



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 #: AS330409863
Investigation #: 2024A1029005
Bell Oaks II At Coleman

Dear Mr. Ogundipe:

Attached is the Special Investigation Report for the above referenced facility. Due to the physical plant and quality of care violations identified in the report, a six-month provisional license is recommended and 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 do not contest the issuance of a provisional license, you must indicate so in writing; this may be included in your corrective action plan or in a separate document. If you contest the issuance of a provisional license, you must notify this office in writing and an administrative hearing will be scheduled. Even if you contest the issuance of a provisional license, you must still submit an acceptable corrective action plan.

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 (231) 922-5309.

Sincerely,

A handwritten signature in black ink that reads "Jennifer Browning". The script is cursive and fluid.

Jennifer Browning, Licensing Consultant
Bureau of Community and Health Systems
Browningj1@michigan.gov - (989) 444-9614

enclosure

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

I. IDENTIFYING INFORMATION

License #:	AS330409863
Investigation #:	2024A1029005
Complaint Receipt Date:	10/17/2023
Investigation Initiation Date:	10/17/2023
Report Due Date:	12/16/2023
Licensee Name:	Eden Prairie Residential Care, LLC
Licensee Address:	405 W Greenlawn, G15 B, Lansing, MI 48910
Licensee Telephone #:	(214) 250-6576
Administrator:	Kehinde Ogundipe
Licensee Designee:	Kehinde Ogundipe
Name of Facility:	Bell Oaks II At Coleman
Facility Address:	1713 Coleman Avenue, Lansing, MI 48910
Facility Telephone #:	(214) 250-6576
Original Issuance Date:	02/02/2023
License Status:	REGULAR
Effective Date:	08/02/2023
Expiration Date:	08/01/2025
Capacity:	4
Program Type:	DEVELOPMENTALLY DISABLED MENTALLY ILL

II. ALLEGATION(S)

	Violation Established?
Licensee designee Kehinde Ogundipe does not have the financial capability to operate Bell Oaks II at Coleman.	Yes
Additional Findings	Yes

III. METHODOLOGY

10/17/2023	Special Investigation Intake 2024A1029005
10/17/2023	Special Investigation Initiated – Telephone to Rodney Gill AFC Licensing consultant.
10/23/2023	Contact - Telephone call made – Conference call with Eden Prairie Bede Obasi and Kennedy Shannon with AFC consultants concerning investigation.
10/24/2023	Contact - Face to Face with Ashanti Wright at a different licensed AFC
10/24/2023	Inspection completed on-site to Bell Oaks II at Coleman and there was a red tag on the door from the City of Lansing. No one present.
10/31/2023	Contact - Document Sent - Email to Ken Ogundipe and Ashanti Wright requesting information.
11/01/2023	APS Referral to Centralized Intake
11/01/2023	Contact - Telephone call made to City of Lansing Code Enforcement, Christina Porres
12/01/2023	Contact - Telephone call made - Teams meeting with AFC consultants, Ken Ogundipe, and Kennedy Shannon
12/01/2023	Contact - Document Sent - Email to Amy Castillo Code Enforcement Officer
12/01/2023	Contact - Telephone call made to direct care staff members Joshua Grier. Left message for him, Misty Greenman, Lakeisha Baldwin, Orlando Ford (cannot receive calls at this time)
12/06/2023	Exit conference with licensee designee, Kehinde Ogundipe.

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ALLEGATION:

Licensee designee Kehinde Ogundipe does not have the financial capability to operate Bell Oaks II at Coleman.

INVESTIGATION:

On October 17, 2023, complaint allegations were received with concerns that licensee designee Mr. Ogundipe does not have the financial resources to operate Bell Oaks II at Coleman. According to the complaint allegations, there is a Department of Labor investigation where the licensee Eden Prairie Residential Care LLC has been fined by the Federal Department of Labor and is expected to pay \$1.8 million for back wages owed to direct care staff members.

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 October 24, 2023, I completed an unannounced on-site investigation at another licensed AFC also owned and operated by Mr. Ogundipe and met with direct care staff member who oversees the Lansing region, Ashanti Wright. Ms. Wright stated Mr. Ogundipe fully owns most of his properties and only has one rental property which is a different licensed facility. Ms. Wright stated when the facility was opened to residents, she did not recall a time when there was an issue with direct care staff members not being paid and her paychecks have always been on time. Ms. Wright stated since she is considered a program director, her checks are direct deposited and she is salary based. Ms. Wright stated there were "a couple checks" that bounced because Community Mental Health (CMH) did not pay for their contracts on time but this has been corrected. Ms. Wright did not recall which direct care staff members were affected by this or the date this occurred.

Ms. Wright stated all direct care staff members are paid with direct deposit now if they completed the form for direct deposit and they are all paid hourly. Ms. Wright stated the direct care staff members are all paid \$15 per hour unless they are not in compliance with their training, then they are dropped down to minimum wage until they complete their training.

Ms. Wright stated the direct care staff members were never salary based, only home managers. Ms. Wright stated they were paid based on a 1099 however, that changed in March 2023 and they are now receiving overtime as well.

Ms. Wright stated all the utilities, groceries, and car maintenance are paid for by Mr. Ogundipe but she did not have knowledge which account this was paid from. Ms. Wright stated they used to order the groceries every two weeks and Mr. Ogundipe would sign a check for them to pay for the groceries and she has never had an issue with this system not working. Ms. Wright stated there is now someone who orders all the groceries for each home.

On December 1, 2023, I interviewed direct care staff member Lakeisha Baldwin who stated she had issues receiving her checks as scheduled. Ms. Baldwin stated one time her check was received but her bank would not recognize the check as a payroll check and would not cash it. Ms. Baldwin stated other reasons her bank wouldn't cash her payroll check included the dollar sign (\$) being in the wrong spot or other small mistakes on the check. Ms. Baldwin stated her payroll checks did bounce three times and this was once in February 2023 and two checks in March 2023. Ms. Baldwin stated this is when she first started with the company but she did continue to work after this time because she eventually received her paychecks. Ms. Baldwin stated she had to pay the bounce check fee and was not reimbursed for these fees. Ms. Baldwin stated she used to bank at Case Credit Union for years but had to change banks because they

would not cash checks from Eden Prairie Residential Care LLC. Ms. Baldwin stated she has not had any paychecks bounce in recent months.

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 December 1, 2023, I interviewed former direct care staff member Josh Griar who worked for Eden Prairie properties for one year. Mr. Griar stated he experienced bounced payroll checks which was why he stopped working for this employer. Mr. Griar

stated it was frustrating to not know if he would be paid on time or receive his money. Mr. Griar stated licensee designee Kehinde Ogundipe never reached out to direct care staff members to inform them of what was occurring. Mr. Griar stated direct care staff member/home manager Ashanti Wright also had no information about this either. Mr. Griar stated the last time he did not get paid in September 2023; he was told he did not turn his hours in but he did do this. Mr. Griar stated during that time there were four employees that did not get paid in September 2023. Mr. Griar stated at first he was paid salary but that changed to hourly which was \$15.00 per hour. Mr. Griar stated at one point overtime was no longer approved but that did not work because they would have so many residents who required 1:1 staffing coverage and they would have to stay over on their shift if someone called in. Mr. Griar stated MSU Federal Credit Union did not want to cash his payroll checks any longer because it bounced so many times so then he went to Navy Federal but when it bounced there, he ended up taking the check to the gas station because no other bank would cash it. Mr. Griar stated he really enjoyed the job but these issues were frustrating and it was not worth it to continue.

Mr. Griar stated there were consistently issues with the groceries as well. Mr. Griar stated the direct care staff members were told by Ms. Wright that there was only a small amount for personal care supplies, food, and supplies. Mr. Griar stated Mr. Ogundipe bought food but there were never enough for the residents. Mr. Griar stated in the summer, at least 70% of the time, direct care staff members bought residents pizza, had a barbeque, or took them out to eat using their own money because they did not have enough food in the home. Mr. Griar stated direct care staff members brought in tooth brushes, tooth paste, and other personal care items because the residents did not have these items.

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, Mr. Lopez, Mr. Griar, 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 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.
CONCLUSION:	VIOLATION ESTABLISHED

ADDITIONAL FINDING:

INVESTIGATION:

I reviewed the facility file for Bell Oaks II at Coleman and there was a licensing renewal inspection completed by AFC Licensing Consultant Rodney Gill on July 17, 2023 and in the *Licensing Study Report* there is a notation there were two residents present at the time of inspection and Mr. Ogundipe did have residents at that time. Included in the facility file, were discharge notices for Residents A, B, C, D, and E indicating the contract between Macomb County Community Mental Health (CMH) and Eden Prairie was terminated and a thirty day notice was given on July 17, 2023 from Bell Oaks II at Coleman requiring all residents to move out on August 16, 2023. Mr. Gill confirmed on December 1, 2023 that when he completed the on-site inspection for the renewal there were no red tags on the door.

On October 24, 2023, I completed an unannounced on-site investigation at Bell Oaks II at Coleman and there was a red tag on the door from the City of Lansing Economic Development and Planning-Office of Code Enforcement and there were no residents or direct care staff members at the home. There was a note on the tag dated September 15, 2023 which stated, "Red Tag" on the door.

On October 24, 2023, I completed an on-site investigation at another licensed AFC also owned by Mr. Ogundipe and met with direct care staff member who oversees the Lansing region, Ashanti Wright. Ms. Wright stated Bell Oaks II at Coleman has been red tagged and closed due to maintenance issues. Ms. Wright stated she oversees multiple licensed AFC facilities in the Lansing region but she did not have any information why this home was red tagged or when this occurred.

On November 1, 2023, I contacted the City of Lansing Code Enforcement Unit and spoke to Christina Porres regarding Bell Oaks II at Coleman. Ms. Porres stated all communication regarding this property is listed under the address 1711 Coleman because the property is a duplex and both sides currently have a red tag. Ms. Porres stated the property was red tagged November 7, 2018 because of unsafe and dangerous conditions relating to fire damage. Ms. Porres stated there is a history of notes on the property going back from March 30, 2019.

On December 1, 2023, I sent an email to Code Enforcement Officer Amy Castillo inquiring about the current status of the red tag and what has been done to rectify the red tag status. Ms. Castillo responded with the following message:

"Both 1711 and 1713 Coleman remain red tagged as of today. The red tag has been for both units the whole time. There have been residents inside that dwelling all summer and into September. Occupants were present when we checked on the property on 09/15/23. Occupants were NOT present when the property was checked on 10/19/23 and 11/21/23. Every letter that has went out has been for both 1711 and 1713 Coleman. As of today, there are NOT any valid permits at this property and BOTH units remain red tagged."

On December 1, 2023, I contacted direct care staff member Lakeisha Baldwin who was employed at Bell Oaks II at Coleman before residents moved out of the facility. Ms. Baldwin stated she has been an employee with Eden Prairie Residential Care LLC since the end of February 2023 and has worked for three different properties owned by Eden Prairie Residential Care LLC. Ms. Baldwin stated she did not know the reason Bell Oaks II at Coleman was red tagged and did not recall any fire damage at the property. Ms. Baldwin stated four residents moved out of the facility in September 2023.

On December 1, 2023, I interviewed licensee designee Ken Ogundipe and Executive Vice President and Corporate Council, Kennedy Shannon via Teams. AFC Licensing Consultants Julie Elkins, Johnnie Daniels, and Jana Lipps were also present for this

interview. Mr. Ogundipe stated there are currently three facilities which are red tagged by the City of Lansing and Bell Oaks II at Coleman was one of them. Mr. Ogundipe described the communication with the City of Lansing "slow forthcoming" and stated they do not communicate with them so they must go online to see what is still needed for the property. Mr. Ogundipe stated Bell Oaks II at Coleman has only been red tagged for three months. Mr. Ogundipe stated the last letter from them needed architectural drawings and when the red tag occurred, the residents were moved out.

APPLICABLE RULE	
R 400.14403	Maintenance of premises.
	(1) A home shall be constructed, arranged, and maintained to provide adequately for the health, safety, and well-being of occupants.
ANALYSIS:	Based on information from Ms. Castillo and Ms. Porres along with written documentation from the city of Lansing Economic Development & Planning Code Enforcement Office, I determined this AFC facility has been red tagged prior to licensee designee Kehinde Ogundipe purchased the property. While it appears licensee designee Mr. Ogundipe remodeled the home and fixed the fire damage he failed to apply for the proper permits and file the correct documents with the City of Lansing thus the property remains red tagged at this time.
CONCLUSION:	VIOLATION ESTABLISHED

IV. RECOMMENDATION

Contingent upon receipt of an acceptable corrective action plan and due to the severity of physical plant violations, I recommend issuance of a six month provisional license.



Jennifer Browning
Licensing Consultant

12/06/2023

Date

Approved By:



12/11/2023

Dawn N. Timm
Area Manager

Date