



City of Malibu News

23825 Stuart Ranch Road • Malibu, California • 90265-4861
Phone (310) 456-2489 • Fax (310) 456-3356 • www.malibucity.org

For Immediate Release

February 11, 2015

Contact: Matt Myerhoff, Media Information Officer

mmyerhoff@malibucity.org

Cell: 818-293-8962

State Finds No Violations in Investigation of Malibu Rehab Facilities Malibu Council Pledges to Continue Working to Protect Neighborhoods

(Malibu, CA) – The California Department of Health Care Services (DHCS) disclosed that it found no violations in its investigation of the eight licensed drug and alcohol rehab facilities that operate as one integrated facility in a residential neighborhood, in response to complaints lodged by the City of Malibu.

“The findings from the state are not consistent with the information that we have,” said Malibu Mayor John Sibert. “We are at a loss to explain why the state regulators are turning a blind eye to this abuse of the state law. While many licensed, properly zoned drug rehab facilities provide a valuable service to a vulnerable population, there are Big Business rehabs in Malibu that are dodging regulations. These facilities have eight licenses on five properties and are clearly operating as an integrated campus-style facility. The state should not be granting licenses to these large-scale facilities in residential neighborhoods.”

Malibu has seen a proliferation in recent years of high-priced drug and alcohol rehabilitation facilities operating in residential areas. Since 2006, Malibu has been requesting state regulators to enforce state law and urging the state to work with the City to determine the validity of license applications. DHCS’s conclusion regarding the rehab facilities under investigation was based on the state’s ultimate acceptance of on-paper limited liability companies formed to give the illusion of separate ownership and fake addresses meant to create the appearance of separate single family homes for each license.

On Malibu’s request, DHCS had been investigating whether Passages in Malibu had been operating illegally. Passages has five separate parcels for which the state has issued eight separate licenses to operate drug and alcohol treatment programs in single-family homes. Although Passages is clearly operating as one integrated facility, which requires a different type of state license, the state regulators have concluded that Passages qualifies as eight separate entities and eight separate programs, each in a single family home. The City Council has referred the state’s findings to the City Attorney to consider the City’s next steps.

To see the DHCS reports on the Passages facilities, visit <http://www.malibucity.org/DocumentCenter/View/11387> and <http://www.malibucity.org/DocumentCenter/View/11388>.

###