

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL



In the Matter of:

**Stoddard Baptist Global Care, Inc. and
Washington Center for Aging Services.**

ASSURANCE OF VOLUNTARY COMPLIANCE

The Attorney General for the District of Columbia, on behalf of the District of Columbia (“District”), and Respondents Stoddard Baptist Global Care, Inc. dba Washington Center for Aging Services and Stoddard Baptist Home, Inc. dba Stoddard Baptist Nursing Home (“Respondents”) (and with the District, the “Parties”), hereby enter into this Assurance of Voluntary Compliance (“Assurance”), pursuant to D.C. Code § 28-3909(c)(6), and agree as follows:

I. THE PARTIES

1. The Attorney General for the District of Columbia is the chief legal officer for the District of Columbia. Pursuant to D.C. Code § 28-3909(a)-(b), the Attorney General is authorized to bring legal actions seeking injunctive relief, consumer restitution, civil penalties, costs, and attorneys’ fees for violations of the District’s Consumer Protection Procedures Act (“CPPA”), D.C. Code §§ 28-3901, *et seq.* Pursuant to D.C. Code § 28-3909(c), the Attorney General is authorized to negotiate and enter into agreements for compliance by merchants with the provisions of the CPPA.

2. Respondents are District of Columbia corporations that, at all times relevant to this matter, have been engaged in the business of providing long-term residential nursing and skilled nursing services to consumers in the District of Columbia.

II. DEFINITIONS

3. “Responsible Party” or “Responsible Parties” are non-residents who sign the admissions agreements of residents of Respondents’ facilities.

4. “Admissions Agreement” is the contract between Respondents and the resident that the resident signs prior to or upon admission to Respondents’ facilities.

III. DISTRICT’S ALLEGATIONS

5. Respondents provide long-term residential nursing and skilled nursing services to consumers in the District of Columbia at Stoddard Baptist Nursing Home and Washington Center for Aging Services.

6. Respondents engage in practices that deceptively encourage or direct persons who have no legal obligation to pay for the resident’s care, to do so, including by:

- a. Having persons other than the resident sign a resident’s Admissions Agreement as a “Responsible Party.”
- b. Sending collection letters to Responsible Parties which explicitly or implicitly seek a Responsible Party’s personal funds to pay for a resident’s care, when that person has not, in a writing independent of the Admissions Agreement, agreed to pay for the resident’s care.

- i. Respondents’ collection letters have included phrases such as:

1. “Your failure to pay [Respondent] from [resident’s] income and other resources may result in you being personally liable for such amounts,” and
2. “The admissions agreement is a contract between you and [Respondent] and as the responsible party you are financially responsible for the terms of that agreement. Please let us know how you would like to settle your account balance.”

c. Filing litigation which names a Responsible Party as a Defendant in the litigation when that person has not, in a writing independent of the Admissions Agreement, agreed to pay for the resident’s care.

7. These practices have caused harm to consumers in the District of Columbia who act as contacts for residents of Respondents’ facilities, by pressuring persons with no legal obligation to fund a resident’s care, to do so.

8. Respondents have also, in violation of District and federal law, required residents to set up direct deposit of all of the residents’ benefits, rather than allowing residents the option of managing their finances and paying Respondents directly.

IV. RESPONDENTS’ RESPONSE

9. Respondents deny that they have engaged in any wrongdoing, and specifically deny that they have violated District or federal law.

10. Respondents represent that they have never reported a non-resident’s failure to pay for a resident’s care to a credit reporting agency, and that they will not do so in the future.

11. Respondents deny that they have collected any funds from Responsible Parties as a result of litigation filed against Responsible Parties.

12. Respondents represent that no Responsible Parties sued by Respondents have retained private counsel, and thus incurred attorney's fees.

V. APPLICATION

13. The Parties have agreed to the terms of this Assurance in order to fully resolve the District's allegations against Respondents.

14. The provisions of this Assurance shall apply to Respondents and all persons or entities that they control or have the ability to control, including without limitation their principals, officers, directors, employees, agents, successors, assignees, affiliates, merged or acquired entities, or wholly owned subsidiaries.

15. The provisions of this Assurance shall apply to Respondents' conduct in connection with their operation of long-term residential nursing and skilled nursing services in the District of Columbia.

VI. INJUNCTIVE TERMS

16. Respondents shall not engage in any unlawful trade practice prohibited by the District's CPPA, D.C. Code §§ 28-3901, et seq., the Federal Nursing Home Reform Act, 42 U.S.C. §§ 1395i-e and 1396r and codified at 42 C.F.R. § 483.1 et seq., and D.C. Mun. Reg. § 22-B3200.1, related to their provision of long-term residential nursing and skilled nursing services.

17. Respondents shall not make any misrepresentation of material fact, which has a tendency to mislead.

18. Respondents shall not fail to state a material fact, the omission of which tends to mislead.

Admissions Agreements

19. Within ten (10) days of the date of this Assurance, Respondents shall cease using the term “Responsible Party” in their Admissions Agreements or any other term that suggests that a non-resident is responsible to pay for a resident’s case.

20. On any document signed by a non-resident that commits the non-resident to pay for the resident’s care at Respondents’ facilities, Respondents shall include a prominent and easy-to-read disclosure adjacent to the signature line for the non-resident, that informs the non-resident that Respondent cannot require him or her to guarantee payment to Respondent as a condition of admission (or expedited admission) to, or continued stay of the resident in Respondent’s facility. Notwithstanding the foregoing, Respondent can require a non-resident who has control over the resident’s funds to pay Respondent with the resident’s funds.

21. On any document signed by a resident or non-resident, Respondents shall clearly and conspicuously provide the resident with the option to either set up direct deposit of the pay-ability portion of their benefits as determined by Medicaid, or to manage the receipt of their benefits themselves and send payments to Respondents.

Collection Activities

22. Respondents shall cease directly or indirectly seeking the personal funds of a non-resident when that non-resident has not, in a writing independent of the Admissions Agreement, agreed to pay for the resident’s care, including but not limited to through phone calls, emails, texts, or letters to such non-residents.

23. Respondents shall terminate any pending debt collection efforts against a non-resident for nonpayment of a resident’s costs when that non-resident has not, in a writing independent of the Admissions Agreement, agreed to pay for a resident’s care.

Litigation

24. Respondents shall a) terminate any pending litigation and b) cease from filing litigation against a non-resident, in which Respondents seek the personal funds of a non-resident for nonpayment of a resident's costs, when the non-resident has not, in a writing independent of the Admission's Agreement, agreed to pay for the resident's care.

VII. PAYMENT TERMS

25. Within fifteen (15) days of the date of the execution of this Assurance, Respondents shall pay to the District \$20,000 for civil penalties and costs the District has incurred investigating this matter.

26. In agreeing to the payment amount above, the District has relied upon Respondents' representations that they operate at a financial deficit and do not receive operational support from the Stoddard Baptist Home Foundation, Inc. The Parties agree that if either of those representations is proven untrue, it shall constitute a violation of this Assurance and the District may seek an additional amount in civil penalties from Respondents.

VIII. REPORTING

27. Within ten (10) days of the date of this Assurance, Respondents will provide the District with a copy of their revised Admissions Agreements.

28. Within ten (10) days of the date of this Assurance, Respondent will provide the District with a copy of their revised collection letters that they send to persons other than the resident who signs the Admissions Agreement.

IX. ADDITIONAL TERMS

29. This Assurance shall be considered effective and fully executed on the last date upon which any party executes the Assurance. This Assurance may be executed in counterparts,

and copies of signature pages transmitted electronically shall have the same effect as originals of those signature pages.

30. If the District discovers that Respondents have collected any funds from Responsible Parties as a result of litigation filed against Responsible Parties by Respondents, the District will provide notice to Respondents of the name of the Responsible Party and the amounts paid to Respondents.

31. Within ten (10 days) of the District's provision of notice to Respondents of the name(s) and amount(s) paid to Respondents by Responsible Parties as a result of litigation filed by Respondents, Respondent agrees to provide restitution to the Responsible Party in the full amount claimed.

32. If the District discovers that Responsible Parties sued by Respondents have retained private counsel, and thus incurred attorney's fees, the District will provide notice to Respondents of the name of the Responsible Party and the amounts paid by that person in Attorney's Fees.

33. Within ten (10 days) of the District's provision of notice to Respondents of the name(s) and amount(s) paid by Responsible Parties in attorney's fees as a result of litigation filed by Respondents, Respondents agree to provide restitution to the Responsible Party in the full amount claimed, unless prior to ten (10 days) Respondents provide convincing evidence to the District a) that the litigation was not directly or indirectly seeking the personal funds of the Responsible Party, and b) that the Responsible Party unlawfully misappropriated or failed to remit the resident's funds to Respondents.

34. Respondents shall deliver a copy of this Assurance to their Chief Financial Officer(s), Chief Executive Officer(s) and Administrators for Stoddard Baptist Nursing Home,

Washington Center for Aging Services, and Stoddard Baptist Home Foundation, Inc., within thirty (30) days of the date of this Assurance.

35. Respondents shall not cause or encourage any third-parties, or knowingly permit third-parties acting on their behalf, to engage in any practices from which Respondents are prohibited by this Assurance.

36. Nothing contained herein shall be construed as relieving Respondents of the obligation to comply with all District and federal regulations or rules, nor shall any of the provisions herein be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

37. All notices and reports under this Assurance shall be provided to the following address via first class and electronic mail, unless a different address is specified in writing by the party changing such address:

For the District:

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For the Respondent:

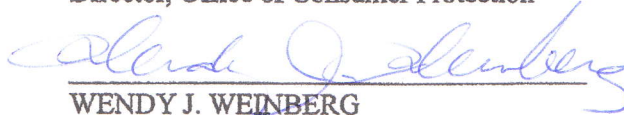
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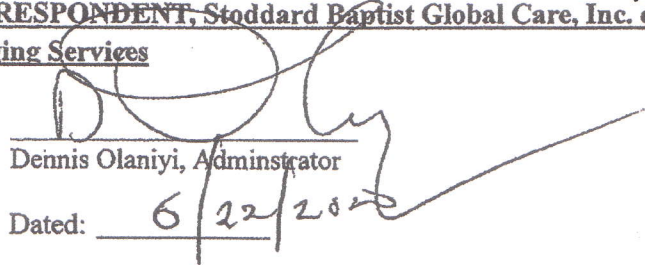


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DAVID BRUNFELD
Assistant Attorney General

Dated: 6/30/20

**FOR RESPONDENT, Stoddard Baptist Global Care, Inc. dba Washington Center
for Aging Services**



Dennis Olaniyi, Administrator

Dated: 6/22/2020

**FOR RESPONDENT, Stoddard Baptist Home, Inc. dba Stoddard Baptist Nursing
Home**



Remy Johnson, Administrator

Dated: 6/25/2020