

Many addicts seeking opioid recovery find relapse and fraud

August 24 2017, by Curt Anderson



In this Thursday, July 13, 2017 photo, Michelle Holley holds a photograph of her daughter Jaime Holley, 19, who died of a heroin overdose in November 2016, at her home in Fort Lauderdale, Fla. The Reflections treatment center looked like just the place for her youngest daughter to kick heroin. "It looked fine. They were saying all the right things to me. I could not help my child so I trusted them to help my child," Holley said. Instead, the center refused to give 19-year-old Jaime Holley her prescription medicine when she left, forcing her to use illegal drugs to avoid acute withdrawal symptoms, her mother said. (AP Photo/Lynne Sladky)

The Reflections treatment center looked like just the place for Michelle Holley's youngest daughter to kick heroin. Instead, as with dozens of other Florida substance abuse treatment facilities, the owner was more interested in defrauding insurance companies by keeping addicts hooked, her family says.

"It looked fine. They were saying all the right things to me. I could not help my child so I trusted them to help my child," Holley said.

Instead, the center refused to give 19-year-old Jaime Holley her prescription medicine when she left, forcing her to use illegal drugs to avoid acute withdrawal symptoms, her mother said. She died of a heroin overdose last November. "Right to my face they lied to me, and I believed them."

Rather than working to get people well, a growing number of unscrupulous industry players are focusing on getting addicts to relapse so that insurance dollars keep rolling in, according to law enforcement officials, treatment experts and addicts in recovery.

"It's terrible right now. I don't know of any business that wants to kill its customers, but this one does," said Timothy Schnellenberger, who has worked for years in running addiction recovery centers in Florida. "It really breaks my heart. Kids are dying left and right."

Reflections and Journey—both centers owned by Kenneth Chatman—are shuttered now, and Chatman is serving a 27-year federal prison sentence after pleading guilty to [health care fraud](#) and money laundering, but that's little comfort to Holley, who described her daughter's ordeal in an interview.



In this Friday, July 21, 2017 photo, officials with Delray Beach Fire Rescue, respond to a call at a drug treatment center in Delray Beach, Fla. Sunny South Florida, long a national hub of the substance abuse recovery industry, has now become the focal point of rampant insurance fraud that relies on a lethal cycle of failure, authorities say. (AP Photo/Lynne Sladky)

"I couldn't fix it. And as a parent, I wanted to fix it," she said, trying to contain her tears as she looked through her daughter's pictures and Mother's Day cards.

As drug addiction destroys families across America, "there's a need for a positive, vibrant recovery network to help people get off of opioids," said State Attorney Dave Aronberg, chief prosecutor in Palm Beach County. "You can't just arrest your way out of this problem."

But lately, sunny South Florida has become the focal point of rampant insurance fraud that relies on a lethal cycle of intentional failure,

authorities say.

"The incentive is to keep them in this relapse system, this gravy train that doesn't end until the person leaves in a body bag or an ambulance," said Aronberg, whose opioid task force has made more than 30 fraud arrests. "There's no money in sobriety."

Overcoming substance abuse generally involves a treatment center, where urine tests are done, prescriptions dispensed and recovery group meetings held, and a "sober home," where recovering addicts live together to get group support.



In this Thursday, June 29, 2017 photo, Blake Oppenheimer, 23, reads in his room at Recovery Boot Camp in Delray Beach, Fla. Oppenheimer, who is in recovery for drug addiction, came to Recovery Boot Camp from a fraudulent sober home which was recently shut down. 'They don't care if you die. They just want to keep swiping that insurance card so they can keep getting money out of you. ... I felt like I was something in a store that was just trying to be sold over

and over again." (AP Photo/Lynne Sladky)

It's a \$1 billion business in Palm Beach County alone, federal officials say.

Florida has the most sober homes per capita of any state, said David Sheridan, President of the National Alliance for Recovery Residences. Opioid treatment fraud has surfaced in California and Arizona, but Florida stands out, in part because so many people come for treatment.

Two people overdose on opioids every day in Palm Beach County, mainly from heroin laced with the synthetic drug fentanyl, investigators say. Statewide, deaths from this combination rose 75 percent in 2015 as more than 2,500 people died in Florida from opioid-related overdoses, according to the state medical examiner.

One operation alone—the Real Life Recovery Delray treatment center and the Halfway There Florida home—collected almost \$19 million by fraudulently billing [insurance companies](#) for \$58 million over four years, according to the FBI. That case has not yet gone to trial.

The FBI affidavit said the fraud included unnecessary or faked urinalysis samples, double-billing, and paying kickbacks to patients in the form of gift cards, trips to casinos and strip clubs, and free airline tickets. Other tactics included paying "patient brokers" to illegally direct addicts to particular facilities.



In this Thursday, July 6, 2017 photo, recovering addicts join hands during a meeting at Recovery Boot Camp, in Delray Beach, Fla. The center is run by Timothy Schnellenberger, who has operated treatment centers since 2002. He says that the influx of criminal operators has cast a dark shadow over an industry with deep roots in South Florida. (AP Photo/Lynne Sladky)

Chatman's patients were given drugs to trigger a positive drug test so they could be considered in "relapse" when their insurance coverage was about to expire. Court documents say he induced some female patients into prostitution for free rent at his sober home, and confiscated car keys, cellphones and prescription medications.

"They don't care if you die. They just want to keep swiping that insurance card so they can keep getting money out of you," said Blake Oppenheimer of Louisville, Kentucky, who was ordered into treatment, and landed in a center that was shut down for fraud. "I felt like I was something in a store that was just trying to be sold over and over again."

Fraudulent operators are exploiting a web of state and federal laws that make oversight difficult. Addicts are protected by the Americans With Disabilities Act and health privacy laws. With children up to age 26 now covered under their parents' insurance, there's more money to be made.

The Florida Legislature has imposed tougher penalties for patient brokering and new limits on deceptive marketing techniques. Delray Beach and Boynton Beach approved new rules for group homes, requiring them to be accredited by a regulatory organization such as the Florida Association of Recovery Residences.

Oppenheimer, 23, is now at Schnellenberger's Recovery Boot Camp, and hopes someday to return to college to study neuroscience.



In this Thursday, July 6, 2017 photo, Timothy Schnellenberger, rear right, speaks with recovering addicts at his substance abuse treatment center, Recovery Boot Camp, in Delray Beach, Fla. Schnellenberger has operated treatment centers since 2002, and says that the influx of criminal operators has cast a dark shadow

over an industry with deep roots in South Florida. "It's terrible right now. I don't know of any business that wants to kill its customers, but this one does," says Schnellenberger, who has worked for years in addiction recovery in Florida. "It really breaks my heart. Kids are dying left and right." (AP Photo/Lynne Sladky)

"This is like the last house on the block for me," he said. "This is my last opportunity, and I've got to use it."



This Thursday, June 29, 2017 photo shows a slogan is on the storefront of Journey, a former substance abuse treatment center, in Lake Worth, Fla. Now closed, it was one of two owned by Kenneth Chatman, who is now serving a 27-year federal prison sentence for health care fraud and money laundering convictions. (AP Photo/Lynne Sladky)



In this Friday, July 21, 2017 photo, Delray Beach police officer Stephanie Holst, searches a woman for suspected drug paraphernalia at a city park in Delray Beach, Fla. As drug addiction destroys families across America, "there's a need for a positive, vibrant recovery network to help people get off of opioids," said State Attorney Dave Aronberg, chief prosecutor in Palm Beach County. "You can't just arrest your way out of this problem." But lately, South Florida has become the focal point of rampant insurance fraud that relies on a lethal cycle of failure, authorities say. (AP Photo/Lynne Sladky)



In this Friday, July 21, 2017 photo, a woman is handcuffed after being searched by police for suspected drug paraphernalia at a city park in Delray Beach, Fla. As drug addiction destroys families across America, "there's a need for a positive, vibrant recovery network to help people get off of opioids," said State Attorney Dave Aronberg, chief prosecutor in Palm Beach County. "You can't just arrest your way out of this problem." But lately, South Florida has become the focal point of rampant insurance fraud that relies on a lethal cycle of failure, authorities say. (AP Photo/Lynne Sladky)



In this Dec. 10, 2015 file photo, Kenneth Chatman walks to the Reflections Treatment Center in Margate, Fla. Reflections is now closed and Chatman is serving a 27-year federal prison sentence for health care fraud and money laundering convictions. Chatman's patients were given drugs to trigger a positive drug test so they could be considered in "relapse" when their insurance coverage was about to expire. Court documents say he induced some female patients into prostitution for free rent at his sober home, and confiscated car keys, cellphones and prescription medications. (Richard Graulich/Palm Beach Post via AP)



In this Friday, July 21, 2017 photo, Todd Lynch, of Delray Beach Fire Rescue, responds to a call at a drug treatment center in Delray Beach, Fla. Sunny South Florida, long a national hub of the substance abuse recovery industry, has now become the focal point of rampant insurance fraud that relies on a lethal cycle of failure, authorities say. Florida has the highest ratio of sober homes compared to its population in the nation. (AP Photo/Lynne Sladky)

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