

Jarrood's Law Org Inc.
A 501(c)(3) Nonprofit Organization
Public Safety Advocacy for Behavioral Health Oversight and Patient Safety Reform

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August 18, 2026

California Department of Health Care Services (DHCS)
Public Records Act Coordinator / Subpoena Department
1501 Capitol Avenue, Sacramento, CA 95814

RE: LEGISLATIVE SUBPOENA REQUEST FOR UNREDACTED REGULATORY RECORDS

Reference #L120514-081726 | \$15 Filing Fee Check Enclosed

Dear DHCS Subpoena Department and Leadership:

I am Wendy McEntyre, Founder and Public Safety Advocate of Jarrood's Law, a 501(c)(3) nonprofit organization dedicated to behavioral health oversight and patient safety reform in California. I am submitting this legislative subpoena (Reference # L120514-081726) for complete, unredacted regulatory and compliance records from the Department of Health Care Services.

ENCLOSED WITH THIS LETTER IS A CHECK FOR \$15 TO COVER THE SUBPOENA FILING FEE, as required by DHCS subpoena policy.

I. THE REGULATORY ILLUSION: HOW DHCS HIDES FRAGMENTATION BY LISTING ALL 2,285+ FACILITIES ON A SINGLE 'APPROVED' LIST

When a member of the public, a legislator, or a patient's family requests a list of behavioral health facilities that DHCS 'oversees' or has 'approved,' DHCS provides a single consolidated database containing 2,285+ facilities. This presentation creates a powerful and misleading impression: that DHCS maintains unified oversight and consistent enforcement standards across all 2,285+ facilities listed together.

THE REALITY IS STARKLY DIFFERENT.

In fact, these 2,285+ facilities operate under EXTREMELY SEPARATE AND FRAGMENTED oversight regimes. Some are government-funded (accountable to elected officials and public health boards). Some are hospital-based dual-licensed (subject to medical board and psychiatric licensing oversight). Some are private insurance-dependent (subject to minimal state supervision and corrective-action-plan delays). Some receive federal block grants (subject to federal accountability but variable state enforcement). This fragmented reality is deliberately obscured when DHCS presents them all together on a single list, implying uniform oversight.

THE LOGICAL AND REGULATORY CONSEQUENCE:

If DHCS is able to list all 2,285+ facilities together on a single 'approved' or 'DHCS-overseen' database, then DHCS should logically be required to enforce consistent oversight standards and consistent enforcement mechanisms across all 2,285+ facilities. The fact that DHCS can consolidate them into one list but does not consolidate its enforcement standards represents a regulatory accountability gap—and this gap is precisely what enables predatory operators like Sovereign Health to exploit the system.

When Brandon Nelson's family looked at DHCS's list of 'approved' facilities and saw Sovereign Health listed, they had no way to know that Sovereign operated under a fundamentally different and vastly weaker oversight regime than government-funded competitors. They had no way to know that DHCS' oversight and state insurance oversight were operating as completely separate systems that never communicated.

DHCS's presentation of a unified 2,285+ facility list without clearly delineating the EXTREMELY SEPARATE oversight regimes is a failure of regulatory transparency and accountability. The ESCAPE Act must fix this gap.

II. SOVEREIGN HEALTH: A CASE STUDY IN FRAGMENTED OVERSIGHT FAILURE

On May 29, 2025, Dr. Tonmoy Sharma, founder and former CEO of Sovereign Health Group, was arrested at Los Angeles International Airport on a federal indictment for one of the largest healthcare fraud schemes in California's addiction treatment industry. Sovereign was listed on DHCS's approved facilities database—alongside government-funded providers and hospital-based programs that operated under completely different oversight standards.

CHARGES: Four counts of wire fraud, one count of conspiracy, three counts of illegal remunerations for referrals (maximum 75 years federal prison)

ALLEGED FRAUD SCHEME:

- \$149 MILLION in fraudulent claims submitted to private health insurers
- \$29 MILLION in unnecessary urinalysis tests (conducted by Sovereign-owned labs)
- \$21 MILLION in illegal kickbacks paid to body brokers for patient referrals
- False representations on insurance applications
- Submission of claims for services never rendered or medically unnecessary
- Aggressive patient recruitment through body broker networks

THE HUMAN COST: Brandon Nelson, a UCLA-educated aerospace engineer, died by suicide at Sovereign's San Clemente facility in 2017 while the fraud was occurring. Brandon's parents, Allen and Rose Nelson, settled with Sovereign's insurer for \$11 MILLION in 2024. The Nelsons are now co-sponsors of the ESCAPE Act because they understand that regulatory fragmentation enabled their son's death.

NEWS SOURCES & DOCUMENTATION:

- U.S. Attorney's Office (May 29, 2025): <https://www.justice.gov/usao-cdca/pr/sovereign-health-group-founder-and-ex-ceo-arrested-indictment-alleging-long-running>
- NBC Los Angeles (May 31, 2025): <https://www.nbclosangeles.com/news/local/sovereign-health-tonmoy-sharma-ceo-founder-san-juan-capistrano-santa-ana-orange-county-fbi/>

3712569/ • Insurance News Net (May 30, 2025): <https://insurancenewsnet.com/oarticle/one-time-oc-drug-rehab-mogul-tonmoy-sharma-faces-federal-criminal-charges> •
Moneywise (June 20, 2025): <https://moneywise.com/news/ex-addiction-treatment-provider-ceo-facing-charges-for-149m-fraud-now-has-detox-center-running-out-of-his-ca-home>

III. COMPARATIVE ANALYSIS: 373 GOVERNMENT-FUNDED FACILITIES DEMONSTRATE WHAT UNIFIED OVERSIGHT LOOKS LIKE

To demonstrate what unified oversight standards actually produce, I have identified 373 government-funded behavioral health facilities from DHCS's own published database. These facilities operate under genuinely integrated and uniform oversight models. Comparing regulatory records between these 373 government-funded facilities and the private insurance-dependent operators in the DHCS database will provide empirical evidence that UNIFIED STANDARDS CREATE BETTER PATIENT SAFETY OUTCOMES.

GOVERNMENT-FUNDED FACILITIES SUMMARY: Total 373 facilities (16.3% of DHCS database)

Category 1 - Government Agencies: 196 facilities County behavioral health departments, city human services programs, state-operated facilities. Examples: All County Behavioral Health Programs statewide, City of Fremont Human Services Department, Alameda Health System. UNIFIED OVERSIGHT: Government accountability + elected officials + public health standards + consistent enforcement.

Category 2 - Chemical Dependency Hospitals: 7 facilities Hospital-based SUD treatment under dual oversight (medical licensing + substance use standards). Joint Commission accredited. Examples: Gateways Hospital (LA), Children's Hospital LA, BHC Sierra Vista Hospital, Santa Barbara Cottage Hospital. UNIFIED OVERSIGHT: Medical board regulation + healthcare quality standards + psychiatric licensing + Joint Commission accreditation.

Category 3 - Block Grant Recipients: 222 facilities SAMHSA-funded community organizations including FQHCs, tribal health organizations, community mental health centers. Examples: Options Recovery Services, New Bridge Foundation, Westcare California, Turning Point, Second Chance. UNIFIED OVERSIGHT: Federal grant accountability + state certification + accreditation standards.

TOP 15 COUNTIES WITH GOVERNMENT-FUNDED FACILITIES:

Riverside: 20 | Orange: 14 | San Diego: 12 | San Bernardino: 11 | Santa Clara: 10 | Los Angeles: 8 | Fresno: 7 | Kern: 6 | Ventura: 6 | San Luis Obispo: 5 | San Francisco: 5 | San Joaquin: 4 | San Mateo: 4 | Stanislaus: 4 | Madera: 4

WHY THIS COMPARATIVE ANALYSIS MATTERS:

By comparing regulatory records between these 373 government-funded facilities (which operate under UNIFIED oversight) and the private insurance-dependent operators in the DHCS database (which operate under FRAGMENTED oversight), this subpoena will provide empirical evidence that: 1. Unified oversight standards produce better compliance and safety outcomes 2. Government-funded facilities face measurably different (and superior) enforcement 3. Hospital-based dual oversight produces superior patient safety records 4. Private insurance-dependent operators (like Sovereign Health) benefit from the regulatory fragmentation that enables fraud 5. If all 2,285+ facilities are listed together by DHCS, they should all be held to the SAME standards

IV. COMPLETE LEGISLATIVE SUBPOENA: RECORDS REQUESTED

For each of the 2,285+ facilities in the DHCS approved facilities list, I request all DHCS records from original licensure/certification to present, including: original

applications and all renewals • licensing determinations, approvals, denials • all inspection reports and survey findings • all complaints and investigative findings • all enforcement actions, penalties, Temporary Suspension Orders (TSOs), revocations • all settlement agreements • all financial relationship disclosures (Health & Safety Code § 11833.05) • all referrals to other enforcement entities (Department of Insurance, Attorney General, law enforcement)

CRITICAL ADDITIONAL REQUEST:

For the 373 government-funded facilities identified in this subpoena, provide complete regulatory records with particular attention to: • Enforcement patterns and compliance outcomes • Investigation timelines and resolution rates • Corrective action plans vs. enforcement actions (frequency and type) • Audit and grant compliance documentation • Civil penalties assessed and collected • Coordination with other state agencies (Department of Insurance, Department of Managed Health Care, Attorney General)

COMPARATIVE ANALYSIS REQUEST:

Once responsive records are produced, the ESCAPE Act work group will conduct comparative analysis to document: • Enforcement disparity: private insurance-dependent vs. government-funded facilities • Compliance disparity: corrective action plans (common in private sector) vs. enforcement actions (common in government-funded sector) • Referral disparity: substantiated complaints against private operators referred to Department of Insurance vs. government operators • Timeline disparity: how long DHCS investigations take for different facility types • Settlement disparity: whether government-funded and private operators settle compliance issues differently

V. LEGISLATIVE PURPOSE AND NEED FOR THE ESCAPE ACT

This subpoena supports the ESCAPE Act (Ending Systemic Collusion and Accountability Penalties Evasion Act), evolving from the 2019 work group led by Assemblywoman Cottie Petrie-Norris and Senator Jerry Hill. The ESCAPE Act's core principle is this: If DHCS is able to list all 2,285+ behavioral health facilities on a single 'approved' or 'DHCS-overseen' database, then DHCS must enforce CONSISTENT OVERSIGHT STANDARDS and CONSISTENT ENFORCEMENT MECHANISMS across all facilities listed.

The data requested in this subpoena is essential to:

- 1. EXPOSE THE REGULATORY ILLUSION:** Show that DHCS presents a unified 2,285+ facility list while operating under EXTREMELY FRAGMENTED oversight regimes
- 2. DOCUMENT ENFORCEMENT DISPARITY:** Prove empirically that government-funded and hospital-based facilities face measurably different (and superior) enforcement compared to private insurance-dependent operators
- 3. DEMONSTRATE THAT UNIFIED STANDARDS WORK:** Show that the 373 government-funded facilities (which operate under integrated oversight) have different compliance and safety outcomes than private operators
- 4. IDENTIFY SYSTEMIC FAILURES:** Map how the Sovereign Health case exemplifies the fragmentation problem: DHCS oversight was separate from insurance fraud investigation, separate from law enforcement, separate from patient safety oversight
- 5. GROUND ESCAPE ACT REFORM IN DATA:** Provide empirical justification for requiring unified standards rather than relying on the false promise of 'coordinated but separate' oversight regimes
- 6. PROTECT FUTURE PATIENTS:** Create an evidence base

showing that if a facility is listed on DHCS's database, it must be held to consistent standards—no more hiding behind the 'fragmented oversight' excuse

VI. FORMAT AND DELIVERY

I request electronic delivery per Government Code § 7922.570. If extended processing time is anticipated, please contact me to discuss phased production by county, application date, or funding source. I am open to reasonable phasing and will work collaboratively with DHCS to make this request as manageable as possible while maintaining access to the data needed for legislative reform.

This subpoena represents a commitment to transforming the regulatory illusion that DHCS maintains unified oversight while operating under fragmented, separate systems. Brandon Nelson's death was preventable. The regulatory fragmentation that enabled Sovereign Health to operate for years, fraudulating insurers for \$149 million while a patient died, was preventable. The ESCAPE Act, grounded in data showing what unified oversight actually looks like, will establish the foundation for real patient safety reform. Thank you for your urgent attention to this request.

Respectfully submitted,

Wendy McEntyre

Founder & Public Safety Advocate

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ENCLOSURES: (1) \$15 check (ref #L120514-081726); (2) Exhibit A—2,285+ facilities; (3) Government-Funded Facilities Analysis—373 facilities