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## <u>CIRCUIT COURT JUDGE ORDERS MARYLAND DEPT. OF HUMAN RESOURCES</u> TO CEASE EXTENSIVE VIOLATIONS OF ITS OWN RESIDENTIAL CHILD CARE LAWS

In a ruling that is startling in its implications, a Montgomery County Circuit Court judge has ordered the Maryland Department of Human Resources (DHR) to refrain from the abusive tactics it has pursued in shutting down a 40-year-old business that serves adolescent children in the Maryland/DC metro area.

In his July 27, 2012 decision granting a preliminary injunction favoring the Koba Institute, Judge Eric M. Johnson ruled:

"[P]ublic interest mandates that this Court issue a preliminary injunction. More specifically, this Court finds that Defendant MDHR's failure to follow governing regulations are *public interest issues* that warrant issuing a preliminary injunction."

By calling this a public interest matter, Judge Johnson has clearly indicated that the harm caused by DHR's actions is not limited solely to the damage done to Koba. It affects the entire public at large.

Koba Institute, Inc. has operated a group of five residential child care facilities in Anne Arundel, Montgomery and Prince George's Counties for over 20 years. The facilities are licensed by DHR, and they comprise one of the largest high intensity residential child care programs in the state.

In October 2011, Darlene Ham, the new Interim Executive Director of DHR's Office of Licensing and Monitoring (OLM), issued a "Letter of Intent to Revoke" (LIR) Koba's licenses without giving Koba prior notice. This action violated several sections of the Code of Maryland Regulations (COMAR). DHR also set a moratorium on new referrals to Koba from its county-level agencies – even though it never actually revoked Koba's licenses.

On February 27, 2012, Judge Johnson issued a temporary restraining order (TRO) against DHR, finding that Koba had suffered "irreparable harm" because of:

"Defendant's unwillingness to issue an explanatory and clarifying letter regarding Plaintiff's current posture in the administrative proceedings."

DHR continued its moratorium on new referrals from DHR local agencies, and on May 1, 2012, Ms. Ham sent a letter to 24 social service agencies, including agencies in the District of Columbia, instructing them **not to refer residents to Koba's homes**. However, though no new referrals were forthcoming, no agency – not even DHR's county-level agencies – took action to remove the residents already housed in Koba's homes at any point after the LIR was issued. This speaks to the high regard these agencies have for Koba's programs.

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In reference to DHR's moratorium on referrals, Judge Johnson found in his July 27 preliminary injunction that:

"Plaintiff is likely to succeed on the merits of its claims that Defendant [DHR] failed to follow governing administrative regulations in the notice, violation and sanctions process employed by MDHR in placing the Koba Institute, Inc. on the 'hot list' by not following regulations pertaining to COMAR 07.05.01.18 and 07.05.01.19, which require that prior to sanctions or a suspension being imposed, Plaintiff must be notified of the violation(s) and given the opportunity to cure the violation."

In spite of DHR's actions, Koba has sought an amicable solution to this crisis. In March 2012, Koba sent a letter to Theodore Dallas, secretary of DHR, requesting that DHR officials take part in mediation, retract the department's intention to revoke Koba's licenses, follow COMAR, and once again regard Koba as an organization in good standing. These efforts were to no avail.

DHR's actions have caused significant economic harm, not only to Koba and the 50 members of its staff who have been laid off, but also to those with whom we do business.

Koba continues to fight DHR's illegal and destructive actions. Virtually every substantive decision made by the Montgomery County Circuit Court, up to and including Judge Johnson's preliminary injunction, has been in Koba's favor. Yet, DHR has decided to prolong this fight through judicial procedures that hide behind "sovereign immunity."

That is why Judge Johnson, in observing the extent of COMAR violations perpetrated by OLM under DHR's Social Services Administration, headed by Ms. Carnitra White, held:

"Defendant MDHR's failure to follow governing regulations are public interest issues that warrant issuing a preliminary injunction."

Furthermore, in his preliminary injunction, Judge Johnson commented on a prior decision of the Office of Administrative Hearings, which was based on the LIR:

"ORDERED, that Defendant MDHR and/or any of its agents are hereby enjoined from considering the ruling of the administrative hearing."

Nevertheless, DHR has failed to act in good faith to respect the orders in this and other rulings by the circuit court. Koba has sent a <u>second letter to Secretary Dallas</u>, detailing and documenting the full range of DHR violations and enforcement mistakes, along with a shorter <u>letter to Governor Martin O'Malley</u>. Because of the "public interest" involved in this case, Koba has also asked the relevant committees of the Maryland Senate and House of Delegates to initiate hearings on this matter brought to their attention by the circuit court.

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Koba was founded in 1969 by Ford T. Johnson, Jr., a former civil rights activist<sup>1</sup>, Peace Corps volunteer and graduate of Harvard Law School. Throughout it's more than 40 years of existence, Koba's central organizing principle has remained unchanged: helping those most in need to achieve personal and professional growth and success.

<sup>&</sup>lt;sup>1</sup> See: <u>Blue Laws and Black Codes: Conflict, Courts, and Change in Twentieth-Century Virginia</u>, Peter Wallenstein, (University of Virginia Press Charlottesville and London, 2004, chap. 5)