupted it. From that point on, all liability insurance companies withdrew from the market, and it became impossible for a doctor to perform human germline engineering in the United States without taking on unacceptable financial risk.

That was when the offshore industry took notice. For nearly a century, the offshore banking centers of the world – the Cayman Islands, Bermuda, the British Virgin Islands, and about fifteen others – had built their economies on legally friendly domiciles for financial services. For several decades, however, the attractiveness of these offshore banking centers had begun to decline, as global anti-terrorist politics put pressure on these small countries to open up to international law enforcement.

All of a sudden, the offshore industry saw a new opportunity, and began to pass laws that made it impossible for a client to sue practitioners of “designer IVF” for anything other than gross negligence. Before too long, AGE Inc. and its competitors were setting up shop in these offshore islands, building the most advanced clinics in the world, and providing housing, education and other services for the coterie of professionals they needed to relocate there. New airports were built, permitting the airlines to schedule non-stop flights from California, Texas, Chicago and the East Coast to the offshore centers.
All this investment in the late 2050’s has paid off in the 2060’s. A basic designer baby can cost a couple as little as $100,000, no more than two months’ salary of an average American dual-income family. But with the add-ons that are offered, a top-of-the-line designer baby can come in at over $1 million, still very affordable for an upper-income middle-class family, but highly lucrative to the industry. AGE’s Cayman Island clinic – the biggest of the breed - can process as many as thirty couples a day with average fees of $300,000, leading to $3 billion in annual revenues from this clinic alone.

So how does it all work? The process has become remarkably straightforward and user-friendly. There are two steps: Step 1 is called “Genetic Screening” and Step 2 is called “Genetic Donor Enhancement” or GDE.

**Designing the Johnson’s Baby:**

**Step 1 – Finding the Best Little Baby Johnson**

When Aretha and William Johnson arrived at the AGE clinic, the first thing they had to do was contribute some sperm and eggs. William had the easier job, but retrieving the eggs from Aretha was no more than a 30-minute painless procedure. The clinic then fertilizes the eggs with William’s sperm to create what are called “zygotes”, simply fertilized eggs. Each zygote starts dividing, forming a cluster of embryonic stem cells called “blastocysts”. This is where the technology magic kicks in. The embryonic stem cells are harvested and cultured, creating thousands of colonies of new blastocysts.

Meanwhile, Aretha and William have some work to do while their zygotes are busily dividing. On day 2 of their visit, a consultant meets with them to discuss their hopes and desires for their baby. The discussion is divided into four distinct categories: Health, Physical Features, Intelligence and Personality. Each category contains dozens of characteristics. For example, under Physical Features, there are questions about height, skin color, eye color, shape of nose, hair color, weight, etc.
Once this consultation is completed, the data is entered into the clinic’s proprietary software, and the consultant gives the couple their first Offspring Characteristic Probability Report, known in the trade as the OCPR. This is a description, in everyday language, of the child most likely to emerge from the criteria the couple chose. Frequently, it’s an interactive process. The consultant gets feedback from the couple and a revised OCPR is created.

That’s when the fun begins for Aretha and William. The revised OCPR is now re-entered in the computer and a virtual representation of their child-to-be is created. At this point, Aretha and William take part in a Virtual Offspring Interactivity experience. This is like a virtual reality computer software game, with an avatar. But the avatar is the theoretical child created by the Johnsons’ criteria. The Johnsons can now see their desired child at different ages, from infancy to adolescence, all the way to adulthood. They can even talk to their “avatar child” and see how he or she would respond.

Once Aretha and William are fully satisfied, they sign a contract, requesting the clinic to design their child as closely as possible to their desired characteristics.

And that’s when the waiting begins. The Johnsons’ first trip to the AGE clinic happened nearly three months ago. Since then, the blastocysts have been busily dividing, creating many thousands of potential “baby Johnsons”. The blastocysts are automatically screened and compared to the Johnson’s OCPR until one blastocyst emerges that sufficiently meets the criteria. This can take as little as a few days, or as much as a few months, depending on the couple’s preferences.

In the Johnsons’ case, it took about two months. When they were notified that their Base Blastocyst had emerged, they were very excited. They both scheduled time off from work and within a couple of weeks they were back at the Cayman clinic for the second step of their designer baby process.
Designing the Johnsons’ Baby:

Step 2: Adding Those Little Extras

So last week, the Johnsons were at the clinic for the second visit. The consultant met them and presented them with a new computer simulation of their baby. This part of the process was somewhat disappointing to the Johnson’s. The avatar in the new computer simulation didn’t appear exactly as they had expected.

This is the moment where the consultant begins to morph from psychologist to salesperson. Now, the consultant showed the Johnsons on the computer what their child could become, depending on what packages of Genetic Donor Enhancement, or GDE, they elected to buy.

It’s the GDE process that creates a touch of magic into the process of designer babies. GDE is a step where patented “genetic panels” are inserted into the blastocyst which will become Baby Johnson, and will have a dominant effect on chosen features of the Johnson’s child.

The technology for doing this was first developed over fifty years ago, and has since been perfected through practice on animals. At this point, in fact, the global agri-business is wholly dependent on GDE for enhanced productivity of farm animals: cows are given “genetic patterns” for enhanced milk productivity; sheep are optimized for wool productivity; chickens for egg productivity, etc.

The first human GDE was made public over twenty years ago, and stirred a ton of controversy and an even greater amount of revenues for the companies that pioneered it.

The consultant guided the Johnsons carefully through this momentous decision process. He started by showing them the effect that certain basic, inexpensive GDEs would have on their future child, whom they had already decided would be a son called Gary. If they left Gary’s Base Blastocyst without any further enhancement, the whole process would have ended up costing them $100,000. But Gary would only be about 5 foot 7 inches tall. William is six foot tall, and wanted his son to be about an inch taller than him. An extra six inches of height would cost the Johnsons a mere $18,000.
These were the one-off items that the consultant initially took the Johnsons over. Then he moved on to the more expensive, branded packages. For $40,000, the Johnsons could get the “Steve Harbright” genetic panel. For those of you who are not football fans, Steve is one of the Top Ten stars of the National League this season. This branded panel would insert certain of Steve’s physical features – his height, bulk, strength and endurance – into the Base Blastocyst, so that Gary Johnson would grow up with features combining the Johnsons’ own genes with these particular genetic patterns of Steve Harbright.

Gradually, the consultant moved up the pricing ladder, to the more expensive panels, ending with the “Hal Burton” panel. Hal, as everyone knows, is the world’s Number One football player and owns the second most popular patented genetic panel to date. This panel alone would cost the Johnson’s $300,000, which would have blown the Johnsons’ budget, leaving very little to spend on Gary’s other features, including his health, his intelligence and his personality.

These were the kind of trade-offs that the Johnsons spent days agonizing over. Eventually, they chose the Steve Harbright panel, along with five other panels, at a total additional cost of $250,000 over the initial $100,000 for the Base Blastocyst.

Finally, one last step. Before they left, Aretha underwent another procedure. Once again, she had an egg retrieved from her ovaries. The clinic then removed the nucleus of this egg containing its original DNA, and inserted the new GDE-enhanced Base Blastocyst for which the Johnsons had paid their $350,000. They then re-inserted the newly enhanced egg into Aretha’s uterus. With all this completed, Aretha and William Johnson flew back to Atlanta as excited, expectant parents.

Two More Satisfied Customers

“I couldn’t be more pleased with how everything went”, Aretha told us with a sparkle in her eyes.

William nodded emphatically. “This is the best investment we’re ever going to make”, he added.
In fact, William’s not the only one looking at his designer baby as an investment. Several mortgage companies are now actively marketing “d-baby loans” – home equity loans to finance the cost of the designer baby, payable back over 21 years.

These loans are just one part of a widespread, aggressive marketing strategy that has succeeded in helping AGE Inc. corner 40% of the offshore designer baby market. Wedding-related Web sites are filled with AGE’s marketing. Not sure what wedding present to get for your friend? That’s easy, buy them a GDE certificate that can be redeemed at any of AGE’s offshore clinics.

But this aspect of AGE’s marketing pales in comparison to their bombardment of the obstetrician/gynecologist community. Throughout the U.S., gynecologists are engulfed with offerings of free gifts, interactive computer marketing videos to be given to young women thinking of having a child, seminars and conferences in [of course] AGE’s delightfully sub-tropical offshore domiciles. All this generosity has one aim – to persuade a woman’s gynecologist to give his or her seal of approval on the designer-baby process. This approval has been identified by the AGE marketers as the single most important endorsement necessary to win new customers.

It’s an approach that seems to be working. AGE’s business has been growing at 45% a year for the past four years, and the growth only seems to be increasing. The biggest constraint on growth right now, in fact, is the limited number of qualified embryologists, lab technicians and client consultants that are all necessary to produce more designer babies.

The Real Winners: Celebrity Superstars

Lucrative as this business is to AGE and its competitors, it pales in comparison to the big bucks made by the celebrity superstars with patented “panels” of their DNA. Since the landmark Supreme Court case of 2041, it has been illegal for anyone to patent any single gene. However, in most cases, it is a unique pattern of related genes and associated proteins, rather than one single gene, which leads to a person’s major attributes, and these unique patterns, whether developed artificially or retrieved from someone’s DNA, are completely patentable.
Wealth Monthly has done some research into this aspect of the business and has compiled the first Top 10 List of Celebrity DNA panels, along with estimated revenues received. It's a telling list of America's preferences for the next generation:

Top 10 Celebrity DNA Panels

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<thead>
<tr>
<th>Owner</th>
<th>Background</th>
<th>Key Feature</th>
<th>Est. Revenues</th>
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<tr>
<td>Kelly Hendrick</td>
<td>Film star</td>
<td>Female beauty (blonde)</td>
<td>$2 billion</td>
</tr>
<tr>
<td>Hal Burton</td>
<td>Football star</td>
<td>Physical prowess</td>
<td>$1.5 billion</td>
</tr>
<tr>
<td>Carmen Gonzalez</td>
<td>Film star</td>
<td>Female beauty (Hispanic)</td>
<td>$1.2 billion</td>
</tr>
<tr>
<td>Chris Templeton</td>
<td>Film star</td>
<td>Male features &amp; physique</td>
<td>$900 million</td>
</tr>
<tr>
<td>Marcus Forbes</td>
<td>Real estate developer</td>
<td>Personality and intelligence</td>
<td>$700 million</td>
</tr>
<tr>
<td>Steve Hurliss</td>
<td>Baseball star</td>
<td>Physical prowess</td>
<td>$500 million</td>
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<tr>
<td>James Powell</td>
<td>Evangelical preacher</td>
<td>Personality, religious ethics</td>
<td>$400 million</td>
</tr>
<tr>
<td>Bonnie Prescott</td>
<td>Super-model</td>
<td>Female beauty and physique</td>
<td>$250 million</td>
</tr>
<tr>
<td>Peter Meeks</td>
<td>Multi-billionaire entrepreneur</td>
<td>Personality and intelligence</td>
<td>$150 million</td>
</tr>
<tr>
<td>Isaac Sorensen</td>
<td>Self-promoter genius level IQ</td>
<td>Intelligence</td>
<td>$100 million</td>
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Mark Harvey, spokesperson for AGE, explained to Wealth Monthly some of the demographic trends the company has seen.

"Most people are conservative about how they want their children to turn out," he told us. "They don't want their children very different from them, especially in intelligence or personality. They tend to go for slightly higher IQ levels and slight changes in personality. But when it comes to
physical features, it’s completely different. They all want their daughters to look like beautiful film stars, and their sons to have physiques like their favorite sports personality.”

Some watchdog groups have spoken out against this “celebritization” of America. Indeed, there are some who even claim that the whole process of designer babies is a social evil. The oldest of these organizations, Genetically Optimized America, argues that the current approach to designer babies will only increase the gulf in our country between the “haves” and the “have-nots”.

“This is a forty year trend we’ve been fighting, and it’s only getting worse,” said Martina Bergman, spokesperson for Genetically Optimized America. “In the past generation, the widespread use of d-panels has already led to an uninsurable underclass in our society, who have not been prenatally optimized for health. The health profile of this group is actually getting worse, even while the overall health of the country has made incredible gains. Now, with the growth of designer babies, there will be an even greater chasm between those who can afford to give their children genetic enhancements, and those who can’t. Our society is beginning to split into two, the genetically enhanced and those still in a natural state.”

Genetically Optimized America argues that the state should mandate basic health d-panels for all children, regardless of their financial status. They believe that the long-term benefits for the country would easily repay the initial investment, pointing to the European experience.

AGE Inc sees things differently. “America has always been a country of contrasts and diversity,” says Mark Harvey. “We’re simply continuing a tradition that has been the bedrock of our society from the outset. Wealthy parents have always had the freedom to give their children a good education, feed them nutritious food, send them to an Ivy League school, and give them any other advantage in life. That’s a fundamental principal of a free society. Why should this be any different?”
What the Future Holds

The offshore jurisdictions that enabled this incredible growth in designer babies may well turn out to be victims of their own success. So many Americans are signing up for an enhanced next generation that there is an increasing groundswell for building clinics on America’s own shores.

In the past year, three leading insurance companies have begun offering liability insurance again for U.S. practitioners, given the remarkably safe track record established by AGE Inc. and its competitors offshore. At the same time, there’s been a dramatic turnaround in fundamentalist religious thinking about designer babies. To quote James Powell, the evangelical preacher, one of the loudest voices for designer babies (and who has made some decent money himself from the process as our table above shows):

“The act of genetic optimization is doing God’s work. God created Man in his own image, and gave us the intelligence to understand our own DNA. If God wanted Man to remain imperfect, he would never have given us this ability. Each step we take to improve our genetic make-up will only get us closer to the true image of God. We’re not fulfilling our destiny on this earth if we fail to take advantage of the powers God has given to us.”

It seems that lots of Americans believe him. There is little doubt that every one of the $400 million that Mr. Powell has made from selling his own patented genetic panels has come from the majority of Americans who believe in God and faithfully live their lives according to His will.

Indeed, AGE Inc. has plans to establish seven new state-of-the-art clinics in Los Angeles, New York, Chicago, Atlanta, San Francisco, Miami and Houston, over the next five years. It’s estimated that within 10 years, 50% of American babies will be d-babies, most of them conceived within the boundaries of the U.S.A. It’s not surprising that AGE Inc.’s stock price has quadrupled in the past two years.

Wealth Monthly Reporters:

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REQUIEM OF THE HUMAN SOUL
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