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STATE OF NEW JERSEY
DEP'T OF LAW & PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
BOARD OF PSYCHOLOGICAL EXAMINERS
DOCKET NO.

IN THE MATTER OF THE SUSPENSION OR:
REVOCAION OF LICENSE OF : ADMINISTRATIVE ACTION
ALLEN P. BLASUCCI, Psy.D. :
AND LUIS R. NIEVES, Psy.D. : COMPLAINT
LICENSED TO PRACTICE PSYCHOLOGY :
IN THE STATE OF NEW JERSEY :

DEBORAH T. PORITZ, ATTORNEY GENERAL OF NEW JERSEY, by Joan D. Gelber, Deputy Attorney General, with offices at 124 Halsey Street, Newark, New Jersey 07101, by way of Complaint says:

COUNT I

1. Complainant Attorney General of New Jersey is charged with enforcing the laws of the State of New Jersey pursuant to N.J.S.A. 52:17A-4(h) and 45:1-14 et seq.

2. The New Jersey State Board of Psychological Examiners is charged with the duty and responsibility of regulating the practice of psychology in the State of New Jersey pursuant to N.J.S.A. 45:14B-1 et seq.

3. Respondent Allen P. Blasucci, Psy.D. is the holder of license number 1254 and has been licensed to practice psychology during all times pertinent herein. Respondent Luis R. Nieves, Psy.D. is the holder

of license number 1275 and has been licensed to practice psychology during all times pertinent herein. Both respondents have maintained professional offices at various locations, including but not limited to their practice under the name Contemporary Psychology Institute, P.A. and under the name "Therapeutic Alternatives" at various locations including but not limited to 156 Tamarack Circle, Skillman, NJ 08558; at 33 Grant Street, Mt. Holly, NJ 08060; at 622 Landis Avenue, Suite 2, Bridgeton, NJ 08302; and at 26 Colonial Drive, Woodbury, NJ 08096.

4. During the period including but not necessarily limited to 1990 and thereafter, both respondents undertook to contract with the Division of Youth and Family Services (hereinafter DYFS") to provide, for adolescents under the jurisdiction of that agency, a service program entitled "Therapeutic Alternatives" (hereinafter "TA") and at a later date, services at the Ewing Residential Treatment Center.

Respondents represented that DYFS would receive TA services to include provision of psychological diagnostic testing services, social services, and psychotherapy to the adolescents and/or to their families. Said services were to include provision of safe and appropriate temporary "respite homes" when needed for the adolescents. Said services were promoted by respondents as an alternative to longterm residential placement of DYFS clients while purporting to provide quality care.

Respondents, through their wholly owned entity "Therapeutic Alternatives" and/or other corporate entities, represented that respondents would employ appropriately trained and qualified persons to provide direct client services to implement the DYFS contract. Some of the said persons, although unlicensed, would be authorized to provide

services of a psychological nature provided that they practiced under the supervision of a licensed psychologist as required by N.J.S.A. 45:14B-6(e) or (f), pursuant to individual permits issued by the State Board of Psychological Examiners. Others of the said persons would be authorized to provide services of a psychological nature, although unlicensed and without a permit, provided that they practiced in a bona fide non-profit community agency under the supervision of a licensed psychologist as required by N.J.S.A. 45:14B-6(a)(3). Others of the said persons would be authorized to provide "respite home" care to clients, for which such hosts would be paid a monthly stipend, provided that they were adequately trained and supervised.

5. Respondents failed to comply with their representations to DYFS and also violated their independent professional responsibilities by engaging in numerous forms of gross and/or repeated negligence, and/or misrepresentation and/or professional misconduct in the course of providing services to DYFS during 1990 and thereafter. Said misconduct included, by way of example and not limitation, the conduct set forth hereafter.

6. Respondents failed to regularly engage sufficient respite homes to assure safe temporary habitation for the adolescent clients.

7. Respondents failed to provide adequate screening and training to some respite home personnel, to assure the presence of regular adult supervision to promote the safety of the children placed there by TA.

8. Respondents failed to provide the amount of personal attendance required by the DYFS contracts at the program sites.

9. Respondents failed to provide regular, adequate and competent training and supervision to their employees.

10. Respondents withheld from the staff timely availability of the authorized DYFS financial resources needed to deliver services to clients.

11. Respondents failed to assure competent preparation of client treatment records by staff, and directed employees to fabricate client records for submission to DYFS and to engage in other records improprieties. Such records include but are not limited to those for clients M.B., C.G., R.G., K.J., K.R., and J.R.*

12. Respondents failed to take reasonable measures to protect vulnerable clients from known or reasonably foreseeable risks of sexual or other assault by other clients in the "respite" homes in which respondents placed vulnerable clients, including but not necessarily limited to A.B., R.E., A.R. and K.R.

13. Respondents directed employees, including W.A. and A.C., not to promptly notify DYFS and/or not to accurately report adverse occurrences such as assaults by family members or others on clients and not to promptly notify DYFS of clients, such as K.J., K.R. and T.S., running away from their regular or "respite" homes.

14. Respondents engaged in abusive and unprofessional behavior toward clients, including but not necessarily limited to the families of H.B., C.G., K.R. and J.R., in order to coerce them into remaining in the "Therapeutic Alternatives" program, so that respondents could

*Children and adults other than respondents referenced herein are identified solely by initials to preserve confidentiality.

purport to demonstrate a program successful in avoiding the necessity for DYFS-funded residential placement.

15. Respondents failed to take disciplinary or other corrective action when informed of an employee, including J.H., breaching professional boundaries with a client or engaging in unprofessional behavior.

16. Respondents misrepresented to DYFS the use of its program funds by inflating the number of hours actually spent on DYFS-funded programs.

17. Respondent misrepresented to DYFS the amount of salary actually paid to staff members, including J.B., J.A., and F.R., in the ERTC and other programs, paying them less than the contractual line items declared, and arranging to retain the balance in addition to respondents' own salaries as Co-Directors.

18. Respondents failed to refund to DYFS the amount of salary drawn for professional personnel, including but not necessarily limited to M.L., subsequent to termination of said person's employment.

19. Despite a professed "Conflict of Interest Policy," respondents employed a relative of respondent Nieves under the TA contract as a "therapeutic assistant" and as an administrative assistant, at a significant salary.

20. Respondents actively promoted, and/or authorized, condoned or ratified the use of DYFS-funded premises and material for the personal use and benefit of respondents and/or their employees in their private practices.

21. The above-cited conduct, individually or cumulatively, constitutes deception and misrepresentation, gross and/or repeated

negligence and/or professional misconduct, failure of the ongoing requirement to maintain good moral character, and failure to comply with rules of the Board, in violation of N.J.S.A. 45:1-21(b), (c) and/or (d), (e) and (h), and N.J.S.A. 45:14B-14, -24 and -28. Each instance of said conduct constitutes a separate transaction and a separate offense with regard to each participant respondent.

COUNT 2

1. Complainant repeats the allegations of Count 1.
2. During the time period including 1990 and beyond, respondents engaged in financial improprieties including but not limited to the conduct set forth in Count 1 and herein.
3. Respondents sought to induce employees or "consultants", including W.A., D.A., J.B., F.R. and J.A., to pay to respondents up to 50% or more of the monies earned by the employees in their separate professional practices and to which respondents were not entitled.
4. Respondents failed to pay to professional employees, including J.A. and F.R., assigned to contracts including ERTC the full amounts designated on the line item budget, and instead paid a partial amount and retained the remainder under some other purported designation or gave themselves bonuses.
5. Respondents failed to establish a plan to allow adequate monitoring of the financial integrity of State-funded programs.
6. Respondents routinely directed office staff including J.D. not to record cash payments made by clients of Contemporary Psychology Institute, P.A. in the office financial ledger.

7. Respondents routinely directed office staff, including J.D., to place cash receipts from professional practice in a secret location, to be divided between respondents periodically and without documentation.

8. Respondents routinely directed staff, including J.D. and V.M., to bill insurance carriers for fees higher than those actually billed to the insured clients in their private practice.

9. Each instance of the above-cited conduct, individually or cumulatively, constitutes deception and misrepresentation; and/or professional misconduct; failure to maintain the ongoing requirement of good moral character; and failure to comply with rules of the Board, in violation of N.J.S.A. 45:1-21(b), (c) and/or (d), (e) and (h) and N.J.S.A. 45:14B-14 and -24. Each instance of said conduct constitutes a separate transaction and a separate offense with regard to each participant respondent.

COUNT 3

1. Complainant repeats the allegations of Counts 1 and 2.

2. Respondents repeatedly engaged in numerous forms of gross exploitation of employees by misrepresentation, deception, negligence/malpractice and/or professional misconduct including but not necessarily limited to the conduct set forth herein.

3. Respondents engaged in sexual harassment and/or sexual advances toward female staff, including but not limited to W.A., A.C., V.M., J.D. and F.R., creating a threatening and hostile work environment for direct victims and observers.

4. Respondents routinely engaged in use of extreme profanity and vulgarity, in the presence of staff including V.M., J.D., A.C., and W.A., and in particular toward individual persons, creating a threatening and hostile work environment.

5. Respondents routinely misrepresented the professional and financial terms and conditions of employment by Contemporary Psychology Institute, P.A. and/or by Therapeutic Alternatives to employees and potential employees, including J.A., J.B., and F.R.

6. Respondents, through their entity CPI, employed persons as service providers to implement an EAP contract. Respondents advised their employed service providers, including J.A., J.B. and F.R., that, irrespective of need for professional services, the service providers should avoid giving the EAP clientele the full number of sessions included in the minimum contract fee per client.

7. Respondents failed to pay professional employees, including J.B. and F.R., for certain professional services rendered at respondents' direction.

8. Respondents proffered to employees and consultants, including W.A., D.A., and K.M., the use of DYFS-funded space and material for the employees' private practice.

9. Respondents actively promoted, and/or authorized, ratified or condoned the administration of photocopied psychological tests to clients, to the hosts of potential "respite homes", and to potential employees by unlicensed staff including D.C. and further allowed tests to be performed outside of the supervision of a qualified person.

10. Respondents failed to maintain the confidentiality of psychological test results of numerous persons including employees, and actively circulated or approved, ratified or condoned such circulation of documents to persons not having a legitimate need for the information.

11. Respondents developed a plan for a potential client, under which respondents would have their clerical administrative assistants J.D. and V.M. administer, score and interpret psychological tests and write reports thereon, with the reports to be signed by respondents.

12. Respondents obtained information from their supervised permit holders and employees, including J.A. and F.R., about professional service needs at a service location separate from respondents' offices, and then secretly competed for the jobs already held by their own permit holders.

13. In 1992 respondents suddenly terminated employment of permit holders J.A. and F.R. and respondent Nieves simultaneously abandoned his previously agreed-upon responsibilities as supervisor for said permit holders "effective immediately," leaving the permit holders without a lawful method of continuing training and employment, without reasonable notice and opportunity to secure the services of another supervisor.

14. Respondents advertised the services of an entity entitled "Neuropsychological Institute" although respondents employed no regular staff psychologists with neuropsychological training.

15. Respondents directed their employed professional staff, including W.A. and A.C., to pretend to apply for employment from a

competitor, for the purpose of acquiring and providing to respondents the competitor's trade secrets and confidential business information.

16. After severance of an employment relationship, respondents engaged in retaliatory conduct by misrepresenting the quality and competence of the professional work and/or the personal integrity of formerly employed permit holders and others, including J.A., K.G. and F.R. who had been supervised by one or both respondents.

17. Following initiation of private civil litigation against respondents by former unlicensed employee A.C. and by former employed permit-holder J.B., both respondents engaged in retaliatory conduct against such persons, including allegations of financial improprieties against A.C., and submission and/or adoption of a late and also false and/or misleading supervisory report to the State Board of Psychological Examiners regarding the quality and competence of professional services rendered by permit-holder J.B. in 1993.

18. Each of the above-cited instances of improper conduct, individually or cumulatively, constitutes deception and misrepresentation, gross and/or repeated negligence and/or professional misconduct, failure to comply with rules of the Board, and failure to maintain the ongoing requirement of good moral character, all in violation of N.J.S.A. 45:1-21(b), (c) and/or (d), (e) and (h); N.J.S.A. 45:14B-14 and -24. Each instance of said conduct constitutes a separate transaction and a separate offense with regard to each respondent participant.

COUNT 4

1. Complainant repeats the allegations of Counts 1 through 3 as to respondent Blasucci.

2. During the time period including but not limited to 1990 and beyond, respondent Blasucci repeatedly engaged in dual relationships, including sexual relationships with clients and an employee, and other dual relationships.

3. Respondent engaged in habitual drinking and/or intoxication on the office premises, during the working day, in the presence of office staff and/or clients, during the period 1991 and thereafter, and including but not limited to October 1993.

4. Respondent failed to submit a timely and adequate supervisor's training report for permit-holder J.B. supervised in 1993.

5. Said conduct, individually and/or cumulatively, constitutes negligence and/or incompetence and/or professional misconduct, and failure to comply with rules of the Board, and/or failure of the continuing requirement to maintain good moral character; N.J.S.A. 45:1-21(d), (e) and (h) and N.J.S.A. 45:14B-14 and -24. Each instance of said conduct constitutes a separate violation.

WHEREFORE, Complainant demands the entry of an Order against each respondent including the following:

1. The suspension or revocation of the license heretofore issued to each respondent to practice psychology in the State of New Jersey.

2. Imposition of penalties against each respondent for each separate unlawful act as set forth in Counts I through 4 above, as applicable;

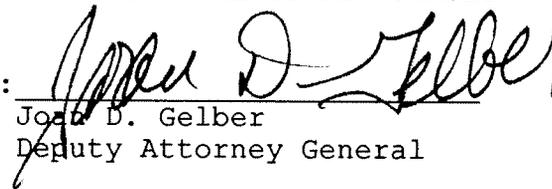
3. Imposition of costs, including investigative costs, fees for expert and fact witness expenses, and costs of trial including transcripts, jointly and individually against each respondent, as applicable.

4. Reimbursement by respondents, jointly or individually, to patients/examinees and/or third party payors and/or the payor agency of all monies received for acts found to be unlawful in the circumstances alleged herein;

5. Direction to each respondent to cease and desist from the unlawful conduct proved; and

6. Such other and further relief as the Board of Psychological Examiners shall deem just and appropriate.

DEBORAH T. PORITZ
ATTORNEY GENERAL OF NEW JERSEY

By: 

Joseph D. Gelber
Deputy Attorney General

Date: January 22, 1996