



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

MARLON I. BROWN, DPA
ACTING DIRECTOR

December 12, 2023

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

RE: License #: AS330411028
Investigation #: 2024A1038005
Bell Oaks I At Moores River

Dear Mr. 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.

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) 284-9727.

Sincerely,

A handwritten signature in black ink that reads "Johnnie Daniels". The signature is written in a cursive style with a large initial "J" and "D".

Johnnie Daniels, 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

License #:	AS330411028
Investigation #:	2024A1038005
Complaint Receipt Date:	10/17/2023
Investigation Initiation Date:	10/20/2023
Report Due Date:	12/16/2023
Licensee Name:	Eden Prairie Residential Care, LLC
Licensee Address:	G 15 B 405 W Greenlawn Lansing, MI 48910
Licensee Telephone #:	(214) 250-6576
Administrator:	Kehinde Ogundipe
Licensee Designee:	Kehinde Ogundipe
Name of Facility:	Bell Oaks I At Moores River
Facility Address:	123 Moores River Lansing, MI 48910
Facility Telephone #:	(214) 250-6576
Original Issuance Date:	05/03/2022
License Status:	1ST PROVISIONAL
Effective Date:	09/19/2023
Expiration Date:	03/18/2024
Capacity:	6
Program Type:	DEVELOPMENTALLY DISABLED MENTALLY ILL

II. ALLEGATION(S)

	Violation Established?
Licensee designee Kehinde Ogundipe lacks financial capability to operate the home and provide the level of care and program stipulated in the application.	Yes

III. METHODOLOGY

10/17/2023	Special Investigation Intake 2024A1038005
10/17/2023	Special Investigation Initiated - Letter Email correspondence with Adult Foster Care Licensing, Area Manager, Dawn Timm.
10/20/2023	Contact - Face to Face contact was made with Direct Care Service Member Shakiya Peters
10/20/2023	Contact - Telephone call received from Program Manager Ashanti Wright.
10/23/2023	Contact - Face to Face made with LD Kehinde Ogundipe accountant Bede Obasi and attorney Kennedy Shannon.
10/30/2023	Contact - Telephone call made to DCSM 1
11/02/2023	Contact - Telephone call made to DCSM Marqweisha Oglesby.
11/02/2023	Contact - Telephone call made to DCSM Deonna Baldwin.
12/01/2023	Contact - Telephone call made to LD Kehinde Ogundipe and his attorney Shannon Kennedy.
12/08/2023	Inspection Completed-BCAL Sub. Compliance
12/08/2023	Exit conference with Licensee Designee Ken Ogundipe

ALLEGATION: Licensee designee lacks financial capability to operate the home and provide the level of care and program stipulated in the application.

INVESTIGATION:

On 10/17/23 I received a complaint regarding the Bell Oaks I at Moores River adult foster care facility (the facility). The complaint alleged that licensee designee Kehinde Ogundipe is not financially capable of operating the facility due to a current federal investigation involving the Department of Labor (DOL). The allegation reported that Mr. Ogundipe has been fined by the DOL \$1.8 million for back wages owed to direct care staff members who were paid a salary instead of hourly wages and overtime wages. It is alleged that direct care staff members personal payroll checks have not been supported with proper funding, resulting in banks refusing to process these checks, due to non-sufficient funds in the Eden Prairie Residential Care LLC corporate payroll account.

On 10/20/2023 I conducted an unannounced investigation to Bell Oaks I At Moores River (Facility) and interviewed with direct care staff member (DCSM) Shakiya Peters. DCSM Ms. Peters stated she is being paid every two weeks, has never had a bounced paycheck or been shorted money. DCSM Ms. Peters stated there is enough food in the home and personal hygiene items in the home. DCSM Ms. Peters stated licensee designee Kehinde Ogundipe's spouse goes shopping for the home weekly or when needed. DCSM Ms. Peters showed me around the facility and I was able to see there was enough food to provide for the residents. DCSM Ms. Peters also showed me the personal hygiene items which were adequate to meet the needs of the residents currently admitted to the facility.

On 10/20/2023 I interviewed DCSM/Program Manager Ashanti Wright via telephone. DCSM Ashanti Wright stated she is paid bi-weekly and has not had any of her paychecks shorted nor have any bounced. DCSM Ms. Wright denied that any direct care staff members have reported issues with their paychecks bouncing or not being written for the correct amount. DCSM Ms. Wright stated the facility has never had its utilities turned off, there has never been a shortage in the home of food or personal hygiene items in the facility.

On 10/23/23 a video conference was conducted, via Microsoft Teams, with the Eden Prairie Chief Financial Officer, Bede Obasi, and Eden Prairie attorney, Kennedy Shannon. Mr. Obasi reported that he has been hired as the accountant for the Eden Prairie Residential Care LLC organization. He reported that Eden Prairie Residential Care LLC has six bank accounts that he has been given access to in terms of viewing transactions and transferring money between these accounts. He reported that he does not have any access to make payments from these accounts. Mr. Obasi reported that the checking and savings accounts under number "442" are controlled by Kehinde Ogundipe, and the checking and savings accounts under the number "078" are controlled by Mr. Ogundipe's brother, Dayo Ogundipe. Mr. Obasi reported that in June 2023 it was identified that Kehinde Ogundipe and Dayo Ogundipe were overspending

the amount of money that was being deposited into these business accounts, which was resulting in bounced payroll checks for employees due to non-sufficient funds. He reported that he advised that they needed to open separate subaccounts in both "442" and "078" that were designated as payroll accounts where they could ensure the correct amount of money was available to pay the employees without having payroll checks declined by banks. Mr. Obasi confirmed that Kehinde Ogundipe and Dayo Ogundipe were previously writing payroll checks before they had sufficient funds available in the accounts for the checks to clear. Mr. Obasi reported that as recently as two weeks prior to 10/23/23 there was an issue with payroll checks being "held" due to lack of funding available in the payroll subaccounts. Mr. Obasi reported that he does not have knowledge of all Eden Prairie Residential Care LLC business transactions and has only been given access to these six accounts. He reported that recently he was informed that there were additional bank accounts open for the Eden Prairie Residential Care LLC business through a Lake Trust Credit Union. He reports he had no knowledge of these accounts or their holdings. Mr. Obasi reported, "Ken (Kehinde Ogundipe) runs business in silos." He reported that it is difficult to assist with managing the finances when Kehinde Ogundipe is not always honest about how the money is being managed/spent. Mr. Obasi reported that to maintain adequate funds in the payroll subaccounts he would watch the accounts "like a hawk" and quickly transfer deposits made into the other accounts, into the payroll accounts before Kehinde Ogundipe could spend the money. Mr. Obasi reported that having adequate funding in payroll accounts was a continuous problem and he encouraged Kehinde Ogundipe to open a line of credit to use in the payroll accounts as backup to prevent payroll checks from bouncing in the future. Mr. Obasi reported that Kehinde Ogundipe did open a line of credit and instead used the money to acquire additional properties to open more adult foster care facilities. He reported that this money received from the line of credit was never deposited into the payroll accounts. Mr. Obasi reported that he has advised Kehinde Ogundipe that he is "growing too fast" in terms of the Eden Prairie Residential Care LLC business and wanting to open more adult foster care homes. He reported that he has advised Kehinde Ogundipe to stop acquiring properties and focus on the ones he currently has licensed. Mr. Obasi reported that Kehinde Ogundipe does not listen to this advice and instead makes his own decisions and continues to acquire properties with the plan of opening more adult foster care facilities. Mr. Obasi was asked about whether the currently licensed facilities have had any issues with their utility bills being paid each month. Mr. Obasi stated he had no knowledge of any licensed facilities that were in danger of utilities not being paid or had received shut off notices. He reported to his knowledge this has not occurred. Mr. Obasi reported that Kehinde Ogundipe has an "irrational impulse for growth" despite advice from himself and Ms. Shannon. Mr. Obasi confirmed that Eden Prairie Residential Care LLC has been fined by the Federal Department of Labor and is expected to pay \$1.8 million to settle this issue. It was reported that Kehinde Ogundipe was paying all employees a salary and he should have been paying them hourly wages and overtime wages. Mr. Obasi reported that they are trying to work out a payment arrangement with the DOL and they hope this settlement will be reached within the next two weeks.

During Microsoft Teams meeting on 10/23/23, Ms. Shannon reported that she is the attorney for the Eden Prairie Residential Care LLC organization. She reported that Kehinde Ogundipe has been investigated by the Federal Department of Labor for inappropriately classifying hourly employees as salaried employees. She reported that he has been fined and currently has been issued a fine of \$1.8 million to pay to the federal government. Ms. Shannon reported that Kehinde Ogundipe was not paying a minimum wage or overtime wages to his direct care staff as he had improperly classified them as salaried staff. She reported that they are currently trying to arrange a payment plan with the federal government. Ms. Shannon reported that many of the Community Mental Health contracts Kehinde Ogundipe has in place are pulling their residents from his adult foster care facilities due to increasing number of special investigations from Licensing & Regulatory Affairs (LARA), Adult Protective Services (APS), and Office of Recipient Rights (ORR). Ms. Shannon advised that at this time the DOL wants Kehinde Ogundipe to pay 25% of the \$1.8 million and the rest within six months. She reported that there is a 3.5% interest rate tacked on for each month the full payment is not made. Ms. Shannon reported that she has advised Kehinde Ogundipe to stop acquiring new properties as this is not advisable considering the current fine he owes. Ms. Shannon reported that Kehinde Ogundipe is not following her advice and continues to work toward purchasing new properties. She reported, "I personally do not see Eden Prairie surviving another six months." Ms. Shannon reported that to her knowledge the vehicles used at the current licensed properties, for resident transport, are registered and insured with the State of Michigan. She further reported that she has experienced her own issues with payroll checks from Eden Prairie either bouncing or being held by the bank due to non-sufficient funds to process the payroll checks.

On 10/30/2023 I interviewed DCSM 1 via telephone, who stated she was not paid her proper amount on her paycheck. DCSM 1 stated she was only paid for one weeks of work instead of her usual two weeks. DCSM 1 stated she was also not paid on the correct date. DCSM 1 stated there are other staff members who work for the company who have not been paid and shorted on their paychecks.

I interviewed DCSM Deonna Baldwin via telephone on 11/2/2023, who stated she has worked at the facility for four months. DCSM Ms. Baldwin stated she was hired in at \$15 an hour but is only getting paid at \$10 per hour. DCSM Ms. Baldwin stated other direct care staff members have experienced their paychecks bouncing. DCSM Ms. Baldwin stated she is currently owed \$380 from her last paycheck.

I interviewed DCSM Marqweisha Oglesby via telephone who stated she has not been shorted on any of her paychecks. DCSM Ms. Oglesby stated she has worked for the facility for a year and her paycheck has not been wrong nor has it bounced. DCSM Ms. Oglesby stated the utilities have always been on while she has worked and residents have had adequate toiletries available.

On 12/1/23 a video conference was conducted via Microsoft Teams with Kehinde Ogundipe, Eden Prairie Residential Care LLC Executive Vice President & Corporate Council, Kennedy Shannon, & Adult Foster Care Licensing Consultants, Johnnie

Daniels, Julie Elkins, Jennifer Browning, Jana Lipps. Kehinde Ogundipe reported that he would like to defer any questions regarding the DOL investigation to Ms. Shannon. Kehinde Ogundipe reported that there is a meeting scheduled to speak with the DOL regarding a payment plan arrangement for the \$1.8 million he was fined by the DOL for improperly coding direct care staff as salaried workers. He confirmed that he has been fined this amount and will be talking with DOL on 12/4/23 to discuss final payment arrangements. Kehinde Ogundipe reported that he feels comfortable and confident that he will be able to make the payments and continue to run the Eden Prairie organization with no disruptions to the care of the current residents at the facility. Kehinde Ogundipe reported that this facility is not in danger of losing funding or being closed at this time. Kehinde Ogundipe reported that the utility bills at the facility have been paid and will continue to be paid through automatic withdrawals from the Eden Prairie Residential Care LLC business account. Kehinde Ogundipe did not share the terms of the settlement agreement between Eden Prairie organization and DOL on this date.

During video conference on 12/1/23 Ms. Shannon reported that she and Kehinde Ogundipe have a planned meeting on 12/4/23 with the DOL to discuss and finalize a payment plan for the \$1.8 million fine that Eden Prairie organization has been issued. Ms. Shannon reported that she would be able to produce a written document to Ms. Elkins by 12/5/23 which will address the finalized payment plan with DOL. Ms. Shannon reported that she believes the payment plan will be over a period of three years, with monthly installments being made. She reported that there will be a considerable down payment required. Ms. Shannon confirmed that the \$1.8 million fine was company wide and includes every adult foster care facility that falls under the Eden Prairie Residential Care LLC name, which includes this AFC facility. Ms. Shannon also reported that Eden Prairie Residential Care LLC has switched to a new payroll system, ADP, and she feels confident in this system resolving their previous payroll issues. She reported that they have not experienced any recent difficulties with direct care staff payroll checks being held for non-sufficient funds. Ms. Shannon reported that the previous payroll issues occurred about six months ago and impacted about 20 – 25% of the direct care staff Eden Prairie employed at the time. Ms. Shannon reported that any current issues direct care staff have experienced with their payroll checks have been determined to be user error due to the new ADP payroll system that was initiated recently. Ms. Shannon reported that these issues are being resolved with individual direct care staff members as they occur.

On 12/6/23 Ms. Elkins received email correspondence from Ms. Shannon regarding the settlement agreement with the DOL for Eden Prairie organization. Ms. Shannon reported through this email the settlement agreement as follows:

- “Initial Payment Commitment: We have agreed to an initial down payment of approximately \$277,000.00, which is scheduled for April 1, 2024.
- Structured Monthly Payments: Subsequent to the initial payment, we will fulfill our obligation through monthly installments of around \$45,000.00, spanning over three years. Starting June 1, 2024.”

Ms. Shannon further reported in this email correspondence that she feels this settlement agreement will not impede Eden Prairie Residential Care LLC’s “operational capacity.”

APPLICABLE RULE	
R 400.14201	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.
	(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.
ANALYSIS:	Based upon the interviews conducted with licensee designee Kehinde Ogundipe, Ms. Shannon, Mr. Obasi, DCSM 1 and Ms. Baldwin, it can be determined that licensee designee Kehinde Ogundipe has, in fact, been fined \$1.8 million from the Federal Department of Labor for lack of payment to direct care staff members. Licensee designee Kehinde Ogundipe has reached a settlement agreement with the DOL that requires a monthly payment of \$45,000 for the next three years. Direct care staff members reported having experienced difficulties with receiving payroll checks due. As a result of these findings, it can be determined that Kehinde Ogundipe has demonstrated that he lacked the financial and administrative capability to operate the Eden Prairie organization which includes the operation and management of this facility.
CONCLUSION:	VIOLATION ESTABLISHED

On 12/08/2023, I conducted an exit conference with licensee designee Kehinde Ogundipe who was in agreement with the violation.

IV. RECOMMENDATION

Contingent upon receipt of an acceptable corrective action plan, I recommend that the provisional status of the license continue.

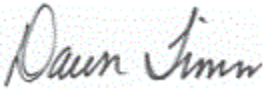


12/8/2023

Johnnie Daniels
Licensing Consultant

Date

Approved By:



12/12/2023

Dawn N. Timm
Area Manager

Date