



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
BUREAU OF FINANCIAL OPERATIONS

Room 525 Health and Welfare Building
Harrisburg, Pennsylvania 17105-2675

OCT 20 2010

KEVIN M. FRIEL
DIRECTOR

TELEPHONE NUMBER
(717) 772-2231
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Mr. A.J. Zangardi, Administrator
Green Ridge Assisted Living
██████████ Ave.
Scranton, Pennsylvania 18509

Dear Mr. Zangardi:

I am enclosing the final report of the audit of Green Ridge Assisted Living personal care home recently completed by this office. Your response has been incorporated into the final report and labeled Appendix B.

The final report will be forwarded to the Department's Adult Residential Licensing program to begin the Department's resolution process concerning the report contents. The staff from ARL may be in contact with you to follow up on the action taken in consideration of the report's findings and recommendations.

I would like to extend my appreciation to all the courtesy extended to my staff during the course of the fieldwork.

Please contact Alexander Matolyak, Audit Resolution Section, at 717-783-7786 if you have any questions concerning this audit or if we can be of any further assistance in this matter.

Sincerely,

Tina L Long for

Kevin M. Friel

Enclosure(s)

c: Ms. Karen Kroh
Mr. Duane Valence

Some information has been redacted from this audit report. The redaction is indicated by magic marker highlight. If you want to request an unredacted copy of this audit report, you should submit a written Right to Know Law (RTKL) request to DPW's RTKL Office. The request should identify the audit report and ask for an unredacted copy. The RTKL Office will consider your request and respond in accordance with the RTKL (65 P.S. §§ 67.101 et seq.). The DPW RTKL Office can be contacted by email at: ra-dpwtkl@pa.gov.



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KEVIN M. FRIEL
DIRECTOR

Ms. Karen Kroh, Director
Adult Residential Licensing
Room 423, Health and Welfare Building
Harrisburg, Pennsylvania 17120

Dear Ms. Kroh:

In response to your request, the Bureau of Financial Operations (BFO) has completed a performance audit of the Green Ridge Assisted Living (GRAL) personal care home (PCH). The request for the audit resulted from a complaint received from the Lackawanna County Area Agency on Aging (LCAAA) regarding an allegation GRAL retained five SSI benefit checks belonging to a former resident discharged from GRAL. As a result, Adult Residential Licensing (ARL) requested BFO audit GRAL's handling of resident finances. The audit was primarily directed towards investigating the complaint as well as determining compliance with Chapter 2600 regulations and the effectiveness of administrative and internal controls in place to account for, handle and safeguard GRAL resident funds. The audit focused on the period January 1, 2009 through March 31, 2010.

The GRAL views on the report findings, conclusions, or recommendations are included in the report and identified as Appendix B. The data used to prepare the report was discussed with the GRAL's President/owner and Administrator at meetings held on July 16 and 23, 2010 and September 9, 2010.

The report identifies GRAL as depositing/cashing \$4,326 in SSI checks belonging to a discharged resident. GRAL also violated Social Security Administration (SSA) and Department of Veterans Affairs (VA) representative payee requirements as it failed to fulfill its fiduciary responsibility as representative payee for residents receiving those benefits. GRAL was also found to be deficient in properly accounting for certain resident benefits and providing refunds due back to residents. The report also identifies non-compliance with various Chapter 2600 regulations, internal control weaknesses in oversight of resident funds and issues resulting in non safeguarding of resident funds.

Green Ridge Assisted Living
January 1, 2009 through March 31, 2010

Green Ridge Assisted Living
Executive Summary

GRAL is a privately owned and operated personal care home. GRAL is subject to Title 55 Chapter 2600 Regulations with respect to its licensing as well as management of resident funds. Prior to September 29, 2009 GRAL was licensed to serve 62 residents. Effective September 29, 2009, the Department of Public Welfare (DPW) issued a non-renewal of its fourth provisional license to operate the home and subjected the home to a new admissions restriction.

Subsequent to the DPW's issuance of non-renewal of GRAL's license, the owners filed an appeal, which the Bureau of Hearing and Appeals denied on April 20, 2010. On July 16, 2010, the Secretary of Public Welfare upheld the decision by the Bureau of Hearings and Appeals. A closure order was issued by the Department on July 20, 2010; however, on July 26, 2010 Commonwealth Court Judge Renee Cohn Jubelirer ruled against DPW and issued a Stay to stop the Department's closure of GRAL, pending further review by the Court. The home is still operating on a no-admissions contingency basis, and as of July 15, 2010 GRAL had a census of 38 residents.

FINDING	SUMMARY
<p><u>Finding No. 1 - GRAL Deposited/Cashed \$4,326 In SSI Checks Belonging To a Discharged Resident</u></p>	<ul style="list-style-type: none"> • GRAL deposited/cashed \$4,326 in SSI checks belonging to a discharged resident. The checks represented a five-month period subsequent to resident [REDACTED]'s discharge from GRAL. • Per 2600.16(a)(6), Reportable Incidents and Conditions, "misuse of a resident's funds by the home's staff person or legal entity" is a reportable incident, which must be immediately reported to the ARL. The home did not report the incident, which is a violation of 2600.16(c). • Based on calculation of allowable room and board charges and payments the overpayment to be refunded to [REDACTED] is \$4,354. (See Exhibit A-3)

HIGHLIGHTS OF RECOMMENDATIONS

GRAL should:

- Refund \$4,354 to resident [REDACTED]

ARL should:

- Monitor to ensure GRAL makes the required \$4,354 refund to [REDACTED]
- Forward the results of the audit to the Pennsylvania Attorney General (AG) and the SSA for further investigation.

Green Ridge Assisted Living
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FINDING	SUMMARY
<p><u>Finding No. 2 – GRAL Failed To Fulfill Its Fiduciary Responsibility</u> <u>Finding No. 2 – (Cont'd)</u></p>	<ul style="list-style-type: none"> • GRAL failed to comply with requirements of 2600.20 and 2600.25 for the two residents they provided representative payee services to. GRAL also failed to comply with SSA and VA regulations and reporting requirements. • Based on GRAL's non-compliance with Title 55 Chapter 2600.25 rate change regulations, resident [REDACTED] was overcharged up to \$11,508 for room and board. • The VA made \$8,280 in duplicate room and board payments also paid by [REDACTED] • [REDACTED]'s VA pension may be overstated based on incorrect information provided by GRAL. This may result in an overpayment due to the VA.

HIGHLIGHTS OF RECOMMENDATIONS

- GRAL should:
- The BFO recommends GRAL contact the SSA, VA, and an outside organizational representative payee to transfer the representative payee responsibility for [REDACTED] and [REDACTED]'s VA and SS benefits from GRAL to an outside agency such as the AA.
- Subsequent Event
- [REDACTED]'s SS and [REDACTED]'s VA benefits have been transferred to new payees. [REDACTED] is still payee for his own SS benefits.
- Refund \$11,508 or, if different, the amount established by ARL to resident [REDACTED] which represents the overcharge of room and board.
 - Reserve \$8,280, which needs to be repaid to resident [REDACTED] or the VA, which represents double payment of room and board.
 - Inform the VA \$8,280 originally reported as annual medical expenses actually represents room and board payments made by [REDACTED], which ended in March 2009. The incorrect reporting may have resulted in an overpayment of VA benefits to GRAL on behalf of [REDACTED]
- ARL Should:
- Monitor the status of corrective action taken to implement repayment of room and board overcharge and duplicate payment and also review whether [REDACTED]'s SS payeeship should be transferred to an outside organization.
 - If ARL elects to waive the 2600.25 regulations and allow the increased room and board be effective to the date [REDACTED] moved to a private room, ARL must require GRAL provide all necessary documentation to verify the move date and recalculate the overpayment.
 - Forward the results of the audit to the SSA and VA for further investigation.

Green Ridge Assisted Living
January 1, 2009 through March 31, 2010

FINDING	SUMMARY
<p><u>Finding No. 3 - GRAL Has Not Complied With Title 55 Chapter 2600.20 Financial Management Regulations In Its Oversight of Resident Funds</u> <u>Finding No. 3 – (Cont'd)</u></p>	<ul style="list-style-type: none"> • Poor record keeping, failure to acknowledge financial assistance provided to certain residents and internal control weaknesses in the accounting for resident funds has resulted in non-compliance with requirements of regulation 2600.20. • A significant amount of resident spending money was not accounted for on two (2) RFT forms. A balance of \$939.09 was not carried forward on resident [REDACTED]'s form. A balance of \$325 was not carried forward on resident [REDACTED]'s form. A number of other accounts included smaller amounts of non accounted for resident funds.

HIGHLIGHTS OF RECOMMENDATIONS

<p>GRAL should:</p> <ul style="list-style-type: none"> • If GRAL ceases to provide services, ensure each resident is provided with an itemized written account of resident funds including funds due to residents in accordance with 2600.28 refunds. • Make all necessary adjustments and repayments to residents including the following identified per finding 3: <ul style="list-style-type: none"> ○ \$1,264 to resident [REDACTED] (939+325) ○ \$325 to resident [REDACTED] ○ \$170 to resident [REDACTED] ○ \$480 to resident [REDACTED] (140+340) • If GRAL continues to provide PCH services, GRAL must maintain financial forms in accordance with 2600.20 regulations and instructions and correct internal control weaknesses. <p>ARL should:</p> <ul style="list-style-type: none"> • If GRAL ceases to provide services, monitor GRAL provides each resident with an accurate, itemized account of resident funds to include adjustments and repayments to identified residents. • If GRAL continues to provide PCH services, monitor to ensure GRAL is maintaining required financial forms in accordance with 2600.20 requirements.

FINDING	SUMMARY
<p><u>Finding No. 4 – GRAL Failed To Comply with Chapter 2600 Discharge Requirements Which May Have Resulted In Inappropriate Room and Board Payments</u></p>	<ul style="list-style-type: none"> • Our testing of files for five (5) residents who were discharged, transferred, or deceased found that GRAL did not comply with the notification of termination and refund requirements per regulations 2600.228 and 2600.28. • GRAL may have inappropriately received up to \$6,218 in room and board payments from resident [REDACTED] during the period [REDACTED] was residing in a nursing home.

HIGHLIGHTS OF RECOMMENDATIONS

GRAL should:

- Comply with the requirements of 2600.28 and 2600.228 and ensure all required documentation for discharged residents is obtained and maintained in the residents' files.
- Provide BFO and ARL with requested documents for resident [REDACTED] which are detailed on page 17 and 18 of the report to allow a determination be made on the amount of funds which may be due to resident [REDACTED]

ARL should:

- Ensure GRAL provides all requested documents and consider interviewing the nursing home staff and resident [REDACTED] to allow a determination to be made on the amount of funds, which may be due to resident [REDACTED]
- Ensure GRAL repays funds determined to be due to resident [REDACTED], and if warranted, forward the results of GRAL's oversight of [REDACTED] benefits to include room and board and PNA transactions to the AG and SSA for further investigation.

FINDING	SUMMARY
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Finding No. 5 – Resident Receipt of Rent Rebates Totaling \$6,350 Could Not Be Verified

- Calendar 2007 and 2008 rent rebates totaling \$6,350 could not be verified as being received by the resident or resident's representative payee through either entries on a RFT form or a receipt signed by the receiving party.
- A receipt book used by GRAL to document the resident/representative payee receipt of calendar 2007 and 2008 rent rebates which was missing and not available during fieldwork was provided subsequent to the exit conference. This allowed documentation of an additional \$1,217 in rent rebate receipts, which reduced the initial amount of non-verified rent rebates from \$7,567 to \$6,350.
- GRAL provided seven (7) written confirmations with their response representing residents who allegedly received \$2,600 in rent rebates. An acceptance by ARL of these confirmations would reduce the non-verified total to \$3,750.

HIGHLIGHTS OF RECOMMENDATIONS

GRAL should:

- Obtain written confirmation from residents or, if appropriate, representative payees representing the remaining rent rebates received for calendar 2007 and 2008, with the confirmations provided to BFO and ARL.
- Reimburse residents/representative payee for their 50% share of calendar 2007 and 2008 rent rebate for any resident whom GRAL cannot document as receiving their rent rebate.

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ARL should:

- Review the appropriateness of the confirmations representing \$2,600 in rent rebates.
- Monitor and follow up with the result of GRAL's actions to obtain documentation to ensure residents/representative payee received 50% of their rent rebate check.

FINDING	SUMMARY
<p><u>Finding No. 6 – Maintenance of Resident [REDACTED] Property Inventory Was Not In Compliance With Regulation 2600.252</u></p>	<ul style="list-style-type: none"> • GRAL is not maintaining resident personal property inventories in compliance with 2600.252(18)(19). • A physical inventory of resident [REDACTED] property identified items being held for safekeeping that were not included on the personal property inventory.

HIGHLIGHTS OF RECOMMENDATIONS

GRAL should:

- Comply with the requirements of 2600.252(18)(19).
- Ensure all resident personal property being safeguarded is included on the residents' inventory and update the accuracy of resident inventories.

ARL should:

- Monitor the accuracy of resident personal property inventories and ensure GRAL updates resident inventories to include all property being safeguarded.

Background

Green Ridge Assisted Living is the business name used for the personal care home located at [REDACTED] Avenue, Scranton, Pennsylvania 18509. GRAL operates under the corporate name Mikarma, Inc. with its registered office located at 1533 Adams Avenue, Dunmore, Pennsylvania 18509.

The President and owner of GRAL is the GRAL Director of Admissions. The President's son is the GRAL Administrator. The President's spouse provides financial services. All three individuals are involved in providing financial management services involving resident funds.

During fieldwork, the census ranged between 38 and 40 residents. Most residents are SSI recipients. Per representation made by GRAL President/owner, GRAL is a representative payee for two (2) residents. The Advocacy Alliance (AA), a nonprofit organization located in Scranton, PA, acts as the representative payee for 22 residents, with most of the remaining 14 to 16 residents having a family member act as a representative payee. A few residents handle their own funds and are their own payees. In addition, GRAL performs financial management services for many of the residents who have representative payees, primarily related to personal needs funds. We could not determine the number of residents for whom GRAL is providing financial management services.

Objective, Scope and Methodology

The primary objectives of our audit were to investigate the alleged inappropriate retention of SSI checks by GRAL and to determine if GRAL is providing financial management services to residents in accordance with Chapter 2600 regulations. Accordingly, the audit objectives were as follows:

- To investigate the alleged inappropriate retention of SSI checks by GRAL.
- To determine the effectiveness of administrative and internal controls in place to account for, handle and safeguard GRAL's resident funds.
- To determine compliance with DPW, SSA and VA policy, procedures and regulations.

In pursuing these objectives, the BFO interviewed the GRAL President/owner and Administrator. We also reviewed Records of Financial Transactions (RFTs) recording residents' receipts and disbursements, rent rosters and census reports, resident files, home-resident contracts, and other pertinent data necessary to complete our objectives. We also obtained from outside sources documents regarding SSA and VA benefits and Pennsylvania rent rebates provided to GRAL's residents. Our review focused on the period January 1, 2009 through March 31, 2010.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objectives.

Government auditing standards also require that we obtain an understanding of management controls that are relevant to the audit objective described above. The applicable controls were examined to the extent necessary to provide reasonable assurance of the effectiveness of these controls. Based on our understanding of the controls, a number of deficiencies were identified. These deficiencies and other areas where we noted an opportunity for an improvement in management's controls are addressed in the finding of this report.

The audit fieldwork was completed on July 23, 2010. The report, when presented in its final form, is available for public inspection.

Results of Fieldwork

Finding No. 1 – GRAL Deposited/Cashed \$4,326 in SSI Checks Belonging To a Discharged Resident

GRAL inappropriately deposited/cashed \$4,326 in SSI checks belonging to a discharged resident. The checks represented a five-month period subsequent to resident [REDACTED]'s discharge from GRAL. Resident [REDACTED] was his own payee for benefit checks and did not owe GRAL any money at time of discharge. As of September 9, 2010, [REDACTED] had not received repayment from GRAL for the loss of his benefit checks. Per Exhibit A-1 and A-2, we compiled allowable room and board charges and payments for resident [REDACTED] from the time of admission to discharge and determined the amount of

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funds due to [REDACTED] as \$4,353.85 (Exhibit A-3). The overpayment incorporates GRAL making an \$865 cash payment to the resident's new landlord.

The allegation of misuse of resident [REDACTED]'s funds was provided by the LCAA through a February 12, 2010 complaint submitted to the ARL. Per 2600.16(a)(6), Reportable Incidents and Conditions, "misuse of a resident's funds by the home's staff person or legal entity" is a reportable incident, which must be immediately reported to the ARL. The home did not report the incident, which is a violation of 2600.16(c).

Our review of certified copies of the five (5) SSI checks provided by the U.S. Treasury Department identified the following:

- The five (5) checks were payable to [REDACTED] in equal amounts of \$865.30 representing the months of August through December 2009. Per GRAL representation, the resident was discharged on August [REDACTED], 2009. Per external records received from the LCAA and resident [REDACTED]'s advocate, her husband, and [REDACTED]'s new landlord, the resident was discharged on July [REDACTED].
- Each of the negotiated checks had two (2) endorsements. The endorsements appear to identify the names of the GRAL Administrator's [REDACTED] and former resident [REDACTED].
- Our comparison of the endorsement signature bearing [REDACTED]'s name on the five checks to various financial documents signed by [REDACTED] (home-resident contract, rent rebate, etc.) identified a significant difference in the signature on the checks compared to the other documents.
- The GRAL Administrator identified the co-endorsement by a GRAL employee on two of the five SSI checks (October and November 2009) as resembling his [REDACTED] handwriting.
- According to the GRAL Administrator, the August 2009 SSI check for resident [REDACTED] was mistakenly cashed by his [REDACTED]. However, he subsequently paid \$865 in cash to resident [REDACTED]'s new landlord but did not receive a receipt. Information supplied by resident [REDACTED]'s advocate identified the new landlord received the cash payment. This has not been verified with the landlord.

The GRAL uses a roster to track the monthly billing and payment of resident room and board. The Administrator's [REDACTED] maintains the roster. Resident [REDACTED]'s case file did not include termination/discharge information as required by 2600.228 (See Finding No. 4). The GRAL Administrator informed us that when a resident is discharged he informs his [REDACTED] who removes the resident from the roster and stops the charges for room and board. We reviewed the rosters for the months of October and December 2009 (selected sample) and noted that no room and board charges had been entered for [REDACTED] and his name had been removed. As a result, it would appear that the [REDACTED] had been informed of [REDACTED]'s discharge.

A request was made to interview the Administrator's [REDACTED] on July 16 with the documents to be reviewed in the interview provided to GRAL on July 19. GRAL was provided with a July 29 deadline to conduct the interview. On July 30, the GRAL Administrator provided BFO with a

written response that he has "not had a return call from lawyer." As a result, the interview was not conducted.

Recommendations:

The BFO recommends GRAL refund \$4,354 to resident [REDACTED].

The BFO also recommends the ARL monitor to ensure GRAL makes the required \$4,354 refund and forward the results of the audit to the Pennsylvania AG and SSA for further investigation.

Finding No. 2 – GRAL Failed To Fulfill Its Fiduciary Responsibility

GRAL did not fulfill its fiduciary responsibility for the two (2) residents for whom it provides representative payee services. Our review of the financial management and representative payee services provided to residents [REDACTED] and [REDACTED] identified areas of non-compliance with the requirements of regulation 2600.20, and non-compliance with SSA and VA regulations and reporting requirements. We also noted that resident [REDACTED] was overcharged up to \$11,508 for room and board. In addition, the VA made payments of \$8,280 for room and board that was also paid by [REDACTED]. It is also possible that [REDACTED]'s VA pension was overstated based on incorrect information provided by GRAL. This may result in an overpayment due to the VA. We noted the following deficiencies in financial management and representative payee services provided to residents [REDACTED] and [REDACTED]

- The GRAL did not maintain a record of financial transactions for the two residents to include the dates and amount of deposits, disbursements and current balance as required per 2600.20. The financial transactions should include room and board, personal needs allowance, and rent rebates.
- For resident [REDACTED], there were no annual Social Security representative payee reports on file since September 30, 2006. The representative payee for [REDACTED] was the GRAL Administrator's grandfather until deceased in August 2007. The GRAL Administrator, without notifying Social Security, unofficially assumed representative payee for [REDACTED] for 17 months until applying to be representative payee in January 2009.
- Our July 28, 2010 request for the most recent VA Federal Fiduciary report for resident [REDACTED] resulted in a faxed copy that was dated as being completed on July 29, 2010 for the period ended January 29, 2010. The report did not include required information and was not completed in accordance with the instructions.

Our review of the limited amount of records available to document resident [REDACTED] benefits and expenses identified the following issues:

Room and Board Payments Exceed Home Contract Rate

Resident [REDACTED]'s home contract was dated and signed on April 1, 2008. Per Section 1 A, Charges, "the resident agrees to pay a charge of \$1,036 per month for room and meals." The original entry of \$1,036 on the contract is crossed out and a \$1,500 amount is written above the \$1,036 with what appears to be the initials of the GRAL Administrator. An approval by resident [REDACTED] to the increased \$1,500 charge does not appear on the contract or in the resident file.

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Title 55, Regulation 2600.25(a), 2600.25(c)(2), and 2600.25(c)(10) requires that upon a rate change, a new contract or addendum to the current contract must be developed in accordance with the regulations. The contract shall include a fee schedule that lists the actual amount of allowable resident charges for each of the services available to the resident. Additionally, the resident is entitled to receive at least a 30-day advance notice, in writing, of a rate change.

None of the 2600.25 requirements for a rate change was documented in resident [REDACTED]'s file. Additionally, the VA determined resident [REDACTED] as incompetent in part due to information provided by GRAL, which resulted in the appointment of GRAL's Administrator as [REDACTED]'s fiduciary/custodian in December 2008. The resident's incompetence to handle and understand his own finances places further significance to ensuring all home contract requirements are met by [REDACTED]'s fiduciary prior to initiating a rate increase.

According to the GRAL President/owner and Administrator, subsequent to [REDACTED] signing the original contract when admitted to GRAL, he requested and chose a higher-priced private room. The GRAL private room rate is \$1,500 per month, which was higher than the \$1,036 agreed upon per contract. GRAL did not provide documentation on the date [REDACTED] moved to a private room, and we could not determine when the rate change was made to the original contract. Neither the GRAL President/owner nor the Administrator could provide the effective date of the rate change. Additionally, both identified the VA established a \$1,447 room and board rate. The \$1,447 was used as the new and room and board rate charged to the resident rather than the \$1,500 in the home contract.

Our contact with the VA determined GRAL and not the VA established the room and board rate increase. GRAL provided the VA with an initial \$715 rate, eventually increasing the rate to \$1,447 by April 2009.

Basis for Contract Overcharge

GRAL made the rate increase from \$1,036 to 1,447 retroactive to [REDACTED]'s April 2008 admission date. We calculated [REDACTED] was overcharged room and board by \$11,508. ($\$1,447 - \$1,036 \times 28$ months) from April 2008 through July 2010. The \$411 monthly overcharge would continue until the resident was provided with a 30-day advance notice in writing of a change in the contract rate.

Retroactive VA Benefit Payment Did Not Consider \$8,280 of Room and Board Payments Made by [REDACTED]

Based on GRAL representation to the VA that [REDACTED] owed back rent retroactive to the April 2008 admission date at monthly rates of \$1,405 to \$1,447, GRAL received a \$15,581 payment in early March 2009 from the VA for [REDACTED]'s cost of care. The check represented the 11-month period from April 2008 through February 2009 (8 months @ \$1,405; 3 months @ \$1,447). We determined [REDACTED] paid GRAL monthly room and board of \$690 or a total of \$8,280 for the 12-month period April 2008 through March 2009. This results in GRAL receiving a double payment for room and board totaling \$8,280, which should be repaid to the resident or the VA.

██████ Monthly VA Pension Appears To Be Calculated Using Incorrect Information Provided By GRAL

The VA calculation of ██████'s \$1,447 monthly pension, which includes an aid and attendance allowance, appears to have been calculated using information provided by the GRAL that was incorrect. As a result, the VA pension benefit that was calculated using this information could be higher than appropriate. A result an overpayment may have occurred which could result in a repayment due back to the VA.

Based on information included in a December 22, 2008 VA pension award notice, ██████'s \$10,056 annual Social Security benefits was counted as monthly income, which per a VA formula was reduced to \$2,367 after applying resident's \$8,280 annual payment of medical expenses. Per the award letter, "we used your medical expenses of \$8,280 which represents the amount you pay for assisted living facility fees as a continuing deduction.... If the amount you pay for medical expenses changes or you are no longer paying medical expenses, tell us immediately. If you don't tell us about changes in your medical expenses, we may pay you too much money. You would have to pay back this money."

We determined the \$8,280 did not represent annual medical expenses rather it represented the room and board paid by ██████ from April 2008 through March 2009.

Per a January 29, 2010, VA notice to GRAL, the VA confirmed GRAL has provided information that ██████ is incurring \$600 per month for personal spending and groceries, and accounting for these costs will be required. We could not determine if the \$600 or \$7,200 for annual personal spending and groceries replaced the \$8,280 of medical expenses. Per a fiduciary account report prepared by GRAL on July 29, 2010 for the one-year period ended January 29, 2010, the cost incurred for ██████ for personal use was marked "unknown." Based on the above information, GRAL has not been able to account for medical and/or personal spending expenses, which may result in a pay back of funds to the VA.

Resident ██████ Should Have A Representative Payee To Help Safeguard And Manage His SS Funds.

The VA, with input from GRAL, determined ██████ is incompetent to handle his VA benefits and the GRAL Administrator was appointed as his fiduciary/custodian. However, GRAL has not taken action to obtain a representative payee for ██████'s SS benefits. Accordingly to both GRAL's President/owner and Administrator, GRAL has no control over ██████'s SS funds, performs absolutely no tracking of benefit expenses, and the VA is "ok in keeping the arrangement." As a result, although determined incompetent to manage his VA benefits, no assistance is provided to ██████ in safeguarding, accounting for, and helping him manage his \$10,056 annual SS benefit funds.

Per the most recent annual VA Fiduciary Form completed by GRAL on July 29, 2010, Social Security is listed as \$9,000, with funds spent as \$2,410. The \$6,590 difference was not reported as end of period estate per instructions, rather the estate total was reported as \$116.95. The \$116.95 represented the current balance in a bank checking account for which the GRAL Administrator is listed as fiduciary. There is no explanation for the \$6,590 non accounted for funds.

GRAL Should Obtain an Outside Organizational Representative Payee for Residents [REDACTED] and [REDACTED]

GRAL failed to fulfill its fiduciary responsibility to comply with certain DPW, SS, and VA requirements regarding its provision of representative payee services to residents [REDACTED] and [REDACTED]. To best protect and help the residents manage their benefits, GRAL should obtain the services of an outside organizational representative payee agency who has expertise in this area. This will better serve both the residents and GRAL.

Recommendations:

The BFO recommends GRAL contact the SSA, VA, and an outside organizational representative payee to transfer the representative payee responsibility for [REDACTED] and [REDACTED]'s VA and SS benefits from GRAL to an outside agency such as the AA.

Subsequent Event

[REDACTED]'s SS and [REDACTED]'s VA benefits have been transferred to new payees. [REDACTED] is still payee for his own SS benefits.

The BFO also recommends that based on non-compliance with Chapter 2600 rate change regulations, GRAL refund \$11,508 to resident [REDACTED] which represents the overcharge of room and board from April 2008 through July 2010. If ARL elects to waive the 2600.25 regulations and allow the increased room and board to be effective to the date [REDACTED] moved to a private room, ARL must require GRAL to provide all necessary documentation to verify the move date and recalculate the overpayment.

The BFO further recommends GRAL reserve \$8,280, which needs to be repaid to either resident [REDACTED] or the VA. The \$8,280 represents the double payment of room and board by [REDACTED] and the VA for the 12-month period ended March 2009. The GRAL needs to contact the VA for their determination of who should receive the refund. The GRAL also needs to inform the VA the \$8,280 originally reported as annual medical expenses actually represents resident room and board payments, which ended in March 2009. This will allow the VA to assess whether [REDACTED]'s pension needs to be recalculated and to determine if an overpayment has occurred.

The BFO finally recommends ARL monitor the status of corrective action taken to implement the refund of room and board overcharges. The ARL should also review whether [REDACTED]'s SS payeeship should be transferred to an outside organization. The ARL should also forward the results of the audit to the SSA and VA for further investigation.

Finding No. 3 – GRAL Has Not Complied With Title 55 Chapter 2600.20 Financial Management Regulations in Its Oversight of Resident Funds

Poor record keeping, failure to acknowledge financial assistance provided to certain residents and internal control weaknesses in the accounting for resident funds has resulted in non-compliance with requirements of regulation 2600.20, and not maintaining financial records for residents receiving financial assistance from GRAL.

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Per regulation 2600.20, if the home provides assistance with financial management or holds resident funds, it is required to “keep a record of financial transactions with the resident, including the dates, amounts of deposits, amounts of withdrawals and the current balance.” It is also required to “give the resident and the resident’s designated person an itemized account of financial transactions made on the resident’s behalf on a quarterly basis.”

GRAL provides financial assistance to certain residents in a number of ways to include:

- Cashing spending checks payable to residents received from their representative payee, which in most cases is The Advocacy Alliance (AA).
- Holding spending money for residents who do not or cannot manage their own funds.
- Assisting in the preparation of PA Department of Revenue rent rebate applications.
- Cashing rent rebate checks and providing residents and/or their representative payee with 50% with their half of the rent rebates.

Based on our testing of a number of Record of Financial Transaction (RFT) forms for which GRAL is responsible for maintaining, we identified a number of internal control weaknesses and non-compliance with 2600.20 regulations in accounting for resident funds as follows:

- RFT forms recommended by ARL showing daily transactions were not always maintained for residents who we determined are receiving financial assistance from GRAL. RFT forms listing individual transactions did not always tie into quarterly sheets.
- For the tested 12/31/07 quarterly balance for resident [REDACTED] the ending balance was \$0. Per review of documentation supplied by AA, quarterly income posted by GRAL was \$140 less than identified per AA records. We identified similar errors in subsequent quarters for [REDACTED]
- The last entry on resident [REDACTED]’s RFT forms was dated 8/14/2009 with “sister handles money” written after it. However, our review of the accounting of four (4) \$85 dollar spending checks totaling \$340 received from the AA dated 10/2/2009, 11/3/2009, 12/3/2009 & 12/30/2009 determined all were countersigned by GRAL, which support GRAL assisted in the cashing of the checks. The accounting for these four and all subsequent checks should have continued while GRAL was providing financial assistance. The RFT form also does not document whether [REDACTED] or her sister received the \$340.
- Transactions for income provided by outside sources were sometimes not recorded for multi-month periods of time. In one example, we identified two (2) \$85 personal needs allowance (PNA) checks sent by the AA were never posted to resident [REDACTED]’s account.
- Dates and beginning and ending balances were missing.
- Running balances have arithmetic errors.

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- Resident signatures or initials, which appear to change over time, were identified on a number of forms. At times, resident signatures or initials are missing on disbursement transactions.
- Our testing of a sample of nineteen (19) personal spending checks issued to residents by The AA found twelve (12) out of the 19 checks were countersigned by one of three GRAL principals: the President/owner, his spouse, or the Administrator. None of these checks was accounted for on a resident RFT form. The President/owner informed us GRAL did not consider the cashing of checks as provision of financial assistance. The countersigned checks totaled \$1,135, representing 78% of the sampled spending checks totaling \$1,461.
- Resident files do not always contain evidence that GRAL provided quarterly itemized accounts to residents for which they provide financial assistance.
- GRAL's President/owner signs or initials disbursements on RFTs to verify spending money was disbursed and received by residents before obtaining the resident signatures or initials at the time the funds are received by the residents.
- Some residents elected to receive their spending money in the form of cigarettes instead of cash. Title 55, Regulation 2600.20(b)(1) states, "The home shall keep a record of financial transactions with the resident.... This includes purchases of any amount made by the provider on behalf of the resident (receipts must be kept)." Receipts supporting the disbursement of cigarettes were not maintained in the residents' files.

A significant amount of spending money was missing from two (2) RFT forms. In one instance, a balance of \$939.09 was not carried forward on resident [REDACTED]'s form, and a \$325 rent rebate was not posted to her account. A balance of \$325 was not carried forward on resident [REDACTED]'s RFT form. According to the GRAL President/owner, the \$939.09 was removed from [REDACTED]'s RFT form at the time the \$939.09 was transferred from the box he uses to hold spending money envelopes to a sock stored in the safe. He informed us resident [REDACTED] would periodically request access to the sock and remove funds without allowing the President/owner to account for the withdrawal. The accounting for the \$939.09 should not have been removed from the RFT and there is no documentation to support resident [REDACTED] received the funds. Additionally, 2600.252(19) requires an inventory of the resident's property entrusted to the Administrator for safekeeping, which occurred at the time the resident provided the \$939.09 to GRAL for safekeeping in the home's safe.

Recommendations:

The BFO recommends if GRAL ceases to provide PCH services, GRAL must ensure each resident is provided with an itemized written account of the residents' funds, including notification of funds still owed to the resident in accordance with 2600.28 Refunds.

The itemized accounts should be based on analysis and review of each resident's Record of Financial Transactions to ensure accuracy of final balance. Emphasis should be placed on ensuring GRAL's cashing of PNA checks are accounted for, and necessary adjustments and repayments are made to all applicable accounts including the following identified in this finding:

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- \$1,264 to resident [REDACTED] (939+325)
- \$325 to resident [REDACTED]
- \$170 to resident [REDACTED]
- \$480 to resident [REDACTED] (140+340)

The BFO also recommends if GRAL continues to be a provider of PCH services, GRAL identify all residents for whom they provide financial assistance and maintain required ARL financial forms in accordance with 2600.20 regulations and instructions. Special attention should be provided to correct the deficiencies and internal control weaknesses addressed in this finding.

The BFO finally recommends ARL monitor GRAL's implementation of corrective actions, and ensure if GRAL ceases to provide services, each resident is provided with an accurate, itemized, written account of the resident's funds to include adjustments and repayments to residents identified in this finding. Additionally, if GRAL continues to provide PCH services, ARL should monitor GRAL is maintaining required financial forms in accordance with 2600.20 requirements for all residents GRAL for whom provides financial assistance.

Finding No. 4 – GRAL Failed to Comply with Chapter 2600 Discharge Requirements, Which May Have Resulted In Inappropriate Room and Board Payments

Our testing of files for five (5) residents who were discharged, transferred, or deceased found that GRAL did not comply with the notification of termination and refund requirements per regulations 2600.228 and 2600.28. This lack of compliance, in addition to our inability to access corporate room and board payment and deposit records, made it impossible for us to make a definitive determination if GRAL inappropriately received room and board payments for discharged residents. In the case of resident [REDACTED], GRAL may have received up to \$6,218 in room and board while the resident was residing in a nursing home.

Required Discharge Information Not Maintained

For the four (4) discharges, GRAL's "Resident Record Information" forms did not include discharge dates and reasons for discharge for two of the four discharges. Documentation missing included: who initiated the discharge; if 30-day notice was given (written or verbal); destination after discharge; amount of room and board previously paid; if resident owed anything for room and board, if a refund was due to the resident or estate, date and amount of refund paid, and if resident funds were refunded to the resident/estate.

Discharge Information for Resident [REDACTED] is Incomplete

GRAL's Resident Record Information document for resident [REDACTED] identifies the discharge date as April [REDACTED] 2008. At the exit conference, the GRAL Administrator identified the Resident Record Information form's discharge date should have been written as April [REDACTED] 2009.

A December 2, 2008 letter signed by the GRAL Administrator and addressed to a local nursing home states "the resident was on bed hold during her stay at the nursing home." The letter identifies [REDACTED]'s November 2008 rent was paid at \$1,036.30; her December rent is in the same amount of \$1,036.30. We did not confirm if the nursing home received or responded to the letter. An October 4, 2009 letter, signed by the GRAL Administrator and addressed to the parent company of the same nursing home identified [REDACTED] was on bed hold from November 2008 until

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April 2009 and was charged the usual contract fee for room and board. This would total \$6,217.80 (6 months x \$1,036.30). We did not confirm if the parent company received or responded to the letter.

Per a written response provided to BFO by the GRAL Administrator as to [REDACTED]'s discharge information, resident [REDACTED] was discharged from GRAL on April [REDACTED] 2008 (Actual discharge date was April [REDACTED] 2009.), was admitted to the nursing home on October [REDACTED] 2008, and the home "finally told us in March that she was permanent."

The following financial information was extracted from the records that were available for resident [REDACTED] for the six-month period November 1, 2008 through April 30, 2009:

- Per GRAL's home contract, Addendum C, Section 24(c) Refunds, "in the event resident is temporarily hospitalized or temporarily transferred to another facility all charges herein shall continue until GRAL receives thirty (30) days prior written notice of Resident's intention to vacate." For resident [REDACTED], 2600.28 and 2600.228 requirements including who initiated the discharge, if and when a 30-day verbal or written notice was provided, discharge destination, and refund information was not in the resident file. The absence of this information did not allow a definitive determination to be made on the month room and board payments should end.
- A quarterly financial summary form maintained by GRAL for [REDACTED] from June 20, 2006 through June 30, 2009 includes the period wherein the resident's room and board payments were considered by GRAL as bed hold payments while she resided at the nursing home (November 2008 - April [REDACTED] 2009). (GRAL did not produce any daily financial forms to support the quarterly report.) For the period Oct. 1 - Dec. 31, 2008, GRAL posted \$180 income, which represents three (3) \$60 monthly PNAs, and \$120 disbursements, which represents two (2) PNAs paid to [REDACTED]. For the period Jan. 1 - Mar. 31, 2009, GRAL posted \$255 income, which represents three (3) \$85 monthly PNAs, and no disbursements. Finally, for the period Apr. 1 - June 30, 2009, GRAL posted \$85 income and no disbursements. The postings for the three (3) periods totaled \$520 income and \$120 disbursements, with a \$400 ending balance. We could not determine if the initials [REDACTED] entered in the resident initial column were made by the resident. We also could not determine if and when the resident received the \$120 purportedly disbursed to her.
- A note written on the bottom of the quarterly summary by the Administrator identified the \$400 was transferred to [REDACTED] at a nursing home. The name of the nursing home was a different than the home [REDACTED] was discharged to and where she currently resides. At the exit conference, the GRAL President/owner and Administrator informed us the notation on the RFT was incorrect. GRAL has not provided documentation to confirm the \$400 was received by [REDACTED] in the nursing home.
- Per a copy of a GRAL corporate checking account deposit received from the LCAAA, GRAL deposited a March 2009 \$1,051 Social Security check into its corporate checking account. The check was payable to [REDACTED] at the GRAL PCH address. GRAL is not the representative payee for this resident and per the home contract, the resident makes payment for room and board. We could not determine if the endorsed signature on the March 2009 Social Security check was made by the resident living at the nursing home or

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by a GRAL employee. A copy of the Social Security checks for the four (4) prior months (November 2008 - February 2009) [REDACTED] was residing in the nursing home were not available for review.

At the exit conference, the GRAL Administrator informed us he physically delivered the Social Security and PNA checks to the resident at the nursing home for her endorsement. We could not confirm the accuracy of this statement.

Based on a summary of the above information, we could not make a definitive determination if GRAL was entitled to \$6,218 in room and board payments received from resident [REDACTED] (\$1,036.30 x 6 months) and \$520 of PNA posted to her account while she resided at the nursing home.

Recommendations:

The BFO recommends GRAL comply with the requirements of 2600.28 and 2600.228 and ensure all required documentation for discharged residents is obtained and maintained in the residents' files.

The BFO also recommends for resident [REDACTED] GRAL provide BFO and ARL with the following documents in order to allow a final determination to be made on the amount of funds GRAL is entitled to:

- Complete accounting of room and board received from [REDACTED] from November 1, 2008 through the reported April [REDACTED] 2009 discharge date.
- All discharge and bed hold documents required by 2600.28 and 2600.228 including correspondence to and from the nursing home where [REDACTED] currently resides.
- Written statement on the process used to obtain the resident's signature on benefit checks and quarterly financial forms while the resident resided in the nursing home.

The BFO also recommends ARL ensure GRAL provides all requested documents and consider interviewing staff of the nursing home and resident [REDACTED] in order to determine the amount of funds GRAL is entitled to.

The BFO finally recommends ARL ensure GRAL repay funds determined to be due to discharged resident [REDACTED], and if warranted, forward the results of GRAL's oversight of [REDACTED] benefits, room and board, and PNA transactions to the AG and SSA for further investigation.

Finding No. 5 – Resident Receipt of Rent Rebates Totaling \$6,350 Could Not Be Verified

We could not verify certain residents and/or their representative payee received their 50% share of rent rebates for calendar year 2007 and 2008. The terms of GRAL's Home Contract entitle GRAL to retain 50% of the resident's rent rebate. For Calendar years 2007 and 2008, most residents qualified for the maximum \$650 of which 50% was retained by GRAL. We compared GRAL records to documents supplied by the PA Department of Revenue's Rent Rebate Program. Our review of 34 rebate checks payable to the resident (excludes residents having AA as representative payee whose checks go directly to AA) identified the GRAL President/owner co-endorsed 27 checks totaling \$7,567, or 70% of the funds which initially could not be verified as being received by the resident or representative payee. The \$7,567 was reduced by \$1,217 to

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\$6,350 as explained below. The endorsement on the checks supports GRAL provided financial assistance through check cashing.

According to the GRAL President/owner, GRAL used two (2) receipt books with triplicate copies to document, in addition to room and board and various other payments, the resident's or representative payee's receipt of their 50% share of rent rebates. One receipt book provided to the auditor included rent rebate receipts for prior periods but did not include receipts for a three-year period 11/08/06 through 11/30/09 during which time calendar 2007 and 2008 rent rebates were received. GRAL informed us the second receipt book documenting provision of 2007 and 2008 rent rebates was missing and could not be located. The lack of documentation adversely affected our ability to determine if the rebates were appropriately distributed.

Subsequent to the close of fieldwork, the GRAL located and provided the missing receipt book to BFO. An additional \$1,217 in receipts was accepted, reducing the original unverified rent rebate total of \$7,567 to \$6,350. This represents 59% of sampled rent rebate checks applicable to residents who are their own payee or have a family member act as representative payee, which could not be documented as received through an RFT form or a receipt signed by the receiving party.

Subsequent Event

At the exit conference, GRAL was provided with the opportunity to obtain written confirmation from residents and/or their representative payees as addressed per recommendation one. The GRAL provided seven (7) confirmations, which are attached to their response. Two (2) of the confirmations were for residents whose rent rebates were not included in the original total. The remaining five confirmations are for residents whose rent rebates represent \$2,600 of the \$6,350 total. The appropriateness of the confirmations to document the receipt of rent rebates needs to be reviewed by the ARL.

Recommendations:

The BFO recommends GRAL obtain written confirmation from residents or, if appropriate, representative payees representing the remaining rent rebates received for calendar 2007 and 2008, with the confirmations provided to BFO and ARL.

The BFO further recommends GRAL reimburse the resident/representative payee for their 50% share of 2007 and 2008 rent rebate for any resident who GRAL cannot document the provision of rent rebate.

The BFO also recommends ARL review the appropriateness of the confirmations representing \$2,600 in rent rebates.

The BFO finally recommends ARL monitor and follow up with the result of GRAL's action in obtaining documentation of rent rebates to ensure residents/representative payees received 50% of their rent rebate.

Finding No. 6 – Maintenance of Resident [REDACTED] Property Inventory Was Not In Compliance With Regulation 2600.252

A review of resident [REDACTED] personal property inventory identified GRAL was not in full compliance with regulation 2600.252(18)(19). Per interview with the GRAL President/owner, he relayed GRAL was safeguarding savings bonds for resident [REDACTED] with a value of the bonds being at least \$3,000. The GRAL Administrator relayed he believed the value was much higher.

Per the resident clothing/valuable inventory, the only item listed was savings bonds – monetary value unknown. The resident signature appears on a completion-waived line. The GRAL President/owner responded a monetary value of the bonds was not listed on the inventory due to the savings bonds were in a sealed envelope.

A review of the contents included in resident [REDACTED] envelope stored in the GRAL safe identified:

- An open envelope containing 12 series EE bonds with the names of resident [REDACTED] and a brother. The face value of the bonds was \$600 with a current redemption value of approximately \$450.
- A Timex Indiglo watch
- One key chain

Regulation 2600.252(18)(19) requires the resident inventory to be voluntarily updated, with items listed which are entrusted to the Administrator for safekeeping. The known value of the savings bonds, a watch and a keychain were entrusted to the Administrator for safekeeping but not listed on the resident's inventory. The value of all personal property being safeguarded should be included on the resident inventory to document the property stored in the safe and ensure the property is properly accounted for at the time of resident transfer from the home.

An audit exit conference was held on September 9, 2010 with the GRAL President/owner and Administrator. At the conference, the findings and recommendations in the draft report were discussed. Based on the discussion and written response dated September 27, 2010, changes were made to the draft report, primarily to Finding Nos. 4 and 5. GRAL's written response has been incorporated into the final report and labeled Appendix B.

GRAL's response takes issue with certain audit findings. To assure clarity, the BFO feels it is necessary to include an Auditor's Commentary to address certain comments made in the GRAL September 27, 2010 response. The Auditor's Commentary is included as Appendix A to the report.

In accordance with our established procedures, an audit response matrix will be provided to your office. Once received, please complete the matrices within 60 days and email the Excel file to the DPW Audit Resolution Section at:

RA-pwauditresolution@state.pa.us

The response to each recommendation should indicate your office's concurrence or non-concurrence, the corrective action to be taken, the staff from your office responsible for the corrective action, the expected date that the corrective action will be completed and any related comments.

Green Ridge Assisted Living
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Please contact Alexander Matolyak Audit Resolution Section, at 717-783-7786 if you have any questions concerning the audit or if we can be of any further assistance in this matter.

Sincerely,

Tina L Long for

Kevin M. Friel

AUDITOR'S COMMENTARY
APPENDIX A

Auditor's Commentary

Per BFO audit procedures, the GRAL was given the opportunity to have an exit conference to discuss the findings and recommendations included in the draft audit report. The exit conference was held on September 9, 2010.

The GRAL was also given the opportunity to submit a written response to the draft audit report. GRAL's written response has been incorporated into the final report and labeled Appendix B

Commentary related to information provided through the GRAL response is provided below:

Finding No. 1 – GRAL Response Page 2

GRAL claims resident [REDACTED] did not give them a 30-day discharge notice.

BFO Comment

We have obtained written statements from the [REDACTED]'s advocate, her husband, and [REDACTED]'s new landlord that [REDACTED]'s 30-day notice was given verbally to GRAL in the middle of June 2009. The resident planned to move on July 1, 2009 but postponed moving until July 30th after being informed by the GRAL Administrator of the 30-day requirement.

Finding No. 3 – GRAL Response Page 3

GRAL's response states, "When admitted from another facility, [REDACTED] held in her possession, a man's sock with \$939.09 in it. She maintained possession of these funds for a while, but GRAL convinced her to lock it up."

BFO Comment

The GRAL RFT for [REDACTED] does not support the GRAL statement the resident was admitted with \$939.09. [REDACTED] was admitted to GRAL on [REDACTED] 2006. A quarterly financial summary identifies a net balance of \$860.09 for November and December transactions that was carried forward to January 1, 2007. The transactions included in the \$860.09 balance are not available. The removal of the \$939.09 balance from [REDACTED]'s RFT form did not occur until January 2007.

Finding No. 3 – GRAL Response Page 4

GRAL's response states, "Resident [REDACTED] is not owed any money."

BFO Comment

The two spending checks in question totaling \$170 were countersigned by the GRAL Administrator but neither of the transactions was posted to [REDACTED]'s RFT. The non-posting of the transactions does not provide a written record that the resident received the funds.

GREEN RIDGE ASSISTED LIVING RESPONSE TO THE DRAFT REPORT
APPENDIX B

9-27-10

John Hoover Audit Mgr.
Division of Audit & Review
Bureau of Financial Operations
D.P.M. Room 325
Scr. State Office Bldg
Scranton Pa 18503

Dear Mr Hoover

This document shall serve as a response to your "draft" audit of Green Ridge Assisted Living. As we have discussed, I believe that there are a number of items highlighted in your report that are incorrect based upon our knowledge of the individual cases cited. I will address each finding as you have presented them in your document.

Funding No. 1.

The GRAL has recognized and admitted from the beginning our error in depositing the checks for [REDACTED]. We have offered to repay these funds however our attempt to do so was rebuffed by the Lackawanna County District Attorney. We, also at the time, disputed the amount

owed, since [REDACTED] moved out without giving a thirty (30) day notice. If this were to be upheld the balance would be one thousand and forty eight dollars and thirty cents (\$1,048.30) less. However GRAL will waive this requirement and we continue to be prepared to make proper restitution to [REDACTED] for this error.

Funding No 2.

GRAL acknowledges that it did not notify anyone who was receiving Rep Payee benefits that a change in Rep Payee was needed. However recently [REDACTED] transferred Rep Payeeship to Advocacy Alliance.

Reporting documents for VA for [REDACTED] were in fact filled late by the custodian of the account and custodial responsibility has been transferred to another party.

Resident [REDACTED] was not overcharged \$11,508 for Room and Board. In consultation with his VA rep, an agreement was made for his rental amount and this amount was paid retroactively as per the contract with the knowledge of the VA Rep.

[redacted] close in reality, [redacted] was actually charged higher less than the agreed amount because [redacted] received his A & A award turned out to be private slightly less than originally anticipated Room for by the VA representative who prepared his all of the documents and paperwork for [redacted]'s VA claim. CRAL provided no information regarding [redacted]'s pension. [redacted] maintains the private job owned checking account for Social Security funds. CRAL plays no part in those funds. [redacted] erably Based upon this, CRAL disputes higher strongly the findings and recommendations than [redacted] than [redacted] made by the report. [redacted] signed a contract semi-private with CRAL based upon the figures and rates or SSI amounts provided by his VA representative rates.

Finding No 3

CRAL acknowledges poor record keeping for resident [redacted]. When [redacted] admitted from another facility, [redacted] held in her possession, a man's sock with \$939.09 in it. She maintained possession of these funds for a while, but CRAL convinced her to lock it

up. She did not want it recorded anywhere that she had these funds available to her. Over time, she withdrew these funds, a little at a time, mostly for food ordered in or for her share of participation in resident activities (Pizza Parties). She continued to receive her monthly spending from Advocacy Alliance, but at one point told AA not to send her any spending money because of her bills and debts. She withdrew the funds set aside in the sock until they were depleted.

As for a rebate was concerned, she received her rebate and spent that as well. GRAL acknowledges that we failed to post the rebate.

Resident [REDACTED]'s rebates are mailed here and cashed by GRAL. [REDACTED] issue is then forwarded to his nephew who maintains Power of Attorney for [REDACTED].

Resident [REDACTED] is not owed any money. [REDACTED] receives his funds monthly and they are signed for and witnessed by GRAL staff. In addition GRAL has provided [REDACTED] with extra cash and cigarettes when he is unable to provide for himself. [REDACTED]'s history is that

She obtains funds from multiple sources (family members) and does not remember where she spends it.

Resident [REDACTED] gets her funds and G.R.A.L. purchases cigarettes for her. Additionally her family members provide her with spending money, since she uses her funds for cigarettes. G.R.A.L. does not owe her \$140.⁰⁰

A new system of recording these transactions will be undertaken by G.R.A.L. to provide better details regarding these transactions.

Funding # 4

G.R.A.L. did comply with discharge requirements for residents. G.R.A.L. adheres to the Thirty (30) day requirement notice policy for planned discharges.

[REDACTED] left G.R.A.L. with every intention of returning after her surgery and rehabilitation. [REDACTED]'s request we maintained a bed hold on her room and she agreed to pay the charges. Ultimately, [REDACTED] required more surgery and rehabilitation that initially thought and was taken to a skilled facility. Several documents outlining the bed hold agreement have

been provided to you. [REDACTED]'s PNA was taken to her at the skilled facility and a receipt for this transaction was received.

Finding No 5.

Rest Rebates were received by G.R.A.L. residents. Documents acknowledging this will be provided. G.R.A.L. acknowledges and recognizes the error in reporting these funds and will provide better documentation in the future.

Finding No 6

Re: resident [REDACTED], a well educated woman with advanced Graduate Degrees and severe MH issues. [REDACTED] is too young to receive Guardianship ~~also~~ served for Lockavanna AAA and G.R.A.L. has been working with her private psychiatrist to effect this. However G.R.A.L. has contacted every agency in the County that performs or undertakes Guardianship services. G.R.A.L. has been unsuccessful to this date in obtaining this service for her. Additionally, she has no family to assist with this and her only living relative refuses to

take part in any of the Guardianship efforts.

GRAL acknowledges that it did not maintain proper documents of her valuables that were held for safekeeping, however when her original Savings Bonds were received, several years ago, she destroyed them. The brother maintained copies and subsequently had replacements issued which he forwarded to us at our former facility (Rayna Home) along with firm instructions and our promise not to turn these over to [REDACTED].

The wristwatch was placed in the envelope when [REDACTED] was hospitalized for a period at a psychiatric facility. It never requested it to be returned. Also, on admission in May 2006, [REDACTED] wanted the completion of the valuable checklist form, but the words are clearly noted. (Document in file)

If GRAL continues to provide services, in the future, a completely new financial management system will be put into place. Also, any resident who currently does not have a Rep Payee will be encouraged to obtain one. GRAL will work with any Rep Payee to develop a system for

someone other than GRAL staff, to receive PVA checks, and cash them for the residents. GRAL will then receipt this money to the payee and enter the financial information on DPW approved forms with the residents signature for all deposits and withdrawals.

As I stated before, GRAL acknowledges its ~~own~~ bookkeeping practices and will endeavor to correct these per DPW guidelines. We are also acknowledging our mistakes and errors and am sure that at no time was any mistake made to deliberately defraud any resident, or to obtain funds that were not owed to GRAL. GRAL takes its mission very seriously, to provide adequate services to residents to improve or maintain their quality of life. It is important to note that no one could get credit for doing the right thing, and GRAL maintains a very difficult mix of Mental Health type residents whose history of institutionalization and transient living from place to place has been well documented.

I hope that these responses help to

clarify our position, and intentions in this operation. As I said at no time did we intend to harm a resident. Just in the course of daily life with so many difficult residents, sometimes mistakes are made.

Thank you for this opportunity to address your concerns, I hope that you find these adequate responses for your purposes, to improve our facility and operations. We have acknowledged our shortcomings and intend to change our internal systems to more closely reflect the regulations in areas where we are deficient.

Sincerely,

Armand V. Janyard
President
Mikaroma Corp



Date 7/14 2009 CHECK CASH

Received from



\$ 2,500

DOLLARS

Account

AJC Insurance

[Signature]

Signature

FACILITY STAMP

3(7-86)

CLOTHING/VALUABLE LIST

PATIENT'S NAME



ROOM NUMBER

DATE	ITEM	NUMBER OF EACH
	BLOUSES/SHIRTS	
	SLACKS/TROUSERS	
	DRESSES	
	SWEATERS	
	SHORTS/PANTIES	
	BRAS	
	SLIPS	
	NIGHTGOWNS	
	PAJAMAS	
	ROBES	
	BEDROOM SLIPPERS	
	HAT	
	SHOES	
	COAT	
	BELTS	
	SOCKS	
	T.E.D.s	
	SHEEPSKIN	
	JEWELRY	
	MONEY	
	OTHER	
	APPLIANCES/T.V.	
	RADIO	
	RAZOR (ELECTRIC)	
1	OTHER	SAVINGS BONDS (MONETARY VALUE UNKNOWN)

ANY ADDITIONS TO THIS LIST SHOULD BE REPORTED TO NURSING STATION AND ADMINISTRATION.

UPDATE [REDACTED] DATED AND INITIALED [REDACTED]

LIST COMPLETION WAIVED
GR.252

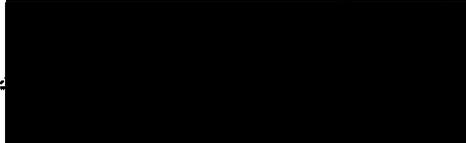
RESIDENT'S SIGNATURE

Raymond



To Whom It May Concern:

This is to certify that I have received my rebate funds from the year 200~~7~~ 200~~7~~. These funds were received from Green Ridge Assisted Living as per our Resident Contract.



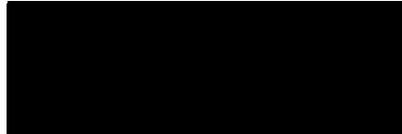
To Whom It May Concern:

This is to certify that I have received my rebate funds from the year 2007-2009. These funds were received from Green Ridge Assisted Living as per our Resident Contract.



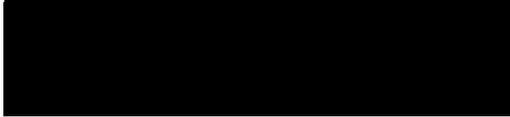
To Whom It May Concern:

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To Whom It May Concern:

This is to certify that I have received my rebate funds from the year 200 ~~7~~ 200~~8~~. These funds were received from Green Ridge Assisted Living as per our Resident Contract.



To Whom It May Concern:

This is to certify that I have received my rebate funds from the year 2007-2008. These funds were received from Green Ridge Assisted Living as per our Resident Contract.



To Whom It May Concern:

This is to certify that I have received my rebate funds from the year 2007-2008. These funds were received from Green Ridge Assisted Living as per our Resident Contract.



[REDACTED]
Golden Living Center
Pittsburgh Pa

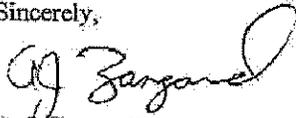
Dear Mr. Parker;

BY FAX 412 821 1040
October 4, 2009

[REDACTED] left Green Ridge Assisted Living with every intention of returning, and as such, requested a "bed hold" as per her contract with us. From November 2008 until April 2009, [REDACTED] was charged the usual contract fee for room and board. Once we were informed that she was to be permanently discharged, we no longer honored her request for the "bed hold". Her remaining funds were forwarded to her in the Scranton Golden Living Center, per her request.

Receipts for these months R and B charges are enclosed. Thank you.

Sincerely,



A. J. Zangardi
Administrator



DEPARTMENT OF VETERANS AFFAIRS
VAROIC PHILADELPHIA
5000 WISSAHICKON AVE
PO BOX 8078
PHILADELPHIA PA 19101

SEP 28 2009

GREEN RIDGE ALF
ADMINISTRATOR
CUSTODIAN OF
[REDACTED] AVE
SCRANTON PA 18509
[REDACTED]

In Reply Refer To: 310/pmc/rcava

We amended your disability pension award by releasing your withholdings, due to information that Green Ridge Assisted Living Facility has been appointed as your Fiduciary/Custodian.

This letter tells you about your award rate, payment change date, what we decided, how we made our decision, the evidence used to decide your claim, and how we calculated your benefits. It also tells you of your responsibilities, what to do if you disagree with our decision, and who to contact if you have questions or need assistance.

What Is Your Award Amount and Payment Change Date?

Your monthly award amount is shown below:

Monthly Entitlement Amount	Payment Start Date	Reason For Change
\$1,405.00	Apr 1, 2008	Granted Pension with Aid and Attendance; No longer withholding benefit amount
\$1,447.00	Dec 1, 2008	Legislative adjustment

We are paying you as a veteran with no dependents.

Your monthly rate includes an aid and attendance allowance because you need another person's constant help with your daily activities.

When Can You Expect Payment?

You will receive a payment covering the initial amount due under this award, minus any withholdings, in approximately 15 days. Payment will then be made at the beginning of each month for the prior month. For example, benefits due for May are paid on or about June 1.

11/18/2009 10:11 AM [REDACTED]

2



What Did We Decide?

We released your withheld benefits because a fiduciary has been appointed to you.

We enclosed a VA Form 21-8768, "Disability Pension Award Attachment" which explains important factors concerning your benefits.

What Evidence Did We Use To Decide Your Claim?

In making our decision, we used the following evidence:

- VA Form 21-555 "Certificate of Legal Capacity to Receive and Disburse Benefits"

What Income And Expenses Did We Use?

We used your total family income as shown below to adjust your pension benefit from February 1, 2008.

Income We Counted

	Annual Earnings	Annual Social Security	Annual Retirement	Annual Other Sources
Yourself	\$0.00	\$9,504.00	\$0.00	\$0.00

We used family medical expenses you paid in the amount of \$8,280.00 which reduces your countable income to \$1,783.00.

3



We used your total family income as shown below to adjust your pension benefit from December 1, 2008.

Income We Counted

	Annual Earnings	Annual Social Security	Annual Retirement	Annual Other Sources
Yourself	\$0.00	\$10,056.00	\$0.00	\$0.00

We used family medical expenses you paid in the amount of \$8,280.00 which reduces your countable income to \$2,367.00.

We used your total family income as shown below to adjust your pension benefit from January 1, 2009.

Income We Counted

	Annual Earnings	Annual Social Security	Annual Retirement	Annual Other Sources
Yourself	\$0.00	\$10,056.00	\$0.00	\$0.00

We used your medical expenses of \$8,280.00 which represents the amount you pay for assisted living facility fees as a continuing deduction. This reduces your countable income to \$2,367.00. If the amount you pay for medical expenses changes or you are no longer paying medical expenses, tell us immediately. If you don't tell us about changes in your medical expenses, we may pay you too much money. You would have to pay back this money.

What Are Your Responsibilities?

You are responsible to tell us right away if:

- your income or the income of your dependents changes (e.g., earnings, Social Security benefits, lottery and gambling winnings)
- your net worth increases (e.g., bank accounts, investments, real estate)
- your continuing medical expenses are reduced
- you gain or lose a dependent
- your address or phone number changes

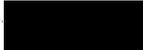
4



Do You Have Questions Or Need Assistance?

If you have any questions, you may contact us by telephone, e-mail, or letter.

If you	Here is what to do.
Telephone	Call us at 1-877-294-6380. If you use a Telecommunications Device for the Deaf (TDD), the number is 1-800-829-4833.
Use the Internet	Send electronic inquiries through the Internet at https://iris.va.gov .
Write	Put your full name and VA file number on the letter. Please send all correspondence to the address at the top of this letter.

In all cases, be sure to refer to your VA file number 

If you are looking for general information about benefits and eligibility, you should visit our website at <https://www.va.gov>, or search the Frequently Asked Questions (FAQs) at <https://iris.va.gov>.

We have no record of you appointing a service organization or representative to assist you with your claim. You can contact us for a listing of the recognized veterans' service organizations and/or representatives. Veterans' service organizations, which are recognized or approved to provide services to the veteran community, can also help you with any questions.

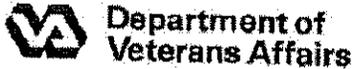
Sincerely yours,

Lillie Jackson

Lillie Y. Jackson
Veterans Service Center Manager

To email us visit <https://iris.va.gov>

Enclosure(s): VA Form 21-8768



DISABILITY PENSION AWARD ATTACHMENT

Information concerning Department of Veterans Affairs, Federal, State or local benefits may be obtained from your nearest VA office or any national service organization representative. You may call VA toll-free at 1-800-827-1000 (Hearing Impaired TDD line 1-800-829-4833) or contact VA by Internet at <https://iris.va.gov>.

WHEN IS YOUR VA CHECK DELIVERED?

A check covering the initial amount due under this award will be mailed within 15 days. Thereafter, checks will be delivered at the beginning of each month for the prior month.

HOW CAN YOU RECEIVE ADDITIONAL BENEFITS FOR DEPENDENTS?

You may be entitled to additional benefits for your unmarried children if the children are under age 18 or under 23 if attending an approved school, or if, prior to age 18, the child has become permanently incapable of self-support because of mental or physical defect. You may contact VA as shown above for information on applying for this benefit.

HOW CAN YOU RECEIVE AID AND ATTENDANCE OR HOUSEBOUND BENEFITS?

VA may pay a higher rate of pension to a veteran who is blind, a patient in a nursing home, otherwise needs regular aid and attendance, or who is permanently confined to his or her home because of a disability. You may contact VA as shown above for information on applying for this benefit.

HOW CAN YOU RECEIVE HOSPITALIZATION AND OUTPATIENT TREATMENT?

Veterans who are entitled to pension and/or special monthly pension (aid and attendance or housebound benefits) as determined by the Veterans Benefits Administration are eligible for medical care through the VA health care system. If you are interested in obtaining VA medical care, you may contact your nearest VA health care facility or the VA Health Benefits Service Center at 1-877-222-8387.

HOW CAN CERTAIN EXPENSES INCREASE YOUR RATE OF IMPROVED PENSION?

Family medical expenses and educational or vocational rehabilitation expenses actually paid by you may be used to increase your rate of pension. Family medical expenses are amounts paid by you for medical expenses for yourself and relatives you are under an obligation to support, including premiums paid for health insurance. VA will deduct the amount you paid for medical expenses from your countable income if the expenses qualify for exclusion under the formula provided by law. Educational or vocational rehabilitation expenses are amounts paid for courses of education, including tuition, fees, and materials, and may be deducted from the income of a veteran or the earned income of a child, if the child is pursuing a course of postsecondary education or vocational rehabilitation or training. Keep track of the unreimbursed amounts you pay. Normally these expenses are reported at the end of the year with an Eligibility Verification Report. Family maintenance (hardship) expenses may also be used to increase your rate of pension. VA can exclude all or part of your dependent child's income if it is not reasonably available to you or if it would cause hardship to consider this income in determining your rate of pension. If VA is not currently excluding your children's income and you feel that it should be, contact the nearest VA office and complete VA Form 21-0571, *Application for Exclusion of Children's Income*.

HOW CAN YOU RECEIVE INFORMATION ABOUT GOVERNMENT LIFE INSURANCE?

If you are paying premiums of Government life insurance (GI insurance) and are unable to work, you may be entitled to certain benefits as provided in your policy. For complete information about GI Insurance, contact the Department of Veterans Affairs Insurance Center at 1-800-669-8477 or visit our website at <http://www.insurance.va.gov>.

ARE YOUR BENEFITS EXEMPT FROM CLAIMS OF CREDITORS?

VA pension payments are exempt from claims of creditors. With certain exceptions, the payments are not assignable and are not subject to attachment, levy, or seizure except as to claims of the United States.

HOW DO YOU REPORT A CHANGE OF ADDRESS?

Please notify this office immediately of any change of address.

VA FORM 21-8768
AUG 2006

SUPERSEDES VA FORM 21-8768, JUN 2001,
WHICH WILL NOT BE USED.



DEPARTMENT OF VETERANS AFFAIRS
VAROIC PHILADELPHIA
5000 WISSAHICKON AVE
PO BOX 8079
PHILADELPHIA PA 19101

SEP 23 2008

In Reply Refer To: 310/1POSTDM

GREEN RIDGE ASST LIVING
AVE
SCRANTON PA 18509

Dear

We received a request to reopen a previous claim on March 31, 2008. based on a review of the evidence, we have made the following decisions.

This letter tells you about your entitlement amount, payment start date, what we decided, and how we calculated your benefits. It also tells you of your responsibilities as a veteran in receipt of disability pension, what to do if you disagree with our decision, and who to contact if you have questions or need assistance.

Your Award Amount and Payment Start Date

Your monthly entitlement amount is shown below:

Total VA Benefit	Amount Withheld	Amount Paid	Effective Date	Reason For Change
\$1,405.00	\$1,405.00	\$0.00	Apr 1, 2008	Nonservice-connected pension granted with aid and attendance; Proposed Incompetency

We are paying you as a single veteran with no dependents.

We Have Withheld Benefits

A finding of incompetency is proposed. You will receive a letter concerning the issue under separate cover.

We Decided

Entitlement to nonservice-connected pension is granted.

FOR THE LIST OF YOURSINGS BEING WITHHOLDEN SEE A MORE DETAILED LETTER FROM THE PHILADELPHIA OFFICE.

2



Entitlement to special monthly pension based on the need for aid and attendance is established effective March 31, 2008.

A finding of incompetency is proposed.

We have enclosed a copy of your Rating Decision for your review. It provides a detailed explanation of our decision, the evidence considered, and the reasons for our decision. Your Rating Decision and this letter constitute our decision based on your claim received on March 31, 2008. It represents all claims we understood to be specifically made, implied, or inferred in that claim.

What Income And Expenses Did We Use?

We used your total family income as shown below to award your pension benefit from March 31, 2008.

Income We Counted

	Annual Earnings	Annual Social Security	Annual Retirement	Annual Other Sources
Yourself	\$0	\$9,504.00	\$0.00	\$0

We used family medical expenses you paid in the amount of \$8,280.00 which represents the amount you pay for assisted living expenses as a continuing deduction from March 31, 2008. This reduces your countable income to \$1,783.00. If the amount you pay for medical expenses changes or you are no longer paying medical expenses, tell us immediately. If you don't tell us about changes in your medical expenses, we may pay you too much money. You would have to pay back this money.

How Can You Claim Family Medical Expenses?

To claim family medical expenses, complete the enclosed VA Form 21-8416, "Medical Expense Report," and return it to this office *no later than* December 31, 2010. We may consider family medical expenses you paid after March 31, 2008. A few examples are listed below. More examples are shown on the enclosed Medical Expense Report form.

- Medicare/Health Insurance Premiums
- Prescriptions
- Medical/Dental expenses

3



*Don't include unpaid medical bills,
any paid bill that will be reimbursed, or
bills that aren't for health expenses.*

What Do We Need From You To Complete Your Claim For Dependents?

Because you are in receipt of disability pension, we may be able to pay additional benefits for your dependent(s). Enclosed is VA Form 21-686c, "Declaration of Status of Dependents." Please fill out every blank on the form and return to us as soon as possible.

When We Need The Evidence

Please send the information on your dependent(s) right away, within 60 days if possible. If we receive your response more than one year from the date of this letter, we won't be able to pay you any "back benefits".

We may be able to pay you from the date we received your claim, if we receive the information or evidence within one year from the date of this letter and we decide that you are entitled to VA benefits. If we do not receive the evidence within one year from the date of this letter, we may only be able to pay you from the date we receive the evidence.

What Are Your Responsibilities?

You are responsible to tell us right away if:

- your income or the income of your dependents changes (e.g., earnings, Social Security benefits, lottery and gambling winnings)
- your net worth increases (e.g., bank accounts, investments, real estate)
- your continuing medical expenses are reduced
- you gain or lose a dependent
- your address or phone number changes

Are You Entitled to Additional Benefits?

You should contact your State office of veteran's affairs for information on any tax, license, or fee-related benefits for which you may be eligible as a veteran (or surviving dependent of a veteran). State offices of veteran's affairs are available at <http://www.va.gov/statedva.htm>.

4



What You Should Do If You Disagree With Our Decision

If you do not agree with our decision, you should write and tell us why. You have *one year from the date of this letter to appeal the decision*. The enclosed VA Form 4107, "Your Rights to Appeal Our Decision," explains your right to appeal.

You Can Still Send Pertinent Evidence

On May 7, 2008, we sent you a letter telling you what information and evidence is necessary to support this claim. You have until May 7, 2009 to make sure we receive the information and evidence we requested from you. If we receive the information and evidence to support this claim after that date, we may not be able to pay benefits from the date we received your claim.

If You Have Questions or Need Assistance

If you have any questions, you may contact us by telephone, e-mail, or letter.

If you	Here is what to do.
Telephone	Call us at 1-800-827-1000. If you use a Telecommunications Device for the Deaf (TDD), the number is 1-800-829-4833.
Use the Internet	Send electronic inquiries through the internet at https://iris.va.gov .
Write	Put your full name and VA file number on the letter. Please send all correspondence to the address at the top of this letter.

In all cases, be sure to refer to your V.A. file number

If you are looking for general information about benefits and eligibility, you should visit our website at <https://www.va.gov>, or search the Frequently Asked Questions (FAQs) at <https://iris.va.gov>.

5



We have no record of you appointing a service organization or representative to assist you with your claim. You can contact us for a listing of the recognized veterans' service organizations and/or representatives. Veterans' service organizations, which are recognized or approved to provide services to the veteran community, can also help you with any questions.

Sincerely yours,

Lillie Y. Jackson

~~Lillie Y. Jackson~~

Veterans Service Center Manager

To email us visit <https://iris.va.gov>

Enclosure(s): Rating Decision
VA Form 21-8416
VA Form 4107
VA Form 21-686c



DEPARTMENT OF VETERANS AFFAIRS
PHILADELPHIA VAROIC
PO BOX 8079
5000 WISSAHICKON AVENUE
PHILADELPHIA PA 19101

VA File Number

Rating Decision
September 15, 2008

INTRODUCTION

The records reflect that you are a veteran of the Vietnam Era and Peacetime. You served in the Navy from December 1969 to June 1975. We received a request to reopen a previous claim on March 31, 2008. Based on a review of the evidence listed below, we have made the following decision(s) on your claim.

DECISION

1. Entitlement to nonservice-connected pension is granted.
2. Entitlement to special monthly pension based on the need for aid and attendance is established effective March 31, 2008.
3. A finding of incompetency is proposed.

EVIDENCE

- VA form 21-2680 received on April 17, 2008.
- VA form 21-527 received on July 21, 2007.



Page 2

- Letter from assisted living facility received June 2, 2008.
- VA examination dated May 19, 2008.

REASONS FOR DECISION

1. Entitlement to nonservice-connected pension.

You are unable to secure and follow a substantially gainful occupation due to disability. You are 60 years old and not employed. You reported you were employed as a security guard and last worked in September 1987. The evidence shows that you are disabled due to disabilities of coronary artery disease, hypertension, peptic ulcer disease with gastroesophageal reflux disease, depression with anxiety disorder, and degenerative joint disease of the thoracolumbar spine.

We have granted entitlement to nonservice-connected pension effective March 31, 2008 which is the date of receipt of your original disability claim. This decision is based on evidence from VA examination dated May 2008 showing you are permanently and totally disabled due to nonservice-connected disabilities.

2. Entitlement to Special Monthly Pension based on the need for aid and attendance.

The evidence shows that the claimant needs the daily assistance of another person in performing routine activities. Entitlement to special monthly pension because of the need for aid and attendance is established.

On VA form 21-2680, the examiner reported you were unable to take care of yourself independently due to poor compliance of prescribed medication. Examiner stated you lack sound judgement. Examiner reported you need prompting and supervision with activities of daily living. Medical evidence received from VA examination dated May 2008 stated you had moderate impairment due to weakness and inability to ambulate due to spinal pains. Examiner reported you had multiple pathological processes affecting the ability to ambulate, perform self-care, bathe and travel beyond the home premise. Green Ridge assisted living facility reported you are a resident.

A claimant may be entitled to received special monthly pension based on the need of aid and attendance if medical evidence establishes that they are: confined to a nursing home; bedridden due to a disability; unable to dress and undress without assistance; unable to perform daily personal hygiene tasks; dependent on orthopedic appliances and/or adaptive equipment; unable to prepare and eat meals; unable to avoid hazards and dangers incidental to daily living; corrected visual acuity of 5/200 or less in both eyes; and concentric contraction of the visual field to 5 degrees or less.



Department of Veterans Affairs

YOUR RIGHTS TO APPEAL OUR DECISION

After careful and compassionate consideration, a decision has been reached on your claim. If we were not able to grant some or all of the VA benefits you asked for, this form will explain what you can do if you disagree with our decision. If you do not agree with our decision, you may:

- appeal to the Board of Veterans' Appeals (the Board) by telling us you disagree with our decision
- give us evidence we do not already have that may lead us to change our decision

This form will tell you how to appeal to the Board and how to send us more evidence. You can do either one or both of these things.

NOTE: Please direct all new evidence to the address at the top of our letter. Do not send evidence directly to the Board until you receive written notice from the Board that they received your appeal.

WHAT IS AN APPEAL TO THE BOARD OF VETERANS' APPEALS?

An appeal is your formal request that the Board review the evidence in your VA file and review the law that applies to your appeal. The Board can either agree with our decision or change it. The Board can also send your file back to us for more processing before the Board makes its decision.

HOW CAN I APPEAL THE DECISION?

How do I start my appeal? To begin your appeal, write us a letter telling us you disagree with our decision. This letter is called your "Notice of Disagreement." If we denied more than one claim for a benefit (for example, if you claimed compensation for three disabilities and we denied two of them), please tell us in your letter which claims you are appealing. *Send your Notice of Disagreement to the address at the top of our letter.*

What happens after VA receives my Notice of Disagreement? We will either grant your claim or send you a Statement of the Case. A Statement of the Case describes the facts, laws, regulations, and reasons that we used to make our decision. We will also send you a VA Form 9, "Appeal to Board of Veterans' Appeals," with the Statement of the Case. You must complete this VA Form 9 and return it to us if you want to continue your appeal.

How long do I have to start my appeal? You have one year to appeal our decision. *Your* letter saying that you disagree with our decision must be postmarked (or received by us) within one year from the date of *our* letter denying you the benefit. In most cases, you cannot appeal a decision after this one-year period has ended.

What happens if I do not start my appeal on time? If you do not start your appeal on time, our decision will become final. Once our decision is final, you cannot get the VA benefit we denied unless you either:

- show that we were clearly wrong to deny the benefit *or*
- send us new evidence that relates to the reason we denied your claim

Can I get a hearing with the Board? Yes. If you decide to appeal, the Board will give you a hearing if you want one. The VA Form 9 we will send you with the Statement of the Case has complete information about the kinds of hearings the Board offers and convenient check boxes for requesting a Board hearing. The Board does not require you to have a hearing. It is your choice.

Where can I find out more about appealing to the Board?

- You can find a "plain language" booklet, called "How Do I Appeal," on the Internet at: (<http://www.va.gov/vbs/bva/pamphlet.htm>.) The booklet also may be requested by writing to Hearings and Transcription Unit (014HRG), Board of Veterans' Appeals, 810 Vermont Avenue, NW, Washington, DC 20420.
- You can find the formal rules for appealing to the Board in the Board's Rules of Practice at title 38, Code of Federal Regulations, Part 20. You can find the complete Code of Federal Regulations on the Internet at: (<http://www.access.gpo.gov/nara/cfr>.) A printed copy of the Code of Federal Regulations may be available at your local law library.

2



Attached is an information document, which discusses several issues, related to your role as a federal fiduciary. You should read the document carefully to insure you understand your responsibilities.

If you have questions

If you have any questions concerning your obligations as a federal fiduciary, please feel free to contact our office using the toll-free number 1-800-827-1000 or (215) 842-2000 extension 4641 or by writing to us at the above address.

Sincerely yours,

A handwritten signature in cursive script that reads "Lillie Y. Jackson".

Lillie Y. Jackson
Veterans Service Center Manager

To email us visit <https://iris.va.gov>

Enclosure(s): VA Fiduciary Pamphlet

OMB Control No. 2900-0319
Respondent Burden: 5 Minutes

Department of Veterans Affairs **FIDUCIARY AGREEMENT**

Privacy Act Notice: The VA will not disclose information collected on the form to any source other than what has been authorized under the Privacy Act of 1974 or Title 5, Code of Federal Regulations 1.576 for routine uses (i.e. request from a Congressman on behalf of a beneficiary) as identified in the VA system of records, 37VA27, VA Supervised Fiduciary/Beneficiary and General Investigative Records, and published in the Federal Register. Your obligation to respond is mandatory. Giving your SSN account information is voluntary. Refusal to provide your SSN by itself will not result in the denial of benefits. The VA will not deny an individual benefits for refusing to provide his or her SSN unless the disclosure of the SSN is required by a Federal Statute of law in effect prior to January 1, 1975 and still in effect.

Respondent Burden: We need this information to appoint a fiduciary for the beneficiary's VA benefits. Title 38, United States Code, allows us to ask for this information. We estimate that you will need an average of 5 minutes to review the instructions, find the information, and complete this form. VA cannot conduct or sponsor a collection of information unless a valid OMB control number is displayed. You are not required to respond to a collection of information if this number is not displayed. Valid OMB control numbers can be located on the OMB Internet Page at www.whitehouse.gov/library/omb/OMBINVC.html#VA. If desired, you can call 1-800-827-1000 to get information on where to send comments or suggestions about this form.

1. ADDRESS OF VA OFFICE (complete mailing address)
 Department of Veterans Affairs PO BOX 1309
 National Office and Insurance Center Philadelphia Pa 19101
 Attn: Fiduciary Unit 213E

2. VA CONTACT PHONE NUMBER
 (215) 842-2049 ext 661

3. NAME OF VETERAN (First - middle - last)

4. VA FILE NUMBER

5. SOCIAL SECURITY NUMBER

6. NAME(S) OF BENEFICIARY(IES)

A. _____ D. _____

B. _____ E. _____

C. _____ F. _____

7. I, THE UNDERSIGNED FIDUCIARY, HEREBY AGREE TO SERVE AS:

LEGAL CUSTODIAN CUSTODIAN-IN-FACT SPOUSE PAYEE (For veterans only) INSTITUTIONAL PAYEE'S (For veterans only)

and agree to use all beneficiary funds paid by the Department of Veterans Affairs (VA) for the benefit of the beneficiary(ies) listed above. I agree to invest any surplus funds as shown below in Item 8, or as may later be required by VA.

I AGREE TO SAVE THE FOLLOWING AMOUNTS:

8A. LUMP SUM AMOUNT	8B. MONTHLY AMOUNT	8C. EFFECTIVE DATE
\$ _____	\$ _____	_____

I agree to release all beneficiary funds, U.S. savings bonds, and other securities under my control as a VA fiduciary upon the termination of my trust as directed by VA. If a beneficiary is a minor, I will turn over to the beneficiary all of his or her remaining VA-derived funds, U.S. savings bonds, or other securities at the time the beneficiary reaches the age of majority.

I understand that I am am not required to submit periodic accountings to VA of all the beneficiary's funds I receive and use. If I am required to account, a VA representative has explained to me the frequency, scope and format of the accounting.

I am aware of the information on the back of this agreement and will comply with the requirements stated.

I understand that this agreement may be altered only with VA approval.

I CERTIFY THAT if and while I am authorized to take a commission, I am not receiving and will not receive any other form of remuneration or payment in connection with rendering fiduciary services on behalf of the above named beneficiary(ies).

9A. SIGNATURE OF FIDUCIARY	9B. SOCIAL SECURITY NUMBER OF FIDUCIARY	9C. DATE SIGNED
<i>[Signature]</i>	_____	8/27/10
9D. NAME OF FIDUCIARY (Type or print)	9E. TITLE OF FIDUCIARY	
<i>[Print Name]</i>	<i>[Print Title]</i>	
10A. SIGNATURE OF FIELD EXAMINER	10B. DATE SIGNED	
<i>[Signature]</i>	_____	

NOTE: This agreement supersedes any existing fiduciary agreement involving the beneficiary(ies).

VA FORM 21-4703 MAR 2005

SUPERSEDES VA FORM 27-4703, MAY 2003, WHICH WILL NOT BE USED.

FIDUCIARY COPY 2

FAX SHEET

Greenridge Assisted Living
[REDACTED] Avenue
Scranton, PA 18509
ph: 570-961-0300
fax: 570-961-2866

TO: [REDACTED]
FROM: AJ Zangardi Administrator
DATE: 1-20-10
RE: [REDACTED]

3 Pages, including cover sheet

The following pages are confidential and intended for the indicated party

01/12/2010 14:02

215-381-3467

RO310 213B

PAGE 02/02

2.
FIDUCIARY NAME

Questions

1. Does [redacted] have a life insurance policy or prepaid burial? Our records indicate he does have a prepaid burial, but we don't know with whom or the value of it.

PREPAID BURIAL ACCOUNT @ [redacted] FUNERAL HOME

2. How do you get the VA funds, by direct deposit or check?

Monthly check

3. What was done with the large retroactive payment of \$15,581.00 you received on 02/27/2009 for him?

\$1,153 to GRAL for Rent \$1,500 Homeowners Life
\$5,428 to checking account

4. What is his room number?

22

5. You will be receiving paperwork soon, if you haven't already, about submitting a yearly accounting for [redacted] in reference to his VA benefits. Have you received it and do you have any questions?

No

You should set up a new bank account for the direct deposit of these VA benefits, if you haven't already done so. This account has to be properly registered/named as:

Green Ridge Villa, Legal Custodian of, [redacted]

If there is anything else you can think of, please let me know.

If you have any questions or concerns, please contact me.

Stephen M Pirrello

Field Examiner

Email: [redacted]

Phone: 215-380-4646

Fax: 215-381-3467

01/12/2010 14:08

215-381-3467

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DEPARTMENT OF VETERANS AFFAIRS
Regional Office and Insurance Center
Wissahickon Avenue and Manheim Street
P. O. Box 8079
Philadelphia PA 19101

FAX 570-961-2866



2 pages

FROM: Stephen Pirrello, Field Examiner

Hello Mr. Zangardi,

On 01-05-2010, I visited Greed Ridge in reference to the VA benefits you are receiving as Legal Custodian for the Veteran, [REDACTED]. In the time I was there, I was unable to find you to discuss [REDACTED] benefits and well-being. It is time for our one year follow-up, so I have some questions regarding [REDACTED] so I can update our previous report. You can either fax the information below to me, email it to me, talk about it over the phone, or I can make another visit and talk to you in person. My contact information is below.

Please fill in the blanks:

- Beneficiary's monthly income:
 - \$ 1,447.00 VA Pension
 - \$ 750.00 Social Security (Net)

Any other income? Please list below:

- Beneficiary's monthly expenses:
 - \$ 1447.00 Greed Ridge fees
 - \$ 300.00 Groceries & toiletries
 - \$ 4 Clothing & personal care items
 - \$ 300.00 Personal spending

Any other expenses? Please list below:

3. Beneficiary's Bank Accounts

Savings Account at [REDACTED] Account # [REDACTED] Balance \$ 2900.00

Any other bank accounts or assets? Please list below:

Green Ridge Assisted Living
[Redacted] Ave
Scranton, PA 18509
570-961-0300
Fax 570-961-2866

To Whom It May Concern:

10/9/08

I, AJ Zangardi, Administrator of Green Ridge Assisted Living, [Redacted] Ave, Scranton PA 18509, would like to take on the responsibility of being [Redacted] representative payee.

I, [Redacted] do hereby give permission to AJ Zangardi, Administrator of Green Ridge Assisted Living permission to be my representative payee. I am fully confident that AJ Zangardi is able to perform this task on my behalf. Thank you for your attention to this matter.

Sincerely,

AJ Zangardi

[Handwritten signature of AJ Zangardi]

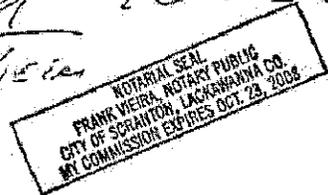
Witness: *[Handwritten signature of Peggy Barbant]*

[Redacted signature area]

Witness:

[Handwritten signature of Armand V Zangardi]

Notary 10/9/08
[Handwritten signature]
Fink Visie



*Marked out
10/9/08*

EXHIBITS

**Calculation of Allowable Room and Board
Resident ██████**

<u>Month</u>	<u>Monthly SSI Benefit</u>	<u>Supplemental SSI Payment</u>	<u>Combined Benefit</u>	<u>Less Personal Needs Allowance</u>	<u>March Proration</u>	<u>Allowable Room & Board</u>
Mar. 2009	\$ 426.00	\$ 439.30	\$ 865.30	\$ 42.50	\$ 432.65 ²	\$ 390.15
Apr. 2009	426.00	439.30	865.30	85.00	-	780.30
May 2009	426.00	439.30	865.30	85.00	-	780.30
Jun. 2009	865.30	-	865.30	85.00	-	780.30
Jul. 2009	865.30	-	865.30	85.00	-	780.30
Aug. 2009	- ¹	-	-	-	-	-
Totals	<u>\$ 3,008.60</u>	<u>\$ 1,317.90</u>	<u>\$ 4,326.50</u>	<u>\$ 382.50</u>	<u>\$ 432.65</u>	<u>\$ 3,511.35</u> ³

¹ Resident was discharged sometime between Jul. ██████ and Aug. ██████ 2009. According to the GRAL Administrator, his ██████ mistakenly cashed the Aug. benefit check of \$865.30. However, a few weeks later the Administrator paid the resident's new landlord \$865 in cash. A receipt was not received.

² Per the March Roster (Schedule of Rent Charges and Payments) the resident made a \$220.00 rent payment. Written on the Roster is "prorated, arrived 3/████09." According to the GRAL Administrator, the room and board for the month of admittance is prorated based on the number of days in the facility.

³ Per regulation 2600.27(a), "if a home agrees to admit a resident eligible for SSI benefits, the home's charges for actual rent and other services may not exceed the SSI resident's actual current monthly income reduced by the current personal needs allowance."

Subsequent Event

On August 2, 2010, BFO obtained a copy of an ██████ SSA change notice which identifies ██████ receives a monthly \$268 Social Security (SS) check which is not included in Exhibit A-1. Based on available information provided by GRAL, the BFO was unaware of the SS benefit. The \$268 benefit would increase allowable room and board from \$780.30 to \$1,048.30 for April through July. Provided GRAL received the four (4) monthly \$268 SS checks totaling \$1,072 for April through July 2009 room and board, there is no change to the \$4,353.85 overpayment to ██████ Per Exhibit A-2, ██████ payments on the GRAL June and July 2009 roster identify an original amount of \$1,048, which is crossed out. If the original \$1,048 is accurate, the room and board payments of \$1,048 would confirm receipt of the \$268 SS check for room and board.

**Analysis of Room and Board Payments
Resident [REDACTED]**

Month	Amount Per Roster	Auditor Adjustment	Adjusted	Comment
Mar. 2009	\$ 220.00	\$ -	\$ 220.00	Accepted from Roster; Not verified per corporate bank account.
Apr. 2009	504.00	-	\$ 504.00	Accepted; Not verified per corporate bank account.
May 2009	504.00	-	\$ 504.00	Accepted; Not verified per corporate bank account. Receipt [REDACTED] for \$504 in file.
May Supplemental	-	1,317.90	\$ 1,317.90	Deposited in corporate account.
Jun. 2009	could not determine	1 865.30	\$ 865.30	Benefit check endorsed by GRAL and deposited into corporate account; Could not determine if resident paid additional rent. GRAL needs to research if additional payments were made by resident.
Jul. 2009	could not determine	2 865.30	\$ 865.30	Benefit check endorsed by GRAL and deposited into corporate account; Could not determine if resident paid additional rent. GRAL needs to research if additional payments were made by resident.
Total Payments	<u>\$ 1,228.00</u>	<u>\$ 3,048.50</u>	<u>\$ 4,276.50</u>	³

¹ The Roster for Jun. 2009 appears to have originally identified \$1,048 paid; however, the amount is crossed out. Cannot determine if the \$182.70 variance between Roster amount and benefit check or a higher amount was paid by resident.

² The Roster for Jul. 2009 originally identified \$1,048 but was subsequently crossed out or whited out. Cannot determine if the \$182.70 variance between Roster amount and benefit check or a higher amount was paid by resident.

³ Total Payments do not include August – December 2009 benefit checks retained by GRAL.

Subsequent Event

(See Exhibit A-1) The total payments do not include \$1,072 in SS payments, which appear to have been received from resident [REDACTED]

Analysis of Overpayment Due To Resident [REDACTED]

	Amount	Comment
Adjusted Payments	\$ 4,276.50	See Exhibit A-2.
Personal Needs Monies Not Documented Per Record of Financial Transactions	127.50	Mar. \$ 42.50 Apr. 85.00 Total \$127.50
Four (4) benefit checks deposited by GRAL subsequent to resident discharge	3,461.20	Sept. - Dec. @ \$865.30
Total Payments	<u>7,865.20</u>	
Room and Board Charges	(3,511.35)	See Exhibit A-1
Overpayment Due To Resident [REDACTED]	<u>\$ 4,353.85</u> ¹	

¹ The overpayment is based on GRAL making an \$865.00 cash payment to the landlord where the resident was discharged to. The GRAL does not have a receipt verifying proof of payment. A decision by the ARL to not accept the payment would increase the overpayment from \$4,353.85 to \$5,218.85.