



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 #: AS330410066  
Investigation #: 2024A0466006  
Bell Oaks at Ionia

Dear Mr. Ogundipe:

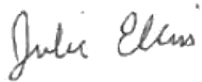
Attached is the Special Investigation Report for the above referenced facility. Due to the violations identified in the report, a written corrective action plan is required. The corrective action plan is due 15 days from the date of this letter and must include the following:

- 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 cursive script that reads "Julie Elkins".

Julie Elkins, 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>	AS330410066
<b>Investigation #:</b>	2024A0466006
<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 Ionia
<b>Facility Address:</b>	1201 W Ionia St Lansing, MI 48915
<b>Facility Telephone #:</b>	(214) 250-6576
<b>Original Issuance Date:</b>	06/26/2023
<b>License Status:</b>	TEMPORARY
<b>Effective Date:</b>	06/26/2023
<b>Expiration Date:</b>	12/25/2023
<b>Capacity:</b>	6
<b>Program Type:</b>	DEVELOPMENTALLY DISABLED MENTALLY ILL

## II. ALLEGATION:

	Violation Established?
Licensee designee lacks financial and administrative capability to operate Bell Oaks at Ionia.	Yes

## III. METHODOLOGY

10/17/2023	Special Investigation Intake 2024A0466006.
10/17/2023	Special Investigation Initiated – Letter.
10/18/2023	Contact - Document Received email from Frodet Dawisha.
10/18/2023	Contact - Document Received Bank Statements for Eden Prairie.
10/23/2023	Contact - Face to Face Teams meeting with attorney Kennedy Shannon and fractional CFO Bede Obassie.
10/23/2023	Contact - Face to Face Teams meeting with Kennedy Shannon and Bede Obasi.
10/26/2023	Inspection Completed On-site.
10/30/2023	APS Referral.
12/01/2023	Contact - Face to Face teams meeting with Kennedy Shannon and licensee designee Kehinde Ogundipe.
12/05/2023	Contact - Document Received Email from licensee designee Kehinde Ogundipe.
12/06/2023	Contact - Document Received Email from Kennedy Shannon.
12/08/2023	Exit Conference licensee designee Kehinde Ogundipe.

**ALLEGATION:** Licensee designee lacks financial and administrative capability to operate Bell Oaks at Ionia.

### INVESTIGATION:

On 10/17/2023, Complainant reported that Eden Prairie was recently investigated by the Department of Labor (DOL) and based on their findings licensee designee Kehinde Ogundipe has been ordered to pay \$1.8 million in back wages. Complainant reported that 45 paychecks went out last week to staff, but checks

bounced due to insufficient funds. Complainant reported that on Friday 10/13/2023, there was a deposit of over \$280,000 by CMH which would cover all staff wages, but as of this morning, \$30,000 was withdrawn by licensee designee Kehinde Ogundipe who then informed the accountant to wait until this Friday, 10/20/2023 to pay staff which is a pattern that continues to occur with licensee designee Ogundipe.

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 10/26/2023 I conducted an unannounced investigation and I interviewed direct care worker (DCW) Falisha Van Horn who reported that she has worked for Eden Prairie since July 2023. DCW Van Horn reported that the facility has been low on supplies especially Kleenex and food but DCWs buy the needed items so residents do not go without. DCW Van Horn reported when she first started to work at the facility, a grocery stipend was provided to purchase needed items but now licensee designee Kehinde Ogundipe and Martha Ogundipe purchase all of the items for the facility. DCW Van Horn reported the facility toilet backs up and does not want to flush. DCW Van Horn reported she has never had a bounced paycheck however the pay check does not say the hours worked on it nor the pay rate. DCW Van Horn reported that payday used to be Wednesday and now it has been changed to Friday. DCW Van Horn says that there is always something wrong with her check, either she is not paid the correct number of hours and/or she is not being paid at the correct pay rate.

I interviewed DCW Carl Cannon who reported that there have been issues with payroll and Eden Prairie Residential Care LLC keeps switching payroll companies. DCW Carl Cannon reported he was supposed to be paid on 10/25/2023 but did not get paid and now is supposed to be paid on 10/27/2023.

I interviewed DCW Quasha Cannon who reported that at least four times she was paid but she was not paid for the correct hours however that was later rectified. DCW Quasha Cannon reported that in June and July of 2023 there were times when she was not paid, she could not cash Eden Prairie Residential Care LLC checks or that paychecks bounced. DCW Quasha Cannon reported that a lot of staff would cash their checks at a local store and that \$20,000.00 worth of checks bounced in one month so they will no longer cash Eden Prairie Residential Care LLC checks anymore. DCW Quasha Cannon reported that she had to take her checks to Flint to cash them. DCW Quasha Cannon reported that the facility does not have enough food so DCWs purchase what is needed for the residents. DCW Quasha Cannon reported licensee designee Kehinde Ogundipe has not delivered any groceries in the past three weeks. DCW Quasha Cannon reported that the utilizes have been working.

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 I 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.”

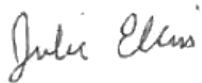


<b>APPLICABLE RULE</b>	
<b>R 400.14201</b>	<b>Qualifications of administrator, direct care staff, licensee, and members of the household; provision of names of employee, volunteer, or member of the household on parole or probation or convicted of felony; food service staff.</b>
	<b>(2) A licensee shall 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, and Mr. Obasi, 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>

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

#### IV. RECOMMENDATION

Contingent upon receipt of an acceptable corrective action plan, I recommend continuation of the current license status.



12/11/2023

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Julie Elkins  
Licensing Consultant

Date

Approved By:



12/12/2023

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Dawn N. Timm  
Area Manager

Date