

Exercising Ulster County's Termination Rights Under Article 30 Of A Contract Between The County Of Ulster And Samadhi Center, Inc.

Referred to: The Health, Human Services and Human Rights Committee (Chairman Uchitelle and Legislators Collins, Corcoran, Harmon, Kitchen, Lopez, and McCollough), and The Ways and Means Committee (Chairman Gavaris and Legislators Collins, Hansut, Kovacs, Nolan, Roberts, and Uchitelle)

Minority Leader Kevin A. Roberts and Legislators Corcoran, Hansut, Kitchen, Kovacs, Litts, Lopez, Maloney, and Walls offer the following:

WHEREAS, on March 15, 2018, the County brought a civil lawsuit in Ulster County Supreme Court (Index No. 18-903) alleging that deceptive marketing practices of prescription opioid manufacturers and distributors contributed to the opioid epidemic; and

WHEREAS, the County's lawsuit was thereafter transferred to Suffolk County Supreme Court (Index No. 400000/2017) along with similar lawsuits brought by other counties in the State of New York (the "New York Action"); and

WHEREAS, the County was also made a part of the negotiation class in the National Prescription Opiate Litigation in the Northern District of Ohio (MDL No. 2804) (the "National Action"); and

WHEREAS, settlement agreements with certain defendants were reached in the New York Action and the National Action; and

WHEREAS, pursuant to Resolution No. 273 of May 16, 2023, the Ulster County Legislature approved the execution of a contract with Samadhi Center, Inc. ("Samadhi") to operate an outpatient and substance use disorder withdrawal and stabilization services program, partially or fully funded by settlement funds received by the County from the New York State and/or National Opiate litigation; and

WHEREAS, the said contract became effective January 1, 2023, with an initial term through December 31, 2023; and

WHEREAS, a letter signed by the Ulster County Director of Purchasing dated May 25, 2023 and countersigned by Samadhi on June 1, 2023 purportedly extended the term of the said contract through December 31, 2024; and

WHEREAS, the Ulster County Comptroller recently released a Report on the Comptroller's Contract and Payment Halt for Samadhi containing detailed findings of alleged waste, fraud and abuse by Samadhi, its officers and directors; and

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WHEREAS, the Comptroller's Report concludes that due to the significant financial and governance concerns outlined in the Report, the Comptroller's Office is not approving any contract amendments or payments to Samadhi; and

WHEREAS, in light of the deeply troubling findings outlined in the Comptroller's Report and in light of the determination of the Comptroller's Office that it will not approve any contract amendments or payments to Samadhi, and inasmuch as Samadhi, through its officers and directors, has variably stated that it both will and will not seek future contracts with Ulster County, the Ulster County Legislature finds and determines that for avoidance of doubt the said contract should be formally terminated and the Director of Purchasing instructed to forbear from pursuing future contract extensions, amendments or modifications with Samadhi; and

WHEREAS, Article 30 of the said contract provides that the County of Ulster may, inter alia, at any time, in whole or in part, for the convenience of the County, terminate the said contract by written notice, effective upon mailing; and

WHEREAS, the Ulster County Legislature hereby finds and determines that it is appropriate and in the best interests of the County and its citizens to immediately formally terminate the said contract; and

WHEREAS, the Ulster County Legislature, pursuant to Ulster County Charter §C-11, is the legislative, appropriating and policy-determining body of the County; and

WHEREAS, pursuant to § C-74(B)(4) of the Ulster County Charter, the Ulster County Purchasing Director shall perform such other and related duties as shall be required and delegated by the County Executive or County Legislature; now, therefore, be it

RESOLVED, that the Director of Purchasing shall, immediately following the adoption of this Resolution, send a termination notice pursuant to Article 30 of the said contract in a form approved by the County Attorney and Legislative Counsel on behalf of Ulster County; and, be it further

RESOLVED, that the Director of Purchasing shall rescind any existing, and forbear from pursuing any future, offers for contract extensions, amendments or modifications with Samadhi,

and moves its adoption.

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ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

Passed Committee: Health, Human Services and Human Rights on _____.

Passed Committee: Ways and Means on _____.

FINANCIAL IMPACT:

TBD