

**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:** 202501284

**Date Issued:** September 9, 2025

**Name and Address of Facility Investigated:**

REM River Bluffs Roth Gardens  
4450 Durham Lane NW  
Rochester, MN 55901

REM River Bluffs Inc  
6600 France Ave. S., Suite 500  
Edina, MN 55435

**Disposition:** Substantiated as to financial exploitation of a vulnerable adult with inconclusive responsibility.

**License Number and Program Type:**

1115055-H\_CRS (Home and Community-Based Services-Community Residential Setting)  
1071879-HCBS (Home and Community-Based Services)

**Investigator(s):**

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**Suspected Maltreatment Reported:**

It was reported that a staff person (SP) used a vulnerable adult's (VA) money to pay for goods and services for the SP, made large dollar amount purchases without consent from the VA's guardian (G), took the VA on multiple trips to a casino, had the VA eat out several times a day, and let the VA spend money on items that were unnecessary for the VA.

**Date of Incident(s):** April 2024 to October 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 was obtained during a site visit conducted on February 27, 2025; from documentation at the facility; and through eight interviews conducted with the VA, two facility supervisory staff persons (P1 and P2), a facility staff person (P3), the VA's case manager (CM), the VA's guardian (G), a facility client (FC), and the SP.

Due to the VA's abilities, s/he was not able to provide any information for this investigation.

The VA was diagnosed with severe intellectual disabilities and was non-verbal, however, could communicate with noises and some one-word answers. The VA liked to go shopping and out to eat, did puzzles, watched movies, and drank his/her coffee.

The VA's plans stated the VA "requires assistance in the following areas: management of cash, management of checking, savings, or other bank accounts, monitoring or documentation of trust funds or special accounts, Representative Payee for Social Security Funds." The facility would send financial reports to the G "when requested." Prior "verbal approval" from the G was needed to complete a high dollar purchase exceeding \$300. The facility managed the VA's financial transactions, including petty cash, debit card, and checking and savings accounts. The VA "would not recognize mismanagement of [his/her] finances." The VA "chooses to spend [his/her] money as [s/he] desires."

The facility *Management of an Individual's Monetary Resources* policy stated, "When requested and authorized by the person or their legal representative, the Company may accept and perform Representative Payee duties and/or assistance with managing funds. Financial transactions and funds are managed in accordance with the signed financial transaction consent." The policy also stated, "Cash on hand per person should not exceed \$50 or as otherwise indicated on the person's transaction consent. Circumstances that exceed the specified dollar amount require Area Director approval," "There will be no co-mingling of funds between individuals served, the Company, or employees," and "The Company or its employees will not borrow from, loan to, purchase personal items from, or sell any items or personal services to the individuals."

A law enforcement officer was present and participated in interviews with P1, the SP, the VA, and the FC.

The G provided the following information:

- The G had concerns over the VA's large purchases at JC Penney, Slumberland, Coach, and Walmart. The G did not think the VA understood what gambling was and questioned the frequent, unapproved trips to the casino. Trips to the casino had never been discussed with the G.
- The VA had no concept of money and would likely say "yes to anything."
- The VA's asset limit was \$3,000 and the VA made \$300-\$500 per month through employment. The VA's

funds were approved to be moved into a burial account to keep the asset limit down.

The CM provided the following information:

- The facility was trying to “spend [money] down” and there were “questionable” expenditures. There were trips to a casino and the VA did not understand basic math or gambling. The VA purchased a Coach purse and wallet and would not understand the difference between a \$200-\$300 purse or a purse from Target.
- When financial records were reviewed, the VA went out to eat twice in one day on several dates and there were multiple purchases at a movie theater on the same date.
- There were large purchases at Slumberland (\$637.93) and retail stores that were over the limit and required preapproval from the G. There was a purchase on September 26, 2024, for \$150 at a nail salon.

P3 provided the following information:

- On an unknown date, prior to October 2024, P3 and the SP accompanied the VA and the FC on a “spend down” outing. P3 believed both the VA and the FC needed to spend down their money. P3 stated staff persons went through the facility and looked for things that needed to be replaced like clothes or shoes and items that the VA or other clients wanted would be purchased. When items were selected, staff persons presented payment and made the purchases for the VA and the FC. The VA and the FC would sign their own names for the purchases.
- On that outing, the VA, the FC, the SP, and P3 went to an outlet mall and shopped, got pedicures and went out to eat. P3 stated the VA paid for his/her own pedicure, the FC paid for his/her own pedicure and P3 believed the facility paid for P3 and the SP. The SP went to the counter and presented payment for the services. P3 saw the SP use the facility bank card to pay at the restaurant (Chili’s). The VA and the FC paid for their own meals.
- The facility paid for staff persons during outings, to P3’s “knowledge”. When staff persons took clients out to eat, the facility paid for staff persons’ food using the facility bank card. The clients paid for their own food. The VA and other client’s bank cards were blue and the facility bank cards were gray and blue and looked different from each other.
- P3 was not aware of clients ever paying for staff persons. If clients were going to pay for staff persons, that would have to be preapproved by P1.
- After outings, purchases were written down in the ledger right away. P3 stated when his/her initials were next to an entry, it was an entry s/he personally wrote.

The FC, who was not subject to guardianship provided the following information:

- The FC remembered going shopping and stated the SP and the VA were the only ones that went with on the shopping trip.
- The FC stated the VA did not purchase a purse on the outing.

- The VA and the SP accompanied the FC on outings and they went shopping, out to eat, and to the casino.
- The FC stated they played slot machines at the casino and everyone used their own money.
- When this investigator attempted to contact FC to ask about staff persons using the VA's and or the FC's money to pay to have their nails done during an outing with the VA and the FC, the FC did not respond.

The facility's *Internal Review* provided the following information:

- On August 14, 2024, P1 sent an email to the VA's team and suggested a day trip to the Mall of America on a 1:1 staffing ratio to do "a bunch of shopping and pay for staff [persons'] meal and movie/event ticket," as the VA had \$4,000 to "spend down."
- On August 22, 2024, the G declined the idea of the day trip and "suggested a 1:1 staffing ratio for a two to three day vacation be looked into" and suggested the VA "stock up on snacks in the meantime" and "splurge a bit on outings."
- Financial records were reviewed from 2023 to March 2025 and showed that transactions were recorded on the date the transaction cleared the bank instead of the date that money was spent, transactions were not in chronological order, there were several days that the VA went out to eat twice, four instances of ATM cash withdrawals or spending money not being "funneled" on the ledger with no supporting documentation, missing receipts, seven instances of over-tipping, \$880 spent at casinos over six trips, and a purchase that was over \$300 not approved by the guardian. There was a total of 32 transactions, totaling \$673.79, where the VA had "over-tipped or did not contain definitive supporting documentation that the funds were spent on [the VA]."
- P1 "was not aware that the team had not agreed or rescinded their approval for day trips" and "thought we could have individuals pay for staff [person's] meal and activities during special 1:1 style outings. [P1] was not aware of any previous arrangement or special approval received from the team." P1 did not ask the team for approval for casino trips or to spend more than \$300 on clothes for the VA. P1 stated, "[The SP] really struggles with the financials." P1 audited financial files, however, only looked at receipts to match the date and amount and did not review what items were purchased
- The SP stated that P1 had given approval for the VA to pay for staff persons' costs for a day trip on September 25, 2024. The SP stated there had been times in which the VA would cover costs for a housemate and then the next time, the housemate would cover the costs for the VA. The SP did not know the VA should not have more than \$50 in cash, was not aware of what a financial consent and authorization form was, and did not know that verbal approval was needed for the VA's purchases over a certain amount.
- P3 was told by the SP that P1 had given approval for the VA and another housemate to pay for staff persons' meals and activities during the day trip on September 25, 2024. That was the only time P3 was aware that individuals' funds were used on staff's behalf.
- On February 27, 2025, a Coach purse and wallet were located in the back of the facility van with the tags

still attached.

P1 provided the following information:

- Dates on the VA's ledger should have been the dates the transactions took place, not when transactions cleared the bank. The SP filled out the ledgers and P1 approved them. P1 looked at the receipts and saw what items were purchased.
- P1 did not recall approving or seeing a large purchase at a Coach store.
- The VA should not pay for staff persons unless it was preapproved by the G. Prior authorization was obtained from the G for the VA to pay for staff persons or other clients' meals or activities, which was only done on "spend downs." P1 had given the SP permission to use the VA's funds to pay for staff person's meals and activities on September 25, 2024, during the spend down.
- Large purchases were supposed to be preapproved by the G. P1 thought the VA's large purchase amount was anything above \$200.
- P1 believed s/he got the G's approval for the VA to go to the casino. P1 thought \$50-60 was the amount the clients would spend at the casino. P1 did not remember signing off on a \$200 ATM withdrawal for the casino. When the VA had more than \$50 cash on hand, that needed to be preapproved.
- The VA had a job and his/her assets got to the \$3,000 limit frequently. The G requested the facility transfer money into the VA's burial account, however, the facility had not done that yet.

P2 provided the following information:

- Dates in the ledger were dates the transactions cleared the bank and not the actual date of the transaction. Ledger entries were to be done at the time of purchase. The ledger was reconciled once the facility received the bank statement.
- The SP and P1 signed off on the ledger entries. P2 had concerns over cash that was taken out for casino trips, as it was not documented correctly in the cash flow section of the VA's ledger. The beginning and ending balances for September and October 2024 did not match. Shift notes were missing to support outings or money that was spent.
- Purchases over \$300 require the G's verbal consent.
- P2 was unsure how the VA indicated what items s/he wished to purchase due to the VA being non-verbal.

The SP provided the following information:

- One of the SP's job duties was to oversee the VA's financials and take the VA on "spend downs" when the VA's assets reached the limit.
- The VA "never" paid for staff persons' food, as staff persons paid for their own food with facility funds.

The VA had paid for other clients when another client did not have money and then the client paid the VA back.

- On the outing to the outlet mall on September 25, 2024, the SP was verbally told by P1 that the VA could pay for a staff person to get a pedicure and meal. The VA paid for one staff person and the FC paid for the other staff person. The VA paid for the SP's meal that day. The SP stated it was the only time the VA had paid for a staff person's meal. The VA "picked out" the Coach purse and wallet and the SP assisted with the purchase.
- A table and chairs were purchased at Slumberland with preauthorization from P1.
- The SP was not aware of the dollar amount that needed preauthorization.
- The VA went out to eat one to three times a week, sometimes twice in one day. The VA also went to movies frequently.
- The VA "usually gets \$200" out of the ATM, stopped to eat on the way and then played the slot machines at the casino. The VA "enjoys it." The SP did not think \$200 was an excessive amount for the VA and his/her abilities. The SP had "never been told" there was a \$50 cash on hand limit for the VA.
- The SP made financial entries on ledgers once a month and did not enter transactions on the day they occurred.

The VA's financial ledgers, receipts and vouchers were reviewed for this investigation and showed the following:

- The table and chairs that were purchased at Slumberland were at the facility in a downstairs living room connected to the VA's bedroom which was observed by the investigator during the site visit. The table was purchased for the VA to do puzzles and other activities.
- The Coach purse and wallet were located in the back of the facility van, still in the bag in unused condition.
- The \$130 transaction at JC Penney on April 18, 2024 was for a haircut and color, which cost \$110. A \$20 gratuity was added on. The other purchase at JC Penney for \$332.94 was for clothing items for the VA.
- The \$150 purchase at a nail salon were for pedicures for the VA and one staff person.
- The \$16.89 purchase at Buffalo Wild Wings was for the VA's meal, \$11.89, and a \$5 tip. The SP explained that they had a "regular" server there, who treated the clients very well and they rewarded him/her by everyone tipping \$5, regardless of the amount of their bill.
- The transaction at Chili's was for \$92.90. The receipt listed two Coke Zeros, a "Mix & Match Trio," chicken bacon quesadilla, and a "Triple Dipper." There was also a 25% tip (\$18.58).
- There were some purchases at movie theaters or restaurants that appeared the VA paid for him/herself

and another person, based on the amounts and known ticket prices. It was unknown if those were instances in which the SP referred to in which the VA paid for another client and the other client paid the VA back.

- It was not uncommon for the VA to go to two restaurants in one day. There were instances where the VA would get lunch and dinner on an outing day. There was a time when the VA got a second meal in one day to have lunch for the following workday. Some of the dates in the ledger showing multiple restaurants on the same day were due to the dates in which the transactions cleared the bank being recorded rather than the actual dates of purchase.

Facility documentation showed that the SP and all other staff persons interviewed for this investigation were trained on the Reporting of Maltreatment of Vulnerable Adults Act. An unrelated staff person had not had "maltreatment training" since August 2, 2023. P1, P3, and the SP were trained on the VA's plans.

### Conclusion:

#### A. Maltreatment:

Information showed that staff persons, mostly the SP and P3, took the VA on outings to restaurants, movies, casinos, and "spend down" outings. There were days that had multiple restaurant transactions or multiple purchases at movie theaters. The SP stated some days, the VA would go out to eat for lunch and dinner. There were occasions when another client would not have money and the VA's funds were used to pay for the other client and on the next outing, the other client would pay for the VA. The SP was not aware the VA was not to have more than \$50 cash on hand and was not aware of a purchase limit that needed authorization from the G. There were four instances of cash withdrawals or spending money not being "funneled" through cash column with no supporting documentation. There were transactions with missing receipts, seven instances of "over-tipping," \$880 spent at casinos over six trips, and a purchase that was over \$300 that were not approved by the guardian. There was a total of 32 transactions, totaling \$673.79, where the VA had over tipped or there was not enough information and or supporting documentation that the funds were spent on the VA.

On September 25, 2024, the SP and P3 took the VA and FC on an outing for a "spend down." The SP stated s/he got permission from P1, which P1 confirmed, to use the VA's funds to pay for a staff person's meal and pedicure. On the outing, the VA and the FC paid for pedicures and a meal for themselves and one staff person each (the SP and P3; it was not determined specifically which staff person the VA or the FC paid for). The G did not approve for the VA to pay for the SP or P3. The FC did not respond to requests for a follow up interview to determine if the FC, who was not subject to guardianship, chose to use his/her money to purchase a pedicure and meal for either P3 or SP that day.

Although the VA's funds were used in ways that seemed excessive, some of which were not approved by the G, and for other clients, other than the VA paying for the SP or P3 on September 25, 2024, there was no information that staff persons used the VA's funds for themselves or took the VA's funds. However, given that the VA's funds were used for a staff person's pedicure and meal which the G did not approve on September 25, 2024, there was a preponderance of the evidence that the VA's funds were used in the absence of legal authority.

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.

Either the SP or P3 used the VA's funds to pay for their pedicure and meal which P1 approved. It was not able to be determined who used the VA's funds and P1 should not have given approval for the purchase therefore the responsibility for the financial exploitation of the VA was inconclusive.

**Action Taken by Facility:**

The *Internal Review* stated policies and procedures were adequate, policies and procedures were not implemented as applicable, there was a need for additional staff training, there were no similar past events with the adults or services involved and there was a need for corrective action by the license holder to protect the health and safety of the adults in their care. The VA was reimbursed \$673.79 for all funds that were not conclusively spent on the VA. The SP was no longer in a supervisory role and received a corrective action. P1 received a corrective action and was retrained on financial management. All area supervisors were retrained on audits. All staff persons at the facility were trained on proper procedures and expectations for meal planning and financial responsibility. The SP no longer worked at the facility.

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

No further action.