

New Jersey
State Commission of Investigation



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Immediate Release

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SCI RECONVENES PUBLIC HEARING TO OBTAIN TESTIMONY FROM ADDICTION CENTER OWNER

TRENTON – The State Commission of Investigation on Wednesday reconvened a public hearing on illicit practices and abuses in the addiction rehabilitation industry to compel testimony from the owner of a treatment center who failed to appear at an earlier proceeding.

Nicholas DeSimone, the owner of Kingsway Recovery Center in Mullica Hill, had been subpoenaed to appear at the SCI's Oct. 11 public hearing to answer questions concerning findings of questionable billing practices and patient care at his facility. After Mr. DeSimone failed to appear, the Commission filed a motion of contempt with the court to

compel his testimony. He appeared at today's reconvened hearing pursuant to the SCI's lawfully issued subpoena.

The Commission presented evidence of what appeared to be fraudulent billings at Kingsway, including double billing insurance companies for services. Additionally, the SCI found Mr. DeSimone received more than \$15 million in insurance proceeds – some of which was obtained through deceptive billing – and used it to fund a lavish lifestyle, purchase properties and further his business interests. Mr. DeSimone testified for more than three hours Wednesday responding to questions from Commission counsel about his business operations.

Commission Chair Tiffany Williams Brewer noted that the proceeding was important because it gave Mr. DeSimone the opportunity to respond to investigative findings concerning his business practices while also demonstrating an SCI subpoena cannot be flouted without consequence.

“Mr. DeSimone's appearance today also underscores the Commission's statutory authority to compel witness attendance in conducting fact-finding investigations – power which courts have consistently upheld in the Commission's favor,” said Williams Brewer.

The hearing is part of an ongoing SCI investigative effort into how unscrupulous operators, unethical practices and a lack of government oversight in certain areas have subverted the addiction rehabilitation industry in New Jersey. In upcoming months, the Commission will issue a comprehensive public report of its findings and recommendations for reform.



The State Commission of Investigation is an independent New Jersey watchdog agency established in 1968 to investigate organized crime and corruption, waste of tax money and other abuses of the public trust. Copies of public reports are available at the Commission's offices or via its Web site at www.state.nj.us/sci.