Oxford House, Inc.
Annual Report
Fiscal Year
2010

Oxford House
“Celebrating 35 Years”
(Theme of the 2010 Oxford House World Convention)

Oxford House, Inc.
1010 Wayne Avenue, Suite 300
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www.oxfordhouse.org
About Oxford House, Inc.

Oxford House, Inc. is the Delaware nonprofit, 501(c)(3) corporation that serves as the umbrella organization of the worldwide network of more than 1,400 individual Oxford Houses. Its central office is at 1010 Wayne Avenue, Suite 300, Silver Spring, Maryland 20910.

Oxford House™ is a concept and system of operations based on the experience of recovering alcoholics and drug addicts who learned that behavior change is essential for recovery from alcoholism and drug addiction. They also learned that Oxford House provided the living environment that could help them become comfortable enough with abstinent behavior to stay clean and sober without relapse.

The Oxford House Manual© is the basic blueprint that provides the organization and structure that permit groups of recovering individuals to successfully live together in a supportive environment. All Oxford Houses are rented ordinary single-family houses in good neighborhoods. There are Oxford Houses for men and Oxford Houses for women but there are no co-ed houses. The average number of residents per house is about eight with a range per house of six to sixteen.

Oxford House works because it: (1) has no time limit on how long a resident can live in an Oxford House, (2) follows a democratic system of operation, (3) utilizes self-support to pay all the household expenses, and (4) adheres to the absolute requirement that any resident who returns to using alcohol or drugs must be immediately expelled. Oxford House provides the missing elements needed by most alcoholics and drug addicts to develop behavior to assure total abstinence. It provides the time, peer support and structured living environment necessary for long-term behavior change to take hold.

Individuals living in an Oxford House learn or relearn values and responsible behavior. Slowly but surely residents develop long-term behavior to assure comfortable sobriety – forever. Some individuals live in Oxford Houses a few months, others live there for many years. The residents develop each Oxford House into a place where they can learn to live a responsible life without the use of alcohol and drugs.

2010 sets another successful benchmark toward Oxford House’s goal of providing enough recovery homes for every alcoholic and drug addict in recovery to have the opportunity for Oxford House living to achieve lifelong recovery without relapse. With 35 years of steady growth and successful recovery outcomes, it is clear that the 35-year old traditions, processes and procedures permit Oxford House organization to grow and preserve quality control throughout its network of individual houses.

Silver Spring, Maryland
January 15, 2011

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Chicago convention attendees enjoyed the Friday night awards ceremony at the Navy Pier where 700 convention attendees enjoyed good food and fellowship. Representatives from more than 300 individual houses accepted awards for having faithfully – and voluntarily – contributed a total of nearly $300,000 to Oxford House World Services to help start additional Oxford Houses throughout the country.
MANAGEMENT OVERVIEW

2010 – A Year of Expansion, Communication, and Documented Success

Oxford House provides a system of low cost, self-run, self-supported housing for men and women recovering from alcoholism, drug addiction or co-occurring mental illness. Oxford House, Inc. [OHI] helps groups to rent an ordinary single-family house and to establish an Oxford House™. With 35 years of experience, OHI is the nonprofit umbrella organization for more than 1,450 individuals Oxford Houses throughout the country that have a total of 11,439 recovery beds.

Throughout the year, Oxford House focused on expansion, communication and a continued commitment to scrupulous documentation of program outcomes and encouragement of independent research. As a result of this focus, Oxford House has continued its documented success in fostering recovery without relapse.

For those just learning about Oxford House, the cover of Oxford House Manual© – which was written when the first house started 35 years ago – summarizes Oxford House in a nutshell.

It was and is “An Idea Based on a Sound System For Recovering Alcoholics and Drug Addicts to Help Themselves.” The ‘idea’ was for recovering individuals to simply rent a house and live together to help each other to become comfortable enough in sobriety to avoid relapse. In 1975, only the wildest dreamers among the founders could have imagined that Oxford House would have helped over 200,000 recovering individuals to achieve the comfortable sobriety needed to avoid relapse and function well in society without the use of alcohol or drugs. Yet that is just what has happened!

In September 2010, more than 700 Oxford House residents and alumni met in Chicago at the organization’s 12th annual World Convention to celebrate its 35th anniversary, learn the latest scientific knowledge about addiction and mental illness, and share the satisfaction that each of them had contributed to the building of a national network of 1,457 Oxford Homes providing nearly 12,000 beds for recovering alcoholics, drug addicts and those with co-occurring mental illness. Each person had a story to share about his or her experience in Oxford House and talked about ways and means to achieve the founder’s goal of giving every recovering alcoholic and drug addict the opportunity to enjoy the support of Oxford House living.
In the rooms, halls and meeting spaces of the Fairmont Hotel in Chicago convention attendees discussed the workings of Oxford House and its legacy from the self-help philosophy of AA/NA and American tradition. One relatively new resident observed that: “the Oxford House Manual© is to us is like what the Big Book is to members of Alcoholics Anonymous.” An older resident came back with: “In a way that is true, but the democratic process of operation and election of officers we use makes the Oxford House Manual© more like what the U.S. Constitution is for the whole United States. It gives us the tools to prevent ‘bossism’, pay our bills and work out the practical problems of living together in a sober house.” Conversations everywhere reflected the belief among the participants that Oxford House living had helped them to become comfortable enough in sobriety to avoid relapse. Each had found a place and a way to change their life by learning how to avoid alcohol and illicit drugs – forever.

At the convention – and at dozens of state level workshops held throughout the year – residents and alumni are trained to understand how all the parts of Oxford House, Inc. [OHI] – the national umbrella organization – work to assure quality control and adherence to the time-tested processes and procedures used by Oxford House. OHI has sole authority to approve Oxford House charters. There is no cost to the group getting a charter. A group may receive a conditional charter if it has a house that will accommodate at least six residents [either all male or all female] and agrees to three specific conditions:

- The House must be democratically self-run following the process and procedures in the Oxford House Manual©,
- It must be financially self-supporting, and
- It must immediately expel any resident who returns to using alcohol or drugs.

Initially, a charter is granted for a temporary period of six months during which time the group must demonstrate that it understands the Oxford House system of operations. Once the group shows that it understands the system of operations, it is granted a permanent charter that also has the same three conditions.

All Oxford Houses get their own Federal Tax Identification Number [FEIN] and open a checking account in the name of the individual house. The standard, disciplined system of operation requires that each house have a weekly house meeting and the house residents elect five officers who are term-limited to six months for the particular office. Each member of a house has an equal vote. Each officer has specific duties within the house designed to keep the house operating smoothly and the house finances in order.

Generally, an OHI–trained outreach worker helps a group of recovering individuals to get a new house properly established. The outreach worker is a resident or former resident of an Oxford House and has the creditability and experience needed to mentor the newly formed Oxford House. Male outreach workers serve houses for men and female outreach workers serve houses for women and women with children.
Trust But Teach

Each Oxford House™ within the large network of Oxford Houses operates the same way. The members of the house make all the decisions affecting the operations of the house. Each member pays an equal share of household expenses. Each member has an equal vote in resolving issues, admitting new members or expelling members who have returned to using alcohol and/or drugs. The group of men or women in the house live as an ordinary family but follow a disciplined, standard system of operation as set forth in the Oxford House Manual©.

A stranger walked up to a group of Oxford House attendees proudly wearing their convention badges that was gathered in front of the hotel and asked, “What is Oxford House?” She was enthusiastically told about Oxford House and continued to show interest. “Who manages each house,” she asked. “We do,” was the response. Several added, “Its simple. The inmates run the asylum.” Everyone laughed, but the group went on to explain in detail about the weekly house meetings, the election of five house officers, the term limits of six months, the duties of each officer, the way individuals are “voted in” and the sadness when a member is “voted out” because of relapse. That snapshot illustrated why Oxford House has succeeded – it trusts recovering individuals to help themselves by helping each other and gives them the standard system of operation that works and permits such trust to be justified.

For thirty-five years, the story of Oxford House has been told and retold – over and over and over – by the ever-growing number of Oxford House residents and alumni and by thousands of friends in the treatment profession, court system or recovery community. More than 200,000 individuals have moved through an Oxford House somewhere in the country. Each has been “voted into” the house and most have not been “voted out” because of relapse. Since 1991, when CBS aired a segment about Oxford House on “60 Minutes”, every newcomer to an Oxford House is shown the video as his or her first indoctrination to the democratically run, financially self-supported Oxford House system of operation. At first, the newcomer learns just the basics, “Don’t Drink;” “Don’t use drugs;” “This is the equal share of household expenses;” “Here is the kitchen;” “This is your shelf in the frig;” “Be at the weekly business meeting at 7 PM on Monday;” and “Here is your key to the house.”

The new resident starts out by avoiding the use of alcohol or drugs because he or she does not want to be thrown out and quietly takes pride that he or she has been trusted enough to get a key to the house. At the first meeting people are friendly but the newcomer just sits and listens. The meeting follows a specific schedule and the newcomer is told he has an equal vote and is expected to vote whenever the group has a vote on a motion or a resolution. Everything is open and reports are given about the last meeting, the house checking account, bills paid, bills due and upcoming events. When it is over, other house members will probably ask the newcomer how things are going and get early impressions about the meeting. The chore coordinator will explain
that he has a chore to do daily or before the next meeting. The treasurer will remind him that his next equal share of expenses is due by a date certain. Nationally the average weekly share of expenses is about $100 a week with a range of $85 to $150 a week depending on the rent the group pays the landlord for the particular house. Within a few weeks the newcomer will probably have had to vote on admission of a new resident and may well have been elected to a house office himself – but by then he or she is an old-timer in Oxford House and will share his knowledge about how Oxford House operates with the next newcomer. Now he or she avoids taking a drink or using drugs in order to set a good example. Before long, abstinence is becoming a habit and sobriety is becoming more comfortable week by week. At some point, the individual will feel comfortable enough in sobriety to move on to make room in the house for someone else but he or she knows that voluntarily moving out is entirely up to the individual. Sometimes a resident becomes so dedicated to helping others that he or she will move to a newly-established Oxford House to help teach others the Oxford House system of operation. Officers from clusters of Oxford Houses in a given area meet once a month as a chapter to share knowledge from older group homes with newer ones. This sharing of strength, experience and hope provides a frontline tool to assure quality control.

The role of the outreach worker has turned out to be very important. Since expansion began, more than 157 trained outreach workers have traveled from Alaska to Australia to teach others in recovery from alcoholism and drug addiction how an Oxford House™ works and to explain why living in an Oxford House™ is the best road for achieving recovery without relapse. The outreach worker is trained by OHI for the following tasks:

- Finding a suitable house to rent
- Getting a charter from OHI
- Getting an FEIN number from IRS
- Recruiting initial residents
- Teaching residents the system of operations
- Building mutually supportive chapters
- Balancing supply of houses to demand
- Developing linkages to providers
- Working with drug courts
- Working with parole officers
- Working with veterans organizations
- Developing employment linkages
- Documenting success/failure
- Trouble shooting problems
- Coordinating with state and local agencies

Financing of outreach workers comes from two sources: [1] contracts with local or state governments and [2] voluntary contributions from existing Oxford Houses. At the first Oxford House World Convention in 1999, the residents and alumni voted to suggest that each Oxford House send monthly contributions to OHI to further expansion. Such contributions are entirely voluntary because any mandatory contributions or dues would require charter revocation if they were not forthcoming. To encourage regular voluntary contributions from the individual houses, the OHI Board established the “100-Year Awards,” underscoring that the long-term success of Ox-
Ford House depends on total financial self-sufficiency. Time has shown that the voluntary scheme has produced a rewarding outcome. During 2010, 32% of the houses made regular contributions totally nearly $300,000. This income covers uncompensated overhead and permits outreach to states and areas where local government agencies do not contract with OHI to provide outreach workers to develop networks of self-run, self-supported Oxford Houses.

Many states have entered into agreements with OHI to provide trained outreach workers to develop statewide networks of Oxford Houses. In 2010, the average cost to train, supervise and utilize an outreach worker was $80,000.\(^1\) OHI also manages the start-up revolving loan funds that some states have established under the provisions of the federal 1988 Anti-Drug Abuse Act [42 USC 300x-35]. These loans permit a new group to get a $4,000 start-up loan – repayable to the fund within two years – that provides some help in putting up the security deposit to rent a house and to buy some beds.\(^2\) The private-public partnership between OHI and states or local government entities has been an important tool in the development of a national network of 1,457 Oxford Houses.

**Private Public Partnerships**

During 2010, thirty-two outreach workers worked around the United States to establish new houses and to help keep existing houses on track. Their efforts accounted for the addition of more than 100 new Oxford Houses in the national network of Oxford House. For example, the State of Washington has utilized the services of OHI since 1991. Today, there are 221 Oxford Houses in the state providing 1,850 recovery beds. During 2010, outreach workers in the provided technical service to help keep existing houses on track and started 19 new houses. Nearly 4,000 recovering individuals lived in the Washington State houses during the year with 823 [20.1%] relapsing. The six outreach workers monitored the equivalent of 221 traditional halfway houses [assuming each traditional halfway house had 8.4 residents], which would have cost over $52 million dollars a year just to pay staff.\(^3\) The state

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1 The $80,000 cost includes salary, FICA taxes, health insurance and expenses. Salary ranges from $26,000 to $40,000, FICA taxes averaging $2,700, health insurance averaging $7,000 and expenses for automobile travel, training, lodging and telephone accounting for the remainder.

2 Other household furnishings, linens, dishes and so on are usually donated by folks in the recovery community and community at large.

3 $230,000 per halfway house multiplied by185 houses equals $50,830,000.
cost under the contract with OHI is about $450,000 [six outreach workers] or about 10% of the cost for a comparable statewide network of traditional halfway houses. Moreover, the long-term recovery of Oxford House residents greatly exceeds the long-term recovery for residents of traditional halfway houses. The Oxford House network in Washington State is dispersed throughout the state from Spokane in the east to Seattle in the west and from Vancouver in the south to Bellingham in the north. Since all the houses are rented, landlords paid real estate taxes to the local communities where the houses are located. Residents in Washington paid landlords, utilities and other household expenses of about $9,620,000, had earnings of about $32,015,808 and paid FICA taxes of about $2,449,209. This impact on the economy of the state and nation is vastly different from when the residents were active addicts.

The profile of the Washington State Oxford House residents is similar to the national profile of Oxford House residents. The average age is 37 with a range from 18 to 77. The past history of the residents included 70% with prior homelessness, 86% with prior jail time and 18% with military service. A survey completed by more than 900 residents in Washington Oxford Houses at the end of 2009 shows where residents were living just prior to moving into an Oxford House. Nearly 22% were homeless and 12% came into Oxford House directly from jail. Surveys of Oxford House residents in other states show similar results. The alternative to Oxford House living is often homelessness or incarceration.

During 2010, OHI had agreements with a number of state and local government entities to provide hands-on technical assistance to establish networks of Oxford Houses in specific geographic areas. The agreements cover two essentials for Oxford House development: [1] start-up loans to new houses, and [2] technical assistance to teach the house residents the system of operation and to organize support organizations including workshops, chapters and state associations designed to enable self-sufficiency and quality control. In addition, OHI chartered new houses wherever members of the recovery commu-

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4 Assumes 80% working and based on 2009 survey showing monthly earnings of $1,793.

5 The website: www.oxfordhouse.org provides a number of state evaluations that can be downloaded.

6 State agencies included Washington, Hawaii, Wyoming, Oklahoma, Texas, Louisiana, Missouri, North Carolina, Virginia, West Virginia, New Jersey, Delaware and the District of Columbia. States through local agencies or foundation or individual grants included Colorado, New Mexico, Pennsylvania, Maryland and Michigan.
nity or a treatment provider was interested in developing Oxford Houses either to serve a particular community or to demonstrate to government officials the value of self-run, self-supported recovery homes to make recovery without relapse the norm rather than the exception. Whenever state agencies have responded by entering into an agreement with OHI, it has helped them to develop a number of cost-effective Oxford Houses.

Historically, § 2036 of the 1988 Anti-Drug Abuse Act [PL 100-690; 42 USC 300x-25] served as a catalyst for expansion of Oxford Houses throughout the country. That section of the law originally mandated that each state receiving a federal block grant to combat alcoholism, drug addiction and mental illness establish start-up revolving loan funds for self-run, self-supported group recovery homes adhering to the Oxford House model. In 2000, with the support of OHI, the mandate was changed to a permissive option. Unfortunately, many states decided not to maintain their revolving loan funds. Even though Oxford House has continued to expand, the lack of a start-up loan fund in many states has slowed expansion.

Philosophically OHI continues to believe that attraction – rather than government mandates – should be the driving force for Oxford House development. However, government support has been a critical element with expansion of Oxford House. Where they exist, the partnerships between OHI and state behavioral health agencies have been useful for creating an effective path to long-term recovery. Interventions and treatment for addiction and co-occurring mental illness tend to be quite Balkanized and often are ineffective in assuring a continuum of care even where long-term monitoring is considered a best practice. Oxford Houses are able to serve all recovering individuals irrespective of their varied paths to treatment. In the process they can improve treatment outcomes for primary providers. Greater support from governmental and private entities is needed for the program to meet the need. It can happen as these entities learn more about Oxford House success and its cost-effectiveness.

As the United States map at the left shows, Oxford Houses have a base in almost every state. The model works best where a state-wide network of houses can be established so that they can help each other to stay on track and expand to better meet demand. At the end of 2010 Oxford House had at least one house in 43 states. The goal for the coming year is to develop houses in the seven states not having an Oxford House – Mississippi, Georgia, Indiana, Idaho, South Dakota, North Dakota and Montana.
Expansion

As previously noted, Oxford Houses exist in 43 states and the District of Columbia. In 2010, new Oxford Houses were created in 28 states. The vast majority of new houses were created in states where there is some government support provided for the creation and oversight of Oxford Houses. This follows the pattern established in the early years of Oxford House when the Anti-Drug Abuse Act of 1988 was enacted with a start-up loan provision for self-run, self-supported recovery homes. Since the cost of the initial month’s rent is the greatest outlay required for the start of a house, the availability of $4,000 per house start-up loans provided the catalyst for the expansion of a small cluster of Oxford Houses in 1988 to the large network of houses that exist today.

New Mexico now has two Oxford Houses for men in Albuquerque because of a donation made by an individual that enabled OHI to send an outreach worker into the state to find a suitable house, recruit recovering individuals to live in it and to teach them the Oxford House system of operations. The first new house started in June is dedicated to two brothers – whose picture is held by their parents in the picture at the left. Both young men died from substance abuse and their father honored their memory by providing the resources to bring Oxford House to the state. By August, the presence of the first house brought about a second house. As treatment providers, drug court judges and the recovery community become acquainted with the support an Oxford House can provide, it can be anticipated that many more houses will be started in the state. Thanks to another donation by the Daniels Fund, the outreach worker has been able to stay in New Mexico to establish more houses and begin a viable statewide network of houses.

While each individual Oxford House is self-supporting, the Oxford House program is not cost free. Creating a new house requires the provision of a start-up loan to cover one or two months’ rent and utilities and the cost of outreach assistance to teach new residents the rules of the road. While states are no longer required to maintain start-up loan funds, some states do maintain such funds and provide additional support for outreach workers. In the case of New Mexico, non-governmental funds have provided the resources to give Oxford House a presence. Once estab-

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7 There are also houses in Canada [23], Australia [2] and Ghana [2] with interest expressed among the recovery communities in several other countries. The great need in the United States continues to the primary focus of OHI.

8 Bruce Stadel, MD provided a generous grant to OHI for the purpose of sending an outreach worker to New Mexico to start Oxford Houses there. Dr. Stadel’s contribution was supplemented by a grant from the Daniels Fund and New Mexico now has two Oxford Houses for men, which should be a beginning for development of many more Oxford Houses in the state. New Mexico had been one of eight states not having Oxford Houses. Now there are only seven states without Oxford Houses.

9 The Daniels Fund has also provided funding to enable OHI to have an outreach worker in Colorado where there are now 16 Oxford Houses – 3 for women and 13 for men providing a total of 109 recovery beds.
lished, an Oxford House serves as an example of what can be done to reverse the common treatment outcome of relapses and recycling of addicts through primary treatment or incarceration.

At end of CY 2010, there were 1,457 Oxford Houses [1,097 for men; 360 for women] with a total of 11,439 recovery beds [8,630 for men; 2,809 for women]. During the year, about 24,000 recovering individuals lived in the national network of Oxford Houses with individuals moving in and out either voluntarily or because of relapse.

Of the total population, 4,592 [19.3%] residents were expelled because of relapse. Since inception in 1975, over 200,000 people have lived in Oxford Houses and an estimated 80% have stayed clean and sober. Because of its proven success in stemming relapse and extremely cost-effective operation, Oxford Houses is on the leading edge of a new paradigm in making cost-effective recovery without relapse available to thousands of individuals suffering from alcoholism and drug addiction.

Communication

Oxford House coordinates the operation of a large network of self-run and self-supported houses and operates on a very lean budget. Wherever possible, it seeks efficiencies and works to consolidate gains in order to accomplish as much as possible. Key to achieving these goals is efficient and effective communication.

The Oxford House website: [www.oxfordhouse.org](http://www.oxfordhouse.org) provides an open window to all of Oxford House’s material and finances. It is also used to collect vacancies from the entire network of houses on a real time basis. This enables providers, correctional systems and the recovery community to have ready access to where houses are located and where vacancies exist. It also has important links to research data, evaluations and other recovery resources.

Modern technology plays an important role in monitoring house operations. Each week the Secretary of each house checks into the website [www.oxfordhouse.org](http://www.oxfordhouse.org) using a unique password to report: [1] vacancies existing, [2] expulsions during the prior week, and [3] successful transitions

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10 The estimate is based upon actual counts of relapses during the last five years and various survey studies done by DePaul University under grants from NIAAA and NIDA.
from Oxford House to other living arrangements. They also provide the new address for those who made successful transitions and OHI encourages them to stay active as alumni members. Each month OHI reminds houses of their responsibility to report in if the Secretary for a particular house has failed to report to the website for two or more weeks. Where OHI has an outreach worker in the field, he or she gets a report of house participation and takes corrective action whenever a house shows a pattern of non-compliance. A side benefit of the weekly “base touching” is that treatment providers and others are able to learn from the website where vacancies exist on a real-time basis. It also is a quality control tool of OHI along with regular monitoring and feedback from landlords and the recovery community in an area.

Oxford House also communicates regularly with its network of houses through newsletters and area workshops to teach the standard system of operation to an ever-changing resident population in the local Oxford Houses. Chapter officers, to make certain that residents understand the duties and responsibilities of house officers, conduct local workshops. In 2010, more than 100 workshops were conducted at the chapter level and 15 were conducted as part of state associations of Oxford Houses.

Another important vehicle for providing communication, mutual support and encouragement, and education for Oxford House residents (as well as outreach workers, state and local government representatives, and non-profit organizations in attendance) is the annual Oxford House World Convention. Over a 3-4 day period, conference participants – many of whom had been in jail or homeless within the last year – travel to the convention city where they stay in a top hotel and attend workshops, listen to researchers and government drug and alcohol leaders, elect representatives to the Oxford House World Council, and socialize and network. In September 2010, the 12th Annual Oxford House national convention was held in downtown Chicago at the Fairmont Hotel. Leaders in government, academia, and the recovery community joined more than 700 residents and alumni at the Chicago convention to share insights into addiction and Oxford House operations.

While communication within the Oxford House network is essential to its operation, external communication is equally necessary. Oxford House staff and residents work with the treatment community to educate them about the program and also keep alcohol and drug agency personnel updated on progress and challenges. Oxford House is somewhat unique in the attention it pays to assuring that the civil rights of recovering alcoholics and drug addicts are respected. Oxford House won a Supreme Court case in 1995 and continues to aggressively litigate cases when appropriate and is known as a leader in the field of housing discrimination. Taking

While NIMBY problems are less prevalent today than when expansion began in the 1990s, they still occur. For example, in 2010 OHI settled a federal case against Garner, NC where the town had tried to limit the number of residents in an eight-man house to six. The United States De-

\[\text{CITY OF EDMONDS v. OXFORD HOUSE, INC., ET AL. 514 U.S. 725 (1995)}\] found that recovering alcoholics and drug addicts are “handicapped” within the meaning of the Federal Fair Housing Act 1988 Amendments and therefore a protected class under the act. This permits groups of recovering individuals forming an Oxford House to rent single-family houses in good neighborhoods even though the NIMBY problem continues to erupt. Localities must make a reasonable accommodation in local zoning laws to allow rental in good neighborhoods. Oxford House intervened to inform local zoning officials about the rights of recovering individuals to live together just like an ordinary family. In most situations, the matter is resolved without litigation, however, in 2010 OHI was involved in protecting the rights of individual Oxford Houses in Federal Court in six cases.
partment of Justice joined OHI in the litigation and after six years of negotiation the town agreed to reasonable accommodation. OHI also prevailed in federal litigation that overturned a prohibition on group homes of more than six persons by Suffolk county New York (687 F Supp 2d 237, February 11, 2010). A number of other cases are in various phases of litigation and, because of the protections against discrimination under the Federal Fair Housing Act, OHI is expected to prevail. Defendant parties pay the legal costs involved in such cases under the civil rights acts. The prohibition against housing discrimination of recovering alcoholics and drug addicts extends to landlord insurers and fire safety regulations. In short, Oxford House groups are treated the same way an ordinary family renting a house would be treated. This principle is an important linchpin for expansion of not only Oxford House, but also, for all group homes to enable handicap individuals to be able to utilize the peer support inherent in behavioral oriented group homes.

**Documenting Success**

From the outset, Oxford House residents and alumni were determined to document success and failures in an open and straightforward manner. Today, modern technology permits OHI to list vacancies in real-time and collect data that not only helps the organization to balance supply and demand but also give researchers valuable data to better understand the recovery process. In a recent book, Jeffrey D. Roth, MD, Board Certified in Addiction Psychiatry, wrote:

> While research on AA has been limited by the role of anonymity in recovery, the willingness of Oxford Houses to open their doors to academic research gives us an opportunity to see recovery from addiction in action.12

Facts about the ways and means to deal with alcoholism and drug addiction are sometimes obscured by anonymity, social stigma, quack cures and folklore. From its beginning in 1975, Oxford House has been gathering and reporting facts about recovery for residents and alumni. Some facts were easy to acquire, such as keeping track of individuals expelled from Oxford House because of relapse. Others became easier to ascertain after 1987 when William Spillaine, Ph.D. surveyed Oxford House residents and alumni to establish basic profile data about both current and former residents. Academic research about Oxford House, its residents and alumni began in 1991 following the CBS “60 Minutes” segment about Oxford House when Leonard Jason, PhD, a psychology professor at DePaul University in Chicago asked for permission to study Oxford House. Soon thereafter, both the National Institute on Drug Abuse [NIDA] and the National Institute on Alcoholism and Alcohol Abuse [NIAAA] began to provide Dr. Jason and his colleagues funding to study Oxford House in depth. They have published four books and more than 125 peer-review academic journal articles based on data obtained from numerous national and local studies.13

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13 A complete list of published research is downloadable from the Oxford House website: [www.oxfordhouse.org](http://www.oxfordhouse.org) by clicking on “About Us/Resources”.

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The DePaul studies look at the behavior of many different groups of individuals living in the Oxford House environment — Latinos, deaf individuals, women, men, ex-offenders from the criminal justice system, and so on. Several studies confirmed early findings that the odds of a recovering alcohol and/or drug addicts staying clean and sober are much higher for Oxford House residents than for those going home or elsewhere to live following primary treatment.14

**Addicts with Co-occurring Mental Illness**

Nationally many individuals in recovery from addiction to alcohol or drugs have co-occurring mental illness.15 This is also true among Oxford House residents. When DePaul researchers gave 897 Oxford House residents [604 men, 293 women] the PSI [Psychiatric Severity Index] test — a significant predictor of mood and anxiety disorders among substance abusers — half were found to have such disorders and half of that group had serious mental disorders. More significantly, the researchers found that those with co-occurring mental illness did well within the Oxford House environment — that is, they stayed clean and sober and took the right amount of medicine at the right times to stabilize their co-occurring disorder.16 John M. Majer, Ph.D. moderated a General Session panel at the Chicago Oxford House World Convention that included Ken Hoffman, MD [OHI Board Member and Clinical Director for Mental Health Services at the Department of State], Charlene LeFauve, Ph.D., [Chief of the Co-Occurring and Homeless Activities Branch, HHS], Dr. Rochelle Head-Dunham [Director of the Office of Behavioral Health, Louisiana] to highlight the value Oxford House living provides to those in recovery from addiction with co-occurring mental illness.

The experts and DePaul study confirmed what residents and alumni of Oxford House had known throughout its history. Recovering individuals with co-occurring mental illness do very well in an Oxford House. In a nutshell, Oxford House residents intervene when an individual with co-

14 See ‘state evaluations’ at the Oxford House website for comparisons – 10% of alcoholics still clean and sober 18 months after treatment [Ludwig], 20% of alcoholics staying clean and sober over a lifetime [Vaillant], 13% of cocaine addicts staying clean one year following treatment [Rand] or 10.7% of men and 9.5% of women staying clean and sober six months after a traditional halfway house stay [Goldsmith]. See a DePaul study of Oxford House residents: follows: 897 residents living in 219 Oxford Houses for 27 months and found that 87% stayed clean and sober. Jason: Addictive Behaviors 32 (2007) 803-818. Another study using a control group [150 with one-half randomly selected to live in an Oxford House after primary treatment] found that 64.8% of Oxford House residents stayed clean and sober for 24 months versus only 31.3% of control group. Jason: American Journal of Public Health, Oct 2006; Vol. 96, pp1727-1729. Both DePaul articles can be downloaded under “Publications/Evaluations/DePaul.”

15 Approximately, four million Americans recovering from substance abuse also have other psychiatric disorders according to researchers in the field [Abou-Saleh and Janca 2004; Grant et.al.2004; Reigier et al 1990].

occurring mental illness stops taking his or her medicine or exhibits behavior that is irrational. The intervention by an Oxford House group is informed because the members’ experience and empathy with the resident in trouble give them leverage to motivate the afflicted individual into effective treatment. The fact that recovering individuals with co-occurring mental illness do well living in an Oxford House lends support for the further expansion of houses. Society has not done well in providing recovery resources for mentally ill individuals. Oxford Houses can provide some resources – at least for the mentally ill who have become addicted to alcohol or illicit drugs in an effort to treat their illness.

Veterans with Addiction and Co-occurring Disorders

During 2010, about 20% [2,200] Oxford House residents at any one time were veterans. Retired Admiral Paul Mulloy USN [OHI Board member] and Retired General Barry McCaffrey [former Drug Czar] – pictured at the left – have urged that Oxford House reach out to the nation’s veterans who are struggling to beat addiction and often PTSD or other battlefield casualties. In May, General McCaffrey even sent a personal letter the Secretary of the Department of Veterans Affairs stating that he believed Oxford House could significantly alleviate the problem of homeless veterans. That hope continues to be a goal of OHI. With modest funding a number of Oxford Houses could be established close to VA hospitals treating substance abuse and after primary treatment the veteran could move to an Oxford House. While some houses might be populated only by veterans, OHI believes that integration into the general recovery population would best serve the veteran in recovery – both to achieve sobriety comfortable enough to avoid relapse and to become accustomed to civilian society.

Pamela Woll [pictured at left] is the author of the book, Finding Balance After the War Zone: Considerations in the Treatment of Post-Deployment Stress. At the Chicago convention she made two breakout panel presentations explaining PTSD and its treatment with particular reference to veterans from the Iraq and Afghanistan wars. Each panel session was over-flowing because many of the Convention attendees had first-hand experience living with recovering individuals having co-occurring mental illness including PTSD. Whether or not the Department of Veterans Affairs is willing to financially support the development of additional Oxford Houses, OHI will continue to reach out to recruit recovering veterans for existing recovery beds. They not only master recovery but they also provide leadership within houses and chapters. In return each of the veterans is assured a path to recovery and a secure path of integration back into civilian society.

17 The profile of Oxford House residents show that 58% of the residents had been homeless for an average of six months, which unfortunately is often a condition associated with those having substance abuse with co-occurring mental illness.
On-going Research and Evaluation

To date, over 100 peer-reviewed articles have been published in scholarly journals. Many of the publications are available on the Oxford House web site (www.oxfordhouse.org) and can be downloaded from the site under “Publications/Evaluation/DePaul”. A list of all the peer-reviewed published articles can be downloaded from the website under “About Us/Resources.”

Oxford House maintains an extensive database of information about Oxford House residents. Compiled by Oxford House with the consent and enthusiastic support of the residents, the survey data are analyzed and reported and made available to outside researchers who wish to review them. The Internet has facilitated data collection and the culture of Oxford House places a high value on data collection and evaluation.

The duties of the elected secretary of each Oxford House include using the Oxford House website to submit specific data each week. In addition to such data collection, annual profile surveys are conducted and all houses work through OHI to cooperate with academic researchers. By using the weekly check-in from the individual house, conducting periodic surveys and utilization of outreach workers, OHI is able to monitor the quality of the national network of Oxford Houses. As part of such monitoring OHI is able to ascertain where demand for recovery support exceeds the supply of Oxford House recovery beds and can reach out to local recovery communities to expand the number of houses in particular areas.

Frontline Oxford House Developers

At the Annual Oxford House World Convention very few awards are presented but every single award is important because the awardees have made a special contribution to the success of Oxford House. The Chicago convention awardees, pictured above, are all alumni of Oxford House who have been the frontline developers for new houses and assurance that the civil rights of Oxford House residents are protected. Greg has won court cases, Rich has pioneered development all over the country and is now in Butler, PA, Judy has opened many women’s houses in Washington and is primary coordinator between OHI and the Oxford House World Council – the advisory group elected by residents and alumni at each convention.
LOOKING AHEAD

Oxford House has evolved from a single house in 1975 to a national network of 1,457 houses. During its 35 years, thousands of residents and alumni have contributed ideas to improve operations. In its transformation from a small local resource for recovering individuals to a national organization it has utilized a measured but effective partnership with state and local governments. This proven model is the blueprint for further expansion.

The catalyst for expansion of the local cluster of 13 Oxford Houses in the Washington, DC area between 1975 and 1989 was enactment of the 1988 Anti-Drug Abuse Act. That law, which established the federal Drug Czar, required states to establish a small revolving loan program to help recovering individuals rent a house suitable to be a supportive recovery home.\(^\text{18}\) The various state revolving loan funds provide groups of six or more recovering individuals of the same gender the money to rent an ordinary house. The Oxford House Manual© provides the time-tested blueprint to start and maintain a successful recovery home. Experience has shown that the other element needed to assure development is the utilization of a trained outreach worker and that costs money. Each outreach worker costs Oxford House about $80,000 a year for salary and expenses including health insurance.

Once a statewide network of Oxford Houses is established, OHI uses workshops, state associations and chapters to keep all the houses on track and in compliance with their individual charter conditions. The charter conditions are three in number: [1] the group must be democratically self-run following the processes and procedures of the Oxford House Manual©, [2] the group must be financially self-supporting and pay all its household expenses on time, and [3] the group must immediately expel any resident who returns to drinking or using drugs.

Key to future expansion on a larger scale are [1] the enactment of Federal incentives for state agencies to maintain revolving start-up loan funds and utilization of Oxford House outreach workers, [2] continuation of independent research, and [3] improved linkages with treatment providers and prison re-entry programs to afford greater opportunity to make recovery without relapse the norm rather than the exception.

\(^{18}\) §2036 of the 1988 law mandated states receiving federal block grant funds for substance abuse and mental illness treatment had to establish a state revolving loan fund to make start-up loans of $4,000. Even though the $4,000 cap has been eroded by inflation – it equals $7,434 in 2009 dollars – and the law is now permissive rather than mandatory, 149 new houses were started in 2009 and 126 in 2010. Oxford House prefers the permissive rather than mandatory requirement but the cap should be increased to at least $6,000.
Development Incentives

Traditionally, Oxford House has been very careful not to become dependent on government funding for fear of undermining its self-help culture. However, working partnerships with states have been developed throughout the country from Hawaii to New Jersey; Washington to Louisiana. Most states that have statewide networks of self-run, self-supported Oxford Houses have utilized Oxford House outreach workers. As part of the partnership with states, OHI becomes a buffer between the state agency and any NIMBY political issues that may arise. In most cases a house is rented and begins operation without any controversy. When NIMBY controversies arise, Oxford House constructively deals with the problem without state officials having to become involved. The federal government could encourage more states to follow the example set by states now having partnerships with OHI. For example, targeted matching grants up to a limit of $200,000 to help pay for trained outreach workers.19

Continuation of Independent Research

Both NIAAA and NIDA have supported the behavioral research necessary to understand the dynamics that have made Oxford House outcomes so impressive. Continued funding of this academic research would be welcome – particularly to compare outcomes and quality control between the Oxford House model and other recovery homes including traditional halfway houses and therapeutic communities. Oxford House will continue to encourage all residents to cooperate with researchers to better understand the recovery process. At the same time, Oxford House will continue its own collection of data to understand the profile of those being served and the overall balance between supply and demand for Oxford Houses in each state.

Improved Linkages

Already Oxford House has developed relationships with the treatment community, the corrections community and the recovery community. While 20% of residents are veterans, Oxford House hopes to develop closer relationship with the Department of Veterans’ Affairs to better serve those who have served the nation – particularly homeless veterans and other veterans being treated in VA Hospitals or those living in a veteran’s domiciliary. Once a coordinated development program is established with the Department of Veteran’s Affairs, it is hoped that research by the department will examine the effectiveness of the Oxford House model compared with ordinary behavioral treatment in VA hospitals. Our hypothesis is that they will be able to reduce costs and improve outcomes.

Recovering individuals leaving incarceration face a difficult problem when they re-enter society. Often they return to old neighborhoods, fall back into addictive use, commit another crime and are recycled through incarceration. About 80% of present Oxford House residents have done jail time averaging about 13 months. Almost all of them are staying clean and sober in an Oxford House and are becoming comfortable enough in sobriety to avoid relapse when they move out of a house. At present most residents come into an Oxford House by chance because of referral by counselors or recovering individuals in 12-Step programs. Recovering individuals incarcerated have less of a chance to learn about or to apply to an Oxford House. In North Carolina and Washington, OHI has developed specific programs to mentor recovering individual making the

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19 For the last thirty years the federal approach has been to provide block grants to states for treatment of substance abuse and mental illness [42 USC 321] and has prohibited states from using other federal funding to meet any matching requirements. That restriction could be set aside for a time to provide a low cost incentive for states to begin or enlarge a statewide network of self-help Oxford Recovery Homes.
transition from prison to community. Already it is clear that by living in an Oxford House such individuals are able to become comfortable enough in sobriety to avoid relapse and subsequent incidents of criminal behavior. With state and local budgets under fiscal pressure, we hope that many more states will utilize OHI to reduce the recycling of alcoholics and drug addicts in and out of treatment and incarceration.

Lower Health Care Costs

Health care costs continue to increase faster than inflation. Behavioral health care is a particular problem because substance abuse and mental illness require behavior change. The TEDS [Treatment Episode Data Set] data shows that only a small percentage of alcoholics and drug addicts get any treatment – about 20% – but even those individuals who are treated are generally repeat customers. Of the 1.7 million receiving treatment in 2008, the latest available statistics, show that over half had been through treatment an average of twice before the present treatment episode. Some will accept such outcomes with the rationale that addiction is a chronic disease and relapse is to be expected. Oxford House shows that does not have to be the case. Most residents in Oxford House become comfortable enough in sobriety to avoid relapse.

The emphasis on self-help within the network of Oxford Houses illustrates how health care costs can be reduced and simultaneously made more effective. For example, in 2010 Oxford House residents paid landlords and other household expenses of about $59,000,000. OHI central service operations expenses for establishing the new houses and keeping existing houses on tract were only $2,847,618.

Americans Together Can Solve Problems

Old-timers remember how everyone pitched in during WWII to help America win the war. Their stories – in and out of Oxford House – about victory gardens, collecting pots and pans to use in war production plants, and buying War Bonds are legion. Today, it sometimes seems more difficult for ordinary people to work together to solve big problems. A few years ago the sociologist Robert Putnam wrote the book “Bowling Alone.” When he was told about Oxford House residents and alumni working together, he acknowledged that 12-Step programs were an exception. In reality the recovering alcoholics and drug addicts associated with Oxford House have set a good example of how American self-help is alive and well and can solve big social problems – if given the opportunity. Oxford House provides a practical opportunity for ordinary citizens – in communities large and small – to work together to establish a way for recovering individuals to become comfortable enough in sobriety to avoid relapse. The 1,457 Oxford House bear witness to the fact that the ordinary citizens of today can work together to solve problems just like their relatives did in WW II. Instead of victory gardens, encouragement can be given to landlords and their local recovery community to establish an Oxford House. The residents will pay to help themselves but the community needs to show the interest, support the movement and be tolerant of having Oxford Houses rented in good neighborhoods. The 35-year experience of Oxford House has blazed the trail. It is now up to leaders in government and the health care field to use their organizing skills to provide the incentive for everyone to pitch in to solve the problem.

20 wwwdasis.samhsa.gov/webt/information.htm
Leon Conlon [left] was the AA speaker and Bernie Lee [right] was the NA speaker at Chicago Oxford House World First General Session audience – part of the 710 Convention attendees

2010 Women’s Conference Precedes Convention

187 Women residents and alumni have a five-hour conference a day before convention.

Bob Lindsey CEO of NCADD and Paul Molloy OHI with Bill White [right] Convention Keynote Speaker

Washington State Delegation

Chicago at dusk
A few of the Nation’s Oxford Houses – 104 pages like this would show all 1,457

Serving 426 cities in America with 1,457 self-run, self-supported alcoholism and drug addiction recovery homes.
Good Houses in Good Neighborhoods

Oxford House - Vasser, at the left, was established in June 1990 in Audubon, New Jersey. It provides home to ten recovering women. Since established, more than 190 recovering women have lived in the house many of whom had been homeless. Today, there are 75 Oxford Houses in New Jersey – 15 for women; 60 for men – 587 recovery beds.

Creating an Effective National Recovery Network One House at a Time

National Oxford House Resident Profile

<table>
<thead>
<tr>
<th>Category</th>
<th>Number/Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Women’s Houses:</td>
<td>362</td>
</tr>
<tr>
<td>Number of Houses For Men:</td>
<td>1,096</td>
</tr>
<tr>
<td>National Network of Houses:</td>
<td>1,458</td>
</tr>
<tr>
<td>Number of States with Houses:</td>
<td>44</td>
</tr>
<tr>
<td>Cost Per Person Per Week:</td>
<td>$100</td>
</tr>
<tr>
<td>Percent Veterans</td>
<td>18%</td>
</tr>
<tr>
<td>Residents Working 6/15/09:</td>
<td>92%</td>
</tr>
<tr>
<td>Percent Addicted To Drugs or Drugs and Alcohol:</td>
<td>74%</td>
</tr>
<tr>
<td>Race --</td>
<td></td>
</tr>
<tr>
<td>White;</td>
<td>66%</td>
</tr>
<tr>
<td>Black;</td>
<td>23%</td>
</tr>
<tr>
<td>Other</td>
<td>10%</td>
</tr>
<tr>
<td>Marital Status --</td>
<td></td>
</tr>
<tr>
<td>Never Married</td>
<td>48%</td>
</tr>
<tr>
<td>Separated</td>
<td>16%</td>
</tr>
<tr>
<td>Divorced</td>
<td>31%</td>
</tr>
<tr>
<td>Married</td>
<td>4%</td>
</tr>
<tr>
<td>Widowed</td>
<td>1%</td>
</tr>
<tr>
<td>Prior Homelessness:</td>
<td>58%</td>
</tr>
<tr>
<td>Prior Jail:</td>
<td>78%</td>
</tr>
<tr>
<td>Average Time Homeless:</td>
<td>6 Mos.</td>
</tr>
<tr>
<td>Average Time in Jail:</td>
<td>13 Mos.</td>
</tr>
<tr>
<td>Average AA or NA Meetings Per Week:</td>
<td>5.1</td>
</tr>
<tr>
<td>Percent Going To Counseling and AA or NA:</td>
<td>45%</td>
</tr>
<tr>
<td>Average Length of Sobriety of House Residents:</td>
<td>13.5 Mos.</td>
</tr>
<tr>
<td>Residents Expelled Because of Relapse:</td>
<td>19.3%</td>
</tr>
<tr>
<td>Average Length of Stay In An Oxford House:</td>
<td>10.1 Mos.</td>
</tr>
<tr>
<td>Average No. of Applicants For Each Vacant Bed:</td>
<td>4.2</td>
</tr>
</tbody>
</table>


2010 Theme: Celebrating 35 Years

1 As of June 30, 2010 based on standard OHI survey and house reports.
### Oxford House, Inc.
#### Statement of Financial Position
#### June 30, 2010

#### CURRENT ASSETS
- Cash: $129,248
- Accounts Receivable, Net: 264,051
- Prepaid Expenses: 14,708
- Employee Advances: 7,293
- Loans Receivable, Current Portion: 42,316
- **Total Current Assets**: 458,323

#### PROPERTY AND EQUIPMENT
- Furniture and Office Equipment: 145,287
- Less Accumulated Depreciation: (96,556)
- Net Property and Equipment: 48,731

#### OTHER ASSETS
- Loans Receivable: 28,245
- Restricted Cash: 95,446
- Deposits: 10,634
- **Total Other Assets**: 134,325
- **TOTAL ASSETS**: $641,379

#### LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>CURRENT LIABILITIES</th>
<th>State/Local Program</th>
<th>Management and General</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$175,459</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued Salaries</td>
<td>103,810</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued Payroll Taxes</td>
<td>9,458</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Line of Credit</td>
<td>29,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
- **Total Current Liabilities**: 317,272

- **NET ASSETS, Unrestricted**: 298,509
- **Temporarily Restricted**: 35,143
- **Total Net Assets**: 333,652
- **TOTAL LIABILITIES & NET ASSETS**: $641,379

#### SUPPORT AND REVENUE

- Federal Awards: $2,041,815
- State and Local Awards: 331,275
- Other Grants: 78,245
- General Contributions: 338,839
- Convention Revenue: 157,099
- Combined Federal Campaign: 12,694
- Interest Income: 721
- **Total Support and Revenue**: $2,947,355

#### EXPENSES

<table>
<thead>
<tr>
<th>Expense Item</th>
<th>State/Local Program</th>
<th>Management and General</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$1,167,998</td>
<td>$86,674</td>
<td>$1,254,672</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>93,947</td>
<td>9,254</td>
<td>103,201</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>221,865</td>
<td>9,254</td>
<td>103,201</td>
</tr>
</tbody>
</table>
- **Total Personnel**: 1,483,810
- **Travel & Lodging**: 663,300
- **Convention Expense**: 166,300
- **Rent**: 85,487
- **Telephone/Facsimile**: 77,054
- **Professional Fees**: 37,896
- **Office Supplies**: 14,371
- **Printing/Publications**: 15,833
- **Outreach Program**: 22,906
- **Postage & Delivery**: 5,111
- **Depreciation**: 13,415
- **Insurance**: 9,999
- **Outreach Supplies**: 10,230
- **Payroll Services**: 5,889
- **Meetings & Conferences**: 8,115
- **Taxes/Licenses**: 3,828
- **Bank Charges**: 3,719
- **Office Equip Expenses**: 2,326
- **Interest Expense**: 1,719
- **Dues / Subscriptions**: 1,661
- **Repairs/Maintenance**: 750
- **Total Expenses**: $2,626,563

Individual Oxford Houses followed through on a resolution at the 1999 Oxford House World Convention to make voluntary contributions to Oxford House World Services for the purpose of defraying expansion and service expenses. During FY 2010 houses contributed over $300,000.

The 2001 World Convention passed a resolution to earmark all house contributions in excess of $200,000 a year for a national revolving loan fund to help start new Oxford Houses. Since states are no longer required to maintain start-up revolving loan funds, it will become important for future expansion for Oxford House, Inc. to have a self-sustaining loan fund that can take up the slack. About $82,000 was used for in-house revolving loan fund in FY 2010.

A full copy of the Oxford House, Inc. audit and IRS form 990 is available from Oxford House World Services. Telephone 301-587-2916 or e-mail Info@oxfordhouse.org to receive a copy of the audit. The 990 is available to download at www.oxfordhouse.org under “About Us/Finances”.

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22 See notes accompanying financial statement at end of the Annual Report. See box at right for instructions on how to get full copy of audit by Robert Ben-Kori, CPA.

23 Includes $380 total fundraising expenses in addition to program expenses and M&G expenses.
Note 1 - Summary of Significant Accounting Policies

Organization

Oxford House, Inc. is a nonprofit organization incorporated under the laws of the State of Delaware on October 25, 1987 for the purpose of aiding in the rehabilitation and to improve social condition and environment for recovering alcoholics and drug addicts. This is accomplished by developing plans and programs for their recovery and by establishing homes for recovering substance abusers. Independently chartered "Oxford House" operates throughout the country as self-run, self-supported recovery houses. Oxford House, Inc. acts as the national umbrella organization and provides overall direction and technical, assistance to the independent "Oxford Houses."

Basis of Accounting

Oxford House, Inc. presents its financial statements on the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation


Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Allowance For Doubtful Accounts

Accounts receivable are considered to be fully collectible.

Property and Equipment

Property and equipment is stated at cost or donated value and is depreciated using the straight-line method over the estimated useful lives of the assets.

Acquisitions of property and equipment in excess of $100 are capitalized. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expenses.

Grant Contract Revenue

Grant contract revenue is recorded when earned under the provisions of the applicable contracts.

Contributions

Oxford House, Inc. accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

Oxford House, Inc. is exempt from Federal income taxes under section 501 (c)(3) of the Internal Revenue Code and has been classified as a publicly supported organization. As a 501(c)(3) nonprofit organization the organization is also exempt from State income taxes. Accordingly, no provision for income taxes is required in the accompanying financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Cash Equivalents

For purposes of the statement of cash flows, Oxford House, Inc. considers all highly liquid debt instruments with maturity of three months or less to be cash equivalents. There were no cash equivalents as of June 30, 2010.

Restricted Cash

Oxford House, Inc. maintains restricted bank accounts and certificates of deposit under various contractual obligations.
Escrow Funds

Grants from individual states for funding of the loan program (Note 5) are segregated into escrow accounts for the benefit of the individual states. Those funds are not included in the financial statements of Oxford House, Inc. as they are considered to be state funds.

Major Customers

Oxford House, Inc. derives a substantial portion of its income from State awards funded in whole or in part by Federal funds.

Note 2 – Loans Receivable

Oxford House, Inc. makes start-up loans to certain recovery houses and temporary loans [bridge loans] to other recovery houses. At June 30, 2010 loans receivable were $70,561, net of allowance of $3,724.

Note 3 – Accrued Salaries

Included in accrued salaries are salaries owed to officers of Oxford House, Inc. as follows:

<table>
<thead>
<tr>
<th>J. Paul Molloy, President</th>
<th>$103,810</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$103,810</td>
</tr>
</tbody>
</table>

Note 4 – Lease Commitments

Oxford House, Inc. leases office space and office equipment under operating leases. The office space lease is subject to operating cost increases. This lease commenced June 2008 and is scheduled to terminate June 30, 2013.

The following is a schedule of approximate future minimum lease payments under non-cancelable operating leases for office space with initial or remaining terms of one year or more as of June 30, 2010:

<table>
<thead>
<tr>
<th>Year</th>
<th>Minimum Lease Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>110,418</td>
</tr>
<tr>
<td>2012</td>
<td>113,721</td>
</tr>
<tr>
<td>2013</td>
<td>117,122</td>
</tr>
</tbody>
</table>

$ 341,261

Lease expense for the year ended June 30, 2010 approximated $116,000.

Note 5 – State Escrow Accounts

Oxford House, Inc. has received restricted funds from various entities to be used solely for the purpose of extending revolving loans to establish new houses, which are then repaid by these houses.

Oxford House, Inc. managed funds or held and managed funds in escrow accounts under contracts with various states to meet the requirement of Public Law 100-690, “The Anti-Drug Abuse Act of 1988.” Such escrow accounts are not reflected in the accompanying financial statements of Oxford House, Inc. Held funds, including outstanding loan balances approximate $895,000 at June 30, 2010.

Note 6 – Claims and Litigation

Oxford House, Inc. is subject to other various claims and litigation. In the opinion of management, the outcome of such matters will not have a material effect on the financial position of Oxford House, Inc.

Note 7 – Line of Credit

Oxford House, Inc. has a line of credit note of $60,000 of which $29,000 is outstanding at June 30, 2010. The note is secured by a $64,680 certificate of deposit, which is included in restricted cash appearing on the statement of financial position. The interest rate is currently 5%. Oxford House, Inc. is to make minimum monthly payments of interest only. The note is considered payable on demand.

Note 8 – Temporarily Restricted Net Assets

Temporarily Restricted Net Assets represent net contributions received for support for the World Conference of $5,000 and Outreach Program in New Mexico of $20,143.

Note: Auditors full report, including supplemental single state audits, can be obtained with an e-mail request www.info@oxfordhouse.org or by writing to Oxford House, Inc. 1010 Wayne Avenue, Suite 300, Silver Spring, Maryland 20910.

Less than 10% of Oxford House, Inc. expenses are used for indirect general and administrative expenses. 92¢ of every dollar is used to start new houses and keep existing houses on track.
Oxford House™ and Recovery from Alcoholism and Drug Addiction

Throughout its existence, Oxford House has combined the concepts of self-support and responsibility with a fellowship having the common purpose of continued and comfortable sobriety.

From Tradition One
Oxford House Manual©

Oxford House™ is the 35-year old self-run, self-supported recovery home program for recovering alcoholics and drug addicts to live together and share household expenses for as long as it takes to become comfortable enough in sobriety to avoid a return to alcoholism and/or drug addiction. Each Oxford House™ receives a charter from Oxford House, Inc. – the national umbrella organization – that requires it to be democratically self-run following a standard set of procedures, to be financially self-supporting and for each resident to maintain absolute abstinence from the use of any alcohol and/or drugs. All individual Oxford Houses are rented and to maintain its sole focus on recovery the organization’s by-laws preclude the ownership of any property.

Behavior change is never easy and it is especially difficult for the individual who is recovering from addiction. While the physical craving for drugs ends within a few days, the mind tries to trick an individual into returning to alcohol or drug use. When you think about it, the mind is doing what comes naturally – forgetting pain and remembering pleasure.

Professionals speak often of “denial” when dealing with recovering addicts. The addict really does not believe that alcohol and drug use produces harm. The addict “remembers” the good feeling that came from the alcohol or drugs and wants to recapture it. At the same time, he or she forgets the violence, irrational behavior (fights, loss of job and family), and physical withdrawal that make one feel sick (hang-overs). Stopping the use of drugs and alcohol use is difficult, but not impossible. Most addicts go through a number of periods where they stop use because they have run out of alcohol or their drug of choice. When an addict stops, he or she feels sick because of withdrawal; i.e., every cell in the body is calling out for the drug and the body shakes, sweats and produces great anxiety. The addict really “feels” he or she is going to die unless the drug of choice is obtained quickly. This is called detoxification and it usually ends within minutes after the addict has ingested his or her drug of choice. However, for a fortunate few – who can go three to seven days without taking their drug of choice – detoxification is the beginning of a whole new life. Short-term custody – in a hospital setting or a supervised detoxification facility – is the usual way to stop an addict’s compulsive use of alcohol and drugs. Treatment can educate and motivate an individual to stay stopped and Oxford Houses can help to make treatment successful.

Treatment plus Alcoholics Anonymous (AA) and Narcotics Anonymous (NA) – twelve-step self-help programs – have helped millions of recovering addicts to change their behavior to adopt lifelong abstinence. Unfortunately, many recovering individuals need more support than AA and NA alone. Oxford Houses provide the additional support and the time to learn new behavior.

About 50% of Oxford House residents continue formal aftercare counseling. Moreover, residents also go to an average of 5 AA or NA meetings a week – even though there is no requirement to do so. No wonder 80% of the residents stay clean and sober without relapse.

In 2003, Oxford House, Inc. received the Harry V. McNeill Award – a national award for effective community service – from the American Psychological Association. The successful concept and system of operation of Oxford House combined with independent outcome studies such as the NIAAA and NIDA sponsored DePaul University studies has made Oxford House a leader in cost-effective ways to provide recovering individuals with an realistic opportunity to successful change behavior.

In November 2007 Oxford House World Services unveiled a new website that involves every house in the network of houses and enables real time vacancy reporting to help states, courts, treatment providers and the recovery community to know where and how to get into an Oxford House. The website – www.oxfordhouse.org – also contains basic Oxford House™ materials, research outcome information and the legal basis for Oxford House programs and locations of the rented, single-family houses used to establish individual Oxford Houses.

In 2010 more than 700 Oxford House residents and alumni met in Chicago for the 12th Annual Oxford House Convention to celebrate the 35th year of Oxford House. At the end of the year there are 1,457 individual Oxford House located throughout the country with 11,832 recovery beds.

During CY 2010, more than 24,000 individuals lived in one of the more than 1,457 Oxford Houses located in 43 states around the country. Among the 2010 Oxford House residents, over 19,000 stayed clean and sober. 2010 was a successful year for Oxford House but its success underscores that many more Oxford Houses are needed to give alcoholics and drug addicts an opportunity to become comfortable enough in sobriety to avoid relapse.

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Oxford House™

1975-2010

35 Years of Organized Self-Help To Enable Alcoholics and Drug Addicts to Recover Without Relapse

• Providing Sole Authority for Oxford House Charters
• Providing Technical Assistance to Establish New Oxford Houses
• Providing Technical Assistance to Keep Existing Oxford Houses on Track
• Providing Organization of Chapters to Help Houses Help Themselves
• Providing the Time, Living Environment and Support to Enable Alcoholics and Drug Addicts to Achieve Recovery Without Relapse
• Providing the Legal, Philosophical, and Scientific Framework for a Cost-effective, Worldwide Network of Supportive Recovery Housing.

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(Copies of this report can be downloaded from the Web Site)