

# *They Wanted to Get Sober. They Got a Nightmare Instead.*

Arizona spent \$1 billion on addiction treatment, much of it fraudulent, officials said. Scores of Native Americans who sought help are still struggling with untreated addiction — and some died in rehab.



**By Jack Healy**

Reporting from Phoenix and Bylas, Ariz., Jack Healy interviewed more than a dozen families and obtained autopsy reports to detail deaths in Arizona's sober-living system.

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The white vans were the first thing people noticed.

They began popping up around tribal reservations in the Southwest a few years ago, trolling through alleys and parking lots on a hunt for new business. They approached anyone who looked homeless or intoxicated with an alluring pitch: Get in, and we'll give you shelter, sobriety and a better life.

Monica Antonio, 21, was one of thousands of people who leaped at the chance. She had been desperate to stop drinking for her three young children, her family said. But the San Carlos Apache Reservation in rural eastern Arizona, where she lived, had limited resources for drug or alcohol treatment. So last January, a van whisked her 130 miles to one of hundreds of sober-living houses that have proliferated around Phoenix in recent years, with little oversight or control.



Monica Antonio had been desperate to stop drinking for her three young children, her family said.

She did well at first, earning a 30-day sobriety certificate, but friends and family said they started to worry when Ms. Antonio posted online photos showing drinking and drug use inside her sober-living home. They said she started to slip.

“I told her, ‘Monica, you’re supposed to be sobering up, don’t you have rules?’” said her grandmother, Vernadell Johnson. “She said no.”

She had tumbled into what prosecutors and tribal leaders call one of the largest, most exploitative frauds in Arizona’s history — a scheme in which hundreds of rehab centers provided shoddy or nonexistent addiction treatment to thousands of vulnerable Native Americans that cost the state as much as \$1 billion. Scores of people ended up homeless, still struggling with untreated addiction, officials say.

In the grimmest cases, tribal members died of overdoses inside the sober homes where they had sought help.

Navajo activists in Phoenix, who first alerted authorities more than a year ago to problems inside the sober-living homes, say they have tracked the deaths of at least 40 Native Americans who had been at these homes. Some died while they

were still patients; some overdosed on buses or the streets after fleeing or getting kicked out. Others ended up homeless in Phoenix and died of heat exposure or were hit by cars.



The home, behind the lamp post at center, where Monica Antonio died. Minesh Bacrania for The New York Times

“It’s one of the greatest failures of Arizona government ever,” said Attorney General Kris Mayes, who, along with Gov. Katie Hobbs, announced a crackdown against the treatment centers earlier this year.

Ms. Mayes said the treatment centers operated largely unchecked for years, taking advantage of gaps in an Arizona program that funds health care for low-income tribal members. The schemes exploited overlapping American woes — addiction, soaring homelessness and a long history of disregard for Native American health.

Operators set up companies with names like Healing Fountain, Happy Valley or Angelic Behavioral Health, registered with the state as counseling centers and behavioral health residential facilities, and placed them in subdivisions where small-scale investors have snapped up homes as rental properties.

They began running up huge bills, Arizona authorities say. One business billed the state thousands, purportedly to treat a 4-year-old for alcohol addiction. Another charged \$1.2 million to treat a parent and two young children for a year.

Similar frauds have occurred in Nevada, Georgia and Texas, Ms. Mayes said, though on a smaller scale.

The money Arizona paid out to these programs through its Medicaid system exploded over the past four years, from \$53 million in 2019 to \$668 million last year. Officials said they do not know how much of that was for legitimate treatment, and how much was fraud.

“It’s scary that this is happening in the middle of America,” said President Buu Nygren of the Navajo Nation, which declared a public health emergency over the fraud.

State officials said the Medicaid fund for Native American treatment amounted to a virtually unguarded pool of money that was poorly regulated and easily exploited. They have since tightened their rules and shut off the unlimited supply of money.

Reva Stewart, a Navajo activist working with families to find their relatives, said some fraudulent homes are still operating and people are still being recruited. “It’s really frustrating,” she said.

State officials say they are continuing to investigate.

Arizona has suspended more than 300 treatment businesses — including the company that ran the home where Ms. Antonio stayed. It has charged more than 40 people with defrauding taxpayers by running up huge bills through Arizona’s American Indian Health Program, which is part of its Medicaid system.

The F.B.I. and federal prosecutors are investigating. In July, a woman from Mesa, Ariz., became one of the first people convicted after she pleaded guilty to federal charges of money laundering and wire fraud. Prosecutors say she was an owner of two treatment companies that received \$22 million. According to court documents, she spent the money on four Mercedes-Benz cars, homes in Las Vegas and Arizona, diamond necklaces and a showroom's worth of Gucci, Versace and Louis Vuitton bags.



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Tribal leaders and more than a dozen former patients said that the human toll of the scheme was far worse and larger than any financial loss.

People who traveled from as far as Montana and the Dakotas described Arizona's sober-living providers as slapdash operations where drugs and alcohol were plentiful, but actual help was scarce. Some homes were well kept while others were furnished only with mattresses and a few boxes of macaroni and cheese.

"It was so empty and depressing," said Cydney Smith, a San Carlos Apache member who lived in a residential facility last year. "The door was broken. No bed. People were coming in and doing drugs."

According to interviews with activists, former patients and Arizona officials, the small staffs who ran the homes made little effort to help people stay sober, and in some cases fostered their addiction. The white vans sometimes stopped at liquor stores on the way to Phoenix to ply people with alcohol.

Some homes conducted regular drug tests and had zero tolerance. Others looked the other way while people smoked meth and drank in their bedrooms, former residents said.

"There were fights, there were drugs, there was alcohol in these homes," said State Senator Theresa Hatathlie, a Navajo citizen who says she tried for years to get regulators to shut down the unlicensed sober-living houses. "There was no enforcement. The idea seems like: Let's keep them drunk, keep them using. The longer they stay, the more money."

It was a volume business, and the operators paid residents to recruit friends and family as new patients.

Several tribal members said they never spoke with any counselors or addiction experts. Instead, they were shuttled to group rehab sessions, where the only requirement was that they sign in and provide their tribal identification numbers so providers could start billing.

Often, patients decided to leave the homes or were evicted when the treatment centers abruptly shuttered. This left them on the street, stranded hundreds of miles from family with no money and no way to call home.

Joryan Polk, 22, a member of the San Carlos Apache Tribe, had grown so despondent during his drug treatment program that he called his mother to say that no one was listening or helping, his mother said. He was found dead and face down in his bedroom last January after overdosing on meth and fentanyl. Residents at the home told a police officer that nobody had checked on Mr. Polk for about two days, according to a police report.

The facility where he had been receiving care, Empire Wellness, was suspended in July for billing issues, according to state officials. State officials have declined to provide details about the investigation into the business; the facility's owner did not answer questions about the investigation.

Daniel Fallah, the owner, said that he had tried to help Mr. Polk get off drugs and that his company regularly did drug screenings and did not allow its patients to use. He said there were staff members inside the home to monitor residents.

"Everybody's a grown-up," he said, in an interview before the business was suspended. "People make choices."

Police reports and autopsies chronicling several deaths have ruled them to be accidents, and state officials have not filed criminal charges relating to any deaths. Several families said they were desperate for answers or some accountability, but had not been able to find lawyers to file lawsuits or even reach the people behind the now-suspended companies that ran the treatment centers.

Friends and relatives of Ms. Antonio, the patient from the San Carlos Apache Reservation, said they were still trying to unravel what happened to her.



Ms. Antonio's children playing basketball with their friend in Bylas, Ariz. Minesh Bacrania for The New York Times

One night in late March, Ms. Antonio and a friend left her sober-living home and drank at a small park in a gated community in southwest Phoenix, according to a police report. She was left lying by the front door, where a staff member found Ms. Antonio on the ground holding a can of alcohol, the report said. The staff member let Ms. Antonio into the house, but did not call for medical help.

She was found dead on her mattress the next morning. An autopsy found she had died of alcohol poisoning. Tessie Dillon, one of Ms. Antonio's aunts, said the family rushed from the San Carlos reservation to Phoenix. She said the sober-living home reeked of alcohol, and that Ms. Antonio's bedroom had little else than a thin mattress and her clothes piled in the closet.



Ms. Dillon said Ms. Antonio's three children, who are now 8, 7 and 5 years old, still ask for their mother. She still has questions about why nobody checked on Ms. Antonio the night she died, why she was simply put to bed. Officials for the business, which was suspended by the state, did not respond to a request for comment.

An administrator from the treatment business did promise to pay Ms. Antonio's \$5,000 funeral bill, Ms. Dillon said.

"We sent them the invoice," she said. "Nothing."

**Jack Healy** is a Phoenix-based national correspondent who focuses on the fast-changing politics and climate of the Southwest. He has worked in Iraq and Afghanistan and is a graduate of the University of Missouri's journalism school. [More about Jack Healy](#)

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