

April 24, 2025

**CERTIFIED MAIL**

Levan Dunkal, Authorized Agent  
Southwest Residence Center  
9400 Columbus Avenue South  
Bloomington, MN, 55420-4528

License Application Number: 1127587 (IRTS)

## **ORDER OF LICENSE DENIAL**

Dear Levan Dunkal:

The Department of Human Services (DHS) is denying your application for an Intensive Residential Treatment Services (IRTS) license at 9400 Columbus Avenue South, Bloomington, MN, 55420. This denial is based on the provision of false and misleading information relating to your compliance with licensing rules and laws and the Commissioner's evaluation of the program. Details of our findings are provided below. Our next steps and your options are also detailed.

### **REASON FOR LICENSE DENIAL**

#### **1. False and misleading information**

DHS determined that you knowingly provided false and misleading information related to your compliance with licensing rules and laws. You submitted a falsified letter of need to the DHS Behavioral Health Administration on April 8, 2025.

Minnesota Statutes, section 245A.167, requires that applicants enrolling to receive public funding reimbursement comply with registration or enrollment requirements as licensing standards. To be eligible to enroll with Minnesota Health Care Programs, an IRTS provider must have a statement of need from the local mental health authority or an approved need determination from the Commissioner.

On March 31, 2025, Hennepin County provided you with a letter titled "Denial for Statement of Need." The letter stated the county "regrets to inform you that Hennepin County cannot support your organization as a [sic] an IRTS/RCS facility" and that "after evaluating Southwest Residence Center, it was determined that the proposal did not meet the county need for a provider."

On April 8, 2025, you provided DHS with an altered version of this document, titled "Decision for Statement of Need." The falsified letter stated, "we have to inform you that Hennepin County can support your

organization as a [sic] an IRTS/RCS facility” and that “after evaluating Southwest Residence Center, it was determined that the proposal did meet the county need for a provider.

You knowingly provided false and misleading information to the commissioner in connection with an application for licensure.

Legal Authority: Minnesota Statutes, section 245A.05, paragraph (a), clause (3).

## **2. Commissioner’s evaluation of program**

In determining whether a licensing action is warranted, DHS evaluated the facts concerning your program’s application, including consideration of the applicant’s ability to demonstrate competent knowledge of the applicable requirements of statutes and rules. DHS has determined that the denial of your license is appropriate based on the violation identified above and the program evaluation.

DHS evaluated the program’s proposed organizational structure. Every licensed IRTS program must identify an authorized agent and controlling individual(s). This application identified three controlling individuals, and one controlling individual (CI1) was also designated as the authorized agent (AA) and as the program director. The AA is responsible for all communications with DHS and is authorized to accept service on behalf of all of the controlling individuals. The program director is responsible for all aspects of the operation of the program and the program’s compliance with all applicable requirements. CI1’s submission of the falsified letter of need indicates you are either unwilling or unable to comply with applicable licensing requirements.

Because DHS has determined that you knowingly provided false and misleading information, DHS cannot be assured that you will be truthful and forthcoming because DHS is unable to provide continuous oversight of license holders and programs. DHS cannot be assured that you will be transparent as a provider to vulnerable people, many of whom may be unable to advocate for themselves.

Licensing applications require applicants to provide complete transparency and honesty, without which DHS has no assurance you can be trusted with maintaining program integrity or with the well-being of vulnerable persons served by the program in the absence of constant supervision.

Legal Authority: Minnesota Statutes, section 245A.04, subdivision 6.

**Due to the serious nature of these violations, your license application to provide Intensive Residential Treatment Services (IRTS) is denied.**

## **YOUR RIGHT TO APPEAL**

You have the right to appeal the denial. Your request must be in writing and clearly state that you are requesting a contested case hearing for this matter. Your request must be made before the deadlines provided below. If you do not meet this deadline, you lose your right to an administrative appeal. The timeline to appeal began when you received this order.

If you are mailing your request, it must be sent by certified mail and postmarked within 20 calendar days from when you received this order. Please send it to:

Commissioner, Department of Human Services  
Office of Inspector General  
Legal Counsel's Office  
Attention: Licensing Legal Unit  
PO Box 64953  
St. Paul, MN 55164-0953

If your request is being personally delivered, it must be received by DHS within 20 calendar days from when you received this order. Please bring it to:

Commissioner, Department of Human Services  
Office of Inspector General  
Legal Counsel's Office  
Attention: Licensing Legal Unit  
444 Lafayette Road North  
St. Paul, MN 55155

Upon DHS' receipt of your timely appeal, your case would be scheduled for a contested case hearing in front of an Administrative Law Judge. Following this hearing, the Commissioner of DHS will issue a final order. If you do not appeal or if the order is affirmed by the Commissioner following a hearing, DHS is prohibited from issuing you and the controlling individuals a license for two years.

### **Legal representation at the contested case hearing**

You do not need a lawyer to appeal. However, a lawyer can help you with your appeal. The state or county will not get you a lawyer and will not pay for a lawyer. If you cannot afford a lawyer, you may be able to get free legal advice or help with your appeal. To find out if free help is available, contact: Volunteer Lawyers Network at 612-752-6677; Central Minnesota Legal Services at 612-332-8151; Southern Minnesota Legal Services at 651-222-4731; or go to [www.lawhelpmn.org](http://www.lawhelpmn.org) to find a local legal services program that may be able to help you.

You can also find information on contested cases from the Office of Administrative Hearings website at <https://mn.gov/oah/self-help>. Click on Administrative Law Overview, then click on Administrative Law Contested Case Hearing Guide for a list of frequently asked questions.

### **Legal authority for this licensing action**

- This action is taken under Minnesota Statutes, section 245A.05, subdivision (a), which describes under which conditions DHS may deny a license.
- License holders have a right to appeal licensing actions and request a contested case hearing, under Minnesota Statutes, chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612.

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- Under Minnesota Statutes, section 245A.04, subdivision 7, paragraph (d), clause (2), the commissioner shall not issue or reissue a license if the applicant, license holder, or controlling individual has been denied a license under this chapter within the past two years.

## Questions

If you have any further questions regarding this matter, you may contact Katie Leuer, Unit Supervisor, at 651-431-6259.

Sincerely,

A handwritten signature in cursive script that reads "Paula Halverson".

Paula Halverson, Unit Manager  
Licensing Division  
Office of Inspector General