



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

MARLON I. BROWN, DPA
ACTING DIRECTOR

October 2, 2023

Joanne Donaldson
North Haven AFC, Inc.
13505 State HWY M28
Newberry, MI 49868

RE: License #: AS480339035
Investigation #: 2023A0873019
North Haven AFC

Dear Joanne Donaldson:

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.
- A copy of your credit report.

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 black ink, appearing to be 'G. Peters', with a large loop on the left and a long horizontal stroke extending to the right.

Garrett Peters, Licensing Consultant
Bureau of Community and Health Systems
234 W. Baraga Ave.
Marquette, MI 49855
(906) 250-9318

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

I. IDENTIFYING INFORMATION

License #:	AS480339035
Investigation #:	2023A0873019
Complaint Receipt Date:	08/04/2023
Investigation Initiation Date:	08/04/2023
Report Due Date:	10/03/2023
Licensee Name:	North Haven AFC, Inc.
Licensee Address:	13505 State HWY M28 Newberry, MI 49868
Licensee Telephone #:	(906) 293-5052
Administrator:	Joanne Donaldson
Licensee Designee:	Joanne Donaldson
Name of Facility:	North Haven AFC
Facility Address:	13505 State Hwy M-28 Newberry, MI 49868
Facility Telephone #:	(906) 293-6620
Original Issuance Date:	05/24/2013
License Status:	REGULAR
Effective Date:	09/02/2022
Expiration Date:	09/01/2024
Capacity:	6
Program Type:	DEVELOPMENTALLY DISABLED MENTALLY ILL AGED

II. ALLEGATION(S)

	Violation Established?
The electricity was shut off for several days.	Yes
There was no home phone for several months.	Yes
Residents never have spending money.	No
Additional Findings	Yes

III. METHODOLOGY

08/04/2023	Special Investigation Intake 2023A0873019
08/04/2023	Special Investigation Initiated - Telephone Spoke with Pathways CMH
08/08/2023	APS Referral Referred to APS
08/14/2023	Inspection Completed On-site
08/14/2023	Contact - Document Received Received several documents
08/14/2023	Contact - Face to Face Interviews with Resident A and B and Joanne
08/14/2023	Contact – Document Sent Email conversation with APS
08/31/2023	Contact - Telephone call made Interview with Pathways case worker
09/19/2023	Contact - Telephone call made Call to home - number disconnected. Call to Joanne cell, left message.
09/19/2023	Contact - Telephone call made Interview with Pathways life skills tech
09/19/2023	Contact - Telephone call made Several attempts to contact guardian of Resident A

09/20/2023	Inspection Completed On-site Interview with Joanne
09/20/2023	Contact - Document Received Received copy of Funds I and II for Resident C
09/21/2023	Contact - Telephone call made Call to guardian
09/21/2023	Contact - Telephone call made call to home to confirm landline phone is working
09/25/2023	Inspection Completed On-Site
09/25/2023	Contact – Document Received Received resident care agreement for Residents A and D as well as latest electric bill
9/29/2023	Exit Conference With Joanne Donaldson

ALLEGATIONS:

- The electricity was shut off for several days.
- There was no home phone for several months.
- Residents never have spending money.

INVESTIGATION:

On 8/4/23 I received an anonymous complaint expressing concern for the welfare of residents at North Haven AFC. The complainant informed me that the entire home was without electricity for approximately 3-4 days leaving the residents with nothing to do in the home and unable to flush the toilet. Further, the complainant alleged that no one could call the residents at home because the home phone has been shut off. There was an alternative cell phone number given for residents to use, but this phone belonged to licensee designee Joanne Donaldson, and it was rarely answered, with voicemails going unacknowledged. The complainant also had concerns about the residents' spending money, fearing that residents were not able to spend their own money as the money was being taken by the licensee designee.

On 8/14/23 I conducted an unannounced inspection of the facility. I knocked on several doors around the outside of the home until I was let in. Once inside, I interviewed licensee designee Joanne Donaldson about the allegations. Joanne admitted to me that the electricity had been shut off due to non-payment. The

electricity was on while I was in the home. She also reported to me the adult protective services helped her with a \$1000 payment to the electric company to have the electricity turned back on. I confirmed this with adult protective services worker David Jones. APS worker Jones also informed me that he had received a report that licensee designee Donaldson was the victim of a financial exploitation scheme that has since been resolved. I asked licensee designee for a copy of her current electric bill which she provided. The bill shows a back-due balance of \$2578.98 and a current monthly charge of \$273.41 for a total of \$2849.39 due. This bill was dated 7/6/23 and licensee designee Donaldson informed me that on 8/2/23 she had paid \$1000 toward this amount. This leaves a current balance of \$1849.39 on the account. Licensee designee Donaldson assured me that going forward she will be paying down her electric bill to prevent further shut offs. The home currently has 5 residents.

On 8/14/23, licensee designee Donaldson admitted to me that the house phone had broke and was not currently working. I was told the phone broke due to "corroded wires." I was told she has a cell phone that she has allowed residents to use as needed. I was also told the cable tv service had also been shut off due to excessive charges. Licensee designee Donaldson explained to me that she had been financially exploited by "scammers" to whom she sent money. She told me that she now understands that when people call her and ask her to send them money in return for something else, it is a scam. Ms. Donaldson told me that she reported this to the police.

On 8/14/23, I asked to review Resident A and C's Resident Funds Part II form. Upon review I noted that neither form had resident signatures on them. I asked licensee designee Donaldson to provide me proof that she had, on-hand and available, the correct cash amounts for each resident as indicated on their Resident Funds II forms. She provided this to me, and I counted the cash on hand. In neither case did it match correctly to the amounts indicated on the Resident Funds II forms. In both cases, the amount was off by at least several dollars.

On 8/14/23, I interviewed Resident A who confirmed the power had recently been out at the home for several days. When asked if he is able to access his money from licensee designee Donaldson, he told me "no." It was apparent Resident A had a cognitive disability but, otherwise, seemed to be happy and clean.

On 8/14/23, I continued my interview with licensee designee Donaldson asking why Resident A told me he does not receive money from her. She explained to me that much of his money goes to medical co-pays and medication costs. She also told me Resident A gets extra money from his guardian for personal spending. I asked her to provide me contact information for Resident A's guardian.

On 8/14/23, I interviewed Resident B who told me he had been living at the home for 20 years and was his own guardian. I asked Resident B about the allegations, and he confirmed the power had been out but reported to me that he has access to a

phone and never has an issue requesting money for personal spending when needed. During the interview I noted Resident B seemed clean and happy.

On 9/19/23, I interviewed a Pathways Community Mental Health life-skills technician who works with Resident D and is familiar with several residents at North Haven AFC. We specifically spoke about Resident D, with whom she is most familiar. I was told that Resident D “never has money” and if he does have any money, it is always loose change; never enough to buy anything. I was told she often arranges outings to McDonalds and Resident D will ask licensee designee Donaldson for his money. In her experience licensee designee Donaldson will either then cancel the outing on behalf of Resident D or send him with no money. I was told these are her overriding concerns and that Resident D is always clean and happy when she sees him. I was also told Resident D’s guardian is licensee designee Donaldson’s son.

On 9/20/23, I conducted another unannounced, onsite inspection of the facility. While there, I again interviewed licensee designee Donaldson who told me they recently had a new home phone set up and she gave me the phone number. I requested copies of Resident D’s Resident Funds Part I and II forms and any cash she had on hand for Resident D. I noted, similar to the other residents’ forms, the Resident II form did not contain the required signatures and, whereas the dollar amount on Resident D’s Resident II form indicated licensee designee Donaldson should be holding \$179.50 in cash, the actual amount I counted was \$189.02.

On 9/25/23 I reviewed the resident care agreement for Resident D and noticed that the document indicates the licensee is allowed to manage financial transactions on the resident’s behalf, however, there was no dollar amount agreed upon that would require the resident’s signature, effectively prohibiting the licensee from managing any of the resident’s financial transactions without a signature from Resident D.

On 9/21/23 I interviewed Resident A’s guardian. While Guardian A told me that, overall, Resident A is clean, well-fed, and taken care of and happy there, she has recently started to have some concerns about the home. I was told that Guardian A often picks Resident A up from the home to go out. On a recent outing, Resident A told them that the power was recently off at the home and the cable tv had also been shut off. I was also told that for the past several months the home’s phone was disconnected, and they were forced to call licensee designee Donaldson’s personal cell phone to reach Resident A. However, I was told that on many occasions there would be no answer nor response to their calls. Guardian A had concerns about there not being a landline at the home and explained to me that Resident A, although able to call on a landline for services in the event of an emergency, would not be able to navigate a cell phone on his own. Guardian A told me that they were never told by licensee designee Donaldson that the landline was not working and, at the time of this writing, had not been contacted by North Haven informing them of the new phone number. Guardian A also confirmed that Resident A receives some spending money from them.

On 9/25/23 I conducted another unannounced onsite inspection. When I pulled up to the home, I observed a police vehicle there. I interviewed the police who told me they were there to serve court documents to Ms. Donaldson. I went into the home and asked Ms. Donaldson about this, and she told me that her bank was suing her, taking her to small claims court, for around \$500 she owed them. Also, while there I observed that there was an adequate food supply for residents. I also requested and was given copies of the current electric bill as well as the resident care agreements for Resident A and D. The bill itself said there was still money owed but Ms. Donaldson assured me it had been paid in full. I requested we call the electric company together to confirm this. Ms. Donaldson agreed to this request. The electric company confirmed to me the balance on the account for North Haven's electric bill was \$0. I then looked at the resident care agreements and noticed that both documents indicate the licensee is allowed to manage financial transactions on the resident's behalf, however, there was no dollar amount agreed upon that would require the resident's signature, effectively prohibiting the licensee from managing any of the resident's financial transactions without a signature from the Residents.

On 9/29/2023 I conducted an exit conference with licensee Joanne Donaldson who reported to me that she did not agree with the findings of the investigation. She told me that even though the power and cable tv had been shut off she had successfully gotten them turned back on some days later. Licensee Donaldson told me that she feels licensing is not treating her fairly and that if she needs to get a lawyer, she will. She then hung up on me. Several hours later I called her back to explain to her what will be needed in the corrective action plan. Licensee Donaldson apologized for hanging up on me and told me she had been angry. I told her that I would mail her a physical copy of the special investigation report, per her request, and email her one as well.

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:	North Haven AFC had the power cut to the home due to non-payment of the electric bill. The cable television service had also been shut off due to non-payment. Adult protective services was able to provide licensee designee Donaldson \$1000 to pay down the electric bill and restore service. Since this investigation began, North Haven has been able to pay down the entire bill and I have confirmed there is currently no money owed on the account.
CONCLUSION:	VIOLATION ESTABLISHED

APPLICABLE RULE	
R 400.14304	Resident rights; licensee responsibilities.
	<p>(1) Upon a resident's admission to the home, a licensee shall inform a resident or the resident's designated representative of, explain to the resident or the resident's designated representative, and provide to the resident or the resident's designated representative, a copy of all of the following resident rights:</p> <p>(e) The right of reasonable access to a telephone for private communications. Similar access shall be granted for long distance collect calls and calls which otherwise are paid for by the resident. A licensee may charge a resident for long distance and toll telephone calls. When pay telephones are provided in group homes, a reasonable amount of change shall be available in the group home to enable residents to make change for calling purposes.</p>
ANALYSIS:	For several months, North Haven AFC was without a working house phone. Residents were forced to use licensee designee Donaldson's personal cell phone to make calls. Community Mental Health workers and guardians had trouble contacting residents. At least one guardian was never told the home phone was no longer working and had not been told of the new phone number now that the phone is again connected.
CONCLUSION:	VIOLATION ESTABLISHED

APPLICABLE RULE	
R 400.14315	Handling of resident funds and valuables.
	(7) A resident shall have access to and use of personal funds that belong to him or her in reasonable amounts, including immediate access to not less than \$20.00 of his or her personal funds. A resident shall receive up to his or her full amount of personal funds at a time designated by the resident, but not more than 5 days after the request for the funds. Exceptions to this requirement shall be subject to the provisions of the resident’s assessment plan and the plan of services.
ANALYSIS:	After interviewing several residents and Resident II funds and cash-on-hand amounts, all residents had access to their money. I could find no evidence North Haven AFC is withholding money from residents.
CONCLUSION:	VIOLATION NOT ESTABLISHED

ADDITIONAL FINDINGS:

- The amount indicated in the Resident Funds Part II forms for Residents A, C, and D, and the amount of cash-on-hand do not match.
- No financial transaction indicated on any Resident Funds Part II forms for Residents A, C, and D contained a resident (or representative) signature, as required.

INVESTIGATION:

On 8/14/23 I reviewed the Resident Funds Part II forms for Resident A and C and on 9/20/23 I reviewed the same form for Resident D. In the case of Resident A and C the amount on the form indicated licensee Donaldson should have on hand, \$95.79 and \$44.00, respectively. In neither case were these amounts accurate as both were off by several dollars. In the case of Resident D, who was supposed to have \$179.50 on hand, according to the Resident Funds II form, the actual amount licensee Donaldson had on hand was \$189.02.

On 9/25/23 I received copies of the Resident Care Agreements for Residents A and D. I noticed that both documents indicate the licensee is allowed to manage financial transactions on the resident’s behalf, however, there was no dollar amount agreed upon that would require the resident’s signature, effectively prohibiting the licensee from managing any of the resident’s financial transactions without a signature from the Residents.

On 9/29/2023 I conducted an exit conference with licensee Joanne Donaldson who reported to me that she did not agree with the findings of the investigation. I explained to her the fact that the dollar amounts on the Resident Funds II and the actual cash on hand not matching, coupled with utilities in the home being shut off, points to potentially poor management of North Haven's funds. She told me that she is not spending the residents' money and I told her that I am not accusing her of doing that. Licensee Donaldson told me that she feels licensing is not treating her fairly and that if she needs to get a lawyer, she will. She then hung up on me. Several hours later I called her back to explain to her what will be needed in the corrective action plan. Licensee Donaldson apologized for hanging up on me and told me she had been angry. I told her that I would mail her a physical copy of the special investigation report, per her request, and email her one as well.

APPLICABLE RULE	
R 400.14315	Handling of resident funds and valuables.
	(2) The care of any resident funds and valuables that have been accepted by a licensee for safekeeping shall be treated by the licensee as a trust obligation.
ANALYSIS:	After reviewing Resident Funds Part II forms for Residents A, C, and D, none of the amounts indicated on the forms matched what North Haven AFC had in cash, on hand, for respective residents. Resident D's Resident Funds Part II form indicated licensee designee Donaldson should be holding \$179.50 in cash, the actual amount I counted was \$189.02.
CONCLUSION:	VIOLATION ESTABLISHED

APPLICABLE RULE	
R 400.14315	Handing of resident funds and valuables.
	(8) All resident funds transactions shall require the signature of the resident or the resident's designated representative and the licensee or prior written approval from the resident or the resident's designated representative.

ANALYSIS:	I reviewed three resident's Resident Fund II forms for Residents A, C, and D and none of them contained resident (or resident representative) signatures.
CONCLUSION:	VIOLATION ESTABLISHED

IV. RECOMMENDATION

Contingent upon receipt of an appropriate corrective action plan, I recommend no changes to the status of this license.

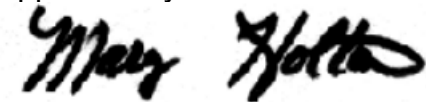


10/2/23

Garrett Peters
Licensing Consultant

Date

Approved By:



10/2/23

Mary E. Holton
Area Manager

Date