



RICK SNYDER
GOVERNOR

State of Michigan
DEPARTMENT OF HUMAN SERVICES
BUREAU OF CHILDREN AND ADULT LICENSING



MAURA D. CORRIGAN
DIRECTOR

June 20, 2011

Michael Terpening
The House Next Door
15485 Jenkins Rd.
Bellevue, MI 49021

RE: License #: CI080299508
Investigation #: 2011C0105043
The House Next Door

Dear Mr. Terpening:

Attached is the Special Investigation Report for the above referenced facility. Due to the severity of the violations, disciplinary action against your license is recommended. You will be notified in writing of the department's action and your options for resolution of this matter.

Please review the enclosed documentation for accuracy and feel free to contact me with any questions. In the event that I am not available and you need to speak to someone immediately, please feel free to contact Greg Corrigan at (269) 337-5089.

Sincerely,

Pamela G. Lajiness, Licensing Consultant
Bureau of Children and Adult Licensing
322 E. Stockbridge Ave
Kalamazoo, MI 49001
(269) 337-5042

enclosure

**MICHIGAN DEPARTMENT OF HUMAN SERVICES
BUREAU OF CHILDREN AND ADULT LICENSING
SPECIAL INVESTIGATION REPORT**

I. IDENTIFYING INFORMATION

| | |
|---------------------------------------|--|
| License #: | CI080299508 |
| Investigation #: | 2011C0105043 |
| Complaint Receipt Date: | 05/13/2011 |
| Investigation Initiation Date: | 05/13/2011 |
| Report Due Date: | 07/12/2011 |
| Licensee Name: | Earth Inc. |
| Licensee Address: | 7178 Hoff Rd. Bellevue, MI 49021 |
| Licensee Telephone #: | (269) 965-2117 |
| Administrator: | Kathy terSteege, Chief Administrator |
| Licensee Designee: | Kathy terSteege, Interim Licensee Designee |
| Name of Facility: | The House Next Door |
| Facility Address: | 15485 Jenkins Rd. Bellevue, MI 49021 |
| Facility Telephone #: | (269) 965-2117 |
| Original Issuance Date: | 02/05/2009 |
| License Status: | REGULAR |
| Effective Date: | 08/04/2009 |
| Expiration Date: | 08/03/2011 |
| Capacity: | 15 |
| Program Type: | CHILD CARING INSTITUTION, PRIVATE |

II. ALLEGATION(S)

Resident reported sexually inappropriate contact by the director (Licensee Designee) of the facility.

III. METHODOLOGY

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|------------|---|
| 05/13/2011 | Special Investigation Intake 2011C0105043 |
| 05/13/2011 | Special Investigation Initiated - Telephone |
| 05/16/2011 | Contact - Face to Face Interviewed resident (Resident A) who made the allegation. |
| 05/16/2011 | Contact - Face to Face Interviewed two residents (Residents B and C), 1 staff (Staff 3) and therapist. |
| 05/27/2011 | Contact – Face to Face Hastings State Police Post Trooper Vannette and DHS Worker Observed Trooper Vannette interview 2 residents (Residents B and D). |
| 06/03/2011 | Contact – Telephone and Face to Face Administrator at Lakeside called regarding Resident E disclosing inappropriate behaviors at the group home. Interview with Resident E and administrator at Lakeside. |
| 06/03/2011 | Contact – Telephone Staff at Lakeside reported that Resident B disclosed sexual contact with the Licensee Designee at the group home. |
| 06/06/2011 | Contact – Face To Face Interview with Resident B and Staff at Lakeside |
| 06/07/2011 | Telephone Interview with the Licensee Designee |
| 06/09/2011 | Telephone Interviews with Staff 2, 3, and 4. |
| 06/15/2011 | Exit Conference |

ALLEGATION:

Resident reported sexually inappropriate contact by the “director” (Licensee Designee) of the facility.

INVESTIGATION:

On May 16, 2011 a DHS worker and I interviewed Resident A at the Kalamazoo County Department of Human Services (DHS). On May 11, 2011 around 10:00 p.m. he told Staff 1, 2, and 3 that the Licensee Designee had been sexually inappropriate with him. He reported this had happened on two occasions, Thursday, May 5, 2011 and Tuesday May 10, 2011.

Resident A said that ever since the Licensee Designee had his office built in the facility (approximately three months earlier) he had been asking Resident A to see how big his penis was because Resident A had been bragging about it. Resident A thought he was joking but on May 5, 2011 the Licensee Designee told him he would buy him a box of cigars if he showed it to him and if it was as large as he was saying. Resident A said he liked to smoke so he agreed to let the Licensee Designee see his penis. Resident A said the Licensee Designee drove him to the chicken coop that was located on the lower level of an empty house he had bought. This house was across the street from the Licensee Designee's family home and about ¼ mile down the road from The House Next Door. Resident A said they went into the chicken coop and the Licensee Designee asked to see his penis. Resident A said a farm employee and Resident F entered the chicken coop at that time so the Licensee Designee went over and talked to them. He said he didn't think they saw anything but they did see him. Resident A said that when they left the chicken coop he pulled out his penis and the Licensing Designee immediately began to suck his penis and then started masturbating in front of him. He said the Licensee Designee then "blew a load." Resident A said the Licensee Designee then took him to a store and bought him a box of cigars. He then drove him back to the group home and told him he couldn't tell anyone.

On May 18, 2011, Michigan State Police Trooper Vannette and a DHS worker interviewed Resident F. Trooper Vannette asked him if he recalled being in the chicken coop in the evening during the last couple of weeks. Resident F said he and a farm worker went to the chicken coop to get money for gas from the Licensee Designee. He said he saw Resident A in the chicken coop with the Licensee Designee. Resident F said the Licensee Designee brought Resident A to the chicken coop to talk because he was having a bad day. Trooper Vannette and the DHS worker asked the Licensee Designee if he had ever been alone with Resident A at the chicken coop and he denied that he had. When I asked the Licensee Designee the same question on a separate occasion, he again denied that he had ever been alone with Resident A at the chicken coop.

Resident A said that on Tuesday May 10, 2011, after the first incident, he was stressed, got into a fight with Resident C and broke his nose. He said the Licensee Designee told him to run to his vacant house (where the chicken coop is located) in about twenty seconds and wait for him there. When the Licensee Designee got to the house, Resident A said he let him in and they went upstairs to the pantry where he had a beer. Resident A said the Licensee Designee told him he was stressed and

needed to “get off.” He said the Licensee Designee cornered him in the pantry and pulled down his pants and tried to suck his penis. Resident A said the Licensee Designee then began to masturbate and as Resident A left the pantry he saw the Licensee Designee “come” on the pantry floor. Resident A said the Licensee Designee told him he would tell the police he was “mental” in order to get him out of the assault charges. Resident A said he waited until the next day (May 11, 2011) when the Licensee Designee wasn’t in the house to disclose the information about the inappropriate sexual contact to Staff 1, Staff 2 and Staff 3. He said he told them sometime between 7:00 p.m. and 10:00 p.m. When asked about the time frame Staff 3 said that it was around 10:00 p.m. Resident A said someone called Therapist 1 that night and then she called DHS the next day (May 12, 2011) after interviewing him at the school. (It is noted here that Staff 3 actually called the Clinical Director immediately after Resident A’s disclosure and the Clinical Director told Therapist 1 to follow through the next day and report “as needed.” This information was found in Therapist 1’s report regarding her interview with Resident A).

On May 16, 2011 Resident B was interviewed by a DHS worker and me at The House Next Door. Resident B complained about the Licensee Designee, stating that he was always in the house. Resident B said he finds him “annoying” and called him an “idiot.” Resident B denied any inappropriate sexual contact by the Licensee Designee. The DHS worker said that within fifteen minutes after this interview Resident B requested to be interviewed again. I had to leave for another appointment so the DHS worker interviewed him alone. The DHS worker said Resident B disclosed sexually inappropriate contact by the Licensee Designee. I did observe Trooper Vannette’s interview with Resident B on May 27, 2011 at the State Police Post in which he did disclose inappropriate sexual contact with the Licensee Designee. In the beginning of the interview Resident B told Trooper Vannette that he was not involved in any sexual behaviors with the Licensee Designee. After Trooper Vannette told Resident B that this had happened in the past and that he was not going to be returned to the group home, Resident B talked about the Licensee Designee buying him cigarettes for sex.

Resident C was interviewed by the DHS worker and me at The House Next Door on May 16, 2011. He said the Licensee Designee was wonderful and got him a job at the farm. He talked about having meals with the Licensee Designee and his family at their home. Resident C said the Licensee Designee did nice things with the residents. When asked if he was ever approached by the Licensee Designee for sex he said no and said he had never heard that from anyone else. Following this interview Resident C told a staff that he wanted to be interviewed again, even though he was scared. I let Trooper Vannette know that Resident C wanted to be interviewed again because he did not want me to interview him again until after he had spoken with Resident C.

Staff 1 was interviewed by the DHS worker and me on May 16, 2011 at The House Next Door. Staff 1 said he was in one of the Licensee Designee’s vacant houses having a drink with Staff 2 and the Licensee Designee. After Staff 2 left, the

Licensee Designee asked him if he had ever done "circle jerks." When he told the Licensee Designee that he wasn't gay he said the Licensee Designee told him that everyone had a little gay in him. Following this incident Staff 1 said the Licensee Designee started texting him and in one text he offered Staff 1 \$50 if he would have sex with him and his wife. Staff 1 said he deleted the text but showed it to his mom, his brother, Staff 2 and Staff 4 first. He said this went on for a month and then the Licensee Designee suspended him and began disciplining him for insignificant things. Staff 1 said he told Staff 3 about this approximately three months earlier. Staff 1 said Staff 2 told him that the Licensee Designee had approached him and told him his wife was really hot for him. Staff 1 said Resident A came to him and said he had something he had to tell him but he couldn't. Resident A told Staff 1 that he and Resident B had sex before, but that wasn't what he wanted to tell him. Staff 1 asked Resident A if it had anything to do with him, the Licensee Designee, and sex and Resident A said yes. Staff 1 said Resident A told him about the two incidents (described by Resident A earlier in this report) and Staff 1 told him he believed him because he had an incident with the Licensee Designee in December 2010. Staff 1 said he did not give Resident A any details. Staff 1 said Resident A was upset because the Licensee Designee told him that he was going to take him to Indiana to see his mother.

Staff 1 said Staff 4 told him that the Licensee Designee came back to the house around 3:00 a.m. on May 12, 2011. Staff 4 told me that he thought the Licensee Designee's aunt was working the overnight shift. Staff 3 said this was prior to the Licensee Designee being told about the allegations around 11:00 a.m. on May 12, 2011.

On May 27, 2011 I observed Resident D being interviewed by Trooper Vannette. He said the Licensee Designee was great. Resident D said he works with the Licensee Designee's father on various projects and helps the Licensee Designee do things at his house and all of his rental houses. Resident D said the Licensee Designee allows him to go out with his girlfriend.

I interviewed Resident E on June 3, 2011 at his temporary placement at Lakeside Residential Treatment in Kalamazoo. On this date he asked an administrator if he could talk to him. The administrator asked Resident E if I could join them and I did. Resident E said there was no sexual contact between him and the Licensee Designee. He said the Licensee Designee did punch him in the chest when he swore and his biological and adopted children heard him. He said the Licensee Designee threatened to "kick his ass."

I interviewed Resident B on June 6, 2011 at his temporary placement at Lakeside Residential Treatment in Kalamazoo. Resident B admitted to sexually inappropriate contact by the Licensee Designee, stating it happened approximately fifteen to twenty times. At first Resident B said it was consensual because he never said "no." He said he didn't want to do this but the Licensee Designee had power over him. Resident B said the Licensee Designee would take him to one of his houses (called

kennel house) around the corner from The House Next Door. He said he was usually with the Licensee Designee for thirty minutes to two hours. Resident B said this started when he was seventeen and couldn't buy his own cigarettes so the Licensee Designee would reward him for sex by buying him cigarettes. Resident B said they engaged in "oral sex and hand jobs." He said he would not describe these incidents in any more detail. Resident B said when he heard the rumors that the Licensee Designee had been accused of inappropriate sexual contact with other residents he knew it was true because it had happened to him. Resident B said he didn't want anything to happen to the Licensee Designee because he had a wife and children who needed him. He said he grew depressed he tried to commit suicide by cutting his wrists. He said he was taken to a hospital and placed on the psych ward for approximately three days and then returned to the group home. Resident B said he was harassed and threatened by the residents from that day on. The school called the group home to report that Resident B had told them about the threats. Resident B said he wished he could go back in time and say no to the Licensee Designee's requests for sex.

In an interview with Therapist 1 she said that she has been working with the residents for approximately two years as a volunteer. She said that Resident A is very mentally ill and she didn't believe what he was saying about the Licensee Designee. Therapist 1 reported what Resident A told her, which is similar to what Resident A reported to me with the exception that she said Resident A told her the Licensee Designee took him to a restaurant called The Chicken Coop and that they engaged in inappropriate sexual contact there.

I called the Licensee Designee on June 7, 2011 and asked him if we could meet so that I could interview him. He said he wanted his attorney present to make sure that what he said wasn't misinterpreted. He told me he would call back after talking to his attorney. I told him that would be fine. However, the Licensee Designee then started talking about the school calling him to say the group home youth were saying that they were being asked if he had touched them sexually. He said that it seemed like everyone was aware of what was going on. Without being prompted, the Licensee Designee said he doesn't buy the youth cigarettes because his grandmother died of cancer. He then said he did buy cigarettes for Resident B once when he was driving him to court. He said he thought Barry County DHS had it in for him because they knew about a previous allegation. The Licensee Designee said he did go to the group home on May 12, 2011 at 2:30 a.m. because he couldn't sleep due to his son having surgery the next day. He said he got the youth up in the morning and then left to go to the hospital with his family. He said he was not aware of the allegations until noon on May 12, 2011. He said "I wouldn't adopt kids if I was a pervert." He spoke about Resident A being violently aggressive and Resident B being provocative with staff. He said Resident B broke into his house (with the chicken coop) after breaking Resident C's nose. The Licensing Designee said "I'm not a monster; I'm not a bad person." He said he never touched anyone at the group home, didn't buy cigars for Resident A, and didn't approach staff for sex. He said both Residents A and B were sexually and physically abused earlier in their

lives and have been predators in the past. I read back what I had written so that the Licensee Designee could confirm that I had all of my information correct. He said it was correct. The Licensee Designee said he wasn't sure if he would continue to do this kind of work in the future. He said he has heard rumors about him being back on the property, which he denied.

On June 9, 2011 in telephone interviews with Staff 2 and 4, they said Staff 1 had told them about the Licensee Designee asking for sex. Staff 2 said the Licensee Designee sent him an instant message about participating in a threesome because his wife thought he was cute. Staff 2 said he had never met the Licensee Designee's wife and told him that. Following this one incident Staff 2 said the Licensee Designee didn't approach him again. Staff 2 and 4 both said they read the text messages the Licensing Designee sent to Staff 1. They said the Licensee Designee talked about explicit sexual activities, which they thought was "disgusting." Staff 2 and 4 said they thought he was gay but had no idea that he was doing anything inappropriate with the residents.

In a telephone interview with Staff 3 on June 9, 2011 she said she had no idea that the Licensee Designee was sexually involved with the residents. She said about two years ago the Licensee Designee told her something about him being gay but he didn't discuss any details and they never talked about it again. Staff 3 said the Licensee Designee has not been back on the property since being told not to. She said she has been working sixteen hours a day and would have known if this was happening.

In an interview with Resident A's DHS worker he said he thought the group home did a great job with Resident A. He said Resident A had been there for two years and he was impressed with this because he had been in and out of so many placements in the past. The DHS worker said Resident A was very challenging, aggressive, mentally ill and unstable. He said the Licensee Designee advocated for him at the public school and also got him a job at the farm. When asked if Resident A had made any allegations of a sexual nature previously the DHS worker said no. He said Resident A views himself as a victim and doesn't accept responsibility for his part in altercations with other residents.

In an interview with Resident B's DHS worker she said she had been working with him since 2006. She said he can be very dramatic and attention seeking. She said he can stretch the truth but she has never known him to lie. The DHS worker recalled Resident B being on truant status for a few days and when he called to tell her where he was he said, "(The Licensee Designee) is a bastard." He did not say anything else. When asked if Resident B had ever made any allegation of a sexual nature in the five years she has been working with him, she said no. She said he has admitted to having sex with other male residents while in his placements but never accused an adult of being sexually inappropriate with him.

| APPLICABLE RULE | |
|------------------------|---|
| R 400.44112 | Staff qualifications. |
| | Rule 112. A person with ongoing duties shall be of good moral character, emotionally stable, and of sufficient health, ability, experience, and education to perform the duties assigned. |
| ANALYSIS: | Residents A and B disclosed inappropriate sexual contact with the Licensee Designee. Staff 1 reported that the Licensee Designee had approached him for sex and then sent text messages. He said the Licensee Designee texted him numerous times regarding sexually explicit behaviors they could engage in. Staff 2 reported receiving an instant message from the Licensee Designee regarding doing a threesome with his wife. Staff 2 and Staff 4 verified that they had read the text messages from the Licensee Designee to Staff 1 and that the messages were “disgusting.” |
| CONCLUSION: | VIOLATION ESTABLISHED |

ADDITIONAL FINDINGS:

INVESTIGATION:

According to Therapist 1, on 05/11/2011 around 10:00 p.m. the Clinical Director received a telephone call from Staff 3 that Resident A had accused the director (Licensee Designee) of sexually inappropriate behavior. Therapist 1 said the Clinical Director told her to do a follow up the next day and “report as needed.”

On June 10, 2011, I called Therapist 1 to ask if a required written report had been filed with DHS. When she returned the call she said she could not find a completed written report regarding Resident A. Therapist 1 said that on May 11, 2011 Staff 3 had called the Clinical Director and told her she would do the written report. After trying to track down the report, Therapist 1 said she called Staff 3 and the Chief Administrator, and both said they had not written the DHS report.

Resident A said someone called Therapist 1 that night and then she called DHS the next day (May 12, 2011) after interviewing him at the school. (It is noted here that Staff 3 actually called the Clinical Director immediately after Resident A’s disclosure and the Clinical Director requested that Therapist 1 follow up the next day and “report as needed”). This information was also documented in a report written by Therapist 1.

Therapist 1 said she was in the school on 05/12/2011 dropping of some paper work when Resident A approached her and asked to talk to her. Therapist 1 said she met with Resident A and following that interview told Resident A that she was a

mandated reporter and needed his information so she could “report it to the appropriate individuals to have it investigated.” Therapist 1 said she called DHS around 11:00 a.m. to report the allegations but they asked her to call back at 1:00 p.m. Therapist 1 said she called back at 1:00 p.m. and reported Resident A’s disclosure.

When asked for a copy of the DHS report that must be completed within 48 hours of the verbal report, Therapist 1 said she did not do one and when she checked with Staff 3 and the Interim Licensee Designee they said they had not completed one. Therapist 1 said she thought Staff 3 had completed this form.

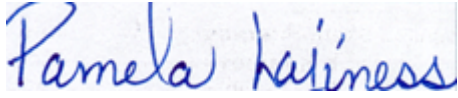
| APPLICABLE RULE | |
|------------------------|---|
| R 400.4131 | Compliance with child protection law; development of plan required. |
| | The licensee shall develop and implement a written plan to assure compliance with the provisions of Act No. 238 of the Public Acts of 1975, as amended, being S722.621 et seq. of the Michigan Compiled Laws, and known as the child protection law. |
| ANALYSIS: | The Clinical Director and Therapist 1 are mandated reporters and did not follow the child protection law of making an immediate verbal report as soon as they had reasonable cause to suspect child abuse or neglect. They were aware of the allegations on May 11, 2011 at approximately 10:00 p.m. and did not report until 1:00 p.m. on May 12, 2011. No written report to DHS, as required by the child protection law, was submitted regarding the allegations made by Resident A. |
| CONCLUSION: | VIOLATION ESTABLISHED |

I was not able to interview four of the ten residents placed at The House Next Door. Trooper Vannette wanted to interview these residents first and the time constraints regarding the completion of this report did not allow this.

An exit conference was conducted on June 15, 2011 with the Licensee Designee, Therapist 1, Staff 3 and another staff responsible for billing, etc. The licensee designee stated that he disagreed with the recommendation to revoke the license, and that he planned to contest it.

IV. RECOMMENDATION

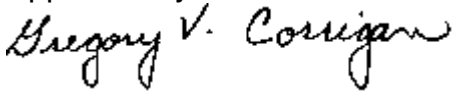
I recommend revocation of The House Next Door's license.



Pamela G. Lajiness
Licensing Consultant

June 20, 2011
Date

Approved By:



Gregory V. Corrigan
Area Manager

June 20, 2011
Date