

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: 202501547

Date Issued: July 2, 2025

Name and Address of Facility Investigated:

Residential Services of NE Minnesota Inc
4923 Dodge Street
Duluth, MN 55804

Residential Services of Northeastern MN, Inc
2900 Piedmont Ave
Duluth, MN 55811

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

License Number and Program Type:

1070763-H_CRS (Home and Community-Based Services-Community Residential Setting)
1070738-HCBS (Home and Community-Based Services)

Investigator(s):

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Office of Inspector General
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Suspected Maltreatment Reported:

It was reported that a vulnerable adult (VA) gave money to a staff person (SP) through Cash App and in cash, totaling \$300, to pay the VA's rent and that the SP did not make any rent payments on the VA's behalf.

Date of Incident(s): December 2024 to January 2025

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 law enforcement records; and through 11 interviews conducted with the VA, three facility supervisory staff persons (P1, P2, and P5), a facility staff person (P6), two facility administrators (P3 and P4), the VA's guardian (G), the VA's case manager (CM), a community person (CP), and the SP.

The VA was diagnosed with pervasive developmental disorder, dysthymic disorder, post-traumatic stress disorder, and anxiety. The VA liked to listen to music, play games on his/her phone, and meet people.

The VA's plans stated the VA and the financial representative (representative payee) would pay bills. The VA had full control of his/her finances. Staff persons helped the VA budget his/her money.

The facility *Personal Funds & Property* policy stated, "When the [facility] assists a person with the safekeeping of funds or other property, [the facility] will obtain written authorization to do so by the person, his or her guardian, and case manager."

The facility's *Internal Review* stated the VA told P1 that s/he had given money via Cash App to the SP on four separate occasions (January 3, January 10, January 17, and January 24, 2025) in \$50 increments, which totaled \$200 to pay rent. The VA also stated that s/he had made purchases at an area store and received cash back on those purchases and gave \$50 cash to the SP on two occasions in December 2024. The VA gave the money to the SP for the SP to pay toward the VA's back-owed rent. The total amount of money that the VA gave the SP was \$300. The SP did not pay any of the money toward the VA's current or back-owed rent. The SP acknowledged to P2 that s/he received \$150 from the VA. The SP sent \$150 to P6 via Cash App on February 27, 2025, for the VA. The VA requested the additional \$150 from the SP through Cash App and the SP declined the request. The SP sent \$50 to P1 via Venmo on April 1, 2025, for the VA. The facility was not involved in managing finances for the VA. The facility provided transportation for the VA to pay his/her bills.

The VA provided the following information:

- Around June or July of 2024, the VA started giving \$50 cash payments to the SP. The money was to be applied toward the VA's owed back rent. The VA would make purchases at a local store and opt for cash back from the transactions, then gave the cash to the SP. The VA did not have any receipts for those transactions. The VA believed s/he had paid cash to the SP weekly, except for a month or two when the VA did not pay as much. The VA believed s/he was "caught up" on back rent, however, discovered s/he was still \$600 behind.
- When the VA was unemployed, the VA's representative payee paid the full rent amount. When the VA worked, the VA was responsible for a portion of the rent. The facility never told the VA how to make rent payments. The VA and SP came up with a plan where the VA would give the SP money and the SP would take the money to the office and make a payment toward the VA's owed back rent. The VA believed she gave the SP between \$800-\$1000. The VA had never given any other staff person money.
- P1 told the VA that the SP no longer worked at the facility. The VA then told P1 about money the VA sent

to the SP via Cash App. The SP sent money back to the VA by sending \$150 to P6 through Cash App and having P6 bring the money to P1, who then made a rent payment at the office on behalf of the VA. The VA blocked the SP on Cash App and then unblocked him/her to request the additional \$150. The SP declined the request to pay back the additional \$150.

- No one else had knowledge of the arrangement between the VA and the SP to pay the VA's rent prior to the VA telling P1 about it.

P1 provided the following information:

- P1 told the VA that the SP was no longer working at the facility. The VA told P1 that s/he had been giving the SP rent money through Cash App transfers. The VA showed P1 his/her phone, which showed four \$50 Cash App transfers in January 2025 to the SP.
- The VA also stated that s/he had given the SP \$50 cash on two occasions in December 2024. P1 called the facility finance office and was told no cash payments were made December 2024 through February 2025 to the VA's rent account. P1 then notified P5 that the VA had given money to the SP.
- P5 notified P2 and P2 contacted the SP, who admitted s/he had accepted money from the VA. The SP sent \$150 to P6 through Cash App and had P6 return the money to the VA. P1 told the VA to unblock the SP on Cash App and request the additional \$150. The VA requested the money, however, the SP declined to send the additional money.
- The VA used to go to the office and make rent payments. P1 did not know why or when that stopped. P1 was not aware that the VA made payments to the SP.
- The VA understood money and spent a lot of money online shopping and ordered food.

P2 provided the following information:

- The SP resigned from his/her position at the facility on February 20, 2025. The SP accepted money from the VA on several occasions "under [the] guise [of]" it being turned in for rent.
- P2 called the SP on February 24, 2025, and asked why the VA provided the SP with cash. The SP admitted s/he received money from the VA and stated it happened three times and denied a fourth. The SP did not admit to receiving any cash from the VA. The SP returned \$150 to the VA after the phone call with P2.
- P2 asked the SP if s/he paid any of the money the VA gave to him/her to the VA's back-rent, and the SP said, "No." The SP acknowledged it was not okay to accept money from the VA. P2 said that staff persons should not take money from clients.

P3 provided the following information:

- Rent was due the first of each month. Clients made payments by electronic deduction, wrote checks, sent money orders, brought cash to the office, or mailed payments. The VA's rent had a portion paid through a representative payee and from housing assistance (GRH) through direct deposit.
- There was a procedure in place for when someone brought cash to the office. Clients brought money to the front desk and the front desk staff person issued a receipt. The cash was brought to the back and it was signed off as being received.
- P3 did not think the VA was currently paying any of his/her rent him/herself. P3 stated there were shortages to the VA's rent balance, however, s/he did not know the amount of the outstanding balance.

P4 provided the following information:

- When cash was dropped off at the office, the front desk person wrote a receipt, the receipt was signed by the front desk staff person, and the client and P4 oversaw that all cash was deposited to the respective clients' account.
- The VA's rent was paid through the representative payee and housing assistance (GRH). In 2024, the office received two \$50 cash payments on July 29, 2024, and one on August 13, 2024. A \$150 cash payment was received on February 27, 2025, from P1. (An additional receipt was later located for a \$50 payment on October 29, 2024, and was sent with records). No other cash payments were found back through 2023. P4 checked with the front desk staff, who "to the best of [his/her] recollection" stated it was the SP who brought in the payments in 2024 and P1 who brought in the payment in February of 2025. The front desk staff person had never met the VA.
- At the end of 2024, the VA's outstanding balance was \$240, which was carried over in 2025. The VA's housing assistance (GRH) went down in January 2025. Housing assistance amounts were adjusted and decreased when the VA was working, which increased the amount the VA was responsible for. The current outstanding balance was \$1317.

P5 provided the following information:

- P1 told P5 that the SP had received payments from the VA for rent. P5 confirmed with P4 that no rent payments had been received from the SP on the VA's behalf.
- As of January 2025, the VA's responsibility for rent was \$382 per month. The remaining balance was paid by the representative payee and housing assistance.

P6 provided the following information:

- Clients never gave staff persons any money. Most clients handled their own money, except "non-verbal" clients and they did not have control over their money. P6 had never gone with a client to the office to pay rent and was not sure how the process worked.
- On February 25, 2025, the SP asked P6 if s/he was working at the facility that day. P6 stated s/he would

be there the following day. The SP told P6 that s/he was unable to return money through Cash App to the VA, and asked if P6 would give the money back to the VA.

- The SP sent P6 \$150 through Cash App on February 25, 2025. On February 26, 2025, when P6 was working at the facility, P6 went to an ATM to withdrawal the cash to return the money to the VA. P6 told P1 that s/he went and got cash for the VA and P1 told P6 to give the money to P1 and s/he would return it to the VA.

The CP provided the following information:

- The VA's full rent amount was \$1170. The representative payee paid \$660 of that amount. The representative payee worked with the VA since 2022.
- The facility would notify the representative payee when the VA was behind in rent.
- The CP was not sure who would have been responsible for assisting the VA if s/he was behind in rent.

The G provided the following information:

- On February 21, 2025, P1 contacted the G and stated the SP was no longer working at the facility and it was discovered that the VA had given the SP \$200 for rent. P1 had to check with the finance office to see if that money was received.
- The G was not aware that the VA owed back rent back to July 2024.
- Emails were exchanged between P1, the SP, the G, and the CP which discussed the VA owing back rent. The SP sent an email on July 19, 2024, to the VA, P1, the G, and the CP that stated if the VA paid \$50 per week, the VA would "be all paid up by the end of summer." The SP stated s/he had spoken to the VA and the VA had agreed to pay the \$50 per week.
- The VA was pretty accurate when providing information however, might "exaggerate a little bit" if the VA was upset with the SP.

The CM provided the following information:

- The CM received an email from P1 that stated the VA had given \$200 to the SP for rent and that money was not used to pay rent.
- The CM was not involved in the VA's finances and never received notification that the VA was behind in rent. The VA had a concept of money and works with money as part of his/her job.
- The VA had the ability to provide accurate information, however, "came up with fibs in the past."

The SP provided the following information:

- The SP stated when clients were not able to make it to the office to pay rent, s/he offered to take the money, drop it off at the office, and get receipts for the clients. The SP did that for "multiple clients." The SP "just recently" started bringing rent to the office after P1 started encouraging the SP to make sure the clients were paying their rent. The SP only took money from clients if s/he was able to go to the office the same day. The SP did not take clients' money to the office on a regular basis.
- P1 told the SP to "stay on these people because they had back rent owed" so the SP needed to make sure the rent was paid. The SP "was specifically told" that s/he needed to "figure out how to get these [clients] to pay their rent." The SP was not specifically told to take the clients' rent payments to the office. The SP stated, "In ten years, nobody has ever said that was a violation of any policy or procedure." P1 had "done the same thing" and took cash from clients at the facility and brought it to the office.
- The payments the SP received from other clients were typically in cash. The VA started using Cash App in January or February 2025, to send rent money to the SP, "of [his/her] own free will." The VA told the SP sending him/her money on Cash App was "easier" than taking the money to the office.
- The SP stated s/he was locked out of his/her Cash App for "a while." When the SP was able to get back into his/her Cash App account, the SP tried to send the money back to the VA, however, the SP learned that P1 had told the VA to "block" the SP on the app. The SP then sent \$150 to P6 on February 25, 2025 and had P6 give the money back to the VA.
- The SP stated s/he "maybe once or twice" received cash payments from the VA and if s/he had, the VA would have gotten a receipt. The SP stated s/he knew the VA had given cash to P1.
- The SP stated the VA had only sent \$50 through Cash App three times. While speaking to this investigator, the SP looked at his/her Cash App account and discovered a fourth transaction for \$50 that was received from the VA on January 3, 2025. The VA told this investigator that s/he would send that \$50 back to the VA.
- The VA had been behind on rent payments for two years. The SP denied taking any other rent payments from the VA prior to January 2025. It was not part of the SP's job to collect rent payments.
- Clients had transportation available from staff persons to get errands done. Clients were able to use transportation to the facility office to pay rent. The VA also had a bus pass for transportation.
- The VA was "always on the lookout for a way not to make payments." The SP stated [the VA] "gave me the cash probably so [the VA] could bring the balance down because [the VA] never takes accountability." The SP was not surprised the VA said the SP took the rent money. The VA knew that if s/he said s/he gave the money to the SP, "then [s/he's] not responsible for it." The VA "has no memory recall and is a pathological liar."
- On April 1, 2025, the SP sent an additional \$50 payment to P1 through Venmo to pay the balance of the Cash App transactions s/he had received from the VA in January 2025.

Text messages provided by the SP showed that on February 1, 2025, the SP sent a text message to the VA that

asked, "Are you sending money this week?" There was no response shown from the VA in the screen shot. The SP told this investigator that s/he was unaware the VA had sent money through Cash App and that the SP had "forgotten" about the money, however the text message from February 1, 2025, implied that the SP was aware that the VA had previously sent money.

Facility documentation showed that the SP and all staff persons interviewed for this investigation were trained on the Reporting of Maltreatment of Vulnerable Adults Act. The SP was trained on the VA's plans.

Conclusion:

A. Maltreatment:

Information showed that the VA electronically transferred money in \$50 increments to the SP through Cash App on four separate occasions in January 2025, totaling \$200. The VA stated that beginning in June or July of 2024 that the VA gave the SP numerous \$50 cash payments for the VA's rent. The SP acknowledged the total of \$200 Cash App transactions. The SP paid \$150 to P6 on behalf of the VA on February 25, 2025, and the other \$50 to P1 on behalf of the VA on April 1, 2025. The SP denied receiving cash payments from the VA but also stated that "maybe once or twice" s/he received cash from the VA.

Although the SP paid back \$200 that the VA sent to the SP on CashApp, given that the SP provided conflicting information that s/he did not receive cash from the VA but then said "maybe once or twice," that the SP was supposed to pay the VA's rent with the CashApp money which s/he received in January 2025, but did not pay back until the end of February 2025 so the VA would not have been able to use the money, and that the facility did not receive payments from the SP for the VA's rent, there was a preponderance that the SP withheld and or used the VA's funds in the absence of legal authority.

It was determined that financial exploitation occurred (in 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 Reporting of Maltreatment of Vulnerable Adults Act. 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 "recurring" maltreatment because the VA sent the SP money on four occasions via Cash App.

D. Person Regulated by Health-Related Licensing Boards

Pursuant to Minnesota Statutes, section 245C.31, subdivision 1, when individuals regulated by a health-related licensing board are determined to be responsible for substantiated maltreatment under Minnesota Statutes, section 260E or 626.557, instead of the Commissioner of the Department of Human Services making a decision regarding disqualification, the licensing board makes a determination whether to impose disciplinary or corrective action under Minnesota Statutes, chapter 214.

The SP is regulated by a health-related licensing board. The health-related licensing board was notified upon issuance of the investigation that the SP was determined to be responsible for recurring maltreatment and would be disqualified from direct contact if s/he were not regulated by the board.

Action Taken by Facility:

The facility completed an internal review and determined that their policies were adequate, but not followed and that there was a need for additional training. Staff persons were retrained on the VA's *Support Plan* and *budgeting ISP*, on the facility's role and responsibility regarding the VA's finances. There were no similar past events and there was not a need for corrective action by the facility. The SP was no longer at the facility.

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

The SP was notified that s/he was responsible for recurring maltreatment by financial exploitation. The maltreatment determination is subject to appeal.

The health related board that the SP was regulated by was notified that the SP was determined to be responsible for recurring maltreatment and if not regulated by the board would be 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.