



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

ORLENE HAWKS
DIRECTOR

October 18, 2021

James Pilot
Bay Human Services, Inc.
P O Box 741
Standish, MI 48658

RE: License #: AS770400675
Investigation #: 2021A0221015
Stepping Stone

Dear Mr. Pilot:

Attached is the Special Investigation Report for the above referenced facility. Due to the violations identified in the report, a written corrective action plan is required. The corrective action plan is due 15 days from the date of this letter and must include the following:

- How compliance with each rule will be achieved.
- Who is directly responsible for implementing the corrective action for each violation.
- Specific time frames for each violation as to when the correction will be completed or implemented.
- How continuing compliance will be maintained once compliance is achieved.
- The signature of the responsible party and a date.

If you desire technical assistance in addressing these issues, please feel free to contact me. In any event, the corrective action plan is due within 15 days. Failure to submit an acceptable corrective action plan will result in disciplinary action.

Please review the enclosed documentation for accuracy and contact me with any questions. In the event that I am not available and you need to speak to someone immediately, please contact the local office at (906) 226-4171.

Sincerely,

A handwritten signature in black ink, appearing to read "Theresa Norton". The signature is fluid and cursive, with a large loop at the end of the last name.

Theresa Norton, Licensing Consultant
Bureau of Community and Health Systems
234 West Baraga
Marquette, MI 49855
(906) 280-2519

enclosure

**MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF COMMUNITY AND HEALTH SYSTEMS
SPECIAL INVESTIGATION REPORT**

I. IDENTIFYING INFORMATION

License #:	AS770400675
Investigation #:	2021A0221015
Complaint Receipt Date:	08/19/2021
Investigation Initiation Date:	08/23/2021
Report Due Date:	10/18/2021
Licensee Name:	Bay Human Services, Inc.
Licensee Address:	PO Box 741 3463 Deep River Rd Standish, MI 48658
Licensee Telephone #:	(989) 846-9631
Administrator:	Tammy Unger
Licensee Designee:	James Pilot
Name of Facility:	Stepping Stone
Facility Address:	240 New Delta Ave Manistique, MI 49854
Facility Telephone #:	(906) 341-6767
Original Issuance Date:	09/25/2019
License Status:	REGULAR
Effective Date:	04/01/2020
Expiration Date:	03/31/2022
Capacity:	6
Program Type:	PHYSICALLY HANDICAPPED DEVELOPMENTALLY DISABLED

II. ALLEGATION(S)

	Violation Established?
Resident A's funds are being spent by staff on unusual or inappropriate items and amounts do not coincide with amounts.	Yes
Additional Findings	Yes

III. METHODOLOGY

08/19/2021	Special Investigation Intake 2021A0221015
08/23/2021	Special Investigation Initiated - Telephone Phone call to Recipient Rights Hiawatha Mental Health.
08/30/2021	APS Referral
08/30/2021	Inspection Completed On-site
08/31/2021	Contact - Telephone call made Interview with Home Manager Erica Armock.
09/03/2021	Contact - Document Received Inventory of Valuables, Face sheet, Resident Funds II (payment for care and cash).
09/08/2021	Contact - Telephone call made Phone call to Rep. Payee Kathy Cairns.
09/13/2021	Contact - Telephone call made Phone call to Rep. Payee Kathy Cairns.
09/29/2021	Inspection Completed On-site
09/29/2021	Contact - Face to Face Interview with Erica Armock.
09/30/2021	Contact - Telephone call made Phone call to Tammy Unger, Administrator.
09/30/2021	Contact - Document Received Purchase order requests received.

10/05/2021	Contact - Telephone call made Phone call to Tammy Unger, Administrator
10/07/2021	Contact - Document Received Purchase order requests received for March 2020.
10/07/2021	Contact - Telephone call made Interview with Guardian A.
10/07/2021	Contact - Telephone call made Interview with Guardian B.
10/14/2021	Contact - Telephone call made Phone call to Guardian B.
10/14/2021	Exit Conference Exit interview with Tammy Unger, Administrator.

ALLEGATION: Resident A's funds are being spent by staff on unusual or inappropriate items and amounts do not coincide with receipts.

INVESTIGATION: On 08/23/2021, a complaint was received in this office concerning large amounts of money being sent to the Stepping Stone AFC Home Manager, Erica Armock, by the Representative Payee (further known as Payee A) to purchase items that 'appear to be unusual and/or inappropriate for (Resident A)' during the period of 03/2020 and 12/2020.

An audit of Payee A was conducted by the complainant. The complainant stated that bank accounts for Resident A were reviewed, and checks sent to Bay Human Services during 03/2020 and 12/2020 were recorded in the register as "Personal Expenses." Upon further investigation, the complainant found purchases made for Resident A including items such as a Bunn Coffee Maker, a microwave, a mini refrigerator, camping chairs, an air fryer, a toaster, 12-piece cookware set, baking pans, a 10x10 canopy, an 8 ft. table, in addition to many other items that seemed "inappropriate" for Resident A. In addition, through the audit the complainant stated a total of **\$5339.70** in checks were sent from Payee A to Bay Human Services from 03/2020 through 12/2020 to purchase goods and items. However, no receipts were provided in the amount of **\$2437.66**.

Resident A has resided at Stepping Stone since 09/25/2019. Resident A suffers from Cerebral Palsy and Severe Intellectual Disability and is confined to a wheelchair. In November 2020, Resident A was placed on a feeding tube which she continues to be on currently.

An unannounced on-site inspection was completed by this consultant on 08/30/2021. Home Manager Erica Armock was not working that day, but Home Manager Kari McClean (of Bay Human Services New Delta AFC, which is located across the street from Stepping Stone) assisted me in the inspection. Resident A was observed in her bedroom. Resident A is non-verbal and was unable to be interviewed. Ms. McClean did not know specifics concerning Resident A's funds but stated Ms. Armock would be back in the morning.

On 08/31/2021, a phone call was received from Home Manager Erica Armock. Ms. Armock was told of the complaint concerns and asked about expenditures for Resident A during 2020. Ms. Armock stated that she was asked about Resident A's monies earlier in the year when Payee A was audited. Ms. Armock explained that Payee A would call her and state that Resident A had 'too much money and needed to spend-down' to prevent Resident A from losing her Medicaid status. Ms. Armock stated she would make a list of items that Resident A could benefit from. Resident A's Inventory of Valuables, Face Sheet, and Resident Funds II forms from 03/2020 through 12/2020 were requested to be sent to this consultant.

Ms. Armock added that Resident A is the only resident in the home that she would request items to "spend down" excess funds, per Payee A. The other residents' guardians are payees for them and take care of all monies for them.

On 09/03/2021, the requested documents were received in this office. Listed on the Inventory of Valuables were valid items such as a new mattress, bolster pillows, winter jackets, boots, etc. There were also items such as a coffee pot, microwave, air fryer, canopy, camp chairs, and a grill. Ms. Armock was asked about these items. Ms. Armock stated that prior to Resident A being placed on a feeding tube in November 2020, she would enjoy coffee, (coffee maker) and eating french fries (air fryer), and spending time outside (canopy and camping chairs). Ms. Armock stated that Resident A's needs had been met and she stated that a new wheelchair, an electric lift, an electric hospital bed, and a leather electric recliner was purchased in 2019 (these items are listed on Resident A's Inventory of Valuables). Ms. Armock stated that Resident A did not 'need' anything but needed to spend-down her monies from Social Security and the stimulus money in order to remain on Medicaid. Ms. Armock stated that she thought some of the items purchased 'could benefit the entire home'.

In 2020, Ms. Armock stated she would get a call from Payee A 'every month or so', stating that Resident A needed to spend her excess monies. Ms. Armock stated she would make a list of items and send to Bay Human Services Purchasing Coordinator. Bay Human Services would then complete the purchase order.

On 09/08/2021 and 09/13/2020 phone calls were made to Payee A. Payee A did not return this consultant's calls. Ms. Armock stated that Payee A was 'let go' after the audit earlier in 2021. Guardian B is now Resident A's payee.

On 09/29/2021, another on-site inspection was completed. Resident Funds II forms were reconciled by this consultant including cash accounts and the Payments for Adult Foster Care.

Resident A's Resident Care Agreement was reviewed and signed by Guardian B on 06/21/2021. The Resident Care Agreement is marked that "Expenditures of my personal funds over the amount of **\$100.00** require my prior written approval.

Ms. Armock was asked about items that were purchased and not on the Inventory of Valuables, such as the mini refrigerator. Ms. Armock stated, "That was an error on my part." The other items on Resident A's Funds and Valuables form were verified and were observed in the home by this consultant, i.e., Alexa echo speaker, mini refrigerator, coffee pot, microwave, air fryer, Columbia, and North Face jackets.

On 09/30/2021, a phone call was made to Administrator Tammy Unger. Ms. Unger was told of the complaint and this consultant requested the purchase orders for Resident A from 03/2020 through 12/2020 through Bay Human Services. Ms. Unger explained that Payee A would contact the Home Manager Erica Armock and request that excess monies be 'spent down'. Ms. Armock would make a list of items and then submit to the Bay Human Services Purchasing Coordinator. Ms. Unger stated in an email dated 09/30/2021 that "The guardian was informed of the items and purchase prices before sending the money (per a phone call from our purchasing coordinator)." The Purchase Coordinator in 2020 no longer works for the agency and was unable to be interviewed.

On 10/07/2021, an interview was conducted with Guardian A and Guardian B. Guardian A and Guardian B stated they were not contacted by Home Manager Tammy Unger, Bay Human Services, or Payee A concerning buying items for the home with the excess/surplus monies of Resident A. Guardian B stated that she does not feel that many of the items purchased benefitted Resident A.

Ms. Unger stated, "This is a favor we do for guardians to help with excess funds. If this is going to be something that causes issues for us we will stop this and guardians will need to do the purchasing."

Ms. Unger emailed the purchase requests for Resident A to this consultant from the dates of 03/2020 through 12/2020. A total of **\$5668.50** of items were purchased for Resident A during this time-period and listed on the purchase records. The complainant stated that Payee A had recorded spending **\$5339.70** during this period. There is a discrepancy of **\$328.80**, which is an overage. Money in Resident A's petty cash account was **\$307.48** during 03/2020 and 12/2020 period, which would be a total overage of **\$636.28**.

In addition, in the emails attached to the purchase requests submitted, there was a copy of an email dated March 6, 2020, from Ms. Unger to Kristie Resmer (purchasing coordinator that is no longer employed by Bay Human Services). The

email states, "The Guardian is sending us a check to purchase all of this." The total of the purchases for 03/06/2021 were **\$728.91**.

In the 10/07/2021 interview, Guardian B stated she did not send any money to Bay Human Services to purchase any items in March 2020. Guardian B stated Guardian A does suffer from dementia but does know Guardian A did not send money for purchases in March 2020. Guardian B stated they would only buy items directly for Resident A.

On 10/14/2021, an exit conference was conducted with Administrator Tammy Unger. Ms. Unger was told of the findings of this report and the expectation of a corrective action plan, including an accurate accounting of Resident A's purchases from her excess monies that was 'spent down' in 2020.

APPLICABLE RULE	
R 400.14315	Handling of resident funds and valuables.
	(13) A licensee shall provide a complete accounting, on an annual basis and upon request, of all resident funds and valuables which are held in a trust and in bank accounts or which are paid to the home, to the resident, or to his or her designated representative. The accounting of a resident's funds and valuables which are held in trust or which are paid to the home shall also be provided, upon the resident's or designated representative's request, not more than 5 banking days after the request and at the time of the resident's discharge from the home.
ANALYSIS:	The Licensee failed to provide an accurate accounting of funds that were spent by the home and Bay Area Human Services. There is an overage of \$636.28 that is unaccounted for. There is also a discrepancy that the Guardians paid for items purchased March 6, 2020, totaling \$728.91 that the guardian denies paying. There are also several items that were not accounted for on Resident A's Inventory of Valuables. (See below).
CONCLUSION:	VIOLATION ESTABLISHED

ADDITIONAL FINDINGS:

INVESTIGATION: Upon review of Resident A's expenditures, the Inventory of Valuables (BCAL-3483) was received and reviewed on 09/03/2020. Items on the

inventory list were purchased with Resident A's monies between the period of 03/01/2020 and 12/31/2020. There were several items listed on the form, however, it was discovered that 18 items, which were purchased for Resident A during the reviewed time-period, were not listed on the Inventory of Valuables form, including the following:

03/20	Ninja Blender	\$99.98
05/07	Rubbermaid Storage containers	\$34.98
05/20	Expert Grill	\$274.00
05/20	Grill Cover	\$19.97
05/20	LG Soundbar	\$198.00
05/20	Grill Daddy	\$34.10
05/20	JBL Blue Tooth Speaker	\$99.95
09/20	RCA Mini Refrigerator	\$173.37
09/20	Baking Sheets	\$29.99
09/20	Baking Mat	\$13.99
10/20	Plastic Bowls	\$27.98
10/20	Dyson Vacuum	\$274.99
10/20	Chili Bean Bag Chair	\$175.99
10/20	Mason Jars	\$51.90
12/20	Dyson Vacuum	\$439.00
12/20	Plastic Bowls	\$33.99
12/20	Mason Jar drink cups	\$71.37
12/20	BOSE Speaker	\$299.00

APPLICABLE RULE	
R 400.14315	Handling of resident funds and valuables.
	(4) A listing of all valuables that are accepted by the licensee for safekeeping shall be maintained. The listing of valuables shall include a written description of the items, the date received by the licensee, and the date returned to the resident or his or her designated representative. The listing of valuables shall be signed at the time of receipt by the licensee and the resident or his or her designated representative. Upon return of the valuables to the resident or his or her designated representative, the listing shall be signed by the resident or his or her designated representative and the licensee.

ANALYSIS:	The listing of valuables that are accepted by the licensee for safekeeping was incomplete. 18 items that were purchased with Resident A's monies were not listed on the Inventory of Fund and Valuables form.
CONCLUSION:	VIOLATION ESTABLISHED

IV. RECOMMENDATION

Upon receipt of an acceptable corrective action plan, I recommend no change to the status of this license.



10/18/2021

Theresa Norton
Licensing Consultant

Date

Approved By:



10/18/2021

Mary E Holton
Area Manager

Date