

The Miller Newton Collection

A Compilation of Newspaper and Internet Articles and Court Documents

**Prepared By
International Survivors Action Committee
ISAC Corporation**

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Wes Fager and the Oakland Institute**

In 1980 a fifteen-year-old female was sitting in group with her right leg crossed over her left leg writing 98 rock on her shoe. In Straight this was considered "misbehaving." You were not allowed to cross your legs or not pay attention much less have a pen. Miller Newton was in front of the group leading a rap session. Miller Newton's ego would send him into a rage if he thought someone dared to not listen to him (twenty five years later he would be referred to as an "egomaniac" by a former executive staff member). Miller noticed Margaret not paying attention. He went into a fit of rage and climbed over the first row of girls to the second row to reach Margaret. He grabbed her by her shirt and yanked her up. In the process there was a moment where Margaret's left leg became entangled in the leg of the chair. Miller looked down, noticed her leg caught and continued to yank her up to her feet the rest of the way. He yanked her to her feet with such force that Margaret could hear her kneecap split. Once she was stood on her feet Miller pulled her by the hair to the front of group where she was confronted for daring not to pay attention. It was obvious to Margaret that her leg was broken as that leg had been broken twice before in her lifetime and she had a condition called "bi partita patella." Margaret was never treated for her split kneecap. She spent the next few weeks being forced to exercise with the rest of the group, stand up in group and sit in group with her leg bent for twelve hours as her leg tried to heal on its own (Source: "Setting The Record Straight," By: ISAC [Contains a copy of a signed affidavit by Margaret Heath]).

Miller Newton's Education and Qualifications or Lack Thereof

What follows are facts regarding Miller Newton and his approach to drug rehabilitation.
Wes Fager ana<http://www.thestraights.net>

In 1976, while chairman of the board of a private boy's prison in Florida, Miller Newton made his second unsuccessful bid for Congress.

His father was editor for the influential Tampa Tribune.

Newton's former business partner was the chief-of-staff for former Governor of Florida (later U.S. Senator) Bob Graham.

In 1977 Miller Newton, B.A. History and Master of Divinity, enrolled in a doctorate program at Union Graduate School, Cincinnati, Ohio, apparently to study public administration.

In 1979, Newton attended a workshop on alcoholism at the Johnson Institute in Minneapolis. He also admitted his son to Straight, Inc.-St. Petersburg.

In January 1980, Newton joined the staff of Straight, Inc. as assistant director. **Except for the workshop on alcoholism, and the fact that his own son was a client at Straight, Inc., he had no experience in drug rehabilitation.**

One of Newton's first assignments at Straight, Inc. was to develop a method to improve parent/client retention rates. He developed a manual entitled Six New Parent Raps, which he based, in part, on the workshop he attended at the Johnson Institute. These six raps became mandatory training for new parents at Straight, Inc.

While at Straight, Inc. he changed the emphasis on his Ph.D. project and in 1981 received a Doctor of Philosophy for his thesis, *The Organization and Implementation of Family Involvement in Adolescent Drug-Use Rehabilitation*. Essentially, this thesis incorporated the Six New Parent Raps manual.

The 55 pages of Chapter Five are based, partly, on his implementation of the workshops he attended at the Johnson Institute (he attended a second in 1981) which he published separately as the book, *Gone Way Down: Teenage Drug Use is a Disease*. His thesis lists an enormous bibliography of books, which he was required to read as part of his graduation requirement, but he was never tested to verify he had read any of them.

In fact he never took any tests at all other than defending his dissertation to his four-man advisory panel. His advisory panel met at Straight, Inc.

Dr. William Geitz, one of Newton's panel members, worked as a clinical psychologist for Straight, Inc., but Newton claims that Geitz did not work for him. Newton instead claimed that Geitz worked for the director of the program.

Interim notes:

[a] At the Fred Collins trial in 1983 [Newton's deposition, 2-23-83, p. 66] Newton claimed that his graduate panel member and fellow Straight, Inc. employee Dr. William Geitz worked for the director, not for Newton himself. But Newton's early resume says that he, Newton, was the director in 1981--the year he received his Ph.D. Further, in a 1982 press release upon being appointed as Straight, Inc.'s national clinical director--in addition to being the director of Straight, Inc.-St. Petersburg--Newton boasted that, "*The local programs are responsible to me. That was going on before. It's just been formalized.*" The implication is that Newton ruled the clinical staff for some time prior to July of 1982. [Source: St. Petersburg Times, July 14, 1982, p. 3B]

Newton--the anthropologist? In the resume Newton submitted to Straight, Inc., he claimed he was already an anthropologist in 1978 though his highest education level at that time was a Master of Theology.

During the Fred Collins trial in 1983, Newton testified that one of his fellow graduate students gave two presentations on black history and anthropology. Newton's panel member for guidance on anthropology was Dr. Jean Battle. Dr. Battle actually specialized in education and was formerly the Dean of the College of Education, University of South Florida.

George Ross, Straight, Inc.'s education director, was working on a Ph.D. in Education, from the University of South Florida.

Newton, himself, had been an Associate Professor of Education at the University of South Florida (1969 - 73).

In short, Newton received a Ph.D. in Public Administration and Urban Anthropology from an unaccredited graduate school for his work in increasing parent/client retention rates at Straight, Inc. He attended no classes and took no tests--but claims he read a lot of books. The four-man advisory panel, which approved his work, met at Straight, Inc. and included a Straight, Inc. employee, and a college professor with ties to another Straight, Inc. employee.

[REDACTED] In 1983, during the Fred Collins trial, Newton stated that his degree was in *urban anthropology* and public administration.

[REDACTED] In 1988, during the [REDACTED] Daniels trial, he claimed the actual major areas were *medical anthropology* and *human service administration*.

[REDACTED] In 1990, during the Karen Norton trial, he asserted that he was a *medical anthropologist* and a Board certified *medical psychotherapist*. He stated his concentration at Union Graduate School was in *medical anthropology*.

[REDACTED] And finally, in an undated brochure from Kids of Bergen County, Newton claims he is a *clinical anthropologist*.

Interim notes:

[b] In an early resume Newton claims that he was an Adjunct Professor of Anthropology at Hillsborough College from 1978 - 80, though his highest academic credential at the time was a Master of Divinity.

[c] Union Graduate School was denied accreditation in 1978 and was not accredited until 1985.

Newton--the neuropsychologist? In 1995 Dr. Newton published the book *Adolescence: Guiding Youth Through the Perilous Ordeal*. The book reviews available literature and is not a report on any new research conducted by Newton.

On the back cover, there are endorsements from two men. One is Ralph E. Tarter, Ph.D., Professor of Psychiatry and Neurology, University of Pittsburgh Medical School. In his endorsement Dr. Tarter says that the book *"thoroughly reviews the clinical and scientific literature pertaining to the factors determining the successes and failures in this life transition."*

Dr. Tarter should know because he supervised Newton's doctorate program. In 1993 Miller Newton submitted the manuscript to The Union Institute in Cincinnati (formerly Union Graduate School where he received his first Ph.D.), which awarded Newton another Ph.D. for his effort, this time in neuropsychology.

Newton's book covers easily read topics such as spirituality, sexuality, social relations, suicide, eating disorders, and depression. Knowledge in the traditional areas of neuropsychology is not necessary in order for one to understand Newton.

Interim notes:

[d] Typical neuropsychological disciplines include subjects such as physiological psychology, behavioral and molecular genetics, behavioral pharmacology, cardiovascular psychophysiology, cell biology, pharmacology, neurology, neuroanatomy, neurochemistry, neurophysiology, biostatistics, and the biological basis for addiction. [From Peterson's Guide to Graduate Programs in the Biological Sciences 1997, pp. 1691, 1761, 1803.]

Most of the book is very general, but when Newton does get technical, weaknesses are frequently found in his pronouncements. For example, Newton writes,

"Remember that the adolescent is someplace in the process of neurological development, moving from the diffuse brain organization to specified brain organization and moving from simple cognitive systems to more complex cognitive systems involving the ability to think abstractly in a variety of areas."

Newton then criticizes therapists for being too abstract and "conceptual" with their adolescent patients noting that at his KIDS program they've developed a "blunt, directive communication" with clients, which addresses the problems in concrete terms. [p.61] Newton complains of others treating young clients with abstractions, and goes on to write:

Straight clients, under Dr. Newton as national clinical director, lived under a set of tools for daily living called "Tools for Personal Change." One tool is the "Five Guidelines for Straight Thinking," which works like this:

When a Straight youngster has a troubling thought, he is supposed to ask himself 5 specified questions like whether it helps him achieve his goals and whether it is in his best interest. But the first question is, "Is it based on *objective reality*?" Thus you

see a 12-year-old kid who just had a troubling thought asking himself whether his thought is reality-based, and, if so, then trying to decide whether it was subjective or objective. If the child determines that his thought is based on *objective reality* (e.g. it was not *subjective reality*, *objective non-reality*, or *subjective non-reality*), then he must ask himself the other 4 questions and make additional decisions. If the answer to three of the five questions is YES, then he knows he has had a *rational thought*!! Other Straight abstractions include Straight *awareness* and *musturbation*--not to be confused with masturbation.

Interim notes:

[e] This convoluted abstraction originated from The Organization and Implementation of Family Involvement in Adolescent Drug-Use Rehabilitation, 1982, by Miller Newton, pp.71, 82. This was his first graduate thesis.

The work described above is a variation of what is called Rational Self Counseling or RSC. RSC was introduced to Straight, Inc. in the late seventies. Newton simply changed it slightly and called it his own. --ISAC

Many authors developed the notion that sex is addictive in the same way that drug use is addictive because they misinterpreted a concept introduced by Archie Brodsky and Stanton Peele in Love and Addiction (1975). Ten years later Peele explained that what he was trying to say in Love and Addiction is that addiction is not a medical disease because it has the same compulsive profile as many behaviors we regard as quite ordinary and nonbiological, like love affairs. Unfortunately, he points out, many writers construed his book to mean that love and sex are like drug addictions; therefore they also are diseases.

One of the authors who apparently got the message bungled is Miller Newton. In Adolescence: Guiding Youth Through the Perilous Ordeal Newton states:

"Sexual addiction tends to produce progressive dysfunction in every other area of life, just as alcoholism and drug dependence do." [p.103]

Not only does Newton write that people can be addicted to sex, but they can be addicted to violence as well. He recognizes two basic causes of adolescent violence and aggression. His first cause is that many kids become violent in response to physical or psychological threat. (Precisely the two threats that Newton's own programs have been ***accused of employing***.) The other cause, Newton writes, is based on personal power needs.

"These teens literally become violence addicts", he writes, "as a result of subjective perception of a 'high' in the feelings of anger and rage." [P.145]

Interim notes:

[f] Love and Addiction, 1975, by Archie Brodsky and world-renowned addiction treatment specialist and psychologist Stanton Peele; Disease of America: Addiction Treatment Out of Control, 1989, by Stanton Peele.

In his book, Dr. Newton specifically recommends only five long-term treatment programs for adolescent drug and alcohol abuse. All are Straight-like programs: Growing Together, Pathway Family Center, Second Chance, Kids Helping Kids of Cincinnati, and his own KIDS program. (His actual thesis listed two other, now defunct, Straight-like programs: LIFE, Inc. and Outreach).

For treating adolescents for sexual trauma or compulsions Newton recommends, among others, his own KIDS program. Newton lists only one active program as having success in treating juveniles with suicidal ideations—again, his own KIDS program.

For further reading on the subject of juvenile drug and alcohol abuse Newton recommends a book by Straight, Inc.'s former consultant Robert DuPont.

The bibliography includes a book by Sharon Wegscheider who had been one of his fellow students at Union Graduate School, and who later went to Straight, Inc. and performed an independent evaluation of the program.

In 1981 Robert DuPont invited a Canadian psychiatrist named Andrew I. Malcolm to do an independent evaluation of Straight, Inc. In his 1981 study Dr. Malcolm reported Straight, Inc. to be "phenomenal" and "St. Petersburg Straight could not, in any sense at all, be correctly described as a cult."

Eight years later two other Canadians, both psychologists from Simon Fraser University, visited Straight, Inc.-DC for a first-hand look. Professor Barry Beyerstein subsequently published the paper Thought Reform Tactics: The Road to Hell is Paved with Good Intentions. He noted 17 methods that "cults" employ on its unsuspecting members, and concluded that Straight, Inc. was guilty of using every one of them.

Professor Bruce Alexander was shown Dr. Malcolm's report on Straight, Inc. In his book Peaceful Measures: Canada's Way Out of The 'War on Drugs' Professor Alexander concluded that Straight, Inc.'s method's "can be fairly compared with 'brainwashing' in prisoner-of-war camps as documented by Brown" [Techniques of Persuasion: From Propaganda to Brainwashing, 1963, by J.A.C. Brown]. He faulted Malcolm's report for providing no comparisons of Straight, Inc. clients with untreated controls, and from suffering from other "serious methodological deficiencies."

Miller Newton and the Straight, Inc. Legacy, 1980 - 1983. Miller Newton was the national clinical director of Straight, Inc. His wife Ruth Ann was the associate director of

Straight, Inc.-St. Petersburg. They left Straight, Inc. in 1983 when the Straight chain (and sometimes Miller Newton himself) came under a deluge of civil suits for falsely imprisoning and intentionally abusing children. There were also criminal investigations in 1983 of two Straight, Inc. facilities in Florida, which resulted in the closure of Straight, Inc.- *Sarasota*

The following alleged events preceded the departures of Miller Newton and his wife Ruth Ann from Straight, Inc. in 1983.

- I. On July 17, 1980 [REDACTED] Calabrese went to Straight, Inc. to visit his brother. He claims Straight, Inc. staff members detained him for 9 hours and threatened to retain him with a court order for two years unless he voluntarily signed himself into the program. Calabrese says he got into a shouting match with Miller Newton (Newton was Straight, Inc.'s administrative director in July 1981) during this intake.
- II. Acting on a complaint dated September 30, 1980, HRS (Florida Department of Health and Rehabilitative Services) interviewed a male juvenile client at Straight, Inc.-St. Petersburg whom they found being held against his will for treatment of a drug problem he did not have. Straight, Inc. released this minor.
- III. Karen Norton was a client at Straight, Inc. from 1980-1982. She won a lawsuit and was awarded \$721,000 for being abused in the program. She testified that Newton had thrown her against a wall.
- IV. Marcie Sizemore was in Straight, Inc. between 80-82. She says she was beaten and thrown against a wall.
- V. In response to a complaint by an Orlando woman, dated March 4, 1981, HRS began an investigation and found that her son was being held against his will at Straight, Inc. She had previously filed a Writ of Habeas Corpus to get her other son out of the program.

- VI. On March 16, 1981 state officials Terrell Harper and Marshall met with Miller Newton and two female clients who had recently escaped from Straight, Inc.-St Petersburg but had been returned. In the presence of the state officials Newton threatened the two girls, saying they could be "sent to a mental institution." He then told one of the girls he was considering advising her parents to take her to a treatment program in Georgia where she could be "locked-up for 6 months" on just her parents signature. HRS removed one of the girls the next day. At the recommendation of a court appointed guardian ad litem, the mother of the second child removed her daughter three days later. State investigators found that the locks to the bedroom doors where these girls slept had been reversed to lock from the outside.
- VII. An HRS report in April 1981 found that administrative staff members of Straight, Inc. were threatening prospective teenage clients with being court-ordered to the program or committed to a mental institution unless they signed the intake documents and "voluntarily" entered Straight, Inc. Several former clients reported to the Saint Petersburg Times in 1981 that Straight, Inc. staff members had treated them in a similar manner.
- VIII. [REDACTED] Schauteet attended a sibling interview on October 23, 1981 in order to see her brother. She was kept in the program against her will until April 21, 1982. At one point she had escaped only to be kidnapped, in a violent 30-minute struggle, by her mother, two adult males, and a woman and taken back to Straight, Inc. [REDACTED] Schauteet says Miller Newton told her that if she persisted in saying she was held against her will, "the state of Florida would take over and put my mother in jail for kidnapping." Detective Brown from the Sanford, FL Police Department secured her release. [Judge C. Vernon Mize signed a preemptory Writ of Habeas Corpus in the interest of [REDACTED] Schauteet; the date is smeared, but appears to be 1982.]
- IX. In 1981, Straight, Inc. settled a lawsuit with a former client. In 1978, at age 13, the client jumped/fell 4 stories in an escape attempt from a Straight, Inc.-St. Petersburg host home, requiring her to have metal bars surgically placed in her back.
- X. In 1982, in front of over 300 other kids, Miller Newton grabbed 15 year-old Leigh Bright by the hair, threw her on the floor, and yelled "I want this girl the fuck out of my group!" Newton then ordered Ms. Bright to be kept in the bathroom for 3

days, forced to exercise and denied sleep and food. When Ms. Bright privately told her oldcomer that she felt suicidal, she was forced to wear a shirt with the word PSYCHOTIC printed on it.

- XI. In February 1982 Straight, Inc.-Atlanta settled with 3 kids represented by the ACLU who claimed they were suffering "inhumane treatment."
- XII. On June 19, 1982, Fred Collins, Jr. a B level engineering student at Virginia Polytechnic Institute (Fred now has a Ph.D. in mathematics) attended a Straight, Inc. sibling interview in order to visit his brother. Fred was detained in a room, with other clients guarding the door, for 7 - 10 hours. He was refused permission to go to the bathroom by a group of kids who related to him their stories of perverted sexual activities and drug addiction, trying to persuade him to admit the same. He finally consented to sign in for a 14-day observation period. Four and a half months later and 20 - 25 pounds lighter, Fred escaped from Straight, Inc.
- XIII. On January 19, 1983, [REDACTED] Hyrons, an 18 year-old student intern in the Seminole County Sheriff's Office, attended a sibling interview so she could visit her brother. Staff members tried to force her to sign herself into Straight, Inc. She resisted, and was made to walk and hitch hike back to Longwood, FL--a 2-hour drive away. A month later she was kidnapped by her mother, father and two strange men and carried to Straight, Inc. She fought to get out of the intake room and was restrained. When she told her captors her legal rights were being violated, she says Miller Newton walked in and said, "Well, I don't give a damn about your legal rights." Two days later a social services official secured her release.

The following 1983 civil suits/criminal investigations immediately preceded Newton's resignation from Straight, Inc.:

- I. May-- [REDACTED] Daniels sued Straight, Inc.-St. Petersburg for driving him insane.

- II. May-- In a trial in which Miller Newton testified, Fred Collins was awarded \$220,000 for false imprisonment.
- III. August--Newton and Straight, Inc.-St. Petersburg settled separate suits with [REDACTED] Schauteet and [REDACTED] Hyrons.
- IV. August--[REDACTED] Brashears, an adult, sued Straight, Inc.-Atlanta for false imprisonment.
- V. September--[REDACTED] Williams sued Straight, Inc.-Sarasota.
- VI. September--[REDACTED] Williams sued Straight, Inc.-Sarasota. The charges included beatings, pulling him by the hair, hanging him from a bedpost by his underpants, and torture.
- VII. September--Florida state's attorney office for Sarasota County released a damning 600 page criminal investigation of Straight, Inc.-Sarasota including statements from current/former counselors of kidnapping, false imprisonment, threats of being court ordered unless the client voluntarily enrolls, enrolling clients who were not drug dependent, hair pulling, grabbing clients around the neck, and throwing clients against walls. Straight, Inc.-Sarasota voluntarily closed so the state dropped its investigation. Principal investigator, assistant state attorney David Levin would later say " . . . it was child abuse and torture, directed by Miller Newton."
- VIII. September 3--a boy named Charles was brought to Straight, Inc. Charles had been kidnapped in Albuquerque, New Mexico by two private detectives hired by his mother, and placed in leg irons. A Florida judge later ordered his release because proper commitment procedures had not been followed, and because the judge found no evidence of drug addiction or abuse.

IX. October--██████████ Keen sued Straight, Inc.-St. Petersburg for false imprisonment.

X. ██████████ Stallings sued Straight, Inc.-St. Petersburg for physical assaults and false imprisonment. She eventually won case #83012161C1 after the court decided that Straight, Inc. committed a "malicious act" against her.

Miller Newton and his Kids program, 1983 - Present: On November 15, 1983 Newton and his wife Ruth Ann resigned from Straight, Inc.

In May 1984 Newton opened Kids of Bergen County (KBC) in Hackensack, N.J. -- a Straight-like program. He later started the Straight-like franchise Kids Center of America with centers in El Paso, Texas, Salt Lake City, Utah and Yorba Linda, California.

By 1985 county prosecutors were receiving complaints of abuse. Between 1987 and 1988 Texas officials found kids being hit, pushed, assaulted, deprived of sleep, soiling their pants, and denied bathroom privileges at Kids of El Paso.

At the California franchise, authorities found that kids were being denied bathroom privileges. When that facility closed in 1989, Straight, Inc.-Southern California began operating from the same building.

In April 1989, the Bergen County prosecutor's office found black eyes, strip searches, sleep deprivation, solitary confinement, and denial of the right to leave when some clients reached the age of 18.

One third of the clients at KBC were Canadian.

Newton withdrew his application for a license just days before a public hearing in 1989 saying he intended to move to a new location in Bergen County.

By 1990 Bergen County prosecutors had accumulated a considerable caseload of complaints against Newton's program when Newton changed the program's name to Kids of North Jersey and moved to Hudson County.

Newton continued to operate under a special license for his unique program for another ten years in spite of mounting charges of child abuse--including criminal convictions of four of his counselors and additional criminal charges against one of his already convicted counselors.

The following alleged events occurred in Miller Newton's "new" program, Kids

- I. In 1988 [REDACTED] Clay, a legal adult in his home state of Texas, was led out of Kids of Bergen County by an FBI agent with a subpoena.
- II. Former Kids of Bergen County staff member [REDACTED] Zdanow recalls an incident at the facility, c. 1988, where two clients who were brothers were taken into an intake room where he and others "threw 'em around, flung 'em around, but I was told by the higher staff, 'You have to do that, you know, Doc Newton says it has to be done . . .'"
- III. In 1989 CBS's *West 57th Street* aired a damaging segment on Kids of Bergen County. Former staff member [REDACTED] Johnston said Newton told a staff member, "Bring her in here and scare her and if she hits you, hit her back." She says they wound up rolling on the ground with Newton saying, "I'll turn my back."
- IV. [REDACTED] Woolston alleges in a sworn court deposition that she escaped from Kids of Salt Lake City in Aug 1989 [when she was an adult], but was later kidnapped by her mother, father, the male parent of another Kids client, and a police officer who told her she was under arrest for a felony. They took her to the male parent's home, had her strip-searched and locked in a room. Later she again tried to escape by climbing from a window. [REDACTED] Woolston fell and broke bones in her feet and arms, dislocated her shoulder, and damaged cartilage and/or ligaments in both knees. She says she was denied medical treatment for an hour until program counselors arrived to take her to a hospital. The program released Woolston only after receiving a Writ of Habeas Corpus on Sept 21, 1989.
- V. County prosecutors twice escorted clients out of Kids of Bergen County.
- VI. [REDACTED] Mitchele's hospital records show he was bleeding from the scalp and having blurred vision after being dropped on his head during a group therapy session. When he became an adult Mitchele left Kids of Bergen County, but later staff

member [REDACTED] Kozakiewicz was arrested for trying to kidnap Mitchele back into the program. According to former staff member [REDACTED] Johnston, charges were dropped after Kids of Bergen County promised [REDACTED] Mitchele that it would never take him back if he promised not to press charges.

- VII. In August 1990 (after the West 57th Street report on the facility) 20 county officials descended upon Kids of Bergen County questioning kids about abuse. Soon after, Newton moved his operations to Hudson County, New Jersey, changed the program's name to Kids of North Jersey, but retained the old IRS identification number.
- VIII. In 1993, at Kids of North Jersey, three counselors-- [REDACTED] Lugo, [REDACTED] O'Connor, and [REDACTED] Clemence--were convicted of beating 17-year-old [REDACTED] Soto. [REDACTED] O'Connor, who admitted to beating Soto, said that beatings were routine at the facility and that he had even been beaten himself. Judge Emil DelBaglivo--the Secaucus trial judge--publicly remarked that it was "almost unbelievable" that the director of the program, a man with "supposedly " strong credentials, would allow and condone the use of violence. "We find the institution highly questionable and someone should look into it," he said. "We think there's something radically wrong." Newton stayed; Judge DelBaglivo was transferred to another township.
- IX. Several people have alleged that [REDACTED] Cenado broke his leg after a scuffle or fall during an escape attempt occurring at a Kids of North Jersey foster home. Several people allege that Cenado was sent to a hospital but not allowed to eat hospital food; rather food was brought in from the Kids facility.
- X. [REDACTED] Kearns alleges that when she was 23 years old, she attended a sibling interview at Kids of North Jersey, preliminary to visiting her sister. She says she was held in an intake room for several hours until she agreed to sign up for treatment.

In early 2000 Miller Newton and his consulting psychiatrists settled with a former client of Kids of North Jersey for \$4.5 million for abuses she endured. Her records show she

was kept in the program for 6 years and physically restrained over 100 times. Her parents were only informed on 4 occasions.

Shortly thereafter Newton closed his Kids program in New Jersey and is currently residing in Florida. Miller Newton has since changed his name to Father Cassian Newton.

Controversy Over Drug Program Extends to New VA Clinic

By Eve Zibart

Originally published in the Washington Post, January 2, 1983

The one-story brick building near an industrial park in Springfield seems as nondescript as the warehouses it borders. Inside the one-time sporting goods store, however, one of the toughest drug and alcohol rehabilitation programs in the country is waging what it calls a life-or-death battle for 143 children of the "chemical society."

For 12 hours and more every day, teen-aged patients, or "clients" of Straight Inc. must come here to confess and renounce their habits in front of their peers. There is no sanctity of the confessional: Straight claims that through this "reality therapy" and concentrated peer pressure, it can excise the habit and the frustration and confusion that cause it.

According to William Oliver, Straight's national executive director, the organization turns "adolescent drug-users into highly motivated, goal-oriented, drug-free members of society." He and other Straight officials claim that the drug and alcohol treatment program has had a 60 to 70 percent success rate among some 3000 patients treated around the country since the program was founded in Florida in 1976.

It was that figure, along with the nation publicity surrounding a visit by Nancy Reagan to the organization's center in St. Petersburg, Fla. Last February, that led the Fairfax County Board of Supervisors to extend a warm welcome to Straight Inc. in September, when the board approved the establishment of a Straight, Inc. clinic in Springfield.

Less than three months after the clinic's opening, however it is embroiled in controversy, with some parents and former patients charging that Straight, Inc.'s methods constitute brutal and damaging form of brainwashing.

In a suit filed last month in U.S. District Court in Alexandria, Fred Collins, a 20-year old former patient, charges that he was imprisoned by the program and his parents for 5 1/2 months, and accuses Straight, Inc. of physical and psychological abuse.

In affidavits filed in connection with the suit, ex-clients and relatives cite additional instances of harassment and intimidation. One man claims that his younger brother, still in the program, was coerced into enrolling "voluntarily" after 12 hours' pressure. A young woman says that she was "marathonned," or forcibly kept awake for more than 80 hours, and forced to wear a blue hospital-type shirt with the word "psychotic" written on the back. And an Alexandria man says that he saw a friend who had escaped from the program kidnapped by three men who returned him to the facility.

It is not the first time that such allegations have been made against Straight, Inc. The program now operates clinics in five cities, and nearly all have been embroiled in controversy.

Four years ago in St. Petersburg, a Florida state's attorney's office investigated allegations by former Straight, Inc. counselors that patients were detained involuntarily. After three months, the state's attorney's office concluded that while some of the allegations might be true, there was insufficient evidence to prosecute.

In 1981, a lawyer for the American Civil Liberties Union in Atlanta filed petitions on behalf of five patients said to be held against their will. The cases were dropped when the five testified in favor of the program, but a community oversight group was formed in Atlanta.

Dr. Miller Newton, Straight's national clinical director, denies that there has been any physical or psychological abuse in Fairfax or anywhere else and says "the charges this time" are "probably the most reckless exaggeration yet." Oliver points to an Ohio Council on Drug Abuse report that described the program as viable and effective, although the report dealt only with the program and not with any specific allegations brought against it.

Newton contends that Straight, while tough, represents the "state of the art" in drug treatment; A combination of reality therapy and peer pressure similar to Alcoholics Anonymous. Many rehabilitation experts agree that peer group influence is one of the most powerful of therapeutic weapons, but warn that the weapon can be double edged.

"They're on to something good, but they may be overshooting the mark," says Dr. William Flynn, director of Georgetown University's Drug and Alcohol Clinic. "What happens with a lawsuit is they start to back down, and things change for the better."

Dr. Steven Katkin, who was instrumental in instituting a Straight program in the Cincinnati area before breaking with Straight, Inc. over the issue of monitoring, says that there "does seem to be a core of truth" to some of the complaints.

"When I was referring patients to Straight, I heard only positive things about it from the kids themselves," Katkin says. "When we started Kids Helping Kids (another drug rehabilitation program), most of our staff had been to Straight, and we inadvertently discovered from talking to them that they had been physically pushed around and intimidated."

But satisfied customers, both parents and patients, maintain that the ends justify the means.

"If I hadn't come in the program, I'd be dead," says one 16-year-old. Adds Dean [REDACTED], a former client now on the organization's staff, "I can't say I liked it all, but it was probably necessary. Besides, when I started doing drugs, I lost my rights."

Experts are reluctant to discuss the Straight program in detail because, as a private treatment facility that receives no state or national funding, it declines to have its program evaluated and needs only to be licensed by the state in which it operates. Nevertheless, they see some potential hazards.

“If there’s not some kind of moderating influence, group pressure can be very tyrannical” in adolescence, according to Flynn.

George Beschner, a treatment expert at the National Institute of Drug Abuse, says that some emotionally and mentally unstable persons “don’t need that strong confrontation.”

“You have to be willing to give up a piece of yourself, to open yourself up, especially in the early days,” Beschner explains, “and psychiatrists are very careful about forcing people to open up before they are ready.”

But according to Straight, Inc. theory, slow response is a form of “denial,” and stripping it away leaves no time for social amenities.

The clinic in Springfield was funded by area residents who had enrolled their children in the St. Petersburg program. When the clinic opened last October 140 patients, all originally from the Washington area, were flown from Florida to the new facility in a chartered jetliner.

The 143 teen-agers now enrolled in the local program generally are the sons and daughters of suburban, middle-class families. They are not addicts from the ghetto, but abusers of social drinking and of a whole candy store of chemicals.

Some of the youths are referred to Straight, Inc by psychologists or are ordered by courts to complete a rehabilitation program to escape sentencing on drug charges. A few enroll voluntarily, usually drug users who already have a friend or sibling in the program. Most are enrolled by their parents.

The patient’s family is required to participate, first through extensive interviews, then through “open meetings” twice a week, and ultimately as a “foster family” to other drug abusers. Family therapy is essential because, Newton insists: “Chemical dependency is a family disease. A kid gets into drugs and starts acting crazy, everyone has to react to that.”

A new patient called either a “newcomer,” or “First Phaser,” is strip-searched upon arrival and then turned over to an “oldcomer” who maintains almost constant physical contact, slipping a finger through the newcomer’s belt loop or touching his shoulder. A newcomer is never alone, even in the bathroom, and goes home at night to his oldcomer’s family. Phase one lasts for a minimum of 14 days.

From the first day, a patient continually must repeat to the group the ritual confession, “name, his age, and such credentials as the drugs I have used are pot, alcohol, PCP,

uppers, downers, cocaine, heroin, hash, hash oil, Thai stick, LSD...and I believe I am a druggie.”

During the second phase, the patient moves back home, but is required to be at the clinic from 9 a.m. until 9 p.m. In the Third Phase, the patient returns to school or work, but goes directly to the clinic afterward. During the Fourth Phase, he or she is “off” or free of the clinic, for three days a week. In the Fifth Phase, this is extended to four days.

Straight, Inc. Combines reality and rational therapy, akin to the “control your thinking, control you life” theories often popularized in self-help books, with a heavy dose of family input. Group meetings are followed by “family raps,” and conversations among the foster family tend to become an extension of therapy.

But one disaffected parent, a substance abuse counselor herself, dismisses the raps as “confrontations” and the constant emotional crises as “substitute highs.” Flynn agrees that counseling is where Straight falls short.

“They’re not really doing therapy, they’re doing programming,” says Flynn. “Their idea of ‘reality therapy’ is to hit your over the head with a two-by-four, saying, “Your son is a drug abuser.” In terms of working through anything toward a long-term solution, it isn’t there.”

Report Critical Of Straight Inc. Is Turned Over To State Agency

By Mark Zaloudek

Originally published in the Sarasota Herald-Tribune, April 1, 1983

State Attorney James A. Gardner has turned over a report critical of a local drug rehabilitation program to the Florida Department of Health and Rehabilitative Services, rather than go to court.

After a yearlong investigation culminating in sworn testimony from more than 50 persons, Gardner said Straight Inc., 1401 Cattleman Road, will have to straighten up or it could face an injunction, temporarily halting its Operation.

Gardner's report repeats criticism that has been leveled against the rehabilitation program in the past: excessive physical abuse of teenagers, persons signed into the program under duress and then held against their will.

"We hope they will comply with HRS and we won't have to go to court. However, that's not being ruled out," Gardner said.

"The drug situation in this community is a serious one. Our hope is they will provide meaningful, lawful help in this community. We're not trying to close them down," he added.

Robert Constantine, administrator of the HRS-District VIII office in Fort Myers, said he recently received the bulk of Gardner's investigation - more than 300 typed pages of depositions. Constantine said he has arranged to meet with Straight's executive director, Bill Oliver, in two weeks to discuss corrective actions.

"If we can do that it will be a lot easier and more productive than fighting with them over the truth of any of the accusations," Constantine said.

The HRS awarded the Sarasota-Manatee branch of Straight a license to operate in 1980. Since then, the local program, along with its branches in St. Petersburg, Cincinnati, Atlanta and Fairfax County, Va., has been embroiled in frequent controversy. A Virginia man filed a \$750,000 lawsuit against Straight Inc. in December charging "outrageous and unconscionable conduct" when he claims he was held against his will for 5½ months at the St. Petersburg and Virginia facilities.

Local parents and students have routinely contacted the Herald-Tribune and complained of mistreatment from Straight, although other parents call the program's hardball style of rehabilitation a lifesaver and point to their drug-free children.

Oliver and staff psychologist Dr. Miller Newton are chiefly responsible for Straight's operations. Christopher Yarnold was named acting-director of the Sarasota branch in December after Dr. Hugh Burns unexpectedly resigned after 18 months with the program.

Constantine said the state attorney's complaints will be handled administratively. "If they (Straight officials) don't agree there's a problem or don't want to correct it, the next step would be to hold a formal hearing to revoke their license."

Gardner said he has not given HRS a deadline to ensure corrections have been made but noted he will keep an eye on their efforts.

Straight Inc. Under Fire From Parents

By Mark Zaloudek

Originally published in the Sarasota Herald-Tribune, May 1, 1983

Complaints of physical and mental abuse at a Sarasota drug rehabilitation program continue to mount in the wake of a highly critical report by State Attorney James Gardner. The growing backlash to Straight Inc. has one of its officials worried the hard-fought acceptance of adolescent drug rehabilitation programs could take a wrong turn. Calling Sarasota's parent hostility unequaled among Straight's five programs nationwide, Executive Director Bill Oliver said, "It's got to stop or it's going to turn off the whole community."

Fourteen parents, seated in a circle, recently told the Herald-Tribune of conditions their teenaged children experienced while kicking their drug habits. Some fought back tears as they described physical and mental abuse they say their children were subjected to. The parents said they were often verbally abused themselves before removing their children from the program.

Many of the adults formerly neglected their jobs and worked evenings and weekends to help raise funds for Straight.

"I'm no longer afraid to speak out because I no longer face the threat of having my child terminated (from the program). If they didn't like the things you said or did they'd kick you out. As the mother of a druggie I thought I didn't have any options," said Judy Woerner, one of four parents whose child was enrolled in Straight's St. Petersburg facility.

"Only In the last few weeks have our children gotten over their fear enough to speak out and confirm our suspicions," said Sarasota parent Lois Ramsey.

Youths currently enrolled in Straight tell an entirely different story and insist the program salvaged their self-destructing (see accompanying story).

The parents interviewed repeated many of the complaints in the state attorney's 300-page report, which was turned over to the Florida Department of Health and Rehabilitative Services three weeks ago for enforcement.

Among their concerns were teenagers denied life's basic needs of food, water, safety and medical attention.

"I had one girl come to my house who was so thirsty she kept on drinking and drinking and I asked her to stop and she wouldn't.... She kept drinking until she vomited," Mrs. Ramsey recalled

Eight of the 14 parents said their children developed urinary tract infections while enrolled in the rehabilitation program and blame it on insufficient liquids.

One mother said her daughter was fed peanut butter sandwiches for 28 consecutive days. Straight's Oliver admitted that was formerly used to encourage submission, but the practice was discontinued because of the controversy it generated.

Youths were locked inside bedrooms of their "foster homes" during early phases of their treatment, the parents said, to prevent the teenagers from fleeing the program.

"I remember waking up at night and worrying what I would do if we had a fire," recalled parent Cathy Foist, who took in several youths while her son was enrolled in the program.

"I locked the doors and windows of my home and hog-tied kids who escaped. I'm ashamed of some of the things we've done. I was used. I've been had," confessed parent Ray Pack.

Parents also described physical abuse their children were subjected to. Pack said his two teenage daughters were among 15 girls in a room being strip-searched when a male staff member entered the room, lingered, and then left, he said. "We gave them the custodianship of our children and they abused it," he said bitterly. Said another parent, "They (Straight employees) told us in meetings if our kids complain, don't believe it and tell us, tell staff, because your child is likely to run away from the program."

Fifteen-year-old Rodney [REDACTED] said he was choked into submission by more advanced youths in the program when he cursed his parents during an assembly-type meeting between parents and children. While an estimated 175 parents watched, Rodney was forcefully dragged into a back room where he recalls complaining he couldn't breathe while being lifted off the ground by his neck.

"Basically, if a program is run the way it should be it would be good, but not if it's all twisted up like this one," said Rodney, who's receiving help at another rehabilitation clinic. Rodney's mother is equally upset about Straight. She began suffering from a stress-induced blindness while her son was in the program. Despite three doctors' letters verifying she needed 30 days of rest, she said Straight officials refused to grant her an exemption from its mandatory parent session Monday and Friday nights. The [REDACTED] said they were kicked out of the program.

"Even though Rodney was physically abused over there, I think the mental abuse on him and others and parents was far worse," Mrs. [REDACTED] continued.

Several parents said they were repeatedly accused of being weak parents and were blamed for their children's drug habits. They used words such as "Intimidation" and "belittlement" to describe how they were treated when they came to Straight twice a week. At one "open meeting" between parents and children, one mother was called an "ungrateful bitch" by a staff member, several parents related.

Parents said Straight advocates building stronger family bonds, but did just the opposite when undermining husband-wife relationships and separating family members. They also blamed Straight for "setting the kids up to fail if they left the program or were pulled out."

"When I tried to get my daughter out she was holding onto the walls screaming, 'I'll die, I'll die...'" Diane Smith said.

The one thing you need to know to put this in perspective is there isn't a parent that went to Straight that wasn't desperate," Bob Boyle of St. Petersburg said. "We've all gone through hell and the only reason is we've done it for our kids."

Laying responsibility for what is alleged to have happened is another matter. The parents who spoke with the Herald Tribune blame Straight Clinical Director Miller Newton of St. Petersburg for derailing the program from its original, humane methods.

They also blame Hugh Burns, who was director of the Sarasota program for 1½ years before he was fired in December and replaced by acting director Christopher Yarnold. Newton has been quoted as blaming Burns for the problems and saying they won't continue in Burns' absence, although local parents familiar with the program say some of the problems persist.

Straight's Oliver said no single individual can be blamed for allowing the alleged mistreatment. "I don't think you can blame any single person for the allegations that are made in the HRS report," he said, maintaining that the purported mistreatment violates company policies.

Despite their bitterness, none of the parents wanted to see Straight shut down. They said there is a need for rehabilitation programs to handle the country's first generation of teenage drug users, but Straight's methods must change if it's going to survive, in their view.

All 14 parents have withdrawn their children from Straight in recent months and sent them to Sarasota's other drug rehab program for teenagers, LIFE, located halfway between Sarasota and Venice. Others have accepted Straight's methods, including Sandy Nichols.

"I don't know how humane I would have been with my daughters if I didn't have Straight. I was ready to get violent with them myself," Nichols said.

Both programs operate on the philosophy that if peer pressure encourages many teenagers to use drugs, it can also be used get teenagers off drugs. Their no-nonsense methods prompted one official to say they will always be controversial “when you’re dealing with people’s most precious possessions in a culture that says It’s OK to do mind-altering drugs.”

Unlike Straight Inc., LIFE has avoided controversy since opening its doors three years ago. One reason may be its local roots with a board of directors comprised of prominent Sarasotans. Straight Inc., In addition to its headquarters In St. Petersburg, operates branches in Sarasota, Atlanta, Cincinnati and Alexandria, Va.

“This is not like fried chicken (franchises); It takes local parents and local commitment to make the program work,” LIFE Director Robert Nay suggested cautiously, since both programs outwardly strive to maintain a harmonious relationship.

Another reason may be LIFE’s staff, including a director with a doctorate in clinical psychology. Straight, which has suffered from frequent staff turnover, has been run by an ex-Roman Catholic priest for four months, a man with a doctorate in education for 18 months before that, and is scheduled to receive another director.

LIFE claims a 60 percent success rate of those teenagers who walk through their doors - although the odds of rehabilitation reportedly rise to 91 percent among those who complete the seven-month program. Parents pay a flat fee averaging \$1,400 per child, depending on their family income. The program has about 150 youths in active treatment.

Straight’s success rate is 50 percent with its 12-month treatment program, according to Oliver, and the average fee is \$3,000. The number of youths actively engaged in rehabilitation tins dwindled to 64 in recent weeks.

Oliver said he wants to assure parents Straight intends to be “a responsible, mainstream citizen of this community” and will cooperate with HRS and State Attorney Gardner to make sure adequate safeguards are in place.

They’ve already made some staff changes and the program aims to break away from its closed-door Image, he said, by reaching out to members of the community so they can see for themselves what goes on inside their facility.

We have nothing to hide. I’m a parent with two kids in the program and if I thought there was something illegal or amoral going on I’d pull them immediately,” said Nichols, an active parent at Straight.

“Parents who come are desperate,” he continued. “If it works, the parents become zealots and when it doesn’t work, there’s anger and resentment and bitterness.”

“Give me one parent who isn’t satisfied and we’ll give you 100 who are,” Oliver challenged. “It the situation where you only hear about the eats that get caught in the tree.”

Several parents maintain the drug abuse program abused its privilege, however.

As one parent said, “If we can make changes so that other kids don’t suffer and other parents don’t suffer, then we’re willing to stick our necks on the line and suffer the abuse of reliving some of the problems we’ve had.”

Red Eyes Basis of Drug Diagnosis, Court Told

By Eve Zibart

Originally published in The Washington Post Wednesday, May 11, 1983

A staffer at Straight Inc., a drug rehabilitation agency, testified in federal court in Alexandria yesterday that he "diagnosed" that college student Fred Collins had a drug problem because Collins had red eyes "symptomatic of marijuana use" during an interview.

Christopher Yarnold, who interviewed Collins at Straight's branch in St. Petersburg, Fla., conceded under questioning that Collins told him he had not smoked marijuana in more than three months.

Collins, 20, sophomore at Virginia Tech, is seeking \$750,000 in damages from Straight Inc. in U.S. District Court, contending that he was forced to remain in the program for 130 days and subjected to constant mental and physical abuse. Collins' family lives in Fairfax, where the agency recently opened a drug treatment program.

Dr. James Egan, the chief of psychiatry at Children's Hospital in Washington, testified yesterday that Collins was "a typical, perhaps above average" student whose drug and alcohol use was "modest by contemporary standards."

Egan told the jury that he would not have referred Collins to a rehabilitation program. Egan testified that he believes that Collins has developed "neurotic symptoms" such as depression, anxiety and nightmares since he left the Straight program.

Defense lawyers for Straight deny that Collins was subject to any physical or psychological abuse. They contend that the program, which they say Collins joined voluntarily, is based on nationally accepted therapeutic practices.

During Yarnold's testimony yesterday, Collins' chief counsel, Philip J. Hirschkop, invited the staffer to come down from the witness stand and look into Collins' eyes, and "tell the court when he had his last drink."

Yarnold then walked up to Collins, who was seated in the well of the courtroom, looked into his eyes and said, "They look good."

Joey [REDACTED], 17, a Straight staffer who also helped admit Collins to the program, testified that Collins stood up at a "group rap" in St. Petersburg and said he was thinking of

leaving the program. [REDACTED] wrote in the staff book that evening that "Fred Collins was confronted and blown away for wanting to leave. We need to ride his butt." [REDACTED] told the jury that meant staffers needed to concentrate on helping Collins.

Collins' attorneys also tried to show a pattern of abuse in the Straight facilities that would have intimidated Collins. Leigh Bright of Oxon Hill, who was in the program with Collins in St. Petersburg, testified that she had a confrontation with program director Miller Newton, now Straight's national clinical director. Bright told the jury that Newton "grabbed me by the hair and threw me to the floor" and called her obscene names.

Newton was called as the first defense witness late yesterday and is expected to continue his testimony today.

Ex-Straight Employees Support Abuse Charges

By Mark Zaloudek

Originally published in the Sarasota Herald-Tribune, September 14, 1983

Charges by teenage clients of physical abuse and being held against their will in a former Sarasota drug rehabilitation clinic are supported in sworn testimony by former employees, the Herald-Tribune has learned.

Documents made public this week indicate employees of Straight Inc. of Sarasota-Manatee allowed many of the allegations that prompted a 12-month criminal investigation by State Attorney James A. Gardner.

The employees were granted immunity from prosecution in return for their information about the closely guarded rehabilitation clinic, according to officials of the state attorney's office. Officials of the St. Petersburg-based Straight have since suspended Sarasota County operations.

Gardner released information from the investigation after deciding not to prosecute Straight Inc. when it withdrew from his three-county jurisdiction in July.

"We weren't trying and never did try to make any kind of judgment as to the value of the program. We started from the likelihood that the program serves a (public) benefit, but we felt it should operate within state law," said Assistant State Attorney David Levin, who headed the investigation.

Levin subpoenaed four employees, including former director Hugh Burns, in gathering information about the controversial "tough love" clinic's Sarasota operations. He also took hundreds of pages of testimony from current and former clients over the past year.

Although more than half of the teenagers in the program voluntarily committed themselves for rehabilitation, they were apparently misled about the ease by which they could be released into the custody of their parents, the sworn testimony indicates. Those same documents reveal that clients over 18, having reached adulthood, also found it difficult to leave a program that had no legal means to keep them.

"I've told people that are under 18 that they cannot leave the program due to impulsive decision-making," senior staff supervisor Chris [REDACTED] of Straight Inc. told investigators.

"In other words, when they have requested to leave, it would have been irresponsible for me to say, 'Yes, here's the door, go...' because they were chemically dependent and psychologically unsure to make a sound decision for their life," continued the 24-year-old Manatee Junior College student and former Straight client.

He said he advised youths to try the program for 14 days before they were allowed to leave.

"Up until a month ago, it had been just an accepted fact by the staff that anyone who was under the age of 18 could not pull themselves," senior staff member Tony [REDACTED] said in sworn testimony last February.

And if someone 18 or older decided to walk out, [REDACTED] said the person would be restrained before ever reaching the door by other clients.

[REDACTED] said it would take one to two days typically to process a withdrawal and notify a client's parents, but some teens were held for up to two weeks after making requests to leave.

"State law says any unconsented touching constitutes battery," said Levin, citing one of the principal reasons for the investigation.

"You'll see from their statements that Straight has a policy to keep kids in there for a specific period of time before they would even consider a request to leave," he said.

Levin added that Straight Clinical Director Miller Newton "tried to convince us that whatever happened in Sarasota was Hugh Burns' fault. I think as you read through these, you'll see that isn't the case. These are all St. Pete-directed activities."

Burns was terminated suddenly Dec. 6, 1982 and, in his termination notice, was prohibited from making any public statement about his involvement with the program, although he cooperated with law authorities.

Testimony taken from former staff members also lends [line of text missed in copy] strong-armed into signing into the program.

"Would a prospective client ever be threatened with a court-ordering into the program?" Levin asked [REDACTED]

"Yes," he replied, "...If there's been like criminal activity, If he's been stealing things from his parents or something like that, we'd say, well, you know, your parents are thinking of court-ordering you to the program because of such-and-such activities that you've done and, you know, it would make it easier on yourself if you'd just sign yourself in instead of having to go through court and all that stuff."

Straight employees also admitted to: • Enrolling brothers and sisters of clients who were not regular drug users;

- Spending as much as 12 or 13 hours to coax a prospective client to enroll;

- Encouraging graduates to return to the program for engaging in premarital sex, a program violation, regardless of whether they resumed their drug habits.

Straight continues its operations in St. Petersburg, Atlanta, Cincinnati and Alexandria, Va.

ISAC Note: The Virginia branch was actually located in Springfield, VA

Mayoral Candidate Motivated by Duty

By Patti Bridges

Originally published in the St. Petersburg Times, January 26, 1988

MADEIRA BEACH - Miller Newton, once the guiding hand behind the Straight Inc. drug treatment program and an unsuccessful candidate for Congress, is aiming at a new public job - mayor of Madeira Beach.

Newton, 49, dropped out of local public affairs more than four years ago when he resigned as head of the Straight program in St. Petersburg. Since then he has been living in Madeira Beach and commuting to offices from New Jersey to California as the president and clinical director of a national chain of children's treatment programs known as Kids Centers of America.

Although Newton also has served on this city's Board of Adjustment for six years, he has kept a low profile in town politics. That changed Monday. Mayor J. Kenneth Jacobsen called reporters to announce that he won't seek re-election after eight years as mayor and four additional years as a commissioner. Instead, Jacobsen announced that Newton, a man he has known from his work in the city, will run in the March 8 election.

Jacobsen said he chose not to run because he wants to spend more time with his family.

Reached at his office in New Jersey, Newton said he was urged to seek the job by Jacobsen and others and did so somewhat "reluctantly." "The main reason I'm doing it is a sense of civic duty," Newton said. "We really have a quality government in Madeira Beach . . . and it is based upon having a city government that really supports the full-time professionals."

Newton's only declared opponent to date is Hugh Lamont. The mayor's job is part-time and pays \$300 a month.

Newton admitted Monday that he has probably been to no more than one City Commission meeting since moving to the city in 1982. If elected, Newton said he will arrange to be present for commission meetings. However, he said that in the city's present manager-commission form of government, he plans to fulfill his policy-making role as a member of the commission and allow the city administration to run the city on a daily basis.

"I'm not running against anybody," said Newton. "I want to stress again that (running for mayor) is not something I would have chosen to do for political reasons." He said he

agreed to run for mayor only as a form of "community service.", but left that post in 1976 to run for the U.S. House of Representatives.

He joined the Straight program in 1980 and rose to national clinical director before he resigned 1983 to work in the New York City area. Kid Centers of America have three treatment centers across the nation and plans to open two more soon, said Newton. The centers treat youngsters for problems that range from drugs and alcohol abuse to eating disorders, he said.

Election Aftermath // Madeira Beach Left to Mend Some Rifts

By Tammerlin Drummond

Originally published in the St. Petersburg Times, March 10, 1988

MADEIRA BEACH - One mayoral candidate sent out last-minute letters implying past wrongdoings by his opponent. The opposition claimed the accuser drank heavily. Many observers called the race leading to Tuesday's election the dirtiest campaign this quiet beach city of about 5,000 has seen in years. But the name-calling and accusations spurred voter interest enough to create the largest election turnout in city history. When the final votes were tallied late Tuesday night, 1,356 of the city's 2,678 registered voters had cast ballots and had given Hugh Lamont a 30-vote victory over Miller Newton in the mayor's race. Now that the dust has settled, both sides agree that Lamont will face a difficult job of smoothing ruffled feathers. "I think it will definitely be difficult for me, but I think we'll have to mend the fence and get back to doing the work we were elected to do," Lamont said. "I will assure the people, including those that did not vote for me, that I will work very hard to reunite this city and make it a better place to live."

It will not be easy.

When Lamont takes office April 5, he will preside over a commission that includes two incumbent commissioners - Arnold Alloway and Warren Sturgis - who supported Newton.

Part of the rift stems from a letter sent out by Lamont shortly before election day. It included newspaper articles about Newton's tenures as director of Straight Inc., a controversial drug-abuse program, and as Pasco County Circuit Court Clerk. The articles described a lawsuit filed by a man who claims he was held captive by Straight Inc. It also included an account about Newton's problems paying campaign bills. Newton could not be contacted Wednesday. However, Sturgis said he still believes the mail-out was dirty politics. "I just didn't care for the way he (Lamont) conducted his campaigning.

It was very underhanded," Sturgis said.

Newton's supporters denounced the letter as a "smear campaign." "I think it was really unfortunate that those on the other side chose to run a campaign based on personalities rather than the issues," said Paula McCormick, treasurer of a group that formed to support the incumbents.

The race had no incumbent because longtime mayor J. Kenneth Jacobsen decided not to run again.

Now that the elections are over, some observers believe tempers will cool.

"I think as soon as the emotions of the minute pass by, the city will get back to business as usual," said Larry Coleman, vice president of the Madeira Beach Taxpayers and Civic Association. "I think Hugh Lamont will be a steadying influence and make a good mayor." Some anger was evident Tuesday night after the election results had been tallied.

"I feel sorry for this city," one disgruntled woman at City Hall said Tuesday night. "Wait until he starts conducting the meetings drunk." Lamont said there had been several false allegations during the campaign that he drank heavily. "They'd been telling people I was in an alcoholic treatment place, and I've never been near one," he said. The hot political issue - the city's controversial purchase last year of a \$650,000 parcel in John's Pass Village - helped bring voters to the polls, but it had little impact upon the election results. Incumbent commissioners Alloway and Sturgis, who were members of the board that voted for the purchase of the Gulf Beach-Seminole Board of Realtors property, defeated challengers Paul T. O'Connor and Alan R. DiSesa.

Yet Another Hot Potato Falls Into His Hands

By Jan Glidewell

Originally published in the St. Petersburg Times, January 17, 1989

In the beginning, there was controversy, and lo, in the center of the controversy, was Miller Newton.

Only the Newton-centered controversies that occupied so much of my time in 1973 when I was a new reporter in Pasco County and he was the newly appointed circuit clerk there have now reached national scale. If you don't believe it, catch this Saturday's installment of West 57th on CBS.

Newton is the head of Kids of Bergen County Inc., a drug and behavioral disorder treatment program that is at the center of controversy in the New Jersey-New York area.

Newton was appointed to his Pasco job after his predecessor got into some trouble for allegedly mingling government funds with his own and resigned from office. Newton's predecessor was placed on probation on misdemeanor charges stemming from what had - until then - been a traditional practice.

During his three years in office in Pasco, Newton was engaged in almost constant controversy as he battled with the county's first county administrator, George Knoblock.

Those three years were sandwiched between unsuccessful races for the U.S. House of Representatives, the last one in 1976. I remember that last race clearly, because Wife and I were married - by Newton - in a hotel suite only a few feet away from Newton's campaign headquarters at what is now the New Port Richey Sheraton Inn. Always the fiscal conservative, Newton killed two birds with one stone and used pictures of our wedding guests in his campaign brochure. That campaign ended Newton's political career, except for a brief foray last year when he ran for mayor of Madeira Beach, also unsuccessfully. But an end to politics did not mean an end to controversy for Newton. When one of his children developed a drug dependency problem in 1980, Newton became active in and eventually became national clinical director of Straight Inc., acquiring a doctor's degree along the way. Like any drug treatment program, Straight's methods are controversial. Although Newton points out that the program was cleared of any wrongdoing while he was there, there has been frequent criticism of the program - almost always from those who had left without completing it. That, he said from his Hackensack, N.J., office Monday, is the basis of the West 57th segment.

"It's pretty much the same thing," said Newton. "They've gotten hold of a couple of pull-offs from the program who are bitching about it." Newton said that one of the people interviewed by the program "was using at the time and has gone back to being sober and has said that things he said were not true."

A public relations spokesman for West 57th confirmed that the segment, which was promoted at the end of last Saturday's show, deals with the controversial method of treatment at the center, but said he did not have much more information about the segment and wasn't sure where the treatment center was located.

Unlike Straight Inc., Kids of Bergen County also deals with behavioral problems and eating disorders such as anorexia nervosa and bulimia. Newton said a positive piece about the eating disorders treatment was begun, but never finished by the network news magazine program. "We're concerned about what the content of this piece might be because of the kind of questions we were asked," he said. "It's kind of ironic," said Newton. "The nephews of three board members of CBS have gone through the program and one of our consulting psychiatrists is a third cousin of (CBS Board Chairman) Larry Tisch." Newton and his wife, Ruth Ann, still maintain a home in Madeira Beach, and have recently developed an interest in sailing. "Sometimes I think that if I could make a living taking charters - I'd just sail away into the Caribbean," he said.

Workers at Drug Program Sentenced

By Neal Thompson

Originally published in The Record (Bergen County, NJ), December 24, 1993

SECAUCUS -- In a small, windowless room in a huge blue warehouse here, 17-year-old [REDACTED] Soto's drug-treatment counselors crossed the line between aggressive therapy and illegal assault.

During a 1992 group session, three peer counselors hoisted Soto by his belt loops and dragged him into the room where they pummeled the Morris County youth for 30 minutes, he told a Secaucus Municipal Court judge in April. Soto admitted that he had been scuffling with another client prior to the beating.

"They started slamming me against the walls [and] punching me in the face . . . telling me that this was going to continue going on all night . . . I was scared to death."

Soto also testified that Miller Newton, founder and director of the treatment program, KIDS of North Jersey, had authorized the beating.

Last week, Judge Emil DelBaglivo, who convicted the three counselors of simple assault in October following a non-jury trial, sentenced [REDACTED] Lugo, [REDACTED] O'Connor, and [REDACTED] Clemence, all 23, to a year of probation and fined them each \$575.

Though he didn't mention Newton by name, DelBaglivo said it was "almost unbelievable" that the director of the program, a man with "supposedly" strong credentials, would allow and condone the use of violence. "We find the institution highly questionable and someone should look into it. We think there's something radically wrong."

Attorneys for KIDS, which has been paying the defendants' legal bills, will appeal DelBaglivo's decision, said Newton, who insists the assault never occurred.

In an interview Dec. 15, O'Connor, who has since left the program, admitted that he participated in the assault on Soto and that beatings were a routine way of handling patients who got out of line. "It's even happened to me," he said.

"We were basically breaking his will," O'Connor explained, referring to the assault on Soto. "I knew what we were doing was wrong, but [Newton] did tell us to do it. I was under his command, and that's why I left."

It was only a municipal court trial, and the defendants drew no jail terms for their offenses. Indeed, the charges were relatively minor. But for the first time, a judge

declared that what KIDS staffers had done in the name of curing drug addiction was criminal. The convictions also served to bolster claims that former patients and their families have made for years: that KIDS' treatment tactics border on child abuse.

The case of ██████ Soto is just the latest in a long series of legal and financial problems KIDS has faced -- and thus far survived -- since it opened in 1984 as KIDS of Bergen County, headquartered in Hackensack.

In the past, investigators have probed claims of kidnapping and abuse. Patients in Bergen County and in three other states where affiliated KIDS programs once operated have made accusations that they were held against their will. No criminal charges were filed in those cases, although Bergen County prosecutors twice escorted patients from KIDS facilities following claims they were detained unwillingly. The programs in Hackensack; El Paso, Texas; Salt Lake City, and Southern California all closed under the pressure of those investigations.

The KIDS Hackensack chapter reopened in Secaucus in 1991. As director, Newton now earns nearly \$100,000 a year, recent tax records show.

KIDS has since fallen from the brink of becoming a national franchise, and the Secaucus program, with about 60 patients from the metropolitan area, is now the last one remaining. Still at the helm is Newton, a 55-year-old minister and medical anthropologist who has left behind a trail of controversy since entering the rehab business in Florida 13 years ago. Monday's sentencing dealt a blow to Newton's efforts to gain legitimacy for his program, while bolstering the quest by former patients to discredit a man they consider a fraud.

But it's not just the treatment methods that have provoked scrutiny of the program. Hudson County prosecutors, the state attorney general, and the state Department of Insurance are now investigating whether some of KIDS' billing practices are defrauding insurance companies.

The extensive, yearlong probe is winding down, said Louis Parisi, who heads the Insurance Department's fraud division. Edward DeFazio, Hudson County's first assistant prosecutor, said the investigation has lasted longer than expected, "due to the complexity of the financial subject matter . . . [but] it looks like the investigation is coming to a close."

A review by The Record of insurance forms and affidavits in the criminal investigation, as well as dozens of interviews with investigators, former patients, and their parents over the past few months have yielded the following accusations about the program: KIDS has billed insurance companies for treating not only patients, but also family members who attended group sessions, even when no psychiatrist or doctor was present, parents and insurance companies say; rubber stamps with a psychiatrist's signature were used to authorize insurance forms, even though a psychiatrist never saw the patient or family member in question, nor reviewed the patient's records, at least one psychiatrist claims.

Raymond Edelman, a Teaneck psychiatrist who worked nearly three years as a KIDS consultant, told The Record that, without his knowledge, the program used a rubber stamp with his signature to authorize insurance forms. Those forms billed insurance companies for sessions that Edelman did not attend and knew nothing about, he said. And, Edelman added, that practice continued even after he quit KIDS more than two years ago -- in part, in a dispute over the program's billing practices.

Edelman said the stamp was supposed to be used for internal memos and documents, "but [Newton] was not authorized to use it for insurance companies or anything like that . . . He wasn't supposed to use my stamp at all."

DeFazio said those allegations are at the heart of the ongoing probe into what constitutes legal insurance billing.

"That's precisely the question: whether you have to have actual presence of the health-care professional or, in the absence of actual presence, whether the reviewing of the patient's file is sufficient to justify billing," he said. "But we're satisfied that there's an apparent problem with the policies as we've ascertained them to be."

The Prudential Insurance Co. of America recently conducted its own investigation and found that KIDS was billing the company for treatment sessions during which no doctor or psychiatrist was present, said Prudential spokeswoman Diana Lipps. The company maintains that a licensed professional must be present for such a session to be covered. "We conducted our own investigation. As a result, we've stopped paying all claims to KIDS of North Jersey," Lipps said. "We feel they misrepresented their services to us."

Nellie Cotto and her husband, Fernando Aviles, said they never met Edelman or any other physician during the family sessions they attended while their son was a patient. Yet, Edelman's signature appears on a number of Aviles' insurance forms from two years ago. Blue Cross and Blue Shield were charged \$75 to \$150 for each of the many group therapy sessions Aviles attended with his wife and son.

"I went there to get treatment for my son; they took it upon themselves to give me treatment," Aviles said. "Their objective is to draw money from families."

Newton, in turn, blames the insurance companies for refusing payment of claims. "We never billed for any services we didn't deliver," he said.

Much like his trouble-plagued program, Virgil Miller Newton has been a lightning rod for acclaim and condemnation during his 10 years in North Jersey.

Staffers, patients, and grateful parents call him "Dr. Newton." And many perceive him as a dedicated man, a genius even, who saves lives and families.

Raised in Florida, Newton dabbled in politics before launching his career as a rehab guru for drug and alcohol addicts. He was a circuit court clerk in Pasco County and ran unsuccessfully for mayor of Madeira Beach, near St. Petersburg, and also for Congress. He still sits on the Madeira Beach Board of Adjustment, where he and his wife, Ruth Ann, keep a \$125,000 beach house.

Newton's entry into the counseling business began in 1979 when he enrolled his drug-addicted son, Mark, in a confrontational and controversial program called Straight. At the time, Newton was a member of the Florida Alcohol Coalition, a state federation of treatment programs, and, soon after his son enrolled, Newton became director of the St. Petersburg program in 1980.

Former patients have since sued Straight, claiming physical abuse, both during Newton's tenure and after he left in 1983. A jury in 1990 awarded \$721,000 to a client who said Newton slammed her against a wall. The case was settled for \$400,000 and several other lawsuits against the program were settled for similar amounts, said Tampa attorney Karen Barnett, who handled four of those cases.

Newton denies that he mistreated patients. He said Straight was troubled before he arrived -- and after he left -- but that he tried to clean it up during his three years there. Newton left Straight in 1983 to open KIDS of Bergen County.

"Every case that we had involved assault, and at least two of them involved assault directly by Miller Newton," Barnett said. No criminal charges were ever brought against Newton or the Straight program, however.

Ex-Straight Leader Files to Helps Kids

By Curtis Krueger

Originally published in the St. Petersburg Times, August 24, 1999

ST. PETERSBURG - The once controversial counselor, however, says he's not interested in working with a substance abuse program again. Miller Newton, who once helped lead the highly controversial drug treatment program Straight Inc., applied earlier this year for the right to provide substance abuse counseling to youths referred by Pinellas County's Juvenile Assessment Center. But Newton, a psychologist who also came under fire for his work at a center he managed in New Jersey, said Monday that he has no intention of getting back into substance abuse treatment of teenagers. "I'm not involved in any high-profile, controversial kind of work anymore," Newton said. "I'm 61 years old next week, and I'm living a little quieter kind of life. I'm not really interested in directing a program or doing anything like that any more." In the early 1980s, Newton served as national clinical director and in other posts for the St. Petersburg-based Straight Inc., which was repeatedly criticized and sued by former clients for alleged psychological and physical harassment.

He left the center in 1983 and later became president of Kids of North Jersey, which provided mental health services for youths. This agency was involved in controversies similar to the criticisms leveled at Straight.

A report filed earlier this year by New Jersey Assistant Attorney General Barbara Pryor Waugh said that in the Kids program youths often were prevented from contacting their parents; clients were restrained without proper authorization; clients were restrained by other clients; and staffing was insufficient.

The New Jersey program paid \$45,000 to the federal government in 1996 to settle a claim that Newton and the program improperly submitted 254 insurance claims. The program and Newton denied any wrongdoing. The Kids program closed last year.

Newton said he is working locally as a psychologist and worked briefly with another psychologist, Roma Schiefer, who has an office in Seminole.

Newton said he did not recall sending an application for referrals for substance abuse counseling in January to the Juvenile Assessment Center, which is where juveniles are evaluated after being picked up by police in Pinellas County.

But he said he could have because the office he worked with was sending out several such letters to build up clients. An advisory board to the Juvenile Assessment Center

reviewed his application and decided in June to table it until board members could learn more about Newton's work since his days with Straight. The state Department of Children and Families sent Newton a letter this month saying he "cannot continue to operate without a (substance abuse) license," or without proving that he is exempt from needing one. But Miller said he is not working as a substance abuse counselor. He said he is properly licensed as a psychologist. He said he works primarily in the area of neuropsychological assessments and is not doing any ongoing treatment of clients, except to finish with a few people he worked with at Schiefer's practice. He has otherwise quit Schiefer's practice, but she said the parting was a business decision and not based on any concern over his treatment methods.

Closure for a Quack Victim

By Tim O'Brien

Originally published in the New Jersey Law Journal on Monday, January 24, 2000

In 1993, V. Miller Newton titled his doctoral dissertation in clinical neuropsychology, "Guiding Youth Through the Perilous Ordeal." To hundreds of teen-agers who have been subjected to his bizarre methods at the rehabilitation treatment centers he ran in New Jersey and three other states, the title is rich irony.

Their ordeal was documented in a suit by one of those patients, Rebecca Ehrlich, who, like others in Newton's program, never got the treatment for the disorder that led to her enrollment.

At age 14, Ehrlich was placed in KIDS of Bergen County Inc. in Hackensack by her parents on Feb. 24, 1987. They sent her there not for drug or alcohol use, school problems, juvenile delinquency or running away, but for family and behavior problems.

Ehrlich, a freshman with a B average at Wayne Hills High School in Wayne who never tried drugs or alcohol, was an obstinate, rebellious teen-ager. Like most parents who came to Newton's program, Rebecca's family was desperate for a solution to their daughter's problems and for family peace.

Ehrlich was pulled out of school; cut off from family and friends; imprisoned in locked, guarded rooms; strip-searched; denied books, telephone calls and letters; denied the right to read anything or speak to anyone privately; and deprived of sleep.

For six years -- until she was graduated in June 1993 -- she was a virtual prisoner, moving about with an "old timer" constantly holding her by the back of her pants, a practice called belt-looping.

She was the victim of routine physical and emotional abuse. She couldn't shower or defecate in private. She was roughed up for so much as crossing her legs or making eye contact with another patient while being forced to sit ramrod in a plastic blue chair, locked in 12 hours of so-called group therapy sessions seven days a week. Even lunch and dinner was eaten in the blue chairs.

All this, for \$9,500 a year.

On Dec. 23, 1999, after five years of teeth-pulling discovery and obfuscation by Newton, Rebecca Ehrlich -- now 27 -- got some compensation for the pain the six-year ordeal

caused: a \$4.5 million settlement of her suit in Hudson County Superior Court. The settlement, reached 11 days before a trial to be heard by Judge Maurice Gallipoli, ended the case of Ehrlich v. KIDS, HUD-L-4592-95.

The money is to be paid by malpractice insurers for Newton, his wife, his nonprofit corporations, and four defendant psychiatrists, Raymond Edelman of Teaneck, Zisalo Wancier of Closter, Harry Panjwani of Ridgewood and Alvin Galitzin, who died about 10 years ago.

Newton's insurance carrier will pay \$2 million of the total. The psychiatrists' carriers will pay the total of their policies, which comes to \$2.5 million. Ehrlich will receive \$3.5 million up front and \$1 million paid over time.

'Renting Signatures'

Meanwhile Newton, whose centers have now been closed down, has retreated to Madeira Beach, Fla.

Ehrlich's lawyer, Philip Elberg, had said in court papers that he would argue at trial that "Dr. Newton" was a cult leader, charlatan and insurance fraud artist.

Elberg, a partner with Medvin & Elberg in Newark, charges that Newton, who received his master's degree in divinity from Princeton Theological Seminary and sports a nine-page, single-spaced resume, lacked credentials or qualifications to be a "clinical director" or to provide treatment for compulsive behavior problems. KIDS had held itself out as a place for treatment of such problems, as well as for drug and alcohol abuse and eating disorders.

The psychiatrists named in the suit -- all medical directors at KIDS -- admitted in depositions that they allowed program graduate staffers or senior patients at the Hackensack rehabilitation facility to stamp their signatures on necessary regulatory forms, charts, letters and insurance claim forms. Elberg called the practice "renting signatures."

Ehrlich's 1987 intake diagnosis, for instance, was rubber-stamped with the signature of Panjwani -- five years after Ehrlich was admitted. Panjwani later swore he never saw her, or evaluated her, and "would not know her from a hole in the wall." He explained that his rubber-stamp was used for the "bookkeeping ... and record keeping ... required by accreditation."

At the end of discovery in Ehrlich's case, Newton admitted that no one with any professional license ever diagnosed, evaluated or treated Ehrlich. (Years later, a New York psychologist would diagnose her as having a bipolar disorder and associated mental problems.) Newton also said that all such evaluations or treatment were done by unlicensed and untrained "peer counselors," namely, participants who had gone through the program's five phases.

Newton was also forced, by a demand for admissions, to concede that he could find no published study, report or book that advocated his treatment protocol.

Instead, he pointed to his own unpublished studies. Two such studies were cited in footnotes in a book he wrote. But after three motions demanding production of those studies, Newton certified that he couldn't find them.

Defendant Wancier admitted that he signed treatment plans for Ehrlich eight months after the plan allegedly was put into effect. He, too, conceded never actually meeting with Ehrlich. "I may have seen her in the hallway."

Wancier acknowledged that Newton had him sign treatment plans so they could be submitted for insurance claims. He later left the program, partly because his paychecks bounced.

Fellow psychiatrist Edelman said in a deposition that he tried to get Newton to change his methods, but Newton would not take the advice of a doctor.

Newton has an unlisted number in Madeira Beach, and could not be reached. His attorney, John O'Farrell of Morristown's Francis & O'Farrell, said he does not discuss his cases with the press. The lawyers for three of the psychiatrists did not return telephone calls seeking comment. The lawyer for Galitzin, Justin Johnson of Fairfield's Lunga, Evers & Johnson, confirmed the settlement but declined to comment.

Warning Signs From Early 1980s

Though Newton, 61, is finally out of New Jersey, Ehrlich, Elberg and his co- counsel, Robert Jones, don't deserve all the credit.

State regulators, prosecutors, insurance carriers, other patients-cum- plaintiffs and investigative print and broadcast journalists have been after Newton -- a former Methodist minister and failed politician -- since he reinvented himself as a rehabilitation guru in Florida.

But he always seemed to survive, billing himself as Dr. Newton, the clinical director, even though his initial Ph.D., awarded in 1981, was in public administration and urban anthropology from The Union Institute in Cincinnati, which bills itself as an "alternative ... learner- directed" school with no campus or attendance requirements. Later resumes describe Newton's Ph.D. as being in "medical anthropology."

His clinical neuropsychology doctorate was awarded from the same school, in September 1993, 13 years after he became a clinical director at a similar Florida treatment program and nine years after he opened KIDS in New Jersey.

In early 1998, the state Department of Human Services threatened to cut off Medicaid reimbursement for Newton's program unless corrections were made. The program had

depended on the money because most of its patients no longer were suburban youths covered by private insurance but urban teen-agers.

The state cited, among other things, the use of physical restraints and the use of senior patients with no qualifications to help run the program. In Ehrlich's case, records show, she was restrained more than 100 times, for such offenses as having a penny or a hair barrette in her possession.

By then, KIDS had been kicked out of its Hackensack location for nonpayment of more than \$400,000 in back rent. But, relocated in Secaucus and redubbed KIDS of North Jersey Inc., Newton's center fought on, winning two stays from the Division of Mental Health Services in order to file two plans of correction.

On May 1, 1998, when the agency finally pulled the plug, Newton pushed for reconsideration, which led to hearings before Administrative Law Judge Daniel McKeown in the fall of 1998. After the hearing, when more former patients and parents testified about sleep deprivation, beatings, kidnappings of escaped patients, a total lack of privacy for so-called newcomers, and a total "blackout" from the outside world, McKeown recommended that Newton's final appeal be dismissed.

Simultaneously, Elberg and Jones were tightening the noose in Hudson County. They obtained a highly damaging deposition by a former staffer who said Newton doctored and withheld records. The attorneys also moved, successfully, to unseal part of the hearing before McKeown, which had been closed by the Office of Administrative Law.

By the fall of 1998, Newton was close to throwing in the towel and closing his remaining KIDS center. Regulators had shut him down in Texas, Utah and California, while some insurers and governmental agencies had stopped paying claims because the treatment had not been provided by doctors. His goal of opening up to 25 KIDS of America centers is now in ashes.

KIDS of North Jersey finally closed on Nov. 2, 1998, and Newton and his wife, Ruth Ann, the KIDS assistant director, returned to their home in Florida.

In June 1999, the state filed an action against KIDS for \$1 million in Medicaid overbillings. Human Services officials expressed little hope of recovering anything, but the action is pending.

An 18-Year Run

But the remarkable aspect of this story is that it took so long to shut Newton down, given all the accusations swirling around him and his treatment protocol.

As far back as 1984, as Newton was starting up in New Jersey, CBS's 60 Minutes broadcast an expose on Straight Inc. in St. Petersburg, Fla., where Newton had started out, working his way up to national clinical director by 1982 and running Straight's clinic

in Sarasota. Newton said he got involved after placing his 15- year-old son in the program for drug abuse.

That show highlighted a suit brought by 19-year-old college student Fred Collins who went to Straight to visit his brother and was coerced into the program himself. He was kept against his will in the intake room for more than 10 hours, without being allowed to talk to his parents, until he signed himself in. Collins told 60 Minutes of routine beatings by peer counselors, patients in the advanced phases, who exercise total control over newcomers.

Collins busted out by smashing a locked window. (Others in the four KIDS centers have told reporters and testified that they jumped from moving cars, jumped off roofs and ran naked from a host home in the dead of night. Straight and KIDS use such homes in which parents of longtime patients take in and lock up newcomers each night).

Collins said he tried to get out because he was an adult, and made the obligatory written request to leave. But his request went to a 15-year-old girl who told 60 Minutes she tossed it in the trash, which she was instructed to do.

In Rebecca Ehrlich's case, Elberg obtained two notes from his client in which she requested to speak to the county prosecutor and leave. But records show she did not use the right form or correct request procedure, so her requests were ignored. One note, handed over in discovery, is marked "wrong C of C" (chain of command). Elberg says the staffer who wrote that note testified he did not know what form should be used.

Newton instructed staffers to toss requests to leave or speak to someone, former patients and staffers have said in litigation and to reporters.

In 1989 and 1990, Bergen County Prosecutor Larry McClure investigated KIDS. He found no criminality, but recommended that the state Attorney General's Office probe the operation. In one raid conducted by his office, a dozen youths told county officials they wanted to leave the center and they were escorted out.

The 60 Minutes segment also showed Straight Inc. director Bill Oliver belittling the idea that Collins couldn't go anywhere he wanted. "We have no record of Fred Collins asking to leave this program at any time."

The jury awarded Collins \$220,000 for his five months in what his attorney called a private jail.

The Florida Attorney General's Office investigated Straight in 1983. In 1989, Florida state prosecutor David Levin described the program for ABC-TV's 20/20 as "... a sort of private jail, utilizing techniques such as torture and punishment which even a convicted criminal would not be subject to."

Newton responded on 20/20, "I don't like the word imprison. Imprison implies punishment." Call it "an isolation ward if you like," he said, adding that he opposes violence. Distancing himself from Straight years later, he said that when "I became clinical director and suddenly found out that there was this thing going on, I never heard of it before, then I walked in and said, 'For god's sake, I am against any harm to any kid at any place, tell us what the problem is so we can fix it.'"

But other former patients sued, including one who was awarded \$721,000 in 1990 and settled for \$400,000. The plaintiff's lawyer, Karen Barnett of Tampa, told The Record of Hackensack, "Every case we had involved assault and at least two of them involved assault directed by Newton."

In the midst of the Florida investigation in late 1983, Straight's Sarasota program closed and Newton moved to Hackensack, where he started KIDS. Dozens of ex-patients have said, some in litigation, that he took Straight's model to more excess in New Jersey.

How excessive? In April 1992, Secaucus Municipal Judge Emil DelBaglivo convicted three male KIDS peer counselors, all 23, of simple assault for dragging 17-year-old ██████ Soto into a room and pummeling him for a half-hour. DelBaglivo was quoted in The Record as calling KIDS a "highly questionable" place. He said something was "radically wrong" if the program's director would condone what the judge described as "almost unbelievable" conduct. "Someone should look into it," he said.

The article also quoted one of the defendants, peer counselor ██████ O'Connor, as saying, "We knew it was wrong, but [Newton] told us to do it. I was under his command and that's why I left."

In another case reported on a 1989 broadcast of ABC-TV's West 57th St., a peer counselor was arrested for assault after jumping an 18-year-old man who had just left the program, and forcing him back with help from another patient. The victim, beaten bloody, was treated at Holy Name Hospital in Teaneck.

Newton told the show he had no knowledge of the incident, but program graduate ██████ Johnson countered that Newton told her to try to persuade the victim to drop the charges. In return, she said she told the victim that KIDS wouldn't come after him anymore.

And in 1996 Newton was sued by the federal government for billing the Federal Employees Health Benefits Program for treatment by physicians when the physicians signing the claim form provided no services. Newton, admitting no wrongdoing, agreed to return \$45,000 for 245 claims.

There's much more. As far back as 1989, another administrative law judge, Edith Klinger, concluded after a hearing that KIDS was not in compliance with a host of state safety and health regulations. She pushed for having the place closed unless it applied for a certificate of need from the state Health Department.

Klinger conducted a hearing on a certificate of need application by KIDS drug abuse treatment center. For five years, KIDS was not licensed by any state agency, in part, according to state records, because it held itself out as a program that was following the 12 steps of Alcoholics Anonymous. In fact, KIDS had little resemblance to AA. Newton cut the steps down to eight and overlaid the operation with what Ehrlich's experts call cult-like mind control. All patients and parents, in or out, were designated as in good or bad standing; no contact was permitted with those in bad standing.

Klinger concluded that Newton lacked the statutorily required good moral character to get the program certified, urging further investigation.

By late last year, Elberg and Jones had more documented information about KIDS and Newton than anyone else had amassed. They had 28 depositions, including four by Newton. Most important, they had the original, unredacted treatment records, documenting every restraint and incident, as well as every ersatz psychiatric evaluation, diagnosis or treatment, which staffers testified was essentially the same for everyone at KIDS.

Elberg says three key turning points led to the settlement.

First, Judge Gallipoli ruled last March that Elberg could argue for punitive damages if he got to a jury and allowed the attorney to take discovery on the personal assets of all the defendants. "That forced the psychiatrists to think twice about losing their house," Elberg says.

Second, a deposition of staffer Jeffrey Stallings in January 1999 disclosed that Newton hadn't turned over many of the original records subpoenaed earlier. Stallings -- who, like others, left when he didn't get paid for three months -- testified that Newton altered records in anticipation of an inspection of the program by regulators. He also said Newton withheld some records.

"Getting the unredacted original records was key because then it didn't matter what Miller Newton said, and I didn't really need witnesses," said Elberg.

Third, in finally obtaining all the records, Elberg says he could develop an overall strategy of "showing the perverseness of Rebecca's treatment, especially all her many setbacks to Phase I for unbelievable reasons, including eating cookies." KIDS claimed that Ehrlich, who spent about 3 1/2 years in Phase 1 and was overweight, had an eating disorder.

In the end, the case boiled down to garden-variety counts -- consumer fraud, civil rights violations, breach of contract, assault and medical malpractice.

The damages, according to the plaintiff's papers, are the harm done to Rebecca, who really needed mental health care for her bipolar disorder. Instead, her condition worsened.

Ehrlich, like dozens of other ex- KIDS clients, was later treated for post- traumatic stress disorder, and it was her private psychiatrist who suggested she find a lawyer and seek closure.

Says Elberg: "She said what so many have said, that while parents took kids off the street for safety, the kids were never in a more dangerous place than when they were in that place."

Newton, meanwhile, is back in Madeira Beach, where he ran unsuccessfully for Congress in 1972 and 1976, and unsuccessfully for mayor in 1988, while he was heading KIDS in Hackensack.

As long ago as the mid-1980s, Newton was spouting about the wholesome nature of his program. He told 20/20 at that time: "Our program is construed as a teen- age peer culture that is anti-drug, pro- responsible behavior, pro-achievement, pro- family, pro-good appearance, and pro-good moral values."

But when his Medicaid funding was finally pulled by the state, one key reason was the conclusion by state Human Services officials that KIDS was, in fact, a program that failed to bring families back together.

Like many others, Rebecca Ehrlich today has reconciled with her parents, and continues to be treated for her bipolar disorder.

Lingering Torment from Rough Therapy

By Leslie Brody

Sunday, April 9, 2000

<http://www.bergen.com/index.html>

It has been almost seven years since Rebecca Ehrlich walked out of KIDS of North Jersey, a drug treatment center no longer operating. On her bad days, though, it feels as if she was there just yesterday.

Ehrlich says she still has nightmares about being trapped in a virtual prison, first in Hackensack, then Secaucus, that barred her from going to school, reading books, getting mail, or making phone calls for most of her six years there. She was allowed to see her parents only twice a week across a crowded room.

When Ehrlich finally got out of KIDS at age 21, she sued for medical malpractice, charging that the unqualified staff never recognized her mental illness and that the program actually made her worse. In December, she won a settlement of \$4.5 million.

"I'm happy about the money, but if I could give it all away not to be sick I would," said Ehrlich, a 27-year-old from Wayne who has been hospitalized for bipolar disorder 17 times since leaving KIDS. "I was tortured emotionally and mentally there."

Ehrlich is one of the many KIDS survivors who say they still have deep scars from a round-the-clock behavior modification program that instilled fear and self-loathing in its troubled clients. Hundreds of North Jersey teenagers spent months or years there until it closed under fire from state regulators in late 1998.

Critics today and throughout KIDS' existence condemned it as a cult-like boot camp headed by a charismatic leader named Miller Newton. Now 62 and living in Florida, he has worked as a psychologist and is easing into retirement. Newton, who declined to talk for this article, still has ardent supporters who credit him with rescuing out-of-control delinquents from the streets.

In a 1987 letter to The Record, Newton explained that his program took "walking disaster area kids . . . and turns them into winners." His boosters contended that bogus allegations of abuse came from "druggies" who couldn't handle the discipline necessary for sobriety.

Despite the official demise of KIDS, the program remains a powerful force in the lives of its former clients. It left broken spirits and broken families in its wake. To this day, some

families remain divided into two camps, a side that has faith in Newton and a side that is horrified by him.

Bob Moss of Ridgewood knows how deeply some families have been split. His grown son won't talk to him.

Moss was an administrator at KIDS but quit in 1993 when he became skeptical of Newton's tough-love approach. After that, Moss says his son, a former KIDS client who is believed to be loyal to Newton, rejected his pleas for contact for seven years. (Moss' son could not be reached for comment.)

"Miller and his people told my son I was a bad person, and that his involvement with me would lead to his returning to drug use," Moss said with evident pain. "I understand I have two grandchildren I've never seen."

7 Other parents face similar estrangement. One Bergen couple, who spoke on condition of anonymity, says their daughter hasn't talked to them in three years.

Like many KIDS parents, the couple believed in the program at first but were dismayed to find that it grew more coercive. They enrolled their daughter in 1984 and, like many patients, she eventually joined the staff. She is still devoted to Newton, her father and others who know her say, and she runs a "graduate society" from her Bergen County apartment, where Newton followers meet daily and practice the techniques they learned.

She turned against her parents when they asked for an independent psychiatric evaluation of her condition, the couple said. "She does not want us to talk to her because we are the enemy," said her father, a former school psychologist. "I am absolutely desperate to see her."

His daughter did not return calls for comment.

Newton's supporters call KIDS a treatment of last resort that used peer pressure to straighten out teenagers who didn't respond to traditional therapies. At times more than 100 teenagers were enrolled, sent by parents desperate for help.

"The program was good for many kids," said Zisalo Wancier, who worked with the program four hours a week and was one of four Bergen County psychiatrists named as co-defendants in Ehrlich's lawsuit. "Many of these kids were doing better. They were all sober. . . . So the public was being protected."

Newton "saved my daughter's life," said a Bergen County man who asked not to be named. Like six other people said to be Newton admirers who were contacted for this story, he would not discuss KIDS in detail, and he said the biased media always criticized it unfairly.

Some graduates say KIDS began with good intentions but that Newton became far too controlling. "I'm sober and I give KIDS credit," said 31-year-old [REDACTED] Harding, who lived in Montclair and now lives in Bethlehem, Pa. He enrolled in 1984, joined the staff, and quit volunteering for it two years ago. "It took me off the streets so I wouldn't get high," he said, "but I wasn't allowed to move on."

Meanwhile, state regulators still want money back from Newton. The New Jersey Department of Human Services is suing him to recoup more than \$1 million in Medicaid payments he collected.

According to a stinging report last September by Administrative Law Judge Daniel McKeown, who denied Newton's appeal to be eligible for Medicaid funds, KIDS was never approved to provide the full-time care it dispensed. The report said it lacked qualified staff. It violated clients' rights by using them to restrain each other physically. And it blocked them from communicating with their parents.

Court papers and people who attended KIDS described it as a warehouse where "newcomers" would sit on blue chairs in a large group for 12 hours a day, confessing their mistakes and chanting about honesty, sexual abstinence, and kicking drugs. Newcomers were not trusted to be alone or talk to their parents privately. More experienced "oldcomers" followed them everywhere, holding on to their belt loops. They were even watched in the bathroom and the shower.

Former KIDS clients say one of the techniques used on teens who acted up was the "five-point restraint" -- five peers would sit on a client's arms and legs and hold his head still. Sometimes that punishment lasted for hours.

Although teenagers spent the nights in "host homes" run by other clients' parents, they were also watched constantly there and many said they felt they had no escape. They said staff members convinced them that if they left they would overdose or their parents would send them back.

Moreover, clients talked of psychological manipulation. They said Newton convinced their parents that teenagers who quit would be lost to the gutters.

"A lot of parents just didn't know what to do, and they wound up in effect civilly committing these children without the due process of law," said Barbara Waugh, a deputy attorney general who is arguing the state's Medicaid suit against Newton. "Once you got in there, you couldn't get out."

Newton, a former Methodist minister, has long faced media scrutiny and opposition from state regulators. In 1984, for example, "60 Minutes" aired an expose on a similar drug program he ran in St. Petersburg, Fla.

In 1987, Larry McClure, the Bergen County prosecutor at the time, led a nine-month investigation of KIDS. He found no evidence of criminal activity, but he urged state

authorities to monitor it. In a raid in 1990, McClure marched into the Hackensack center and announced that he would escort out anyone who wanted to go. Twelve teenagers left on the spot.

One was named Jeff. Riddled by self-doubt, he returned to KIDS the next day because he was terrified that the staff's prediction would come true: that without their guidance, he would commit suicide. "I went back because I was in complete fear," he said. Eventually Jeff left for good. Now he's a mortgage broker.

Jeff and some other former KIDS clients who are cobbling their lives back together have become an informal support group.

Six of them met for a hamburger dinner one night at a Hackensack diner. All are in therapy for post-traumatic stress or other problems. All are drug-free, too. They thank Alcoholics Anonymous and other rehabilitation programs, not Newton. Since KIDS' 24-hour supervision kept teenagers out of high school, they had to get general equivalency diplomas. Some went to college.

One 31-year-old, now a health professional in Bergen County, said that when she finally left KIDS she was furious with her parents for sending her there and had to work hard to reconcile with them. "We fought and cried," she said. "My parents felt very guilty. They said they didn't know what was going on there.

"I feel very angry that nobody saved us," she said. "I have dreams that I'm going to work or school and I'm looking over my shoulder, and the program is coming to kidnap me."

"I have to take medication because I think I'm always lying," added a 32-year-old social worker from Teaneck. "At KIDS, if you said, 'I feel hurt,' they said, 'Are you really hurt?' I'm still asking myself these questions, and not believing myself."

While they are heartened by Rebecca Ehrlich's legal victory against KIDS, some of the revelations that came out because of the litigation reopened old wounds for survivors.

Tammy ██████ a blond and gregarious 31-year-old office manager from Clifton, said she "freaked out" when she learned later that Newton was not a licensed psychologist when he began to treat her.

He always went by the name "Dr. Newton," but his first Ph.D. was in anthropology from the Union Institute in Cincinnati, an alternative distance-learning program. He got a doctorate in neuropsychology from that school in 1993. According to the state Division of Consumer Affairs, he got a New Jersey psychologist's license in 1995, 11 years after he opened KIDS of North Jersey (originally called KIDS of Bergen County).

"After reading Rebecca's court papers, I learned somebody without a license diagnosed me," ██████ said. "So was I really an alcoholic and drug addict, or was that just put in

my head? . . . I have 15 years of sobriety. I function in the world. I have a good boyfriend and drive a fancy car. But inside I'm empty and falling apart, and nobody knows it."

Why did families keep their children in such an environment?

"Kids never had the opportunity to tell their parents what was really going on there," said Harryet Ehrlich, Rebecca's mother. "We were all brainwashed. We believed in Miller Newton, and we were so desperate for help we thought this was the solution."

Ehrlich's lawyer, Philip Elberg, said news of her success has spurred at least a dozen other former clients to call him to see if they can sue, too. For most, it's too late. He is still considering cases, however, if they fall within the statute of limitations. A plaintiff must file suit within two years of the offense or, in the case of an underage victim, by age 20.

The future may hold some bright spots for Rebecca Ehrlich. She hopes improved medications and good doctors will help stabilize her mental illness. The settlement will pay for an apartment where she can live on her own when she's doing well, and provide an annuity to support her.

These days she is taking one course at a time to get an associate's degree at Bergen Community College, but she has no idea what kind of job she wants.

"I have my good days and my bad days," she said as she leaned back on a couch in her parents' house, with her Shih Tzu, Mazel, at her feet. "I'm doing better than when I first got out of KIDS. . . . It makes me angry that I went through all that. I feel sad it took that many years of my life away."

State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

OAL DKT. NO. HMA 3006-

98

AGENCY DKT. NO. ---

KIDS OF NORTH JERSEY,

Petitioner,

v.

DIVISION OF MEDICAL ASSISTANCE

AND HEALTH SERVICES,

Respondent.

Joseph M. Gorrell, Esq., for petitioner (Brach, Eichler, Rosenberg, Silver,
Bernstein, Hammer, & Gladstone, attorneys)

Barbara Waugh, Deputy Attorney General, for respondent, (John J. Farmer, Jr.,
Attorney General of New Jersey, attorney)

Record Closed: April 1, 1999
1, 1999

Decided: September

BEFORE **DANIEL B. MC KEOWN**, ALJ (t/a):

INTRODUCTION

Kids of North Jersey, Inc., (KIDS or program) was notified by the Division of Medical Assistance and Health Services (Agency) on or about February 11, 1998 by Gregory Danese, the chief of the Division's provider enrollment unit, that the program would no longer be approved for participation as a Medicaid provider. The Division

advised Dr. Miller Newton, the Director of KIDS, the program was not in compliance with Medicaid standards at *N.J.A.C.* 10:37-12.1 through -12.12 or *N.J.A.C.* 10:37-4.5.

KIDS requested a hearing and the matter was transferred March 9, 1998 to the Office of Administrative Law (OAL) as a contested case under the provisions of *N.J.S.A.* 52:14B-1 to -15 and *N.J.S.A.* 52:14F-1 to-13. On March 11, 1998, the Division granted petitioner's request for a stay until such time it submitted a plan of correction and an amended plan of correction. Neither plan was found to be sufficient to correct the deficiencies. A continuation of the stay was denied by Order of Administrative Law Judge Elinor R. Reiner on July 24, 1998. A plenary hearing was then conducted in the matter after which the Division filed a memorandum in support of its position on or about February 25, 1999. KIDS determined to rest on the record that includes its arguments raised in a plan of correction and an amended plan of correction filed before the Agency.

FACTS

Administrative rules, *N.J.A.C.* 10:37-12.1 through *N.J.A.C.* 10:12.12, governing provider participation in Medicaid partial care programs for children became effective July 19, 1993. *N.J.A.C.* 10:37-12.2 defines children's partial care program to mean a day treatment program offering structured activities for daily living, recreation, and socialization activities and other mental health services based upon the needs of youth.

KIDS was originally approved in 1993 for participation in the Medicaid program by Lyn Gates, the Division's chief of licensing and inspections. At that time, Ms. Gates had advised Dr. Miller by letter dated August 23, 1993 that KIDS is ". . . well-designed and appears to meet the needs of the clients served . . ." (P-2). KIDS physically relocated in October 1997 which triggered an on-site review of the entire program. Following her review, Ms. Gates advised Dr. Miller by letter (P-3) February 3, 1998 that while the physical plant was found to be appropriate, the program does not meet regulatory standards for partial care programs. Ms. Gates concluded KIDS is not a program of mental health for purposes of Medicaid children's partial care regulations;

rather, it is primarily a drug and addiction program for which it is properly certified by the New Jersey Department of Health.¹ Director Danese, based on the review done by Ms. Gates (see P-4), then advised Dr. Miller on February 11, 1998:

At an on-site inspection conducted by the [Division] on January 22, 1998, your program [KIDS] was not in compliance with the children's partial care standards found at NJAC 10:37-12.1-12.12 and client rights standards found at NJAC 10:37-4.5. It was also the conclusion of the [Division] that your program is primarily a drug and addiction program and not a mental health program. I am attaching a copy of the Lyn Gates letter dated February 3, 1998 [which Dr. Miller had already received from Ms. Gates].

Ms. Gates testified at hearing that KIDS was originally approved for Medicaid participation in 1993 based on then existing general program guidelines. Since then, however, she states the regulations at *N.J.A.C. 10:37-12.1, et seq.*, were adopted which she alleges KIDS does not now meet.

In her letter, Ms. Gates advised Dr. Miller that KIDS does not meet Division of Mental Health Services (DMHS) Partial Care Standards and while the program serves some youth with compulsive disorders, it is primarily a drug and addiction program; not a program of mental health. Ms. Gates stated, in part:

Most importantly due to the program's "Peer Culture Model," KIDS does not meet various Children's Partial Care staffing requirements (i.e., minimum staff-to-client ratio of 1:5, and direct care paraprofessionals do not meet education and experience requirements).

The program structure (philosophy) imposes a "blackout" communication requirement in that clients are removed from his/her family and the client is not permitted access to certain "Rights" until he/she has progressed to a certain

¹ While KIDS is certified by the Department of Health as a drug and addiction program, it is not licensed as such.

phase/level. Some client rights (telephone access, mail) are considered to be privileges. Client privacy during personal hygiene is compromised as “newcomers” are not trusted until they reach a certain phase. Host families are also required to maintain “blackout” restrictions. No formal education/academic training is permitted until the client progresses through the first two phases of the program that may take many months. (P-3)

In addition, the Agency contends the program design of KIDS is not compatible with Medicaid children’s partial care regulations because it is full-time/residential, not part-time.

Concerning whether the program is full or part-time, residential or not, the evidence shows the following. KIDS describes itself in its literature (P-6, R-1, R-2) as a ten to eighteen-month program that treats young people between the ages of twelve and twenty-three who have compulsive behavior disorders such as anorexia, bulimia, overeating, and/or alcohol/drug dependence. The first of the five-phase program involves intense supervision of the participants for twelve hours per day at the program facility in various therapy groups, while the remaining twelve hours are spent under the supervision of what is called a “host family.” A host family is one that presently has a child participating in the program, or has had a child participate in the KIDS program, or a family that has had significant difficulty with one or more of their children. Other than that criterion, there is no evidence to show host families were selected against any other criteria or because of any special expertise or training they may have had concerning children. Indeed, the agreement (R-6 or R-7) parents sign to have a child who presents with one or more compulsive behavior disorders who is accepted into the KIDS program demands the parents be host parents and assume the responsibility to provide room to those participants assigned them. The group therapy sessions are conducted by those “young people between the ages of twelve and twenty-three” who themselves are enrolled in the program and are otherwise known as “oldcomers.” The use of existing clients to lead group therapy sessions is consistent with the philosophy of the KIDS program as described in its literature to use peer pressure as an integral part of the

program (see R-2). Hence, the “Peer Culture Model” relied upon by KIDS in its self-description.

The KIDS literature describes phase one of the program as a highly structured, totally supervised period with the goal of controlling the client’s compulsive behavior related to their affliction. In phase one the new participant, the newcomer, is removed from his or her family environment and is introduced “. . . to the self-help tools of AA/OA [Alcoholics Anonymous/Overeaters Anonymous] . . .” and to recognize they have a chronic addictive disease which requires them to become self-disciplined (R-2).

The literature (R-2) then describes phases two through five in the following manner:

As treatment progresses, the young people are moved to the second phase, where they return home to begin rebuilding a family relationship. They also take a newcomer into their home each night. Third phase emphasizes positive achievement: the child returns to school or work to learn how to deal with negative peer pressure, returning to the KIDS facility at the end of the school or work day. Near the end of treatment, the young people report to the facility less frequently and are expected to learn to manage their free time with family and friends who support their new drug-free lifestyle. In the last phase, the adolescents help the staff and may train to become peer counselors. They also join adult self-help groups like Alcoholics Anonymous and Overeaters Anonymous.

The evidence shows that the “newcomers” are removed from contact with their parents and other members of their family during phase one and remain under the highly structured supervision of KIDS for twenty-four hours a day. According to KIDS’ records (R-7, R-47), phase one tends to last for more than one year for the majority of program clients. Indeed, the record shows two youngsters, (S.M. and M.B.), were in phase one for more than four years, while others have been in phase one for two or more years. Of the twenty-eight clients in the KIDS program on September 28, 1997, twenty-three were in

phase one. Of the twenty-three in phase one, thirteen enrolled in the 1997 calendar year. That leaves at least ten clients who have been in phase one for more than nine months. These youngsters are cut off from family and friends during the time spend in phase one and they are under the total supervision of KIDS personnel (see, also R-4). The so-called “host” families who provide clients with room and board are themselves supervised by KIDS regarding their interaction with the clients while in their home during the evening hours.

Nevertheless, Dr. Newton testified there are errors on the document (R-47) and he further stated he is not willing to certify to the accuracy of any document he produced for the Agency during discovery or during the hearing. Dr. Newton acknowledges ultimate responsibility for all records relating to KIDS; however, he says his office is disorganized because he has had several secretaries who have gone on to other employment.

While KIDS says it is important when treating someone for compulsive disorders to remove them from negative influences which is the goal of the intense supervision, it is equally true that the very fact KIDS is in total control of phase one clients for twenty-four hours a day makes the essence of the program to be that which the Agency says it is; a full-time, residential facility. Dr. Miller says the program is not residential because it has no facilities to board clients (see J-1) and that it is not full time because its clients leave the premises at night. The evidence shows KIDS is in total control of its clients twenty-four hours a day and that the so-called host homes are but an extension of the KIDS program under the control of KIDS personnel. A full time residential program is not within the contemplation of the purpose of children’s partial care that is to “provide seriously emotionally disturbed youth with a highly structured intensive *day* treatment program” (emphasis added). Moreover, the Health Care Common Procedure Coding System, *N.J.A.C.* 10:66-5.1, *et seq.*, defines a partial care half-day program to be at least three hours but less than five hours of participation in active programming exclusive of meals. A partial care full day program is defined as five or more hours of participation in active programming exclusive of meals. *N.J.A.C.* 10:66-6.3. In either case, I find the evidence persuasive that a twenty-four hour a day program is not within the

contemplation of a children's partial care program for the youngster to be under the direct, intensive supervision of the program operators for twenty-four hours per day without access to their families.

I **FIND** that the evidence establishes KIDS is effectively operated as a full time residential facility. A Medicaid sponsored Children's Partial Care Program serves youngsters who are under the age of eighteen. *N.J.A.C. 10:37-12.2*. Presumably, the youngsters have yet to complete high school graduation. There is a lack of evidence to show how the clients continue their education while in phase one under the total supervised control of KIDS personnel. Dr. Newton did testify that clients do attend regular school during phases three, four and five. He explained that they do not attend regular school during phases one and two because they could not succeed due to their compulsive disorders. There is no evidence in the record to show experienced educators played a role in deciding clients, the youngsters, in phases one and two could not succeed in school, nor is there evidence to show how Dr. Newton reached that conclusion.

Concerning Medicaid staffing requirements for the KIDS program, *N.J.A.C. 10:37-12.11* provides in full as follows:

a) Agencies operating children's partial care programs shall employ sufficient number of qualified staff to provide the required services.

1. Program staffing shall be based on the clinical needs of the population served. There shall be a written description of the staffing pattern and the roles and responsibilities of staff.

2. For 10 or less youth, at least two direct care staff must be present, except in those cases where there are five or less youth, one staff member may be a volunteer, student intern or non-direct care staff. For more than 10 youths, an additional direct care staff member must be present for each additional group of five youth.

3. There shall be a written schedule for all staff and volunteers providing direct services to youth. This schedule shall be posted and revised weekly or as needed.

4. Each program shall have an individual who meets the qualifications of a program director (see N.J.A.C. 10:37-12.12 (b)).

5. The partial care program shall have sufficient availability of psychiatric services so that required psychiatric services are available for each youth. Each youth's treatment shall be under the direction of a psychiatrist as reflected by psychiatrist participation in the service plan.

6. The agency may utilize student interns, non-direct care staff and volunteers. Such individuals shall not substitute for direct care staff or supervisors.

As a Medicaid provider of a children's partial day care program, KIDS is to treat seriously emotionally disturbed youth. Medicaid regulations define seriously emotionally disturbed at *N.J.A.C. 10:37-12.3* to mean

...
[A] child or adolescent exhibiting one or more of the following characteristics: behavioral, emotional, or social impairment that disrupts the child's or adolescent's academic or developmental progress and may also impact upon family or interpersonal relationship. This disturbance shall have also impaired functioning for at least one year or the youth has an impairment of short duration and high severity and is under 18 years of age.

Regarding staff, there are several KIDS' records which purport to identify those who are employed in various positions in the program. They include an organizational chart (R-60), a list (R-8) of staff which was current on September 28, 1997, a staff phone list (R-10) dated January 19, 1998, a staff phone list (R-12) dated April 5, 1998, sign-in sheets (R-42 through R-45) for the entire month of April 1998 by those who actually

worked in the program, and, finally there are lists (R-63 through R-65) which purport to show a recapitulation of staff for the prior lists already mentioned.

According to an organizational chart (R-60) KIDS is operated by a clinical director, who is Dr. Miller Newton. Dr. Newton has an administrative assistant, which is his spouse, Ruth Ann. There is a parent advisory committee although there is no evidence to validate as fact that which appears on the chart. The medical staff consists of a psychiatric director, an assistant psychiatric director, a medical director, a consulting dentist, and a staff nurse. The chart reports that Dr. Newton, as the director, has reporting to him an associate clinical director, a director of finance, and an administrative manager. Two assistant directors report to the associate clinical director, to whom an unidentified consulting school psychologist also reports. Two program coordinators, an admissions coordinator, group staff seniors, group staff juniors, and group staff trainees report to the assistant directors. The chart shows that reporting to the director of finance are a bookkeeper and a patient accounts manager, while reporting to the administrative manager are food services and the building coordinator.

When inspector Lyn Gates and her team visited the KIDS program in January 1998 following the change of physical location, the program had fifty-three clients enrolled. KIDS provided Ms. Gates with a list of then current staff (R-10) identifying clinical, group, and administrative staff persons employed January 19, 1998. This list is different than the list (R-8) which is dated September 28, 1997. The January 1998 list suggests many of the positions on the organizational chart are nonexistent or presently vacant. The clinical staff consists of the director, Dr. Newton, the assistant director, Ruth Ann Newton, and A.K., who is the program coordinator. A.K. is a former client of the KIDS program. Further identification is not appropriate. A motion to seal the identities of present and past clients of KIDS with whom the Division had or have a relationship was successfully brought by the Division of Youth and Family Services on September 3, 1998. Because those with whom the Division has or had a relationship is not known, full identification of present or former clients of KIDS shall not be revealed here. A.K. testified he supervises the intakes of new clients and he supervises all group sessions.

The group staff consists of “senior members” S.H. and T.L., “junior members” J.L. and C.M., and “trainees” P.D., D.M., and C.T. All group staff are either present or former clients of the KIDS program that forms the basis for the “peer culture model” of organization and operation used by KIDS. The administrative staff is listed as a food service coordinator, a program nurse, an acting intake coordinator, a director of finance, an administrative manager, a patient accounts manager, and a bookkeeper. P.D. is identified as the food services coordinator the same individual who is listed as a group staff trainee.

The program nurse is identified as E.G., also a former KIDS client but who testified she was not on the KIDS staff in January 1998 when Ms. Gates received this list of current staff. When Ms. Gates reviewed the personnel files in January 1998, she found that this nurse had been on a “temporary leave” for several years. The nurse’s parents filed a certification (R-62) stating that the signature on a statement (P-8) purporting to be that of their daughter’s claiming she returned to the KIDS staff on June 22, 1998, is not that of their daughter. The nurse, E.G., testified at hearing her parents are mistaken; that the signature on her statement (P-8) is hers. S.G. is identified as the acting intake coordinator; R.H. is identified as the director of finance; B.M. is identified as the administrative manager; D.D. is identified as the patient accounts manager, and the bookkeeper is M.G.

Following the on-site visit, Ms. Gates advised Dr. Newton of the concerns she discovered with the program (P-3). In part, Ms. Gates advised

Most importantly due to the program’s “Peer Culture Model,” KIDS does not meet various Children’s Partial Care staffing requirements (i.e., minimum staff-to-client ratio of 1:5, and direct care paraprofessionals do not meet education and experience requirements).

The staff-client ratio established at *N.J.A.C. 10:37-12.11(a)2* requires KIDS, with an enrollment of fifty-three clients at the time of the on-site visit, to have had at least ten

direct care staff. The regulations do not define direct care staff; however, it is understood to mean those who are in direct contact with the clients in providing appropriate services. *N.J.A.C. 10:37-12.12(h)* provides that a direct care paraprofessional worker must have an earned bachelor's degree from an accredited institution, or an earned associate's degree and two years experience in the provision of appropriate services to youth, or a high school diploma and five years experience in the provisions of appropriate services to youth.

Ms. Gates testified senior group staff members, S.H. and T.L., are former KIDS clients who were hired in November and May 1995. Consequently, these two paraprofessionals, whose academic training at best is a high school diploma, did not possess five years experience in providing appropriate services to clients in a similar setting. Group staff junior members J.L. and C.M., former KIDS clients, were hired in April 1994 and February 1996. They, too, did not possess the necessary five years experience to be a paraprofessional. Thus, at the time of the on-site visit Ms. Gates found two persons qualified under Medicaid regulations to be a direct care professional; Dr. Miller Newton and A.K. She found four of the group staff paraprofessionals not qualified for the position they held under Medicaid regulations.

With the exception of Dr. Newton and A.K., there are no other full-time staff at KIDS who qualify as direct care professionals by reason of academic training under *N.J.A.C. 10:37-12.12(f)*. According to a deposition taken in an unrelated matter, Dr. Robert Rizzo who specializes in internal medicine, testified he performs initial intake examinations of clients new to KIDS at least twice a month (R-66A, p. 11). In the same matter unrelated to this case, a Dr. Zisalo Wancier testified in his deposition that he provides psychiatric services for KIDS about "one or two [hours] a week" (R-67A, p. 9).

The evidence shows that KIDS staff who filled out intake forms for new clients were instructed to "Always check 'Parent-Child Relational Problem' and 'Adjustment Disorder, Mixed Emotion and Conduct.' Also always check either 'Conduct Disorder' or 'Oppositional Defiant Disorder'. . . ." The intake staff are the same persons whose

qualifications to be a direct care professional are in question. Despite the deposed testimony of Dr. Wancier that he provides the diagnosis for each of the clients at KIDS, this directive to the intake staff tends to lessen the probative value of such testimony (see also, R-9).

Dr. Robert Eilers, the Director of the New Jersey Division of Mental Health Services, reviewed the psychiatric diagnoses (R-9) of clients in the KIDS program and is struck by those who have the same or similar diagnosis. He explained that those clients identified as Medicaid clients seem to be diagnosed with conduct disorder, parent-child relational problems, and identity disorders as if by rote. Dr. Eilers testified because of the marked similarity, he questions whether a mental health professional made the diagnoses in the first instance. Dr. Eilers opined that other clients who are listed in the same document and who are being treated for alcohol and drug dependence should perhaps be treated at a substance abuse program.

In its initial plan of correction dated March 19, 1998, KIDS states the following concerning the staffing issues:

You have indicated that KIDS does not meet children's partial care staffing requirements. However, with implementation time, KIDS will meet the staff-to-client ratio of ten (10) direct care staff for its fifty (50) patient census. KIDS has three current direct care administrative staff members, and one staff position filled by the program physicians. In addition to these staff positions already filled, KIDS has a nurse who is presently on temporary leave, and a temporarily vacant professional position as you were advised during the recent inspection. Therefore, when the temporarily vacant positions are filled KIDS will have six direct care professional staff members, in addition to its paraprofessional staff members.

Medicaid regulations do not provide for taking several part-time employees, in this case the physicians, and counting them as a filled full-time position.² But beyond that, the evidence in this record does not show three current individuals on the administrative staff who qualify under the regulations as a direct care professional. The evidence shows that under existing Medicaid regulations Dr. Miller qualifies as a direct care professional, as does A.K. There is no one else listed on the KIDS roster (R-10) dated January 19, 1998, who qualifies, by way of possessing a bachelor's degree, as a direct care professional. Ms. Newton testified she possesses an associate's degree. Furthermore, one of the witnesses called by KIDS, Dr. Jay Burke, testified that during his last visit to the KIDS program in 1997 he and A.K. were the only two direct care professionals providing service to the program participants.

E.G.'s testimony is not reliable to establish she worked as a nurse for KIDS during January 1998. There is evidence to show E.G. had been on an extended leave of absence. A broader view of the same evidence tends to show E.G. has not worked as a nurse in the KIDS program for twelve to eighteen months - if not longer.

The plan of correction also says:

You have stated that KIDS' direct care paraprofessionals allegedly do not meet education and experience requirements. Presently, four (4) of KIDS' paraprofessional staff workers clearly meet the education and experience requirements under N.J.A.C. 10:37-12.12(h). They have high school diplomas and at least five years' experience in providing appropriate services to youth. Another paraprofessional staff member who meets the regulatory requirements and presently works part-time could be available to assume a full-time position. These paraprofessional staff, along with the professional staff whom KIDS employs or soon will employ, meet or exceed the regulatory staff-to-client ration. KIDS will provide

² Despite the position taken by the Agency regarding no authority for the combining of part-time employees as an equivalent of one full-time employee, it apparently changes its stance later because it does use full-time equivalency in its review of KIDS' amended plan of correction (see R-57).

documentation and will also cooperate in assessing its paraprofessional workers, as reasonably necessary, to verify that they meet the regulatory education and experience requirements.
(Plan of Correction, March 19, 1998)

The evidence shows that the four individuals assigned as paraprofessionals have five years experience in receiving service appropriate in a children's partial care program. There is no evidence to show any of the four have five years experience in providing appropriate mental health service to youngsters. Jan Krogh, who was offered by KIDS as an expert in the treatment of seriously emotionally disturbed children, testified that in his opinion the training the staff receives at KIDS is very thorough. The nature of the training was not specified.

As pointed out by the Agency in its filed brief, the regulations state that the experience in lieu of schooling greater than a high school diploma must be in providing appropriate service; not five years of being a recipient of such service.

The use of physical and mental restraints in the KIDS program will be considered in conjunction with the Agency's assertion KIDS denies their clients certain rights. Concerning physical restraints, Dr. Burke testified that he saw the physical restraint of "belt-looping" used. "Belt-looping" occurs when youngsters moves about with their hand tucked into the belt of the youngster in front. Dr. Miller acknowledges physical restraints are used in the program by which a client's legs and arms are immobilized by an oldcomer, or by the use of the oldcomer's knees alongside a client's head to prevent injury, or by a oldcomer placing their hand over the client's mouth to curtail acting out. Dr. Miller testified such restraints are used only to protect oneself or others, and that corporal punishment is never used. Dr. Burke testified that restraints have therapeutic value when imposed by a client's peers because then the clients learn the boundaries of their conduct. When Ms. Gates conducted her inspection, she had asked an R.M. who is identified as a program coordinator, though listed as an administrative manager (see, R-10) to produce restraint documentation. When Ms. Gates finally received the file, she

saw incident reports which showed the restraints lasted from five minutes to three hours and that restraints were indeed used in the host homes. Curiously, Dr. Newton testified on redirect examination that it is impossible for any restraint which may have been imposed to last for more than one hour because it would be a direct violation of KIDS' policy. But then, he also immediately testified that he has personal knowledge that restraints imposed on KIDS' clients have lasted for more than one hour.

KIDS' policy (R-28) regarding the application of restraints encourages the use of verbal counseling techniques to control disruptive behavior - which is not defined in the policy. If verbal counseling is not effective, the policy states the staff member will take appropriate measures, without specification, to stop the "violence" using minimum force with minimum duration to assist the patient in regaining self-control. The policy, I **CONCLUDE**, gives unbridled discretion to the "staff member" to wield physical and mental control over the individual upon whom restraints are to be placed. The staff member is another KIDS patient who has had no training in providing service but has been trained in perhaps receiving the service he/she is about to impose on another in the form of a restraint.

Restraints may be mental as well as physical, as in the following examples of what occurs during the KIDS program. Ms. Gates discussed with Ms. Newton the practice regarding the use of bathrooms by clients. She was informed that clients are observed during the most private activities in which the human body engages; the elimination of waste matter. Clients are observed while tending to their bodily functions in the bathroom, while female clients who are menstruating are observed tending to that most private of female matters. The observations are unrestricted, person-to-person observation, without privacy doors. Ms. Newton acknowledges observing female clients who are menstruating insert sanitary aids into their bodies. But, Ms. Newton explains that such observations are necessary to insure the clients are not inserting anything to cause toxic shock syndrome in an effort to injure themselves, and to guard against purging by those who are bulimic. Ms. Newton refused to answer whether she defecated in front of any of the clients. Ms. Newton testified that when Ms. Gates had asked about

the bathroom practice and wanted to physically see a bathroom used by the clients, Ms. Newton testified the request was made in a manner she considered “light-hearted, jovial, almost sophomoric.”

When a client enters phase one of the program, communication with anyone but KIDS staff ceases for at least fourteen days. If the client earned a right to communicate, he/she may then communicate in the parents presence and under severely controlled circumstances for fifteen minutes a week, generally on a Friday evening. If the client then earns the right to engage in conversation with the parents, he/she may do so under controlled circumstances and only in the presence of all staff and clients. Phase one also prohibits the client from using the telephone or the mails for communication and all personal identification documents are forbidden to be in the possession of the client.

Dr. Eilers testified that there is no authority in the regulations governing children’s partial care facilities for the application of mental or physical restraints. He testified that even in those cases of approved residential facilities where restraints are permitted in emergency situations, they are applied under the supervision of a registered nurse, under a physician’s orders. Furthermore, staff who apply restraints must be trained in the procedure to apply restraints.

When the Agency rejected KIDS’ plan of correction (R-53), it authorized KIDS to submit an amended plan of correction. The amended plan of correction (R-55) was filed on or about April 27, 1998. The amended plan repeated assertions that KIDS is a bona fide Children’s Partial Care program under Medicaid regulations; that KIDS meets all staffing requirements under the regulations; that KIDS complies with client rights standards; and, that the use of restraints is proper under the circumstance of addressing client violence. Alternatively, KIDS requests in its amended plan that if it is found out-of-compliance with any regulation that it be granted an appropriate waiver in light of its unique patient census.

When the amended plan was filed Ms. Gates was instructed by her superior to make another on-site visit to the KIDS facility. Subsequent to Ms. Gates' May 1, 1998 visit, she prepared a written response to the amended plan of correction. Ms. Gates concluded that the amended plan of correction does not adequately address the shortcomings noted in her January visit including the staffing inadequacies, the absence of documented staff records, and the continued use of restraints on clients by other clients. On June 1, 1998, KIDS was advised by the Acting Director of the Division in part as follows (R-57):

Among other things, [the Division] has determined that KIDS has failed to provide convincing documentation to verify that it operates a bona fide children's mental health partial care clinic. With respect to staffing, KIDS does not have the required number of qualified staff with the requisite training and credentials mandated by N.J.A.C. 10:37-12.11, and its POCs do not offer a viable solution for correcting that deficiency.

One of the most disturbing aspects of the KIDS program is its failure to protect clients' rights and privacy as required by N.J.A.C. 10:37-4.5(f). Equally alarming is KIDS admission that it uses other clients to physically restrain a client who "acts out." This practice endangers the health and safety of the client being restrained and is in violation of regulatory restriction on the use of restraints.

When Ms. Gates prepared her written response to the amended plan of correction, she allowed credit at that time for the physician and two psychiatrists to be considered a full-time equivalent, presumably upon the belief all three physicians were providing medical services to KIDS. She also credited Ms. Newton with being a properly qualified direct care professional upon the mistaken belief Ms. Newton possesses a bachelor's degree. Employee sign-in sheets for the entire month of April 1998 (R-42 through R-45) fail to show any one of the physicians reporting for duty.

Finally, it is reported that Mr. B., Ms. D., Ms. G., and Ms. R.T. are parents or guardians of youngsters who have been in the KIDS program. Their testimony goes

directly to KIDS being the only program where their children's compulsive behavior was controlled and that it would be most unfortunate for parents with children who have similar conduct disorders if KIDS were to be closed by the Agency. It is also reported that unsolicited written opinions were received and are in the record of the case from individuals who are in favor of, as well as opposed to, the continued operation of KIDS. The testimony of the parents is not relevant to the issues presented here and is, therefore, not considered. The written unsolicited opinions of individuals have not been read and are also not considered here.

CONCLUSIONS

The issue in this case whether the KIDS program is designed and operated as a children's partial care program consistent with Medicaid regulations. The Division's assertion that the full-time, residential program the evidence shows KIDS operates is contrary to the intent of the regulations governing partial care programs is grounded upon *N.J.A.C. 10:37-12.1* which provides in full as follows:

(a) Children's partial care programs provide seriously emotionally disturbed youth with a highly structured intensive day treatment program. Such programs are typically located in, but need not necessarily be limited to, a community-based mental health setting or hospital-based setting.

(b) Program goals include:

1. Prevention of psychiatric hospitalization of youth at risk of psychiatric hospitalization;

2. Prevention of re-hospitalization of youth who have been psychiatrically hospitalized; and

3. Provision of a transition for psychiatrically hospitalized youth from the hospital back into the community.

(c) Agencies operating children's partial care programs shall strive to maximize each youth's potential for learning,

growth, and emotional stability within the family or natural support system. Agencies operating children's partial care programs shall respect the rights and dignity of all youth. Partial care programs shall:

1. Respect the rights and dignity of youth and family members and when appropriate preserve the family unity;
2. Foster community living by teaching skills and improving functioning;
3. Help each youth to realize their own potential for learning;
4. Foster healthy interdependence;
6. Help clients and their family members or legal guardians learn to manage the client's illness in order to prevent relapse, re-hospitalization, or placement in a restrictive environment;
7. Empower clients and families to actively participate in treatment and programming and to determine personal and program goals;
8. Affirm clients' strengths and abilities; and
9. Encourage and support clients' and families' efforts to help each other.

The evidence discloses that the KIDS program is operated in a manner contrary to the preservation of the family unit, which encourages unnecessary out-of-home placement, and fails to recognize the rights and dignity of its participants. Having considered the evidence in the record, and in light of the established facts recited above, I **CONCLUDE** the Division has sufficient cause to have found the KIDS program is contrary to the intent of *N.J.A.C. 10:37-12.1*. The prohibition of family communication, together with the lack of basic privacy afforded clients is contrary to *N.J.A.C. 10:37-4.5*. The efforts at reducing, if not eliminating, each client's self respect to recreate him/her in a new image, is the antithesis of the obvious purpose of children's partial care programs under the Medicaid regulations. Medicaid children's partial care programs are intended

to be nurturing to the child as the result of improved self-image and positive contributions from the family flowing from mental health therapy. The programs are not intended to be designed as “Scared Straight” programs that are operated in prisons.

To the extent that actual staff may be determined from the evidence in the record in light of Dr. Newton’s reluctance to verify the accuracy of employment records provided the Division, and in light of the various records purporting to show existing staff, together with the absence of experience and academic achievements of some staff, I **CONCLUDE** that the KIDS program has not been staffed consistent with the requirements of Medicaid regulations. The inadequate staffing is in direct care professionals and direct care paraprofessionals. Regardless of the intention of KIDS to improve staffing ratios in the future, the fact is that at the time of Ms. Gates’ inspection in January and in May 1998, KIDS had inadequate staff to operate a children’s partial care program under the Medicaid regulations.

Finally, the use of restraints by clients upon other clients is, I **CONCLUDE**, so wholly beyond the pale of children’s partial care programs and contrary to the intent of the regulations to provide a safety net for the youth in need of mental health therapy that this practice alone would be sufficient to terminate KIDS from continued participation in the Medicaid program. While there is no specific regulation in the Medicaid children’s partial care program standards prohibiting the use of restraints, there is also no regulation authorizing the application of restraints in the program. Furthermore, when the regulations governing partial care programs are viewed as a whole, the inference is manifest that restraints are not to be used as a regular program tool.

Having considered the evidence in the record as a whole, I **CONCLUDE** KIDS is not designed nor operated within the intent of the Medicaid children’s partial care program and that, as such, the action of the Division to terminate KIDS from continued participation in the Medicaid program is **AFFIRMED**. The petition of appeal is **DISMISSED**.

I hereby **FILE** my initial decision with the **DIRECTOR OF THE DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES** for consideration.

This recommended decision may be adopted, modified or rejected by the **DIRECTOR OF THE DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES**, the designee of the Commissioner of the Department of Human Services, who by law is authorized to make a final decision in this matter. If the Director of the Division of Medical Assistance and Health Services does not adopt, modify or reject this decision within forty-five (45) days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with *N.J.S.A. 52:14B-10*.

Within seven (7) days from the date on which this recommended decision was mailed to the parties, any party may file written exceptions with the **DIRECTOR OF THE DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES, Mail Code #3, PO Box 712, Trenton, New Jersey 08625-0712**, marked "Attention: Exceptions." A copy of any exceptions must be sent to the judge and to the other parties.

September 1, 1999

DATE
(t/a)

DANIEL B. MC KEOWN, ALJ

Receipt Acknowledged:

DATE

DIVISION OF MEDICAL
ASSISTANCE AND HEALTH
SERVICES

Mailed to Parties:

DATE
LAW

OFFICE OF ADMINISTRATIVE

DOCUMENTS

Joint:

J-1 KIDS Facility Schematic

For petitioner:

P-1 Resume - Newton Miller
P-2 Letter - State to KIDS - August 23, 1993
P-3 Letter - State to KIDS - February 3, 1998
P-4 Letter - State to KIDS - February 11, 1998
P-5 Letter - KIDS to State - February 17, 1998
P-6 Treatment Regimen at KIDS
P-7 Employee List at KIDS
P-8 To Whom It May Concern letter - June 22, 1998
P-9 Graduates and College 1998
P-10 Jean Young - Certification in Support of Stay
P-11 Jean Young - Certification in Support of Stay
P-12 Jean Young - Certification in Support of Stay
P-13 Jean Young - Certification in Support of Stay
P-14 DSM-IV Diagnostic Chart Reference Guide
P-15 (Withdrawn) Excerpts of Administrative Regulations
P-16 Curriculum Vitae - Jay H. Berk
P-17 Curriculum Vitae- Jan Krogh
P-18 (Identification Only) Current Staff
P-19 List of KIDS Staff (Clinical and Group Counseling and Nurse)

For respondent:

R-1 Treatment Regimen

R-2	One page - Facility Description
R-3	Reprint New York Times article
R-4	The Five Phases Description
R-5	Treatment Agreement (Children of minority age)
R-6	Treatment Agreement (Child 18 years or older)
R-7	Kids in Group - September 28, 1997
R-8	Current Staff - September 28, 1997
R-9	Diagnoses
R-10	Staff Phone List, effective January 19, 1998
R-11	List of Patients
R-12	Staff Phone List, effective April 5, 1998
R-13	Intake Coordinator (Job Description)
R-14	Patient Admission Procedure
R-15	Intake Check List
R-16	ICD-9/DSM-IV Diagnosis Chart
R-17	Intake Check List
R-18	Newton Drug-Use Diagnostic Chart
R-19	Clothing For Kids On Phase #1
R-20	Client Property and Stashes
R-21	Patient Searches
R-22	Adult and Minor Patients in the Same Host Homes
R-23	Host Homes
R-24	Patient Rules
R-25	Rap Therapy
R-26	Kids Beliefs
R-27	Incident Reports
R-28	Restraint
R-29	Patient Consequences Guideline
R-30	School and Kids
R-31	Job Descriptions
R-32	Associate Clinical Director

R-33	Assistant Director
R-34	Director of Administration
R-35	Primary Counselor
R-36	Junior Staff
R-37	Staff Trainee
R-38	Responsibility Outline for Staff Trainee
R-39	Medical Emergency
R-40	Administrative Assistant
R-41	Clinical Schedule
R-42	Clinical and Administrative Sign-In Week of March 29-April 4, 1998
R-43	Clinical and Administrative Sign-In Week of April 5-11, 1998
R-44	Clinical and Administrative Sign-In Week of April 12-18, 1998
R-45	Clinical and Administrative Sign-In Week of April 19-25, 1998
R-46	Process for Withdrawal
R-47	Status List of Medicaid Patients
R-48	Photocopy NJ Drug and Alcohol Admission Record Form
R-48	NJ Drug and Alcohol Admission and Discharge Form
R-49	ADADS Annual Summary Report Admissions/Discharges January 1 - December 31, 1996
R-50	ADADS Annual Summary Report Admissions/Discharges January 1 - December 31, 1997
R-51	Forms Log Division of Addiction Services
R-52	Certification - Miller Newton
R-53	March 19, 1998 Cover Letter to Plan of Correction
R-54	Letter Response April 9, 1998 to Plan of Correction
R-55	Response Specifications
R-56	April 27, 1998 Cover Letter to Revised Plan of Correction
R-57	NJ Department of Human Services Inter-Office Communication, May 12, 1998
R-57a	Letter June 1, 1998 - Plan and Revised Plan of Correction Disapproved

- R-58 Request for Inspection and Evaluation and related documents,
September 4, 1997
- R-59 N.J.A.C. 10:66-1, *et seq.*
- R-60 KIDS Organization Chart
- R-61 (Became R-65; R-61 Withdrawn)
- R-62 Certification of Ernest and Vivian Belen
- R-63 KIDS Clinical Staff
- R-64 KIDS Group Staff
- R-65 KIDS Medical Staff
- R-66 Transcript of Segment of a Statement of Robert Rizzo, M.D.
- R-66a Transcript of Entire Statement of Robert Rizzo, M.D.
- R-67 Transcript of Segment of a Statement of Zisalo Wancier, M.D.
- R-67a Transcript of Entire Statement of Zisalo Wancier, M.D.
- R-68 Certification of Lyn Gates
- R-69 Curriculum Vitae - Robert P. Eilers, M.D.
- R-70 Recipient Profile for 7/98
- R-71 Curriculum Vitae - Dr. Friedman
- R-72 Consent Judgment
- R-73 Complaint

'Incredible' KIDS Case Took Over Lawyer's Life

By Leslie Brody

Sunday, April 9, 2000

<http://www.bergen.com/index.html>

Rebecca Ehrlich's malpractice suit against KIDS of North Jersey was settled in December, just 11 days before it was scheduled for trial in Superior Court in Hudson County.

The \$4.5 million settlement came after Ehrlich's lawyer, Philip Elberg, spent five years wrangling to get her medical records from KIDS and deposing witnesses to unravel what really happened there.

"This case took over my life," said Elberg, who is based in Newark. "I got sucked in because the kids' stories are so incredible."

Ehrlich's suit against KIDS' director, Miller Newton, also named as defendants four Bergen County psychiatrists who worked there part time: Zisalo Wancier in Closter, Raymond Edelman in Teaneck, and two others who settled on condition that they not be named. One has died, and the other is no longer practicing medicine.

In settling the case, the defendants did not admit any guilt. Elberg said their malpractice insurance carriers paid \$2 million on behalf of Newton, \$1 million for Edelman, and \$500,000 for Wancier. The other two psychiatrists' insurance paid the remaining \$1 million.

Elberg said the presence of the psychiatrists gave Newton credibility, but that the doctors never evaluated her properly or treated Ehrlich during her six years at KIDS.

According to Ehrlich's suit, Newton admitted under oath that "during the first years she was his patient, she was not examined by anyone with any license at all in the treatment of psychiatric or mental disorders."

Ehrlich's family says she never had a substance abuse problem, but she was extremely obstinate and sometimes violent. She began to show signs of trouble at age 7 and went to several therapists before landing at KIDS, where Newton labeled her as suffering from "compulsive behavior disorder." After she left, a New York psychologist diagnosed her as having bipolar disorder, formerly called manic-depressive illness.

In court papers, Newton's lawyer argued that there was no proof that KIDS aggravated Ehrlich's condition. He said her parents could have removed her at any time, that they were aware of the program's use of restraints, and that they did not object.

According to data Elberg culled from KIDS records, Ehrlich was held in restraints 138 times, but her parents were notified only four times.

The psychiatrists have their own defenses.

Edelman's court papers say that the Ehrlichs didn't ask him to evaluate their daughter. Since he worked at KIDS only eight hours a week, he depended on families and staff to alert him to problems.

Wancier said he became medical director in 1992 after Ehrlich was temporarily discharged. He signed one of her old charts even though he had not met her because of a paperwork backlog. He said that when Ehrlich returned to the program, nobody advised him. He worked there only four to six hours per week.

Wancier said in an interview that he "didn't feel comfortable" signing paperwork for patients he hadn't met but that he was new in the job and didn't want to say no to Newton. "That was my own foolishness," he said. "I failed, but the program was good for many kids."

Keeping 'Cult' Out of the Case

By Tim O'Brien

July 7, 2003

New Jersey Law Journal

How do you convince a jury that your client was a victim of a cult?

For Philip Elberg, you don't present expert witnesses and you don't utter the word. Through witnesses and records, you let the story tell itself.

For the past three weeks, the partner in Newark's Medvin & Elberg has been presenting evidence to a Hudson County jury about why his client should be compensated for the 13 years she spent in a rehabilitation center.

Lulu Corter of Wanaque was signed into Kids of North Jersey Inc. in Hackensack by her parents on Oct. 27, 1984, when she was a 13-year-old with learning problems. In August 1997, she bolted from what dozens of teenagers have described as a living hell.

Like many participants in the program, Corter had no drug or alcohol problem. Today, those who ran Kids of North Jersey cannot say why she was admitted because her records have disappeared. They say only that she had behavior problems, though they cannot recall the specifics.

Elberg, who won a \$4.5 million settlement for another Kids of North Jersey patient in 1999, did give the jury a road map in his opening on June 12 before Superior Court Judge Maurice Gallipoli.

"This [program] is not about tough love. It's about destroying families as they existed, and creating a new family with [V.] Miller Newton as the father and Ruth Ann Newton as the mother," Elberg told the eight-member jury hearing Corter v. Kids of North Jersey, L-3578-00.

The suit is seeking compensatory but not punitive damages because Newton is in bankruptcy in Florida. It alleges that Newton violated Corter's civil rights, provided treatment that deviated from the standard care, and caused emotional, physical and psychological damage.

Newton is the 63-year-old rehabilitation guru who ran Kids of North Jersey from 1984 to

the early 1990s, then moved the operation to Secaucus after stiffing the landlord for \$400,000. State authorities finally cut off his Medicaid payments in 1998 and sued him in 1999 for \$1 million in Medicaid overbillings. Kids of North Jersey closed in 1999.

Newton's operation was also shut down by state officials in California, Florida and Utah, where a prosecutor called the program "a sort of private jail, using techniques such as torture and punishment."

Newton's wife, Ruth Ann, served as a clinical director and second in command. Both are defendants, along with their organization, under several names, and four psychiatrists. Elberg and his partner and co-counsel in the case, Alan Medvin, previously gained settlements from carriers on behalf of three of the psychiatrists. The fourth, now dead, was dropped as a defendant.

Though Elberg has assiduously avoided the "cult" word, three witnesses testified to being brainwashed. He says that even an expert for the defense said in a report that Lulu was brainwashed.

Testimony was elicited that Miller would routinely require patients to shun their families, or parents to shun their children who left the program before graduating. For example, Lulu Corter testified that Newton discouraged her and her mother from attending her older sister's wedding because that sister had left the program prematurely.

Last Thursday, one of the questions from a juror to another psychiatric expert for Newton asked about whether teenagers could be conditioned to think a certain way.

And there seems little doubt that the three weeks of testimony -- which includes tales of escapes, kidnappings, beatings, and physical and mental punishment -- have had an impact on Gallipoli.

Last Thursday, shortly before lunch break during Newton's cross-examination, Gallipoli began a series of sharp questions for the witness. Noting that Lulu was in Kids of North Jersey for years for an eating disorder and compulsive behavior, Gallipoli asked Newton whether such disorders and compulsive behaviors could be treated on an outpatient basis.

Newton said they could.

When the jury was ushered out, defense attorney John O'Farrell objected to the judge's queries, saying they were "too skeptical."

Gallipoli responded, "They are skeptical." When O'Farrell, of Morristown's Francis & O'Farrell, pressed his objection, the exasperated judge snapped, "We're just about walking through a fantasy land, and there comes a time when the court just can't sit there and accept this like a bump on a log."

Asked by a reporter whether he thought the judge went too far in expressing his opinion,

O'Farrell said only, "What do you think?" adding that he had high regard for Gallipoli.

The exchange followed 90 minutes of cross-examination by Elberg that included a rundown of Newton's qualifications, including a Ph.D. in 1981 from The Union Institute in Cincinnati in public administration and urban anthropology. The school bills itself as an "alternative learner-directed" organization without classes or the need to show up anywhere.

Newton has described the degree on resumes as being in "medical anthropology" and then "clinical anthropology." Newton says those titles describe what he studied. He also says he is a "board certified ... medical psychotherapist." When pressed, he says it is a "peer certification."

SETTING UP THE 'DOCTOR'

Before the cross examination of Newton, with backers on one side of the courtroom and angry former patients and staffers on the other, the jury heard from five former patients who say they were victims of Kids of North Jersey. Elberg says he was able to call those witnesses by invoking a rule of evidence allowing him to rebut testimony he contends is not true.

When Ruth Ann Newton was on the stand, Elberg pressed her about comments by former patients in the past two decades in court, on television shows and to reporters.

Specifically, he asked four questions: Could patients leave when they turned 18? Did Kids of North Jersey routinely try to get parents to sign in siblings once one child was admitted? Did the program encourage kidnappings of those who escaped from the program? And was it common for patients to offer false or exaggerated confessions about how bad they used to be so they could advance through the program's phases and ultimately graduate?

Ruth Ann Newton said no to each query, at which point Elberg put on his rebuttal witnesses. "If she had admitted those things, I could not have brought those victims on," Elberg said in an interview.

The five told their horror tales, which included sitting in chairs, ramrod, for 12 hours of group therapy each weekday. Those in the first phase of treatment could not speak, and most could not write letters, read, make telephone calls, talk to each other or make eye contact.

There was no privacy. "Old-timers" or "peer counselors," those who had graduated but were coerced to stay on as staff, accompanied newcomers to the bathroom, where there were no doors on the stalls.

The tiniest infraction, such as eating a cookie, could send patients back to the first phase. This, the victims testified, was the ultimate hammer, causing many to lie in the hope of

getting out.

Jeffrey Stallings, for years the No. 3 official at the facility, testified that he quit to avoid breaking the law. He had testified in an earlier case that Newton altered records in anticipation of visits by regulators and withheld some records.

Two weeks before Elberg filed his complaint in the current case in 1999, he filed a show cause order, ex parte, with Gallipoli, asking that Kids of North Jersey's records be seized to prevent the disappearance of more files. The judge signed the order, and the state's Office of Insurance Fraud Prosecutor seized the records from a warehouse in Glen Rock.

Stallings said he stayed for years and remained loyal. "Looking back, I realize I was brainwashed."

Janna [REDACTED] testified that she made up stories while "relating" during group therapy because when she told the truth she was told to sit down, thus harming her chances of advancing. "Lulu admitted she ate sugar, but she didn't, and I said I pushed my poop out because I was there for anorexia, but I lied." Lulu, in fact, made up stories of having sex with a dog and being molested by her uncle so she could move up, she testified.

Stallings testified that many patients had only three options: sit tight and try to go along; rebel; or lie to move through the phases.

As to why so many patients went along with such abuse, many have said that if they told their parents, their parents would go to Newton and he would convince them that their child was lying.

"I never told my dad," testified Jessica [REDACTED], a former patient. "He would question it, and call up the Newtons, and I'd be accused of manipulating and would be put back to phase one."

As for why so many patients would stay on as trainee staffers and later as paid peer counselors, many say Newton coerced them by telling them they had to "give back [and] carry the message" as is done in Alcoholics Anonymous.

"He guilted you," Erica Goodman, a former patient, staffer and program nurse, said in an interview at the courthouse. Just out of nursing school and lacking experience, Goodman ran the laboratory and developed the eating disorder protocol after speaking with seven patients who allegedly had eating disorders, she says.

Newton and his operation have been sued many times, and his carriers have paid out more than \$5.8 million. He's been investigated criminally in Florida and New Jersey, but never prosecuted. But one by one, agencies have cut off the payment of claims, sometimes after exposes by the television shows "60 Minutes," "20/20" and "West 57th Street."

As for Lulu, the real tragedy is that she was the victim of sexual abuse by her older brother before she entered the program, and the program knew that, according to documents and testimony. Yet, she was not diagnosed as an incest victim until 1990, six years after being at Kids of North Jersey.

Newton testified it is often difficult to determine whether a young girl is just experimenting or participating in sexual play.

Throughout Kids of North Jersey's stint in New Jersey, the staff psychiatrists, according to their own depositions, rarely saw patients, let alone treated them. In his complaint, Elberg accuses Newton of "renting licenses," with the peer counselors using rubber-stamps to sign the psychiatrists' names to reports to collect private and Medicaid insurance.

"I never saw a psychiatrist once," says Christine [REDACTED], a former patient and staffer who traveled from San Diego to watch the trial.

Newton admitted on the stand that his program routinely does not talk to a potential patient's teachers or doctors before making a diagnosis, saying it is not that important and takes too much time.

The jury in the case has been active, taking notes and asking hundreds of questions through the judge -- dozens of Newton alone. Based on those questions, they appear skeptical.

Elberg did call Newton a cult-like leader in court papers in the case that led to the \$4.5 million settlement in 1999, *Ehrlich v. Kids of North Jersey*, HUD-L-4592-95. And he had a cult expert ready for both cases.

"But I decided not to call him or use the term 'cult' because that could have turned the trial into one about the meaning of a cult, rather than about this girl who was yanked out of school and forced to go through what she went through."

Drug Rehab 'Cult Leader' Settles Medical Malpractice Case for \$6.5M

By Tim O'Brien

July 21, 2003

New Jersey Law Journal

Three carriers have agreed to pay almost \$6.5 million to a woman who spent nearly 13 years -- from age 13 to 26 -- as a virtual prisoner of drug rehabilitation guru V. Miller Newton.

The final piece of the settlement came on July 9, after three weeks of testimony during a Hudson County Superior Court trial, just as the jury had handed up its verdict. The verdict was not read and Judge Maurice Gallipoli dismissed the jury.

Two of the medical malpractice carriers had actually already settled, but the third, Princeton Insurance Co., declined and went to trial in *Lulu Corter v. Kids of North Jersey*, L-3578-00.

The lawyer for Princeton, James Scott Murphy of Montclair's Garrity, Graham, Favetta & Flinn, decided at the 11th hour to pay \$2.3 million rather than roll the dice with the eight-person jury, which had peppered Newton with a barrage of tough questions -- through the judge -- after his cross-examination.

Newton and his wife, Ruth, operated Kids of North Jersey in Hackensack, and later in Secaucus, from 1984 to 1999. The rehabilitation center was ultimately closed down when state officials cut off Newton's Medicaid payments and sued him for \$1 million in overbillings. Ruth Newton was also a defendant and testified.

The plaintiff's lawyer, Philip Elberg, had previously negotiated separate settlements with Princeton, AIG and MIIX for three of the psychiatrists that Newton employed as his "medical directors" through the years. Those settlements totaled \$2,525,000.

According to testimony at trial and the depositions of the doctors, the psychiatrists never treated the patients or made diagnoses. The complaint alleged that Newton was simply renting their licenses and signatures, which were often used by untrained staffers via rubber stamps to file for private and Medicaid insurance claims.

Elberg, along with partner Alan Medvin of Newark's Medvin & Elberg, had also settled

before trial with AIG on behalf of Kids of North Jersey and several related corporations. AIG was responsible for 42 percent of any verdict or settlement, while Princeton Insurance was responsible for the remaining 58 percent. AIG agreed to pay \$1,672,000 to Lulu Corter, who was a seventh grader when her mother signed her into the rehabilitation facility for unspecified compulsive behavior problems.

Elberg, who has been tracking Newton and his bizarre treatment methods for five years, won a \$4.5 million settlement in January 2000 for another patient who, like Corter and many others, claimed that she couldn't get out of Kids even after she was 18. In that case, *Ehrlich v. Kids of North Jersey*, HUD-L-4592-95, Elberg said in court papers that he would argue at trial that Newton was not only a charlatan and insurance fraud artist but also a cult leader.

In the *Corter* trial, Elberg presented witnesses who said they were brainwashed, but he assiduously avoided using the word cult, saying in an interview that he did not want to risk turning the trial into a debate about the definition of a cult. He did say in his opening, though, that the Newtons were "creating a new family with Miller Newton as the father and Ruth Ann Newton as the mother."

The testimony, along with prior depositions and televised interviews by former patients, described a hellish facility run by fear, intimidation and manipulation and sometimes included beatings, humiliation and even kidnappings of those who managed to get out.

Kids billed itself as a facility that not only handled teenagers with drug and alcohol abuse problems, but eating disorders and any compulsive behavior, with Newton claiming to be an expert in dealing with such behaviors. His top credential was a Ph.D. in "public administration and urban anthropology" from a "self-directed" school with no classes and with most of the work mailed in.

State officials in California, Utah and Texas also shut down his operation, and criminal probes were begun in Florida and New Jersey, though Newton was never the subject of prosecution.

In addition to the \$11 million won in the *Ehrlich* and *Corter* settlements by Elberg, three other verdicts or settlements against Newton and his operation in other states during the 1990s bring the total payout by his carriers to \$12.34 million.

Lulu Corter, who was a victim of sexual abuse by her brother but was not diagnosed as an incest victim until being in Kids for six years, finally bolted from the program in August 1997.

The Newtons still live in Madeira Beach, Fla., where Newton has unsuccessfully run for Congress and mayor. He is now in personal bankruptcy.

The Newtons and Kids were represented at the trial by John O'Farrell of Francis & O'Farrell. He did not return calls requesting comment.