

DeSantis gave \$103.4 million in no-bid contracts to Sunrise's MedPro, accused of 'trafficking' foreign nurses, to staff vaccine sites

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Gov. Ron DeSantis discussing vaccinations in Miami in February. Photo: CBS4

By Daniel Ducassi, FloridaBulldog.org

The administration of Florida Gov. Ron DeSantis has given more than \$100 million in no-bid, COVID-19 related contracts to a healthcare staffing company accused in court of profiting from the “forced labor” of foreign workers under a system of “indentured servitude.”

State contracting records show the governor’s office entered into four contracts worth a total of \$103.4 million with Management Health Systems, based in Sunrise. Payments began as early as August 2020, and a state transparency website reveals nearly \$47 million in payments from the Florida Division of Emergency Management, which state law houses within the governor’s office.

The largest contract, worth \$45 million, is described on the state’s contract website as “Blanket for Medical Staff at Vaccination Sites.” The contract’s specifications are not further detailed. The state has already paid more than \$21 million on that contract, with payments starting in early April.

Meanwhile, on May 5 Management Health Systems showered some green on the governor, giving \$10,000 to his political committee, Friends of Ron DeSantis.

Management Health Systems, which does business as MedPro Healthcare Staffing, has made no secret of its fondness for recruiting foreign nurses — a practice that makes the firm an odd choice for an immigration hardliner like DeSantis.

Patty Jeffrey, the company's vice president of international operations, wrote an opinion piece for the *Sun Sentinel* last year making the case for bringing in more foreign healthcare workers to bolster the country's nursing staff amid the pandemic.

How MedPro profits

MedPro makes its money by charging hospitals, healthcare facilities – and taxpayers – more than the company pays its nurses and other healthcare staff.

MedPro boasts it has “successfully placed more foreign-educated professionals into the U.S. healthcare system than any other company in the industry.” The company often brings foreign nurses and other healthcare workers from places like the Philippines and the Caribbean into the country on H1B temporary worker visas.



However, MedPro has been repeatedly accused in court of exploiting the foreign healthcare workers that Jeffrey says are so important to America's healthcare system.

Gov. DeSantis has spoken out forcefully against “labor trafficking,” telling attendees at Florida's 2019 Human Trafficking Summit that people shouldn't be treated as “indentured servants.” Still, his office had nothing to say about why his office had repeatedly awarded valuable no-bid contracts to MedPro, a company accused of doing just that.

The company has filed dozens of lawsuits against foreign recruits who have tried to leave MedPro or find work elsewhere, claiming they've broken their three-year employment contracts, often seeking tens of thousands of dollars.

Sometimes the workers fight back, and their responses in court frequently touch on several recurring themes: workers were deceived or rushed into signing complex and “unconscionable” employment agreements; MedPro would underpay its foreign nursing staff or not pay them at all between placements; MedPro frequently used the threat of lawsuits, financial ruin and deportation to hold employees captive while the company failed to live to up to its side of the bargain by ensuring workers had stable employment.

‘Indentured servitude’

Cherine Clunis, a Jamaican nurse enticed by the promise of life in the United States, signed an employment contract with MedPro in 2015.

“In reality, MedPro’s operations and circumstances surrounding the nurses’ work for MedPro result in indentured servitude,” lawyers for Clunis wrote last year in response to a lawsuit from MedPro. It’s only after getting the nurses to “sign a non-negotiable form document” agreeing to work for MedPro, and after bringing them into the country, do they tell the nurses that they’ll be subject to a penalty of up to \$125,000 (later reduced to \$40,000 after another trafficking lawsuit) if they leave before the three-year employment term is over.

Clunis is countersuing MedPro for violations of the federal Trafficking Victims Protection Act. The company has twice before settled countersuits alleging violations of the TVPA. The lawsuit seeks class-action status to sue on behalf of potentially thousands of foreign nurses and healthcare workers the company has placed in the country. Her lawyers argue MedPro kept foreign nurses working for the company “against their wills with the contract’s terms of indentured servitude, with an unenforceable monetary penalty and threats of litigation.”

And they contend the company is raking in “substantial profits” from “the forced labor venture.”

‘The American dream’

Despite marketing materials with profuse references to helping recruits make their “American Dream” come true, the reality was far less than Clunis hoped for.

After signing the contract and coming to the country, the company housed Clunis in a two-bedroom, two-bathroom apartment with seven other women. And it was only in an “inadequate” orientation shortly after she arrived that the company told her for the first time that she would owe the company up to \$125,000 if she left before the three-year term was up, prorated for the time she had worked. The contract, however, never specified the amount, stating only that they would be on the hook for actual damages.

The company reduced the \$125,000 penalty after a 2018 settlement with a Filipina nurse, Eden Selispara, that included all current and future employees for the next five years. The settlement required the company to “only seek to recover actual damages for healthcare workers that left before the end of the three-year term” and capped the amount they could recover at \$40,000.

But Clunis’s lawyers wrote that the company doesn’t even try to calculate the costs, and simply threatens nurses with the \$40,000 amount, reduced in proportion to time worked.

The contract itself is “unconscionable,” they say. For one, the agreement barred Clunis from looking elsewhere for work, even as she “waited, unpaid, for placement” — a common theme in many of the responses to MedPro’s litany of lawsuits against former recruits. But another part of the problem, they argue, is that the company holds all of the chips and presents the complicated contract, filled with legal jargon and tilted heavily in favor of the company, on a “take-it-or-leave-it basis” to people who often have limited command of English.

At first, Clunis worked in MedPro in Miami for 15 months. But after the hospital where she was working ended its contract with MedPro, the company forced her to move to New York to work at a different facility or face a lawsuit for breach of contract.

‘Trapped’

A while later, she was told not to return to the New York facility, but the company refused to let her use her paid time off even though they weren’t paying her and hadn’t placed her in a new hospital.

“This meant that Clunis was trapped, without an income, and unable to leave her job without facing a financial penalty that she could not possibly afford and a lawsuit,” her lawyers wrote.

So she broke her lease in New York and moved back to Jamaica while waiting for a new placement. She tried to get MedPro to submit her name for a job at a hospital in Georgia, but never heard back from MedPro about it. She even got a job offer from the hospital, but turned it down out of fear of violating her contract with MedPro.

But with no income and no freedom to seek another job, she decided to end her contract with MedPro after two years of work, leading the company to sue her.

“MedPro continues to use threats of serious financial penalty and abuse of legal process in an attempt to force nurses like Clunis to continue working for MedPro,” her lawyers wrote. “This allows MedPro to profit off a captive and often terrified foreign labor force that remains working for MedPro for substandard wages.”

The last item in the court docket shows the case went to mediation in January. The law firms representing Clunis are Varnell & Warwick, based in Tampa; Towards Justice, based in Denver, CO; and Nichols Kaster, based in Minneapolis, MN.

The law firm representing MedPro in the Clunis case is Krinzman Huss Lubetsky Feldman & Hotte, based in Fort Lauderdale.

MedPro accused before

The accusations about MedPro exploiting foreign nurses aren’t new. The 2018 settlement with Selispara garnered attention from both the *Sun Sentinel* and the *Miami Herald*. When Selispara complained about the “untenability of indefinite unemployment without pay and confinement in South Florida,” she said the company’s representatives threatened “to make a baseless report of fraud to U.S. immigration officials” and demanded more than \$150,000 within three days. That lawsuit also alleged violations of the Trafficking Victims Protection Act — as did another countersuit filed against MedPro in October on behalf of Grenadian nurse Althea Martineau. MedPro settled that case with Martineau in December.

Neither Jeffrey nor MedPro CEO Liz Tonkin would personally speak about or answer any *Florida Bulldog* questions about the repeated accusations of labor trafficking.

Laura Beth Ellis, a contracted public relations representative for MedPro, provided a statement attributed to MedPro spokeswoman Rebecca Bovinet addressing the Clunis case, which it described as “an employment dispute involving a breach of contract. We categorically reject the accusations contained in the countersuit and strive to provide each of our foreign-educated healthcare professionals with a positive experience.”

Ellis told *Florida Bulldog* that language in MedPro’s Florida contracts restricts the company from talking about its business with the state without the state’s permission, which they couldn’t get.

“We tried and tried,” Ellis said, confirming MedPro’s efforts to reach out to Florida Division of Emergency Management (FDEM) Director Kevin Guthrie.

MedPro gets big cash infusion

MedPro had a partial ownership change in 2016 following a \$275 million recapitalization by Charlottesville, VA-based private equity firm Harren Equity Partners. Harren’s investment was to be used to fund further growth.

A man who picked up the phone at Harren, and who refused to identify himself, said Harren declined to comment.

MedPro agreed to pay \$500 in 2018 to the Florida Agency for Health Care Administration after failing to submit a change of ownership application in time. AHCA’s website shows a company called “Nurse Blocker Corp.” now has a 79 percent ownership interest in MedPro.

MedPro would not provide any details on who owns Nurse Blocker Corp., which is registered in Delaware where ownership information is routinely kept secret. So-called “blocker corporations” are typically used in private-equity situations to shield tax-exempt and foreign investors from taxation.

Florida corporate records identify MHSI Holdings Inc. as the “title member” of MedPro. MHSI is run by M. Wayne Starks and James H. Parker, both of Columbus, GA, and Michael K. LeMonier of Scottsdale, AZ.

The cloud of labor trafficking accusations did not deter the DeSantis administration from entering into several multimillion dollar contracts with the company. The company was not selected as part of a formal competitive procurement process — the governor’s pandemic emergency order allows state agencies to suspend normal procurement policies. The administration has quickly and quietly handed out hundreds of millions of dollars in state contracts in this way, often with little scrutiny before inking agreements.

Governor's office mum

Former FDEM director Jared Moskowitz declined to speak in detail to *Florida Bulldog* about the MedPro contracts, directing questions to the agency spokesperson and Guthrie as the current director.

"I believe Kevin [Guthrie]... signed that contract," he wrote in a text message. "Kevin handled all the nursing contracts."

Neither the governor's office nor the Florida Division of Emergency Management answered any questions or provided any comment about the contracts or the accusations of labor trafficking

FDEM would not provide copies of the contracts to *Florida Bulldog*. Likewise, the contracts are not available online despite a state law called the Transparency Florida Act requiring agencies post copies of contracts within 30 days of signing them.

There are numerous examples of months-old contracts entered into the state system without any actual copies of the agreements. Neither the governor's office nor the Florida Division of Emergency Management provided any explanation for why state officials have refused to comply with this law.

'Modern-day slavery'

Despite the silence of the governor's office on MedPro's alleged labor trafficking, DeSantis has spoken out against the practice.

"Doesn't get as much attention probably in the press, but I think that that's something here in Florida that we see as a problem," he said at the state's 2019 Human Trafficking Summit. "And we want to make sure that people aren't being treated as effectively indentured servants, working for folks for next to nothing."

Financially vulnerable and unfamiliar with the American legal system, many MedPro recruits who are sued don't (or can't) get a lawyer to represent them. Sometimes, they never respond to the lawsuit or show up to court, leading to a default judgment against them. Other times, they try to fight it on their own.

While representing herself in response to a MedPro lawsuit, Cavetta Tulloch-Lewis, a Jamaican nurse who signed a MedPro contract in 2016, blasted the company's treatment of its foreign workers, many of whom are fearful of speaking out because "we have all been threatened with deportation."

She framed her experience of working for the company in no uncertain terms.

“Their actions towards their international nurses are such of indentured labouring or modern-day slavery,” she wrote. “You cannot do anything without them giving you the permission to do so, they promised an American Dream and while working for them it was a nightmare.”