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FOR IMMEDIATE RELEASE
October 4, 2006

LAWSUIT EXPOSES “HEADHUNTING” RACKET IN ADULT HOME INDUSTRY

MFY Charges Adult Home and Brokerage Company Exploit People with Mental Illnesses

New York, NY—MFY Legal Services, Inc. (MFY) and Patterson Belknap Webb & Tyler LLP filed suit in federal court on September 21, 2006 on behalf of four people with mental disabilities who allege that they were exploited by Blossom Helena Glass Reyes, a “headhunter” who receives fees for placing people in adult homes. The suit charges that in addition to pressuring people into inappropriate placements in exchange for money, Glass Reyes and her associates also stole more than \$40,000.00 from three of the resident plaintiffs.

“Ms. Glass Reyes targets mentally disabled people in hospitals and nursing homes and persuades them – often through deceit or even coercive tactics -- to move to the adult homes that pay for her services,” said Jean Philips, MFY’s attorney on the case. One resident alleges that Ms. Glass Reyes told her that she had been evicted from her apartment and could not return, which was not true. Two plaintiffs, who had been awarded \$18,000 each in a class action settlement, alleged that Glass Reyes told them she was the lawyer on that case, in order to procure powers of attorney from them, thus enabling her to steal their money. With another resident, it is alleged that she stole the resident’s checkbook and forged multiple checks over the course of five months. Glass Reyes and her cohorts are alleged to have stolen more than \$40,000.00 from three of the residents.

Plaintiffs assert claims against Glass Reyes, her company Healthease Ltd., and the New South Shore Manor adult home in Brooklyn under the Federal Racketeering Influenced and Corrupt Organizations Act (RICO), the Americans with Disabilities Act, the Rehabilitation Act and the Fair Housing Act. Of the four plaintiffs filing suit, three reside in New South Shore Manor, a Brooklyn adult home, which the suit charges actively participated in the scheme to steal residents’ funds. The fourth plaintiff alleges that she managed to return to her apartment from another adult home, despite Glass Reyes’s threats that she would have her committed to a psychiatric institution if she resisted Glass Reyes.

“While at first glance headhunters seem little different from private housing brokers, in reality they prey on vulnerable people in vulnerable situations and operate with virtually no oversight,” Ms. Philips stated. “Many hospital discharge planners, faced with scarce housing options for people with mental illnesses, ask few questions when someone offers to place patients for them, and adult homes do little to prevent financial exploitation of residents,” continued Ms. Philips, “At every stage, people with mental disabilities are sitting ducks.”

For the past 19 years, MFY Legal Services, Inc.'s Adult Home Advocacy Project has exposed abuses in the adult home industry and has initiated individual and law reform litigation to address deplorable conditions, financial improprieties, and mistreatment of residents. Together with other advocacy organizations and a private law firm, MFY has brought suit against New York State for violating the Americans with Disabilities Act by concentrating large numbers people with mental illnesses in adult homes, which are segregated settings that provide little or no rehabilitative care. Patterson Belknap Webb & Tyler LLP is continuing its more than decade-long commitment to reform in the adult home industry through its service as *pro bono* co-counsel in this suit. For more information on adult home issues, visit www.mfy.org and www.ciad.org.