



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

MARLON I. BROWN, DPA  
ACTING DIRECTOR

December 11, 2023

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

RE: License #: AS330411029  
Investigation #: 2024A1033004  
Bell Oaks At Hillsdale

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) 284-9730.

Sincerely,

A handwritten signature in cursive script that reads "Jana Lipps". The signature is written in black ink on a white background.

Jana Lipps, 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>	AS330411029
<b>Investigation #:</b>	2024A1033004
<b>Complaint Receipt Date:</b>	10/17/2023
<b>Investigation Initiation Date:</b>	10/17/2023
<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>	Bell Oaks At Hillsdale
<b>Facility Address:</b>	521 W. Hillsdale St. Lansing, MI 48933
<b>Facility Telephone #:</b>	(214) 250-6576
<b>Original Issuance Date:</b>	09/20/2022
<b>License Status:</b>	REGULAR
<b>Effective Date:</b>	03/20/2023
<b>Expiration Date:</b>	03/19/2025
<b>Capacity:</b>	6
<b>Program Type:</b>	DEVELOPMENTALLY DISABLED MENTALLY ILL

**II. ALLEGATION(S)**

	<b>Violation Established?</b>
Licensee designee lacks financial capability to operate the home and provide the level of care and program stipulated in the application.	Yes
Additional Findings	Yes

**III. METHODOLOGY**

10/17/2023	Special Investigation Intake 2024A1033004
10/17/2023	Special Investigation Initiated - Letter Email correspondence with Adult Foster Care Licensing, Area Manager, Dawn Timm.
10/23/2023	Contact – Telephone call made Video Conference conducted via Microsoft Teams with Eden Prairie Chief Financial Officer, Bede Obasi, and Eden Prairie attorney, Kennedy Shannon.
10/25/2023	Inspection Completed On-site Interviews conducted with direct care staff, Jesse Lopez, Jose Sotelo, Darion Ray, and direct care staff/Home Manager, Juanita Sotelo. Walkthrough of facility conducted.
10/25/2023	Contact - Document Sent Email correspondence with licensee designee, Ken Ogundipe, regarding heating at facility.
12/01/2023	APS Referral No current suspicion of abuse/neglect.
12/01/2023	Contact - Telephone call made Video conference conducted via Microsoft Teams with licensee designee, Kehinde Ogundipe, Eden Prairie Executive Vice President & Corporate Council, Kennedy Shannon, & Adult Foster Care Licensing Consultants, Johnnie Daniels, Julie Elkins, Jennifer Browning, Jana Lipps.
12/01/2023	Inspection Completed-BCAL Sub. Compliance

12/12/2023	Exit Conference Conducted via telephone with licensee designee, Kehinde Ogundipe.
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**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 at Hillsdale 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 10/23/23 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 10/25/23 I conducted an unannounced, on-site investigation at the facility. I interviewed direct care staff, Jesse Lopez. Mr. Lopez reported that he has worked at the facility for 2-3 months. He reported that until this past pay period, he had no issues with his payroll checks. He reported that his paycheck from 10/20/23 was not for the full amount and he reported this issue to the home manager/direct care staff, Juanita Sotelo. Mr. Lopez reported that Ms. Sotelo did not know how to resolve this issue and direct him to speak with Ms. Shannon. Mr. Lopez reported that he was told the issue with his paycheck being short would be resolved today, but he is still waiting for resolution. Mr. Lopez reported that there have been days when the direct care staff go without milk, eggs, and other essentials such as cleaning supplies. He reported that they usually have the food they need to prepare meals. Mr. Lopez reported no issues with having adequate supply of towels, linens, and toiletries for resident use.

During on-site investigation on 10/25/23 I interviewed direct care staff, Jose Sotelo. Mr. Sotelo reported that he has worked at this facility for about 4-5 months. Mr. Sotelo reported that he has not experienced any issues with his paychecks not being funded since starting at this facility. However, Mr. Sotelo reported that he previously worked for another Eden Prairie Residential Care LLC licensed AFC facility and did have an issue with his payroll checks not being cleared by his financial institution due to non-sufficient funds. Mr. Sotelo reported that his previous experience working for Eden Prairie he was paid a salary wage of \$1200 every two weeks. He reported that within the past two months his pay has changed from salary to hourly and he now receives overtime wages. Mr. Sotelo reported that there is adequate food, toiletries, cleaning supplies, towels, and other linens for resident use at the facility. He reported being unaware of any potential utility shut offs at the facility.

During on-site investigation on 10/25/23 I interviewed direct care staff, Darion Ray. Mr. Ray reported that he has only worked at the facility for two weeks. Mr. Ray reported that in the two weeks he has been employed by Eden Prairie he has observed that the residents have adequate food, toiletries, linens, towels, and cleaning supplies.

During on-site investigation on 10/25/23 I interviewed Ms. Sotelo. Ms. Sotelo reported that she has been appointed the Home Manager for the facility and has worked at the facility since May 2023. Ms. Sotelo reported that several months prior the payroll checks for direct care staff were not supported with funds and were being held by financial institutions or bouncing at the expense of the direct care staff. She reported that she is aware of one direct care staff member who had three checks declined in a row and this financial institution “red flagged” this direct care staff members account. She reported that this direct care staff had to start asking for payment in cash from Eden Prairie Residential Care LLC. Ms. Sotelo reported that there have been issues with receiving groceries in a timely manner from management with Eden Prairie. She reported that there have been instances where they have run out of milk and eggs and she has gone to the store and used her own money to purchase these items. Ms. Sotelo reported that she feels there is adequate food, toiletries, linens, towels, and cleaning supplies for resident use.

During on-site investigation I conducted a walkthrough of the facility. I observed adequate food in the refrigerator, clean towels & linens, toiletries for resident use.

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.”

<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>	Based upon the interviews conducted with Kehinde Ogundipe, Ms. Shannon, Mr. Obasi, Mr. Lopez, Mr. Sotelo, Mr. Ray, & Ms. Sotelo, it can be determined that licensee designee Kehinde Ogundipe has, in fact, been fined \$1.8 million from the Federal Department of Labor due to improper classification of direct care staff members as salaried workers, and not paying appropriate hourly and overtime wages. 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 to non-sufficient funds within the past six months. As a result of these findings, it can be determined that licensee designee Kehinde Ogundipe has demonstrated that he lacked the financial and administrative capability to operate the Eden Prairie Residential Care LLC organization which includes the operation and management of this facility.
<b>CONCLUSION:</b>	<b>VIOLATION ESTABLISHED</b>

**ADDITIONAL FINDING:**

**INVESTIGATION:**

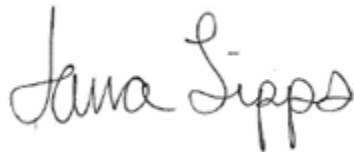
During the on-site investigation I interviewed Resident A. Resident A asked if he could use a space heater in his bedroom due to the upstairs of the facility being extremely cold in the winter months. Resident A reported that last year the direct care staff brought him a space heater, and this worked for him. I requested to view Resident A's bedroom and conducted an inspection of the second level of the facility. I found that there were no heat vents on the second floor of this facility. I further investigated the main level and found that there was not a heating vent in the bedroom of Resident C. In total there were three resident bedrooms, Resident A, Resident B, and Resident C who did not have heating vents in their bedrooms. I interviewed Ms. Sotelo, who reported she had been unaware of the upstairs being cold as she had only worked at the facility during the summer months. She had no knowledge of Resident A using a space heater during winter 2022-2023.

<b>APPLICABLE RULE</b>	
<b>R 400.14510</b>	<b>Heating equipment generally.</b>
	<b>(1) Heat shall be provided by an approved central heating plant or a permanently installed electrical heating system that is approved by a nationally recognized testing laboratory that use acceptable testing methods.</b>

<b>ANALYSIS:</b>	Based upon my interview with Resident A and observations made during the on-site investigation it is clear that the main furnace in the home is not producing heat on the second level of the home, due to no current heating vents detected on this level or in Resident C's bedroom on the main level of the home. With no heating vents in these areas, there is no way to provide adequate heat for these residents, therefore a violation has been established.
<b>CONCLUSION:</b>	<b>VIOLATION ESTABLISHED</b>

**IV. RECOMMENDATION**

Contingent upon receipt of an approved corrective action plan, no change to the status of the license recommended at this time.



12/07/23

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Jana Lipps  
Licensing Consultant

Date

Approved By:



12/11/2023

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Dawn N. Timm  
Area Manager

Date