



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

MARLON I. BROWN, DPA
ACTING DIRECTOR

February 1, 2024

Felicia Evans
Community Living Options
626 Reed Street
Kalamazoo, MI 49001

RE: License #: AS390317402
Investigation #: 2024A0581013
Farrell

Dear Felicia Evans:

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 six-month provisional license is recommended. 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 (517) 284-9730.

Sincerely,

A handwritten signature in black ink that reads "Cathy Cushman". The signature is written in a cursive, flowing style.

Cathy Cushman, Licensing Consultant
Bureau of Community and Health Systems
611 W. Ottawa Street
P.O. Box 30664
Lansing, MI 48909
(269) 615-5190

enclosure

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

I. IDENTIFYING INFORMATION

License #:	AS390317402
Investigation #:	2024A0581013
Complaint Receipt Date:	12/07/2023
Investigation Initiation Date:	12/08/2023
Report Due Date:	02/05/2024
Licensee Name:	Community Living Options
Licensee Address:	626 Reed Street Kalamazoo, MI 49001
Licensee Telephone #:	(269) 343-6355
Administrator:	Fiorella Spalvieri
Licensee Designee:	Felicia Evans
Name of Facility:	Farrell
Facility Address:	805 Farrell Kalamazoo, MI 49006
Facility Telephone #:	(269) 372-5932
Original Issuance Date:	08/08/2012
License Status:	REGULAR
Effective Date:	01/16/2023
Expiration Date:	01/15/2025
Capacity:	6
Program Type:	DEVELOPMENTALLY DISABLED

II. ALLEGATIONS

	Violation Established?
The facility's direct care staff misused residents' Electronic Benefit Transfer (EBT) cards.	Yes
Resident medication is missing.	Yes

III. METHODOLOGY

12/07/2023	Special Investigation Intake 2024A0581013
12/07/2023	APS Referral APS received the allegations but denied investigating.
12/08/2023	Referral - Recipient Rights Integrated Services of Kalamazoo via email
12/08/2023	Special Investigation Initiated - Telephone Interview with ISK RRO, Suzie Suchyta.
12/08/2023	Contact - Document Received Received email from Ms. Suchyta.
12/08/2023	Referral - Other Office of Inspector General
12/11/2023	Contact – Document Received Emails from Ms. Suchyta.
12/12/2023	Inspection Completed On-site Interviewed staff with RRO and OIG
12/13/2023	APS Referral Received email from Jessica Mellen, APS worker. Complaint assigned for investigation regarding financial exploitation.
12/15/2023	Contact - Telephone call made Contact with Mark Mandreky
12/18/2023	Contact - Face to Face Via MiTeams, interview with Mark Gernaat, finance director and Fiorella Spalvieri with RRO and OIG

12/21/2023	Contact - Face to Face Interview with Cam Dawson, direct care staff/former home manager with RRO and OIG
12/21/2023	Contact – Document Received Email from Mr. Gernaat.
01/17/2024	Contact - Face to Face via MiTeams, interview with Tim VanDyk, former Program Director, with RRO and OIG
01/18/2024	Inspection Completed-BCAL Sub. Non-Compliance
01/22/2024	Contact – Telephone call made Contact with home manager, Danica Mallard.
01/30/2024	Exit conference with Felicia Evans, licensee designee.
02/01/2024	Contact – Document Received Email from Ms. Evans.

ALLEGATION:

The facility’s direct care staff misused residents’ Electronic Benefit Transfer (EBT) cards.

INVESTIGATION:

On 12/08/2023, I received this complaint through the Bureau of Community Health Systems (BCHS) online complaint system. The complaint alleged a resident’s Electronic Benefit Transfer (EBT) card was used to access the resident’s State of Michigan food benefits. Subsequently, the staff used the resident’s food benefits for him or herself rather than using the benefits for the resident.

On 12/08/2023, Integrated Services of Kalamazoo (ISK) Recipient Rights Officer, Suzie Suchyta, confirmed she received the allegations. Ms. Suchyta stated the facility’s former home manager, Cameron “Cam” Dawson, was terminated on or around 11/21/2023 because he mishandled the licensee’s credit card. She stated after Mr. Dawson was terminated, the facility’s Administrator, Fiorella Spalvieri, went to the facility to clean up the staff’s office and discovered shopping receipts, which documented residents’ EBT cards had been used; however, these receipts were never submitted to the facility’s main office or the licensee’s accounting office. Ms. Suchyta stated Ms. Spalvieri discovered the receipts identified food items the residents of the home wouldn’t normally consume like lobster tails, shrimp, Doritos,

Funyuns, soft drinks, chicken wings, and bacon. Ms. Suchyta stated several of the residents are on soft food diets and wouldn't be able to consume these types of items. Ms. Suchyta stated Mr. Dawson's spouse's name was also listed on the Sam's Club receipts, which were discovered in the facility suggesting she was present when the EBT cards were used. Subsequently, Ms. Suchyta stated it appeared Mr. Dawson used Resident A's EBT card for personal use.

Ms. Suchyta stated the receipt with the lobster tail purchase was dated 11/13/2023. She stated when she conducted an inspection at the home on 12/07/2023 she went through all the facility's freezers and refrigerators and did not observe any lobster tails or shrimp.

On 12/11/2023, Ms. Suchyta forwarded 22 receipts discovered in the facility documenting Resident A's EBT card being used; however, I found only 20 of these receipts legible. Based on my review of these receipts, I determined the following:

- 09/26/2022 (Monday) at 4:22 pm – Walmart 9th St. - \$54.76 – identifiable items purchased were two bags of shredded cheese, pepperoni, sausage, bacon, buns, chicken ramen noodles, pizza sauce, mint, water, juice, and Gatorade.
- 10/20/2022 (Thursday) at 1:03 pm – Midtown Fresh - \$70.20 – identifiable items purchased were canola oil, chicken crack, sausage, New York strip family pack, cube steak family pack, assorted pork loin, smoke turkey, and turkey wings.
- 10/25/2022 (Tuesday) at 4:40 pm – Meijer Westnedge - \$35.72 – items purchased were graham crackers and Halloween candy.
- 10/28/2022 (Friday) at 5:42 pm – Sam's Club - \$91.17 – receipt documented Mr. Dawson's wife's Sam's Club account was used for the purchase. Identifiable items purchased were hot shrimp, Bob Evans sausage, and chicken strips.
- 10/29/2022 (Saturday) at 10:57 am – Harding's in Galesburg - \$4.29 – item purchased was maple syrup.
- 11/03/2022 (Thursday) at 4:47 pm – Walmart 9th St. - \$37.02 – identifiable items purchased were skittles, crab flakes, tomatoes on the vine, cucumber, shrimp, Italian dressing, zesty Italian dressing, and rotini.
- 11/27/2022 (Sunday) at 10:06 am – Harding's in Galesburg - \$31.96 – identifiable items purchased were butter biscuits, hashbrowns, frozen green beans, French cut green beans, hickory bacon, and fried food.
- 11/30/2022 (Wednesday) at 11:19 am – Meijer Westnedge - \$83.28 – identifiable items purchased were pickles, salad, noodle soup, instant rice, miracle whip, Doritos, deli ham, ketchup, diet Coca Cola, bacon, and a crab roll.
- 12/01/2022 (Thursday) at 11:19 am – Walmart 9th St. - \$29.40 – identifiable items purchased were two bags of Funyuns, pretzels, bacon, tic tacs and gum.

- 12/02/2022 (Friday) at 4:40 pm – Meijer West Main - \$139.00 – identifiable items purchased were assorted chops, chicken drumsticks, stir fry, chicken wings, sirloin steak, chicken breast, chuck roast and catfish filet.
- 12/05/2022 (Monday) at 10:11 am – Walmart 9th St. - \$22.34 – identifiable item purchased was Coca Cola.
- 12/13/2022 (Wednesday) at 4:06 pm – Walmart Gull Rd. - \$103.75 – identifiable items purchased were seasoned wedge fries, Eggo waffles, chicken wings, two bags of Funyuns, sour cream, bacon, Jennie-O turkey, mild taco sauce, taco seasoning, two bags of large gulf shrimp, iceberg lettuce, and tomatoes on the vine.
- 12/28/2022 (Wednesday) at 6:02 pm – Harding’s in Galesburg - \$45.15 – identifiable items purchased were eggs, hashbrowns, canola oil, bread, and thick bacon.
- 12/31/2022 (Saturday) at 10:55 am – Meijer Gull Rd - \$32.46 – identifiable items purchased were tomatoes, can of pineapple, shrimp, crab flakes, smoke drumstick, muffin mix, and sweet potatoes.
- 01/10/2023 (Tuesday) at 10:09 am – Meijer West Main - \$63.32 – identifiable items purchased were Ocean Spray juice, eggs, fruit palooza, Vernors pop, bacon, lemonade and orange juice.
- 01/28/2023 (Saturday) at 6:16 pm – Meijer Gull Rd - \$75.47 – identifiable items purchased were taco seasoning, package of rice mix, black beans, lettuce, tomatoes, taco sauce, salsa, tortilla chips, 7UP pop, Vernors pop, Coca Cola, Kraft shredded cheese, and ground turkey.
- 01/30/2023 (Monday) at 4:32 pm – Walmart 9th St. - \$63.53 – identifiable items purchased were Lipton, water, seasoned fries, Funyuns, buns, Arby sauce, chicken breast, and honey wheat bread.
- 02/22/2023 (Wednesday) at 9:45 am – Walmart 9th St. - \$70.94 – identifiable items purchased were Gatorade, Vernors pop, tomato paste, chicken noodle soup, Lipton, Ocean Spray juice, chicken ramen noodles, McCormick spices, and Funyuns.
- 03/08/2023 (Wednesday) at 12:06 pm – Walmart 9th St. - \$39.32 – identifiable items purchased were a bag of Funyuns, Tostitos chips, corn salsa, Aquafina water, Lipton, and ice.
- 04/22/2023 (Saturday) at 12:04 pm – Meijer Westnedge - \$80.55 – identifiable items purchased were lemonade, sausage links, sausage patties, Grands biscuits, cranberry and orange juice, chicken wings, bread, and bacon.

Ms. Suchyta also forwarded one receipt discovered in the facility whereas Resident B’s EBT card had been used. Upon review of this receipt, I determined the following:

- 11/13/2023 (Monday) at 3:54 pm – Sam’s Club - \$137.81– receipt documented Mr. Dawson’s wife’s Sam’s Club account was used for the purchase. Identifiable purchases included water, raw shrimp, asparagus, and two lobster tails.

On 12/11/2023, Ms. Suchyta also forwarded Resident A's, B's, and C's ISK assessments and Individual Plans of Service (IPOS), which I reviewed. The facility's home manager, Danica Millard, forwarded the remaining residents' assessments at a later date. I reviewed Resident A's, B's, C's, D's, E's, and F's and determined the following:

- Resident A has a diagnosis of "Severe Intellectual Disabilities", is legally blind and is identified as "non verbal". Neither his assessment, IPOS or Health Care Appraisal identified any special diets or food preferences.
- Resident B has a diagnosis of "Severe Intellectual Developmental Disabilities", has no teeth, and is "not verbal". Resident B's assessment documented he "needs softly prepared (mechanical soft diet) foods/meals" and relies on staff for "healthy meals that are cut into small pieces so he can eat safely". His assessment also documented he likes visiting a nearby donut shop for coffee or hot chocolate and donuts.
- Resident C has a diagnosis of "moderate intellectual disability" and provides one word responses when communicating. Neither his assessment, IPOS, or Health Care Appraisal identified any special diets or food preferences.
- Resident D is deaf and nonverbal. An IPOS was not provided for Resident D; however, his assessment documented he has a "sensitivity to food, dairy".
- Resident E has a diagnosis of "autism". Though neither his assessment plan and Health Care Appraisal documented any special diets or food preferences, his assessment documented "staff encourage variety of food and offer healthy version[sic] of his preferred foods".
- Resident F "speaks slowly". An IPOS was no provided; however, neither his assessment plan or Health Care Appraisal documented any special diets or food preferences.

On 12/12/2023, I conducted an announced inspection at the facility in conjunction with Ms. Suchyta and Office of Inspector General (OIG) investigator, Mark Mandreky. We initially interviewed the facility's identified Clinical Director, Doug Schroeder, and the facility's current home manager, Danica Millard. Mr. Schroeder and Ms. Millard both stated most of the facility's food is ordered online through larger grocery stores like Walmart while cleaning products or bulk items are purchased through Sam's Club, but the Sam's Club orders are placed through the licensee's main office after facility staff submit their requests. Both Ms. Millard and Mr. Schroeder stated Mr. Dawson's wife was not an employee of the licensee and had never been.

Ms. Millard stated the majority of the residents in the facility are either nonverbal or their verbal capabilities are very limited. Both Mr. Schroeder and Ms. Millard stated

none of the residents would be able to make specific food requests or state their preferences. Additionally, they both indicated the residents would not be able to be interviewed due to their lack of verbal communication.

Mr. Schroeder stated he'd been working with the licensee since approximately January 2023. He stated it was his understanding the licensee's Point of Sale (POS) machine to debit resident's EBT cards broke prior to him obtaining employment. He stated resident EBT cards were sent to their respective facilities for home managers to manage. Mr. Schroeder stated the facility's home managers were to submit all receipts to Program Directors. Mr. Schroeder stated Tim Vandyk was the previous Program Director to whom Mr. Dawson would have reported and to whom he would have submitted all receipts. Mr. Schroeder stated the Program Directors would have reviewed the receipts and forwarded them to the licensee's finance director, Mark Gernaat. Mr. Schroeder stated any receipts are expected to be turned in to the finance and accounting office at least weekly.

The facility's Administrator, Ms. Spalvieri, provided a packet of documents at the facility for review including Resident A's and Resident B's EBT account information from the EBT Edge program (an online portal for EBT cardholders, agencies, merchants, providers and partners to view balances, review transactions, replace cards, access EBT services/reports, etc.), the licensee's tracking sheet for "Food Stamps" for Resident A, dated October and November 2022, three receipts submitted to the licensee by Mr. Dawson, and email documentation establishing Mr. Dawson emailed receipts to Mr. Vandyk and the licensee's Finance Director, Mr. Mark Gernaat, on 10/02/2022.

The EBT Edge program established Resident A currently had \$58 in EBT funds available as of 12/11/2023 with an additional \$23 in EBT funds crediting his account on 12/13/2023. The EBT Edge program confirmed food purchases had been made using Resident A's EBT card on 12/01/2023 at 2:53 pm at the licensee's main office for \$11, on 09/03/2023 at 1:48 pm at Sam's Club for \$27.24 and \$237.48 and on 08/30/2023 at 5:01 pm at a Harding's for \$5.99. The EBT Edge program established Resident B currently had \$431.66 in EBT funds available as of 12/11/2023 with an additional \$291 in EBT funds crediting his account on 12/17/2023. The EBT Edge program confirmed food purchases had been made using Resident B's EBT card on 11/13/2023 at 3:56 pm at Sam's Club for \$137.81 and on 10/24/2023 at 3:39 pm at Costco for \$199.53. The confirmed food purchases did not identify what was purchased and despite the EBT Edge showing "All" transactions; these were the only available transactions on the print off provided by Ms. Spalvieri.

The receipts provided for Resident A determined the following:

- 09/29/2022 - Online Walmart order - \$243.79
- 10/05/2022 - Meijer West Main - \$56.88
- 11/17/2022 – Walmart 9th St. - \$77.86

There were no receipts provided for either of Resident B's EBT card transactions through the EBT Edge program. The licensee's tracking sheets for "Food Stamps" for Resident A, dated October and November 2022, included the transaction amounts identified on the three receipts as these were the three receipts submitted by Mr. Dawson.

During the inspection, I interviewed direct care staff, Kyle Kelly, Brianna Parker, and Howard Robinson. Mr. Kelly and Ms. Parker both stated they did not complete any grocery shopping for the facility. They both stated the menu is consistent each week and month and there hadn't been any specialty items served such as steaks, lobster, or shrimp. They also stated Resident B and Resident D don't have teeth; therefore, they consume softer foods. Both Mr. Kelly and Ms. Parker denied ever seeing resident's EBT cards in the facility or having any knowledge of how the EBT card was used or who accessed it.

Mr. Kelly stated he primarily works the overnight shift (11 pm – 7 am); therefore, he typically makes and serves breakfast for the residents. He stated breakfast consists of breakfast sandwiches, oatmeal, and biscuits and gravy. He denied ever seeing bacon in the facility. Ms. Parker stated she primarily works second shift (1 pm – 11 pm); therefore, she typically makes and serves dinner for the residents. She stated dinner consists of easier to consume meals such as alfredo, spaghetti, pot pies, casseroles, and hamburger helper. Ms. Parker stated residents will eat ranch Doritos, cheese balls, veggie sticks, and Cheetos for snacks; however, she stated the generic brands are purchased rather than name brand food items.

Mr. Robinson stated he took over the facility's grocery shopping after the facility's assistant manager was dismissed. He stated he orders groceries online, picks them up and brings the groceries to the facility. He stated he typically purchases items online through Walmart. Mr. Robinson stated Mr. Dawson and the assistant home manager would also pick up food items "as needed". Mr. Robinson stated he uses the licensee's credit card to purchase groceries and never used a resident's EBT card for any purchases. Mr. Robinson's statement to me regarding two of the residents not having teeth was consistent with Mr. Kyle's and Ms. Parker's statements to me. Mr. Robinson stated the majority of the food served in the facility wouldn't have bones or require lots of chewing because it would be a choking hazard for the residents. He also stated he wasn't aware of items such as lobster, steak and shrimp being purchased for the residents. Additionally, he stated regular bacon wouldn't be purchased for the residents because Resident E would try and consume it, even if it were raw. He stated turkey bacon had been purchased because it's already cooked; however, he stated it had "been awhile". Mr. Robinson denied ever purchasing food for the residents anywhere other than Walmart.

On 12/13/2023, Mr. Mandreky reported that after reviewing Resident A's EBT card usage, he determined Resident A's EBT card had been used in Florida for the following two transactions:

- 03/24/2022 at 4:22 pm – Walmart – West Palm Beach, Florida – \$13.99 – items purchased were limes, lime juice, and pickles.
- 03/25/2022 at 8:05 pm – Walmart – West Palm Beach, Florida - \$46.66 – items purchased were coca cola, cranberry apple juice, cranberry grape juice, Oreos, Lay's Jalapeno kettle chips, creamer, butter, Lay's kettle chips.

On 12/18/2023, Ms. Suchyta and Mr. Mandreky and I interviewed the licensee's Finance Director, Mark Gernaat, and Administrator, Fiorella Spalvieri, via MiTeams. Mr. Gernaat stated the licensee has 11 licensed adult foster care (AFC) facilities but is only the authorized representative for "8-10" resident EBT cards. Mr. Gernaat's statement regarding the POS machine breaking in October 2021 was consistent with Mr. Schroeder's statement to me. Subsequently, Mr. Gernaat stated the funds on resident EBT cards were not used from October 2021 through September 2022. He stated on or around October 2022, the resident's EBT cards were given to each home manager to purchase food with and monitor. Mr. Gernaat stated the licensee did not have the home managers sign any documentation acknowledging they were in receipt of the EBT cards, including Mr. Dawson.

Mr. Gernaat stated it was the intention of the licensee to track all EBT cards similarly to how the licensee tracked the licensee's credit card transactions and usage. He stated the home manager was to keep any receipts from using the EBT card, sign the receipt, and submit the receipts to the facility's Program Director. Mr. Gernaat stated the Program Director would then review the receipts and submit them to him. Mr. Gernaat stated he would then track the EBT card balances in a spreadsheet. Mr. Gernaat stated the residents had large balances on their EBT cards at the time they were given to the home managers because the licensee hadn't been able to debit the money off the EBT cards for a year. Mr. Gernaat stated on or around January 2023, the licensee requested all EBT cards be brought back to the licensee's main office because the licensee was able to obtain a new POS machine. Mr. Gernaat was unable to recall if there was any documentation confirming this request was made to all home managers; however, both he and Ms. Spalvieri recalled there had been an administration meeting sometime during January 2023 where it was relayed to all Program Directors to request home managers return all resident EBT cards back to the licensee's main office. Neither Mr. Gernaat nor Ms. Spalvieri could recall the specific date(s) when this information was relayed. Mr. Gernaat stated all EBT cards were sent back to the licensee's main office, except Resident A's EBT card.

Mr. Gernaat stated the only residents in the facility with EBT cards were Resident A, Resident C, and Resident D. Mr. Gernaat stated Resident D's card was identified as "inactive" and wasn't being used. He stated Resident C's card had been returned to the licensee's main office; however, Resident A's card was never returned. Mr. Gernaat stated Resident A's EBT card was the only card that continued to be used by Mr. Dawson.

Mr. Gernaat stated he and Ms. Spalvieri only recently discovered Resident B had been issued an EBT card in September 2023. Both Mr. Gernaat and Ms. Spalvieri

stated Resident B's EBT card never came to the licensee's main office as it was sent to the facility after Mr. Dawson assisted Resident B in obtaining it. Subsequently, they stated they were never aware of Resident B's card ever being issued.

Ms. Spalvieri's statement regarding the discovery of the EBT card and the receipts with the concerning purchases was consistent with Ms. Suchyta's statement to me. Ms. Spalvieri stated Mr. Dawson was the facility's home manager since approximately April 2021. Her statement to me regarding Mr. Dawson's wife not being employed with the licensee was consistent with Mr. Schroeder's and Ms. Millard's statements to me. Additionally, Ms. Spalvieri stated if she had been an employee, she wouldn't have been employed in the same facility as Mr. Dawson.

Both Mr. Gernaat and Ms. Spalvieri stated all home managers sign purchasing guidelines prior to using the licensee's credit cards. They both confirmed Mr. Dawson would have signed these purchasing guidelines. They stated he would have also had the licensee's credit card that he also could have used for food purchases.

Mr. Gernaat stated receipts were not being reviewed for Resident A's EBT card because the receipts were not being submitted by Mr. Dawson. Both he and Ms. Spalvieri stated Mr. Dawson wasn't following the licensee's purchasing guidelines. Neither Mr. Gernaat nor Ms. Spalvieri were able to report if the food purchased from Resident A's and Resident B's EBT cards were used in the facility for the residents; however, they both stated the residents would not have been eating lobster, shrimp, or steaks. They also both stated the majority of purchases would have been made online through Walmart or Meijer. Additionally, Mr. Gernaat stated there were no trips taken with the residents out of state, including Florida.

Both Mr. Gernaat and Ms. Spalvieri stated the licensee has a corporate account at Sam's Club. Their statement to me regarding purchases through Sam's Club was consistent with what was reported by Ms. Millard and Mr. Schroeder. They both denied the licensee having a corporate account with Costco. They both stated they were not aware of any instances where a home manager would have used a resident's EBT card at either Costco or Sam's Club.

Mr. Mandreky requested Mr. Gernaat and Ms. Spalvieri submit documentation confirming the licensee gave direction or instructed staff to return resident's EBT cards to the licensee's main office.

On 12/21/2023, Mr. Mandreky, Ms. Suchyta, and I interviewed the facility's former home manager, Cam Dawson, at the ISK Recipient Right's Office. Mr. Dawson denied using Resident A's or Resident B's EBT card for personal use. He stated once the licensee obtained a new POS machine, he asked his program director, Tim Vandyk, to keep Resident A's EBT card at the facility because he felt it was easier to purchase groceries for residents. He stated Mr. Vandyk did not provide him with a clear answer or direction on whether or not he could keep Resident A's EBT card so he continued to keep it at the facility. Mr. Dawson stated he managed the EBT card

like a resident's personal funds whereas he would keep the receipts; however, he acknowledged not turning in all the EBT card receipts into the licensee's main office or to Mr. Gernaat. Mr. Dawson stated he used the EBT card at Walmart, Sam's Club, and Costco.

Mr. Dawson stated the residents in the facility were nonverbal; however, he stated he knew what kind of snacks and food they preferred based on how they responded to certain foods. Mr. Dawson stated there had been one instance where he brought in leftover lobster and allowed the residents to try it. He stated they appeared to like it so he wanted them to have a "fancy" dinner around the holidays and purchased them lobster and shrimp. He stated he brought the lobster and shrimp into the facility and "tucked" it in the freezer. He stated he did not tell any of the staff about it, but if it was neither there nor served to residents then Mr. Dawson stated a staff must have taken it. He stated the items were in the facility at the time his employment was terminated. Mr. Dawson denied keeping the lobster and shrimp for himself.

Mr. Dawson was questioned about the facility's menus and if they were updated to reflect the items purchased in the discovered receipts. He stated he was never trained on updating the facility's menu; therefore, he never looked at it to determine if it was updated to reflect what was being served. He stated the facility's assistant manager had been responsible for updating the facility's menus. Mr. Dawson also stated his wife would meet him at Costco and Sam's Club to assist him with picking up ingredients for certain meals. He also denied her using or misusing any of the resident's EBT cards.

Mr. Dawson stated only Resident B couldn't consume any food times that were "too hard, too thick, or too big". He stated all the residents like potato chips, sweets, candy, teas, and pop like Sprite and Coke. Mr. Dawson stated Resident D, Resident E, , Resident Ken and Resident F all eat Funyuns for snacks.

Mr. Dawson acknowledged vacationing in Florida during Spring 2023. Initially, Mr. Dawson stated he didn't recall using Resident A's EBT card; however, after he was informed two transactions were made in Florida using Resident A's EBT card, he stated he recalled using the card. He stated he recalled using the card to purchase pickle and lime juice and coffee creamer. Mr. Dawson stated it was an "utter mistake" and poor choice to use the card in Florida. He stated he would return the funds.

Mr. Mandreky questioned Mr. Dawson on how he mistakenly used Resident A's EBT card, which Mr. Dawson did not have a clear answer on. He stated he kept Resident A's EBT card in his wallet because he didn't want any of the facility's staff accessing it while he was gone or on vacation.

Mr. Dawson stated he hadn't used Resident A's EBT card anywhere other than Costco, Sam's Club and Walmart; however, Mr. Mandreky informed him it had been used at a Harding's near his home. Mr. Dawson stated he only used it once at that

Harding's; however, Mr. Mandreky informed him Harding's personnel reported they remembered Mr. Dawson often using EBT cards in the store.

On 12/21/2023, Mr. Gernaat emailed a copy of the licensee's credit cardholder agreement signed by Mr. Dawson, dated 08/19/2020. According to this agreement, staff were to abide by the following:

1. CLO issued credit cards are intended for program/company business use only
2. CLO employees should consider all the resources that go into a shopping excursion (including not only the money itself, but also time, fuel, etc.)
3. CLO employees should make efforts not to take a special trip for one or only a few items but instead wait, when possible, to make a trip that combines several needed items.
 - a. Receipts where purchases were made due to "emergency" or due to unplanned reasons (such as someone ate part of what was to be on the menu prior to the meal being prepared), will be noted on the receipt for reason of purchase. (Example: making dinner and ran out of an ingredient with no substitution available, etc.)
4. CLO employees should attempt to have all purchases be made tax-exempt (the ID# is on the back of your CLO ID) (Stores known to be reasonably friendly to the tax exempt process include: Harding's, Walmart, Meijer, Town and Country, and Gordon's)
 - a. If a store refuses, the CLO employee will note so on the receipt so that management can follow-up with that vendor.

More specifically, according to this agreement, if staff were utilizing the licensee's credit card for grocery shopping then they were to do the following:

1. CLO employees should purchase groceries and supplies for their assigned program site using a shopping list created in advance that supports the menu for the week.
2. CLO program supervisors should regularly review receipts to ensure that the expenses are matching up with budget. The supervisors should also periodically compare shopping lists and receipts to ensure that the proper items are being purchased.
3. Program supervisors will designate one (1) to two (2) primary grocery/supply stores to be used for their assigned program site in addition to Sam's Club and Food Bank.
 - a. Farmer's markets can also be used when available in addition to the above listed approved shopping locations.
 - b. Each shopper should be aware of their food budget and adhere to it.

The purchase agreement also addressed how Sam's Club purchases would be one centrally through the licensee's main office, which was consistent with my interviews with staff.

Mr. Gernaat also forwarded the licensee's policy and procedure on "FOOD STAMPS"; which was updated on 03/27/2023 and contained the following:

1. Community Living Options staff will assist Consumers who wish to procure food stamps and donate them to the residential program to offset the cost of food.
2. Consumers who receive food stamps will be asked to complete a Food Stamp Authorization form to donate their food stamps to the residence. Contribution of food stamps is not required for continued residency.
3. Consumers contributing food stamps to the house will have a Food Stamp Authorization form placed in their case record.
4. CLO is to run the cards twice a month to ensure that residents departing before the end of the month have access to monies left over on their card.

Mr. Gernaat also provided the facility's menus from July 2023 through October 2023. These menus were consistently the same each week. Breakfast items consisted of oatmeal, fruit, waffles, yogurt, cottage cheese, cereal, muffins, scrambled eggs, bacon, pancakes, and sausage links. Lunch items consisted of grilled cheese sandwiches, soup, mixed vegetables, pudding, peanut butter and jelly sandwiches, cheese quesadillas, salad, lunchmeat sandwiches, coleslaw, macaroni and cheese and ravioli. Dinner items consisted of fish, rice, vegetables, fruit, ham, cheesy potatoes, chicken, stuffing, smoked sausage, baked beans, chili, tuna noodle casserole and pizza.

On 01/17/2024, Mr. Mandreky, Ms. Suchyta and I interviewed the facility's former program director, Tim Vandyk, via MiTeams. Mr. Vandyk stated he left employment with the licensee on 06/30/2023. He confirmed he was Mr. Dawson's immediate supervisor. Mr. Vandyk's statement regarding the POS machine and the EBT cards being sent to the facility's home managers and then re-requested to be turned into the licensee's main office, was consistent with other interviews. Mr. Vandyke stated the protocol for the EBT cards was if a purchase was made using an EBT card then the receipt needed to be turned into the licensee's main office. Mr. Vandyk stated if an EBT card was used to make a purchase and there was a remaining balance then the licensee's credit card would be used. Mr. Vandyk stated it was possible home managers would need to make last minute food purchases. He stated for example, if a home manager was coming into work and the facility needed eggs, then it was not out of the realm for a home manager to stop at a local store to pick up what was needed. Mr. Vandyk stated he did not recall ever seeing receipts from Mr. Dawson identifying out of state purchases.

Mr. Vandyk stated when the EBT cards were distributed to the home managers there was no clear memo, policy, or procedure about the use of the cards or the cards returning to the main office. Mr. Vandyk stated he didn't recall an actual conversation or being instructed by the licensee for home managers to return the

EBT cards. He stated he recalled there being “confusion” about the cards returning to the main office. Mr. Vandyk stated it was possible Mr. Dawson asked him if he was able to keep Resident A’s EBT card in the facility, but Mr. Vandyk stated he was waiting on a decision by the finance director.

Mr. Vandyk stated Mr. Dawson turned credit card receipts into him, which he reviewed and forwarded to Mr. Gernaat who reconciled the charges. He stated Mr. Dawson was turning in the licensee’s credit card receipts at least biweekly. There was a not a clear answer from Mr. Vandyk on if Mr. Dawson was turning in both EBT and credit card receipts. Mr. Vandyk stated when he reviewed receipts he checked for “red flag” items such as the type of item being purchased and the brand; however, Mr. Vandyk didn’t recall ever seeing anything like shrimp, lobster or steak being purchased monthly, but he indicated these items could have been purchased for special occasions. Mr. Vandyk was not aware of a clear policy on how staff could use EBT cards. Mr. Vandyke stated he would discourage any staff from keeping a resident’s EBT on their person, but he stated he didn’t recall this ever being addressed with staff, including Mr. Dawson.

On 01/26/2024, I confirmed with Mr. Mandreky the total amount of EBT funds used for both Resident A and Resident B. Mr. Mandreky stated Resident A’s EBT card had a balance of \$2,113.45 on 10/02/2022 and on 11/01/2023 Resident A’s EBT card had a balance of \$46. Mr. Mandreky stated \$4,292.31 of Resident A’s EBT funds had been redeemed from 10/02/2022 through 11/01/2023.

Mr. Mandreky stated \$337.34 of Resident B’s EBT funds had been redeemed from when they started on 09/27/2023 through 11/30/2023.

On 02/01/2024, the licensee designee, Felicia Evans, emailed a copy of an email she composed, dated 12/02/2022, which documented she instructed the licensee’s “Team 1” to return all EBT cards to the Administrative Assistant, Patrice Williams. Ms. Evans identified Team 1 as “supervisors” within the licensee’s agency, who she identified as Amber McPhearson, James Gainey, Soulmane Illa, Michele Black, and Andrea Adams. Ms. Evans also documented in her email to me Ms. Spalvieri possessed notes she shared with Mr. Vandyk regarding Mr. Dawson and the facility which included money and the EBT cards; however, as of the date of this report I have not received these notes. Ms. Evans documented in her email Mr. Dawson was given direction regarding the cards.

Ms. Evans also included in her email one page of meeting notes, which documented “Supervisors will get one EBT card from Patrice, please turn all receiptpt[sic] into Mark as we do CC receipts. Keep copies and add fund record for your record.” The one page of meeting notes neither included an attendance list nor a date to indicate when the meeting took place.

APPLICABLE RULE	
R 400.14305	Resident protection.
	(1) A resident shall be assured privacy and protection from moral, social, and financial exploitation.

ANALYSIS:	<p>Based on my investigation, the licensee is an authorized representative for multiple residents' Electronic Benefit Transfer (EBT) cards across the agency, which includes Resident A and Resident B. As an authorized representative the licensee utilizes a Point of Service (POS) machine to debit resident EBT cards and access resident's State of Michigan food benefits. On or around 10/2021 the licensee's POS machine broke, whereas the licensee was no longer able to debit resident's EBT cards and access their food benefits.</p> <p>On or around 09/2022, the licensee sent all resident EBT cards to their respective facilities for home managers to use and manage, including Resident A's EBT card. The licensee allowed home managers to manage resident EBT cards without implementing any expectations, procedures, or policies for how the cards and the food benefits could be managed; despite the licensee having policies and procedures in place for their own credit cards.</p> <p>From approximately 09/2022 through 11/2023, the facility's former home manager, Cam Dawson, accessed and used \$4,292.31 of Resident A's food benefits via his EBT card without any oversight or monitoring by the licensee. Mr. Dawson's mishandling of Resident A's EBT card was only discovered after the licensee determined he had mishandled their own credit card.</p> <p>Additionally, Mr. Dawson was able to request an EBT card for Resident B's food benefits on or around 09/2023 whereas it was sent directly to the facility rather than the licensee's main office. Subsequently, Mr. Dawson also accessed and used \$337.34 of Resident B's food benefits without the licensee's knowledge.</p> <p>Though Mr. Dawson denied using the food he purchased for personal use, there is evidence he used Resident A's EBT card for two separate transactions on two separate days while he was on vacation in Florida the end of March 2023. Additionally, Mr. Dawson used both Resident A's and Resident B's EBT cards at Sam's Club using his wife's Sam's Club membership whereas this was not standard practice according to the facility's Administrator, Fiorella Spalvieri, and Finance Director, Mark Gernaat.</p> <p>Additionally, based on my interviews with multiple staff, including the Administrator, Ms. Spalvieri, the food items purchased between 09/2022 and 11/2023 by Mr. Dawson were</p>
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	<p>not only inconsistent with the facility’s menu, but also not typical of food purchased for the residents. Such items as lobster, shrimp, steak, and chicken wings were not items easily eaten by any of the residents within the facility.</p> <p>Subsequently, both Resident A and Resident B were financially exploited when the licensee allowed the facility’s former home manager, Cam Dawson, to access and manage their EBT cards without any policies, procedures, or oversight in place to prevent the misuse of each resident’s State of Michigan food benefits.</p>
CONCLUSION:	VIOLATION ESTABLISHED

ALLEGATION:

Resident medication is missing.

INVESTIGATION:

The complaint alleged Resident C, who has a moderate developmental disability and childhood disintegrative disorder, had 40 tablets of a medication that went missing in the facility. The complaint documented it was unknown if the medication was stolen or if Resident C was given too much of it.

ISK RRO, Ms. Suchyta, stated she received two *AFC Licensing Division – Incident / Accident Reports (IR)* documenting Resident C’s Melatonin medication was missing from the facility. She stated she was in the facility on 12/07/2023 and determined Resident C had a bottle of Melatonin with 100 pills in it at the time it was purchased on 11/17/2023. She stated by 11/28/2023 there were only 50 pills left in the bottle. Ms. Suchyta stated Resident C is supposed to receive one pill per day in the evening. She stated the discovery was made by a direct care staff who was completing medication inventory. She stated the staff came to the facility after the facility’s previous home manager, Mr. Dawson’s, employment was terminated on 11/21/2023. Ms. Suchyta stated the medication error was reported to the facility’s licensee designee, Felicia Evans and when Ms. Evans came to the facility on 11/29/2023, she discovered another 8 Melatonin pills missing. Ms. Suchyta stated she interviewed several direct care staff regarding the missing Melatonin and none of the staff had any first-hand knowledge of what happened to the medication. Ms. Suchyta also stated this was the only medication missing in the facility. She stated all the other medications were accounted for and no additional concerns were identified. Ms. Suchyta stated the Melatonin is now bubble packed by the pharmacy rather than in an over the counter bottle.

On 12/08/2023, I reviewed the licensee’s “Medication Inventory Procedures” which documented was revised on 01/10/2023. According to this procedure, “All prescribed medications and treatment supplies are required to be inventoried formally every 2

weeks". The procedure documented all counts would be logged in the facility's "Med Count" form on their Electronic Care Plan (ECP). The remaining procedures provided more detailed information for refills, medication errors, new prescriptions, medication prescriptions, etc.

Ms. Suchyta also forwarded the two IRs, dated 11/29/2023 and 11/30/2023. The first IR, dated 11/29/2023, was completed by direct care staff, Souleymane lila, who documented on 11/29/2023 at 3:50 pm, while doing medication inventory, he counted 50 Melatonin pills from a bottle of 100 pills that were purchased on 11/17/2023. The IR documented he notified the appropriate parties and completed the necessary documentation. The IR also documented the staff who administered the medication would be spoken with to ensure they understood the dosing.

The IR dated, 11/30/2023, documented at 11:30 am on 11/30/2023, the licensee designee, Felicia Evans, stopped by the facility to count Resident C's Melatonin. She documented in the IR there were only 41 pills in the bottle whereas there were 50 pills the day before. Ms. Evans documented she talked to Ms. Parker-Murray, who reported to her the correct dosage for Resident C, which is one, 10 mg Melatonin pill. Ms. Evans documented in the IR the medication would continue to be counted daily and "staff would be disciplined".

On 12/11/2023, Ms. Suchyta forwarded me Resident C's October, November, and December 2023 Medication Administration Records (MARs). According to my review of the MARs, Resident C was prescribed 10 mg of Melatonin with the instruction of "take by mouth at bedtime", which according to the MARs he was administered the Melatonin every evening, as prescribed.

Ms. Suchyta also forwarded the prescription order for Resident C's Melatonin. According to this order, on 10/06/2023, Resident C was prescribed Melatonin 10 mg tablet with a quantity of 30 tablets. The prescription documented there were 12 refills.

Direct care staff, Kyle Kelly, Brianna Parker-Murray, and Howard Robinson all stated they were aware of Resident C's missing Melatonin medication; however, none of them had any information as to why the medication was missing. Both Mr. Kelly and Mr. Robinson stated they do not work at the time Resident C's Melatonin is administered; therefore, they do not administer this medication. Ms. Parker-Murray stated while she worked at the time the Melatonin was administered to Resident C, she denied administering it to any other residents, administering more than the identified dosage, or using any of the medication for personal use. She had no explanation for why the medication bottle was missing tablets.

The facility's former home manager, Mr. Dawson, stated he didn't administer Resident C's Melatonin because he wasn't working the shift in which the medication was administered. Mr. Dawson stated he recalled purchasing the over the counter (OTC) bottle of Melatonin for Resident C; however, he couldn't recall if it was a 30

pill bottle or a 100 pill bottle. Mr. Dawson stated he never counted the pills in the bottle and was unable to recall if the medication was even supposed to be counted. Mr. Dawson stated he also could not recall how much Melatonin Resident C was prescribed, but thought it was three, 10 mg pills per night totaling 30 mg of Melatonin. Mr. Dawson denied taking the Melatonin, administering too much of the medication to Resident C or knowing what happened to the missing medication.

APPLICABLE RULE	
R 400.14312	Resident medications.
	(2) Medication shall be given, taken, or applied pursuant to label instructions.
ANALYSIS:	<p>Based on my investigation, which included a review of two <i>AFC Licensing Division – Incident / Accident Reports (IR)</i>, dated 11/29/2023 and 11/30/2023, relating to Resident C, Resident C’s Medication Administration Records, and my interviews with Integrated Services of Kalamazoo (ISK) Recipient Rights Officer, Suzie Suchyta, and interviews with direct care staff, Kyle Kelly, Brianna Parker, and Howard Robinson, and former home manager, Cam Dawson, a 100 tablet bottle of 10 mg of Melatonin was purchased for Resident C on 11/17/2023 with the instruction of take one tablet at bedtime; however, by 11/29/2023 when staff conducted a medication inventory it was discovered only 50 pills were remaining in the bottle. When a follow up medication inventory was conducted on 11/30/2023, another eight Melatonin pills were missing.</p> <p>Though I am unable to determine if staff took the medication or administered more than the recommended dose to any of the residents, including Resident C, there is enough supporting evidence based on the missing medication, Resident C’s Melatonin 10 mg tablets were not being given as prescribed.</p>
CONCLUSION:	VIOLATION ESTABLISHED

On 01/30/2024, I conducted the exit conference with the licensee designee, Felicia Evans, via telephone informing her of my findings and recommendation. Ms. Evans agreed there wasn’t a formal procedure or policy implemented for the use and management of EBT cards when the cards were sent to onsite to facilities. She stated she is working on the development of a process for managing EBT cards in the event a card is sent to a facility, or a similar situation occurs again whereas cards are sent to facilities for home managers to manage. Ms. Evans stated she would review the report and indicate in the CAP whether or not the licensee accepts the provisional recommendation.

IV. RECOMMENDATION

Due to the substantial quality of care violations a provisional license is recommended.

Cathy Cushman

01/30/2024

Cathy Cushman
Licensing Consultant

Date

Approved By:

Dawn Timm

02/01/2024

Dawn N. Timm
Area Manager

Date