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HEADLINE: TEEN DRUG PROGRAM \$400,000 IN DEBT;
SEEKING SMALLER BUILDING TO RENT

BYLINE: Duane Stoltzfus, Record Staff Writer

BODY:

KIDS of Bergen County Inc., a drug and alcohol treatment center in Hackensack, owes more than \$ 400,000 for rent, utilities, and taxes at 80 Commerce Way, its landlord alleges.

The KIDS program, whose treatment methods have stirred controversy in Hackensack and in cities with affiliated centers around the country, has not paid its rent in more than a year, says MetPath Inc., the Teterboro company that subleased the building.

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Bob Moss, director of community relations for KIDS, said: "We are a not-for-profit organization. These organizations always have financial problems. We take in kids for treatment whether their parents can afford to pay or not."

KIDS of Bergen County operates a private center for 135 children and young adults suffering from drug and alcohol abuse, eating disorders, and other compulsive behavior problems.

MetPath, which rents the building to KIDS for \$ 20,750 a month, sued to recover the money and repossess the 33,000-square-foot quarters several months ago, said Dennis Jilot, a vice president of the nationwide laboratory chain.

While attorneys for MetPath and KIDS attempt to negotiate a settlement, the program, headed by **Miller Newton**, a medical anthropologist and author, is searching for smaller quarters elsewhere in Bergen County.

As of Jan. 31, KIDS owed \$ 391,117, Jilot said. Also, the February rent has gone unpaid, as have tax and utility charges for the month, pushing the total bill above \$ 400,000, said Jilot.

"We're trying to be patient with them," Jilot said. "We're trying to work with them. Obviously, though, there is a limit to how much patience we can have."

Moss said Newton, who is in Canada on business and could not be reached, is more familiar with the program's finances. Moss said the center rents 33,000 square feet but needs only 20,000 square feet. The building is off Hackensack Avenue, adjacent to Bradlees.

MetPath and KIDS entered into the lease agreement in 1984.

Telephone Marketing Programs Inc., which guaranteed on KIDS' behalf that the lease would be honored, was also named as a defendant in the suit.

Andrew J. McKelvey, chief executive officer of the advertising agency, helped Newton launch the KIDS program in Bergen County. McKelvey

did not return phone calls made to his Manhattan office.

Jilot said that MetPath donated more than \$ 40,000 to KIDS in recent years because the company "identifies with the causes these people are working on." He also said the sublease rent is less than that in MetPath's primary lease.

Several years ago, KIDS faced financial troubles, says a report that Laventhol & Horwath, certified public accountants, prepared for the center's board of directors.

Looking over financial records for 1986 and 1987, the accountants found that KIDS' total liabilities exceeded assets by \$ 1.3 million. The report warned that "the organization may be unable to continue in existence."

But the 1988 report, which KIDS just received, indicates "the financial picture is better than it was," Moss said. There is no mention this time, he said, of going out of business.

KIDS of Bergen County is one of several programs launched by KIDS Centers of America, of which Newton is president and clinical director.

Last year, KIDS of El Paso County in Texas went bankrupt, and KIDS Centers shut down KIDS of Southern California. KIDS of Greater Salt Lake is operating in Utah.

All of the affiliated centers, including the one in Hackensack, have faced allegations that teenagers enrolled in the program were physically mistreated. Some clients said they were beaten, pinned down beneath counselors and fellow clients, and isolated in small rooms for days or weeks at a time.

Newton has maintained that these allegations are often made by uninformed public officials and "a vocal minority."

Meanwhile, KIDS is preparing to open KIDS of the Canadian West in Calgary this year. Alberta province is reportedly giving KIDS a grant of \$ 600,000 to start the program.