Rough Arrest Only

ARREST / NOTICE TO APPEAR
Juvenile Referral Report

1. Arrest 3. Request for Warrant
2. N.T.A. 4. Request for Capias

3 | Juvenile **N**

ADMINISTRATION

OBTS Number:

Agency ORI Number: FL0500000
Agency Name: PALM BEACH COUNTY SHERIFF'S OFFICE
Agency Report Number: 06- 17-043335

Charge Type: Check as many as apply.
- ☒ 1. Felony
- ☐ 2. Traffic Felony
- ☐ 3. Misdemeanor
- ☐ 4. Traffic Misdemeanor
- ☐ 5. Ordinance
- ☐ 6. Other

Weapon Seized/Type: 1. Yes 2. No **2**
Multiple Clearance Indicator: **01**

Location of Arrest (Including Name of Business):
Location of Offense (Business Name, Address): THE GOOD FUTURE INC., 2230 W ATLANTIC AVE, DELRAY

Date of Arrest	Time of Arrest	Booking Date	Booking Time	Jail Date	Jail Time	Location of Vehicle

DEFENDANT

Name (Last, First, Middle): LAHR, ADAM ALLEN
Alias (Name, DOB, Soc. Sec. #, Etc.):

Race (W - White, B - Black, I - American Indian, O - Oriental/Asian)	Sex	Date of Birth	Height	Weight	Eye Color	Hair Color	Complexion	Build
W	M	06/26/1991	6'2		BRN	BRN	MED	MED

Scars, Marks, Tattoos, Unique Physical Features (Location, Type, Description):
Marital Status: UNK
Religion: UNK
Indication of: Alcohol Influence Y ☐ N ☐ Unk. ☒; Drug Influence Y ☐ N ☐ Unk. ☒

Local Address (Street, Apt. Number): 2817 NE 26TH AVE (City) LIGHTHOUSE POINT (State) (Zip) FL 33064 Phone ( )
Residence Type: 1. City 2. County 3. Florida 4. Out of State **3**

Permanent Address (Street, Apt. Number): SAME (City) (State) (Zip) Phone ( )
Address Source:

Business Address (Street, Apt. Number): 8480 MAN O WAR RD (City) PALM BEACH GARDENS, FL (Zip) 33418 Phone ( )
Occupation:

D/L Number, State: L600-001-91-226-0
Soc. Sec. Number: [redacted]
INS Number:
Place of Birth: NEVADA
Citizenship: USA

CO-DEF

Co-Defendant Name (Last, First, Middle)	Race	Sex	Date of Birth	Status
LAHR, ERIC ALLEN	W	M	03/10/1988	☐ 1. Arrested ☒ 2. At Large ☒ 3. Felony ☐ 4. Misdemeanor ☐ 5. Juvenile
				☐ 1. Arrested ☐ 2. At Large ☐ 3. Felony ☐ 4. Misdemeanor ☐ 5. Juvenile

JUVENILE

☐ Parent ☐ Legal Custodian ☐ Othe — Name (Last) (First) (Middle) — Residence Phone
Address (Street, Apt. Number) (City) (State) (Zip) — Business Phone
Notified by: (Name) — Date — Time
Juvenile Disposition: 1. Handled/Processed within Dept. and Released 2. TOT HRS/CYF 3. Incarcerated
Released To: (Name) — Relationship — FCIC/NCIC — Date — Time
The above address was provided by defendant and/or defendant's parents. The child and/or parent was told to keep the Juvenile Court Clerk's Office informed of any change of address:
☐ Yes, by: (Name) ☐ No: (Reason)
School Attended — Grade

CODE

Recovery Information: 0. N/A 1. Voluntary 2. Located Not Returned 3. Hospitalized 4. HRS Custody 5. Law Enforcement Custody 6. Returned to Parent 7. Deceased 8. Other **0**

Drug Activity: N. N/A P. Possess S. Sell B. Buy T. Traffic R. Smuggle D. Deliver E. Use K. Dispense/Distribute M. Manufacture Produce/Cultivate Z. Other

Drug Type: N. N/A A. Amphetamine B. Barbiturate C. Cocaine E. Heroin H. Hallucinogen M. Marijuana O. Opium/Deriv. P. Paraphernalia/Equipment S. Synthetic U. Unknown Z. Other

CHARGE

Charge Description	Counts	Domestic Violence	Statute Violation Number	Violation of ORD #
PATIENT BROKERING	34	☐ Yes ☒ No	817.505(1)(d)	

Drug Activity	Drug Type	Amount/Unit	Offense #	Warrant/Capias Number	Bond
N	N	$185,904	17-043335		

CHARGE

Charge Description	Counts	Domestic Violence	Statute Violation Number	Violation of ORD #
		☐ Yes ☒ No		

Drug Activity	Drug Type	Amount/Unit	Offense #	Warrant/Capias Number	Bond

CHARGE

Charge Description	Counts	Domestic Violence	Statute Violation Number	Violation of ORD #
		☐ Yes ☐ No		

Drug Activity	Drug Type	Amount/Unit	Offense #	Warrant/Capias Number	Bond

CHARGE

Charge Description	Counts	Domestic Violence	Statute Violation Number	Violation of ORD #
		☐ Yes ☐ No		

Drug Activity	Drug Type	Amount/Unit	Offense #	Warrant/Capias Number	Bond

NOTICE TO APPEAR

☐ Instruction No. 1 Mandatory Appearance in Court
☐ Instruction No. 2 You need not appear in Court but must Comply with instructions on reverse side.

Location (Court, Room Number, Address):
Court Date and Time: Month Day Year Time A.M. P.M.

I AGREE TO APPEAR AT THE TIME AND PLACE DESIGNATED TO ANSWER THE OFFENSE CHARGED OR TO PAY THE FINE SUBSCRIBED. I UNDERSTAND THAT SHOULD I WILLFULLY FAIL TO APPEAR BEFORE THE COURT AS REQUIRED BY THIS NOTICE TO APPEAR, THAT I MAY BE HELD IN CONTEMPT OF COURT AND A WARRANT FOR MY ARREST SHALL BE ISSUED.

Signature of Defendant (or Juvenile and Parent/Custodian) [redacted] Date Signed

ADMIN.

HOLD for other Agency
Name:
☐ Dangerous ☐ Resisted Arrest
☐ Suicidal ☐ Other:

Signature of Arresting Officer: X
Name of Arresting Officer: DET. [redacted]
I.D. # Agency

Name Verification (Printed by Arrestee) (PRINT)
Witness here is subject signed with an "X".

Intake Deputy	I.D. #	Pouch #	Transporting Officer	I.D. #	Agency

PAGE 1 OF 1

DISTRIBUTION: 1st WHITE - COURT 2nd WHITE - RECORDS GREEN - STATE ATTY. YELLOW - CID PINK - JAIL (Rough Arrest) GOLD - DEFENDANT (Misd.) or BLOTTER (Felony)

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FILED 17 FEB 23 PM 3: CLERK & COMPTROLLER PALM BEACH COUNTY

OBTS Number	**PROBABLE CAUSE AFFIDAVIT** 1. Arrest 2. N.T.A. 3. Request for Warrant 4. Request for Capias	3	Juvenile	N

Agency ORI Number	Agency Name	Agency Report Number
FLO 5 0 0 0 0 0	**PALM BEACH COUNTY SHERIFF'S OFFICE**	**06 –** 17-043335

Charge Type: ☒ 1. Felony ☐ 3. Misdemeanor ☐ 5. Ordinance
Check as many ☐ 2. Traffic Felony ☐ 4. Traffic Misdemeanor ☐ 6. Other
as apply.

Special Notes:

Defendant's Name (Last, First, Middle)	Race	Sex	Date of Birth
LAHR, ADAM ALLEN	W	M	06/26/1991

Charge Description	Charge Description
PATIENT BROKERING	
Charge Description	Charge Description

Victim's Name (Last, First, Middle)	Race	Sex	Date of Birth
STATE OF FLORIDA			

Victim's Local Address (Street, Apt. Number)	(City)	(State)	(Zip)	Phone	Address Source
Victim's Business Address (Name, Street)	**(City)**	**(State)**	**(Zip)**	**Phone**	**Occupation**

The undersigned certifies and swears that he/she has just and reasonable grounds to believe, and does believe that the above named Defendant committed the following violation of law. The Person taken into custody…

☐ committed the below acts in my presence.
☐ confessed to _____ admitting to the below facts.
☐ was observed by _____ who told _____ that he/she saw the arrested person commit the below acts.
☒ was found to have committed the below acts, resulting from my (described) investigation.

On the 23rd day of FEBRUARY, 20016 at 1:00 ☐ A.M. ☒ P.M. (Specifically include facts constituting cause for arrest).

NARRATIVE:

The following investigation was conducted in Palm Beach County, Florida regarding an ongoing patient brokering scheme between The Good Future, INC. (D.B.A. Chapters Recovery, hereinafter referred to as “Chapters”) substance abuse treatment facility and multiple sober home owners. Chapters is led by CEO Daniel Kandler, who is also a principal owner of Chapters.

On October 27, 2016, DBPD CI # V16-0033, an employee of Chapters, reported to Delray Beach P.D. Detective N. [redacted] (“[redacted]”) witnessing "patient brokering, case management contracts, and meetings discussing such." He/she provided a case manager list and explained that the people on the list were called “case managers” but were just being paid for patient referrals. He/she said Chapters management told him/her that they were paying $500 per insured IOP patient per week and $1,000 per insured PHP patient per week. They reported paying nothing for un-insured/scholarship patients. John Dudek was on the “Case Manager List” as the owner of Southern Palms Oasis, “Kris Bayne” as the owner of Guiding Light, and “Eric & Adam” as the owners of “Vantage (Treatment Professionals.)” Per the Florida Department of Corporations John Dudek is one of the owners of Southern Palms Oasis, Inc., Kristopher Bayne is one of the owners of Guiding Light Properties, LLC., and Eric and Adam Lahr are the owners of The Treatment Professionals, LLC.

A prior employee (D.C.) provided a sworn statement to [redacted] on December 1, 2016 that she was hired as an actual case manager. She reported her responsibilities as follows: completing court letters, working with families of the patients, completing

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discharge plans, doing patient intakes, and pre-certifications. She identified subjects from the "case manager list" as marketers, not actual case managers like herself.

On October 31, 2016, [redacted] sought and received court approval to conduct an undercover operation and investigation at The Good Future, Inc. pursuant to 42 U.S.C. section 2.

On November 17, 2016 Dudek was arrested for 6 counts of patient brokering for the referral of patients to Whole Life Recovery, DBPD case # 16-17505. While [redacted] was conducting a post Miranda interview with him regarding his patient brokering relationship in that case, he said he was surprised [redacted] wasn't investigating Chapters. He admitted to signing a contract with "Daniel" (described as a little Italian guy.) He said Kandler promised him $400 per week per patient for any number of patients less than 10, but if Dudek was able to refer over 10 insured patients per week, he would receive $600 per week.

Dudek stated that on one occasion he had seen a patient sitting on the floor during a group session who appeared to be under the influence.

Dudek said to [redacted] that each week on Mondays he would complete a weekly roster with the names of the patients/residents of his sober home that he referred to Chapters. A Chapters employee would verify via their computer system if those patients attended the groups and submitted to their urinalysis testing. Then he would be paid on Tuesdays.

He said Chapters would hold regular "case manager" (sober home owner) meetings at their facility, usually on Tuesdays or Thursdays at 1pm or 1:30pm. The employees from Chapters that would attend the meeting were; Daniel Kandler, "Sarah" (described as Muslim female,) "Wendy," and Eva Dudek. The sober home owners he could remember attending the meetings were; Bryan Norquist, Kris Bayne, and "Michelle" (described as tall with red hair.) He said he could not remember any more names, but that there were 10-14 sober home owners in the meetings. The meetings were to discuss how everything was going and if there were any issues. He reportedly complained during the meetings that no one from Chapters ever visited the houses, and that he told Kandler the IOP program was garbage. He said Chapters took a "good luck, roll the dice" approach to the care of the patients while at the sober home.

On December 6, 2016 the Sober Homes Task Force executed a search warrant at Chapters, DBPD case # 16-18184. During the search warrant a "Social Services Agreement" between Eric Lahr and Kandler, signed 2/18/16 was located. The contract was almost identical to the one signed by Dudek. Officers also located 34 checks payable to Erick and Adam Lahr's company. The checks were drawn on The Good

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NARRATIVE CONTINUATION

Future, Inc., Bank of America account, number [redacted] and signed by Shelly Herman (and in one instance, by Kandler.) These checks were negotiated by the Lahrs and totaled $185,904.00. Most of the checks were accompanied by a time log sheet indicating the "total # of Clients served" for the week's payment. Some of the checks were accompanied by a schedule of case manager payments with handwritten notes.

The following is a list of the checks recovered and number of "clients served" indicated in the accompanying log sheets/notes:

CHECK #	DATE	AMOUNT	# CLIENTS SERVED (AND OTHER NOTES)
1891	03/28/16	$6,500	13
1935	04/12	3,500	7
2217	04/18	3,500	7
2244	04/25	7,500	15
2262	05/02	7,500	15
2263	05/02	500	
2296	05/09	8,000	16
2312	05/16	8,500	17
2329	05/24	8,500	17
2358	05/31	9,500	19
2387	06/06	8,000	15
2400	06/13	7,500	15
2429	06/20	12,000	24
2456	06/20	7,500	15
2492	07/05	6,328	14
2519	07/12	5,828	16
2548	07/19	6,978	16
2621	07/26	7,328	17
2600	08/01	3,500	7
2601	08/01	7,328	17
2606	08/02	500	1
2676	08/09	7,626	15
2983	10/25	1,500	note:"paid $1500"
2982	10/25	5,328	
2985	10/25	1,500	
2966	10/20	500	
2959	10/18	11,328	
2934	10/13	1,000	
293	10/11	4,828	
2918	10/05	1,000	

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2915	10/04	3,328	
2879	09/27	3,828	note:"pd 3828--$904 less next week"
2892	09/27	2,924	
2853	09/20	4,924	
	TOTAL	$185,904	

On December 6, 2016, following the execution of the search warrant, multiple employees provided sworn statements regarding their knowledge of the Chapters operation.

The HR director reported to [redacted] that Chapters worked with the following sober home owners; Kris Bayne, Adam and Eric Lahr, John Dudek. She said she was in charge of employee payroll, but these were not actual employees, they only did patient referrals and therefore she did not handle their pay. She said, they were paid per patient referral depending on the patient's level of care. She did not know how much they were paid for OP patients, but said they were paid "$500 a head" for Intensive Outpatient treatment and $1,000 per patient for Partial Hospitalization Program patient referrals, per week. They would begin getting paid after 2 weeks of the patient beginning to attend treatment. There was a time when she was responsible for "that census," and that the patients had to attend all of their treatment sessions in order for the sober home owner to be paid. She said she did not know who handed out the checks to the sober home owners. She reported handing out payroll checks and reiterated that the payments to the sober home owners were not paid via payroll.

She said, Eric & Adam Lahr, and Kris Bayne were just hired as employees, with the job title "outreach coordinator." She was told to create a job description for them. [redacted] asked why the 3 men were changed from sober home owners/marketers to outreach coordinators. She said there were a lot of closed door meetings recently that she was not in on, but until approximately August 2016 she had been in all management meetings. The following people were in the recent meetings; Daniel Kandler (owner), Eva Dudek (program director), Jessica Meraz (clinical director), and Sarah Muhammed (admissions director.) [redacted] asked why they changed the three sober home owners to outreach coordinators/employees. She said, they did it to avoid "unwanted attention from law enforcement." Payroll records of Good Future, Inc. located during the execution of the search warrant show, for the pay period 10/26/16-11/8/16, that Eric and Adam Lahr were each listed as "staff" employees and paid $5,000 each with the notation "1099FA" next to their names.

Eric Lahr, on behalf of The Treatment Professionals LLC, entered into a "Social Services Agreement" on 2/18/16 with Chapters. From 3/28/16-10/25/16 Chapters,

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NARRATIVE CONTINUATION

Florida`s patient brokering statute states "it is unlawful for any person to offer or pay any commission, bonus, rebate, kickback, or bribe, or engage in any split-fee arrangement to induce the referral of patients or patronage to or from a health care provider" §817.505, Fla. Stat. (2016). A health care provider includes "any substance abuse service provider licensed under chapter 397. Chapters is a licensed facility under 397. Per the employees at Chapters it was general knowledge that sober home owners were paid for patient referrals, and that these people's sole connection to Chapters was the referral of patients.

Based on the aforementioned facts, probable cause exists to issue a warrant for the arrest of Eric Lahr and Adam Lahr each for 34 counts of Aiding, Abetting, Advising, or Participating in Patient Brokering pursuant to F.S.S. 817.505(1)(d), Fla. Stat.

Based on the nature of this investigation and evidence gathered, your affiant believes defendant has possession of or access to proceeds of the aforementioned illegal activities. Therefore, your affiant requests that defendant show proof of independent source of funds prior to posting bond.

Sworn and Su[redacted]

Signature Notary Public / Clerk of Court / Officer (F.S.S 117.10)	Signat[redacted]
Investigator [redacted]	[redacted]
Name of Notary Public / Clerk of Court / Officer (F.S.S 117.10)	Name of Officer (Please Print)
2/23/17	2/23/17
Date	Date

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