



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 #: AS330414628
Investigation #: 2024A1029006
Pine Home

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.
- How continuing compliance will be maintained once compliance is achieved.
- The signature of the responsible party and a date.

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 (231) 922-5309.

Sincerely,

Jennifer Browning

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 #:	AS330414628
Investigation #:	2024A1029006
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, G 15 B, Lansing, MI 48910
Licensee Telephone #:	(214) 250-6576
Administrator:	Kehinde Ogundipe
Licensee Designee:	Kehinde Ogundipe
Name of Facility:	Pine Home
Facility Address:	514 N Pine St, Lansing, MI 48933
Facility Telephone #:	(214) 250-6576
Original Issuance Date:	03/14/2023
License Status:	REGULAR
Effective Date:	09/15/2023
Expiration Date:	09/14/2025
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 Pine Home.	Yes

III. METHODOLOGY

10/17/2023	Special Investigation Intake 2024A1029006
10/17/2023	Special Investigation Initiated – Letter - Emailed Johnnie Daniels AFC licensing consultant.
10/23/2023	Contact - Telephone call made – Teams conference call with Eden Prairie Bede Obasi and Kennedy Shannon with AFC consultants concerning investigation.
10/24/2023	Inspection Completed On-site – face to face with Resident A, direct care staff member Ebony Henry, Ashanti Wright, ORR Huron County Catherine Jaskowski at Pine Home
10/31/2023	Contact - Document Sent - Email to Ken Ogundipe and Ashanti Wright
11/01/2023	APS Referral sent to Centralized Intake
12/01/2023	Contact - Telephone call made - Teams meeting with AFC consultants Julie Elkins, Jana Lipps, and Johnnie Daniels, Ken Ogundipe, and Kennedy Shannon
12/06/2023	Contact – document received – Email from Kennedy Shannon.
12/06/2023	Contact – Telephone call to direct care staff members - Ebony Henry, Latresha Grandberry, Breanna Heggins, Cassandra Squires (unavailable).
12/06/2023	Exit conference with licensee designee, Kehinde Ogundipe.

ALLEGATION: Licensee designee Kehinde Ogundipe does not have the financial capability to operate Pine Home.

INVESTIGATION:

On October 17, 2023, complaint allegations were received with concerns that licensee designee Mr. Ogundipe does not have the financial resources to operate Pine Home. According to the complaint allegations, there is a Department of Labor lawsuit where Eden Prairie has been fined by the Federal Department of Labor and is expected to pay \$1.8 million to settle this issue for back wages owed to direct care staff member.

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 Pine Home and interviewed the 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 dates 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. 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.

During my on-site inspection, Huron County Community Mental Health recipient rights advisor, Catherine Jaskowski was also present for a compliance visit. Ms. Jaskowski did not have any concerns regarding finances at the home or concerns regarding Resident A's care.

On October 24, 2023, I interviewed direct care staff member whose current role was home manager, Ebony Henry at Pine Home. Ms. Henry stated she started her employment in September 2023 but she has had no concerns with not receiving her pay since she started. Ms. Henry stated she has never had a concern regarding her checks bouncing. Ms. Henry stated there has always been adequate food and personal care supplies for Resident A. Ms. Henry stated if she had concerns, she would inform Ms. Wright. Ms. Henry stated the utilities have never been turned off because the bills are always paid on time.

On October 24, 2023, I interviewed Resident A. Resident A stated she ate oatmeal for breakfast but sometimes she has cereal. Resident A stated she is the only resident at Pine Home but she likes living there. Resident A stated she likes it because sometimes

the direct care staff members take her to Wal-Mart. Resident A stated she has everything she needs at Pine Home, plenty of food, personal care items, and clothing.

On November 1, 2023, I received an email from Ms. Wright confirming the utilities showing as paid. Ms. Wright sent a screenshot from Consumers Energy showing the last payment was made for \$85.13 on October 30, 2023. There was another attachment without a company name showing a balance of \$493.22 paid on October 31, 2023. It appears as of November 1, 2023, all utilities are paid in full for Pine Home.

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.”

On December 6, 2023, I interviewed direct care staff member Breanna Heggins. Ms. Heggins stated she has been employed there since October 2023. Ms. Heggins stated she has had no concerns regarding her paychecks since she started working for Eden Prairie properties. Ms. Heggins stated she always receives her paycheck on time and she has never had a check bounce. Ms. Heggins stated there were no concerns regarding Resident A not having what she needs because there is plenty of groceries and personal care items for her. Ms. Heggins stated she has never noticed any utility shut offs or eviction notices at the home.

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 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.
CONCLUSION:	VIOLATION ESTABLISHED

IV. RECOMMENDATION

Upon receipt of an approved corrective action plan, I recommend no change in the license status.

Jennifer Browning

Jennifer Browning
Licensing Consultant

12/6/2023 _____
Date

Approved By:

Dawn Timm

12/11/2023

Dawn N. Timm
Area Manager

Date