

CERTIFIED PROFESSIONAL GUARDIAN BOARD

Sarah Mills, CPG No. 11155,
Respondent.

CPGB No. 2011-032 & 2011-047

**AGREEMENT REGARDING DISCIPLINE
AND STIPULATED FINDINGS**

Disciplinary Regulation 514

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Respondent Sarah Mills, Certified Professional Guardian (CPG) No. 11155, and the Certified Professional Guardian Board (“Board”) enter into this Agreement Regarding Discipline and Stipulated Findings (“Agreement”) pursuant to the Board's Disciplinary Regulations for Certified Professional Guardians. The Standards of Practice Committee has determined that Sarah Mills has violated Standards of Practice Regulations 406.1, 409.1, 409.4, 410.1, and 412.1, resulting in this disciplinary proceeding before the Board. This Agreement is a resolution of this disciplinary proceeding and shall become effective after all parties have signed the Agreement. The Agreement will be a part of Sarah Mills' certified professional guardian file and will be a public record subject to public access.

1. JURISDICTION

1.1 At all times relevant herein, Sarah Mills was a certified professional guardian (CPG) pursuant to General Rule (GR) 23, CPG No. 11155. Sarah Mills was a shareholder and one of the designated certified professional guardians of Adult Guardianship Services, Inc., CPGA No. 10884.

1.2 At all times relevant herein, Adult Guardianship Services, Inc. was a certified professional guardian agency (CPGA) pursuant to General Rule (GR) 23, CPGA No. 10884.

1.3 The Certified Professional Guardian Board is responsible for reviewing any allegation that a certified professional guardian, or certified professional guardianship agency, has violated an applicable statute, fiduciary duty, standard of practice, rule, or regulation. Pursuant to its Disciplinary Regulations, the Board may impose discipline, sanctions, costs and other remedies upon a finding of violation, or may recommend that the Washington State Supreme Court impose discipline, sanctions and costs, when the recommendation is for suspension or decertification of the certified professional guardian or agency.

2. STATEMENT OF FACTS

2.1 On or about August 19, 2011, the Board opened Certified Professional Guardian Board (CPGB) Grievance No. 2011-032 regarding the conduct of Sarah Mills on behalf of incapacitated person M.B. The Board received a second grievance on November 29, 2011, regarding Ms. Mills' conduct on behalf of incapacitated person M.C. CPGB Grievance No. 2011-047.

Although the two grievances related to different incapacitated persons, they contained substantially similar allegations: a) late payments to the adult family home (“AFH”); b) repeated nonsufficient funds (“NSF”) checks to the AFH; and c) double billing by the CPG, Sarah Mills, and her attorney, Mr. Regeimbal.

2.2 CPGB Grievance No. 2011-032 referred to actions taken by the CPG on behalf of the incapacitated person M.B. The court appointed Adult Guardianship Services, Inc., as the guardian for M.B. on August 27, 2008. Adult Guardianship Services assigned M.B. to Ms. Mills' caseload beginning September 2010. Ms. Mills acted as guardian for M.B. from this date through the time that the grievance was filed with the Board on approximately August 19, 2011. Ms. Mills reportedly did not manage M.B.'s finances or accounts until she and Ms. Winters were given control of the Adult Guardianship Services, Inc. on or around January 21, 2011.

2.2.1 All direct deposits were received in M.B.'s account by the 3rd of the month. Despite the availability of funds, Ms. Mills made payments to the AFH on behalf of M.B. late for five out of eight months.

- Check # 5012 for February 2011 rent was issued on February 2, 2011, however, was not paid until March 4, 2011. It is highly unlikely that the AFH would not have deposited the check if it were in its possession.
- Check # 5014 for part of March 2011 rent was paid on March 8, 2011. The balance of March rent was not paid until March 18, 2011.
- Check # 5019 for April 2011 rent was drawn on April 4, 2011, but was returned as NSF. Payment for April's rent was made on May 9, 2011.
- Check # 5011 for May 2011 rent was paid on May 10, 2011.

2.2.2 Ms. Mills issued two checks (in 8 months) to the AFH that were returned NSF. NSF checks to the AFH were not promptly replaced.

- Check # 5018, dated March 24, 2011, to the AFH in the amount of \$383.21 was returned as NSF. The balance of M.B.'s account on March 21, 2011, was \$187.38. AFH's bank charged it \$12.00 for the returned item, but Ms. Mills did not

reimburse the AFH until July 18, 2011. It is unclear whether the underlying amount of \$383.21 was ever properly accounted for.

- Check # 5019 drawn on M.B.'s US Bank account, dated April 4, 2011, in the amount of \$2,247.00. The bank returned check # 5019 to the AFH as NSF. Payment to the AFH was not made until May 9. The AFH went 39 days without reimbursement for M.B.'s care. Although Ms. Mills was in the process of changing banks, the balance in the Bank of America account on April 19, 2011, was \$2,838.38.

2.2.3 Ms. Mills defended her late payments and NSF checks by claiming she was bound by when the I.P. received participation payments. The documents submitted by the grievant, Ms. Mills reflect a significant lack of attention to M.B.'s financial affairs in a timely and consistent manner.

- Two checks to the AFH were drawn on M.B.'s account for February's rent. Check #5012 was drawn February 2, 2011, for \$2,200.00, but did not actually clear the bank account until March 4, 2011. A second check was issued #5013 on February 4, 2011, for \$2,000.00. Check #5013 that was issued in error was retrieved from the AFH.
- Ms. Mills moved M.B.'s bank account from US Bank to Bank of America during the month of April, reportedly as an accommodation to the "accountant." Despite the fact that all direct deposits were received on time, Ms. Mills did not make any payments from March 18 through May 9 (except for the two NSF checks noted above).
- Despite repeated attempts, Ms. Mills did not accomplish the change of the direct deposit of M.B.'s benefits from Social Security in the amount of \$1,546 and two

payments in the amounts of \$70.00 and \$359.00 from the time she opened the new account in April until sometime after November 1, 2011 (more than 7 months). The failure to transfer the direct deposits resulted in further delays due to Ms. Mills transferring funds from one account to the other.

- The AFH received M.B.'s July rent in the amount of \$2,247 on July 6, 2011. Ms. Mills issued a second check the next day on July 7 in the amount of \$1,500.00 as prepayment of August rent. After payment of the \$1,500.00 check, only \$88.67 was left in M.B.'s account for almost 30 days.
- Ms. Mills paid the AFH's bank service charge of \$12.00 arising from the NSF check on March 24, 2011 on July 18, 2011 (almost 4 months later). Further, Ms. Mills paid this fee from M.B.'s account, rather than AGS, despite the fact that the NSF was due to her personal error.
- On August 3, 2011, Ms. Mills paid the adult family home the remaining balance of \$747.00 for August. M.B. was taken to the hospital on August 3, 2011, and Ms. Mills notified the AFH on August 6, 2011, that M.B. would not be returning. When the AFH was notified of M.B.'s change in residence, it did not deposit the check for \$747.00.
- M.B. was discharged from the hospital to the new AFH on August 7, 2011. Ms. Mills made payments to the new AFH for August or September rent approximately September 12, 2011 and September 13, 2011 (more than 1 month after admission). According to her case notes, she explained to the new AFH that she did not have funds until the prior AFH refunded the August rent. However, the balance in the Bank of America account on the date of M.B.'s discharge was \$1,924.17 which was less than the monthly rent owing to the new AFH. This amount was above and

beyond the additional \$1,500.00 prepayment in July and the \$747.00 that it had already deducted from M.B.'s account.

- Ms. Mills did not request a refund until September 12, 2011. At that time, she calculated the AFH's share of participation to be \$201.84 for the three days in August that M.B. had been a resident despite including the DSHS participation letter stating the participation at \$202.28. Ms. Mills requested a refund of \$545.16 (\$747.00-201.84), and notably, made no request for the \$1,500.00 that she had prepaid in July.
- On September 22, 2011, the AFH returned check # 4289 for \$747.00 and its own check for \$1,297.72 (\$1,500 - \$202.28). A deposit was made into M.B.'s Bank of America checking account on September 27, 2011, in the amount of \$2,044.72.
- AGS, however, was paid regularly and consistently at the beginning of each month:
 - o January 2011 -paid December 30, 2010
 - o February 2011 – paid February 17, 2011 (the AFH received no payment during February)
 - o March 2011 -paid March 4, 2011
 - o April and May 2011 -no bank statements from US Bank were provided during this period
 - o June 2011 -paid June 2, 2011
 - o July 2011 -paid July 5, 2011
 - o August 2011 -paid August 5, 2011
 - o September 2011 -paid September 1, 2011
 - o October 2011 -paid October 3, 2011

2.2.4 Records provided by Ms. Mills and her attorney reflect multiple occurrences of double billing for the same or similar tasks; billings for simple tasks; and billing for administrative tasks that should have been borne by the CPG and not M.B. M.B. had very few bills on a monthly basis, consisting primarily of payments to the AFH and to AGS itself. Periodically, Ms. Mills paid a medical or attorney bill.

Examples of double billing and billing for simple tasks include:

- Ms. Mills charges M.B. for setting up Quicken and/or Quickbooks accounting programs on January 7, 2011, July 27, 2011, and August 10, 2011.
- On March 28, 2011, Kelly Davey (KD), legal assistant to Regeimbal, McDonald, PLLC, charged for setting up a bank account at Bank of America. Ms. Mills also charged for setting up a bank account at Bank of America on April 11, 2011. Based on Ms. Mills' case notes, the change in banks was to make bill paying easier for the accountant rather than to benefit M.B.
- Ms. Mills billed M.B. for bill paying on March 28 (.2), March 29 (.2), and April 4 (.5). The bank statements provided show no payments in April, except for the two NSF checks.
- On April 25, 2011, both Ms. Mills and KD charged for receiving debit cards and setting up online bill pay, although no bills were paid in April.
- On April 26, 2011, Ms. Mills again charges for setting up bill pay and checking with her accountant although no bills were paid in April. KD again charges for setting up online bill pay on May 15.
- KD charges for scheduling online bill pay on May 5, 9, and 10, totaling 1.5 hours. Four bills were paid in the month of May.

- Ms. Mills charged for bill pay and banking on June 6, 2011. KD charged for online banking and bill paying performed on June 9 and 13. Total time billed for June was 1.2 hours. Four bills were paid in June.

Examples of charging for tasks that should have been administrative tasks include:

- Payments to AGS itself from February 15, through Dec. 31, 2011, totaling 1.2 hours.
- Payments to the AFH were frequently late and were not promptly adjusted to conform to the participation notices from DSHS (detailed above in 2.2.1). Ms. Mills billed significant amounts of time to M.B. for her contacts with the AFH trying to explain this situation for which M.B. should not have been billed:
 - Feb. 2, 8, 27, and 28, 2011, for a total of 1 hour.
 - March 28, Apr. 4, 27, and 28, for a total of 1.5 hours.
 - May 9 and 10 for a total of .5 hours;
 - June 13 for a total of .5 hours.
 - July 6 and 15 for a total of .7 hours.
 - August 22 and September 12 for a total of .3 hours.
- Billing for tasks relating to the change from US Bank to Bank of America when such change was not for the benefit of M.B:
 - Apr. 4, 18, 25, and 26, 2011, for a total of 1.1 hours.
 - June 6 and 13, for a total of .4 hours.
 - July 5, Aug. 15 and 30, October 3 and 22, for a total of 1.5 hours.
- Billing for defending CPGB Grievance # 2011-032, from Oct. 25 through Dec. 27, for a total of 13.1 hours.
- Ms. Mills billed a total of 58.4 hours in 2011 for professional and accounting time on behalf of M.B. The exceptions to this

billing as outlined above total 21.8 hours, or approximately 37% of Ms. Mills' time.

2.3 CPGB Grievance No. 2011-047 referred to actions taken by the CPG on behalf of the incapacitated person M.C. The court appointed Adult Guardianship Services, Inc., as the guardian for M.C. on September 18, 2008. Adult Guardianship Services assigned M.C. to Ms. Mills' caseload beginning September 2010. Ms. Mills acted as guardian for M.C. from this date through the time that the grievance was filed with the Board on November 29, 2011. Ms. Mills reportedly did not handle any of M.C.'s finances or accounts until January 21, 2011.

2.3.1 Judith Siefker, former owner of AGS, had signed an Admissions Policies Agreement for the care of M.C. with Lakeview AFH on November 4, 2008. Under the terms of the Admissions Policies Agreement, payments were due on the 1st of each month with a seven-day grace period. Ms. Mills consistently made payments to the AFH for the care of M.C. after the seventh of the month. Usually, funds were available in M.C.'s bank account to have made payments within the seven-day grace period.

- February 2011 rent was paid late on February 15, 2011. The balance in the account on the 7th of the month was \$2,332.87.
- April 2011 rent was paid late on April 12, 2011. The balance in the account on the 7th of the month was \$2,036.89.
- May 2011 rent was paid late on May 12, 2011. The balance in the account on the 7th of the month was \$2,140.90.
- June 2011 rent was NSF on June 7th. The bank courtesy paid the check. The check was NSF due to an unexplained withdrawal of \$213.60 on June 2, 2011.

2.3.2 The Agreement with Lakeview AFH states that a \$10.00 dollar a day fee is to be paid for every day payment is due after the 7th, and a \$30.00 fee is due for all NSF checks. No additional fees were paid to the AFH.

2.3.3 Ms. Mills filed her Guardian's Activities and Final Report with King County Superior Court on November 7, 2011. There are various discrepancies between the guardian's report and the bank statements, including:

- AGS deposited \$10.00 into M.C.'s bank account on October 15, 2010, to cover an overdraft of \$6.87. The Final Report did not report any NSFs, did not report the \$10.00 deposit, and expensed the \$10.00 as PNA for M.C.
- The Final Report identified payment of \$89.18 as a medical expense on February 3, 2011, but that amount was never withdrawn from M.C.'s bank account. This charge appears to be a duplicate of a medical expense paid on February 11, 2010.
- Withdrawals shown on the bank statement during the period of February 23, 2011 through March 21, 2011, reflects two payments of \$150.00. The Final Report itemizes only one \$150.00 payment for medical expense.
- AGS paid itself \$275.00 as its fee on March 16, 2011. This amount was reported to the court as \$225 to AGS and \$50.00 as PNA for M.C. This error was not detected until November 2011.
- AGS reported the deposit transferring funds from the US Bank account to the Bank of America account on June 1, 2011, as income in the amount of \$888.08, when the income received was \$854.54. This error was never detected.
- A withdrawal of \$213.60 was made on June 2, 2011, that was not accounted for in the guardian's report.

2.3.4 Ms. Mills failed to make reasonable or timely payments on behalf of M.C. to Ready Meds Pharmacy. Ms. Mills made payments to Ready Meds Pharmacy on approximately a quarterly, rather than monthly, basis. Beginning in January 2011, M.C.'s prescription costs almost quadrupled. Ms. Mills paid M.C.'s account in full on March 11, 2011; however, with the dramatically increased costs, the balance quickly added up.

- No payments were made in April or May. The Ready Meds balance was \$363.83 on 5/11/11. The balance in M.C.'s bank account was \$240.90.
- The Ready Meds balance on 6/8/11 was \$484.74. Ms. Mills made a payment of \$242.92.
- Ms. Mills made payments to Ready Meds on July 26, 2011 for \$100 and on August 12, 2011 for \$25.00. The Ready Meds balance after the August 12, 2011 payment was \$357.12.
- No payments were made from August 12 until October 31 when Ready Meds received a \$100.00 payment, leaving a balance of \$509.11.
- In December 2011, Ready Meds placed a stop refill order on M.C.'s account until a payment was made.

2.3.5 Ms. Mills did not provide the court with a detailed billing statement with descriptions of time spent in the Final Report. In the course of the investigation of this grievance, Ms. Mills provided a summary of her billing dated February 1, 2012. This summary was not prepared contemporaneously in the ordinary course of her business practice. There are specific notations that are pointedly addressed to the allegations in CPGB # 2011-047, and therefore, not reliable evidence to prove or disprove the allegations in this grievance. Because

Ms. Mills chose to include these specific entries, however, it is fair to note that it contains many of the exact same entries as were seen in her case notes for M.B. For example:

- Charged M.C. for setting up Quicken accounting program on January 7, 2011. Ms. Mills charged M.C. for setting up Quickbooks on July 25, 2011.
- Charged M.C. for setting up a bank account at Bank of America on April 11, 2011.
- Charged M.C. for receiving debit cards and PIN information on April 25, 2011.
- Charged M.C. for setting up check book and bill paying with her accountant on April 26, 2011.

Examples of charging for tasks that should have been administrative tasks include:

- Billing for paying AGS itself (also paid AGS regularly and consistently each month in contrast to when Ms. Mills paid the AFH).
- Billing for tasks relating to the change from US Bank to Bank of America when such change was not for the benefit M.C.:
 - o Apr. 11, 25, and 26, 2011, for a total of .6 hours.
 - o July 5, Aug. 15, October 3, for a total of 1 hour.
- Billing for defending APS referral (later CPGB # 2011-0047) from August 24-30, for a total of 6.0 hours (4.6 hours for "collecting financial records as requested").

3. VIOLATIONS OF THE STANDARDS OF PRACTICE

3.1 Based on the Statement of Facts set forth above, Sarah Mills' conduct constitutes violations of the Standards of Practice identified below:

- 406.1 The guardian shall exhibit the highest degree of trust, loyalty, and attentiveness in relation to the incapacitated person and the incapacitated person's estate.
- 409.1 The guardian shall assure competent management of the property and income of the estate. In the discharge of this duty, the guardian shall exercise the highest

level of fiduciary responsibility, intelligence, prudence, and diligence and avoid any self-interest. The management of the estate shall be documented by means of accurate and complete records of all transactions.

409.4 The guardian shall manage the estate with the primary goal of providing for the needs of the incapacitated person.

410.1 The guardian is entitled to reasonable compensation for services rendered on behalf of the incapacitated person. The guardian has a duty to conserve the estate of the incapacitated person. Accordingly, decisions to provide services and incur fees shall be made in such a way as to reflect this duty. Services requiring a minimal degree of training, skill, and experience shall be billed accordingly.

412.1 Regardless of whether a sale or transfer occurs, a guardian remains subject to all of these standards with respect to any incapacitated persons the guardian is appointed for, including the duty to ensure continuity of care, until the guardian is discharged by the court.

3.2 Based on the facts and violations set forth above, Sarah Mills' conduct constitutes grounds for discipline pursuant to General Rule (GR) 23(c)(2)(viii) and Disciplinary Regulation (DR) 503 that provide in pertinent part:

GR 23 Rule for Certifying Professional Guardians - Certified Professional Guardian Board

(2) Duties and Powers.

(viii) Grievances and Discipline. The Board shall adopt and implement procedures to review any allegation that a professional guardian has violated an applicable statute, fiduciary duty, standard of practice, rule, or regulation. The Board may impose sanctions upon a finding of violation. Sanctions may include decertification or lesser remedies or actions designed to ensure compliance with duties, standards, and requirements for professional guardians.

DR 503 A professional guardian may be subject to disciplinary action for any of the following:

503.3 Failure to perform any duty one is obligated to perform as a professional guardian.

503.4 Violation of the oath, duties, or standards of practice of a professional guardian.

4. AGGRAVATING AND MITIGATING FACTORS

Pursuant to DR 515.1.4, the Board may consider the existence of aggravating and mitigating factors in determining the sanctions to be imposed.

4.1 Aggravating Factors.

- 4.1.1 Ms. Mills did not provide documentation of the estate showing accurate and complete records of transactions.
- 4.1.2 Decisions to incur fees were not made with conservation of the estate in mind, but for the convenience of a third-party.
- 4.1.3 Ms. Mills diminished her responsibilities regarding the financial management of M.B.'s and M.C.'s accounts to both the court and the Board.
- 4.1.4 Payments to the guardian consistently preceded payment to any other service providers, thereby appearing to act in self-interest.

4.2 Mitigating Factors. Absence of a prior disciplinary record.

5. PRIOR RECORD OF DISCIPLINE

Ms. Mills has no prior records of discipline with the Board.

6. DISCIPLINARY SANCTIONS AND REMEDIES

The Board imposes the following disciplinary sanctions (Letter of Admonishment) and remedies on Ms. Mills for the conduct described in this Agreement. Pursuant to DR 515.1, any disciplinary sanction or remedy imposed by the Board on a certified guardian is a disciplinary sanction.

Letter of Admonishment: The Board hereby imposes a Letter of Admonishment on the Respondent Sarah Mills. This Agreement constitutes the Letter of Admonishment and shall be placed in the Board's disciplinary files for the Respondent.

7. VIOLATION OF AGREEMENT

7.1 Failure to comply with the terms of this Agreement shall constitute additional grounds for discipline pursuant to DR 514.4. Failure to comply includes, but is not limited to, failing to show fiduciary responsibility to the each IP under her care, making payments on behalf of each IP in a timely manner, and discontinuing practices of double billing and billing administrative time to the IP.

7.2 In the event of an alleged breach of this Agreement, the Board will issue a Complaint pursuant to its Disciplinary Regulations, providing notice and an opportunity for a hearing to the certified professional guardian(s) alleged to be in breach of the ARD. If the Board finds that Suspension Pending Disciplinary Proceedings is warranted, it may proceed pursuant to DR 519.

7.3 This Agreement is binding as a statement of all known facts relating to the conduct of Ms. Mills, but any additional existing acts may be proven in any subsequent disciplinary proceedings.

8. NOTICE

The Board shall retain this Agreement in Ms. Mills' disciplinary files. This Agreement shall be open to public access and disclosure. Notice of the discipline imposed shall be sent to all superior courts pursuant to DR 514.3.2.

9. ENTIRE AGREEMENT

This Agreement comprises the entire agreement of the parties with respect to the matters covered herein, and no other agreement, statement, or promise made by any party that is not included herein shall be binding or valid. This Agreement may be modified or amended only by a written amendment signed by all parties.

10. SEVERABILITY

The provisions of this Agreement are intended to be severable. If any term or provision of this Agreement is illegal or invalid for any reason, the remainder of the Agreement will not be affected.

11. LAWS GOVERNING

This Agreement shall be governed by the laws of the State of Washington, and any question arising from the Agreement shall be construed or determined according to such law. This Agreement is a public record and is subject to public disclosure or release.

12. RIGHT TO COUNSEL

Ms. Mills acknowledges that she has the right to individual counsel for representation in this disciplinary matter, at her expense, as set forth in DR 509.1.

13. PRESENTATION OF AGREEMENT TO THE BOARD

The Standards of Practice Committee (SOPC) will present this Agreement to the Board for approval at the next regular Board meeting. The SOPC reserves the right to withdraw this offer of settlement at any time prior to the presentation to the Board. This Agreement is not binding unless, and until, the Board approves and executes the Agreement. If the Board rejects this Agreement, Ms. Mills waives any objection to any Board member who heard the initial presentation from participating in the final determination of this matter.

COPY RECEIVED; NOTICE OF PRESENTATION WAIVED:

Sarah Mills, CPG 11155
Individually and as Designated CPG of
Adult Guardianship Services, Inc.
CPGA No. 10884

Date

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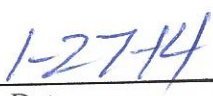
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Individually and as Designated CPG of
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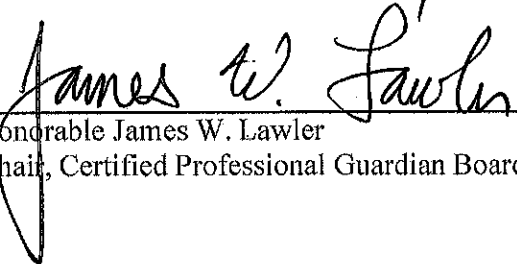
Date

Date

Attorney for
WSBA# ____

**APPROVED AND ORDERED BY THE CERTIFIED PROFESSIONAL GUARDIAN
BOARD
THIS**

28 DAY OF January 2014 ~~2015~~



Honorable James W. Lawler
Chair, Certified Professional Guardian Board