



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

MARLON I. BROWN, DPA  
ACTING DIRECTOR

December 6, 2023

Kehinde Ogundipe  
Eden Prairie Residential Care, LLC  
G 15 B  
405 W Greenlawn  
Lansing, MI 48910

RE: License #:	AS250413135
Investigation #:	2024A1039004
	Palm Home

Dear Kehinde Ogundipe:

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.
- Indicate how continuing compliance will be maintained once compliance is achieved.
- Be signed and dated.

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 (517) 643-7960.

Sincerely,

A handwritten signature in cursive script, appearing to read "Martin Gonzales".

Martin Gonzales, Licensing Consultant  
Bureau of Community and Health Systems  
611 W. Ottawa Street  
P.O. Box 30664  
Lansing, MI 48909

enclosure

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

**I. IDENTIFYING INFORMATION**

<b>License #:</b>	AS250413135
<b>Investigation #:</b>	2024A1039004
<b>Complaint Receipt Date:</b>	10/17/2023
<b>Investigation Initiation Date:</b>	10/18/2023
<b>Report Due Date:</b>	12/16/2023
<b>Licensee Name:</b>	Eden Prairie Residential Care, LLC
<b>Licensee Address:</b>	G 15 B 405 W Greenlawn Lansing, MI 48910
<b>Licensee Telephone #:</b>	(214) 250-6576
<b>Administrator:</b>	Kehinde Ogundipe
<b>Licensee Designee:</b>	Kehinde Ogundipe
<b>Name of Facility:</b>	Palm Home
<b>Facility Address:</b>	1629 Seminole Ave. Flint, MI 48503
<b>Facility Telephone #:</b>	(214) 250-6576
<b>Original Issuance Date:</b>	02/08/2023
<b>License Status:</b>	1ST PROVISIONAL
<b>Effective Date:</b>	08/08/2023
<b>Expiration Date:</b>	02/07/2024
<b>Capacity:</b>	6
<b>Program Type:</b>	DEVELOPMENTALLY DISABLED MENTALLY ILL

**II. ALLEGATION(S)**

	<b>Violation Established?</b>
Licensee designee Kehinde Ogundipe is not financially capable to operate this home. Licensee designee Kehinde Ogundipe lacks administrative capability to operate this home.	Yes

**III. METHODOLOGY**

10/17/2023	Special Investigation Intake 2024A1039004
10/18/2023	Special Investigation Initiated - Letter APS referral sent via email.
10/18/2023	APS Referral Referral completed via email.
10/23/2023	Contact – Telephone call made Zoom call completed with Attorney Kennedy Shannon, CPA Bede Obasi and AFC consultants.
10/31/2023	Inspection Completed On-site Interviewed Home Manager Jessica Ortiz and staff members.
11/01/2023	Contact - Face to Face Completed follow up on home inspection. No issues were found.
11/21/2023	Contact - Document Sent Sent email requesting financial information to Licensee Designee and Home Manager.
11/28/2023	Contact – Document Received Received documents from Licensee Designee that contained requested financial information.
12/05/2023	Exit Conference completed with Licensee Designee Kehinde Ogundipe.
12/05/2023	Inspection Completed-BCAL Sub. Compliance

## **ALLEGATION:**

Licensee designee Kehinde Ogundipe is not financially capable to operate this home. Licensee designee Kehinde Ogundipe lacks administrative capability to operate this home.

## **INVESTIGATION:**

On 10/17/2023, the Bureau of Community and Health Systems (BCSH) received the above allegation, via the BCHS online complaint system. According to the complaint the licensee designee Kehinde Ogundipe is not capable financially of operating the home. The licensee designee Kehinde Ogundipe lacks administrative capability to operate the home.

On 10/23/2023, a Zoom meeting was held with attorney Kennedy Shannon, CPA Bede Obasi along with AFC licensing consultants from Oakland County and Ingham County. Kehinde (Ken) Ogundipe and Dayo Ogundipe have a total of six bank accounts for Eden Prairie Residential Care, LLC. Dayo Ogundipe has three accounts and Kehinde Ogundipe has three accounts. ELGA Credit Union account #078 belonged to Dayo Ogundipe and ELGA Credit Union account #442 belonged to Kehinde Ogundipe. In June 2023, it was discussed with Kehinde Ogundipe to create a payroll account to prevent any checks from bouncing or staff not getting paid. The account was created but staff throughout the company continued to complain about their paychecks bouncing. About two weeks ago, there was insufficient funds in the payroll account and some of the staff checks were rejected. The bank was contacted, and additional deposits were made to cover the payroll. Oakland Community Health Network (OCHN) provides the majority of their income, but they have stopped placing any more individuals in any of Eden Prairie homes and have been trying to move residents out. Due to lack of placements, it is taking OCHN longer to move their residents out of the homes. Attorney Shannon and CPA Obasi stated that OCHN, as well as a few other county CMHs (Community Mental Health), continue to pay Eden Prairie for their services, which should be more than enough to pay staff's salaries, but there is concern that Eden Prairie is trying to grow too fast by purchasing additional homes instead of focusing on the current homes they have. Attorney Shannon and CPA Obasi stated that there was not enough payroll going out due to Eden Prairie having the majority of their employees as salary, which resulted in employees not being paid for all hours worked. The DOL's findings after their investigation was that Eden Prairie owed employees \$900,000 in back wages. After penalty fees from the DOL of another \$900,000, Eden Prairie owes \$1.8 million. It is believed that this amount is required to be paid in six-months; however, Kehinde Ogundipe is proposing to DOL that he is given five-seven years to pay.

On 10/31/2023, I completed an unannounced on-site investigation at Palm AFC Home and interviewed the following people: Home Manager (HM) Jessica Ortiz, Staff Tomell Bridges, Staff Darlario Copeland, Staff Bobby Kyles and Staff Raven Nash. The

allegations were discussed with HM Ortiz, and she stated that she was familiar with the allegations. HM Ortiz stated that she has been the home manager since the home opened in August 2023. HM Ortiz stated that they have had no issues paying utilities, water, or any other bills for the home. HM Ortiz stated that most of the bills are on automatic payments. HM Ortiz stated that she has not had any issues with any of her paychecks and that she has always paid them on time. HM Ortiz stated that she was aware that some staff members had issues with their direct deposit, and this caused their checks to be late. HM Ortiz stated that they switched over from paper check to direct deposit in the summer of 2023 and that some of the staff members did not submit the correct banking information and this is one of the reasons their paychecks were not deposited timely into their accounts. HM Ortiz stated that she is not aware of any other issues with staff not getting paid timely and there have been no reported issues since the summer when paychecks were changed to direct deposit.

On 10/31/2023, an on-site interview was completed with Staff Darlario Copeland, Staff Bobby Kyles and Staff Raven Nash concerning the allegations. The staff elected to be interviewed together. They stated that they have had no issues with money for food, supplies and they have not had any shut off notices for water or utilities since the home opened. They stated that their paychecks have never been more than a couple days late and that none of their checks have been late since June of 2023. They stated that they also have a van for transportation and the license tags are up to date and that the van is safe to drive and if they have any repair issues with the home that they are taken care of right away by management.

On 11/28/2023, LD Ogundipe emailed financial documents which included: Current Statement of Income, Current Balance Sheet, Bank statements, Payroll records and Utility Bills. The financial documents showed that Palm Home is currently up to date with bills and payroll.

<b>APPLICABLE RULE</b>	
<b>R 400.14201</b>	<b>Qualifications of administrator, direct care staff, licensee, and members of the household; provision of names of employee, volunteer, or member of the household on parole or probation or convicted of felony; food service staff.</b>
	<b>(2) A licensee shall have the financial and administrative capability to operate a home to provide the level of care and program stipulated in the application.</b>

<b>ANALYSIS:</b>	<p>Based on my investigation, licensee designee Ken Ogundipe did not have the financial and administrative capability to operate a home to provide the level of care and program stipulated in the application. Eden Prairie Residential Care, LLC has contracts with OCHN and a few other counties receiving a significant amount of monetary compensation for servicing individuals placed in Eden Prairie homes. However, Kehinde Ogundipe was paying his Eden Prairie employees salary when direct care staff should have been paid hourly. Staff were not getting paid for their overtime hours. Kehinde Ogundipe has corrected the issue with paying his salary waged employees' hourly and there has been a bank account created just for payroll to ensure staff receive payment. Although the payroll bank account was created, many staff within Eden Prairie continued to complain about not getting paid for hours worked. Therefore, staff reported these issues to the Department of Labor and Wages. The Department of Labor and Wages investigated, and their findings were that licensee designee Kehinde Ogundipe must pay \$1.8 million, which included a penalty, to his employees who were affected by not getting paid for hours worked. A settlement was agreed upon, and Kehinde Ogundipe must pay the \$1.8 million over three years beginning 02/2024.</p> <p>It was determined that there was a preponderance of evidence to conclude that R 400.14201 (2) was violated.</p>
<b>CONCLUSION:</b>	<b>VIOLATION ESTABLISHED</b>

On 12/05/2023, I conducted an exit conference with Licensee Designee Kehinde Ogundipe. I informed Licensee Designee Ogundipe that I would be citing the rule violation listed above and that a corrective action plan would be required.

**IV. RECOMMENDATION**

I recommend no change to the current licensing status pending the receipt of an appropriate corrective action plan.

*Martin Gonzales*

12/06/2023

Martin Gonzales Licensing Consultant	Date
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Approved By:

*Mary Holton*

12/06/2023

Mary E. Holton Area Manager	Date
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