



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING

BUREAU OF CHILDREN'S AND ADULT LICENSING



MAURA D. CORRIGA
DIRECTOR

December 17, 2014

Ms. Helen Hale
Kiddie Komfort Preschool & Daycare, Inc.
505 S. Park
Kalamazoo, MI 49007

Re: **License No. DC390273731**

Dear Ms. Hale:

On or about October 31, 2014 you were mailed a copy of the Department of Human Services' Notice of Intent to Revoke your License to operate a child care center. In accordance with that notice, and because you did not exercise your right of appeal, your license has been revoked effective December 11, 2014. It is further understood that you will not receive children for care now, or in the future, without being legally licensed to do so.

Sincerely,

Jerry Hendrick, Acting Director
Child Care Licensing Division
Bureau of Children & Adult Licensing

JH:kam

cc: Yolanda Sims, Area Manager
Carrie Harris, Licensing Consultant



RICK SNYDER
GOVERNOR

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



MAURA D. CORRIGAN
DIRECTOR

October 31, 2014

Helen Hale, Licensee Designee and Program Director
Kiddie Komfort Preschool & Daycare, Inc.
505 S. Park
Kalamazoo, MI 49007

License #: DC390273731
SIR #: 2014D0216024

Dear Ms. Hale:

Enclosed is a copy of a NOTICE OF INTENT TO REVOKE YOUR LICENSE to operate a child care center, alleging that you have violated the Child Care Organizations Act. Your options are as follows:

- 1) You may appeal the Notice of Intent and attend a pre-hearing compliance conference. A Notice of Compliance Conference, which provides the date, time, location, and guidelines of the conference, is enclosed.
- 2) You may appeal the Notice of Intent, waive the compliance conference, and proceed directly to an administrative law hearing.
- 3) You may choose not to appeal the Notice of Intent.

If you choose to appeal the Notice of Intent, the Department must receive your WRITTEN APPEAL within 30 days of your receipt of this Notice. If the Department does not receive your written appeal within 30 days of your receipt of this Notice, you will have WAIVED YOUR RIGHT to an administrative law hearing and the proposed action will be final.

Sincerely,

Jerry Hendrick, Director
Child Care Licensing Division
Bureau of Children and Adult Licensing

Enclosures

Cc: Yolanda Sims, Area Manager

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
BUREAU OF CHILDREN AND ADULT LICENSING

In the matter of

License #: DC390273731
SIR #: 2014D0216024

Kiddie Komfort Preschool & Daycare,
Inc.

NOTICE OF INTENT TO
REVOKE LICENSE

The Michigan Department of Human Services, by Jerry Hendrick, Director, Child Care Licensing Division, Bureau of Children and Adult Licensing, provides notice of the intent to revoke the license of Licensee, Kiddie Komfort Preschool & Daycare, Inc., to operate a child care center pursuant to the authority of the Child Care Organizations Act, 1973 PA 116, as amended, MCL 722.111 et seq., for the following reasons:

1. On or about March 24, 2005, Licensee was issued a license to operate a child care center, with a current licensed capacity of 76, at 505 S. Park, Kalamazoo, MI 49007.
2. Licensee Designee and Program Director Helen Hale is the resident agent for Kiddie Komfort Preschool, Inc. Ms. Hale signed and submitted the original license application that was enrolled on February 4, 2005, and all subsequent renewal applications submitted to the Bureau of Children and Adult Licensing.
3. Licensee Designee and Program Director Helen Hale lacks good moral character as defined under MCL 338.41(1). Specifically:

- a. From 1996 to 2002, Ms. Hale was the licensee and program director of another child care center, Kiddie Korral Preparatory, License #DC390071374. During this time, Ms. Hale failed to maintain adequate records with the Child and Adult Care Food Program and inappropriately received \$92,525.08 in food program payments. Ms. Hale signed an agreement to repay the \$92,525.08, but to date, she has not repaid.
- b. From January 2013 to May 2013, Department of Human Services (DHS) Office of Inspector General Agent Jessica Mitchell conducted an investigation of Ms. Hales' billing of child care hours to DHS. Ms. Mitchell determined that Ms. Hales billed DHS for child care hours that were not documented on the center's attendance records. Ms. Mitchell found that Ms. Hale overbilled DHS for child care hours totaling \$18,259.77. On May 9, 2013, Ms. Hale signed a *Provider Repayment Agreement (DHS-325)* form agreeing to repay \$18,259.77.
- c. On November 13, 2013, Ms. Hale was indicted in United States District Court, Western District of Michigan-Southern Division, on 31 felony counts ranging from failing to file tax returns, income tax evasion, failure to account for and pay over withheld taxes from child care employees, and obstruction of federal tax laws. The indictment alleged that Ms. Hale failed to file federal income tax returns in 2004, 2005, 2006, 2008, 2009, 2010, 2011, and 2012, despite having gross business receipts totaling \$2,975,358 during those years. These receipts stemmed from the child care center. The indictment also alleged that Ms. Hale failed to turn over

the federal taxes she withheld from the child care center employees to the Internal Revenue Service.

- d. On November 20, 2013, Licensee was arraigned in federal court on these charges. Licensee failed to report the arraignment to the Bureau of Children and Adult Licensing.
 - e. On July 29, 2014, Licensee Designee Helen Hale pled guilty and was convicted of one count of Income Tax Evasion, a felony, per a plea agreement. Ms. Hale was sentenced to 12 months and one day in federal prison and ordered to pay restitution of \$277,391.31. Licensee failed to report the conviction to the Bureau of Children and Adult Licensing.
4. On July 30, 2014, after learning of Licensee Designee Helen Hale's conviction through a local news outlet, Licensing Consultant Carrie Harris initiated a special investigation concerning Ms. Hale and the child care center.
 5. On July 30, 2014, Ms. Harris contacted Ms. Hale by telephone and asked her about the news reporting her conviction. Ms. Hale denied having been convicted, stating that the media report was inaccurate; the IRS was doing this for publicity; her attorney was still working out the details; and that she did not know her conviction status.
 6. On August 6, 2014, Licensee Designee and Program Director Helen Hale submitted a completed Administrative Review of Good Moral Character questionnaire packet to the Bureau of Children and Adult Licensing. In the questionnaire, Ms. Hale wrote, "I have received income from State of Michigan

programs for over 17 years. I have never over billed the State nor committed fraud."

7. Licensee Designee and Program Director Helen Hale is currently incarcerated at a federal prison in Lexington, Kentucky, and is scheduled to be released on July 16, 2015.

COUNT I

The conduct of Licensee Designee and Program Director Helen Hale, as set forth in paragraphs 3, 5, 6, and 7 above, evidences a violation of:

R 400.8110 Licensee.

- (1) The licensee shall do all of the following:
 - (a) Be of good moral character as defined in 1974 PA 381, MCL 338.41 to 338.47.

MCL 338.41 "Good moral character" and "principal department" defined.

- (1) The phrase "good moral character", or words of similar import, when used as a requirement for an occupational or professional license or when used as a requirement to establish or operate an organization or facility regulated by this state in the Michigan Compiled Laws or administrative rules promulgated under those laws shall be construed to mean the propensity on the part of the person to serve the public in the licensed area in a fair, honest, and open manner.

COUNT II

The conduct of Licensee Designee and Program Director Helen Hale, as set forth in paragraphs 3(d), 3(e), and 5 above, evidences a violation of:

R 400.8110 Licensee.

- (1) The licensee shall do all of the following:
 - (e) Report to the department within 3 business days after any arraignment as indicated in section 5e of 1973 PA 116, MCL 722.115e, and any subsequent conviction.

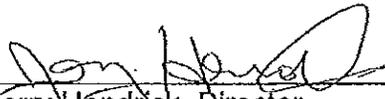
NOTICE IS GIVEN that, Licensee is offered the opportunity to show compliance with all lawful requirements for retention of the license. If Licensee appeals the Notice of Intent and compliance is not shown, formal proceedings will be commenced pursuant to the Child Care Organizations Act, 1973 PA 116, as amended, MCL 722.111 et seq., rules promulgated thereunder, and the Administrative Procedures Act, 1969 PA 306, as amended; MCL 24.201 et seq. Should formal proceedings commence, you have the right to attorney representation at your own expense.

LICENSEE IS NOTIFIED that pursuant to MCL 722.121(2) of the Child Care Organizations Act, Licensee has 30 days from the date of receipt of the Notice of Intent to file a written appeal of the proposed action. The appeal shall be addressed to Jennifer Kerr, Departmental Analyst, Bureau of Children and Adult Licensing, Michigan Department of Human Services. Your written appeal must include your name and license number, and must be submitted using one of the following methods:

- Mail your written appeal to the Bureau of Children and Adult Licensing, P.O. Box 30650, Lansing, MI 48909. You should obtain some type of delivery confirmation to verify delivery;
- Fax your written appeal to the Bureau of Children and Adult Licensing at (517) 284-9709. You should keep a copy of your fax confirmation as proof of submittal; or
- Email your written appeal to DAUappeals@Michigan.gov. You should keep a copy of the sent email as proof of submittal.

LICENSEE IS FURTHER NOTIFIED that failure to file a written appeal of this action within 30 days will result in revocation of the license.

DATED: 10/31/2014



Jerry Hendrick, Director
Child Care Licensing Division
Bureau of Children and Adult Licensing

This is the last and final page of a NOTICE OF INTENT in the matter of Kiddle Komfort Preschool & Daycare, Inc., DC390273731, consisting of six pages, this page included.

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STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
BUREAU OF CHILDREN AND ADULT LICENSING

In the matter of

License #: DC390273731
SIR #: 2014D0216024

Kiddie Komfort Preschool & Daycare, Inc.

NOTICE OF COMPLIANCE CONFERENCE

Date: Monday, December 22, 2014

Time: 10:30 a.m. to 12:30 p.m.

Location: BCAL Kalamazoo office, 322 E. Stockbridge Avenue, conference room G,
Kalamazoo, MI

Pursuant to the Administrative Procedures Act, MCL 24.292(1), you are afforded the opportunity to attend an informal compliance conference. The purpose of the compliance conference is to allow you to show that you were in compliance with the Child Care Organizations Act and the licensing rules promulgated thereunder. You have the right, at your expense, to have an attorney represent you at the compliance conference. You may also bring **one** support person to the compliance conference.

To enable a thorough discussion of the Notice of Intent at the compliance conference, please bring any documents, pictures, etc. that you would like the Department to consider. You may also submit documents to the Department prior to the compliance conference by emailing them to DAUappeals@Michigan.gov.

If you are unable to attend the compliance conference at the scheduled date and time, you may request, in writing, that the Department change the date and/or time. The Department will make all reasonable attempts to accommodate your request, but will not reschedule the compliance conference to a date more than 10 days after the scheduled date. If you promptly notify the Department of your inability to attend the compliance conference as scheduled, the Department may be able to schedule the compliance conference to a date earlier than originally scheduled.

If you are unable to show that you were in compliance with the Child Care Organizations Act and licensing rules, and a resolution cannot be reached, the

Department will forward the matter to the Michigan Administrative Hearing System for the scheduling of a formal administrative hearing. The Michigan Administrative Hearing System will subsequently notify you of the date, time, and location of the administrative hearing.

All Department meetings and hearings are conducted in compliance with the Americans with Disabilities Act in buildings that accommodate mobility-impaired individuals and have accessible parking. If you require additional accommodations to participate in the compliance conference, please notify the Department at least one week in advance to make the necessary arrangements.

Please direct all written communications regarding the compliance conference or administrative hearing, including your license number, to the individual listed below:

Jennifer Kerr, Departmental Analyst
Disciplinary Action Unit
Bureau of Children and Adult Licensing
Michigan Department of Human Services
Victor Office Center
201 North Washington Square, 4th Floor
P.O. Box 30650
Lansing, MI 48909-8150

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
BUREAU OF CHILDREN AND ADULT LICENSING

In the matter of

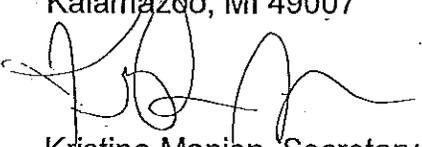
License #: DC390273731
SIR #: 2014D0216024

Kiddie Komfort Preschool & Daycare, Inc.

PROOF OF SERVICE

The undersigned certifies that a copy of a Notice of Intent to revoke the license in the above matter was served upon the following persons by mailing the same to them at their address of record by certified mail on November 5, 2014.

Kiddie Komfort Preschool & Daycare, Inc.
505 S. Park
Kalamazoo, MI 49007



Kristine Manion, Secretary
Bureau of Children and Adult Licensing