

MALTREATMENT INVESTIGATION MEMORANDUM
Office of Inspector General, Licensing Division
Public Information

Minnesota Statutes, section 626.557, subdivision 1 states, "The legislature declares that the public policy of this state is to protect adults who, because of physical or mental disability or dependency on institutional services, are particularly vulnerable to maltreatment."

Report Number: 202406143

Date Issued: October 24, 2024

Name and Address of Facility Investigated:

Supportive Lifestyles
1312 SE 10th Street
Willmar, MN 56201

Disposition: Substantiated as to financial exploitation of a vulnerable adult by a staff person

License Number and Program Type:

1068143-H_CRS (Home and Community-Based Services-Community Residential Setting)
1068133-HCBS (Home and Community-Based Services)

Investigator(s):

Scout Peterson
Minnesota Department of Human Services
Office of Inspector General
Licensing Division
PO Box 64242
Saint Paul, Minnesota 55164-0242
scout.peterson@state.mn.us
651-431-6578

Suspected Maltreatment Reported:

It was reported that a supervisory staff person (SP) took "thousands" of dollars from a vulnerable adult (VA).

Date of Incident(s): Ongoing from December 2023 - June 2024

Nature of Alleged Maltreatment Pursuant to Minnesota Statutes, section 626.557, subdivision 9c, paragraph (b), and Minnesota Statutes, section 626.5572, subdivision 15, and subdivision 9, paragraph (b), clause (1):

In the absence of legal authority a person willfully uses, withholds, or disposes of funds or property of a vulnerable adult.

Summary of Findings:

Pertinent information for this investigation was obtained remotely, including documentation from the facility and information from law enforcement; and through three interviews conducted with an administrative staff person (P), a supervisory staff person (the SP), and the VA. The VA's and the SP's interviews were done in conjunction with law enforcement. During the SP's interview, s/he requested legal counsel and the interview ended early because the SP did not wish to provide additional information.

The VA's diagnoses included intellectual disabilities. The VA enjoyed coloring, drawing, and building with Legos. The VA was not subject to guardianship and lived at the facility due to his/her diagnoses. The VA's *Individual Abuse Prevention Plan* stated that the VA had the ability to handle his/her financial matters, however, the facility's *Internal Review* stated that the SP was responsible for assisting the VA with his/her finances.

The facility had a financial binder for the VA that was stored in a locked cabinet in the facility office. The financial binder included the VA's petty cash, ledgers to track the petty cash, the VA's debit cards, bank statements to track the VA's monthly debit card use, and receipts for purchases made for the VA with the VA's debit cards.

The P provided the following information in an interview and in the facility's *Internal Review*:

- In August 2023, the VA was notified that s/he would be receiving a Social Security back payment totaling \$55,748.30. Over the next couple of months, the VA's team discussed a plan regarding to manage the VA's funds.
- In September 2023, the VA received the payment, and the SP helped the VA open a "Jumbo Deposit Account" and depositing the money into the account. The VA was not issued a debit card or checks for the account. After the account was opened, the VA's social security checks were set up to be directly deposited into the account, along with his/her paychecks. Over the next "couple of months," the SP helped the VA purchase furniture and other personal items, as well as set up and paid for the VA's funeral and burial expenses.
- In October 2023, the VA was no longer eligible for housing support services because of the social security payment. The VA became responsible for payments to the facility to pay his/her rent, and the SP set up auto debits to pay for the VA's rent out of the Jumbo Deposit account to occur through the end of May 2024.
- In November 2023, the SP helped the VA open an ABLENow® account. [Note: The federal Achieving a Better Life Experience (ABLE) Act authorized states to establish tax-advantaged savings programs so individuals with disabilities can save and invest money without jeopardizing eligibility for public benefits. Individuals could contribute up to \$18,000 each year.] The SP then helped the VA transfer \$17,000 to the account. The ABLENow® account also had a debit card, which the SP kept. At the time the account was opened, the P was unaware that the SP kept the debit card for the account.
- In December 2023, the SP helped the VA open a checking account. The VA had wanted to go on vacation and booked airline tickets and hotel accommodations for an out of state vacation and from February 18-22, 2024, the VA was on vacation with his/her family members.

- In April 2024, the P conducted an unannounced financial audit of the VA's accounts with the SP at facility. At that time, the VA's checking account bank statements in the VA's financial binder were not current. The P told the SP that s/he needed to obtain the VA's expenditure logs from all of the VA's accounts with matching bank statements, and that every transaction needed to be tracked. During that audit, the P did not see anything questionable, and the previous audits were "successful." The P had no concerns with the VA's finances at those times.
- On June 17, 2024, the P emailed the SP and told him/her that the VA's June rent was not received, but the SP did not respond. Two days later, the P sent the SP the same message and the SP replied that s/he would be dropping off the VA's rent later that day at the facility's main office but did not do so.
- On July 10, 2024, a supervisory staff person asked the SP about the VA's June and July rent, because neither had been received at the main office. The SP "assured" that it would be "taken care of" by July 12, 2024. However, the SP did not bring/pay the VA's June or July rent as s/he stated.
- On July 15, 2024, a "full house audit" of all facility funds and consumer funds was started by the P. Upon review of the VA's financial binder, the VA's bank statements were not current. The VA's checking account statements were missing April, May, and June 2024; and the VA's Jumbo Deposit account statements were missing March, April, May, and June 2024. The SP told the P that the statements were on his/her work computer which was at home and that s/he would go get them. The SP then emailed checking account statements for April, May and June 2024 and the Jumbo Deposit account statement for May 2024. [Note: The SP did not send the Jumbo Deposit account statements for March, April, or June 2024.]
- Upon initial review, it appeared as though there was no banking activity in the VA's checking account in April, May or June 2024, because the balance remained the same. The P then reviewed other statements from the VA's checking account and noted numerous "questionable" transactions from January, February, and March 2024.
- On July 16, 2024, the VA went to the bank with another staff person to obtain copies of his/her bank statements. The P said that after reviewing the statements, "it became immediately apparent" that the SP altered the VA's checking account statements. There were "numerous" transactions dated back to December 2023 that had been removed from the bank statements located in the VA's financial binder at the facility. The statement had debit card transactions and cash withdrawals that did not appear to be the VA's, including to local bars, mortgage lenders, and a storage facility, and expenditures through PayPal and Cash App to an account in the SP's name. The P then suspended the SP's employment with the facility.
- Around July 12, 2024, the SP asked another staff person to meet with him/her privately. The SP told the staff person that s/he was "so sorry," that his/her "entire world was falling apart," and that s/he had been financially exploiting the VA "for several months." The SP stated that "it all began" when the VA received the large backpay from Social Security. The SP told the staff person that s/he "never wanted to be handling that large amount of money" and she "avoided temptation for a long time but it was just so much money." The SP said s/he intended to repay the VA and that s/he did not know how much money s/he had taken from the VA, but that "it would be lots, thousands and thousands." After the interaction, the other staff person called and told the P what the SP told him/her.

- On July 18, 2024, the SP met with the P and told the P that s/he made "a few" transactions via CashApp that were for the VA but could not provide receipts for those transactions. When the P asked the SP about the statements in the VA's financial book, the SP stated "those can't be trusted" and acknowledged that s/he altered them. The SP told the P that s/he started taking money from the VA in February 2024, but after the P's review of the statements the P determined that the SP started taking money from the VA in December 2023. The SP told the P that s/he cut up the VA's debit card and deleted all the VA's banking information from his/her personal PayPal and CashApp accounts.
- The total amount of funds unaccounted for from the VA's checking account was approximately \$4,666.35. On July 25, 2024, the balance of the VA's ABLENow account was \$2,575.27, when the opening balance in September 2023 was \$17,000. The SP provided the P with a list of charges to the VA's ABLENow account that were made for the VA that included the VA's purchases on his/her trip to Florida; a camp registration fee; clothes and necessities from Walmart, Kohls, and Amazon prior to his/her Florida trip; and purchases made at restaurants by the VA. Purchases made with the VA's debit card after s/he returned from Florida that were not for the VA totaled approximately \$12,000. The SP had the VA's debit card after s/he returned from Florida because the VA initially "lost" his/her card and the SP found it, after which time the SP began using the debit card for him/herself.

Statements for the VA's checking account, jumbo deposit account, and ABLENow account that were located in the VA's financial binder showed numerous inconsistencies with the statements provided by the bank. Transactions that were listed on the VA's bank statements but not located on the VA's bank statements in his/her financial binder included but were not limited to: PayPal, Cash App, Amazon.com, Walmart.com, Kohls.Com, CashWise.com, Dollar General, Temu.com, Heidi's Bar, Pete's Surplus, Autozone, and Cenex and there were cash withdrawals from various banks.

According to information provided by a law enforcement officer (LE),

- The VA obtained bank statements from the banks that serviced the VA's checking account, jumbo deposit account, and ABLENow account. LE stated that after reviewing the bank statements alongside the bank statements provided by the facility that were located in the VA's financial binder, there were numerous inconsistencies between the two.
- In reviewing the VA's bank statements LE found various places of business, online retailers, individual people, and PayPal and Cash App transfers, and ATM withdrawals. One of the charges to the VA's bank account was for a "PDF filler" software that was potentially the software the SP used to alter the bank statements.
- At the time of this report, the law enforcement investigation was still in process and charges were pending.

The VA provided the following information:

- Approximately once a week, the VA went to Walmart to purchase essentials such as shampoo and conditioner, but s/he never shopped online through Walmart. The VA also purchased things at a local grocery store but did not do so online. The VA stated s/he "doesn't really" shop at other stores and that s/he never made any online purchases and never asked any staff persons to make purchases for him/her

online. The VA stated that s/he does not have a CashApp, PayPal, or Amazon account and only withdrew cash from one bank.

- The LE reviewed with the VA all of the transactions from the VA's accounts dated December 2023 to June 2024. When asked if s/he had made a purchase, transfer, or withdrawal at each location, the VA stated that s/he did not.
- The SP was like "a friend" to the VA and the VA had "mixed feelings" about the SP taking his/her money. The SP's actions made him/her feel mad. The VA stated that s/he never gave the SP permission to use his/her money and s/he does not think any other staff person used his/her money.

The SP provided the following information:

- The SP began working at the facility in 2010 and in 2020 the SP became a supervisory staff person.
- When the VA moved to the home the SP was responsible for assisting the VA in signing up for Social Security and after approximately one year the VA was approved and was told s/he would receive a \$55,000 back payment.
- The SP took the VA to the bank after s/he received the money and the VA opened a jumbo deposit account. The account was a "headache" because only two withdrawals could be made per year.
- The SP stated that at the same time, his/her personal life was "completely falling apart" and s/he "reached a breaking point."
- During this time, the VA was planning a family vacation and needed a checking account to pay for things for the trip, because his/her jumbo account had limited withdrawals and no debit card option. The SP then helped the VA open a checking account with a debit card and an ABLENow account with a debit card.
- While the VA was on vacation, the VA needed to make a payment of between \$240 and \$260 for "some medical something" and the SP needed to get the money from the VA while s/he was gone on vacation. The SP then added the VA's bank account to his/her personal PayPal account, sent money from the VA's account to his/her personal account, withdrew the funds, obtained a money order and sent the payment to the county for processing. Prior to the VA's vacation, the SP added the VA's bank account information to his/her personal Amazon and Walmart accounts to purchase things for the VA's vacation.
- When asked if there were times that the SP made purchases for him/herself using the VA's account or funds, the SP replied, "Yes, I'm sure I did." The SP could not remember what purchases s/he made for him/herself versus purchases for the VA and was not able to provide receipts for the purchases.
- The LE then showed the SP the VA's account statements received from the banks and, the SP asked for an attorney and did not provide further information.

The facility's *Handling Funds and Property* policy stated, "Each person receiving assistance will be encouraged to open savings and/or a checking account at a local bank. The person will be asked to provide [the facility] with regular financial statements from the bank to ensure accurate record keeping. All funds belonging to consumers receiving services will be kept individually and separate from any company funds." Additionally, "A record of all

financial transactions will be maintained for each individual account,” and supervisory staff persons “will check financial records for accuracy at least weekly” with financial audits completed “at least semi-annually.”

Facility documentation showed that the SP was trained on the facility's *Handling Funds and Property Policy* on July 15, 2023, and that the SP was trained on the reporting of Maltreatment of Vulnerable Adults Act and the VA's support plans.

Conclusion:

A. Maltreatment:

Information from all sources was consistent that from December 2023 to June 2024, there were unauthorized transfers, purchases, and withdrawals from the VA's bank account that included transfers to the SP's personal PayPal and Cash App accounts. The SP also provided consistent information to the P, P2, this investigator, and the LE that s/he used the VA's funds for personal use. The total amount unaccounted for from the VA's checking account was \$4,666.35 and the ABLENow account had unaccounted funds totaling approximately \$12,000.

Given that the VA stated s/he did not authorize the SP to use his/her bank account for the transfers, purchases, and withdrawals; that the VA denied making purchases or withdrawals at any establishments other than Walmart, CashWise, and one bank; and that the SP provided consistent information to the P, P2, this investigator, and the LE that s/he used the VA's funds for personal use, there was a preponderance of the evidence that in the absence of legal authority, a person willfully use and/or withheld the funds of the VA.

It was determined that financial exploitation occurred (in the absence of legal authority a person willfully uses, withholds, or disposes of funds or property of a vulnerable adult.)

B. Responsibility pursuant to Minnesota Statutes, section 626.557, subdivision 9c, paragraph (c):

When determining whether the facility or individual is the responsible party for substantiated maltreatment or whether both the facility and the individual are responsible for substantiated maltreatment, the lead agency shall consider at least the following mitigating factors:

- (1) whether the actions of the facility or the individual caregivers were in accordance with, and followed the terms of, an erroneous physician order, prescription, resident care plan, or directive. This is not a mitigating factor when the facility or caregiver is responsible for the issuance of the erroneous order, prescription, plan, or directive or knows or should have known of the errors and took no reasonable measures to correct the defect before administering care;
- (2) the comparative responsibility between the facility, other caregivers, and requirements placed upon the employee, including but not limited to, the facility's compliance with related regulatory standards and factors such as the adequacy of facility policies and procedures, the adequacy of facility training, the adequacy of an individual's participation in the training, the adequacy of caregiver supervision, the adequacy of facility staffing levels, and a consideration of the scope of the individual employee's authority; and
- (3) whether the facility or individual followed professional standards in exercising professional judgment.

The SP was trained on the facility's *Handling Funds and Properties* policy, the Reporting of Maltreatment of Vulnerable Adults, and VA1's support plan. The SP acknowledged that s/he used funds from the VA's accounts for his/her personal use. The SP was responsible for maltreatment of the VA.

C. Recurring and/or Serious Maltreatment:

The Office of Inspector General is required to evaluate whether substantiated maltreatment by an individual meets the statutory criteria to be determined as "recurring or serious." Individuals determined to be responsible for recurring or serious maltreatment are disqualified from providing direct contact services.

Minnesota Statutes, section 245C.02, subdivision 16, states:

"Recurring maltreatment" means more than one incident of maltreatment for which there is a preponderance of evidence that maltreatment occurred and that the subject was responsible for the maltreatment.

Minnesota Statutes, section 245C.02, subdivision 18, states:

"Serious maltreatment" means sexual abuse, maltreatment resulting in death, neglect resulting in serious injury which reasonably requires the care of a physician whether or not the care of a physician was sought, or abuse resulting in serious injury. For purposes of this definition, "care of a physician" is treatment received or ordered by a physician, physician assistant, or nurse practitioner, but does not include diagnostic testing, assessment, or observation; the application of, recommendation to use, or prescription solely for a remedy that is available over the counter without a prescription; or a prescription solely for a topical antibiotic to treat burns when there is no follow-up appointment. For purposes of this definition, "abuse resulting in serious injury" means: bruises, bites, skin laceration, or tissue damage; fractures; dislocations; evidence of internal injuries; head injuries with loss of consciousness; extensive second-degree or third-degree burns and other burns for which complications are present; extensive second-degree or third-degree frostbite and other frostbite for which complications are present; irreversible mobility or avulsion of teeth; injuries to the eyes; ingestion of foreign substances and objects that are harmful; near drowning; and heat exhaustion or sunstroke. Serious maltreatment includes neglect when it results in criminal sexual conduct against a child or vulnerable adult.

It was determined that the substantiated financial exploitation for which the SP was responsible was determined to be recurring maltreatment, because the SP made multiple purchases, transfers, and withdrawals between December 2023 and June 2024 from two of the VA's bank accounts. The substantiated financial exploitation was not determined to be serious, because it did not meet the definition of serious maltreatment.

The SP was disqualified from providing direct contact services.

Action Taken by Facility:

The facility completed an internal review and determined that policies and procedures were adequate but not

followed. The SP no longer worked at the facility.

Action Taken by Department of Human Services, Office of Inspector General:

The SP was disqualified from a position allowing direct contact with, or access to, persons receiving services from programs, organizations, and/or agencies that are required to have individuals complete a background study by the Department of Human Services as listed in Minnesota Statutes, section 245C.03. The determination that the SP was responsible for maltreatment and the disqualification of the SP are each subject to appeal.