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September 4, 2024

VIA E-MAIL

The Honorable Bernie Sanders, *Chairman*
Committee on Health, Education, Labor, and Pensions
United States Senate
428 Dirksen Senate Office Building
Washington, DC 20510

Re: Senate HELP Committee Subpoena to Dr. Ralph de la Torre

Dear Senator Sanders,

This firm represents Dr. Ralph de la Torre, and we write regarding the Senate Health, Education, Labor, and Pensions Committee's (the "Committee") July 25, 2024 subpoena seeking testimony from our client, in his capacity as Chairman and CEO of Steward Health Care System LLC ("Steward"), on matters related to the "bankruptcy of Steward Health Care" at a hearing the Committee has set for September 12, 2024 (the "Subpoena").[1] As explained in detail below, recent developments will necessitate that Dr. de la Torre's testimony be postponed.

As you know, the Committee originally sought testimony from Dr. de la Torre, in his capacity as Chairman and Chief Executive Officer of Steward, at a July 30, 2024 hearing entitled: *Examining the Bankruptcy of Steward Health Care: How Management Decisions Have Impacted Patient Care*.[2] Dr. de la Torre declined the Committee's invitation to participate at this hearing because it would be inappropriate for him to testify on matters related to Steward's bankruptcy while those proceedings remain live and ongoing in U.S. Bankruptcy Court. Rather than afford the time necessary to administer Steward's reorganization case, however, on July 24, 2024, the Committee issued the Subpoena now seeking to compel Dr. de la Torre's testimony.

[1] *See* Attachment A, *HELP Committee's Subpoena to Dr. de la Torre*, dated July 25, 2024.

[2] *See* Attachment B, Letter from Sen. Bernie Sanders and Sen. Bill Cassidy to Dr. Ralph de la Torre, dated June 25, 2024 ("We are writing to formally invite you to testify at the hearing ***in your capacity as Chairman and Chief Executive Officer*** . . . ." (emphasis added)). The Committee's Subpoena was also issued to Dr. de la Torre in his official capacity. *See* Attachment A.

On August 28, 2024, Steward prohibited Dr. de la Torre from speaking on its behalf regarding any "bankruptcy-related issues" because those matters had already been delegated exclusively to an independent sub-committee of Steward's board of managers established on December 19, 2023.[3] As Steward's missive explains, Dr. de la Torre is prohibited from testifying about anything within the sub-committee's purview, including "topics related to the Company's debt obligations, potential claims or causes of action, chapter 11 sale transactions, chapter 11 financing transactions, and/or similar transactions and related matters."[4] All of Dr. de la Torre's personal knowledge regarding the Committee's inquiry into Steward's bankruptcy is derived from his role as Steward's CEO, but as Steward's admonishment makes clear: Dr. de la Torre "is not involved in directing or overseeing any part of the [i]nvestigation [of potential claims the Company might have], the Company's strategic transaction process, or the administration of the Company's chapter 11 cases," and thus it would be "inappropriate for him to testify on behalf of the Company on the matters set forth above on which he lacks authority, involvement, or personal knowledge"[5] outside of his role as Steward's CEO.

Separately, consistent with our prior objections, allowing for the unfettered administration of Steward's bankruptcy proceedings is the best way to achieve the Committee's stated goal of ensuring continuous care for the communities that Steward serves. Indeed, on August 30, 2024, Steward announced an agreement in principle with creditors that "establish[es] a path for keeping the majority of Steward hospitals open, provides stability for its valued workforce by retaining nearly 30,000 jobs and a potential recovery for general unsecured creditors."[6] While Dr. de la Torre is pleased that existing stakeholders recognize (as he always has) the importance and value of Steward, Steward's agreement with its creditors is not final until all documentation can be completed and approved by the U.S. Bankruptcy Court. Given the shared goals of the Committee and Dr. de la Torre of supporting continuity of patient care, saving jobs for Steward's hospital staff, and providing an avenue for recovery for general unsecured creditors, Dr. de la Torre needs to respect the ongoing reorganization and settlement effort by remaining silent regarding the reasons for Steward's bankruptcy, particularly because a federal court order prohibits him from discussing anything exchanged in a mediation effort that led to the recently announced agreement in principle.[7]

Dr. de la Torre's wish has always been to create a hospital system that would serve communities in need, and for the reasons set forth above, a successful financial reorganization of Steward is currently the most promising avenue to achieve this goal. Unfortunately, while Dr. de la Torre has continued to fight for Steward hospitals and the patients and communities they serve, members of this Committee continue to cast aspersions on Dr. de la Torre and appear determined

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[3] *See* Attachment C, Letter from Counsel for Steward Health Care System LLC to Counsel for Dr. de la Torre, dated August 28, 2024.

[4] *See id.*

[5] *See id.*

[6] Press Release, Steward Health Care, *Steward Health Care and Medical Properties Trust Reach Settlement Agreement in Principle, Allowing for Steward-Operated Hospitals to Be Transitioned to New Ownership* (August 30, 2024), available at https://www.steward.org/newsroom/2024-08-30/steward-health-care-and-medical-properties-trust-reach-settlement-agreement.

[7] *See* Attachment D, Order Regarding Mediation, *In re Steward Health Care System LLC, et al.*, No. 24-90213 (S.D. Tex. June 13, 2024), ECF No. 829 at ¶ 12.

to turn the hearing into a pseudo-criminal proceeding in which they use the time, not to gather facts, but to convict Dr. de la Torre in the eyes of public opinion. Indeed, there have been calls for criminal investigations of Dr. de la Torre by members of this Committee, ascribing guilt to him without a factual basis for doing so.[8] It is not within this Committee's purview to make predeterminations of alleged criminal misconduct under the auspices of an examination into Steward's bankruptcy proceedings, and the fact that its Members have already done so smacks of a veiled attempt to sidestep Dr. de la Torre's constitutional rights by seeking sworn testimony on matters for which the Committee has pre-determined his guilt. Dr. de la Torre's testimony before the Committee under these circumstances would be wholly inappropriate.

Consequently, for the various reasons set forth above, Dr. de la Torre will not participate in the Committee's September 12, 2024 hearing, as doing otherwise may run afoul of the federal court order prohibiting him from discussing the above-referenced mediation efforts, and would be inconsistent with the bankruptcy court proceedings, the best interests of Steward itself as reflected in its admonishment, and Dr. de la Torre's core constitutional rights.

Dr. de la Torre has consistently fought for Steward hospitals and the communities that they serve, and he continues to do so. If the Committee shares this aim of ensuring continuity of care for patients, hospital employees, and communities, it would reschedule its hearing for a more appropriate date after the conclusion of Steward's bankruptcy proceedings.

Sincerely,

Alexander J. Merton

cc: Warren Gunnels (Staff Director, Senate HELP Committee)
Amanda Lincoln (Republican Staff Director, Senate HELP Committee)
Greg Carter (Oversight Director, Senate HELP Committee)
Caitlin Soto (Chief Counsel, Senate HELP Committee)
Chung Shek (Chief Clerk, Senate HELP Committee)

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8 *See, e.g.*, *Executive Session of the Senate Health, Education, Labor, and Pensions Committee*, 118th Cong. (July 25, 2024) ("As a result of Dr. de la Torre's elaborate Ponzi scheme, Steward Health Care . . . [was] forced to declare bankruptcy . . . ." (statement of Sen. Bernie Sanders)); *id.* ("And not satisfied with going from just the six catholic hospitals in Massachusetts . . . [Dr. de la Torre] then went international to Malta to take over their system as well, where he is now being investigated for the very same irresponsible conduct that our committee is investigating here in the United States." (statement of Sen. Ed Markey)); *id.* ("In 2018, Steward entered into a public-private partnership with the country of Malta to run a number of hospitals in Malta. The deal is now under investigation by the Department of Justice over allegations of fraud and corruption." (statement of Sen. Bill Cassidy)); *see also* Press Release, Sen. Ed Markey, *Senator Markey Statement on Federal Investigation into Steward Health Care on Charges of Fraud and Corruption* (July 11, 2024) ("Steward must be investigated, and I hope the company and the corporate executives who facilitated Steward's actions face consequences that reflect the lives, livelihoods, safety, and security that they stole from communities."); Ross Cristantiello, *Healey Supports Federal Investigation into Steward Health Care's de la Torre*, BOSTON.COM (August 9, 2024), available at https://www.boston.com/news/local-news/2024/08/09/healey-supports-federal-investigation-into-steward-health-cares-de-la-torre/.