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Alaska News

Alaska turned to a private guardianship agency to care for some of its most vulnerable residents. The result: dysfunction and debt.

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Tom McDuffie, executive director of Cache Integrity Services, a nonprofit that provides private guardianship services. (Marc Lester / ADN)

Some of Alaska's most vulnerable residents were left ailing, indebted, at risk of losing their housing and with their public benefits lapsed — including Social Security payments and Medicaid — after dozens of guardianship cases were transferred from a public agency to a fledgling nonprofit.

The state Office of Public Advocacy petitioned to transfer 45 guardianship cases to the care of Tom McDuffie in 2022, despite early warnings from people familiar with his work that McDuffie and his organization, Cache Integrity Services, were not adequately prepared to care for them, according to a review of court filings by the Anchorage Daily News.

OPA is charged with making decisions on behalf of guardianship clients. In seeking the transfers, OPA cited its growing caseload, a shortage of public guardians and the resignation of one of its experienced staff members.

OPA violated the law by failing to guard the interests of some of its clients, a state judge in Anchorage [ruled last month](#).

In February, Kodiak Magistrate Judge Dawson Williams found that in another case, Cache Integrity “[did not fulfill its duty](#).” The judge removed McDuffie’s organization as guardian and said the court “will review any future requests to appoint Cache Integrity Services with heightened scrutiny.”

But courts continued to appoint McDuffie, leading to a peak caseload of more than 110 Alaskans in his care this fall.

In the meantime, some of McDuffie’s clients accrued debts totaling tens of thousands of dollars amid unfilled benefits paperwork. Assisted living facilities went unpaid.

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McDuffie acknowledged in an interview this week that he failed to meet some of his mandated duties, including allowing months to go by without communicating with some of his clients. But he says OPA is refusing to take back the cases that were transferred.

OPA director James Stinson said the agency’s actions were “a purely pragmatic last resort to prevent the system from imploding.”

On Tuesday, Anchorage Superior Court Judge Thomas Matthews ordered a hearing “on the common question of the fitness of Cache Integrity Services and Thomas McDuffie to serve as guardian or conservator.”

A new option

Alaska’s Office of Public Advocacy turned to McDuffie in 2021 at a time when public guardians were buckling under the weight of their caseloads.

By his own account, McDuffie’s resume is eclectic: Before becoming a guardian, he had been a youth minister and an accountant, worked night shifts at hotels and at an

assisted living facility, and began working in 2020 as a representative payee — handling far simpler Social Security benefits. McDuffie lives in Wasilla, and Cache Integrity Services is based there.

Public guardians are appointed by courts as a last resort for people who are unable to manage life decisions independently. Guardians are responsible for making major decisions for their clients — about housing, medical care and finances.

When a family member or friend is available and willing, they are appointed to serve as guardians. If an individual can afford it, a private guardian can be appointed, sometimes at a cost of thousands of dollars per month. OPA serves as the safety-net option for those without other choices. Most people who need a public guardian rely on benefits such as Social Security payments and Medicaid to cover their needs. Some struggle with homelessness.

Beth Goldstein, who is in charge of OPA's public guardians, has said the guardians are "overburdened." Each is assigned around 80 cases — and sometimes more than 100 — resulting in a workload that exceeds national guidelines.

The number of public guardians employed by the agency was down from 24 in 2021 to 16 this month, after two recently resigned, according to Stinson. The staff that remains is carrying just under 1,600 cases. All but two of the guardians handle 80 or more clients.

The National Guardianship Association standards instruct guardians to limit caseloads "to a size that allows guardians to accurately and adequately support and protect the person, including a minimum of one visit per month with each person, and regular contact with all service providers."

"Since the start of 2013, the caseload has steadily increased totaling an additional 285 clients annually," OPA reported in a budget document this year. In April, OPA announced that it could no longer take new guardianship cases.

[State agency serving vulnerable Alaskans declines to take new cases amid staffing crisis]

McDuffie discussed with Goldstein creating a new option that did not exist in Alaska before 2022: a nonprofit private guardianship agency to take on cases that would otherwise be assigned to OPA, partially privatizing a public function. Until then, private guardianship services had been offered in Alaska only by individuals, not an agency, and private guardians had never taken en masse the type of indigent clients that make up much of OPA's caseload. The number of private guardians had always been limited; as of October, only 19 private guardians were licensed in the state.

McDuffie's plan, shared with Goldstein in October 2021, was to take on clients who had the means to pay for a private guardian, while also offering a "pro bono" option to take on indigent clients who would have otherwise been assigned to OPA. McDuffie planned to charge every new client \$1,000 upfront — an initiation fee that the state does not levy.

Goldstein's response to McDuffie's plan was, "Tom, this is exciting."

McDuffie said it was evident from his conversations with OPA staff that there was a need to be filled given the unsustainable caseloads of public guardians.

"We were truly trying to figure out a way to unburden some of the responsibilities of the state," he said.

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In a later email, Goldstein said she would assign McDuffie's organization 45 wards because a public guardian with a caseload of 80 was about to leave the agency. She filed a court motion in May 2022 to transfer 45 guardianship cases to Cache Integrity Services.

"OPA was concerned that it would breach its ethical obligations if it tried to absorb all of the cases" of the public guardian who had resigned, said Stinson, the agency's director.

By OPA's standards, it takes around two years to fully train a public guardian. McDuffie had received a temporary license in 2021. His permanent license was

processed just the day before OPA's motion was filed.

None of his employees at Cache Integrity Services had guardian licenses at the time they were hired. In the past two years, at least five guardians have left Cache for various reasons after only a few months on the job.

Anchorage Superior Court Judge William Morse signed off on the transfer May 4, 2022. There is no written agreement between OPA and Cache Integrity, and never has been. Once the courts transferred cases to Cache Integrity, OPA had no oversight or responsibility for the clients.

Court filings show this was not the only time OPA petitioned the court to have some of its cases transferred to Cache Integrity. McDuffie said he took over OPA clients as late as June of this year.

To launch his new services, McDuffie received \$100,000 in grant funding from the Alaska Mental Health Trust Authority and more than \$50,000 from the Mat-Su Health Foundation.

Goldstein wrote a letter of support for McDuffie, which was included in a grant application.

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"Having an organization such as CIS to work jointly and in conjunction with the public guardian system will serve to only benefit the vulnerable adults of Alaska," Goldstein wrote.

Early concerns

By the time the transfer of cases to McDuffie was completed in June 2022, several people had reached out to OPA to raise concerns about McDuffie's new operation.

Sheila Shinn, a court visitor, wrote in May 2021 that Cache Integrity "is a sinking ship" and that three cases handled by the organization were behind on rent and

facing possible evictions. Shinn said court visitors “are fielding a lot of complaints about Tom (McDuffie) and his business practices.”

Court visitors like Shinn are appointed to review guardians and conservators and make recommendations to the court when a petition is filed.

“I’ve already let him know I will not recommend him to anyone again. People are going without income for months,” Shinn wrote to Elizabeth Russo, a supervising attorney at OPA.

Stinson said the concerns reported to OPA at the time about McDuffie were in line with “the normal obstacles and challenges associated with new guardianship cases.”

Erin Espiritu, another court visitor, wrote in a May 2022 email to Goldstein that an assisted living administrator she worked with had “lost her mind when she found out” Cache Integrity would take guardianship of a resident. The administrator, Lucy Bauer, “had several very negative remarks about her experience with them. She said that she has one person with them and they haven’t paid her in a year and will not respond to her and fix the issue.”

Bauer said she would not keep another client if Cache Integrity became their guardian “because she absolutely refuses to work with them,” according to Espiritu.

Brian Hafferman, the OPA guardian whose resignation precipitated the case transfer, said in a May 2022 email that “judging by their webpage and the resumes of their board members I don’t have much faith in their success but hopefully they prove me wrong.” Hafferman also wrote that OPA management was “aware of these concerns.”

Responding to a court visitor, Goldstein wrote that she planned to move forward “because these are established cases and we will be available to answer questions and help if needed and the case can come back to us on a petition for review if there are issues.”

Stinson now says OPA does not have the capacity for the cases to “come back” to the agency.

No procedural safeguards

Last month, another Anchorage Superior Court judge found that the state had violated the law when it petitioned for the transfer of wards from its public guardians to Cache Integrity Services. Judge Una Gandbhir wrote that the state didn’t assign the wards an attorney nor adequately explain the change and its implications.

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The decision came in a lawsuit filed in 2022 by the Northern Justice Project, an Anchorage civil rights firm, on behalf of Nick Harp — one of the people whose guardianship was transferred.

“The fact that Alaska’s Public Guardian is acting to effectively ‘privatize’ its functions and a nonprofit act as the guardian for Alaska’s most vulnerable citizens, and is doing so in violation of the law, raises important public policy concerns,” attorney James Davis wrote in the complaint.

In her decision, Gandbhir wrote that OPA “did nothing to ensure … procedural safeguards” for Harp, who was not represented by counsel when the guardianship was changed, was not notified of his right to counsel, and received no written notice about the possible consequences of the proposed changing of his guardian.

Northern Justice Project attorneys are seeking to certify their case as a class-action lawsuit. If that happens, the state could be forced to pay damages to dozens of affected clients.

A list of allegations

By summer 2023, McDuffie and his agency had amassed a caseload of more than 110 guardianships and conservatorships. As the caseload grew, relatives of his wards, court visitors and attorneys increasingly questioned his practices.

In June, Anchorage attorney Caitlin Shortell, representing another of McDuffie's conservatorship clients, filed a lawsuit against Cache Integrity and McDuffie, alleging he failed to submit timely applications for Medicaid and other benefits, failed to file and pay taxes, overbilled and placed the client's funds in a single account with the funds of more than 100 other wards.

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The lawsuit lays out a long list of allegations against Cache Integrity, including that it falsely claimed the client was provided a monthly allowance of \$100, though no allowance had been disbursed for at least seven months; that the client incurred a large debt when she was placed in an assisted living facility that cost \$5,300 per month without using the client's long-term care insurance; and the client was billed more than \$9,000 in unauthorized fees beyond what was approved through their contract.

McDuffie denied the allegations in a court filing. The case remains open.

Other family members of people who were under McDuffie's care made similar allegations, but attorneys familiar with McDuffie's work said that many of his clients have no relatives or friends to sound the alarm.

In 1991, Susan Pacillo met an Anchorage resident with a developmental disability who had experienced chronic homelessness. Over the years, Pacillo became his volunteer advocate and personal friend.

In summer 2021, the man was appointed a conservator — McDuffie — to oversee the public benefits on which he relied to meet his basic needs, according to Pacillo.

But Pacillo says McDuffie delayed setting up a trust for Social Security payments and allowed fraudulent charges to accrue on a debit card in the man's name. When his health deteriorated and doctors recommended he be moved into an assisted living facility, the \$5,000-per-month cost had to be paid out of pocket because a Medicaid application had not been completed, she said.

“If a state agency is going to hand clients to another agency, there should be some oversight. There should be follow-up,” said Pacillo.

In March, Pacillo finally decided to become the man’s guardian as worries mounted over McDuffie’s handling of funds and benefits. But even then, Pacillo said McDuffie did not provide her with a clear accounting of how her friend’s public benefits were spent during the time McDuffie was in charge.

“I’m concerned about my friend ending up on the street. I still don’t know where his money went,” Pacillo said.

‘Public and legal pushback’

In July, McDuffie wrote a [letter](#) to the courts, the Alaska Mental Health Trust Authority and the Mat-Su Health Foundation defending himself in response to what he described as “public and legal pushback.”

“As with any systems change, the implementation of this model has been successful in some areas but not so much in others,” McDuffie wrote, adding that he “recognizes the wait times and lag in completing paperwork, filing for benefits, and obtaining Social Security for clients has taken longer than expected.”

In an interview this week, McDuffie said he believed 80% of his cases were appropriately handled, leaving more than 20 clients whose needs weren’t met.

“We thought outside the box. Should all of our heads be on a roll for that? I don’t think so,” he said. “This wasn’t done out of any malicious intent.”

“I feel that we have done what we can with the manpower we’ve had. We’ve got almost everyone caught up,” McDuffie said. “I want to make people feel like they’ve had a good experience with us. And that hasn’t always been the case.”

In his letter, he blamed delays in processing claims on the Social Security Administration, the Alaska Division of Public Assistance, Veterans Affairs and various pension administrators.

He also blamed his employees, several of whom have left Cache Integrity to launch their own businesses, or to leave guardianship altogether.

“Never was the plan for me to be working cases and running the company. However, that is precisely what happened in January of 2023 when all three of the guardians chose to leave,” McDuffie wrote.

One of those former employees, Trudy Storch, said that McDuffie took on more cases than staffers could handle, forcing them to leave the agency rather than take on an untenable number of guardianships.

Storch, who was hired in July 2022, didn’t receive her guardian license until November 2022. For months, McDuffie expected her and other employees to handle cases without ensuring they had met the legal requirements to do so.

Storch “kept telling him, ‘You’ve got to slow down. We need to catch up. We can’t serve all these people. Half the people on my caseload I haven’t even met or talked to on the phone,’” she recalled in a September interview.

McDuffie said the pilot program he had proposed dictated maintaining a certain caseload.

All the while, mandatory reports to the courts — due every year in guardianship cases to ensure wards’ needs are met — were regularly filed late. Storch said she had created a document to track when reports were due. Storch said McDuffie told her, “Oh, it can be late, you know, it’ll be OK.”

When a court visitor warned Storch she could face legal trouble for failing to meet the needs of people she had been appointed to care for, she decided to resign, she said.

“There’s too many cases, and I think he spent too much time out of the office,” said Storch, adding that McDuffie “just didn’t really completely know what he was doing.”

When Storch quit, her colleague was expected to pick up her 40-client caseload — so she quit too less than a week later. McDuffie said Storch and her colleague left work unfinished when they departed, exacerbating the problem.

“What I am sick of hearing is that I’m the only one that dropped the ball. Because I hired people to do the job. They did not do it, and it got stuck on me to fix it,” said McDuffie.

‘Came up short in most areas’

In September, McDuffie asked the court to transfer more than 60 of his current clients to another guardian, including the vast majority of cases that had been reassigned to Cache Integrity Services from OPA.

McDuffie said he intends to keep around 40 cases — focusing on individuals with fewer complex problems and more assets that would allow him to charge higher fees.

Guardianship is “not doable in the private sector,” said McDuffie. “You do not have the state backing us like you have with OPA, so we have to be more diligent about who we keep.”

McDuffie still doesn’t have certified guardians on his payroll. His original goal had been for each of his employees to carry a caseload of 40 to 50 cases. Now, he is carrying all the cases, and they are not as simple as he had expected.

He thought most would be what he called “rinse-and-repeat” clients — where benefit eligibility is established and his agency would just have to pay bills and complete simple tasks.

But he said OPA had chosen some “very difficult” cases to be transferred to Cache Integrity. At least a quarter of clients transferred from OPA to Cache Integrity had experienced homelessness, by McDuffie’s estimation. Stinson said that OPA sought to transfer “stable cases” and to keep the more difficult ones.

Storch, now working independently, has 23 guardianship clients and fields calls from court visitors asking her to take on more.

“I’ve been told there isn’t anywhere for them to go unless a family member pretty much steps up,” said Storch.

“I get court visitors that call me all the time begging me, ‘This person is going to be homeless if you don’t take them,’” she added. “And it’s like, ‘I’m sorry. I cannot be responsible for another individual until I feel like I’m caught up on the ones I already have.’”

Meanwhile, Stinson said OPA is “working diligently to reduce the caseloads” and does not have the ability to take back the cases that McDuffie can’t handle. OPA has not proposed an alternate solution, but both OPA and McDuffie contend that in some of the cases, a family member can be found to take on guardianship duties, or a less restrictive solution can be sought. Ultimately, it will be up to Anchorage Superior Court Judge Eric Aarseth to decide the future of McDuffie’s current clients.

“Accepting an appointment when we know we can’t meet a person’s most basic needs is unethical, and would require us to make a misrepresentation to the court,” said Stinson. “It does nothing to provide the protection that a guardianship and conservatorship appointment is meant to provide.”

The agency has created waitlists and will begin accepting new cases only when individual public guardians have 65 cases or fewer, Stinson said in an October email. There are currently 14 clients waiting to be served by public guardians, divided into region-specific waitlists.

On Friday, OPA informed Alaska courts it had the capacity to take on new cases for the first time since declaring a moratorium in April – but only three, and only if they are located in Kenai, Homer or Seward.

In the interim, “less restrictive means can be employed” to meet the needs of other would-be clients, Stinson said, including relying on power of attorney to complete

urgent tasks.

"That does not mean the person won't need a guardian in the long run. But it does mean that issues like making sure benefits don't lapse can be addressed," he said.

McDuffie said he is willing to keep his full caseload while a solution is found, but not forever.

"A small nonprofit cannot fix a Grand Canyon-size problem," he said.

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Do you have additional ideas for coverage on this topic? Have you experienced problems with guardianship issues in Alaska? Do you have experience that could help us understand the issue more deeply? We want to hear from you. Email reporter Iris Samuels at isamuels@adn.com

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