

July 19, 2023

# Bringing Home New Mexicans Lost to Arizona Medicaid-Fraud Criminal Enterprises

## WHEREAS:

- Criminal groups in Arizona have opened hundreds<sup>1,2</sup> of fraudulent drug-rehab and sober-living centers for the purpose of defrauding Medicaid and exploiting unhoused or vulnerable individuals.
- These criminal groups have impacted thousands<sup>3</sup> of Native Americans by luring victims to these centers with the promise of addiction treatment, but with the intention of enrolling them in the American Indian Axis Program within the Arizona Medicaid system.
- Subsequently, these criminal groups have fraudulently billed the American Indian Axis Program for services never rendered, defrauding Arizona out of hundreds of millions of dollars.
- Since early 2022, criminal “victim transporters” associated with these rehab centers have targeted New Mexican tribal communities and cities, enticing tribal members to the fraudulent centers, resulting in an unknown number of New Mexicans being affected.

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<sup>1</sup> Seeking Victims in the Phoenix Group Homes Targeting Native Americans Investigation: <https://www.fbi.gov/how-we-can-help-you/victim-services/seeking-victim-information/seeking-victims-in-the-phoenix-group-homes-targeting-native-americans-investigation>

<sup>2</sup> Arizona suspends over 200 sober living facilities in Arizona for scamming people: [https://www.kvoa.com/news/local/arizona-suspends-over-200-sober-living-facilities-in-arizona-for-scamming-people/article\\_70fdc54e-f5de-11ed-8679-9f136d71b226.html](https://www.kvoa.com/news/local/arizona-suspends-over-200-sober-living-facilities-in-arizona-for-scamming-people/article_70fdc54e-f5de-11ed-8679-9f136d71b226.html)

<sup>3</sup> Navajo Nation declares widespread Medicaid scam in Arizona a public health state of emergency: <https://apnews.com/article/medicaid-fraud-native-americans-arizona-85542c057e9e6cd8b5fb8b5166db6981>

- Starting in early 2023, a minimum of 12 “victim transporters” criminal crews have operated in Albuquerque, offering incentives such as money, clothing, permanent housing, motel rooms, gift cards, continuing-education funding, drugs, and/or alcohol to their victims.
- Upon arrival in Arizona, many victims were immediately expelled from the fraudulent rehab centers after signing up for the American Indian Axis and state food-stamp programs, effectively stranding the victims on the streets.
- On June 1, 2023, 200 of these centers were shut down by the FBI<sup>2</sup>, forcing the victims living in those centers out onto the streets.
- On June 21, 2023, due to the high number of missing tribal members, including those stranded on the streets of Phoenix, the Navajo Nation declared a public health state of emergency<sup>3</sup> because of the Arizona Medicaid fraud.
- As of July 19, 2023, several “victim transportation” crews are still active in Albuquerque, and an unknown number of New Mexicans from across the state and tribal communities remain missing due to the Arizona Medicaid fraud.

We respectfully urge The Honorable Michelle Lujan Grisham, Governor of New Mexico, to consider implementing the following measures:

- Allocation of resources for bus fares or alternative transportation for New Mexicans affected by the Arizona Medicaid fraud, specifically:
  1. New Mexico state citizens and citizens and descendants of the 23 Tribal Nations of New Mexico
  2. New Mexicans on an official missing list

- Allocate resources to establish a temporary Arizona Medicaid fraud hotline to:
  1. Assist New Mexicans in Arizona affected by the Medicaid fraud by providing resources that may allow them to return home
  2. Enable individuals to report New Mexicans missing as a result of the fraud
  3. Allow individuals to report any information regarding the criminal activities associated with the Arizona Medicaid fraud, including individuals, vehicles, or other relevant details.
  
- Allocate resources to hire a full-time temporary Arizona Medicaid fraud emergency manager who will:
  1. Oversee the creation of a task force responsible for determining the next steps in addressing the Arizona Medicaid fraud
  2. Collaborate with tribal leaders, local government officials, and nonprofits throughout the state to compile a list of individuals missing due to the Arizona Medicaid fraud
  3. Collaborate with tribal leaders, local government officials, and nonprofits throughout the state to assess the extent of the Arizona Medicaid fraud
  4. Collaborate with tribal leaders, local government officials, and nonprofits to determine the current efforts of the Arizona Medicaid fraud criminals in luring New Mexicans from their communities into fraudulent rehab and sober-living centers.
  5. Investigate New Mexico Rehabilitation Facilities to determine if our Medicaid programs are vulnerable to similar criminal fraud

6. Evaluate the substance-use treatment system in New Mexico and consider what specific faults in that system led such a large group of people to seek services out of state
7. Investigate deaths that occurred while in these fraudulent facilities
8. Demand compensation from the center operators and/or other responsible parties for the families impacted by the loss of loved ones and demand such compensation for all victims of the Arizona Medicaid fraud.

Thank you for considering our request, and we hope, together, we can bring our missing New Mexicans home.

Sincerely,

Coalition to Stop Violence Against Native Women



Asur New Mexico

