Dark side of a Bain success

A for-profit health company bought by Bain -- that Romney profits from -- has exploded in size and tales of neglect

By **ART LEVINE**

JULY 18, 2012 3:45PM (UTC)

Clockwise from top left: Brendan Blum, Sergey Blashchishen, Matthew Meyer and Lindsey Poteet. Aspen Education already faced a wrongful death lawsuit over Meyer when Bain and CRC Health

Group bought the company in 2006. Six deaths since the takeover, including Blum, Blashchishen and Poteet, have generated either lawsuits or complaints of neglect.

It seemed a world away from the executive suites of Bain Capital when Dana Blum, a recent widow living in Portland, Ore., made the fateful decision to send her son Brendan to Youth Care, a residential program for troubled teens located in the suburbs of Salt Lake City.

Brendan, a 14-year-old boy with Asperger's syndrome, had been extremely aggressive for years; he was even arrested a few times after attacking members of his family. Local therapists hadn't helped, and six months after her husband died, Dana was frantically casting about for solutions. A consultation with UCLA's neuropsychiatric unit convinced her that Youth Care's therapeutic and educational program would finally make a difference.

Four months into his stay there, Brendan had earned a reputation as a temper-prone student who tried to shirk his obligations. So on the afternoon of June 27, when he complained to medical staff that he felt very sick, as if something were "crawling around" in his stomach, his concerns were dismissed. After 11 p.m., he woke up, complaining of stomach pain, and defecated in his pants. The on-duty monitors took him to the Purple Room, a makeshift isolation room used to segregate misbehaving students. There, he suffered a long night of agony, howling in pain and repeatedly vomiting and soiling himself. According to court transcripts and police reports, the two poorly paid monitors on duty did little more than offer him water, Sprite and Pepto-Bismol. They never telephoned the on-call nurse and waited until nearly 2 a.m. to contact the on-call supervisor, only to leave a voicemail. There was little else they felt they could do — Youth Care's protocol on emergency services meant they were too low on the totem pole to call 911 themselves.

"They didn't trust our judgment in emergency situations," explains Josh Randall, a former Youth Care residential monitor, who wasn't on duty that night. "If you're working for $9.50 an hour on the graveyard shift, you don't want to buck the system." At any rate, the monitors had little expertise in how to respond — it was an entry-level job requiring only a GED, plus a CPR and safety course overseen by Youth Care itself.

When the morning staff arrived at 7 a.m., they discovered Brendan facedown on the floor of the Purple Room, his body already stiff with rigor mortis. The state's chief medical examiner later determined that Blum had died of a twisted-bowel infarction, which requires emergency surgical intervention.

"It made me very angry that they couldn't provide better emergency services for my son," Dana Blum told the online magazine Momlogic. "I feel like he was murdered" — although, in fact, no court has ever found Aspen or its staffers guilty of murder. Blum, who, with the help of insurance and school district aid, paid Youth Care $15,000 a month to care for her son, made those remarks in 2009; she can no longer speak publicly about Brendan's death, according to the terms of a settlement she reached last year in a wrongful death lawsuit against Youth Care and its parent company, Aspen Education.

The failure at Youth Care was not due simply to the carelessness of a few workers — a point underscored when a Utah court found that the threshold needed to pursue criminal negligence charges against the two monitors in 2008 wasn't met and the charges were dismissed. And it wasn't the only example of alleged negligence or abuse at treatment centers for adult addicts and "troubled teens" that are owned by Aspen's parent company, CRC Health Group, according to a Salon investigation based on government reports, court filings and official complaints by parents and employees, along with interviews with former clients and staff.

Our investigation found previously unreported allegations of abuse and neglect in at least 10 CRC residential drug and teen care facilities across the country, including three I visited undercover in Utah and California. With rare exceptions, such incidents have largely escaped notice because the programs are, thanks to lax state regulations, largely unaccountable.

Court documents and ex-staffers also allege that such incidents reflect, in part, a broader corporate culture at Aspen's owner, CRC Health Group, a leading national chain of treatment centers. Lawsuits and critics have claimed that CRC prizes profits, and the avoidance of outside scrutiny, over the health and safety of its clients. (We sent specific questions on these basic allegations to CRC and owner Bain Capital. CRC would answer only general questions; Bain did not reply.)

And CRC's corporate culture, in turn, reflects the attitudes and financial imperatives of Bain Capital, the private equity firm founded by Mitt Romney. (The Romney campaign also did not reply to written questions.) Bain is known for its relentless obsession with maximizing shareholder value and revenues. Indeed, this has become a talking point of late on the Romney campaign trail; he bragged to Fox in late May that "80 percent of them [Bain investments] grew their revenues." CRC, a fast-growing company then in the lucrative field of drug treatment, was perhaps a natural fit when Bain acquired it for $720 million in 2006. In conversations with staff and patients who spent time at CRC facilities since the takeover, there are suggestions that the Bain approach has had its effects. "If you look at their daily profit numbers compared to what they charge," Dana Blum said of CRC's Aspen division in 2009, "it's obscene." That point, ironically enough, was underscored by the glowing reports in the trade press about its profitability.

The purchase of CRC came seven years after Romney publicly announced his retirement as CEO of Bain Capital, where he had been in charge since its founding in 1984. But at the time of his departure, Romney worked out an arrangement to continue to share in Bain's profits as a limited partner in the firm. Today, he is still an investor in 48 Bain accounts. Though he has refused to disclose their underlying assets, some information about them can be gleaned. For example, he has reported at least $300,000 to $1.2 million, if not more, in fluctuating annual earnings from Bain Capital VIII, the convoluted $3.5 billion array of related funds that owns both name-brand companies such as Dunkin' Donuts and the lesser-known CRC Health Group. Most of these funds were made more attractive to privileged investors by being registered in the Cayman Islands tax haven. And Romney's connections to CRC run even deeper: Of the three Bain managing partners who sit on CRC's board, two, John Connaughton and Steven Barnes (with his wife), gave a total of half a million dollars to Restore Our Future, the super PAC supporting Romney. They also each donated the $2,500 maximum directly to his campaign.

Bain takes over

When Bain purchased CRC, it looked like an investment masterstroke. The company, founded in the mid-'90s with a single California treatment facility, the Camp Recovery Center, had quickly grown into the largest chain of for-profit drug and alcohol treatment services in the country, with $230 million in annual revenue. Under Bain's guidance, its revenue has nearly doubled, to more than $450 million. CRC now serves 30,000 clients daily — mostly opiate addicts — at 140 facilities across 25 states. In the first five years after its acquisition, Bain had already extracted nearly $20 million in management-related fees from the chain, although Bain investors haven't cashed in yet through dividends or an IPO. Bain's purchase, a leveraged buyout, also saddled CRC with massive debt of well over $600 million.

According to company executives and independent analysts, hands-on oversight of subsidiary companies is a hallmark of both Bain and CRC. Romney's campaign literature boasts about Bain taking exactly this sort of direct role in helping to turn around failing companies. "Over the life of an investment, they have a strong management team willing to participate," Sheryl Skolnick, an analyst with CRT Capital, a leading institutional brokerage firm, says of Bain.

The CRC acquisition immediately made Bain owner of the largest collection of addiction treatment facilities in the nation. Unlike some

Bain Capital acquisitions, which led to massive layoffs, the company's approach with CRC was to boost revenues by gobbling up other treatment centers, raising fees, and expanding its client base through slick, aggressive marketing, while keeping staffing and other costs relatively low. But that rapid pace of acquisition couldn't be sustained in the mostly small-scale drug treatment industry alone. So Bain Capital and CRC set their sights on an entirely new treatment arena: the multibillion-dollar "troubled teen" industry, a burgeoning field of mostly locally owned residential schools and wilderness programs then serving, nationwide, about 100,000 kids facing addiction or emotional or behavioral problems.

One of CRC's first acquisitions under Bain ownership was the Aspen Education Group. Founded in 1998 with about six schools, Aspen Education had expanded to 30 troubled-teen and weight-loss programs by 2006, including Youth Care of Utah. With Bain's backing, CRC purchased Aspen for nearly $300 million in the fall of 2006.

Less than a year later, Brendan Blum was dead.

At the time of the CRC acquisition, Aspen already had a history of abuse allegations, including at least three lawsuits, and two known patient deaths, one by suicide. Featured on "Dr. Phil," it grew out of schools inspired by the “tough-love” behavior-modification approach of the discredited Synanon program, which was eventually exposed as a cult. By 2006, Aspen was facing a wrongful death lawsuit, later settled, over an incident in 2004 in which a 14-year-old boy, Matthew Meyer, perished from heat stroke just eight days into his stay at its Lone Star Expeditions wilderness camp in Texas. Nevertheless, less than a year after Meyer died, NBC’s "Dateline" extolled Lone Star as part of a puff piece on Aspen’s success with overweight teens. As an Aspen press release boasted, the show told how a rebellious student who did a stint at Lone Star “returned a month later with a new outlook on life.”

In October 2006, just nine months before Brendan Blum died and as Bain’s deal to purchase Aspen Education was being finalized, CRC received a far less upbeat assessment of Aspen’s services. Following some phone conversations, family therapist Elisabeth Feldman walked into CRC’s Cupertino, Calif., headquarters to see Dr. Thomas Brady, a psychiatrist then serving as CRC’s chief medical officer, in order to confront him about a host of issues at Youth Care. She had stumbled upon the problems while trying to help her son’s former girlfriend, a teenage girl who had suffered what Feldman called “gross mistreatment” at Youth Care. Of particular concern to Feldman was a three-month delay before Youth Care hired a psychiatrist to assess the young woman’s deep depression and a failure to treat her Lyme disease. Feldman's ultimately unsuccessful crusade to get the woman released had led her to seek the services of a Salt Lake City lawyer, Thomas Burton, who had settled two lawsuits against Aspen Education for fraud, neglect and abuse.

Feldman had been part of Brady’s professional referral network for years, but this visit wasn’t congenial. Feldman presented Brady with a 100-page sheaf of legal and corporate documents — including her affidavit describing "brutish punishment and isolation" at Youth Care — about Aspen Education programs in order to help support her charges of abusive treatment and neglect. These claims included reportedly covering up the alleged sexual assault of a female student by an Aspen employee at Turn-About Ranch in Utah; the girl was later duct-taped and restrained by staff, a former employee, Toni Thayer, told Feldman, after writing complaints about abusive staff conduct to management, state regulators and the Garfield County sheriff in 2004 — but no sanctions followed. (Subsequently, a lawsuit filed in June 2012 charged that staffers at the ranch engaged in the "torture" of a 15-year-old girl in 2005. UPDATE: The lawsuit was dismissed on statute of limitations ground, without reaching the merits.) According to Feldman, Brady said he wasn’t aware of any problems at Youth Care or Aspen Education and sought to mollify her about Bain’s pending purchase of Aspen: “I have to trust that Bain did their due diligence,” she recalls him saying. Dr. Brady confirmed, by email, that he spoke on the phone and met with Feldman, but said he has “no recollection” of making those remarks. And he insists that the documents she brought didn’t support her claims of mistreatment. Even so, he says he took her concerns seriously and that CRC and Aspen conducted a thorough review. “I came to the conclusion,” he said, “there was no merit to the accusations.” He remained as CRC’s medical director until May 2009 and said that although he encountered a few “untoward event” cases at Aspen during his time there, he saw no “pattern” of unsafe care.

At any rate, Bain's purchase of Aspen Education went ahead smoothly. When, months later, Feldman learned about Blum's death, she was horrified to realize her warnings had had no effect. "For Bain and the big guys, nobody cared," she says. "It was all about the money."

Questionable deaths

When he died, Brendan Blum's was the first publicly reported death due to apparent neglect in CRC's 12-year history. But in the six years since Bain Capital acquired the company, there have been at least five more seemingly preventable deaths of patients at CRC's residential programs. Since the Bain takeover, critics and former employees charge that corporate attitudes have too often emphasized cutting costs and limiting public scrutiny at the expense of safety and quality of care. These tendencies appear to have produced risky, potentially life-threatening practices — only a handful of which have drawn public attention.

Several lawsuits have been filed against CRC over mistreatment of its clients, but the company has never acknowledged any wrongdoing and has kept confidential any damage payments arising from legal settlements. CRC is a significant player in the scandal-prone, decentralized field of residential teen treatment that has more than 1,000 scattered facilities; the firm has nearly 36 therapeutic schools, wilderness sites and weight-loss programs catering to youth.

The latest lawsuit over CRC's current practices was filed in January against CRC's prestigious $40,000-a-month Sierra Tucson drug treatment center in Arizona, for the allegedly poor monitoring and treatment of what the lawsuit says was an obviously suicidal 71-year-old patient, Dr. Edward Litwack; the center's own staff had assessed him as a "high" risk for suicide, requiring one-on-one supervision. He was reported missing last August, but it took two weeks for the staff to find his corpse on the grounds. Last October, after an investigation by Arizona regulators following Litwack's disappearance found 42 major violations, the center was put on one-year probation. The regulators found that ill-trained monitors spent too much time patrolling on golf carts rather than actually interacting with patients. CRC had purchased Sierra Tucson in 2005 for $130 million as its "crown jewel" shortly before plans to sell CRC to

Bain were announced. “Then the business side started controlling admissions,” says a former employee, who worked at Sierra Tucson before and after the CRC acquisition. “It doesn’t take a brain scientist to realize that if you reduce staff [in key programs] and add sicker patients, there’s going to be trouble.” With the addition of a new 44-bed lodge in 2007, staff at Sierra Tucson was stretched thin, former staffers say; by 2009, a state licensing office fined the facility for having insufficient staff to prevent high-risk patients from wandering off.

Other incidents suggest a corporate culture that often downplayed safety and quality of care. In 2010, at least two drug treatment patients died at the overcrowded New Life Lodge in Burns, Tenn., according to wrongful death lawsuits and an investigative series in the Tennessean. According to an account in the Tennessean, based on public records and interviews with people at New Life Lodge, one of the patients, a 29-year-old mother named Lindsey Poteet, had come down with pneumonia and was drifting into unconsciousness when she was driven in a private van to a Nashville hospital 30 miles away. The journey was undertaken on orders of the facility’s medical director, although another hospital lay just eight miles down the road. Poteet stopped breathing en route and died the next day in Nashville. The other, Patrick Bryant, died on his 20th birthday just four days after being admitted to New Life; his mother alleges that he'd been misprescribed several medications and had been unresponsive for hours before being discovered by staff.

A third patient, 18-year-old Savon Kinney, died last October just days after leaving New Life in a state of disorientation, his sister told the newspaper; his death sparked a state investigation.

After the Tennessean series appeared last summer and fall, the state's Department of Mental Health froze all new admissions to the facility. (It was finally allowed to admit a smaller number of new patients in early April.) One former patient, Malea Fox, who had befriended Poteet at New Life, told me that she called state Medicaid (also known as TennCare), the facility's primary funder, to complain that the facility was far too overcrowded for personalized care. "All they [New Life] care about is making money," she said.

In 2009, the state of Oregon forced the closing of two teen programs run by Aspen Education. State investigators found nine cases of abuse and neglect at Mount Bachelor Academy in central Oregon, including incidents of “sexualized role play,” in which young patients were allegedly forced to do lap dances during therapy sessions. After Mount Bachelor and its director threatened costly lawsuits, the state’s Department of Human Services softened the language of the report; CRC claims the allegations were false (while also fighting $37 million in abuse lawsuits over the school's pre-CRC practices). Even so, DHS “stands by our findings,” a spokesman says of the 2009 report. That same year, at SageWalk Wilderness School in Hampton, Ore., 16-year-old Sergey Blashchishen died of heatstroke on his very first school hike, in an incident eerily reminiscent of Matthew Meyer’s 2004 death in Texas. One morning in August, Blashchishen suited up in an 80-pound backpack; by afternoon, the heat had topped 80 degrees, and he was soon staggering, drifting off the trail, and complaining of dizziness and exhaustion. Staffers contended he was faking his symptoms and failed to call 911 until his pulse had stopped; that death is the focus of a negligent homicide investigation.

To CRC officials, the lawsuits, criminal investigations and state sanctions all come in response to isolated events, aren't "systemic," and shouldn't reflect on the dedication and quality of a large company serving 30,000 trouble-prone teens and substance abusers each day. The company declined to respond to a memo outlining allegations made by alumni, parents and former employees about questionable practices at specific programs, citing a legal requirement to protect patient confidentiality. But a public relations consultant, Robert Weiner, who works closely with CRC and its most prominent board member, Gen. Barry McCaffrey, President Bill Clinton's drug czar, did respond in general terms in a phone interview: "The people you cited can whine all they want, but that's just a bunch of specifics we can't talk about compared to 30,000 people a day we're making better lives for."

"In a human-run company there will be human errors in some cases," he added. "But in other cases, it's garbage."

In a December 2011 press release in response to the Tennessean series, CRC vice president Jonathan Ciampi disputed criticism of CRC over the reported deaths, citing positive surveys of parents and clients, and certification by government regulators and accrediting agencies. “Safety and quality are our highest priorities.” And in a conference call last fall for investors, CRC’s new CEO, Andrew Eckert, discounted the developments in Tennessee as merely “unwelcomed bumps in the road.” In fact, later in the call he claimed that “CRC is in the process of staking its ground as the definitive leader in clinical excellence.”

Camp recovery: More patients, more revenue

Such claims of excellence do not seem to have pierced the canopy of the Santa Cruz redwoods, home to Camp Recovery, the first drug treatment facility CRC purchased in the mid-’90s. Nestled on 25 hilly acres in Scotts Valley, Calif., Camp Recovery is an idyllic setting for recovery for as many as 70 adults and teens at a time. Yet after Bain purchased CRC in 2006, according to former employees, safety and quality eroded, while state agencies periodically reported increasingly more troublesome findings after 2006 regarding conditions at the camp. “It got progressively worse,” says Tom Corral, a counselor who was employed there before CRC bought Camp Recovery and worked there on occasion after the Bain takeover. Meanwhile, prices were steadily jacked up from about $6,000 a month to as high as $18,000. Under Bain ownership, Corral says, “they’ve been under a lot of pressure to cut costs, and they’ve been squeezed for profit.”

What most alarmed Corral and other former employees was that ever sicker and more mentally disturbed patients kept being admitted. The governing view, Corral recalls, was, “You’ve got to keep them at all costs.”

Camp Recovery is registered with the state as a nonmedical facility, and so patients needing intensive medical or psychiatric care should be referred elsewhere. But such restrictions soon collapsed, say former staffers, in a drive for profits. “Certified nurses were reprimanded when we complained to the intake office,” says one former nurse. “When I didn’t want to admit a person who was falling down drunk, they wrote me up.” Former staffers say that Camp Recovery’s business staff even began to pressure nurses to knowingly admit patients with potentially deadly MRSA infections, which, the CDC warns, may require treatment by an infectious disease specialist. Shawn Bottoroff, a former clinical technician who left Camp Recovery last year, said that when she started in 2007, nurses were primarily responsible for determining who was stable enough for admission. But they were soon overridden by camp administrators seeking to rope in more clients, Bottoroff and other former workers say.

To Denise Murphy, a former director of the camp's adolescent unit, the decline became especially noticeable in 2008, when a new executive director took over, Bobby Stearns, hand-picked by CRC, who was determined, according to complaints to the NLRB, to crush a unionization drive and keep down costs. "It was so dangerous there, they're lucky they didn't get sued," Murphy says. According to complaints made by staff at the time to the now-reorganized California Department of Alcohol and Drug Programs, CRC cut back on everything from drug-testing kits to staffing levels. In a 2009 interview, Stearns said any staff cuts were due to declining patient numbers. But eventually, the Department of Social Services, which has oversight over the facility's 17-bed adolescent unit, confirmed that caseloads had soared and kids ran wild at night. The agency demanded corrective actions — improvements that former employees say were in large part ultimately abandoned.

Equally troubling, former staffers report a pattern that echoes the events surrounding the deaths of Brendan Blum and Lindsey Poteet at other CRC facilities: When patients face a medical crisis, ambulances are usually not summoned. Instead, “techs,” whose emergency training, the former employees say, is generally limited to a two-hour CPR course, are ordered by supervisors to use a van lacking medical equipment to drive patients to the emergency room in nearby Santa Cruz. The tactic, say former employees, helps prevent the facility from being flagged in the 911 system, risking unwelcome attention from state or local officials.

The administrative resistance to calling 911 was so pronounced that when one overmedicated, mentally disturbed patient fled the facility in hysterics one summer day in 2008, she was left to lie on the road outside the gate, screaming for help before collapsing into convulsions. One camp executive told staff on duty at the time, “Leave her alone. We don’t want to make a scene,” according to Bottoroff and other former staffers. It was left to neighbors to call 911. Nevertheless, the camp still makes more emergency calls than any comparable facility in the Santa Cruz area, according to addiction and ER doctors who reviewed 911 log data we obtained — perhaps a measure of just how ill many of the patients are at this nonmedical facility. That log showed 158 calls between January 2008 and August 2011. “That’s a lot of calls,” a local government official says. “It ought to be investigated.” Logged 911 calls represent only a small portion of total ER visits, the official observes, because it doesn’t account for people who arrive by other means.

Camp Recovery’s drive for secrecy was especially pronounced when it came to potential instances of sexual misconduct, violence or drug use among the adolescents in treatment, former staffers say. “There were several situations in which we were told by the director of the adolescent unit, per [current executive director] James Bailey, not to call 911,” says Bottoroff. Former staffers speak of wild nighttime teen assaults on weaker youth or even staff, and recount hushed-up incidents of underage girls having sex with adult male patients at their cabins. “They were trading favors for cigarettes and alcohol,” Bottoroff says of one such incident she encountered. In almost all such cases of on-site crime, according to an employee complaint to state regulators, the orders handed down from Stearns, the former executive director, in 2009 were clear: “We don’t contact the police.”

State investigators were rarely able confirm the most serious employee allegations on the few occasions when they bothered to investigate, a review of state reports shows. But this could be due to efforts by managers to cover their tracks. Trevor Bottoroff, a former Camp Recovery counselor and Shawn’s husband, says that sometimes managers would rewrite log sheets to make them seem more benign. At other times, supervisors would simply remove them. Murphy, the camp’s former adolescent director, came to see CRC as “the slumlords of treatment.” Other evasions are commonplace at Camp Recovery. The camp openly advertises that it offers prescription-based medical detox, though it is not licensed as a medical facility to do so.

A failure of oversight

But such complaints against CRC have rarely led to consequences for either their drug treatment or youth programs. The troubled teen industry in particular is a regulatory Wild West, with some states lacking any licensing system at all for these residential programs. Even some states that do license, such as Utah, appear unable to guarantee patient safety: about 10 young people are known to have died since 1990 while attending Utah residential and wilderness programs. Regulators often shield the teen care industry from genuine scrutiny, according to investigations by the GAO, congressional hearings in 2007 and 2008, and reports by such mental health advocates as the Bazelon Center and Mental Health America.

In California, regulation of drug treatment facilities appears especially ineffective. California's Department of Alcohol and Drug Programs, for example, has never investigated the deaths of nearly 200 patients over five years at CRC's 12 outpatient methadone clinics. Mostly likely, addiction experts say, the clients' rampant substance abuse is the culprit, not sloppy practices at CRC, but that supposition has not been rigorously tested. In fact, Pennsylvania regulators cited two of CRC's methadone clinics for failing to properly screen patients for drugs or narcotic use, a potentially deadly oversight. Weiner, the CRC spokesperson, said that CRC itself would doubtless look into any client deaths: “At least somebody’s going to wonder why they didn’t come in for their treatment the next day.”

“The programs have experienced the reality that there are no consequences if anyone dies,” says a knowledgeable ex-government official about California's drug programs, including CRC's methadone clinics, which have become the chain’s cash cow. With nearly 27,000 daily clients nationwide at 54 outpatient clinics, CRC founder Barry Karlin was dubbed by Treatment magazine “America's Methadone King.”

Loose oversight seems to have been critical in enabling CRC to flourish. It’s hard to imagine, in particular, that without the scandalously weak monitoring of the teen treatment industry CRC’s Aspen division would be able to continue its harshly regimented, unproven behavior-modification methods and dicey emergency protocols. “Without regulations and enforcement, this profitable industry will continue to have actors that present unacceptable risks to the children they serve,” U.S. Rep. George Miller, D-Calif., said last year when introducing a federal oversight bill.

A culture of abuse and neglect?

This apparent lack of oversight in the teen industry, combined with a widespread view by providers that their charges are manipulative troublemakers, has allowed a toxic culture of psychological abuse and medical neglect to prevail, according to parents, alumni and federal officials. As Greg Kutz, a GAO investigator, said in testimony about the industry in general before Congress, “It seemed that the only way program managers would believe they [the students] were not faking it is if they stopped breathing or did not have a pulse.” That culture is visible even at Aspen’s most upscale residential programs, such as Island View in suburban Syracuse, Utah. One former student there, Colleen Davidson, now 20, who graduated from the program in 2009, recalls her alarm when she coughed up blood one morning as she stood at the bathroom sink. She says she was never allowed to see a doctor because by the time the nurse wandered by a few hours later, another student had rinsed the blood from the sink. “They assume you’re lying,” she says.

For months, CRC denied me press access to any of its facilities, so I visited Island View last August posing as a father of a troubled girl.

During that visit, director Laura Burt confirmed this skeptical stance toward potential medical emergencies. She said the nursing staff would see my daughter immediately in case of a medical crisis but would monitor her if they suspected fakery: “We’re not going to rush her to the hospital if she’s just saying that and there is nothing that says it.”

In March 2008, Duane Bernard rescued his son Matthew, then 16, from another Aspen program, Adirondack Leadership Expedition in Saranac Lake, N.Y., after gleaning from one of his son’s monitored letters the brutal conditions he was enduring. Matthew, who was sent to Adirondack by his mother during a custody dispute, later told his father of food deprivation, neglect of serious medical complaints, and cruel taunting by instructors, including an incident when field staff pressured one kid to lick clean a urine-soaked cup. Medical neglect, Duane Bernard says, was ingrained in Adirondack’s get-tough “wilderness therapy.” Father and son say that during Matthew’s monthlong stay, he was required to go camping in subfreezing weather with too-thin clothing and sleeping gear, and he soon developed severe numbness and frostbite in his right foot. But he wasn't taken to an urgent care facility until shortly before his release and required eight months of medical treatment afterward.

Duane Bernard wrote in April 2008 to state officials alleging child abuse, enclosing Matthew's written descriptions of his alleged maltreatment, but the state's child protection agency said it had no jurisdiction over Adirondack. "They blew us off," Bernard says.

I heard Matthew's experience echoed in conversation after conversation with Aspen alums, many of whom suffer nightmares and PTSD-like symptoms. Hannah Sangillo of Bethesda, Md., now 19, ended up at SUWS of the Carolinas, Aspen's showcase wilderness program in North Carolina's breathtaking Pisgah National Forest, in 2010. She now considers her 49-day summer stay "child abuse." She recounts one of several instances of heat exhaustion she experienced during hours-long hikes designed to promote self-reliance and personal growth. Even on scorching, humid days, when temperatures soared into the mid-90s, groups of girls were saddled with 60-pound-plus packs, exceeding Girl Scout safety guidelines. "I was not able to walk straight," she says of one incident. "I was stumbling and sweating profusely. I kept telling people I needed to stop and they said: ‘No, we can’t stop yet.’” She temporarily blacked out, only to be dragged to her feet by fellow campers and prodded along the trail at the urging of what SUWS calls its “highly trained” field instructors. By the end of the summer ordeal, nearly half of her small team of girls had collapsed during hikes, she says, without receiving any medical attention.

Throughout their time there, neither Sangillo nor Hannah Spungen, a 2007 SUWS graduate, ever saw a single staffer actually help young residents with medical problems. These included everything from heroin withdrawal to all-night vomiting caused by drinking from fecal-contaminated streams during their daily hikes.

Before I interviewed the two alumni, I met with Shawn Farrell, executive director of SUWS of the Carolinas, who insisted to me that emergency care is a top priority. (Subsequently, CRC declined to answer any questions about allegations of medical neglect at this SUWS program. Shawn Farrell, the executive director of SUWS of the Carolinas, insisted to me that emergency care is a top priority. He says field staff are instructed to radio in symptoms of any injuries or illness immediately to the base camp’s field medic and, if needed, arrange transport to a hospital only eight miles away. “We want the doctors to do the diagnosis,” not the outdoors staff, he says. But this policy appears to falls apart in the execution. In Spungen’s experience, “There’s no protocol in place to make sure it’s safe for you.”

These incidents seem to illuminate an institutional culture that allowed Sergey Blashchishen to die in 2009 before ever receiving emergency medical aid. As one government investigator told me about the field instructors at SageWalk, where Blashchishen died, “They were highly trained, but the culture overrode that.” The SageWalk Field Instructor Manual — like other Aspen manuals, vetted by CRC, according to a former CRC official — requires staff to go through a rigid “chain of command” before emergency help can be summoned. “There are inherent delays in a system like this,” the investigator observed. CRC spokesman Weiner defended those procedures: “If there’s a [medical] issue they should go to the top supervisors,” he said. “I don’t see how that’s wrong to make sure you’re doing the right thing. That’s why they’re not the boss.”

Yet Weiner also insisted that CRC is “aware of complaints and problems at Aspen and wants to make sure it has the best practices possible.” To that end, he pointed to a recent initiative by CRC to ensure that all its teen programs are certified by two leading accrediting agencies, CARF (the Commission on Accreditation of Rehabilitation Facilities) and a body known as the Joint Commission, a 60-year-old industry-funded nonprofit that accredits thousands of health care programs in the United States. This is perhaps of scant comfort, given that members of Congress harshly criticized the Joint Commission in the wake of revelations of medical negligence at Walter Reed and other Joint Commission–accredited hospitals. Moreover, many facilities in one of the most notorious chains in the teen treatment field, Straight Inc., were approved by accrediting agencies, including the Joint Commission, until they shut down in the wake of lawsuits and state action. Some maintained their high ratings even after Straight Inc. and several of its spinoffs were hit by state investigations and at least 90 lawsuits alleging abuse.

No turnaround from the turnaround experts

Despite the accumulating lawsuits, state investigations and even criminal inquiries, Bain Capital has yet to force a major shake-up in the culture or leadership of CRC. Aspen co-founder Elliot Sainer and CRC CEO Barry Karlin remained in their executive posts until they retired in 2007 and 2010, respectively. Both now serve on the CRC board of directors. Trina Packard, the executive in charge at Youth Care when Brendan Blum died, remains in her post to this day.

Rather than instituting reforms, CRC seems to have responded to the series of lawsuits, in part, by requiring parents to sign elaborate contracts that feature sweeping “hold harmless” clauses even in the case of death. “This is a business-driven model: caveat emptor,” one Utah Education Department official conceded on background. The contracts leave parents like Julie Scheule, a Wisconsin mom, with little recourse when they suspect deception or abuse. In 2007, she sent her daughter, then 15, to an Aspen facility in Utah, since closed, called Aspen Ranch. Aspen, she now charges, “abused parental trust, abused our bank account, and abused the kids in their care.” She had a change of heart when she realized she was being hit with thousands of dollars in extra costs and flew to the ranch to remove her daughter.

She recalls her daughter hugging her, trembling, and saying, “Please mama, take me out of here.”

Aspen uses what the teen treatment industry calls a “levels” model that grants more privileges and freedoms as students follow the rules, but imposes sanctions of varying severity on those who slip up or disobey.

Punishments were more often psychological than physical. According to former students, emotionally brutal isolation punishments and peer-driven encounter “therapies” were commonly employed to break down resistance, especially at Island View. For Colleen Davidson, the former student there who coughed up blood, the worst part was when students were prodded to confront each other about real or fabricated transgressions in harsh encounter sessions. (In fact, she says, they were very similar to the group therapies cited in the June "torture" lawsuit against Turn-About Ranch.) The sessions were so terrifying that girls resorted to desperate measures to avoid attending, according to Davidson. She recalls that some girls choked themselves to induce fainting; one rubbed feces in her own eyes to cause an infection.

“They break you down, but they don’t really build you back up,” she says of the Island View approach. “I have nightmares from it, and the memories are really awful.”

The no-data zone

CRC declined to address any program-specific allegations. A company spokesperson, Kristen Hayes, instead summed up the company’s approach in a written statement: “Our mission is to bring best practices to our industry in clinical excellence and quality patient care,” she wrote by email. “Our comprehensive risk and compliance protocols help to ensure the delivery of the safest, proven treatment processes.”

CRC has said that its teen care programs are based on recognized and evidence-based programs, including one called contingency management. But critics suggest that the approach as actually applied by Aspen is inconsistent with contingency management — which emphasizes primarily positive reinforcement — while alumni and lawsuits filed over the years by parents of former teen patients describe instead a distorted atmosphere of terror and punishment that undercuts their possible utility.

But there are virtually no independent, well-designed, peer-reviewed studies showing that any residential programs for troubled teens actually work — and none at all for the behavior-modification approaches employed by Aspen. Research funded by the Department of Justice and a literature review by the NIH both found, in the context of youth violence and crime prevention, that get-tough, discipline-based approaches generally do more harm than good.

Shy of evidence, CRC's PR machine offers up testimonials from pleased parents and CRC-funded surveys of parents and students that report positive outcomes. Hayes put me in touch with one of these parents, the mother of a self-destructive, drug-abusing 15-year-old son whom she sent to Island View, the Aspen program Colleen Davidson attended, after other treatments had failed. "I didn't want to stand around and wait for my child to die," she says bluntly. Enrolling him in Aspen, she says, was the turning point. "I wish all kids were as lucky as my son," she says.

And what can’t be washed away by good PR can always be described as an unavoidable tragedy. At Youth Care of Utah, admissions counselor Claire Roberts offered up this sort of soft-focus gloss when she told me about the death of Brendan Blum. “It was very traumatizing for us,” she said. Then she added philosophically, “These things happen.”

No plausible deniability

Mitt Romney may not know the details of Brendan Blum’s death, but it is difficult to imagine he wouldn’t be aware of the troubles facing CRC and the residential teen-treatment industry as a whole. Not only are two of his major campaign donors, Connaughton and Barnes, on CRC’s board, but two of his key advisors, Robert Lichfield and Mel Sembler, faced firestorms after allegations of abuse emerged regarding their own residential treatment chains.

Meanwhile, Ann Romney has said that she would make helping troubled teens a top priority as first lady. And CRC is roaring ahead with an expanded sales force; Eckert, the CEO, told investors in May, “We now have [sales] coverage in every major metropolitan area in the United States.”

The Romney campaign did not respond to queries about his investment in CRC. But candidate Romney has been outspoken about his belief that for-profit health care companies can flourish only without onerous regulations. “I had the occasion of actually acquiring and trying to build health care businesses,” he said during a primary debate last year. “I know something about it, and I believe markets work. And what's wrong with our health care system in America is that government is playing too heavy a role.”

Crystal Manganaro likely has a different view. She is the mother of Matthew Meyer, the 14-year-old who died at Aspen’s Lone Star program in 2004, and has forcefully advocated for a federal crackdown on teen residential programs, including those run by Aspen. “For those of you who have not lived through losing a child due to negligence, you just cannot imagine what it feels like unless you have walked through it and deal with it every day of your life,” she said in 2009. “My son is dead and there is nothing I can do about that, but I’ll be damned if my son died in vain.”

This article was reported in partnership with The Investigative Fund at The Nation Institute, with generous support from the Puffin Foundation and the Fund for Investigative Journalism.

ART LEVINE

Art Levine is a contributing editor at Washington Monthly.

MORE FROM ART LEVINE