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FILED WITH THE BOARD OF
PSYCHOLOGICAL EXAMINERS
ON Oct. 18, 2005

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STATE OF NEW JERSEY
DEPARTMENT OF LAW & PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
BOARD OF PSYCHOLOGICAL EXAMINERS

IN THE MATTER OF THE SUSPENSION	:	
OR REVOCATION OF THE LICENSE OF	:	Administrative Action
	:	
COLLEEN PERUO, Ph.D.	:	
	:	MODIFIED CONSENT ORDER
TO PRACTICE PSYCHOLOGY	:	
IN THE STATE OF NEW JERSEY	:	

This matter was opened to the New Jersey State Board of Psychological Examiners ("the Board") upon receipt of three separate complaints from former patients, E.S., K.S. and H.S. regarding the psychotherapy they received from Dr. Colleen Peruo ("respondent") who holds a license to practice Psychology. E.S. stated that she was respondent's patient for approximately nine years from 1993 through 2002. K.S. was respondent's patient for two and a half years and was terminated from group therapy in approximately 1999 or 2000. H.S. was respondent's patient for approximately 12 years, attending individual therapy at first and then group therapy for a number of years. H.S. alleges she was

summarily dismissed after her third group session. All three complainants allege that respondent engaged in breaches of confidentiality, verbally abusive behavior and frequent boundary violations. The complainants allege that Respondent encouraged patients to actively participate in "Recovery weekends, Recovery masses, and that she encouraged patients to report to her any inappropriate social behavior by other group participants." The alleged infractions were then discussed in group therapy. The complainants further allege that respondent had patients clean her office, work in her garden and do her laundry. It was further alleged that the Respondent permitted and attended parties at her home with patients, several of her patients were married while in therapy, and one couple had their reception in Respondent's backyard. Respondent hosted open houses at her home for patients and friends for Easter and other holidays. The complaints all indicated that the Respondent organized vacation trips with patients during group sessions. Some of the trips were attended by the respondent. These trips included a July 2000 Cruise to Nowhere, August 2001 trip to Ireland, July 2002 trip to Italy and a trip to Hawaii planned for the summer of 2003.

One of the couples who were married (S.H. and E.F.) and were both in therapy with the respondent held a bridal shower at Respondent's house. According to the complainant, Respondent received S.H.'s wedding dress at respondent's home and she was

present at the hotel on the wedding day to assist the bride in dressing.

All three complainants allege that Respondent encouraged clients to shun other clients who did not conform to the group and confirmed foul and abusive language was used in group sessions. The complainants also informed that patients were encouraged to participate in the Path of Hope, a nonprofit corporation formed by Respondent.

On April 26, 2004 Respondent appeared with counsel, James Wulack, at an investigative inquiry before a committee of the Board. Respondent testified that her practice deals mainly with individuals of trauma and addiction. Her patients are "street people," including but not limited to prostitutes, sex addicts, alcoholics and overeaters. These patients according to the respondent do not need "rehabilitation but habilitation." (T31:9-24). Respondent testified that she teaches her patients basics such as "learning how to have a birthday party, give a birthday party, to celebrate the day of your birth, to be able to give a present, receive a present and wrap a present." (T38:4-15) During her testimony Dr. Peruo confirmed that she taught her patients "to give birthday parties, plan for Christmas, wrap gifts, pick the correct fork, get married, how to get engaged, get in touch with children with whom they lost contact, prepare resumes, return to school and get GEDs" (T53:15-25 and 54:1-24). Upon questioning

regarding teaching her patients to take trips, Dr. Peruo opined that as her patients continue in recovery, she thinks they need to go out into the world and to learn to function. She used traveling as a means to re-instruct them to function in society. Respondent testified that she initiated the steps to traveling in group therapy and then the patients took over (T41:1-8). She confirmed the Cruise to Nowhere, trip to Ireland and to Italy. She testified that she was present on the Cruise to Nowhere which was attended by six or seven group members and their friends, but she had separate accommodations, ate at different time schedules than her patients in the group and her sole function was to be on call if anyone had an emergency, such as if one of the group members should suffer a panic or anxiety attack she would be there for them. She testified that no one on the Cruise to Nowhere needed her assistance.

Upon questioning about the other trips, Respondent testified she participated in the trip to Ireland with about 14 patients from her therapy group. They discussed how to obtain passports and to have pictures taken. Her husband accompanied her on the trip. Respondent alleged that she was not paid by the group either for her travel accommodations or for therapy. They traveled together in a group of a total of 40 people on a tour bus. However, Respondent testified that she did not sit with her patients on the bus. One person did panic before boarding the plane for Ireland and Respondent testified that she performed Eye Movement

Desensitization and Reprocessing (EMDR) in the restroom. She also confirmed that she assisted the group with the planning of the Italy trip but did not travel with the group to Italy. She confirmed that she received information that several former patients who were on the trip had relapsed and were consuming alcohol.

While K.S. testified that he was asked by the respondent to terminate his attendance in group therapy because E.S. had terminated her group therapy attendance, Respondent testified that it was his decision to terminate his attendance in group therapy after discussing it with her and the members of the group. Contrary to K.S.'s testimony, she testified that K.S. returned to the group and in a rage, pointed a finger at her, and stated that the Respondent had thrown him out of the group, accused the group members of siding with the respondent, left the group in an angry rage and Respondent never heard another word from him. (T86:1-17)

Dr. Peruo also testified that she formed the Path of Hope in 1996. This was a non-profit organization that was used to provide Christmas gifts and a holiday celebration for children. Path of Hope ceased using her office space about four years ago (T35:19-25). She also testified that some of her patients were officers and members of Path of Hope. The main goal of Path of Hope was for the clients to develop empathy and to acquire leadership skills.

When questioned about the marriages of several patients, Dr. Peruo confirmed that she allowed her patient J.R. to use her backyard for the wedding ceremony as she had financial constraints (T95:1-25). According to the respondent's testimony she was not present at the time of the ceremony and she did not allow anyone to use her home or its facilities (T97:5-23). Respondent also confirmed that her patients S. and E., were also married. Respondent confirmed that the bridal shower for patient, S. took place in her group room which is located in the same building that houses her home and office (T103:19-21, T104:8-15). She attended the wedding ceremony and the reception at the Marlboro Inn. Her husband was also a participant in this wedding and escorted the bride down the aisle. Respondent alleged that "her husband met these individuals at a 12 step program" (T100:1-25, T102:4-7). Respondent also discussed the wedding of her patients R. and M., who were married on New Years Eve at the Holiday Inn at the same time as the 12 Step New Years Eve party was in progress at another room in the same location. Dr. Peruo admitted that she also attended this ceremony but was not in the wedding party (T103:13-15).

Dr. Peruo confirmed that her patients decorated her office for Christmas. The purpose of this exercise was to teach them to decorate and to get them through the holidays (T113:9-14). When questioned as to whether patients were permitted to clean her

house, Dr. Peruo denied this allegation and testified that she has always employed a housekeeper.

It was Dr. Peruo's testimony that she runs five groups a week and the group sessions last from two to two and a half hours. The groups consist of about 12 to 14 individuals and last about two years.

When questioned about the use of profanity and vulgar language in her group sessions, Dr. Peruo explained that she does use this type of language when a patient asks her to do so. According to respondent she uses this language to stop the patients who have lost control (T142:11-25, T143:1-25).

Upon thoroughly reviewing the record including the testimony of K.S., H.S., E.S. and of Dr. Peruo the Board finds that respondent's activities with her patients demonstrate that she has engaged in clear and repeated boundary violations. The Board finds that the above described conduct constitutes professional misconduct in violation of a Board regulation at N.J.S.A. 45:1-21((e)).

The respondent being desirous of resolving this matter without resort to formal proceedings, and the Board having determined that the following provisions are sufficiently protective of the public interest and welfare, and for good cause shown,

IT IS ON THIS 18th DAY OF October, 2005

HEREBY ORDERED AND AGREED THAT:

1. Respondent shall cease and desist from continuing to engage in boundary violations with her patients.

2. The Respondent shall enter into supervision of her practice for one year. Prior to the initiation of supervision, the respondent shall submit the name of a supervisor to the Board for its approval. The Board agrees to approve Morris Goodman, Ph.D. as the individual and group supervisor. The individual supervisor shall meet with respondent one hour for every five hours of group therapy. The costs of the supervisor is the responsibility of the respondent. The supervisor is required to submit a report to the Board on a quarterly basis for the year specifically detailing respondent's progress in individual supervision, particularly as to boundary issues. The first such report is due three months following the beginning of individual supervision.

2. Respondent shall engage a therapist who has completed advanced work in group psychodynamics for an initial period of three months as a group supervisor. Respondent shall engage Michael Andronico, Ph.D. or Stanley Maldowsky, Ph.D. or a co-supervisor approved by the Board. The Board agrees to permit Morris Goodman, Ph.D to review Respondent's group session. At the end of three months the group supervisor is required to submit a report to the Board specifically detailing respondent's progress with group dynamics. The Board requires the group supervisor to

videotape or audiotape group sessions during a three month period. The group supervisor shall view random taped group sessions and is required to make substantive written comments regarding the nature of the group work observed including the respondent's work in the group and his professional opinion regarding the progress of the group supervisor's interventions with Respondent and the progress of the Respondent's intervention's within the group. Upon a review of the conclusions and recommendations in the report, the Board will make a determination as to whether the group supervision shall be maintained for a longer period of time, however, the group supervisor shall continue until further order of the Board. Respondent is responsible for payment of the costs of the group supervisor. The Board will permit the Respondent to use the same person as the individual supervisor and group supervisor as long as the approved individual meets the requirement as set forth in paragraph 2 and is approved by the Board in advance.

3. Respondent shall be required to take a course pre-approved by the Board regarding Ethics. This course shall be completed within six months of the entry date of this order.

4. Respondent shall be assessed the costs to the State in this matter in the amount of Two Thousand One Hundred Thirty Nine dollars (\$2,139.00). The total costs shall be due and payable no later than thirty (30) days following the entry date of this Order and shall be submitted to the Board of Psychological Examiners by

certified check or money order made payable to the State of New Jersey. The payment shall be sent to the attention of Michael Walker, Executive Director, State Board of Psychological Examiners, Post Office Box 45017, Newark, New Jersey 07101.

STATE BOARD OF PSYCHOLOGICAL EXAMINERS

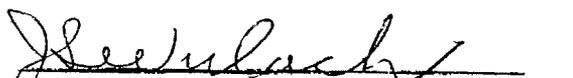


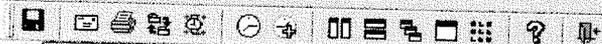
Marc Glatt,
Chair

I have read the within Consent Order and understand its terms. I hereby consent to its entry and to be bound by the Consent Order's terms.


Colleen Peruo, Ph.D.

Agreed to as to form and entry:


James Wulach, Esquire
Attorney for Colleen Peruo, Ph.D.



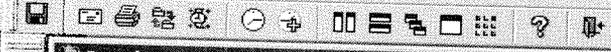
Compliance For Colleen M. Peru, Ph.D.

Violations | Actions | Citation | Monetary Penalties | Restitution | Limits | Monitoring

From: Board Violation: (none)

Complaint #	Docket #	Cause #	State	Start	End	Action
Practicing Psychologist license #358100318100:						
2003-000000663:			NJ	10/18/2005	00/00/0000	Cease and Desi
2003-000000663:			NJ	10/18/2005	11/18/2005	Cost
2003-000000663:			NJ	10/18/2005	01/18/2006	Psychological Ev

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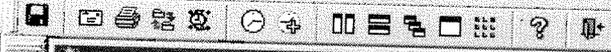
Compliance For Colleen M. Peruo, Ph.D.

Violations | Actions | Citation | Monetary Penalties | Restitution | Limits | Monitoring

From: Board Violation: (none)

Complaint #	Docket #	Cause #	State	Start	End	Action
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2002-000000453:			NJ	10/18/2005	01/18/2006	Psychological Ev
2002-000000453:			NJ	10/18/2005	11/18/2005	Cost

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Compliance For Colleen M. Peruo, Ph.D.

Violations | Actions | Citation | Monetary Penalties | Restitution | Limits | Monitoring

From: Board Violation: (none)

Complaint #	Docket #	Cause #	State	Start	End	Action
Practicing Psychologist license #35Si00318100:						
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2002-000000543:				10/18/2005	01/18/2006	Psychological Ev
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