Jul 24, 2019

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Florida Attorney General's Office News Release

Sober Homes Owner Arrested on Multiple Counts of Patient Brokering and Money Laundering

TALLAHASSEE, Fla.—Attorney General Ashley Moody's Office of Statewide Prosecution, Florida Department of Law Enforcement, Palm Beach County State Attorney's Office and the Palm Beach County Sheriff's Office arrested a Dade County resident for multiple counts of patient brokering and felony money laundering. Adam Adler directed South Florida addiction treatment facilities and sober homes that he owned to send patients' urine for urinalysis testing in exchange for more than $1 million in kickbacks.

Attorney General Ashley Moody said, "In recent years, Florida has seen an increasing number of fraud cases in the substance abuse and recovery industry. It is appalling that anyone would take advantage of people trying to break the grip of addiction, especially amid this national opioid crisis that is claiming 17 lives a day in Florida. We are putting these bad actors on notice, anyone who abuses the recovery system for profit will be prosecuted and will regret it."

FDLE Commissioner Rick Swearingen said, "This criminal scheme took advantage of the plight of some of our most vulnerable residents, fraudulently capitalizing on their pain and hardship as they tried to get their lives back together. Thanks to the tireless efforts of our agents and analysts and of our partners, this arrest will serve as a warning to those who would seek to illegally manipulate Florida's substance abuse and recovery system."

Palm Beach County State Attorney Dave Aronberg said, "It is only through a united effort at the state, local and federal levels that we will end this unprecedented opioid epidemic. Together, we will continue our efforts to clean up the sober home and drug treatment industries and save lives."

According to the investigation, Adler had a business arrangement with SMA Labs, a Pennsylvania company, to receive patients' urine. For each urine analysis test performed, SMA filed insurance claims with the patients' insurance companies. For every payment received from an insurance company, SMA paid Adler a kickback that funneled through several shell corporations. The illegal activity spanned over a two-year period, beginning in February 2017 and continuing through February 2019.

In South Florida, the substance abuse treatment industry has grown over the past several years, correlating with an influx of substance abuse patients from other areas in the state and across the country. This industry's growth also corresponds with an alarming increase in overdoses and overdose deaths associated with opiate use. Since 2012, the number of reported overdose deaths in Palm Beach County has increased every year, culminating in more than 500 deaths in 2017.

Sober homes, halfway houses or recovery residences are dwellings where residents live together in a drug-free environment while working on maintaining sobriety. These facilities usually offer no substance abuse treatment but encourage residents to seek treatment at an off-site treatment facility. Sober homes use urine analysis to confirm residents are abiding by house rules against substance abuse. Depending on the type of urine analysis test, it can cost from five dollars to $5,000 per test.

Adam Adler is facing nine counts of first-degree patient brokering, 16 counts of third-degree patient brokering, and two counts of first-degree felony money laundering.

The Palm Beach County State Attorney's Office Sober Homes Task Force, formed by State Attorney Dave Aronberg, initiated this case after investigating multiple cases of patient brokering. The Florida Department of Law Enforcement and the Palm Beach County Sheriff's Office assisted with the investigation. Attorney General Moody's Office of Statewide Prosecution will prosecute the case.