



THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BRAD LANDER

September 5, 2023

Commissioner Adolfo Carrión Jr.  
Department of Housing Preservation and Development  
100 Gold Street  
New York, NY 10038

**Re: Return of Rapid Reliable Testing NY LLC Contract #20248801671**

Dear Commissioner Carrión,

I am writing to inform you that contract #20248801671 (the "Contract"), an emergency procurement for \$432 million for services provided by Rapid Reliable Testing NY LLC, commonly known as DocGo Inc. (the "Vendor," or "DocGo"), was reviewed by my Office, and is being returned to the Department of Housing Preservation and Development ("HPD") without approval due to numerous outstanding issues and concerns.

Please note, my Office does not make such a decision lightly. Since I took office as Comptroller on January 1, 2022, our Bureau of Contract Administration (BCA) has registered over 30,000 contracts submitted by City agencies; we have returned fewer than 75, or 0.22%. During the same period, we have approved 303 emergency contracts that have been submitted to our Office for review, 69 of which were specifically related to the asylum seeker crisis. This is the first emergency contract we have declined to approve.

After a review of the procedures and basis for determination of the selection of the vendor to provide the described services, we are declining to approve due to several issues and concerns:

**1. Insufficient budget detail to justify over \$432 million in contract value.**

The Contract fails to provide meaningful budget detail illustrating how HPD arrived at the proposed contract maximum authority of \$432,000,000. The budget provided includes costs for specific services but does not illustrate how the agency arrived at the total amount.

In its submission to our Office, HPD indicated that it was only seeking to encumber \$15,267,355 at this time due to not having additional funds available and/or required at the time. Given that the Administration has alerted our Office that the vendor is owed over \$70 million dollars since the vendor commenced services in May 2023, this partial encumbrance raises questions about HPD's capacity to contract for these services.

**2. Inconclusive reasoning as to the selection of the vendor and contradictory statements about their fiscal ability to provide contracted services.**

There is little evidence to suggest that Rapid Reliable Testing NY LLC had the expertise to provide the services it has been contracted for, calling into question HPD's vetting of the vendor's prior experience and capacity that served as its purported basis for vendor selection. It is a medical services company, not a logistics company, social services provider, or legal service provider. Numerous reports of staff mistreating or misleading asylum seekers, failing to properly respond to reported assault incidents, and inadequate service provision further exacerbate these concerns.

In addition, contradictory statements made by HPD raise questions about both their selection and the fiscal ability to provide the described services.

In Section IV of the Written Emergency Determination (made pursuant to Section 3-06(c)(3) of the PPB Rules) included in the contract submission package, HPD indicates that Rapid Reliable Testing NY LLC "...was referred to HPD ..." and "*The vendor chosen confirmed having the capacity to arrange temporary housing and support services to help and aid asylum seekers arriving to New York.*"

This appears to contradict statements made in the Application for Waiver that HPD submitted to our Office in July, seeking a cash advance of \$4 million for this contract (a rare step that we have granted in two other asylum seeker related emergency procurements, but denied in this case).

In response to Application for Waiver Question 4 ("Explain the circumstances that make compliance with the applicable requirements [of Comptroller Directive 24] unfeasible or prohibitive"), HPD stated that "*The contractor [Rapid Reliable Testing NY LLC] will not be able to continue to provide services prior to contract registration without advance payment(s) for services...*"

In response to that statement, our Office posed the question why "a large, publicly traded, for-profit vendor warrants advance payment for its services." This question remains unaddressed.

In response to Application for Waiver Question 5 ("Describe all efforts to comply with the provision(s) for which the Waiver is being requested, or, if no efforts were undertaken, explain why such efforts would have been futile (attach any documentation)"), HPD stated that "*The City exhausted efforts to find a contractor that would accept payment upon customary contract registration.*"

However, HPD failed (a) to describe any and all efforts that "The City exhausted efforts to find a contractor ...;" (b) to indicate who referred the vendor to HPD; and (c) how it confirmed that Rapid Reliable Testing NY LLC had "... the capacity..." to provide the services given that HPD also indicated that the vendor would be unable to provide the services without advance payment.

This inconsistency highlights a key concern regarding the procedures utilized in selecting this vendor. If the vendor is uniquely capable of providing services at scale, then it should not be in need of, nor eligible for, special treatment to facilitate those services.

### **3. Inadequate vendor responsibility determination, contract oversight and subsequent questions about proper service delivery.**

Every vendor awarded a City contract must be found to have the requisite business integrity to justify the award of public dollars pursuant to an affirmative determination of responsibility that must be made by the contracting agency. After a review of HPD's basis for determining the vendor to be responsible as set forth in the package submitted to this Office, we identified the following unaddressed adverse issues:

- a. DocGo failed to provide proof of payment for the lien referenced and indicated in the Responsibility Determination.
- b. DocGo, Inc.'s corporate organization remains unclear, and though news reports indicate DocGo, Inc. is formerly known as Ambulnz, Inc., this is not disclosed in its PASSPort Vendor Questionnaire in response to Section 1, Question 6 (*"Does the submitting vendor now use, or has it in the past ten (10) years used, an EIN, DBA, trade name, or abbreviation other than the submitting vendor's name or EIN, as currently reflected in their vendor profile in PASSPort?"*).

A number of alarming and adverse news articles further detail the inflation of the company's financial value, interference with law enforcement, and workplace violations, both with respect to DocGo as well as Ambulnz, Inc., further raising concerns as to the failure to disclose referenced above, highlighting reasons why vendor responsibility is a key concern.

#### **4. Inadequate information regarding the selection of subcontractors.**

The package submitted to our Office fails to provide the method of procurement; the basis for selection or rejection; and the basis for the contract price for each sub-contractor, consultant, or supplier, as required by Section 4.05(a) of the agreement. The package is also missing HPD's confirmation that the vendor complied with Section 4.05(B) ("Extent of Competition Required") raising concerns about the procedural compliance and vetting conducted to ensure the capability, capacity, authorization, and integrity of subcontractors.

It was recently [reported](#) that a New York Secretary of State investigation found that two security subcontractors engaged by DocGo hired security guards without proper authorization, in potential violation of law, raising serious concerns about DocGo's process for vetting and selecting subcontractors.

Finally, while it is not a specific element of our procurement review, recent statements by the vendor's CEO raise serious concerns about their motivation in seeking this contract and their incentives under it. The *Times Union* [reported](#) this past Friday that DocGo CEO Anthony Capone recently told an investor briefing: "We did this, in large part, because it gave us all of the credibility to win the [\$4 billion] Border Patrol" contract. "Now that we are one of the largest care providers for asylum seekers in the country, it gives us enormous credibility. And we have references from the city who handles the largest amount."

In the same interview, Mr. Capone indicates enthusiasm at the prospect that political gridlock will ensure strong revenue for DocGo, expressing a "high degree of confidence" that revenues will stay strong: "There's almost no chance that there's going to be federal legislation which solves this problem. Almost none. All you have to do is understand the dilemmas with each one of the solutions and know that it will not happen. It's certainly not happening before the next election cycle. But I doubt it will ever happen."

This position appears to be in direct contradiction to Mayor Adams' forthright and consistent advocacy for a stronger response and partnership from the federal government. It also suggests that the company has little incentive to assist the asylum seekers in its care to obtain legal services and work authorization that would enable them to leave shelter. Rather, the CEO seems eager to capitalize on the fact that the longer asylum seekers remain in their care, the more the company's revenue will grow under this contract.

If DocGo's CEO is rooting for a never-ending crisis to maximize revenues on a \$432 million contract with New York City and leverage billions of dollars more from the federal government – amidst procurement concerns from our Office about vendor selection, vendor responsibility, fiscal capacity, and

subcontractor selection, as well as several ongoing investigations by other public agencies – HPD may want to reconsider whether this vendor is appropriate for the services described.

Given the foregoing, my Office is returning the contract to HPD.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Lander", written in a cursive style.

Brad Lander  
New York City Comptroller

CC:

Deputy Mayor Anne Williams-Isom  
Deputy Mayor Maria Torres-Springer