

COPY


 DIVISION OF CHILDREN AND FAMILY SERVICES
 BUREAU OF REGULATION AND LICENSING

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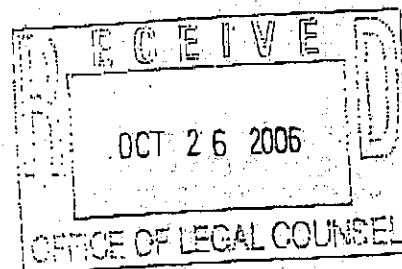
FAX: 608-261-7824

dhfs.wisconsin.gov

 Helene Nelson
 Secretary

Department of Health and Family Services

October 25, 2006

 Walden Homes, Ltd.
 Mr. Larry E. Lichte, Walden Home Ltd., President
 123 West Main Street
 Madison, WI 53703


Dear Mr. Lichte:

I am writing this correspondence to express concerns and recommendations based on a Notice of License Forfeiture Assessment that the Department of Health and Family Services issued to Spring House for sexual contact by an employee with residents of Spring House. Subsequent to an appeal, George Nestler did pay the forfeiture and withdraw the appeal. However, I believe there was a lack of cooperation with the department in its attempt to thoroughly investigate the allegations. I also believe communication between the management of Walden Homes, Ltd. and staff at Thoreau Home must be improved to avoid similar problems to those between Angela Kalsheur and residents with whom she had numerous inappropriate sexual contacts.

As you know, Spring House is now closed although residents and employees from Spring House reside or work at Thoreau Home. Walden Home management must take every possible precaution to ensure the health and safety of all residents.

During the appeal process, Mr. Nestler stated that the statements of the teenage residents upon whom the police and department relied were not reliable sources of information for. Given the number of complaints made by teenage residents regarding Ms. Kalsheur's sexual behavior, Walden Home LTD should have conducted spot checks during afternoon and night shifts to ensure that any employee serving alone at the facility was complying with administrative rule requirements. Walden Home, Ltd. is responsible for the safety and welfare of all children and must ensure that staff is providing appropriate and adequate supervision to children.

Management must ensure that employees regularly are spot-checked and that training, education and policy updates are provided routinely.

During the course of the appeal, department staff visited Thoreau Home in September 2006 to obtain information from the files of terminated employees, from files of residents discharged from Spring House, to review staff meeting notes and to review communication logs from Spring House. During this visit Mr. Weiler, the Program Manager, informed us that all terminated staff files and discharged resident files from Spring House had been destroyed in December of 2005. We were told that Mr. Nestler had decided to destroy these materials based on his belief that no statute provided a length of time during which a group home has to maintain files. Additionally,

Walden Home, Ltd.

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department staff was informed by Mr. Weiler that Thoreau and Spring Home did conduct regular staff meetings where current issues were addressed in the operation of the group homes.

However, department staff interviewed numerous Spring House staff, both current and former employees, who worked during the time Ms. Kalsheur was employed. Those staff members that when Mr. Weiler took over the management of Spring House, staff meetings stopped occurring regularly. All interviewed staff identified at least one instance, if not more, when staff shared concerns about Ms. Kalsheur's behavior directly with Mr. Weiler. The staff believed limited guidance was provided to Ms. Kalsheur. Staff also stated that problems with communication between staff and management were not resolved and guidance for appropriate behavior was not provided. One staff told us that Mr. Weiler directed the staff person not to contact Child Protective Services about Ms. Kalsheur's behavior to residents, that Mr. Weiler would conduct follow up with Ms. Kalsheur.

The Program Manager did not provide any supervisory hours during the afternoon or night shifts to ensure that counselors were performing their duties. Only one staff member, employed for approximately 2 years, stated that Mr. Weiler conducted one drop-in visit during a night shift.

The department investigation showed there was a lack of management oversight and lack information to demonstrate on-going communication between management and staff. There was a lack of information to show that staff was trained in how to identify problems between staff and residents, how to document the problems and how to obtain redirection and guidance in code compliance and implementing policies. The licensee must ensure the welfare and safety of all residents.

At the same time, the department conducted its investigation, another former employee of Spring House, Gregory Ledbetter, was sentenced to an extensive prison term, in part, based on sexual contact he had with residents in 1998 or 1999. Given the vulnerable population that Walden Homes LTD cares for, it is imperative that all staff be trained, education and supervised to ensure safety of the children in care.

As a result of the department's investigation of the ongoing sexual contact between a staff member and several residents, the department recommends that an outside consultant be hired to work with current management to enhance their management skills and heighten awareness of staff responsibility to ensure the safety and welfare of the children placed in care and to provide all staff training in the following areas:

Risk Management Consultation

To review, observe and provide recommendations on current operating and personnel policies; to provide specific training on the following areas:

1. How sexual abuse occurs, peer to peer and staff to resident; Strategies for Abuse Prevention
2. Define appropriate and inappropriate physical contact between employees and children.
3. Define appropriate and inappropriate verbal interactions between employees and children.
4. Supervision of children and staff.
5. Transportation of children.

Walden Home, Ltd.

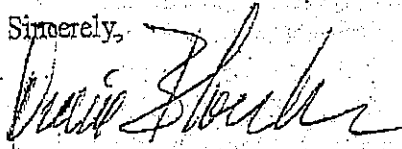
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6. Educating children on how to protect themselves from abuse and how and to whom to report abuse or potential abuse.
7. Define who a mandated reporter is and instruct staff in the duties and responsibilities of a mandated reporter.

If you have any questions or concerns, please feel free to contact me at 608.261.7671.

Sincerely,



Diane Bloecker

Licensing Chief

Bureau of Regulation and Licensing

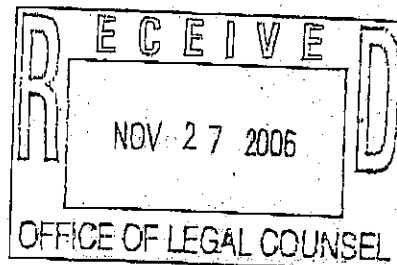
CC: Michael J. Spierer, Walden Home Ltd., Vice-President
Mary Anne Thurber, Walden Home Ltd., Secretary and Treasurer
George Nestler, Walden Home Ltd., Executive Director
Dave Herbst, Licensing Specialist
Sandra Esrael, Office of Legal Counsel ✓

**WALDEN HOMES, LIMITED**

1102 Spaight Street, Madison, Wisconsin 53703 - Phone (608) 251-6000

November 22, 2006

Ms. Diane Bloecker
Licensing Chief
Bureau of Regulation and Licensing
1 West Wilson Street
Post Office Box 8947
Madison, Wisconsin 53708-9847



Dear Ms. Bloecker,

On November 10, 2006, the Board of Directors of Walden Homes, Ltd. held a special meeting to review the issues identified in your letter of October 25, 2006. I write on behalf of the Board to respond to the concerns you raised and to outline the approach we plan to take to address them. During the more than thirty-five years that Walden has served the community, the primary concern of the Board and the staff has been the health, safety and welfare of the residents we serve. We expect transparency and openness and require the full cooperation of our staff in this regard. We would welcome additional information from you, if you believe it would assist us to better understand your concerns.

When we learned that allegations had been made against a former staff member, the Board began a review of the events surrounding the charges. Based on that review, we believe that the staff cooperated with the Department and take issue with the allegation that Walden failed to cooperate in the Department's investigation. In response to the recommendations you made, the Board is reviewing options for more closely supervising shift staff during evening hours, including unannounced checks. Please let us know if such a policy will be included in new group home licensing rules and whether this will be the policy of the State for all licensed group homes.

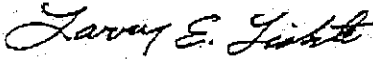
In response to your concern, the Board is reviewing recently implemented state requirements on the preservation of personnel records, staff meeting notes, communication logs and communication between shift staff and management. It is our expectation that Walden's policies will be consistent with the rules and regulations established by the county and state. Consistent with your recommendation, we are looking into hiring a consultant who can address some of the management and the training issues raised in your letter. We want to assure you that we intend to provide appropriate oversight and to provide the sexual assault training you recommend. In this regard, we respectfully request any assistance you can offer to identify consultants with the requisite expertise. To date, we have found one individual and would like to consider others before entering into a consultation arrangement.

Since concerns about the behavior of staff came to the Board's attention last year, we have explored a number of options to improve our procedures, including increasing communication between management and program staff and using psychological screening in the hiring of new staff. While this is likely to increase the cost of programming, the potential benefit is clear. We are in the process of reviewing our Personnel Manual and our Operational Policies and Procedures Manual with an eye toward making modifications that address the problems that arose as a result of the events referenced in your letter. We hope to complete this process by the end of the year and welcome any additional recommendations you might make.

Ms. Diane Blocker
Re: Walden Homes, Ltd.
November 22, 2006
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Please let us know if you have any questions.

Sincerely,



Larry E. Lichte
President, Walden Homes, Ltd.

cc: Mr. Dave Herbst, Licensing Specialist
✓ Ms. Sandra Esrael, Office of Legal Counsel
Mr. Michael Spierer, Vice President, Walden Homes, Ltd.
Ms. MaryAnne Thurber, Secretary / Treasurer, Walden Homes, Ltd.
Mr. George E. Nestler, Walden Homes, Ltd., Executive Director



DIVISION OF CHILDREN AND FAMILY SERVICES

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Department of Health and Family Services

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December 1, 2006

Walden Homes, Ltd.
Mr. Larry E. Lichte, President
123 West Main Street
Madison, WI 53703

COPY

Dear Mr. Lichte:

Thank you for your November 22, 2006 letter that summarizes the actions that the Board of Directors, of Walden Homes has provided and will continue to provide in the oversight of the operation of all the group homes. Please continue to update Dave Herbst, Licensing Specialist, about any updates or changes to any of the policies and procedures prior to the group homes implementing these changes.

I understand through your correspondence that the Board of Directors is considering and possibly implementing some or all of the recommendations that were shared by our department. Please keep the department updated on any of recommendations or other plans that will be implemented based on the Board's continual review of the group homes overall operation. As requested, I am including contact information on agencies that provide abuse training and abuse risk assessment for child welfare agencies.

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P.O. Box 202002
Arlington, Texas 76006
817-801-7773
800-743-6354UW Milwaukee
School of Continuing Education
161 W. Wisconsin Ave.
Suite 6000
Milwaukee, WI 53203
414-227-3356

In regards to your question about supervision of shift staff during evening hours, it was found during our visits and interviews that no or minimal oversight was occurring by the house manager and/or program director. The revised HFS 57 (issued 1/06) does not have a specific requirement of a group home having a policy that states supervisory spot checks of shift staffing will occur, HFS 57.14(4) and (5) describes the responsibilities of a group home director and house manager. I will include two examples of what was identified during the course of the investigation and subsequent visits/discussions that is directly related to the responsibilities of these two required positions.

-In March of 2005 complaint investigation, management were unaware that staff members were taking children to off-ground activities that had not been approved by the management of the house; that staff were doing their personal laundry during their work

shift or taking residents off grounds to their personal homes or when conducting personal business. The program manager reported that many of the errors that Angela (staff) made were freshman errors, but no additional training, observations, or follow-up was done. An intern who had worked with the group home was not provided any on-site training during the shift work in the evening, but worked the majority of the time under the guidance of Angela.

-While conducting a visit in early September of 2006, we were reviewing the policies with the group home manager and identified that he was working with a different set of policies that our office had never received and it was not the most current copy of the policies that had been submitted to the department.

If you would like for me to meet with your Board or the management of the all the group homes to review specific rules and provide technical assistance in these areas, please contact me. I have had the opportunity to work in the child welfare field for over 20 years; in my last position I provided oversight for 6 group homes and a 120-bed residential treatment center. I can share what systems were put in place for the group home managers to ensure that the treatment program was being implemented consistently by staff and how the use of these systems would identify specific training needs or program reviews for weekly staff trainings/meetings.

During one of the licensing visits conducted by the department, staff files were reviewed. During this review, the department observed memos issued by the group home manager that directed staff not to speak with representatives from the department and to direct the person to the group home manager. If you would like more information, I would be available to meet with you or your Board at your request.

If I can provide any additional clarification or assistance, please contact me at 608-261-7671.

Sincerely,



Diane Bloecker, Regional Licensing Chief
Bureau of Regulation and Licensing
Division of Family and Children Services

CC: Dave Herbst, Licensing Specialist
George Nestler, Walden Home Ltd., Executive Director