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For immediate release

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ULS Obtains Class Certification in Suit against Northwestern Human Services

Washington, D.C. – On September 28, 2009, the Civil Division of the Superior Court of the District of Columbia granted certification for a class action lawsuit against Northwestern Human Services, Inc., NHS Lehigh Valley, Inc., and NHS MidAtlantic, Inc. (collectively, “defendants” or “NHS”). University Legal Services (ULS) and the Washington office of Kelley Drye & Warren, LLP requested class certification on behalf of the plaintiffs, Barbara Bates and Bonnie Bell, who allege that NHS breached its fiduciary duty to hundreds of poor District of Columbia residents with mental disabilities for whom it acted as “representative payee.”

Founded in 1969, NHS is a nonprofit corporation formed under the laws of the State of Pennsylvania to provide mental health services to individuals with disabilities. In 1996, NHS was appointed by the District of Columbia to provide mental health services to the plaintiffs and members of the class. Ostensibly to assist these individuals with their personal and financial affairs, defendants had themselves appointed by the Social Security Administration to become representative payee for plaintiffs’ and the class’ federal benefits payments. All funds for the individuals’ day-to-day living necessities such as food, clothing, and shelter were made directly to the defendants. NHS had exclusive control over these funds and all records relating to those funds, and were required by law to meet certain fiduciary duties with respect to the use and accounting of these funds, including a duty to use these funds solely for plaintiffs’ and the class’ benefit.

In early 2004, a whistleblower reported to government regulators that NHS was breaching its duties to the class by, among other things, mismanaging and failing to properly account for its use of plaintiffs’ and the class’ funds. On February 9, 2004, the D.C. Department of Mental Health issued preliminary findings from a focused review of NHS’ records substantiating many of the allegations and ordering immediate corrective action. Rather than take the corrective action, defendants closed their D.C. office on June 30, 2004. An independent accounting of NHS’ use of plaintiffs’ and the class’ funds has never been conducted. Plaintiffs seek equitable relief in the form of an independent accounting of the funds NHS received as representative payee for similarly situated D.C. residents and an award of monetary damages. The case is scheduled for mediation on October 28, 2009.

About University Legal Services, Inc.

Since 1996, ULS, a private, non-profit organization, has been the federally mandated protection and advocacy (P&A) program for individuals with disabilities in the District of Columbia. ULS provides administrative and legal advocacy to protect the civil rights of District residents with

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disabilities. ULS staff directly serves hundreds of individual clients annually, with thousands more benefiting from the results of investigations, institutional reform litigation, outreach, and education.