

STATE OF IOWA
BEFORE THE BOARD OF NURSING HOME ADMINISTRATORS

IN THE MATTER OF:)	CASE NOS. 09-004, 10-013
)	DIA NO. 11NHA01
Roger Holdeman)	
License No. 02445)	FINDINGS OF FACT,
)	CONCLUSIONS OF LAW,
Respondent)	DECISION AND ORDER
		[CORRECTED] ¹

On January 13, 2011, the Iowa Board of Nursing Home Administrators (Board) issued a Notice of Hearing and Statement of Charges (Case No. 10-013) to Roger Holdeman (Respondent) charging him with unethical conduct or practice harmful or detrimental to the public, in violation of Iowa Code sections 147.55(3), 272C.10(3) and 645 IAC 144.2(4) and 144.2(31). On February 16, 2011, the state filed a Motion to Amend the Statement of Charges, which was granted on March 9, 2011. Case No. 10-013 was based on factual allegations that Respondent and his wife deceived and financially exploited a nursing home resident (TR) while he lived in the nursing home where Respondent and his wife were employed and after TR moved from the nursing home into Respondent's home.

On February 18, 2011, the Board issued a second Notice of Hearing and Statement of Charges (Case No. 09-004) charging Respondent with failure to comply with the terms of a Board Order and failure to pay costs assessed in a disciplinary action, in violation of Iowa Code section 272C.3(2)(a) and 645 IAC 144.2(22). On March 9, 2011, the two cases were consolidated for a single hearing.

The consolidated hearing was held on April 14, 2011 at 9:00 a.m. in the Lucas State Office Building, fifth floor conference room, in Des Moines, Iowa. Respondent Roger Holdeman appeared and was self-represented. The state was represented by Assistant Attorney General September Lau. The following Board members were present for the hearing: Cynthia Thorland, NHA, Chairperson; Michael Svejda, NHA; Patrice Herrera, RN, MSN; Jeannine Bunge, NHA; Thomas Kenefick, R.Ph.; and Joan Skogstrom, public member. Board member Mabel Mantel was present for only part of the hearing and therefore did not participate in making the decision. Administrative Law Judge Margaret

¹ The only correction was to redact TR's name from page 6.

LaMarche assisted the Board in conducting the hearing. The hearing was closed to the public at Respondent's request, pursuant to Iowa Code section 272C.6(1)(2011), and was recorded by a certified court reporter. The record was held open until April 21, 2011 at 4:30 p.m. for the parties to submit their closing arguments in writing.

After hearing the testimony, examining the exhibits, and reviewing the closing arguments, the Board convened in closed session, pursuant to Iowa Code section 21.5(1)(f)(2011), to deliberate its decision. The administrative law judge was instructed to prepare the Board's written decision, in accordance with its deliberations.

THE RECORD

The record includes Notice of Hearing and Statement of Charges issued 1/13/2011 (Case No. 10-013); Respondent Answer and Motion to Dismiss and Motion for Pretrial Evidentiary Hearing, 1/26/2011; State's Resistance to Motion to Dismiss, 2/4/2011; State's Motion to Amend Statement of Charges and Amended Statement of Charges, 2/16/2011; Board Rulings Denying Motion to Dismiss and Authorizing ALJ to Conduct Prehearing Conference, 2/18/2011; NOH and Statement of Charges, filed 2/18/2011 (Case No.09-004); Respondent Response to State's Motion to Amend; Motion to Dismiss (spousal confidentiality), 2/20/2011; Order for PH Conference, 2/24/2011; State's Response To Respondent's Motions, 2/28/2011; Respondent email memo dated Sunday 3/6/2011 and attached Motion to Dismiss (statute of limitations); State Prehearing Conference Report and Preliminary Exhibit List, 3/7/2011; Respondent's Prehearing Conference Report, 3/7/2011; ALJ Orders Following Prehearing Conference, 3/9/2011; Board Order: Notice of Consolidated Hearing, 3/11/2011 with attached notices; State's Final Exhibit and Witness List, 3/31/2011; Respondent email re: Expungement of Criminal History, 4/4/2011 and copy of District Court Ruling, 4/4/2011; Final PH Conference held 4/4/2011; State's Brief: Ruling Regarding Criminal History Data; Respondent's Brief; and Ruling Denying Respondent's Objection to State's Exhibits and Witness Neary, 4/7/2011.

The record also includes the testimony of Amy Henderson, Dr. John Rachow, Jo Koehler, Betsy Evans, Roxanne Neary, and Roger Holdeman. The record also includes State Exhibits 1-88, Respondent Exhibits A (pp. 1-128) and B (which includes all documents from Exhibit A but also includes the complete transcripts

of the depositions and interview excerpted in Exhibit A), and the written closing arguments filed by Respondent and the state.

FINDINGS OF FACT

Case No. 09-004

1. On December 20, 2007, the Board issued Roger Holdeman (hereinafter "Respondent") Iowa nursing home administrator license number 002445. On July 15, 2010, the Board charged Respondent with unethical conduct and conviction of a crime related to the practice of Nursing Home Administration (Case No. 09-004). Respondent admits that he was convicted of the crime of Tampering with Records. On November 23, 2010, the Board issued a Decision and Order, following an evidentiary hearing, which placed Respondent's license on probation. In addition, the Decision and Order required Respondent to pay \$253.75 in fees within 30 days of his receipt of the Board Order. Respondent admits he has not paid the \$253.75 as required in the Board's Decision and Order. Respondent requested an extension of time to pay the fees after they were already past due. At hearing, Respondent claimed that he has been financially unable to pay the fees. (Notice of Hearing and Statement of Charges filed 2/18/2011 in Case No. 09-004; Testimony of Respondent; State Exhibit 4)

Case No. 10-013

2. On January 12, 2011, the Board again charged Respondent with unethical conduct (Case No. 10-013). On March 9, 2011, the charges in Case No. 10-013 were amended to enlarge the factual circumstances underlying the unethical conduct charge. The charges in Case No. 10-013 are based on the financial and personal relationships among Respondent, his wife, and TR following TR's admission to Greenwood Manor, a long term care nursing facility in the state of Iowa. (Notice of Hearing and Statement of Charges and Amended Notice of Hearing and Statement of Charges in Case No. 10-013; Exhibit 6, p. 1)

a) Respondent was initially hired by Greenwood Manor (hereinafter "facility") on April 1, 2004 to provide maintenance. Soon thereafter he was named the facility's business manager. As the business manager, Respondent took care of the day-to-day business activities of the facility: paid bills, reviewed finances for new residents, supervised employees, and dealt with the

Department of Inspections and Appeals (DIA) for surveys and complaints. Respondent had access to residents' medical and financial records.

On or about January 1, 2005, the Board approved Respondent as the facility's provisional Administrator for a period of one year.² DIA rules only permitted Respondent to serve as the provisional Administrator for one facility for six months,³ and so after six months Respondent apparently returned to his position as business manager. However, Respondent's duties at the facility were essentially the same whether he was the business manager or the provisional Administrator. (State Exhibit 2, Exhibit 5, pp. 1, 4; Exhibit 10; Testimony of Roger Holdeman; Roxanne Neary)

b) Respondent's wife, Lynne Holdeman, was employed as the facility's Director of Nursing (DON) from the summer of 2003 until December 31, 2006. (State Exhibit 5, pp. 4, 15; Exhibit 11; Testimony of R. Holdeman; R. Neary)

c) TR was admitted to Greenwood Manor on February 9, 2005, following a week long hospitalization at the University of Iowa Hospitals and Clinics (UIHC). Respondent was the provisional Administrator of the facility at the time of TR's admission. TR, who was 52 years old and younger than most of the facility's residents, was diagnosed with cirrhosis of the liver and Hepatitis C. TR was an alcoholic and had been told by his doctor that his medical condition would likely be terminal within 3-6 months. TR was also a heavy (several packs a day) smoker. TR was on Medicaid assistance and his only income was \$1705 per month in Social Security disability payments (SSI). TR's sister, Betsy Evans, was designated as his Power of Attorney (POA) upon his admission to the facility. Ms. Evans visited TR frequently at the facility. (State Exhibits 5, p. 2; 9, 19; Testimony of Betsy Evans, R. Neary)

3. Dr. John Rachow assumed responsibility for TR's medical care when he became the facility's medical director in the spring of 2005 and continued as his physician for about a year before TR's care was transferred to the University's Family Medicine Department. Dr. Rachow testified that in addition to acute alcoholic hepatitis and liver failure, TR was also diagnosed with depression. At the time of admission, TR required 24-hour care and assistance with all activities of daily living. However, TR's medical condition improved so much while he

² See 645 IAC 141.6(2005).

³ See 481 IAC 58.8(4)(2005).

resided at the facility and after he stopped drinking alcohol that some people assumed he was a visitor and not a resident. (Testimony of Dr. John Rachow; Exhibit B, Deposition of Dr. Rachow, pp. 5-9)

TR had a private room located across the hall from Lynne Holdeman's office. Dr. Rachow noticed that Lynne Holdeman and TR would be in his room with the door closed for longer than would seem normal for his care and also saw them leave the facility together. TR had a laptop computer, printer, scanner, and high speed internet access in his room. Dr. Rachow thought this was unusual for a Title XIX resident. Dr. Rachow asked TR where he got all the equipment, and TR told him that Lynne told him it was extra equipment and let him use it. (Respondent Exhibit B, Deposition of Dr. Rachow, pp. 20) When Dr. Rachow asked TR what he did with all of the equipment, TR responded that he was just playing games. Dr. Rachow thought that would be the extent of TR's technical expertise with computers, given his life experiences to that point. (Testimony of Dr. Rachow)

At one of his visits to the facility, Dr. Rachow became very upset when he realized TR was being allowed to keep his medications in his room and self-administer them. Dr. Rachow had not issued an order permitting TR to self-administer his medications and nursing staff was not maintaining the required Medication Administration Record (MAR) for TR. When he complained to nursing staff they told him to speak to Lynne Holdeman. (Testimony of Dr. Rachow; State Exhibit 5, p. 12-13).

4. Lynne Holdeman spent a lot of time with TR at the facility and also visited TR at Betsy Evan's home. Ms. Evans noticed flirtatious behavior between Lynne Holdeman and TR. At some point TR informed Betsy Evans that Lynne would be divorcing Respondent and that he (TR) and Lynne wanted to get married and have a child together. Lynne Holdeman never told Betsy Evans directly that she was divorcing Respondent, but she did tell Ms. Evans that she and TR planned to marry. Ms. Evans could not understand why Lynne Holdeman, who was beautiful, educated, and lived in a nice home with her husband, would want to marry TR who was an alcoholic in poor health with nothing to offer her. However, Lynne Holdeman told Betsy Evans that she loved TR. TR and Lynne asked Ms. Evans if they could be married at her home in May 2006. (Testimony of B. Evans; R. Neary; State Exhibit 9)

5. Early in 2006, TR applied for two \$1,000,000 life insurance policies. The initial inquiry was made through the internet website of a direct marketer of life insurance (Matrix Direct) on January 2, 2006. Lynne Holdeman's email address and cell phone number were submitted with the inquiry. After several unsuccessful attempts, an insurance agent contacted Lynne Holdeman on January 11, 2006, and she identified herself to the agent as TR's fiancée. She told the agent that TR worked long hours, was not available at work, and was hard to get a hold of. The agent gave Lynne Holdeman an insurance quote and asked her to have TR call him back with questions. (Exhibit 27, p. 1) On January 16, 2006, Lynne Holdeman left a message with the insurance agent asking for an application to be mailed to TR. The agent left a return message that the application would be done over the phone and he needed to speak directly with TR to proceed with the application. (Exhibits 26-27; Testimony of R. Neary)

After five attempts, on January 23, 2006 the insurance agent was finally able to reach a person purporting to be TR at Lynne Holdeman's phone number, and the application was submitted. (Exhibits 26, 27) The first life insurance application was filed with Physician's Life and signed by TR or someone purporting to be TR on January 25, 2006. (State Exhibit 13). On February 2, 2006, Respondent's cell phone was used to call Physician's Life, and this call lasted 34 minutes. A second application was filed with American General Life Insurance Company and signed by TR or someone purporting to be TR on February 6, 2006. Respondent's cell phone was used to call American General's toll free line on February 18, 2006, and this call lasted two minutes. (State Exhibits 14, 15, 28, pp. 11, 15; Exhibit 74; Testimony of R. Neary)

Both of the \$1,000,000 life insurance applications listed Lynn Holdeman as the sole beneficiary. The Physician's Life application described Lynne Holdeman as TR's "girlfriend." The American General application described Lynne Holdeman as TR's "girlfriend fiancée to-be." Lynne Holdeman started to sign both applications as the policy "owner" but then crossed out and initialed her partial signature. TR's signature appears as the owner on both applications. Both applications gave Lynne Holdeman's phone number as the home number for TR. (Exhibits 13, 14; Testimony of R. Neary)

6. Both life insurance applications contained false statements and false information about TR:

- Although TR was living at Greenwood Manor from February 9, 2005 to November 1, 2006, both life insurance applications listed his home address as “1219 12th Place, Kalona, Iowa,” which was the home of Respondent and Lynne Holdeman;
- Although TR’s only income was \$1705/month in disability payments, both applications listed his income as “\$65,000.” TR’s occupation was listed as “home repair” on one application and “maintenance” on the other;
- Although TR was on Medicaid, his net worth was listed as “\$100,001-500,000” on one application and “100K-250K” on the other application;
- Although TR was a heavy smoker, both applications checked “preferred non-tobacco user”;
- Although the facility and hospital records for TR show his weight was between 170 and 176 in January and February 2006, and his height was 5’8 ½”, the Physician’s Life application listed TR as 6’0” tall and 195 pounds. (State Exhibits 19, 23);
- Although TR was an alcoholic with multiple serious health issues, “no” was checked on all of the health history questions, including questions that asked if TR had consulted a medical professional or had treatment in the past ten years for alcohol or drug use, if he took any medications prescribed by a physician, and if he had ever been diagnosed or treated for any disorder or disease.

(State Exhibits 13, 14; Testimony of B. Evans; R. Neary)

7. American General scheduled a paramedical examination of TR for January 30, 2006. That appointment was confirmed on January 25th but was later rescheduled. Jo Koehler, a paramedical examiner for ExamOne, called Lynne Holdeman’s cell phone to set up the appointment. Ms. Koehler performed the examination on February 6, 2006 at 7:00 a.m. at the Holdeman’s home in Kalona, Iowa. (Exhibit 26; Testimony of Jo Koehler)

a) When Jo Koehler arrived at the Holdeman residence, she was greeted by a man who identified himself as TR. Ms. Koehler described the man as having curly hair and well dressed in a dress shirt and dress pants⁴ that appeared tailored for him rather than “off the rack.” The man appeared to be the

⁴ The inventory of TR’s clothing at the facility did not include a suit or any tailored clothing. (Testimony of R. Neary)

only person in the home. The man gave Ms. Koehler TR's expired driver's license, and she recorded the license number on the application. Although Ms. Koehler looks at photo identification presented by the client, she is not surprised if the person does not look like the photograph on their driver's license. (Testimony of J. Koehler; State Exhibits 17, 21; Exhibit A, p. 5, Exhibit B-Deposition of J. Koehler pp. 27-28)

b) Jo Koehler asked the man a series of health history questions and thought it was unusual that someone his age had so little medical history. He answered "no" to all of the health history questions and claimed that he did not have a personal physician. (Testimony of J. Koehler; Exhibits 14, 15)

c) Jo Koehler measured the man who presented for the examination and weighed him on a calibrated scale that she brings to the appointment. The man was 6'0" tall and weighed 199 pounds. His chest was 41 inches, and his abdomen was 34 inches. Ms. Koehler also collected a blood sample and urine specimen and these were submitted to a laboratory for testing. (Testimony of J. Koehler; State Exhibits 15, 21) The height, weight, and girth measurements taken by Jo Koehler on February 6, 2011 differ significantly from TR's height, weight, and girth at that time:

- The facility's treatment records show that TR weighed 172.5 pounds on February 6, 2006 and his girth measurement was 39.5 inches. (State Exhibit 24).
- The record of TR's monthly vitals shows that his recorded weight varied from 167-179.5 pounds in January and February 2006. (State Exhibits 23, 24)
- The University of Iowa Hospital and Clinics (UIHC) recorded TR's weight on February 8, 2006 as 176 pounds and his height as 68.5". (State Exhibit 19, p. 3; Exhibit 22)

d) There were significant differences between the laboratory results for the blood drawn by Jo Koehler on February 6, 2006 and the laboratory results for blood drawn from TR at UIHC on February 8, 2006 as well as other recorded laboratory results for TR. TR's physician at the time, Dr. John Rachow, later compared the two sets of results and concluded that it was "extremely unlikely" that the laboratory results from the February 6, 2006 blood sample were for TR. Three substances pertaining to TR's chronic hepatitis C virus infection were abnormally elevated in all of the samples known to be from TR, including the

sample taken on February 8, 2006. However, the February 6, 2006 blood sample was in the normal range for these three substances. (Exhibits 18-22; Testimony of Dr. Rachow)

e) On July 12, 2007, Jo Koehler was shown photographs of TR, Respondent, and Lynne Holdeman's brother⁵ and asked if any of them was TR. When shown the photographs and in later interviews, Ms. Koehler has consistently and credibly ruled out TR as the person she examined on February 6, 2006. (Exhibit 17, pp. 25-6; Respondent Exhibit B, Koehler Deposition, pp. 26-33; Testimony of J. Koehler)

f) Residents of the facility were required to sign out when they left the facility and then sign back in when they returned. (Testimony of B. Evans; State Exhibit 9, p.2) TR was allowed to earn extra money by accompanying residents to outside appointments. The facility sign out sheet(s) for TR are missing from December 2, 2005 through February 6, 2006 at 2:15 p.m. The first entry following this gap shows TR leaving the facility with a female resident, who had a medical appointment, on February 6, 2006 at 2:15 and returning at 17:30. At the hearing, Respondent suggested that TR signed out at 2:15 a.m. because he usually used military time to sign in and out of the facility. However, the female resident's records showed that she took her scheduled medications at 6:00 and 7:00 a.m. and ate breakfast at the facility that day. The Board did not believe that TR signed out of the facility with a female resident at 2:15 a.m. (State Exhibit 25, pp. 1-7, see p. 4; Testimony of R. Neary)

Based on Jo Koehler's statements and testimony, the height and weight discrepancies, and the laboratory results for the blood sample taken by Ms. Koehler, it is extremely unlikely that Jo Koehler examined TR on February 6, 2006. (Testimony of J. Koehler; Dr. Rachow; State Exhibits 19, 20, 21, 22)

8. The state alleges that Jo Koehler examined Respondent on February 6, 2006. The following evidence tends to support that allegation:

- The examination of the male client was conducted at Respondent's home.

⁵ Lynne Holdeman's brother, Greg Peters, was employed at Greenwood Manor as a medication aide. The informed consent form submitted to the insurance company for TR listed "Dr. Peters, 605 Greenwood Drive, Iowa City, Iowa" as TR's physician. (State Exhibit 12; State Exhibit 5, pp. 21, 27; Testimony of R. Neary)

- Respondent's height and weight is similar to the person that Jo Koehler examined. Respondent's height is listed as 6'0" and his weight as 190 lbs. on the driver's license that was issued to him on June 5, 2003.
- When she was shown the photograph of Lynne Holdeman's brother and asked if he was the person she examined, Ms. Koehler responded that he was a "maybe." When shown Respondent's photograph, Ms. Koehler responded, "I think this is him. I remember that curly hair." When asked if she had to pick between the two photographs, Ms. Koehler replied, "The man with the curly hair is who I think it was."
- At hearing, Jo Koehler reiterated her opinion that she examined Roger Holdeman on February 6, 2006. After viewing the photographs, Ms. Koehler was reminded that she conducted insurance examinations of Respondent and Lynne Holdeman at their home on January 7, 2000. However, Ms. Koehler did not believe that she recognized Respondent from the earlier examination in 2000.

(Testimony of J. Koehler; R. Neary; State Exhibits 17, 74) Respondent denies that he was the person that Jo Koehler examined for the life insurance policy and presented the following evidence:

- An Affidavit from Dr. Daniel Cole who compared the February 6, 2006 laboratory results to laboratory results for blood drawn from Respondent on January 24, 2006 and in June 2007. The total cholesterol for the blood taken on February 6, 2006 was 134, whereas Respondent's total cholesterol was reported as 232 on January 24, 2006 and 220 in June 2007. Based on the total cholesterol levels as well as the LDL and triglyceride levels, Dr. Cole concluded, with reasonable medical certainty, that the blood drawn on February 6, 2006 was not Respondent's blood. (Exhibit A, pp. 62-63, 78-89, 109)
- An order form for his tuxedo for a March 11, 2006 wedding. However, it is unclear from the form if Respondent actually ordered a tuxedo or who provided the measurements and weight. Respondent's height is listed at 73" on the form, his weight as 209 pounds, and his waist as 36". (Exhibit A, p. 61)
- An affidavit from the Director of the Montessori School attended by Respondent and Lynne Holdeman's son from 8:30 a.m. through 3:30 p.m. on February 6, 2006. The Director's affidavit stated that, as he recalled, Respondent dropped his son off at school each morning. (Exhibit A, p. 64)

- An affidavit from a co-employee at Greenwood Manor concerning Respondent's habit of arriving at work between 7:45 a.m. and 8:00 a.m. after dropping his son off at school for early drop-off at 7:30 a.m.. The affidavit also stated that Respondent's residence is 30-40 minutes from his son's school. The employee did not recall Respondent missing a day of work or coming to work later than 8:15 a.m. prior to February 9, 2007. (State Exhibit A, pp. 65-66)

Dr. John Rachow also reviewed and compared the blood test results from the February 6, 2006 blood draw and the laboratory results for Respondent's blood on January 24, 2006. Although there were significant differences, Dr. Rachow still believed it was possible for both results to be from Respondent if Respondent did not fast prior to the January 24th test and if he used cholesterol lowering medications aggressively in the two weeks prior to February 6, 2006. In addition, Dr. Rachow believed it was possible for someone other than Respondent to have presented his physician's order for a blood draw at the hospital laboratory on January 24, 2006. (Testimony of Dr. Rachow; State Exhibits 20, 21; Respondent Exhibit A, pp. 88-89)

The Board considered all of the expert opinions in the record and was unable to conclude, by a preponderance of the evidence in the record, that Jo Koehler conducted a physical examination of Respondent on February 6, 2006. Nevertheless, the Board was convinced that Respondent knew that someone other than TR was examined at his home for the purpose of applying for a life insurance policy.

9. American General approved TR's application for the \$1,000,000 life insurance policy in March 2006. From March 2006 through September 2006, Lynne Holdeman paid the monthly premium (\$171.50) for the policy from her personal account at Hills Bank and Trust Company. (State Exhibits 4; 27; 34; Respondent Exhibit A, p. 10; Testimony of R. Neary)

10. On May 4, 2006, TR told Betsy Evans that Respondent had offered to pay the monthly premium on a \$250,000 life insurance policy for TR, with Lynne Holdeman as the policy's beneficiary. TR told Evans that the policy would pay off his debt to the facility⁶ and that Lynne wanted him to have a policy since

⁶ According to Respondent's testimony, at the time of TR's admission to the facility there was a delay in getting his SSI check assigned to the facility. Respondent claimed that during the delay,

they would be getting married. Ms. Evans asked TR how he thought any company would give him a policy with his health history, and he told her that he could get it over the internet. Ms. Evans felt a life insurance policy was inappropriate and that if anyone was named the beneficiary of a life insurance policy on TR it should be TR's son who lived in Florida. She also questioned how much TR could actually owe the facility since he was on Medicaid. Ms. Evans told TR that as his POA she opposed the idea of a life insurance policy for him. (Testimony of B. Evans; State Exhibit 9, 35)

While they were on a trip to Oklahoma on May 12, 2006, James Evans told his wife, Betsy, that her brother was still talking about getting a life insurance policy. Betsy Evans immediately called Respondent⁷ and told him that the insurance policy suggestion was unethical, immoral, and possibly illegal. Respondent told Evans that TR wanted to get the policy. Ms. Evans told Respondent that as TR's POA she was opposed to him taking out the insurance policy, that she wanted to see any policies, and that she expected confidentiality concerning their conversation. Respondent told Betsy Evans that there would not be any insurance policies for TR. However, in fact, the \$1,000,000 American General life insurance policy had been issued two months' earlier. James Evans' cell phone records document Betsy Evans' calls to Respondent on May 12, 2006. (Testimony of B. Evans; State Exhibits 35, 36)

TR stayed in the Evans' home during their trip to Oklahoma. When they returned on May 15, 2006, TR told Betsy Evans that Lynne Holdeman came to the house crying on May 12, 2006 and told him about the telephone conversation that Betsy had with Respondent concerning the life insurance policy. TR told his sister he was worried that the facility, which he considered his home, could be

TR spent his checks on a computer, printer, and fax machine as well as other personal items and thus owed the facility for his care. (Testimony of R. Holdeman) The hearing record does not include any documentation that TR paid for the computer equipment in his room or that he had a debt to the facility. Even if TR did owe the facility money, it would not be appropriate to pay the debt by having Respondent pay the premium for a life insurance policy with Lynne Holdeman as the beneficiary.

⁷ At hearing, Respondent claimed that he was the one who initiated the call to Betsy Evans. Respondent claimed that he called Evans to warn her that TR had been ordering a lot of merchandise on-line and to tell her that TR was talking about getting an insurance policy. Respondent claimed he told Evans "you can get anything online" when she told him that TR would not be able to qualify for a policy. The Board found Respondent's testimony to be self-serving and without credibility. (Testimony of R. Holdeman)

shut down. Ms. Evans was upset that Respondent did not keep their conversation confidential as she had requested. (Testimony of B. Evans; State Exhibits 8; 9, p. 3; 35; 36)

11. Dr. Rachow believed that if TR were to live independently he would be at high risk for returning to extreme alcohol abuse, which could cause acute alcoholic hepatitis. However, even while TR lived at the facility he had several relapses. One nursing assistant bought beer for him and on two occasions TR left the facility with another resident and got very intoxicated. After the second relapse, Betsy Evans had TR committed to a treatment facility for substance abuse treatment. TR was in treatment from August 24, 2006 through September 10, 2006 and then returned to the facility. (Testimony of B. Evans; Dr. Rachow; R. Neary; Exhibit 9, p. 3; Exhibit 5, p. 3)

12. On September 13, 2006, Betsy Evans sent TR a letter telling him that she would no longer have contact with him due to his refusal to give up drugs and alcohol. Ms. Evans explained that she chose to "cut ties" with TR at that time because she felt that she was enabling his alcoholism. (Testimony of B. Evans; Exhibit 38) TR purportedly replied in a letter of apology dated September 21, 2006, but Ms. Evans never received this letter from her brother. She was later shown the letter following his death. Ms. Evans testified that she was familiar with her brother's mannerisms, literacy, and terminology, and she did not believe that TR wrote the letter. Ms. Evans also believed that several of the other emails or letters purportedly authored by TR were not his own words, phrases, or terminology. (Testimony of B. Evans; State Exhibits 39, 42; Respondent Exhibit A, pp. 8-9)

13. On September 15, 2006, Respondent and his wife purchased 4.15 acres of land in Riverside, Iowa, with the intention of building a home on the property. The Holdemans jointly applied for an initial mortgage of \$400,000 through the University of Iowa Community Credit Union (hereinafter "UICCU"). The \$400,000 mortgage included the price of the land (\$300,000) and a line of credit for building the home. (Testimony of A. Henderson; Respondent; State Exhibits 5, p. 4; 40; 78; 79) Notably, Respondent identifies his employment as the "Administrator" of Greenwood Manor on this mortgage application. At this time, the Holdemans also still owned their home in Kalona, which was listed on the mortgage application with a value of \$300,000 and an outstanding mortgage of \$199,000. (State Exhibit 79) The Holdemans had filed a Chapter 7 bankruptcy in July 2002, which they disclosed on the application. (Exhibit 5, p. 2; Exhibit 79)

The Holdemans later had cost overruns on the construction of their home in Riverside. Their relationship with their lender became strained over time but they applied for and received a series of substantial increases in the amount of their construction loan. (Testimony of A. Henderson; State Exhibits 80, 81)

14. On October 4, 2006, TR requested that the monthly premium (\$171.50) for his American General life insurance policy be taken out of his own checking account at the UICCU, rather than Lynne Holdeman's account. (Exhibit 7, p. 3; 26; Exhibit A, pp. 10-11, 17) However, the very first automatic deduction that American General submitted for TR's account in October 2006 was returned for insufficient funds. (Exhibit A, p. 18)

15. On November 1, 2006, TR was discharged from the facility and moved into the basement of Respondent's home in Kalona, Iowa. The basement was very nice and had everything that Respondent needed except a kitchen. (Exhibit 9, p. 4; Exhibits 41, 42; Testimony of B. Evans)

16. On December 15, 2006, TR authorized Lynne Holdeman to be a joint owner on his bank account at UICCU. (Testimony of R. Neary; Exhibits 45, 46) Lynne Holdeman still had her personal account at UICCU, and Respondent and Lynne Holdeman also had a joint account at UICCU. (Testimony of R. Neary; State Exhibits 43, 44, 47)

On December 31, 2006, Lynne Holdeman resigned from her employment as Director of Nursing at Greenwood Manor. (State Exhibit 5, pp. 4, 15) From December 31, 2006 through October 31, 2007, money moved back and forth between TR's account, Lynne Holdeman's personal account, and Respondent and Lynne Holdeman's joint account. During most months, money was taken out of TR's account in amounts ranging from \$900-1500. Respondent testified that this was to cover TR's expenses: cigarettes, groceries, medications, and utilities. However when TR's account balance was in the red, Respondent and Lynne Holdeman would deposit money into his account in time so that the premium payments could be made on the life insurance policy. In addition, Lynne Holdeman regularly transferred money from her personal account to her joint account with Respondent in the same time frame that money was being withdrawn from TR's account and deposited in Lynne's account. (Exhibit 46; Testimony of Respondent; See State's Closing Argument, pp. 4-7 for summary of transactions).

17. On January 2, 2007, TR moved out of the basement of Respondent's Kalona home and into the Muskie Motel. Sometime in March, 2007, Respondent moved out of the motel and into an apartment above the stables on the Holdemans' Riverside property. Respondent later told Betsy Evans that he had purchased a horse. (Testimony of B. Evans; State Exhibit 5, p. 10; Exhibit 42-12/17/2006 email)

18. On March 5, 2007, Betsy Evans filed a complaint with the Department of Inspections and Appeals (hereinafter, "DIA") alleging that Respondent and Lynne Holdeman may be financially exploiting TR. Respondent's employment with Greenwood Manor was terminated on March 9, 2007. (Testimony of B. Evans; State Exhibit 5, pp. 1, 4)

DIA Investigator Roxanne Neary was assigned to investigate the complaint. Ms. Neary interviewed Betsy Evans at her home on March 21, 2007. Ms. Evans told Roxanne Neary that TR had become alienated from his family and that their only contact with him was through the Holdemans. Ms. Evans expressed concern for TR's safety if there was a life insurance policy on TR with Lynne Holdeman as the beneficiary. Ms. Evans provided copies of emails with her brother and the Holdemans as well as her own written notes. (Testimony of R. Neary; B. Evans; State Exhibits 9, 35)

Following this interview, Roxanne Neary obtained financial records for TR and the Holdemans, copies of the life insurance applications, and further documentation concerning the \$1,000,000 American General insurance policy issued for TR in March 2006. Throughout Ms. Neary's investigation, Respondent and Lynne Holdeman continued to live together as husband and wife. (Testimony of R. Neary; B. Evans; State Exhibit 5-9, 35)

a) By April 18, 2007, Ms. Neary noted that the Holdemans' home in Kalona was up for sale. (Testimony of R. Neary; State Exhibit 5, p. 5).

b) On April 23, 2007, TR filed an application for the Department of Human Services' medical waiver program. TR provided the Holdeman's Riverside property as his street address and the Holdeman's Kalona home as his mailing address on the application. Lynne Holdeman accompanied TR to the DHS appointment. They told the DHS worker that TR was living in the apartment above the horse stable at the Holdemans' Riverside property, although he showered at the Holdeman's Kalona home. The only income

reported by Respondent on his application was \$1799 in SSI payments. His only reported asset was less than \$100 in a bank account or credit union account. (State Exhibit 5, p. 5; Exhibit 50)

c) On May 1, 2007, Respondent and TR entered into a Boarding Agreement through which TR agreed to pay Respondent \$375.00 per horse per month for boarding. Respondent testified that the horse only cost about \$200 and that he and Lynne helped TR buy the horse to give him a "purpose" in life. (Testimony of Respondent; State Exhibit 51)

d) On May 1, 2007, Respondent and TR also entered into a one year Real Estate Lease through which TR agreed to pay Respondent \$625/month to rent the apartment above the stables as his dwelling. (Testimony of Respondent; State Exhibit 52; Exhibit A, p. 102)

e) On May 25, 2007, Respondent designated Lynne Holdeman as his general power of attorney and revoked any all general powers of attorney previously signed. This effectively terminated Betsy Evans' power of attorney for TR. (State Exhibit 49)

f) On July 5, 2007, Respondent and TR filed an agreement for Consumer-Directed Attendant Care (CDAC) with the Iowa Department of Human Services. Lynne Holdeman signed the CDAC agreement as the supervising nurse. The CDAC agreement, which was approved by DHS effective August 1, 2007, permitted Respondent to be paid up to \$870 a month by DHS to provide up to 87 units of (non-skilled level of care) service to TR. According to the CDAC agreement, Respondent assisted TR with dressing/undressing when needed, full shower, transfer and ambulation, cooking and cleaning. (State Exhibit 84)

19. On July 25, 2007, Roxanne Neary interviewed TR about the allegation that he was being financially exploited and informed TR that her investigation could result in criminal charges. Respondent drove TR to the interview with Ms. Neary. (Testimony of R. Neary; State Exhibit 5, p. 11; Respondent Exhibit A, pp. 102-104)

a) TR told Ms. Neary that he was living in a 900 square foot studio apartment above the stables at the Holdemans' Riverside property. In contrast to the information in the CDAC agreement, TR also told Neary that he does his

own cooking, cleaning, and cares, although he may need to be reminded. He did not have his own phone but messages could be left for him on Lynne Holdeman's cell phone.

b) When Ms. Neary asked if TR had any insurance policies, TR told Neary that he suspected his sister had something to do with her question. TR told Neary that he got a \$1 million dollar policy as a gesture of love and thanks to Lynne Holdeman. He told her that he applied for the policy over the internet and did not tell Respondent or Lynne Holdeman. TR could not recall what website was used or the name of the insurance company. Neary showed TR the automatic payment from his account to American General for \$171.50 per month, and he agreed that this was probably for the policy but could not recall when he got it. TR thought it was warm out when he got the policy, probably in early summer or late spring 2006.

c) TR did not know much about the life insurance policy but stated that he had a blood draw at the Holdemans' Kalona home in the morning hours when no one was home. He could not describe the person who performed the exam other than to say she was "chunky, not fat." He claimed that he was not asked any questions and only had to show his expired driver's license and give the blood sample. He was unable to say how he got to the Holdemans' home. When Ms. Neary told him she would check the facility sign out sheet, TR told her that he did not always sign out when he left the facility.

d) TR claimed that he did not tell Lynne about the insurance policy but believed his sister Betsy told her about it. TR told Neary he had not personally spoken to Respondent about the policy and was unsure if he knew anything at all. TR further claimed that when Lynne found out about the policy, she "blew up at him," wanted nothing to do with it, and made him promise to change the beneficiary. TR told Neary that he did change the beneficiary to the University of Iowa in the last few months.

e) TR told Neary that his family did not like his decision not to have a liver transplant, but he made the decision because he did not want to take medications for the rest of his life. TR told Neary that Lynne Holdeman was his general POA because he can be forgetful and have confusion and he wanted to know that someone could take over, if needed.

Ms. Neary allowed TR to read through her notes of their interview. He made no changes, and he signed and dated the notes. (Exhibit A, pp. 102-104: Testimony of R. Evans)

20. Approximately a week after TR's interview, Roxanne Neary received an undated typed letter that was signed by TR. The letter states that TR had done a lot of thinking about their meeting on Wednesday. The letter further stated "I am NOT being abused, mentally, physically, emotionally, or financially, by Roger or Lynne." The letter states that TR got the insurance policy online after reading that you can use it for medical transplants to get higher on the list than state paid patients and if the time ever came he could sign it over to a doctor or hospital. The letter states that TR named Lynne as a beneficiary until "the time that I might or would need it." These written statements were inconsistent with TR's statements to Ms. Neary during their in-person interview and were not credible. (Testimony of R. Neary; State Exhibit 57)

21. On August 2, 2007, eight days after his interview by Roxanne Neary, TR changed the beneficiary on the American General life insurance policy from Lynne Holdeman to the University of Iowa Digestive Disease Center. (State Exhibits 58, 61)

22. On November 28, 2007, Respondent wrote a personal check to pay the monthly premium on TR's American General life insurance policy. The check was written from Respondent's joint account with Lynne Holdeman. (State Exhibits 60, 61; Testimony of Roger Holdeman)

23. On December 15, 2007, TR asked to change the beneficiary on the insurance policy back to Lynne Holdeman and also asked for Lynne to be named the policy owner. (State Exhibits 62-64) On January 29, 2008, TR completed a change of ownership form for the policy on which he described Lynne Holdeman's relationship to him as "Guardian, Roommate, Caretaker." (State Exhibit 64)

24. Respondent's construction of his new home in Riverside continued to have cost overruns and his relationship with his lender (UICCU) became more and more strained. In an email to UICCU dated December 4, 2007, Respondent asked UICCU to reconsider its position concerning the mortgage and pleaded with them to give him four months to complete construction. In the email,

Respondent wrote "I will do whatever it takes to save my home and our dream."
(State Exhibit 82)

25. On December 20, 2007, Respondent was licensed by the Board as a nursing home administrator. (State Exhibit 4)

On January 28, 2008, Respondent signed and presented a Conditional Loan Proposal to the UICCU on behalf of himself and his wife, Lynne Holdeman. The Conditional Loan Proposal sought to increase the total amount of the construction loan for the Riverside property to \$768,000. Paragraph 7 of the proposal stated that Respondent's attorneys would draft a life insurance assignment document, to be signed by Lynne, that assigns \$300,000 of the \$1,000,000 life insurance policy naming Lynne as the benefactor (sic). If applicable, proceeds from the assignment would be placed in a certificate of deposit at UICCU to be used as additional collateral. Once the principal balance of the Riverside home is paid to \$500,000 or less and the Kalona property is paid off, the assignment will be released. (State Exhibits 65-67)

In his loan proposal, Respondent listed his income as \$5,000 a month, Lynne's income as \$6,667 a month, and the stable's income as \$3,265 a month. Respondent's income clearly included the payments due him under the lease and boarding agreements signed by TR. He specifically refers to this income in his email to UICCU dated December 4, 2007. Respondent's income also included the payments he received from DHS pursuant to the CDAC agreement to provide physical care for TR. On January 30, 2008, Respondent signed a Uniform Residential Loan Application for \$755,560, and this application was approved. Lynne Holdeman's assignment of \$300,000 in life insurance proceeds was crucial to UICCU approving the loan. (State Exhibits 65, 81, 82; Testimony of A. Henderson)

26. On December 16, 2008, Roxanne Neary spoke to Respondent at a nursing facility where he was serving as Administrator. Respondent told Ms. Neary that TR made all kinds of Internet applications for life insurance policies while he resided at Greenwood Manor and that one was approved. Respondent recalled that TR asked him to make one premium payment for him but could not recall the circumstances. (Testimony of R. Neary; State Exhibit 5, p. 23)

27. On December 18, 2008, Respondent notified DHS that TR was no longer living at his home and that November was the last month that he cared for TR.

Respondent further reported that TR was motel hopping and was drinking excessively 30+ cans a day. DHS responded and asked Respondent where they could send TR a Notice of Decision that the CDAC service was ending. Respondent replied that he did not know where to find TR and last he heard he was going to Florida to find his son. (State Exhibit 69)

28. On January 5, 2009, DIA Investigator Roxanne Neary received a two page letter from TR along with copy of a damaged video that was mailed from Cedar Rapids on January 3, 2009. The letter stated that copies of the video were also sent to Betsy Evans and to Respondent and Lynne Holdeman. However, Betsy Evans did not receive a copy of the video until March 2009. (Testimony of R. Neary; B. Evans; State Exhibit 5, p. 23)

29. TR passed away on January 10, 2009 at the Washington Care Center, where he had been in hospice care for just one day. Roxanne Neary obtained a copy of TR's file from Washington Care Center and spoke to the person in charge of admissions, Robbie Cicalo. On January 6, 2009, Ms. Cicalo met with TR at the University of Iowa Hospitals for admission screening. TR told Ms. Cicalo that it was his choice not to be in touch with his family. Lynne Holdeman told Ms. Cicalo that TR's sister had filed an unfounded and ridiculous abuse complaint against herself and Respondent. Lynn Holdeman repeatedly asked Ms. Cicalo to reassure her that she had no duty to contact TR's family since TR made the request not to contact his family. (Testimony of R. Neary; Exhibit 5, pp. 25, 28-29)

After TR's death on January 10, 2009, Lynne Holdeman handled the funeral arrangements, and his body was cremated. State investigators did not learn of TR's death until January 26, 2009. This was one week after Respondent, Lynne Holdeman and TR were all criminally charged with insurance fraud. Betsy Evans and TR's other family members did not learn of TR's death until they were contacted by Roxanne Neary on March 2, 2009. (State Exhibit 5, pp. 23-25, 28-29; Exhibit 74; Testimony of R. Neary; B. Evans)

30. On March 9, 2009, Betsy Evans called Lynne Holdeman and asked where TR's remains were. Lynne Holdeman told her that TR's urn was on her mantle, and she could have them. Respondent gave the urn to James Evans later that day. A few days later, Evans received a copy of TR's video in the mail from a "Sergeant Johnson" who wrote that he was a soldier shipping out to Afghanistan and found the video in a drawer in a hotel room. "Sergeant Johnson" claimed

that he got Betsy Evans' address by calling the police department, but the police department denied receiving such a call. (Testimony of B. Evans; State Exhibit 5, p. 26)

Respondent played the video for the Board at hearing but did not offer it into evidence. However, the script for the video is in the hearing record. (State Exhibit 71; Respondent Exhibit A, pp. 30-31) On the video, TR appears to be very weak and in poor physical condition. He is looking down and reading from the script. On the video, TR denies that he was abused, coerced, or tricked by Respondent or Lynne Holdeman. TR took all responsibility for taking out the insurance policy. Betsy Evans does not believe that the words spoken by TR on the video were his own. (Testimony of B.Evans; Exhibit 71)

31. At hearing, Respondent submitted the Affidavit of William Kent Streets, who identified himself as a 49 year old resident of Aldeo, Illinois. The Affidavit was signed on September 2, 2009 and states that:

- Mr. Streets picked up TR hitchhiking on or about December 1, 2008 and gave him a ride home to the Muskie Motel;
- Mr. Streets thought TR appeared homeless and lonely and offered to visit him from time to time;
- Mr. Streets visited TR approximately once a week and in a visit on January 2, 2009, TR asked Mr. Streets to turn on a video camera for him and watch him sign two papers. TR told Mr. Streets that he typed the two letters earlier that day. One letter was what TR read into the camera and the other letter was to Roger and Lynne Holdeman;
- TR burned the video to multiple disks;
- Mr. Streets drove TR to Walgreens, where he photocopied the letters, and to Iowa City where he dropped the letters in the public mail box;
- Mr. Streets drove TR to Holdemans' home in Kalona so he could drop a copy of the letters off. TR was in the home for 5-10 minutes while Mr. Streets waited in the car;
- Mr. Streets drove TR back to Muscatine, and TR asked Streets to hold on to a box containing copies of the letters he typed that day, a copy of the video, and copies of numerous other documents. TR told Mr. Streets to give the box to the Holdemans if he did not make it back from Florida;
- Mr. Streets returned to visit TR several times after the last meeting, and some dark gentleman stated he had died;

- Mr. Streets first met Respondent and Lynne Holdeman in person at the end of January or early February 2009 when he went to their home to drop off TR's box. They confirmed that TR had passed away, and the Holdemans told him to keep the papers;
- In July 2009, Lynne Holdeman contacted Mr. Streets and asked if he would be a witness in court concerning how he met TR and how he got the papers. It was during this phone call that Mr. Streets told Lynne Holdeman that he was the one who took the video;
- Mr. Streets initialed each document in the lower right corner and forwarded them, with his two page affidavit, to Lynne Holdeman's attorney. The documents included numerous letters, a pre-planned funeral document, some emails, a video disc, and insurance documents.

William Streets did not testify at hearing. Respondent denied that he had any contact with TR for two to three months before TR made the video. The Board did not believe this testimony and believes that Respondent was involved in writing the video script and making arrangements for the video. (Respondent Exhibit A, pp. 1-31)

32. Respondent was acquitted of the criminal charge of insurance fraud on April 21, 2010. (State Exhibit A, p. 90; Testimony of R. Holdeman) Lynne Holdeman was convicted of three counts of insurance fraud on June 4, 2010. (State Exhibit 87; Testimony of R. Neary)

CONCLUSIONS OF LAW

Case No. 09-004

Iowa Code section 272C.3(2)(a) and 645 IAC 144.2(22) authorize the Board to revoke or suspend a license or impose other disciplinary sanctions for failure to comply with a decision of the board imposing licensee discipline. Iowa Code section 147.55(9) and 645 IAC 144.2(23) authorize the Board to impose disciplinary sanctions for failure to pay costs in any disciplinary action. The preponderance of the evidence established that Respondent failed to comply with the Board's October 22, 2010 Decision and Order by failing to pay the hearing fee and costs assessed in the order. Respondent presented no evidence to support his claim that he was financially unable to pay the \$253.75 in hearing fees.

Case No. 10-013

Iowa Code sections 147.55(3), 272C.10(3) (2005, 2007) and 645 IAC 144.2(4) authorize the Board to revoke or suspend a license for engaging in unethical conduct or practice harmful or detrimental to the public. 645 IAC 144.2(31) provides, in relevant part:

144.2(31). Unethical conduct. In accordance with Iowa Code section 147.55(3), behavior (acts, knowledge, and practices) which constitutes unethical conduct **may include, but is not limited to,** the following:

...

d. Engaging in a professional conflict of interest.

(emphasis supplied). The preponderance of evidence established that Respondent financially exploited TR when Respondent:

- participated with his wife in a scheme to manipulate and deceive TR into believing that Lynne Holdeman loved him and wanted a future with him;
- participated in securing a fraudulent \$1,000,000 life insurance policy on TR's life naming Lynne Holdeman as the beneficiary;
- moved TR into his home(s) and executed lease and boarding agreements with TR that obligated TR to make payments to him;
- obtained and exercised control over TR's person and his income and bank account; and
- used the life insurance policy and his purported income from the leases with TR to apply for a \$755,000+ mortgage for himself and his wife.

The Board rejects Respondent's contention that TR acted on his own in obtaining the insurance policy. There is overwhelming evidence that any participation by TR in this scheme was unduly influenced by Lynne Holdeman and Respondent and not done with full knowledge of the facts. Moreover, by involving TR in the scheme, Respondent and his wife exposed TR to potential criminal liability. Respondent's conduct clearly constituted unethical conduct and practices harmful or detrimental to the public and was a professional conflict of interest, in violation of Iowa Code sections 147.55(3), 272C.10(3), and 645 IAC 144.2(4) and 144.2(31). In making its findings and reaching its decision in this case, the Board determined that Betsy Evans, Jo Koehler, Roxanne Neary, and Dr. John Rachow were all credible witnesses. In contrast, Respondent's testimony and arguments

were not credible and were self-serving, inconsistent with other facts in evidence, unreasonable, and implausible.

Respondent first met TR in February 2005, when TR was admitted as a resident to Greenwood Manor. At the time of his admission, TR was a gravely ill long-term alcoholic with a very poor prognosis. Respondent was the provisional Administrator of the facility and his wife, Lynne Holdeman, was the Director of Nursing. In his professional positions at the facility, Respondent had access to all of TR's medical and financial records, and he supervised all employees, including his wife. Even after Respondent's authorization as provisional Administrator expired, he continued to perform all of the same professional day to day duties at the facility and to represent himself as the Administrator to others.

The preponderance of the evidence in this record established that TR was given special privileges at the facility and received special attention from Lynne Holdeman. Lynne Holdeman ultimately convinced TR that she was in love with him and that they could have a future together, although this was clearly untrue. Betsy Evans testified that both TR and Lynne Holdeman told her about their personal relationship and even asked if they could be married at her home. Betsy Evans was a compelling and credible witness at hearing.

At hearing, Respondent denied that Lynne Holdeman had or encouraged any inappropriate relationship with TR. Respondent's testimony was completely inconsistent with credible evidence in this record. Moreover, the Board was convinced that Respondent, who lived and worked with his wife, was well aware of his wife's efforts to deceive TR. Moreover, the Board was persuaded that Respondent participated in the scheme to deceive TR. The obvious motive for their actions was financial gain.

Approximately one year after TR entered the facility, two fraudulent applications were filed for \$1,000,000 life insurance policies naming TR as the insured and Lynne Holdeman as the sole beneficiary. Based on this record, there is no doubt that Lynne Holdeman participated in filing the applications, and she was ultimately convicted of insurance fraud.

Although Respondent was acquitted of the criminal charges of insurance fraud, the burden of proof in this administrative proceeding is a preponderance of the evidence. The preponderance of the evidence in this record supports the

conclusion that Respondent knew about the life insurance policy naming his wife as the beneficiary, that he likely participated in securing the policy, that he participated in perpetuating the policy, and that he ultimately used the policy as collateral for his mortgage application.

Based on this record, it is highly unlikely that Lynne Holdeman engaged in acts constituting insurance fraud without Respondent's knowledge and participation. Respondent and Lynne Holdeman worked together, lived together, and had a child together. They had a joint bank account and owned substantial property together. Lynne Holdeman's personal cell phone number and email address were provided as the contact information for TR on the applications, and she had numerous contacts with the insurance company. Two phone calls were made from Respondent's cell phone to the insurance company concerning the application and the policy. After the policy was issued, Lynne Holdeman made numerous premium payments for TR's life insurance policy, and Respondent made one premium payment with his personal check.

In May 2006, TR told his sister, Betsy Evans, that Respondent offered to pay the \$30 premium for TR to obtain a \$250,000 life insurance policy with Lynne Holdeman as the beneficiary. It is unclear if TR knew that there was already a policy on his life at this point, but clearly Respondent was discussing life insurance policies with TR. Betsy Evans called Respondent and confronted him about the proposed life insurance policy. Respondent did not deny the plan to get an insurance policy, although he claimed it was all TR's idea. Respondent told Betsy Evans that TR offered to get the policy because he wanted Lynne to be taken care of, which is further evidence that he knew about Lynne's personal relationship with TR. Moreover, based on Betsy Evans' credible testimony and her handwritten notes, Respondent immediately reported his telephone conversation with Betsy to Lynne. This clearly shows that Respondent and his wife were communicating with each other about the life insurance policy.

Respondent and Lynne's financial futures were tightly linked. They owned an expensive home together in Kalona and maintained a joint bank account. In September 2006, they purchased expensive property in Riverside and applied for multiple mortgages as co-borrowers. There is no doubt that they continued to be a viable married couple even after Lynne Holdeman convinced TR that she loved him, and TR's life insurance policy naming Lynne as beneficiary was issued. As Lynne's husband and co-owner of real estate, Respondent clearly stood to profit from the proceeds of the life insurance policy.

As they required more and more money to build a home on the Riverside property and as their own financial situation deteriorated, Respondent and Lynne intensified their connection and control over TR. They moved TR into their home in Kalona and then later moved him to an apartment above the stables on the Riverside property. Respondent became TR's physical caregiver through a CDAC contract with the Department of Human Services. Respondent "helped" TR purchase a horse and then had TR sign a lease and a boarding agreement obligating him to pay \$1000 a month.

Respondent testified that TR never paid him any money on the lease or boarding agreement, even though money steadily moved from TR's bank account into the Holdemans' accounts. Even if this money only paid for TR's personal needs (food, utilities, medications, cigarettes, and beer) as claimed by Respondent in his testimony, Respondent used the lease documents as well as the CDAC contract from DHS as proof of his income when he applied for additional mortgages for his Riverside property. Moreover, after Lynne Holdeman assigned \$300,000 of her interest in TR's life insurance proceeds to the University of Iowa Credit Union, Respondent presented the assignment in support of their application for an additional mortgage. This was all done in January 2008, after Respondent was licensed as a nursing home administrator.

While TR lived above the stables, Respondent obtained beer for him and allowed him to drink, even though he knew that consuming alcohol was extremely detrimental to TR's health and could eventually kill him. Because of the life insurance policy, both Lynne Holdeman and Respondent stood to benefit financially from TR's death. Respondent claimed that he and Lynne cut ties to TR prior to his death because he would not stop drinking. He further claims that the video and documents left by TR are conclusive proof of his (Respondent's) innocence. The Board does not believe that TR wrote the script for the video or made the arrangements necessary for the video on his own. TR was obviously gravely ill at the time, the words do not appear to be his own, and he read the script for the camera. The preponderance of the evidence in the record supports the conclusion that Respondent and Lynne Holdeman continued to exert their influence and control over TR up until the time of his death. Lynne Holdeman was present when TR was admitted to hospice care and handled all funeral arrangements. The Holdemans never notified TR's family of his death.

In summary, Respondent financially exploited TR by participating in a scheme to obtain a fraudulent million dollar life insurance policy naming his wife, Lynne Holdeman, as sole beneficiary. TR was a very ill and vulnerable alcoholic with a poor prognosis. TR was convinced to cooperate in this scheme by Lynne Holdeman's claim that she loved him and wanted to make a future with him. As the provisional Administrator and business manager of the facility where TR resided, Respondent had a professional obligation to protect TR and his financial resources from exploitation by others. Instead, Respondent and his wife repeatedly used TR to obtain multiple financial benefits for themselves. This was a clear violation of Respondent's ethical and professional obligations and constituted a professional conflict of interest.

DECISION AND ORDER

IT IS THEREFORE ORDERED that immediately upon receipt of this order, license number 02445, issued to Respondent Roger Holdeman, shall be permanently REVOKED.

IT IS FURTHER ORDERED that for the ethical violation (Case No. 10-013) Respondent shall pay a civil penalty of one thousand dollars (\$1,000).

IT IS FURTHER ORDERED that for failure to comply with the terms of a Board Order (Case No. 09-004), Respondent shall pay a civil penalty of one thousand dollars (\$1,000). Both civil penalties shall be paid within thirty (30) days of receipt of this decision.

IT IS FURTHER ORDERED, pursuant to Iowa Code section 272C.6, that Roger Holdeman shall pay \$75.00 for fees associated with the disciplinary hearing and \$481.25 for the court reporter fees. The total fees of \$556.25 shall be paid within thirty (30) days of receipt of this decision.

Dated this 24th day of May, 2011.