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Emily Mongan, Staff Writer

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Union report questions use of private jet by CEO of California's largest nursing home provider

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A healthcare workers union is raising concerns over money spent on a private jet by the CEO of California's largest nursing home operator. Attorneys for the CEO on Monday told *McKnight's* the union's criticism is an uninformed “negotiating tactic.”

In a [report released Feb. 16](#), the National Union of Healthcare Workers called out Brius Healthcare CEO Shlomo Rechnitz over his purchase and use of a Gulfstream jet. The aircraft was purchased through one of Rechnitz's subsidiary companies for \$3.6 million in 2013 and has since accrued \$4.6 million in operating costs, according to the union report.

Matthew Artz, a spokesman for NUHW, told *McKnight's* last week his group learned about the jet after Rechnitz requested increased reimbursements for some facilities and the union decided to investigate. The group said it collected flight data and Federal Aviation Administration records to create the report, which states that Rechnitz has flown 509,904 miles on the jet on trips to places including Cuba, Las Vegas and Brazil.

“We were trying to understand how he can claim he's losing money, and at the same time he's spending over \$3 million on a jet,” Artz said. “If [Rechnitz] has the money to buy a jet, he should have the money to run nursing homes that meet federal and state care standards. We represent 200 Brius employees ... they were very interested to see that the person who actually owns the facility can afford a jet like this.”

The 26-year-old jet in question is owned by SR Administrative Services, a company owned by Rechnitz but unrelated to his healthcare operations, attorneys for Rechnitz said in a statement to *McKnight's*. The jet also has been leased to a company that charters the plane to third parties; 70% of the flights taken on the jet in the past year were through third-party charters, the statement says.

“Other than to travel to Israel, Mr. Rechnitz has utilized the plane to fly to only two locations outside of the United States,” the statement reads. “Mr. Rechnitz traveled once to London to speak at a charity event and once to Poland with members of his family to see Auschwitz and Birkenau, where he lost grandparents and multiple other family members.”

The statement also said that Rechnitz has never been to locations cited in NUHW's report such as Brazil and Cuba.

“NUHW's story was intended to attack and slander Mr. Rechnitz with yet another below-the-belt bargaining tactic,” the statement reads. “Recently, a representative of NUHW offered to rescind [the report] and its website, which was established for the sole purpose of attacking Mr. Rechnitz and his company, in exchange for concessions in pending negotiations.”

Rechnitz's attorneys also condemned NUHW's comparison of him to Gulfstream-owning celebrities such as Tom Cruise, arguing that Rechnitz eschews lavish trips and properties to focus on his work and his “primary passion” of charitable giving.

“Mr. Rechnitz spends over half of his annual income by supporting or founding thousands of charities and charitable causes, regardless of the causes' race, religion or ethnicity,” the statement reads. “NUHW should not be questioning his priorities.”

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