



Drug Rehab Investigated for Medicaid Fraud and Questionable Labor Practices

May 28, 2019

May 28, 2019 - PRESSADVANTAGE -

State officials in Texas and Louisiana have launched multiple probes into the Cenikor Foundation following an investigation that revealed the prominent drug rehab was turning patients into an unpaid labor force for private companies.

The initial investigation was conducted by Reveal from the Center for Investigative Reporting. Reveal found that the non-profit foundation has sent thousands of patients to work without pay at hundreds of for-profit companies over the years. This includes Shell, Exxon, and Walmart. This is a likely violation of federal labor law, according to former federal labor officials.

Cenikor is being investigated by Louisiana Attorney General Jeff Landry for possible Medicaid fraud. The program receives Medicaid funding and has received millions in state contracts for behavioral health services.

A spokesman for Cenikor Foundation said: "If there's evidence of a crime that involves Medicaid, that's something our office takes a strong interest in."

The spokesman refused to give any further comments regarding the investigations launched by the state officials.

But in addition to the government investigations, former patients are suing the program for back wages in four separate lawsuits. Furthermore, two of Cenikor's biggest work contracts have stopped using workers from the program. Louisiana University has stopped staffing school cafeterias with Cenikor workers. A spokeswoman for the subcontractor that hired Cenikor said that the company requires vendors such as Cenikor to follow "all federal, state and local labor laws".

Brand Industrial Services, which previously dispatched Cenikor patients to work at oil refineries and chemical plants, has also stopped using workers from the program.

"It is our expectation that our suppliers comply with all applicable laws and regulations," said spokeswoman Karla Cuculi. "We are currently evaluating the use of Cenikor as a temporary labor source."

Reveal's investigation found a number of problems involving the rehab program. Former staff told Reveal that participants often worked long hours and therefore rarely received the counseling they needed. In addition to these long work days, many also frequently worked in unsafe conditions and were injured on the job. More than two dozen Cenikor patients have been seriously injured at work. One case involved an injury that resulted in a patient's death.

Some staff also said that they falsified paperwork under pressure from Cenikor leadership to make it appear as though clients got more counseling than they did.

Courts across Texas and Louisiana often send defendants to Cenikor for drug treatment, sometimes as an alternative to prison. Some former patients have defended the program, saying that it helped them recover. Some also said it was better than being homeless or in prison.

But dozens of former participants have come forward and joined lawsuits against Cenikor with allegations of exploitation and abuse. [click the link to see Anaheim's top rehab placement programs.](#)

Another separate lawsuit from a former participant alleges that Cenikor staff benefited from unlawful kickbacks. The lawsuit, filed by former participant John Potter, said that the wages earned by rehab participants went to the salaries of Cenikor staff. The lawsuit named CEO Bill Bailey, who earned more than \$400,000 in 2017.

"It was just a work camp to get out of jail. No recovery at all," Potter said in an interview with Reveal. He said

he first enrolled in Cenikor's program in Baton Rouge, Louisiana when he was homeless and addicted to painkillers. "It's a big scam of a place."

Cenikor provided a statement to Reveal, saying it followed state regulations. The program, however, declined to comment on the business contracts and lawsuits.

"As a matter of policy and regulation, we are prevented from speaking on behalf (of) partners, regulators, or on human resources matters. However, we fully cooperate with, and in many instances, go beyond regulatory compliance requirements."

In Texas, the Health and Human Services Commission is investigating the allegations of neglect, abuse, and exploitation at Cenikor Foundation. The commission is also looking into the worker injuries.

State Rep. Garnet Coleman, D-Houston, said he also is asking the commission to investigate whether Cenikor violated its contracts with the state, which have earned more than \$26 million for the program since 2009, as shown in public records.

"The facts that you've presented are very disturbing. It's not right," Coleman said. "We need credible substance abuse treatment centers. And we need them badly."

Spokeswoman Lisa Givens of the Texas Workforce Commission urged unpaid workers to file claims for wages. "The TWC encourages any Texas worker who feels they have not been paid for work that they've done to contact us so that we can offer assistance," she said.

If someone in the family is struggling with opioid or alcohol addiction, it is important to seek help. A combination of medical detox and behavioral therapy can go a long way in the fight against drug abuse. But because every individual is affected by addiction differently, a comprehensive program tailored to their specific needs is necessary. Look for a nearby addiction treatment facility today and find out how drug treatment programs work.

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