New Jersey Republican State Committee

June 1, 2020

Attorney General William Barr and US Attorney Carpenito U.S. Department of Justice 950 Pennsylvania Avenue, NW Washington, DC 20530-0001

Dear Attorney General Barr and U.S. Attorney Carpenito,

I am writing with new information, to follow up on my initial letter regarding Governor Phil Murphy's handling of the Covid crisis in New Jersey generally and at the State's long term care facilities specifically.

As the Governor continues to struggle with the ramifications of his decision to force our long term care facilities to accept Covid positive patients after discharge from acute care facilities, the administration chose to retain external consultants, with limited New Jersey experience, to assist.

Unfortunately, it was reported recently that the level of infighting and discord around this decision was extreme, and is costing both state and federal taxpayers an exorbitant amount of money.

Reports reflect that the Governor's administration may not be taking proper care with federal funds. Purportedly recorded and reported exchanges between State Health Department Commissioner Judy Persichilli and the Governor's senior staff raise the specter of intentional abuses and mismanagement of those funds. At the very least, it is respectfully submitted that this newest revelation adds an additional layer of intrigue that warrants federal intervention and assistance.

Additionally, as if that was not enough, it is also widely reported that the Governor's administration is now actively conducting an inquisition to determine who provided this information to the public. The result is a potential chilling effect on future whistleblowers who may have information about other alleged mismanagement or wrong doing, but could, as a result of the Governor's aggressive, offensive strategy to prevent transparency and enforce silence, refuse to come forward for fear of administration retaliation.

In light of the potential misuse of federal funds and the decision to try to silence potential whistleblowers, we are renewing our May 18, 2020 request for a federal investigation of the Murphy Administration's handling of the crisis surrounding our long term care facilities, and the thousands of deaths that occurred in them. The thousands of nursing home dead and their families deserve nothing less than a full and fair investigation.

Attached is the text of our May 18 letter and the news reports regarding these two significant matters of concern. Thanking you in advance for your courtesy and consideration.

Respectfully,

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Douglas Steinhardt

Chairman

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New Jersey Republican State Committee

May 18, 2020

Attorney General William Barr and US Attorney Carpenito U.S. Department of Justice 950 Pennsylvania Avenue, NW Washington, DC 20530-0001

Dear Attorney General Barr and U.S. Attorney Carpenito,

I am writing to request your review of a developing situation with long term care facility deaths in New Jersey.

In brief, New Jersey has been the second hardest hit state in the United States by COVID-19. Most recent reports show nearly 150,000 of our citizens have been infected, and over 10,000 are dead. Of the fatalities, over 50% have occurred in long term care facilities. This is one of the highest long term care facility death rates in the United States.

Following revelations that the State of New Jersey was aware of staffing, preparedness, sanitation, PPE, and other safety issues related to the 2018 deaths of 11 children at a long term care facility in Wanaque, NJ, legislators introduced legislation to address these serious issues. Unfortunately, the bill was watered down as a result of the New Jersey Department of Health's budget and staffing concerns. On March 31st, 2020, the Department of Health ordered all long term care facilities not to test incoming patients from acute care facilities for COVID-19. The NJGOP asked that the New Jersey State Legislature open an investigation, and the Democrat controlled Senate Health Committee agreed, but unfortunately reversed course less than an hour later. Therefore, we are asking the U.S. Justice Department to open an inquiry.

Someone must speak for the more than 5,000 families who have lost loved ones at the Murphy Administration's hands. As recently as today, news reports reveal that controversy surrounds the State's Department of Health and the Murphy Administration's response. We respectfully request your Department's attention.

Attached are two press releases we have issued, and a news article further highlighting these problems that was published just today.

Sincerely,

Chairman Doug Steinhardt

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A behind-the-scenes battle raged between top Murphy aides over \$500K contract as nursing home deaths mounted

New Jersey Health Commissioner Judith Persichilli and senior officials in Gov. Phil Murphy's administration clashed behind the scenes over the cost of a \$500,000 contract for a consultant the state hired to help navigate the deadly coronavirus crisis inside the state's nursing homes, NJ Advance Media has learned.

Murphy announced May 6 that Persichilli had retained Manatt Health, a national health advisory consulting group, to assess the state's response to the coronavirus in long-term care facilities, where one in 13 residents have died in the pandemic. And Persichilli seemed in full accord with the governor. "They're going to hit the ground running," she said of the high-profile consultants.

But inside the administration, a different story was playing out.

In private conversations recorded without her knowledge and shared by a source with NJ Advance Media, Persichilli complained about the cost of the three-week contract with Manatt and the company's lack of experience with running nursing homes. In the recording, she tells several unnamed colleagues that she initially had refused to sign it — even as she came under pressure from the governor's top advisors.

"I am not signing a contract that I think is excessive. I am not signing it as the commissioner and I am not signing it as a taxpayer in New Jersey," she said.

And Persichilli warned what would happen when the contract would ultimately be released under the Open Public Records Act.

"This is going to be OPRAed. It will hit the light of day," the commissioner predicted. "I don't care what type of public health emergency this is. There's no contract that I'm going to sign that is \$195,000 more than the next highest bidder for four weeks of work. I'm not doing it."

Persichilli said she ultimately re-negotiated the contract to \$195,000 less than what the governor's office had offered, according to the recording.

As a professional services contract, the state was under no mandate to put out a bid.

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Persichilli did not return calls or texts regarding the discussions. A state Health Department spokeswoman on Friday declined a request for comment.

The governor's office, which initially would not disclose the amount of the contract nor respond to an OPRA request, late Friday morning released both the agreement with Manatt and the purchase order authorizing payment. Senior administration officials would not publicly discuss the recordings shared with NJ Advance Media, but said the state negotiated "a significant reduction from the original proposal, and ultimately it ended in the right place."

Defending the contract with Manatt, those officials said: "There was a universal recognition that long-term care represented a challenge, not only in New Jersey, but nationally, and needed reform."

In a statement, a spokeswoman for the governor's office said the administration was taking aggressive measures to protect the residents and staff at long-term care facilities in the state, "including a thorough investigation by state Attorney General Gurbir Grewal, assistance from National Guard and Veterans Affairs teams who have joined long-term care facility staffs on the ground, and the hiring of Manatt," which she called a nationally recognized firm with experience in long-term care solutions.

"Gov. Murphy is extremely confident in the knowledge and expertise of the Manatt team," said the spokeswoman, Alex Altman. "The innovative solutions outlined by Manatt will serve as a national model for mitigation, protection, and resiliency against future outbreaks for our most vulnerable populations."

On its website, Manatt outlines how it can help health care providers, insurance companies and employers deal with the many issues raised by the pandemic. In June, Manatt is hosting two webinars on COVID-19 and long-term care facilities which explore "the critical issues states and LTC providers are facing now—and provides a road map for building a stronger future."

The consultancy group is <u>part of a politically tied law firm</u> with offices all over the country, and includes a number of former Obama administration officials. Members of the law firm contributed \$6,500 to Murphy's 2017 gubernatorial primary campaign, state records show. The company did not return calls or emails regarding its consulting work.

THE WOMAN WHO NEEDS NO INTRODUCTION

The backstage discussions with the commissioner, which were clearly never meant to be shared, offered a glimpse of what appeared to be a sometimes tense relationship between Persichilli, the governor's front office staff, and Murphy himself, who in his daily briefing each day still introduces her as "the woman who needs no introduction."

As head of the health department, Persichilli, a nurse and former CEO of Trinity Health — then one of the largest hospital chains in the country — has been the point person for the state's pandemic response effort.

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Sharing the stage in the Trenton War Memorial each afternoon with Murphy, the commissioner goes through the daily numbers of the terrible toll being taken by COVID-19. The hospitalizations. The total patients on ventilators. The deaths in each county. And the dead coming out of the state's nursing homes—where some 1 out of 13 residents have been taken in the deadly outbreak that spread out of control through New Jersey's long-term care facilities.

But in the recording, Persichilli described terse exchanges with "George and Matt." George Helmy is the governor's chief of staff, and Matt Platkin serves as his chief counsel.

"The whole thing with this consultant. I told the governor, I said 'Governor, I am not opposed to a consultant coming in. Call anyone you want. But do it the right way," Persichilli is heard saying. "George and Matt told me it was an appropriate process. And it wasn't. And I wouldn't sign it."

She said on the recording, "George said to me, 'don't worry about it, FEMA is paying for it," referring to the Federal Emergency Management Agency. "I said, 'You didn't say that did you, George? Because I pay federal taxes." Persichilli said.

FEMA pays 75% of disaster relief efforts in the state associated with the coronavirus crisis.

The commissioner said the governor finally reached out to her and told her to "negotiate the hell out of it." She said brought it down by \$195,000, which was the price she had gotten from another unnamed consultant.

A source familiar with the discussions between the governor's office and the commissioner confirmed a similar timeline of events that resulted in a "joint agreement" to retain Manatt. But the source who spoke to NJ Advance Media on condition of anonymity because the person was not authorized to speak to media, characterized the exchanges as less confrontational than Persichilli herself described to others on the recording.

Helmy contacted Persichilli eight weeks ago about hiring a consultant to advise the state on its nursing home response, the source said. He recommended two firms, with one of them being Manatt, and Persichilli interviewed them. She favored Manatt, but given the cost of the contract and the significance of the work, she sought permission to interview more companies.

Persichilli asked the New Jersey Hospital Association for suggestions. In total, Persichilli spoke to five companies and selected Manatt, the source said.

The commissioner still had concerns about the cost of the contract, the source said. Helmy "told her FEMA would pay for it, but she told him the price was too high, and she said she was a taxpayer, too, as a joke."

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The commissioner texted the governor over her concerns, and he called, "giving her the goahead to renegotiate the price. And she did," the source said. A senior administration official said Helmy also asked her to negotiate it down. The contract was for \$195,000 less after she was finished.

The state has turned to outside consultants in the past to conduct a deep dive into troubled healthcare facilities.

Former Gov. Chris Christie <u>spent \$740,500</u> to hire New Solutions of New Brunswick in the final days of his administration to conduct a review of the state's psychiatric hospitals, in response to months of criticism from Greystone's board of trustees and news coverage about the hospital's dwindling medical and executive staff, overcrowding and escalating violent episodes.

The New Solutions group, however, was paid for three months of work as part of its review. Manatt is being paid \$500,000 for an analysis that was expected to take just three to four weeks.

The hiring of Manatt Health was described as an effort to review what steps to take to best protect nursing home residents, comparing the state's oversight of its long-term care facilities to other states, with the aim of making recommendations for improvements.

The review is being led by Cindy Mann, former deputy administrator during the Obama administration, along with Carol Raphael, senior advisor at Manatt Health who served as chief executive officer and president of the Visiting Nurse Service of New York.

The report is expected to be completed within days, administration officials said, and will be publicly released.

Ann Kohler, New Jersey former Medicaid director and a retired consultant to the long-term care industry, described Mann and other senior Manatt officials as "very competent...but I don't know that they have any New Jersey (nursing home) experience and each state is different."

The state's handling of the nursing home crisis, meanwhile, has been raising growing questions in the state Legislature.

An investigation by NJ Advance Media for NJ.com based on internal department records and statements by officials, as well as interviews with families, advocates, workers and players behind the scenes, found that New Jersey failed to react fast enough or take forceful, aggressive actions to slow the deadly rampage in nursing homes as the virus preyed on the state's most vulnerable patients.

Knowing that nursing home residents were at grave risk, state inspectors did not begin making on-site inspections inside facilities until 36 days after New Jersey reported its first death, and not until reports surfaced that one nursing home was storing 17 bodies in a makeshift morgue.

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The state Senate has announced it is launching a bipartisan committee to investigate New Jersey's response to a range of coronavirus-related issues, including what happened in the nursing homes, days after Sen. Joseph Vitale, D-Middlesex, said he had planned to hold his own hearings.

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Murphy goes after leakers who detailed infighting within administration

By Sam Sutton

05/29/2020 06:17 PM EDT

New Jersey Gov. Phil Murphy used his daily coronavirus press briefing on Friday to attack leakers, claiming the release of documents and recordings that detail behind the scenes turmoil as his administration responded to the pandemic was "the last thing we need."

"People leaking things and giving the outside world some sense of how the sausage is made, as it were, you know, I've got no time for that and that's gotta stop," Murphy said.

Murphy, who's developed a tight relationship with President Donald Trump over the last three months, delivered his harangue about leakers after a reporter asked if his administration had launched an investigation into the sources for several stories published by a number of New Jersey news outlets.

"We're going through stuff that we've never gone through before — as a state and as a nation — and the last thing we need are people speaking out of school about it," Murphy said. "Frankly, enough already. Let's move on. These are tough decisions."

Murphy's attempt to curtail embarrassing details about his team's handling of the coronavirus pandemic arrive as Republicans and Senate President Steve Sweeney, the governor's chief political rival, <u>ramp up criticism</u> of Murphy's reopening strategy.

Republicans in particular have also taken an aggressive stance in attacking Murphy and Health Commissioner Judith Persichilli over what they say has been the administration's failure to contain Covid-19 outbreaks at the state's long-term care facilities. A bipartisan select legislative committee to investigate the state's response will likely be formed in the coming weeks.

On Friday, shortly before the start of Murphy's press conference, NJ Advance Media published a story detailing a fight between Persichilli and two of Murphy's top aides — Chief of Staff George Helmy and Chief Counsel Matt Platkin — over the administration's hiring of Manatt Health to assist in navigating the outbreaks at long-term care facilities.

The story, which relies on a recording taken without the commissioner's knowledge,

alleges Persichilli was uncomfortable with the pressure she was under to sign off on PHONE: 609-989-7300 = Fax: 609-989-8685 = www.nigop.org

Manatt's contract, which at one point carried a \$695,000 price tag for a few week's worth of work. Persichilli also expressed concerns the firm had limited experience working within long-term care.

"This is going to be OPRA'd. It's going to hit the light of day. I don't care what type of public health emergency this is, there's no contract that I'm going to sign that's \$195,000 more than the next highest bidder for four weeks of work. I'm not doing it," Persichilli said on the recording, a copy of which was obtained by POLITICO.

Persichilli says on the recording that it wasn't until she dug her heels in that she was allowed to negotiate a new contract with Manatt. The final cost of the contract comes to \$500,000, according to a copy provided by the state Department of Health after Murphy's briefing.

Murphy on Friday repeated an emphatic endorsement of Persichilli's performance, saying New Jersey "could not have a better leader in the Department of Health."

"She's the best in the country and that's all I have to say about that," he said.

While Murphy has been effusive in his praise of the commissioner, whom he introduces at each of his daily briefings as "the woman who needs no introduction," Persichilli in recent weeks has come under fire over the state's handling of Covid-19 outbreaks in long-term care facilities.

More than 5,000 residents of those facilities have died after testing positive for Covid-19 and the health department's resources for regulating those facilities, <u>already limited</u> prior to the pandemic, were pushed beyond the brink as the coronavirus tore across the state.

The severity of the crisis, coupled with the state's tightening of its open records laws, has contributed to a steady drip of stories in recent weeks based on conversations, recordings and materials that detail how the administration responded as case totals climbed.

Other recordings that circulated the Statehouse in recent weeks detailed complaints ranging from benign skepticism regarding the prospect of New Jersey's ability to reach the governor's May benchmark for testing capacity (they've since cleared that benchmark) to Persichilli's alleged inability to contact Murphy one-on-one.

Meanwhile, news broke late Thursday night that the administration had fired Chris Neuwirth, the state's top health official for emergency preparedness, <u>after</u> <u>discovering</u> he held a part time job as an emergency management consultant.

150 WEST STATE STREET • SUITE 230 • TRENTON, NEW JERSEY 08608 PHONE: 609-989-7300 • Fax: 609-989-8685 • <u>www.njgop.org</u> Murphy declined to comment directly on the firing, saying he couldn't comment on a personnel matter, but said "it's par for the course that you're not supposed to have another source of income. That's as a general matter."

Neuwirth did not respond to requests for comment.

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