



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

MARLON I. BROWN, DPA
DIRECTOR

April 1, 2024

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

RE: License #: AS390366234
Investigation #: 2024A0581020
Misty Creek

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 #:	AS390366234
Investigation #:	2024A0581020
Complaint Receipt Date:	02/20/2024
Investigation Initiation Date:	02/20/2024
Report Due Date:	04/20/2024
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:	Misty Creek
Facility Address:	5452 Misty Creek Kalamazoo, MI 49009
Facility Telephone #:	(269) 349-2305
Original Issuance Date:	11/05/2014
License Status:	REGULAR
Effective Date:	05/04/2023
Expiration Date:	05/03/2025
Capacity:	6
Program Type:	DEVELOPMENTALLY DISABLED MENTALLY ILL AGED

II. ALLEGATION

	Violation Established?
Resident A passed away on 12/19/2023; however, her Electronic Benefit Transfer (EBT) card continued to be used by direct care staff.	Yes

III. METHODOLOGY

02/20/2024	Special Investigation Intake 2024A0581020
02/20/2024	Referral - Recipient Rights- ISK
02/20/2024	Referral - Law Enforcement- Officer of Inspector General already investigating, no referral necessary.
02/20/2024	Special Investigation Initiated – Letter- Email with OIG, Mark Mandreky.
02/21/2024	Contact - Face to Face- Attempted interview with Molli Kornak.
02/21/2024	Inspection Completed On-site- Conducted inspection at facility. Interviewed staff.
02/21/2024	Contact - Face to Face- Interview with direct care staff, Christine Blood.
02/21/2023	Contact – Telephone call made0Sent text message to Ms. Kornak requesting a MiTeams interview. No response.
02/22/2023	Contact – Telephone call made- Attempted to contact Ms. Kornak.
02/22/2024	Contact - Telephone call made- Message left with Guardian A1.
02/28/2024	Contact - Telephone call made- Attempted to contact Ms. Kornak; however, unable to leave her a voicemail due to voicemail box being full.
02/28/2024	Contact - Telephone call made- Interview with Guardian A1.
02/28/2024	Contact - Document Sent- Email to LD and Administrator.
02/28/2024	Contact - Document Received- Email from Mr. Mandreky.

03/07/2024	Contact - Face to Face- Interview with LD and Administrator at Licensee's office with RRO.
03/07/2024	Contact - Telephone call made- Attempted to contact Ms. Kornak. Unable to leave voicemail due to voicemail box being full.
03/08/2024	Contact - Document Received- Email from LD and Administrator.
03/11/2024	Contact - Document Received- Email from LD and Administrator.
03/20/2024	Inspection Completed-BCAL Sub. Non-Compliance
03/29/2024	Exit conference with licensee designee, Felicia Evans.

ALLEGATION: Resident A passed away on 12/19/2023; however, her EBT card continued to be used by direct care staff.

INVESTIGATION:

On 02/20/2024, I received the complaint that Resident A's Electronic Benefit Transfer (EBT) card had been used to access her State of Michigan food benefits; despite her passing away on 12/19/2023.

On 02/20/2024, I confirmed the Office of Inspector General (OIG) and Integrated Services of Kalamazoo (ISK) also received the complaint and were investigating. Mr. Mandreky stated due to another investigation involving alleged EBT misuse at another Adult Foster Care facility operated by the licensee the licensee's finance director, Mark Gernaat, requested Mr. Mandreky assist the licensee in determining all the residents who had been issued EBT cards. Mr. Mandreky stated it was discovered during the inquiry that Resident A's EBT card was being used despite her dying on 12/19/2023.

On 02/20/2024, I received an email from OIG investigator, Mark Mandreky, indicating the facility's home manager, Molli Kornak, was the direct care staff who utilized Resident A's EBT card. He documented Resident A died on 12/19/2023, but her EBT card was used as recently as 02/07/2024. Mr. Mandreky and I scheduled to meet at Ms. Kornak's residence on 02/21/2024.

On 02/21/2024, I attempted to interview the facility's former home manager, Molli Kornak, at her personal residence, in conjunction with Mr. Mandreky and ISK Recipient Rights Officer (RRO), Elena Tricoci. At the time Ms. Triocci and I arrived to Ms. Kornak's residence, Mr. Mandreky had completed his interview with Ms. Kornak and she was in the process of leaving for work. Prior to leaving for work, Ms. Kornak

confirmed she stopped working at the Adult Foster Care (AFC) facility, Misty Creek, the end of October 2023 and had obtained new employment, which was not identified as an AFC. She also stated she was aware of Resident A passing away in December 2023 and stated she attended her funeral. Due to Ms. Kornak leaving her residence, I was unable to ask her any questions relating to the complaint; however, I informed her I needed to interview her and would contact her via telephone.

After visiting with Ms. Kornak at her residence, Mr. Mandreky, Ms. Triocci and I conducted an unannounced inspection at the facility. During the inspection, we interviewed direct care staff and the facility's identified assistant home manager, Moony Williams. Ms. Williams stated the facility had an identified staff, Christine Blood, who completed the facility's grocery shopping. Ms. Williams stated Ms. Blood would go shopping approximately once per week and completed these shopping trips alone. She stated Ms. Blood stopped working in the facility approximately 4-5 months ago. Ms. Williams stated if a resident's personal funds were used by a staff, then it was the expectation of staff to make a copy of the receipt and file it in the staff's office. There were no receipts available in the facility at the time of our inspection.

Ms. Williams stated the licensee recently updated their policies and procedures relating to the use of a resident's EBT card, which she provided for our review. Based on a prior investigation with the licensee, I established the licensee's previous EBT policy and procedures, dated 03/27/2023, contained the following information:

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.

I reviewed the licensee's updated "EBT Utilization" policy and procedures, dated 02/05/2024, which documented the new policy superseded the 03/27/2023 policy. The current policy documented 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. EBT accounts will be managed at the administrative office by the finance department.

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 that independently use EBT cards in CLO programs will acknowledge all state and federal rules, as well as CLO policy that prohibits any CLO employee from buying, selling, trading, or using a consumers EBT card whether directly or indirectly.
4. Consumers contributing food stamps to the house will have a Food Stamp Authorization form placed in their case record.
5. All EBT correspondence will come to the administrative office and not the individual's home.
6. CLO is to run the cards twice a month to ensure that residents departing before the end of the home have access to monies left over on their card.
7. All EBT cards will be maintained and signed out through the finance department.
8. Staff who utilize an EBT card on behalf of a consumer will sign an EBT agreement which outlines their responsibilities as a card user.
9. All EBT purchased will be based on the program menu and purchases should support the menu or preferences of the consumer.
10. All EBT purchases will require a receipt that is signed and submitted to the shopper's supervisor for approval within 24 hours.
11. The CLO finance department will reconcile EBT purchases using the State of Michigan Edge program no less than monthly.
12. When a consumer leaves CLO, the EBT card will be destroyed and DHS (Department of Human services[sic]) will be notified.

On 02/21/2024, Mr. Mandreky, Ms. Triocci, and I interviewed the facility's former shopping staff, Christine Blood, at another AFC facility operated by the licensee. Ms. Blood stated she's worked for the licensee over nine years. She stated she completed grocery shopping for the facility approximately one day per week at the facility, which took approximately 2.5 hours. She stated she typically completed these shopping trips every Monday and did the shopping alone. Ms. Blood stated she completed the facility's grocery shopping by using a credit card provided to her by the licensee.

Ms. Blood stated Ms. Kornak gave her Resident A's EBT card twice to purchase food for the facility's residents. She confirmed Resident A's name was on the EBT card. Ms. Blood stated she made both food purchases at Meijer and then returned the EBT card to Ms. Kornak after each shopping trip. She stated she also gave the receipts for the purchases to Ms. Kornak. Ms. Blood stated she no longer had copies of the receipts from using Resident A's EBT card because she only kept receipts for six months and then properly disposed of them.

Ms. Blood stated Ms. Kornak also had a company credit card to make grocery purchases. She stated Ms. Kornak would bring in miscellaneous grocery items for the residents approximately once per month, but she indicated these items were usually items the facility needed if they were not readily available for a meal. Ms. Blood stated Ms. Kornak reported to her she had Resident A's EBT card because it was provided to her by Guardian A1.

Ms. Blood stated her last day working in the facility was sometime in October 2023. She stated no one in management or any staff working for the licensee talked to her about using Resident A's EBT card until she was approached by the licensee's financial director, Mark Gernaat, approximately one month ago.

On 02/28/2024, I interviewed Guardian A1, via telephone. Guardian A1 stated it was her understanding someone from the facility, who she could not recall, applied for Resident A's EBT card at the time Resident A was admitted to the facility in 2017. Guardian A1 stated she never saw Resident A's EBT and did not recall having any conversations with any direct care staff, including Ms. Kornak, about how the EBT card would be or was being used. Guardian A1 denied ever having the EBT card in her possession. Guardian A1 stated Ms. Blood did a lot of the facility's cooking and shopping for the facility's residents, but she also identified Ms. Kornak as being responsible for purchasing food as well.

On 03/07/2024, I conducted face to face interviews with Licensee Designee, Felicia Evans, and Administrator, Fiorella Spalvieri, at the licensee's main office in conjunction with Ms. Triocci. It should be noted I originally interviewed Ms. Spalvieri and the licensee's finance director, Mark Gernaat, on 12/18/2023 via MiTeams regarding the alleged misuse of a resident's EBT card at another AFC operated by the licensee. In my current interview with Ms. Spalvieri and Ms. Evans, I confirmed the statements provided by Ms. Spalvieri and Mr. Gernaat during the 12/18/2023 continued to reflect both Ms. Spalvieri's and Ms. Evans' knowledge of EBT use by the licensee and direct care staff.

Both Ms. Evans' and Ms. Spalvieri's statements were consistent with one another. They both agreed the licensee's Point of Sale (POS) machine used to debit resident EBT cards broke approximately October 2021. They both agreed resident EBT cards were then held at the licensee's main office until approximately October 2022 when they were sent to the residents' respective facilities for home managers to manage. Both Ms. Evans and Ms. Spalvieri agreed it was the expectation of the facility's

home managers to submit all receipts to the facility's Program Directors, which at the time would have been Tim Vandyk; however, they both stated Mr. Vandyk hadn't worked for the licensee since approximately June 2023.

Ms. Evans and Ms. Spalvieri agreed the EBT funds on resident EBT cards were not used from October 2021 through September 2022. They both agreed on or around October 2022, the resident's EBT cards were given to each home manager to purchase food with and to monitor. Both Ms. Evans and Ms. Spalvieri agreed the licensee did not have the home managers sign any documentation acknowledging they were in receipt of the EBT cards, which includes Ms. Kornak.

Both Ms. Evans and Ms. Spalvieri agreed it had been the intention of the licensee to track all EBT cards similarly to how the licensee tracked the licensee's credit card transactions and usage. They both agreed the home managers were to keep any receipts from using the EBT card, sign the receipt, and submit the receipts to the facility's Program Director who would review the receipts and submit them to the licensee's finance director, Mr. Gernaat.

Both Ms. Evans and Ms. Spalvieri agreed 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. They both agreed 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. Both Ms. Evans 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.

Both Ms. Evans and Ms. Spalvieri agreed all home managers signed purchasing guidelines prior to using the licensee's credit cards, which they stated Ms. Kornak completed.

Ms. Evans' and Ms. Spalvieri's statement to me regarding Ms. Blood completing grocery shopping in the facility was consistent with Ms. Blood's statement to me. They reported there were only two receipts submitted to the licensee for using Resident A's EBT card, which was also consistent with Ms. Blood's statement to me. Both Ms. Evans and Ms. Spalvieri stated Ms. Kornak's last day of employment with the licensee was 10/27/2023. They stated at the time Ms. Kornak left, she turned in her company credit card, but did not turn in any EBT card.

Ms. Evans and Ms. Spalvieri stated Ms. Kornak was a salaried employee and wasn't required to "clock in or clock out" of work. They stated it was possible Ms. Kornak picked up food for the residents of the facility even when she wasn't scheduled to work, which includes when she had Personal Time Off (PTO) time. Ms. Evans and Ms. Spalvieri stated Ms. Kornak's personal residence was located within minutes of the facility and would be able to stop by the facility quite easily if she needed or

wanted to do so. Neither Ms. Evans nor Ms. Spalvieri indicated Ms. Kornak would have been purchasing large amounts of groceries as that was the responsibility of Ms. Blood.

Additionally, both Ms. Evans and Ms. Spalvieri confirmed Resident A passed away on 12/19/2023.

After the interview, I reviewed the email, and the attachments Ms. Evans sent to me on 02/01/2023 pertaining to a special investigation alleging EBT misuse in another AFC operated by the licensee. According to Ms. Evans' email and my review of it's attachments, Ms. Evans composed an email, dated 12/02/2022, documenting 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 included in her email one page of meeting notes, which documented "Supervisors will get one EBT card from Patrice, please turn all receipt [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.

On 02/28/2024, Mr. Mandreky forwarded me the dates, locations, and transaction amounts for Resident A's EBT card since November 2022. The EBT transactions from 11/01/2022 through 10/24/2023 totaled \$6,188.84 in charges. The total monthly transactions and charges included the following:

- 11/1/2022 (Tuesday) at 4:23 pm – Harding's –Kalamazoo - \$39.67
- 11/02/2022 (Wednesday) at 1:59 pm - Meijer –Kalamazoo - \$349.57
- 11/09/2022 (Wednesday) at 12:34 pm - Trader Joes – Kalamazoo - \$17.75
- 11/11/2022 (Friday) at 11:52 am - Costco – Kalamazoo - \$81.39
- 11/11/2022 (Friday) at 3:45 pm - Aldi – Kalamazoo - \$33.66
- 11/11/2022 (Friday) at 4:45 pm - Meijer –Kalamazoo - \$48.89
- 11/12/2022 (Saturday) at 9:50 am - Meijer –Kalamazoo - \$47.41
- 11/21/2022 (Monday) at 11:51 am - Aldi – Kalamazoo - \$93.17
- 11/22/2022 (Tuesday) at 11:17 am - Harding's – Kalamazoo - \$22.07
- 11/23/2022 (Wednesday) at 8:17 am - Meijer – Plainwell - \$468.39
- 11/30/2022 (Wednesday) at 12:32 pm - Meijer – Kalamazoo - \$275.43

Total of November 2022 transactions: \$1,477.40

- 12/07/2022 (Wednesday) at 12:08 pm - Aldi – Portage - \$2.89
- 12/13/2022 (Tuesday) at 11:32 pm - Kalamazoo Market - \$24.21
- 12/21/2022 (Wednesday) at 11:52 am - Aldi – Portage - \$79.65
- 12/21/2022 (Wednesday) at 3:01 pm - Harding's –Kalamazoo - \$39.75
- 12/21/2022 (Wednesday) at 3:28 pm - Trader Joes – Kalamazoo - \$39.28
- 12/23/2022 (Friday) at 12:54 pm - D & W – Kalamazoo - \$59.66
- 12/30/2022 (Friday) at 12:05 pm - D & W – Kalamazoo - \$44.66

Total of December 2022 transactions: \$290.10

- 01/03/2023 (Tuesday) at 11:09 am - Walmart –Kalamazoo - \$150.33
- 01/04/2023 (Wednesday) at 2:39 pm - Meijer –Kalamazoo - \$298.90
- 01/11/2023 (Wednesday) at 2:36 pm - Meijer –Kalamazoo - \$351.42
- 01/18/2023 (Wednesday) at 2:35 pm - Meijer –Kalamazoo - \$298.15
- 01/24/2023 (Tuesday) at 10:39 am - Harding’s –Kalamazoo - \$27.09

Total of January 2023 transactions: \$1,125.89

- 02/08/2023 (Wednesday) at 3:22 pm - Meijer –Kalamazoo - \$346.72
- 02/09/2023 (Thursday) at 7:15 pm - Meijer –Kalamazoo - \$108.15
- 02/10/2023 (Friday) at 10:05 am - D & W – Kalamazoo - \$119.48
- 02/22/2023 (Wednesday) at 3:13 pm - D & W – Kalamazoo - \$24.92
- 02/24/2023 (Friday) at 1:12 pm – Meijer –Kalamazoo - \$139.54
- 02/26/2024 (Sunday) at 12:23 pm – Trader Joe’s - \$11.96

Total of February 2023 transactions: \$750.77

- 03/13/2023 (Monday) at 5:11 pm – D & W – Kalamazoo - \$35.28
- 03/15/2023 (Wednesday) at 5:30 pm – Meijer – Kalamazoo - \$80.42
- 03/25/2024 (Saturday) at 12:47 pm – D & W – Kalamazoo - \$30.49
- 03/28/2024 (Tuesday) at 6:21 pm – Harding’s – Kalamazoo - \$70.19
- 03/29/2023 (Wednesday) at 5:06 pm – Costco – Kalamazoo - \$34.47

Total of March 2023 transactions: \$250.85

- 04/01/2023 (Saturday) at 3:13 pm – Meijer – Kalamazoo - \$52.16
- 04/06/2023 (Thursday) at 4:59 pm – Costco – Kalamazoo - \$55.26
- 04/07/2023 (Friday) at 8:42 pm – Fresh Thyme – Portage - \$39.81
- 04/08/2023 (Saturday) at 5:38 pm – Harding’s – Kalamazoo - \$64.85
- 04/12/2023 (Wednesday) at 4:52 pm – Fresh Thyme – Portage - \$16.86
- 04/17/2023 (Monday) at 12:04 pm - Costco – Kalamazoo - \$40.10
- 04/20/2023 (Thursday) at 12:26 pm – Costco – Kalamazoo - \$26.33
- 04/22/2023 (Saturday) at 2:20 pm – Costco – Kalamazoo - \$42.90
- 04/27/2023 (Thursday) at 5:57 pm – Harding’s – Kalamazoo - \$22.40
- 04/28/2023 (Friday) at 5:14 pm – Costco – Kalamazoo - \$58.94
- 04/28/2023 (Friday) at 5:39 pm – Trader Joe’s – Kalamazoo - \$34.20
- 04/29/2023 (Saturday) at 3:50 pm – Meijer – Kalamazoo - \$82.63

Total of April 2023 transactions: \$536.44

- 05/03/2023 (Wednesday) at 3:45 pm – Harding’s – Kalamazoo - \$15.67
- 05/04/2023 (Thursday) at 4:52 pm – Costco – Kalamazoo - \$56.81
- 05/04/2023 (Thursday) at 5:01 pm – Costco – Kalamazoo - \$17.37
- 05/05/2023 (Friday) at 10:46 am – D & W – Kalamazoo - \$53.24
- 05/05/2023 (Friday) at 6:41 pm – D & W – Kalamazoo - \$14.38
- 05/08/2023 (Monday) at 4:56 pm – Costco – Kalamazoo - \$27.07

- 05/10/2023 (Wednesday) at 12:19 pm – Fresh Thyme – Portage - \$57.63
- 05/11/2023 (Thursday) at 11:29 am – Fresh Thyme – Portage - \$129.20
- 05/14/2023 (Sunday) at 12:21 pm – Costco – Kalamazoo - \$13.23
- 05/17/2023 (Wednesday) at 12:08 pm – Costco – Kalamazoo - \$99.75
- 05/17/2023 (Wednesday) at 1:30 pm – Aldi – Kalamazoo - \$29.85
- 05/19/2023 (Friday) at 10:46 am – Aldi – Kalamazoo - \$6.58
- 05/19/2023 (Friday) at 12:34 pm – Meijer – Kalamazoo - \$69.37
- 05/19/2023 (Friday) at 7:35 pm – Meijer – Kalamazoo - \$11.17
- 05/22/2023 (Monday) at 4:38 pm – Harding’s – Kalamazoo - \$5.98
- 05/23/2023 (Tuesday) at 9:56 am – Trader Joe’s – Kalamazoo - \$9.76

Total of May 2023 transactions: \$617.06

- 06/03/2023 (Saturday) at 2:33 pm – Costco – Kalamazoo - \$30.13
- 06/07/2023 (Wednesday) at 2:59 pm – Costco – Kalamazoo - \$8.49
- 06/18/2023 (Saturday) at 1:19 pm – D & W – Kalamazoo - \$47.89
- 06/18/2023 (Saturday) at 2:37 pm – Walmart – Kalamazoo - \$47.61
- 06/21/2023 (Wednesday) at 11:10 am – Town & Country – Kalamazoo - \$14.50
- 06/21/2023 (Wednesday) at 5:03 pm – Costco – Kalamazoo - \$25.69
- 06/22/2023 (Thursday) at 6:12 pm – Trader Joe’s – Kalamazoo - \$14.26
- 06/25/2023 (Sunday) at 3:22 pm – Costco – Kalamazoo - \$60.32
- 06/25/2023 (Sunday) at 4:38 pm – Walmart – Kalamazoo - \$13.80
- 06/30/2023 (Friday) at 5:02 pm – Costco – Kalamazoo - \$4.93

Total of June 2023 transactions: \$267.62

- 07/25/2023 (Tuesday) at 11:21 am – Meijer – Kalamazoo - \$66.74
- 07/27/2023 (Thursday) at 5:34 pm – Trader Joe’s – Kalamazoo - \$48.91
- 07/29/2023 (Saturday) at 9:49 am – Kalamazoo Farmer’s Market - \$20.00
- 07/29/2023 (Saturday) at 11:28 am – Costco – Kalamazoo - \$43.53
- 07/29/2023 (Saturday) at 1:04 pm – Aldi – Kalamazoo - \$45.78

Total of July 2023 transactions: \$224.96

- 08/28/2023 (Monday) at 2:20 pm – Costco – Kalamazoo - \$36.97
- 08/31/2023 (Thursday) at 3:32 pm – Meijer – Kalamazoo - \$54.22

Total of August 2023 transactions: \$91.19

- 09/03/2023 (Sunday) at 2:06 pm – Costco – Kalamazoo - \$34.48
- 09/04/2023 (Monday) at 11:04 am – Aldi – Kalamazoo - \$127.15

Total of September 2023 transactions: \$161.63

- 10/18/2023 (Wednesday) at 3:56 pm – Trader Joe’s – Kalamazoo - \$31.20
- 10/22/2023 (Sunday) at 1:11 pm – Meijer – Kalamazoo - \$256.27
- 10/22/2023 (Sunday) at 5:33 pm - Harding’s – Kalamazoo - \$12.41
- 10/24/2023 (Tuesday) at 10:13 am – D & W – Kalamazoo - \$95.05

Total of October 2023 transactions: \$394.93

Additionally, \$595.31 in charges were made using Resident A's EBT card after Ms. Kornak's employment was terminated with the licensee on 10/27/2023. The transactions and charges included the following:

- 10/28/2023 (Saturday) at 11:11 am – D & W – Kalamazoo - \$38.67
- 10/28/2023 (Saturday) at 12:09 pm – Costco – Kalamazoo - \$44.96
- 11/05/2023 (Sunday) at 11:02 am – Costco – Kalamazoo - \$33.52
- 11/12/2023 (Sunday) at 2:27 pm – Aldi – Kalamazoo - \$54.09
- 11/26/2023 (Sunday) at 1:01 pm – Trader Joe's – Kalamazoo - \$15.96
- 11/28/2023 (Tuesday) at 8:57 am – Trader Joe's – Kalamazoo - \$37.94
- 12/02/2023 (Saturday) at 12:50 pm – Costco – Kalamazoo - \$82.12
- 12/03/2023 (Sunday) at 1:22 pm – Aldi – Kalamazoo - \$28.95
- 12/04/2023 (Monday) at 5:55 pm – Costco – Kalamazoo - \$19.98
- 12/20/2023 (Wednesday) at 5:06 pm – Meijer – Kalamazoo - \$65.90
- 12/24/2023 (Sunday) at 12:54 pm – D & W – Kalamazoo - \$49.46
- 12/29/2023 (Friday) at 8:46 am – Meijer – Kalamazoo - \$17.81
- 12/29/2023 (Friday) at 4:58 pm – D & W – Kalamazoo - \$74.53
- 12/29/2023 (Friday) at 5:33 pm - Costco – Kalamazoo - \$21.98
- 02/07/2023 (Wednesday) at 7:17 pm – Harding's – Kalamazoo - \$9.44

In total, \$6,784.15 of Resident A's EBT funds were used from 11/01/2022 through 02/07/2024 while the EBT card was in possession of the licensee.

On 03/08/2024, the licensee's Marketing and Community Relations Director, Amy Thill, emailed me an excel sheet on behalf of Ms. Spalvieri containing the dates Ms. Kornak used Personal Time Off (PTO) during November 2022 through October 2023. According to my review of this PTO sheet, Ms. Kornak used 8 hours of PTO on 05/05 and 07/25 and was "On leave" 8/26/2023 through 10/03/2023 returning to work on 10/04/2023. Despite using 8 hours of PTO on each of these dates, Ms. Kornak used Resident A's EBT card on 05/05, 07/25, 08/28, 08/31, 09/03, and 09/04.

Ms. Thill also forwarded a copy of the licensee's credit cardholder agreement signed by Ms. Kornak and dated 12/29/2020. 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.

On 03/11/2023, Ms. Thill emailed a copy of the licensee's "Food Stamp Authorization" form for Resident A, dated 11/01/2017, whereby Guardian A1 authorized the licensee and/or the licensee's authorized representative to use Resident A's "...food stamps/bridge card for food purchases by the home in which [Resident A] resides".

On 03/21/2024, Mr. Gernaat confirmed via email the facility's food budget was \$1,300 a month. Mr. Gernaat also provided an excel sheet of Ms. Blood's credit card purchases for the facility from November 2022 through October 2023. My review of these documents determined Ms. Blood made the following transactions toward food purchases in the facility:

- 11/08/2022 – Walmart - \$23.95
- 11/08/2022 – Dollar Tree - \$25.00
- 11/08/2022 – Walmart - \$134.01
- 11/09/2022 – Meijer - \$314.55
- 11/16/2022 – Meijer - \$348.01
- 11/21/2022 – Walmart - \$121.42

Total of November 2022 transactions: \$966.94

- 12/07/2022 – Meijer - \$261.09
- 12/13/2022 – Meijer - \$258.86
- 12/21/2022 – Meijer - \$333.72
- 12/28/2022 – Meijer - \$346.26
- 12/30/2022 – Little Caesars - \$14.39

Total of December 2022 transactions: \$1,214.32

- 01/13/2023 – Meijer - \$390.40

Total of January 2023 transactions: \$390.40

- 02/01/2023 – Meijer - \$390.35
- 02/15/2023 – Meijer - \$309.58
- 02/21/2023 – Wesco - \$19.98
- 02/22/2023 – Meijer - \$297.90

Total of February 2023 transactions: \$1,017.81

- 03/01/2023 – Meijer - \$296.53
- 03/08/2023 – Meijer - \$318.00
- 03/15/2023 – Meijer - \$252.51
- 03/22/2023 – Meijer - \$393.20
- 03/29/2023 – Meijer - \$374.51

Total of March 2023 transactions: \$1,634.75

- 04/05/2023 – Meijer - \$412.00
- 04/12/2023 – Meijer - \$364.93
- 04/19/2023 – Meijer - \$314.56
- 04/26/2023 – Meijer - \$314.88

Total of April 2023 transactions: \$1,406.37

- 05/03/2023 – Meijer - \$285.15
- 05/10/2023 – Meijer - \$311.51
- 05/17/2023 – Meijer - \$428.16
- 05/23/2023 – Harding's - \$19.00
- 05/31/2023 – Meijer – \$385.52

Total of May 2023 transactions: \$1,429.34

- 06/21/2023 – Meijer - \$342.87
- 06/28/2023 – Meijer - \$315.88

Total of June 2023 transactions: \$658.75

- 07/03/2023 – Meijer- \$286.85
- 07/09/2023 – Walmart - \$54.84
- 07/10/2023 – Walmart - \$83.95
- 07/10/2023 – Meijer - \$378.47
- 07/11/2023 – Walmart - \$79.08

- 07/11/2023 – M-89 Cinema - \$30.00
- 07/17/2023 – Meijer - \$350.97
- 07/18/2023 – Harding’s - \$10.91
- 07/24/2023 – Meijer - \$327.07

Total of July 2023 transactions: \$1,602.14

- 08/02/2023 – Meijer- \$373.61
- 08/07/2023 – Meijer - \$313.05
- 08/14/2023 – Meijer - \$333.04
- 08/21/2023 – Walmart - \$64.29
- 08/21/2023 – Meijer - \$359.23
- 08/28/2023 – Meijer - \$320.70

Total of August 2023 transactions: \$1,763.92

- 09/05/2023 – Meijer - \$289.83
- 09/11/2023 – Walmart - \$56.86
- 09/11/2023 – Harding’s - \$47.98
- 09/12/2023 – Meijer - \$223.47
- 09/17/2023 – Walmart -\$52.72
- 09/25/2023 – Meijer - \$364.74

Total of September 2023 transactions: \$745.77

- 10/02/2023 – Sweetwater’s Donut Mill - \$22.98
- 10/02/2023 – Meijer - \$347.54

Total of October 2023 transactions: \$370.52

Mr. Gernaat also forwarded me copies of the two receipts Ms. Blood provided after she used Resident A’s EBT card. They contained the following purchases:

- 10/05/2022 – Meijer - \$351.12. Ms. Blood’s credit card, issued by the licensee, was also used to cover \$3.06 towards the transaction
- 02/24/2023 – Meijer - \$139.54

As of the date of this report, I have attempted to contact Ms. Kornak via telephone on 02/21, 02/28, and 03/07; however, despite leaving voicemails and text messages, she has not returned my messages. Additionally, after 02/28/2023, I was unable to leave voicemail messages on Ms. Kornak’s cell phone due to her voicemail box being full.

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

<p>ANALYSIS:</p>	<p>Based on my investigation, the licensee was an authorized representative for Resident A's Electronic Benefit Transfer (EBT) card effective 11/01/2017. 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 EBT cards and access 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 the facility's home manager, Molli Kornak, to manage Resident A's EBT cards without implementing any expectations, procedures, or policies for how her card and the food benefits could be managed; despite the licensee having policies and procedures in place for their own credit cards.</p> <p>Ms. Kornak's mishandling of Resident A's EBT card was only discovered after the licensee determined another home manager in another AFC operated by the licensee mishandled the licensee's own credit card, which eventually led to the discovery of that home manager misusing a resident's EBT card. Consequently, the licensee contacted the Office of Inspector General to determine what residents had EBT cards assigned to them.</p> <p>From 11/01/2022 through 10/27/2023, the facility's former home manager, Mollie Kornak, accessed and used \$6,784.15 of Resident A's food benefits via her EBT card without any oversight or monitoring by the licensee. Furthermore, she continued to access and use Resident A's EBT card not only after her employment ended with the licensee on 10/27/2023 but continued to access and use the card after Resident A passed away on 12/19/2023.</p> <p>Subsequently, Resident A was financially exploited when the licensee allowed the facility's former home manager, Mollie Kornak, to access and manage Resident A's EBT card without any policies, procedures, or oversight in place to prevent the misuse of her State of Michigan food benefits.</p>
<p>CONCLUSION:</p>	<p>VIOLATION ESTABLISHED</p>

On 03/29/2024, I conducted my exit conference with the licensee designee, Felicia Evans, via telephone. Ms. Evans acknowledged the findings and stated she was saddened and disappointed with the situation. Ms. Evans stated the licensee's finance director sought assistance from OIG on gaining access to the EBT Edge program as an agency rather than accessing each resident's EBT information individually. Ms. Evans stated she would confer with the facility's Administrator and submit an acceptable corrective action plan, along with a statement on accepting or contesting the provisional recommendation.

IV. RECOMMENDATION

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

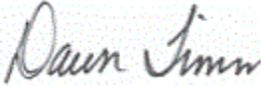


03/22/2024

Cathy Cushman
Licensing Consultant

Date

Approved By:



03/25/2024

Dawn N. Timm
Area Manager

Date