

## **DEFERRED PROSECUTION AGREEMENT**

Defendant Camden Treatment Associates LLC (“CTA” or the “Company”) and the United States Attorney’s Office for the District of New Jersey (“the Office”) enter into this deferred prosecution agreement (the “Agreement”). The terms and conditions of this Agreement are as follows:

### **Criminal Information, Civil Resolution, and Acceptance of Responsibility**

1. The Office will file the attached two-count Criminal Information (the “Information”) in the United States District Court for the District of New Jersey charging the Company with: (1) knowingly and intentionally conspiring to violate the Anti-Kickback Statute, contrary to Title 42, United States Code, Sections 1320a-7b(b)(2), and in violation of Title 18, United States Code, Section 371; and (2) obstructing a federal audit, in violation of Title 18, United States Code, Section 1516(a). The Company: (1) knowingly waives its right to indictment on these charges, as well as all rights to a speedy trial pursuant to the Sixth Amendment to the United States Constitution, Title 18, United States Code, Section 3161, and Federal Rule of Criminal Procedure 48(b); and (2) knowingly waives any objection with respect to venue to any charges by the United States arising out of the conduct described in the Statement of Facts attached as Attachment A (“Statement of Facts”), which is incorporated into this Agreement, and consents to the filing of the Information, as provided under the terms of this Agreement, in the United States District Court for the District of New Jersey. The Office agrees to defer prosecution of the Company pursuant to the terms and conditions described below.

2. The Company admits, accepts, and acknowledges that it is responsible under United States law for the acts of its owners, officers, directors, managers, members, employees, and agents as charged in the Information and as set forth in the Statement of Facts, and that the allegations described in the Information and the facts described in the Statement of Facts are true and accurate. Should the Office pursue the prosecution that is deferred by this Agreement, the Company stipulates to the admissibility of the attached Statement of Facts in any proceeding by the Office, including any trial, guilty plea, or sentencing proceeding, and will not contradict anything in the Statement of Facts at any such proceeding. The Agreement, the Statement of Facts, and the Information do not allege that the Company's conduct adversely affected patient health or patient care.

3. Simultaneous with the filing of the Information, the Civil Division of the Office will enter into a Civil Settlement Agreement with the Company to settle certain civil claims (the "Civil Settlement Agreement"). The Office in its sole discretion may determine that failure by the Company to comply fully with those material terms of the Civil Settlement Agreement scheduled to occur during the effective period of this Agreement constitutes a breach of the Agreement.

#### **Term of the Agreement**

4. This Agreement is effective for a period beginning on the date on which the Information is filed and ending three (3) years from that date ("the Term"). If the Office determines, in its sole discretion, that the Company has knowingly violated any provision of this Agreement or has failed to completely perform or fulfill each of

the Company's obligations under this Agreement, the Office may extend the Term of the Agreement, in its sole discretion, for a total additional time period of up to one (1) year, without prejudice to the Office's right to proceed as provided in Paragraphs 31 to 36 below. Any extension of the Agreement extends all terms of this Agreement, including the terms of the reporting requirement in Attachment D ("Reporting Requirements") for an equivalent period. Conversely, if the Office finds, in its sole discretion, that there exists a change in circumstances sufficient to eliminate the Reporting Requirements and that the other provisions of this Agreement have been satisfied, the Agreement may be terminated early.

### **Relevant Considerations**

5. The Office enters into this Agreement based on the individual facts and circumstances presented by this case and by the Company, including:

- a. CTA did not voluntarily and timely self-disclose to the Office the conduct described in the Statement of Facts;
- b. CTA has clearly demonstrated recognition and affirmative acceptance of responsibility for the conduct described in the Statement of Facts;
- c. During the period covered by the Statement of Facts (*i.e.*, between approximately 2009 and 2015), the Company's compliance function failed to detect, prevent, and identify violations of and adherence to relevant federal laws, including the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b), and laws prohibiting obstructing a federal audit, 18 U.S.C. § 1516(a);
- d. CTA voluntarily ended the unlawful business relationship described in the Statement of Facts in 2015 before the Office's investigation began;

- e. CTA has recently engaged in certain remedial measures, including:
  - i. Retaining an independent health compliance consulting firm specializing in substance use disorder facilities to conduct a comprehensive review of compliance policies and procedures of CTA;
  - ii. Upgrading technological capabilities relating to recordkeeping and compliance, enhanced security, and privacy features;
  - iii. Investing in and upgrading to new clinical software specifically designed for substance use disorder facilities with enhanced clinical notetaking, reporting, monitoring, and compliance capabilities;
  - iv. Developing enhanced policies and procedures regarding fraud, waste, and abuse, compliance, clinical notetaking, and conflicts of interest;
  - v. Establishing a confidential reporting hotline;
  - vi. Providing enhanced annual training to Company personnel on ethics and health care compliance topics; and
  - vii. Assisting billing personnel in obtaining additional certifications and credentials.
- f. CTA has committed to continuing to enhance its compliance program and internal controls, including ensuring that its compliance programs satisfy the minimum elements set forth in Attachment C to the Agreement; and
- g. CTA has no prior criminal history.

Based on CTA's remediation efforts, the state of its compliance program, CTA's commitment to enhance compliance, and CTA's agreement to report to the Office as set forth in the Reporting Requirements, the Office has determined that an independent compliance monitor is unnecessary.

### **Future Cooperation and Disclosure Requirements**

6. The Company shall cooperate fully with the Office in any and all matters relating to the conduct described in this Agreement and the attached Statement of Facts and other conduct under investigation by the Office at any time during the Term, subject to applicable laws and regulations. The Company's future cooperation is an important factor in the decision of the Office to enter into this Agreement. The Company will continue to cooperate fully with the Office and with any other governmental agencies designated by the Office regarding any issue about which the Company has knowledge or information with respect to compliance with federal health care laws, including, but not limited to, laws involving kickbacks, conflicts of interest, health care fraud, fraudulent billing, and/or making false statements to government and regulatory bodies (hereinafter "federal health care laws"). At the request of the Office, the Company shall also cooperate fully with other domestic enforcement and regulatory authorities and agencies in any investigation of the Company, its affiliates, or any of its present or former owners, officers, directors, managers, members, employees, and agents in any and all matters relating to the conduct described in this Agreement and the attached Statement of Facts. The Company agrees that its cooperation pursuant to this Paragraph shall include, but not be limited to, the following:

- a. The Company shall truthfully disclose any and all non-privileged factual information with respect to its activities, including any evidence or allegations and internal or external investigations, as well as any and all information of any affiliates and present or former owners, officers, directors, managers, members,

employees, and agents—regardless of their position, status, or seniority—about which the Company has any knowledge or about which the Office may inquire. This obligation of truthful disclosure includes, but is not limited to, the obligation of the Company to provide to the Office, upon request, any non-privileged document, record, or other tangible evidence about which the Office may inquire of the Company.

- b. Upon request of the Office, the Company shall designate knowledgeable employees, agents, or attorneys to provide to the Office at all reasonable times requested by the Office the information and materials described in Paragraph 6(a) above on behalf of the Company. It is further understood that the Company must at all times provide complete, truthful, and accurate information.
- c. The Company shall use its best efforts to make available for interviews or testimony, at all reasonable times, as requested by the Office, present or former owners, officers, directors, managers, members, employees, and agents of the Company. This obligation includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, all meetings requested by the Office, and interviews with domestic law enforcement and regulatory authorities. Cooperation under this Paragraph shall include identification of witnesses who, to the knowledge of the Company, may have material information regarding the matters being investigated or prosecuted.
- d. With respect to any information, testimony, documents, records, or other tangible evidence provided to the Office pursuant to this Agreement, the Company consents to any and all disclosures, subject to applicable laws and regulations, to other federal, state and local authorities (to include, but not be limited to, New Jersey Medicaid and Substance Abuse and Mental Health Services Administration (“SAMHSA”)) as the Office, in its sole discretion, shall deem appropriate.
- e. This Agreement to cooperate does not apply to any information provided by the Company to legal counsel in connection with the provision of legal advice and the legal advice itself, or information or documents prepared in anticipation of litigation, and nothing in this Agreement shall be construed to require the Company to

provide any such information or advice to the Office or any other governmental agency.

- f. The cooperation provisions in this Agreement shall no longer apply in the event that the Office pursues a criminal prosecution against the Company related to the Information.

7. In addition to the obligations in Paragraph 6, should the Company learn of any evidence or allegation of conduct that may constitute a violation of any federal or state criminal law during the Term, the Company shall promptly report such evidence or allegation to the Office.

### **Payment**

8. The Company agrees to pay a total monetary penalty in the amount of \$1,500,000.00 (“Total Criminal Fine”). The Total Criminal Fine will be paid to the United States Treasury within ten (10) business days of the execution of this Agreement. The Total Criminal Fine is final and shall not be refunded. Furthermore, nothing in this Agreement shall be deemed an agreement by the Office that the Total Criminal Fine is the maximum penalty that may be imposed in any future prosecution, and the Office is not precluded from arguing in any future prosecution that the Court should impose a higher fine, although the Office agrees that under those circumstances, it will recommend to the Court that any amount paid under this Agreement should be offset against any fine the Court imposes as part of a future judgment. The Company acknowledges that no tax deduction may be sought in connection with the payment of any part of the Total Criminal Fine.

9. CTA will also make a payment of \$1,650,000.00, which is being paid pursuant to the Civil Settlement Agreement to resolve claims settled by that agreement. In light of the Civil Settlement Agreement, no additional restitution shall be paid by the Company.

### **Conditional Release from Liability**

10. Subject to Paragraphs 31 to 36, the Office agrees, except as provided in this Agreement, that it will not bring any criminal case against the Company relating to any of the conduct described in the Statement of Facts or the Information filed pursuant to this Agreement. The Office, however, may use any information related to the conduct described in the Statement of Facts against the Company in: (a) a prosecution for perjury or obstruction of justice; (b) a prosecution for making a false statement; (c) a prosecution or other proceeding relating to any crime of violence; or (d) a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code.

11. This Agreement does not provide any protection against prosecution for any future conduct by the Company. In addition, this Agreement does not provide any protection against prosecution of any individuals, regardless of their affiliation with the Company.

### **Corporate Compliance Program**

12. The Company represents that it has implemented and will continue to implement a compliance program (“Compliance Program”) designed to prevent and detect violations of federal health care laws throughout its operations, including those



of its affiliates, agents, and joint ventures, and including, but not limited to, the minimum elements set forth in Attachment C.

13. In order to address any deficiencies in its internal controls, policies, and procedures, the Company represents that it has undertaken and will continue to undertake in the future, in a manner consistent with all of its obligations under this Agreement, a review of its existing internal controls, policies, and procedures regarding compliance with federal health care laws. Where necessary and appropriate, the Company agrees to adopt a new compliance program or to modify its existing one, including internal controls, compliance policies, and procedures, in order to ensure that it maintains an effective compliance program, including a system of internal controls designed to effectively detect and deter violations of federal health care laws. The Compliance Program, including the internal controls system, will include, but not be limited to, the minimum elements set forth in Attachment C.

#### **Board of Advisors**

14. The Company shall have an independent Board of Advisors to oversee company compliance relating to federal health care laws. The Managing Member of the Company shall not be a member of the Board of Advisors.

15. The Board of Advisors shall continue to oversee the development, operation, and enhancement of an effective corporate compliance program to ensure that internal controls are in place to prevent future violations of federal health care laws. The Board of Advisors shall be authorized to develop and assess the

implementation of policies, procedures, and practices designed to ensure compliance with federal health care laws.

16. The Board of Advisors shall continue to assess, recommend, and oversee the development and implementation of procedures that will: (a) periodically test the effectiveness of the Company's Compliance Program; (b) detect violations of its compliance policies; and (c) report violations of its compliance policies to the Chief Compliance Officer ("CCO"). The Board of Advisors shall be authorized to review any disciplinary actions taken by the Company with respect to compliance related matters.

17. The Board of Advisors shall have full investigative authority and shall have the authority to meet with and require reports and certifications on any subject relating to federal health care compliance from any officer, director, manager, member, or employee of the Company at any time.

#### **Chief Compliance Officer**

18. The Company shall have a Chief Compliance Officer ("CCO"). The CCO shall be responsible for monitoring the day-to-day compliance activities of the Company. The CCO shall be a member of senior management of the Company and, with respect to any matters involving and/or implicating corporate compliance, shall not be subordinate in function or position to the Executive Director, Clinical Director, or Billing Supervisor. The CCO shall report directly to the Program Sponsor and/or the Board of Advisors.

19. The CCO shall make periodic (at least quarterly) reports regarding compliance matters to the Board of Advisors and is authorized to report on such matters directly to the Board of Advisors at any time. The CCO shall be authorized to seek guidance from the Board of Advisors at any time.

20. The CCO shall have the authority to meet with and require reports and certifications on company compliance from any officer, director, manager, or employee of the Company at any time.

### **Corporate Compliance Reporting**

21. CTA agrees that it will report to the Office periodically during the Term regarding remediation and implementation of the compliance measures described in Attachment C. These reports will be prepared in accordance with Attachment D.

### **Hotline**

22. The Company Agrees to maintain a confidential hotline, of which Company employees and agents are informed, and which can be used to notify the Company of any concerns about unlawful conduct other wrongdoing. The Company shall post information about this hotline and shall inform all who avail themselves of the hotline of the Company's commitment to maintaining confidentiality with respect to such reports.

### **Independent Consultant**

23. Within thirty (30) days of the execution of this Agreement, the Company shall retain an independent consultant, at its own expense, to evaluate the Company's Compliance Program, policies, and procedures; the Company's billing

policies and practices; the Company's audit and internal controls; and the Company's approach to compliance with federal health care laws. The independent consultant shall conduct a review and evaluation of these Company functions and shall report and make written recommendations as necessary to the Company and the Office.

24. The Company shall propose for the Office's approval an independent consultant with at least the following qualifications: (a) access to sufficient resources to carry out these functions; (b) experience with internal investigations or the investigative process; (c) absence of a relationship with the Company prior to January 1, 2022; and (d) absence of current representations that are adverse to the Office. If the independent consultant resigns or is unable to serve the balance of the project, the Company shall propose a successor for the Office's approval within forty-five (45) calendar days.

25. The independent consultant shall have access to all non-privileged Company documents and information that the independent consultant determines are reasonably necessary to assist in the execution of its duties. The independent consultant shall have the authority to meet with any officer, director, manager, member, or employee of the Company. The Company shall use its best efforts to have such persons fully cooperate and meet with the independent consultant as requested.

### **Compliance Certifications**

26. The Company—through its Program Sponsor, Board of Advisors, and CCO—shall conduct an annual review of its Compliance Program as it relates to compliance with federal health care laws during the preceding year. The first review

shall run from the date of the Agreement's execution through ten (10) months following the execution of this Agreement. Thereafter, reviews will be conducted on an annual basis.

27. The Program Sponsor shall submit to the Office on an annual basis a signed certification stating that, to the best of his knowledge on behalf of the Company, during the relevant time period: (1) the Company's Compliance Program continued to include the policies and procedures set forth in this Agreement; and (2) the Compliance Program was effective in detecting, preventing, and/or remediating, where necessary, violations of federal health care laws. The certification shall summarize the review described above that was conducted to provide the required certification. If the Program Sponsor is unable to certify that the Compliance Program was effective in detecting, preventing, and/or remediating, where necessary, violations of federal health care laws, an explanation of the steps the Company is taking to ensure the future effectiveness of the Compliance Program shall be provided to the Office. This explanation will satisfy the certification requirement with regard to the Compliance Program.

28. The Board of Advisors, or a committee it designates, shall annually review the effectiveness of the Company's Compliance Program as it relates to federal health care laws. This review shall include, but not be limited to, briefings and reports by the Company's CCO and other compliance personnel. The Board of Advisors shall evaluate the Compliance Program by, among other means, reviewing the activities of the CCO and compliance personnel and adoption and implementation

of policies, procedures, and practices designed to ensure compliance with federal health care laws. Based on its review, the Board of Advisors shall submit to the Office an annual report (“the Board of Advisors Report”) that summarizes its review and oversight of the Company’s Compliance Program.

29. Thirty (30) days prior to the expiration of the Term, the Company, by its Program Sponsor and CCO, will certify to the Office, in the form of executing the document attached as Attachment B to this Agreement, that the Company has met its compliance obligations pursuant to this Agreement.

30. Each certification will be deemed a material statement and representation by the Company to the executive branch of the United States for purposes of Title 18, United States Code, Sections 1001 and 1519, and will be deemed to have been made in the judicial district in which this Agreement is filed.

### **Deferred Prosecution**

31. In consideration of the undertakings agreed to by the Company herein, the Office agrees that any prosecution of the Company for the conduct set forth in the attached Statement of Facts be and is hereby deferred for the Term. To the extent that there is conduct disclosed by the Company that is not set forth in the attached Statement of Facts, such conduct will not be exempt from further prosecution and is not within the scope of or relevant to this Agreement. The Office and the Company agree to jointly move the Court for an entry of an order continuing all further criminal proceedings, including trial pursuant to the Speedy Trial Act, until further motion of the parties, based upon the entry of the Agreement. If the Court denies the joint

motion for any reason, this Agreement shall be null and void and the parties will revert back to their pre-Agreement positions.

32. The Office further agrees that if the Company fully complies with all of its obligations under this Agreement, the Office will not continue the criminal prosecution against the Company described in this Agreement and the attached Statement of Facts and, at the conclusion of the Term, this Agreement shall expire. Within thirty (30) days of the Agreement's expiration, the Office shall seek dismissal with prejudice of the Information filed against the Company described in Paragraph 1 and agrees not to file charges in the future against the Company based on the conduct described in this Agreement and the attached Statement of Facts.

#### **Breach of the Agreement**

33. If, during the Term: (a) the Company commits any felony under United States federal law; (b) the Company provides in connection with this Agreement deliberately false, incomplete, or misleading information, including in connection with its disclosure of information about individual culpability; (c) the Company fails to cooperate as set forth in Paragraphs 6 and 7 of this Agreement; (d) the Company fails to implement an effective compliance program as set forth in this Agreement and Attachment C; or (e) the Company otherwise fails to completely perform or fulfill each of the Company's obligations under the Agreement, regardless of whether the Office becomes aware of such a breach after the Term is complete, the Company shall thereafter be subject to prosecution for any federal criminal violation of which the Office may have knowledge, including, but not limited to, the charges in the

Information described in Paragraph 1, which may be pursued by the Office in the United States District Court for the District of New Jersey or any other appropriate venue. Determination of whether the Company has breached the Agreement and whether to pursue prosecution of the Company shall be in the Office's sole discretion. Any such prosecution may be premised on information provided by the Company, its affiliates, or its personnel. Any such prosecution relating to the conduct described in the Statement of Facts or relating to conduct known to the Office prior to the date on which this Agreement was signed that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against the Company, notwithstanding the expiration of the statute of limitations. Thus, by signing this Agreement, the Company agrees that the statute of limitations with respect to any such prosecution that is not time-barred on the date of the signing of this Agreement shall be tolled for the Term.

34. In the event the Office determines in its sole discretion that the Company has breached this Agreement, the Office agrees to provide the Company with written notice of such breach. Within thirty (30) days of receipt of such notice, the Company shall have the opportunity to respond to the Office in writing to explain that no breach occurred, the nature and circumstances of such breach, as well as the actions the Company has taken to address and remediate the situation, which explanation the Office shall consider in determining whether to pursue prosecution of the Company.



35. In the event the Office determines that the Company has breached this Agreement: (a) all statements made by or on behalf of the Company to the Office or to the Court, including the attached Statement of Facts, and any testimony given by the Company before a grand jury, a court, any tribunal, or at any legislative hearings, whether prior or subsequent to this Agreement, and any leads derived from such statements or testimony, shall be admissible in evidence in any and all criminal proceedings brought by the Office against the Company; and (b) the Company shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that any such statements or testimony made by or on behalf of the Company prior or subsequent to this Agreement, or any leads derived therefrom, should be suppressed or are otherwise inadmissible. The decision whether conduct or statements of any current owner, officer, director, manager, member, or employee, or any person acting on behalf of or at the direction of the Company, will be imputed to the Company for the purpose of determining whether the Company has violated any provision of this Agreement shall be in the sole discretion of the Office.

36. The Company acknowledges that the Office has made no representations, assurances, or promises concerning what sentence may be imposed by the Court if the Company breaches this Agreement and this matter proceeds to judgment. The Company further acknowledges that any such sentence is solely within the discretion of the United States District Court and that nothing in this Agreement binds or restricts the Court in the exercise of such discretion.

### **Sale, Merger, or Other Change in Corporate Form of the Company**

37. Except as may otherwise be agreed by the parties in connection with a particular transaction, the Company agrees that in the event that, during the Term, it undertakes any change in corporate form, including if it sells, merges, or transfers business operations that are material to its consolidated operations or to the operations of any affiliates involved in the conduct described in the attached Statement of Facts as they exist as of the date of this Agreement, whether such change is structured as a sale, asset sale, merger, transfer, or other change in corporate form, it shall include in any contract for sale, merger, transfer, or other change in corporate form a provision binding the purchaser, or any successor in interest thereto to the terms and obligations described in this Agreement, including the Office's ability to declare a breach under this Agreement applicable in full force to that entity. The Company agrees that the failure to include this provision in the transaction will make any such transaction null and void. The Company shall provide notice to the Office at least thirty (30) days prior to the closing of such sale, merger, transfer, or other change in corporate form. If the Office determines that the transaction (or series of transactions) will have the effect of circumventing or frustrating the enforcement purposes of this Agreement, the Office shall notify the Company at least fifteen (15) days prior to the closing of such transaction (or series of transactions) setting forth the reasons for the Office's objection to the transaction, and the Company shall have the opportunity to respond to the Office in writing to explain that the transaction (or series of transactions) will not have the effect of

circumventing or frustrating the enforcement purposes of this Agreement. If at any time during the Term the Company engages in a transaction that has the effect of circumventing or frustrating the enforcement purposes of this Agreement, the Office may deem it a breach of this Agreement pursuant to Paragraphs 33 to 36 of this Agreement. Nothing herein shall restrict the Company from indemnifying (or otherwise holding harmless) the purchaser or successor in interest for penalties or other costs arising from any conduct that may have occurred prior to the date of the transaction, so long as such indemnification does not have the effect of circumventing or frustrating the enforcement purposes of this Agreement, as determined by the Office.

#### **Public Statements by the Company**

38. The Company expressly agrees that it shall not, through present or future attorneys, owners, officers, directors, managers, members, employees, agents, or any other person authorized to speak for the Company, make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by the Company set forth above or the facts described in the attached Statement of Facts. Any such contradictory statement shall, subject to cure rights of the Company described below, constitute a breach of this Agreement and the Company thereafter shall be subject to prosecution as set forth above. The decision whether any public statement by any such person contradicting a fact contained in the attached Statement of Facts will be imputed to the Company for the purpose of determining whether it has breached this Agreement shall be within the sole discretion of the

Office. If the Office determines that a public statement by any such person contradicts in whole or in part a statement contained in the attached Statement of Facts, the Office shall so notify the Company and the Company shall have five (5) business days to respond to the Office. If the Office is not satisfied within the Company's response, the Company may avoid a breach of this Agreement by publicly repudiating such statement(s) within five (5) business days thereafter. The Company shall be permitted to raise defenses and to assert affirmative claims in civil, regulatory, or other proceedings relating to the matters set forth in the attached Statement of Facts provided that such defenses and claims do not contradict, in whole or in part, a statement contained in the attached Statement of Facts. This Paragraph does not apply to any statement made by any present or former owner, officer, director, manager, member, employee, or agent of the Company in the course of any criminal, civil, or regulatory case initiated against such individual, unless such individual is speaking on behalf of the Company.

39. The Office agrees, if requested to do so, to bring to the attention of law enforcement and regulatory authorities the facts and circumstances relating to the nature of the conduct underlying this Agreement, including the nature and quality of the Company's cooperation and remediation. By agreeing to provide this information to such authorities, the Office is not agreeing to advocate on behalf of the Company, but rather is agreeing to provide facts to be evaluated independently by such authorities. Nothing in this Agreement restricts in any way the ability of the Office, any other federal department or agency, or any state or local government or agency,

from proceeding criminally, civilly, or administratively against any current or former owners, officers, directors, managers, employees, or agents of the Company or against any other entities or individuals. The parties to this Agreement intend that the Agreement does not confer or provide any benefits, privileges, immunities, or rights to any other individual or entity other than the parties hereto.

#### **Patient Treatment Records Notice**

40. The Company shall provide notice to current and/or former patients—through posting of information at the Company, on its website, or through other means—for a period of sixty (60) days that their patient treatment records may have been lawfully accessed by law enforcement in connection with a court order authorizing the disclosure and use of patient treatment records pursuant to 42 U.S.C. § 290dd-2 and 42 C.F.R. § 2.61, *et seq.*

41. Such notice shall provide that patients whose records may have been accessed may seek further information regarding the court order and its effect as provided in 42 C.F.R. § 2.66(b). Such notice shall further provide that no patient records were accessed for the purpose of investigating or prosecuting against a patient for illegal drug use.

#### **Limitations on Binding Effect of the Agreement**

42. This Agreement is binding on the Company and the Office, but specifically does not bind any other component of the United States Department of Justice, other federal agencies, or any state, local, or foreign law enforcement or regulatory agencies, or any other authorities. However, the Office will bring the

cooperation of the Company and its compliance with its other obligations under this Agreement to the attention of such agencies and authorities if requested to do so by the Company.

**Notice**

43. Any notice to the Office under this Agreement shall be given by personal delivery, overnight delivery by a recognized delivery service, or registered or certified mail addressed to:

Attorney for the United States  
United States Attorney's Office for the District of New Jersey  
970 Broad Street, 7th Floor  
Newark, New Jersey 07102

Any notice to the Company under this Agreement shall be given by personal delivery, overnight delivery by a recognized delivery service, or registered or certified mail addressed to:

Dr. John Holtsclaw  
c/o Camden Treatment Associates LLC  
508 Atlantic Avenue  
Camden, New Jersey 08104  
— *and* —

Paul H. Zoubek, Esq., Lathrop B. Nelson, III, Esq., & Ethan Hougah, Esq.  
Montgomery McCracken Walker & Rhoads LLP  
457 Haddonfield Road, Suite 600  
Cherry Hill, NJ 08002

or by electronic mail to those individuals or to other counsel or individuals identified to the Office by the Company. Notice shall be effective upon actual receipt by the Office or the Company.

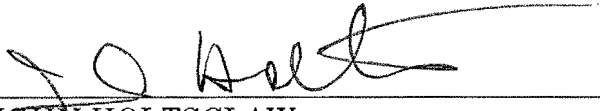
### **Complete Agreement**

44. This Agreement, including its attachments, sets forth all the terms of the agreement between the Company and the Office. No amendments, modifications, or additions to this Agreement shall be valid unless they are in writing and signed by the Office, the attorneys for the Company, and a duly authorized representative of the Company.


\* \* \*

**AGREED TO BY:**

**FOR CAMDEN TREATMENT ASSOCIATES LLC:**

  
\_\_\_\_\_  
JOHN HOLTSCRAW  
*Managing Member*

11/23/22  
DATE

  
\_\_\_\_\_  
PAUL H. ZOUBEK, ESQ.  
LATHROP B. NELSON, III, ESQ.  
ETHAN HOUGAH, ESQ.  
Montgomery McCracken Walker & Rhoads LLP  
*Counsel for Camden Treatment Associates LLC*

11/23/22  
DATE

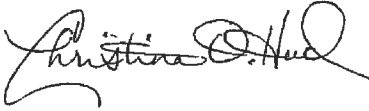


**FOR THE UNITED STATES OF AMERICA:**

VIKAS KHANNA

Attorney for the United States

Acting Under Authority Conferred By 28 U.S.C. § 515



11/29/2022

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CHRISTINA O. HUD

*Acting Chief, Health Care Fraud Unit*

R. DAVID WALK, JR.

*Chief, Opioid Abuse Prevention & Enforcement Unit*

DIANA V. CARRIG

*Assistant United States Attorney*

United States Attorney's Office

District of New Jersey

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DATE

Approved By:



11/29/2022

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ANDREW C. CAREY

*Deputy United States Attorney*

United States Attorney's Office

District of New Jersey

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DATE

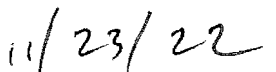
## COMPANY OFFICER'S CERTIFICATE

I have read this Agreement and carefully reviewed every part of it with outside counsel for Camden Treatment Associates LLC ("CTA" or "the Company"). I understand the terms of this Agreement and voluntarily agree, on behalf of the Company, to each of its terms. Before signing this Agreement, I consulted outside counsel for the Company. Counsel fully advised me of the rights of the Company, possible defenses, the provisions of the United States Sentencing Guidelines, and the consequences of entering into this Agreement.

No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me, or to my knowledge any person authorizing this Agreement on behalf of the Company, in any way to enter into this Agreement. I am also satisfied with outside counsel's representation in this matter. I certify that I am the Managing Member of the Company and that I have been duly authorized by the Company to execute this Agreement on behalf of the Company.

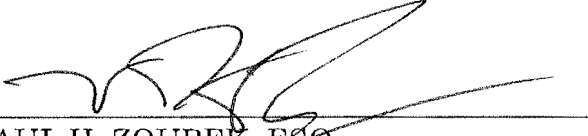
**FOR CAMDEN TREATMENT ASSOCIATES LLC:**

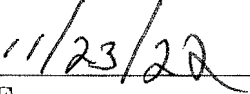
  
\_\_\_\_\_  
JOHN HOLTSCLAW  
*Managing Member*

  
\_\_\_\_\_  
DATE

## CERTIFICATE OF COUNSEL

I am counsel for Camden Treatment Associates LLC (“CTA” or “the Company”) in the matter covered by this Agreement. In connection with such representation, I have examined relevant Company documents and have discussed the terms of this Agreement with the Managing Member of CTA. Based on our review of the foregoing materials and discussions, I am of the opinion that the Managing Member of the Company has been duly authorized to enter into this Agreement on behalf of the Company and that this Agreement has been duly and validly authorized, executed, and delivered on behalf of the Company and is a valid and binding obligation of the Company. I have fully advised the Company of its rights, possible defenses, the provisions of the United States Sentencing Guidelines, and the consequences of entering into this Agreement. To my knowledge, the decision of the Company to enter into this Agreement is an informed and voluntary one.

  
\_\_\_\_\_  
PAUL H. ZOUBEK, ESQ.  
LATHROP B. NELSON, III, ESQ.  
ETHAN HOUGAH, ESQ.  
Montgomery McCracken Walker & Rhoads LLP  
*Counsel for Camden Treatment Associates LLC*

  
\_\_\_\_\_  
DATE

**ATTACHMENT A**  
**STATEMENT OF FACTS**

**Relevant Entities and Background**

At all times relevant to this Statement of Facts:

1. Camden Treatment Associates LLC (“CTA”) was a substance abuse treatment facility located in Camden, New Jersey.

2. “Company 1” was a company that provided methadone mixing services for substance abuse treatment facilities in New Jersey, including CTA. During the relevant time period, CTA was the primary client of Company 1.

3. CTA and Company 1 were owned and managed by related parties.

4. The Medicaid Program (“Medicaid”) was a jointly funded, federal-state health insurance program that provided certain health benefits to disabled and low-income individuals and families. The federal government provided matching funds to Medicaid and ensured that states, including New Jersey, complied with minimum standards in the administration of the program. Medicaid is a “Federal health care program” as defined in 42 U.S.C. § 1320a-7b(f) and a “health care benefit program” that affected commerce as defined in 18 U.S.C. § 24(b).

5. CTA provided substance abuse treatment services for individuals suffering from opioid addiction, including counseling services and the dispensing of methadone. CTA billed and received payments from Medicaid for these services.

CTA's services were thus items or services for which payment was made in whole or in part under a Federal health care program.

6. By enrolling and participating as a provider in Medicaid, CTA agreed to abide by and certified that it understood that payment from Medicaid was conditioned upon compliance with certain laws, including the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b).

7. CTA did not have appropriate training and compliance programs and measures in place to prevent and identify violations of and adherence to relevant federal laws, including the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b), and obstructing a federal audit, 18 U.S.C. § 1516(a).

#### **CTA's Violation of the Anti-Kickback Statute**

8. From at least as early as in or about 2009, and continuing through in or about 2015, within the District of New Jersey, and elsewhere, CTA knowingly and intentionally conspired and agreed with Company 1 and others to commit an offense against the United States, that is, to knowingly and willfully offer and pay remuneration, directly and indirectly, overtly and covertly, in cash and in kind, to induce the referral of methadone patients for methadone administration and the ordering of services and items, namely methadone mixing services, for which payment may be made in whole or in part under a Federal health care program, namely, Medicaid, contrary to Title 42, United States Code, Section 1320a-7b(b)(2).

9. The object of the conspiracy was for CTA, by ordering all of its methadone mixing services from Company 1 and paying Company 1 for those services, to cause payments to be made in the form of Company 1's profits. Such payments constituted kickbacks because CTA and Company 1 were owned and managed by related parties.

10. As part of the conspiracy and as a result of the payments through Company 1, CTA was induced to order methadone mixing services from Company 1 and to have CTA patients receive treatment using methadone mixed by Company 1.

11. From 2011 through 2014, CTA received more than \$2.78 million from Medicaid for methadone administration services.

12. From 2009 through early 2015, CTA paid Company 1 more than \$125,300.00 for methadone mixing services.

13. In furtherance of the conspiracy and to effectuate its object, CTA, Company 1, and others committed the following overt acts in the District of New Jersey and elsewhere:

- a. Company 1 provided methadone mixing services for CTA, including on or about: (i) August 29, 2013; (ii) November 21, 2014; and (iii) December 26, 2014.
- b. Company 1 submitted numerous invoices for payment for methadone mixing services to CTA, including in or about: (i) June 2013; (ii) October 2013; and (iii) November 2014.
- c. Company 1 received numerous payments from CTA, including: (i) approximately \$2,414.00 on or about October 2, 2013; (ii) approximately

\$2,995.00 on or about October 3, 2013; and (iii) approximately \$2,995.00 on or about January 9, 2015.

### **CTA's Obstruction of a Federal Audit**

14. In or about June of 2015, an audit was initiated at CTA by a Medicaid contractor ("the Auditor") of 500 claims from the time period of 2011 through 2013 that were submitted to Medicaid for payment. The objective of the audit was to determine whether the claims were billed in compliance with applicable federal and state Medicaid laws, regulations, and policies.

15. In or about January of 2016, the Auditor released to CTA's management the preliminary results of its audit, which found numerous deficiencies and missing information in documentation.

16. On or about February 3, 2016, the Auditor met with CTA management at an "exit conference" to discuss the deficiencies and missing information. At or shortly after the exit conference, CTA was granted additional time to submit supplemental information and address the deficiencies.

17. Following the exit conference, certain members of CTA's management met with each other and other CTA staff members on several occasions to address the deficiencies and missing information and documentation noted by the Auditor.

18. On or about February 17, 2016, May 10, 2016, and August 16, 2016, CTA submitted supplemental materials to the Auditor.

19. A review of the supplemental materials provided by CTA revealed that several documents purporting to justify the Medicaid claims in the audit were

fraudulently altered. For example: (a) patient and counselor signatures were added to patient files; (b) names of counselors listed as providing services to patients were changed; (c) credentials for staff members listed as performing services were added; (d) sign-off dates for services were added; and (e) entire patient notes were written and added to files to justify services rendered.

20. Metadata from CTA's electronic patient software program revealed that certain CTA staff members accessed and altered the 2011-2013 files at issue in the audit shortly after the February 3, 2016 exit conference with the Auditor, and those fraudulently altered documents were submitted to the Auditor.

21. By intentionally altering these documents, CTA endeavored to influence, obstruct, or impede a federal auditor in the performance of official duties and did so with intent to deceive or defraud the United States.



**ATTACHMENT B**  
**CERTIFICATION**

The undersigned certify, pursuant to Paragraph 29 of the Deferred Prosecution Agreement (“the Agreement”), by and between the United States of America and Camden Treatment Associates LLC (“the Company”), that the undersigned are aware of the Company’s compliance obligations under the Agreement and its Attachments, and that based on the undersigned’s review and understanding of the Agreement and Attachments thereto, the Company has implemented a Compliance Program that meets the requirements set forth in Attachment C to the Agreement. The undersigned certifies that such Compliance Program is reasonably designed to detect and prevent violations of federal health care laws throughout the Company’s operations.

The undersigned hereby certify that they are respectively the Program Sponsor and Chief Compliance Officer of the Company and that each has been duly authorized by the Company to sign this certification on behalf of the Company.

This certification shall constitute a material statement and representation by the undersigned and by, on behalf of, and for the benefit of the Company to the Executive Branch of the United States for purposes of 18 U.S.C. § 1001, and such material statement and representation shall be deemed to have been made in the District of New Jersey. This certification shall also constitute a record, document, or tangible object in connection with a matter within the jurisdiction of a department and agency of the United States for purposes of 18 U.S.C. § 1519, and such record,

document, or tangible object shall be deemed to have been made in the District of New Jersey.

Date: \_\_\_\_\_

Name (Printed): \_\_\_\_\_

Signature: \_\_\_\_\_

JOHN HOLTSCLOW  
*Program Sponsor*

Date: \_\_\_\_\_

Name (Printed): \_\_\_\_\_

Signature: \_\_\_\_\_

Chief Compliance Officer

## ATTACHMENT C

### CORPORATE COMPLIANCE PROGRAM

In order to address any deficiencies in its internal controls, compliance code, policies, and procedures regarding compliance with the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b), and other federal health care laws, including but not limited to 18 U.S.C. § 1516, CTA agrees to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal controls, policies, and procedures.

Where necessary and appropriate, CTA agrees to adopt new or to modify its existing Compliance Program, including internal controls, compliance policies, and procedures in order to ensure that it maintains an effective Compliance Program that is designed to effectively deter and detect violations of federal health care laws. At a minimum, this should include, but not be limited to, the following elements to the extent they are not already part of CTA's existing internal controls, compliance code, policies, and procedures:

#### *Commitment to Compliance*

1. CTA will ensure that its owners, officers, managers, members, directors, and executive management provide strong, explicit, and visible support and commitment to its corporate policy against violations of federal health care laws and its compliance codes and demonstrate rigorous adherence by example. CTA will also ensure that middle management, in turn, reinforce those standards and encourage

employees to abide by them. CTA will create and foster a culture of ethics and compliance with the law in its day-to-day operations at all levels of the company.

*Policies and Procedures*

2. CTA will develop and promulgate a clearly articulated and visible corporate policy against violations of federal health care laws, which policy shall be memorialized in a written compliance code.

3. CTA will develop and promulgate clearly articulated and written compliance policies and procedures designed to reduce the prospect of violations of federal health care laws, and CTA will take appropriate measures to encourage and support the observance of ethics and compliance policies and procedures against violations of federal health care laws by personnel at all levels of CTA. These policies and procedures shall apply to all owners, directors, officers, managers, members, and employees and, where necessary and appropriate, outside parties acting on behalf of CTA, including, but not limited to, agents, consultants, contractors and suppliers, and joint venture partners (collectively, “agents and business partners”). CTA shall notify all employees that compliance with the policies and procedures is the duty of individuals at all levels of the company. Such policies and procedures shall address:

- a. bribery, kickbacks, inducements, remuneration, and fraud, waste, and abuse;
- b. audits by and reporting requirements to federal, state, local, and regulatory agencies and entities; and
- c. proper billing and medical file documentation.

### *Periodic Risk-Based Review*

5. CTA will develop these compliance policies and procedures on the basis of a periodic risk assessment addressing the individual circumstances of CTA, including, but not limited to, governmental agency and regulatory oversight and audits; interactions amongst health care professionals, institutions, and third-parties; and proper billing and documentation.

6. CTA shall review its compliance policies and procedures no less than annually and update them as appropriate to ensure their continued effectiveness, taking into account relevant developments in the field and evolving industry standards.

### *Proper Oversight and Independence*

7. CTA will assign responsibility to one or more senior executives or managers for the implementation and oversight of its compliance code, policies, and procedures. Such company official(s) shall have the authority to report directly to independent monitoring bodies, including CTA's Board of Advisors, and shall have an adequate level of autonomy and sufficient resources and authority to maintain such autonomy.

### *Training and Guidance*

8. CTA will implement mechanisms designed to ensure that its compliance code, policies, and procedures are effectively communicated to all owners, directors, officers, managers, members, and employees, and, where necessary and

appropriate, agents and business partners. These mechanisms shall include: (a) periodic training for all owners, directors, officers, managers, members, and all employees in positions of leadership or trust, positions that require such training (e.g., compliance, finance and billing, quality assurance, and internal audit), or positions that otherwise pose a fraud risk to CTA, and, where necessary and appropriate, agents and business partners; and (b) corresponding certifications by all such owners, directors, officers, managers, members, employees, agents, and business partners, certifying compliance with the training requirements. CTA will conduct training in a manner tailored to the audience's size, sophistication, or subject matter expertise and, where appropriate, will discuss prior compliance incidents.

9. CTA will maintain, or where necessary establish, an effective system for providing guidance and advice to owners, directors, officers, managers, members, employees, and, where necessary and appropriate, agents and business partners, on complying with federal health care laws and its compliance code, policies, and procedures, including when they need advice on an urgent basis.

#### *Internal Reporting and Investigation*

10. CTA will maintain, or where necessary establish, an effective system for internal and, where possible, confidential reporting by, and protection of, employees and, where appropriate, agents and business partners concerning violations of federal health care laws or CTA's compliance code, policies, and procedures.

11. CTA will maintain, or where necessary establish, an effective and reliable process with sufficient resources for responding to, investigating, and documenting allegations of violations of federal health care laws or CTA's compliance code, policies, and procedures. CTA will handle the investigations of such complaints in an effective manner, including routing the complaints to proper personnel, conducting timely and thorough investigations, and following up with appropriate discipline where necessary.

#### *Enforcement and Discipline*

12. CTA will implement mechanisms designed to effectively enforce its compliance code, policies, and procedures, including appropriately incentivizing compliance and disciplining violations.

13. CTA will institute appropriate disciplinary procedures to address, among other things, violations of federal health care laws and CTA's compliance code, policies, and procedures by CTA personnel. Such procedures should be applied consistently and fairly, regardless of the position held by, or perceived importance of, the executive, director, officer, manager, or employee. CTA shall implement procedures to ensure that where misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal controls, compliance code, policies, and procedures, and making modifications where necessary to ensure the overall compliance program is effective.

### *Third-Party Relationships*

14. CTA will institute appropriate risk-based due diligence and compliance requirements pertaining to the retention and oversight of all agents and business partners, including:

- a. properly documented due diligence pertaining to the hiring and appropriate and regular oversight of agents and business partners;
- b. informing agents and business partners of CTA's commitment to abide by federal health care laws and CTA's compliance code, policies, and procedures; and
- c. seeking a reciprocal commitment from agents and business partners.

15. Where necessary and appropriate, CTA will include standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the federal health care laws.

### *Mergers, Acquisitions, and Changes in Corporate Form*

16. CTA will develop and implement policies and procedures for mergers, acquisitions, or changes of corporate form requiring that CTA conduct appropriate risk-based due diligence on potential new business entities, including appropriate health care and fraud due diligence.

17. CTA will ensure that its compliance code, policies, and procedures regarding federal health care laws apply as quickly as is practicable to any newly acquired or changed businesses or entities and will promptly: (a) train the owners,



directors, officers, managers, members employees, agents, and business partners consistent with Paragraph 8 above on federal health care laws and CTA's compliance code, policies, and procedures; and (b) where warranted, conduct an audit of all newly acquired or merged businesses as quickly as practicable concerning compliance with health care laws.

*Monitoring and Testing*

18. CTA will conduct periodic reviews and testing of its compliance codes, policies, and procedures designed to evaluate and improve their effectiveness in preventing and detecting violations of federal health care laws and CTA's compliance codes, policies, and procedures, taking into account relevant developments in the field and evolving industry standards.

**ATTACHMENT D**  
**REPORTING REQUIREMENTS**

Camden Treatment Associates (“CTA” or “the Company”) agrees that it will report to the Office at no less than six (6) month intervals during the three (3) year term, as set forth in detail below, regarding remediation and implementation of the Compliance Program and internal controls, policies, and procedures described in Attachment C. During this three (3) year period, CTA shall: (1) conduct an initial review and submit an initial report, and (2) conduct and prepare at least five (5) follow-up reviews and reports, as described below:

a. By no later than six (6) months from the date this Agreement is executed, CTA shall submit to the Office a written report setting forth a complete description of its remediation efforts to date, its proposals reasonably designed to improve CTA’s internal controls, policies, and procedures for ensuring compliance with federal health care laws, and the proposed scope of the subsequent reviews. The report shall be transmitted to the United States Attorney’s Office for the District of New Jersey, 401 Market Street Camden, New Jersey 08101. CTA may extend the time period for issuance of the report with prior written approval of the Office.

b. CTA shall undertake at least five (5) follow-up reviews and reports, incorporating the Office’s views on CTA’s prior reviews and reports, to further monitor and assess whether CTA’s policies and procedures are reasonably designed to detect and prevent violations of federal health care laws.

c. The first follow-up review and report shall be completed by no later than six (6) months after the initial report is submitted to the Office. The second, third, and fourth follow-up reviews and reports shall be completed and delivered to the Office no later than six (6) months after the immediately previous follow-up review and report. The sixth and final review and report shall be completed and delivered to the Office no less than thirty (30) days before the end of the Term.

d. The reports will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the reports could discourage cooperation, impede pending or potential government investigations, and thus undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except as otherwise agreed to by the parties in writing, or except to the extent that the Office determines in its sole discretion that disclosure would be in furtherance of the Office's discharge of its duties and responsibilities or is otherwise required by law.

e. CTA may extend the time period for submission of any of the follow-up reports with prior written approval of the Office.