

**WO**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA

|                           |   |                         |
|---------------------------|---|-------------------------|
| Edvena Yoe,               | } | No. CV-18-08112-PCT-SPL |
|                           | } |                         |
| Plaintiff,                | } | <b>ORDER</b>            |
| vs.                       | } |                         |
|                           | } |                         |
| United States of America, | } |                         |
|                           | } |                         |
| Defendant.                | } |                         |

---

Before the Court is Defendant United States of America’s (the “Defendant”) Motion to Dismiss for Lack of Subject Matter Jurisdiction and Failure to State a Claim (Doc. 23) (the “Motion”). The Motion was fully briefed on March 1, 2019. (Docs. 28, 32) The Court’s ruling is as follows.

**I. Background**

On March 2, 2016, Edvena Yoe brought her six-month-old son, C.B., to the triage area at Chinle Comprehensive Health Care Facility (the “Hospital”). (Doc. 17 at 7) Both Yoe and her son (together, the “Plaintiff”) are enrolled members of Navajo Nation. (Doc. 17 at 2) C.B. was sent to the emergency room where James Murtagh, M.D. (“Murtagh”) noted C.B. had no history of nausea and vomiting, despite C.B.’s history of nausea and vomiting. (Doc. 17 at 7) Later that day, C.B. was returned to the emergency room. (Doc. 17 at 8) Murtagh examined C.B. and diagnosed gastroenteritis for the second time, but stated that the child appeared well and hydrated. (Doc. 17 at 8) C.B. was then discharged.

1 (Doc. 17 at 8) On March 4, 2016, approximately 29 hours after C.B.’s second discharge,  
2 C.B. was brought back to the emergency room in cardiac arrest. (Doc. 17 at 8) At 8:33 a.m.  
3 on March 4, 2016, C.B. was pronounced dead. (Doc. 17 at 8) The cause of death was  
4 determined to be dehydration due to gastroenteritis. (Doc. 17 at 8)

5 The Hospital is operated by the Defendant through its agents and employees, the U.S.  
6 Department of Health & Human Services, the U.S. Public Health Services, and Indian  
7 Health Services (“IHS”). (Doc. 17 at 2) The Hospital contracted with Harris Medical  
8 Associates (“Harris”), a medical employment placement agency, to staff its medical  
9 facilities. (Doc. 17 at 5–6) A purchase order (the “Solicitation”) for emergency medicine  
10 service physicians was created by the Hospital and issued to Harris for the purpose of  
11 staffing the Hospital. (Doc. 23-1 at 2–9) The Solicitation was “a Nonpersonal Service  
12 purchase order” and stated that “[Harris] shall provide Emergency Medicine Physician  
13 Services in the delivery of patient care to the [the Hospital] . . . in accordance with the  
14 Performance Work Statement . . . .” (Doc. 23-1 at 2) Under this agreement, Harris placed  
15 Murtagh at the Hospital to work as an emergency medicine physician. (Doc. 17 at 5–6)

16 The Performance Work Statement for Nonpersonal Services (“PWS”) describes the  
17 requirements and duties of a physician working under a non-personal services contract at  
18 the Hospital. (Doc. 17-1 at 2) It defines a “non-personal services contract” as a contract  
19 under which “the personnel rendering the services are not subject . . . to the supervision and  
20 control usually prevailing in relationships between the Government and its employees . . .  
21 .” (Doc. 17-1 at 5) The PWS mandates that Harris (through its contracted physicians)  
22 perform emergency medicine duties, manage patient needs (including diagnosing and  
23 treating patients), comply with documentation standards, and comply with other  
24 performance-related requirements. (Doc. 17-1 at 8–11) Under the PWS, the Hospital would  
25 have control over some things like the physicians’ work schedules and management of  
26 patient information. (Doc. 17-1 at 10, 12) The PWS also contains a quality assurance clause  
27 which states that “all services rendered in this specialty in the delivery of patient care  
28 services shall be inspected, reviewed, and monitored by the [the Hospital’s] Chief of the

1 Emergency Room or his designee.” (Doc. 17-1 at 9)

2 The PWS also mandates that physicians meet work experience and licensing  
3 requirements. (Doc. 17-1 at 13) Murtagh, however, was not trained or board certified as an  
4 emergency medicine physician or family practice medicine prior to his placement at the  
5 Hospital. (Doc. 17 at 6) The PWS also addresses the Federal Tort Claims Act (“FTCA”)  
6 and how the PWS relates to 25 U.S.C. § 1680c(e), a provision of the Indian Health Care  
7 Improvement Act (“IHCIA”). (Doc. 17-1 at 15) The PWS states:

8 “Previously, health care providers working at Indian Health Service or Tribal  
9 facilities under non-personal services contracts – such as locum tenens providers – were  
10 generally not covered under the [FTCA] and had to secure their own malpractice insurance.  
11 However, the recently passed 25 U.S.C. 1680c(e) may extend [FTCA] coverage to these  
12 “non-Service health care practitioners” who are given clinical privileges and who provide  
13 health care services to patients eligible for services from the Indian Health Service . . . .”  
14 (Doc. 17-1 at 15)

15 The Plaintiff initiated this case on May 30, 2018 and filed a complaint alleging causes  
16 of action for medical negligence (Count I), wrongful death (Count II), negligent hiring and  
17 supervision (Count III), and vicarious liability (Count IV). (Doc. 1; Doc. 17 at 9–12) The  
18 Defendant filed the Motion seeking to dismiss Counts I, II, and IV for lack of subject-matter  
19 jurisdiction and Count III for failure to state a claim. (Doc. 23 at 6)

## 20 **II. Legal Standard**

### 21 **A. FRCP 12(b)(1)**

22 Federal Rule of Civil Procedure 12(b)(1) “allows litigants to seek the dismissal of an  
23 action from federal court for lack of subject matter jurisdiction.” *Kinlichee v. United States*,  
24 929 F. Supp. 2d 951, 954 (D. Ariz. 2013) (citing *Tosco Corp. v. Comtys. for a Better Env’t*,  
25 236 F.3d 495, 499 (9th Cir. 2001)). Allegations raised under FRCP 12(b)(1) should be  
26 addressed before other reasons for dismissal because if the complaint is dismissed for lack  
27 of subject matter jurisdiction, other defenses raised become moot. *Kinlichee*, 929 F. Supp.  
28 2d at 954. A motion to dismiss for lack of subject matter jurisdiction under FRCP 12(b)(1)

1 may attack either the allegations of the complaint as insufficient to confer upon the court  
2 subject matter jurisdiction or the existence of subject matter jurisdiction in fact. *Renteria v.*  
3 *United States*, 452 F. Supp. 2d 910, 919 (D. Ariz. 2006) (citing *Thornhill Publ'g Co., Inc.*  
4 *v. General Tel. & Elecs. Corp.*, 594 F.2d 730, 733 (9th Cir.1979)); *Edison v. United States*,  
5 822 F.3d 510, 517 (9th Cir. 2016). When the motion to dismiss attacks the allegations of  
6 the complaint as insufficient to confer subject matter jurisdiction, all allegations of material  
7 fact are taken as true and construed in the light most favorable to the nonmoving party.  
8 *Renteria*, 452 F. Supp. 2d at 919 (citing *Federation of African Amer. Contractors v. City of*  
9 *Oakland*, 96 F.3d 1204, 1207 (9th Cir. 1996)). When the motion to dismiss is a factual  
10 attack on subject matter jurisdiction, however, no presumptive truthfulness attaches to the  
11 plaintiff's allegations, and the existence of disputed material facts will not preclude the trial  
12 court from evaluating for itself the existence of subject matter jurisdiction in fact. *Renteria*,  
13 452 F. Supp. 2d at 919 (citing *Thornhill*, 594 F.2d at 733). A plaintiff has the burden of  
14 proving that jurisdiction does in fact exist. *Renteria*, 452 F. Supp. 2d at 919 (citing  
15 *Thornhill*, 594 F.2d at 733). Conclusory allegations of law and unwarranted inferences are  
16 insufficient to defeat a motion to dismiss. *Rosenbaum v. Syntex Corp.*, 95 F.3d 922, 926  
17 (9th Cir. 1996).

#### 18 **B. FRCP 12(b)(6)**

19 To survive a FRCP 12(b)(6) motion to dismiss, a complaint must contain “a short  
20 and plain statement of the claim showing that the pleader is entitled to relief” such that the  
21 defendant is given “fair notice of what the . . . claim is and the grounds upon which it rests.”  
22 *Bell Atl. Corp. v. Twombly*, 550 U.S. 554, 555 (2007) (quoting Fed. R. Civ. P. 8(a)(2);  
23 *Conley v. Gibson*, 355 U.S. 41, 47 (1957)). The Court may dismiss a complaint for failure  
24 to state a claim under FRCP 12(b)(6) for two reasons: (1) lack of a cognizable legal theory,  
25 and (2) insufficient facts alleged under a cognizable legal theory. *Balistreri v. Pacificia*  
26 *Police Dep't*, 901 F.2d 696, 699 (9th Cir. 1990).

27 In deciding a motion to dismiss, the Court must “accept as true all well-pleaded  
28 allegations of material fact, and construe them in the light most favorable to the non-moving

1 party.” *Daniels-Hall v. Nat’l Educ. Ass’n*, 629 F.3d 992, 998 (9th Cir. 2010). In comparison,  
2 “allegations that are merely conclusory, unwarranted deductions of fact, or unreasonable  
3 inferences” are not entitled to the assumption of truth, and “are insufficient to defeat a  
4 motion to dismiss for failure to state a claim.” *Id.*; *In re Cutera Sec. Litig.*, 610 F.3d 1103,  
5 1108 (9th Cir. 2010). A plaintiff need not prove the case on the pleadings to survive a  
6 motion to dismiss. *OSU Student All. v. Ray*, 699 F.3d 1053, 1078 (9th Cir. 2012).

### 7 **III. Analysis**

8 The Defendant seeks dismissal of Counts 1, 2, and 4 under FRCP 12(b)(1) and  
9 dismissal of Count 3 under FRCP 12(b)(6). Each issue will be addressed in turn.

#### 10 **A. 12(b)(1) Lack of Subject-Matter Jurisdiction**

11 The Defendant argues that the FTCA, the terms of the PWS, and the terms of the  
12 Solicitation do not support federal subject-matter jurisdiction. By invoking material outside  
13 of the complaint to make that argument, the Motion is thus a factual Rule 12(b)(1) challenge.

##### 14 1. Federal Tort Claims Act

15 In order to establish subject-matter jurisdiction against the Defendant, two things  
16 must exist: (1) a waiver of sovereign immunity and (2) statutory authority vesting a district  
17 court with subject-matter jurisdiction. *Alvarado v. Table Mountain Rancheria*, 509 F.3d  
18 1008, 1016 (9th Cir. 2007). The FTCA is a statute that vests federal courts with exclusive  
19 jurisdiction over suits arising from the negligence of government employees. *Jerves v.*  
20 *United States*, 966 F.2d 517, 518 (9th Cir. 1992). The FTCA allows private parties to sue  
21 the United States for money damages for injuries caused by the negligent or wrongful acts  
22 or omissions of government employees while acting within the scope of their office or  
23 employment at agencies or entities that are performing government functions. 28 U.S.C.  
24 § 1346(b)(1); *Andrade ex rel. Goodman v. United States*, 2008 WL 4183011, at 4 (D. Ariz.  
25 Sept. 8, 2008); *Richards v. U.S.*, 369 U.S. 1, 6 (1962). In the FTCA, the Government waives  
26 its immunity for negligent acts or omissions of any of its employees acting within the scope  
27 of their office or employment and provides subject-matter jurisdiction to the federal courts  
28 in suits against such employees. 28 U.S.C. § 1346(b)(1). Federal courts have jurisdiction

1 over FTCA cases, but apply the law of the state where the act or omission occurred.  
2 *Richards*, 369 U.S. at 11.

3 The FTCA does not cover the acts of independent contractors; generally, the  
4 Government may not be held liable for employees of a party with whom it contracts for a  
5 specified performance. *Logue v. United States*, 412 U.S. 521, 529–31 (1973). “Employee  
6 of the government” under the FTCA is defined as “officers or employees of any federal  
7 agency, . . . and persons acting on behalf of a federal agency in an official capacity.” 28  
8 U.S.C. § 2671; *Carrillo v. U.S.*, 5 F.3d 1302, 1304 (9th Cir. 1993) (citing 28 U.S.C. § 2671).  
9 “Federal agency,” is defined to include “the executive departments, the judicial and  
10 legislative branches, the military departments, independent establishments of the United  
11 States, and corporations primarily acting as instrumentalities or agencies of the United  
12 States, but does not include any contractor with the United States.” 28 U.S.C. § 2671. The  
13 term federal agency, however, expressly excludes “any contractor with the United States.”  
14 *Carrillo*, 5 F. 3d at 1304. Thus, the Government cannot be sued for the acts or omissions  
15 of its independent contractors.

16 The Supreme Court of the United States relies on the “control test” to determine  
17 whether an individual is an employee or an independent contractor under the FTCA. The  
18 control test looks at the Government’s power to control the detailed physical performance  
19 of the contractor. *U.S. v. Orleans*, 425 U.S. 807, 808 (1976); *Logue*, 412 U.S. at 528 (1973).  
20 A court will determine a party to be an employee of the Government for the purposes of the  
21 FTCA if the Government enjoys the power to control the detailed physical performance of  
22 the contractor or supervises the day-to-day operations of the contractor. *Autery v. United*  
23 *States*, 424 F.3d 944, 956 (9th Cir. 2005) (stating “[T]he critical test for distinguishing an  
24 agent from a contractor is the existence of federal authority to control and supervise the  
25 ‘detailed physical performance’ and ‘day to day operations’ of the contractor.”). A  
26 contractor is considered to be an employee only if the government agency manages the  
27 details of the contractor’s work or supervises his daily duties, but not if the government  
28 agency acts generally as an overseer. *Autery*, 424 F.3d at 956–57.

1 Contractual provisions directing detailed performance generally do not abrogate the  
2 contractor exception, and the Government may fix specific and precise conditions to  
3 implement federal objectives without becoming liable for an independent contractor’s  
4 negligence. *Autery*, 424 F.3d at 957; *Orleans*, 425 U.S. at 816. Employees of federally  
5 funded programs may be responsible to the United States for compliance with the  
6 specifications of a contract or grant, but they are not federal employees for purposes of the  
7 FTCA when they “are largely free to select the means of . . . implementation.” *Orleans*, 425  
8 U.S. at 816–17. The terms of a contract are not dispositive as to whether a party is an  
9 employee of the Government for purposes of the FTCA. *Gibbons v. Fronton*, 533 F. Supp.  
10 2d 449, 453 (S.D.N.Y. 2008). “[T]he real test is control over the primary activity contracted  
11 for and not for the peripheral, administrative acts relating to such activity.” *Carrillo*, 5 F.3d  
12 at 1305 (citing *Wood v. Standard Prods. Co., Inc.*, 671 F.2d 825, 832 (4th Cir. 1982)).

13 The Defendant argues that Murtagh is not a government employee within the  
14 meaning of the FTCA, and, therefore, the Court does not have subject-matter jurisdiction  
15 over this case. (Doc. 23 at 7–8) The Defendant argues that it contracted with “medical  
16 employment placement agencies” that provided emergency physician services at the  
17 Hospital. (Doc. 23 at 2, 4) The Defendant contracted with Harris pursuant to the  
18 Solicitation, which incorporated the PWS. (Doc. 23 at 2) The Defendant argues that  
19 Murtagh was hired by Harris to provide services at the Hospital as an independent  
20 contractor. (Doc. 23 at 4) In response, the Plaintiff argues that (i) the Defendant failed to  
21 provide sufficient extrinsic evidence demonstrating that Murtagh is not an independent  
22 contractor, and (ii) the plain terms of the Solicitation identify Harris as a contractor, not  
23 Murtagh. (Doc. 28 at 5)

24 It is well settled that physicians practicing medicine under contract in federal  
25 facilities qualify as independent contractors under the FTCA, not government employees.  
26 *Carrillo*, 5 F.3d at 1304; see also *Robb v. United States*, 80 F.3d 884, 893 (4th Cir. 1996)  
27 (holding that physicians contracted with the Air Force were not government employees, but  
28 independent contractors); *Quilico v. Kaplan*, 749 F.2d 480, 484 (7th Cir. 1984) (holding

1 that physicians “may not be strictly controlled by their employer because of the necessity  
2 to fulfill their ethical obligation to exercise independent judgment in the best interest of their  
3 patients”). The Plaintiff does not dispute the fact that the Hospital contracted with Harris  
4 to hire physicians or that Murtagh was hired by Harris to perform medical services at the  
5 Hospital. (Doc. 17 at 5–7) The Plaintiff seems to ignore the evidence provided by the  
6 Defendant of the Solicitation and the Begay Declaration stating that Murtagh was hired  
7 pursuant to the Solicitation.<sup>1</sup> (Doc. 23-1; Doc. 24-1) Furthermore, the plain terms of the  
8 PWS identify “Contractor” as the organization awarded a contract to provide services and  
9 “includes the organization’s employees.” (Doc. 17-1 at 4) Thus, it is clear that the terms of  
10 the PWS demonstrate that the Hospital contracted with Harris, and the terms of the PWS  
11 applied to the employment of Murtagh at the Hospital. The PWS in tandem with the  
12 Solicitation demonstrates that Murtagh was an employee of Harris, not the Defendant, at  
13 the time of the child’s death.

14 Additionally, the Court finds that the Defendant did not have sufficient control over  
15 Murtagh’s practice of medicine under the control test. In the present case, Harris contracted  
16 to provide physicians at the Hospital, a federal health care facility. (Doc. 17 at 5–6) This is  
17 analogous to the arrangement between the [parties] in *Carrillo*. Also analogous is the level  
18 of control the hospitals had over the contracted physicians. First, the PWS identifies as a  
19 “Non-Personal Services Contract,” which is later defined as “a contract under which the  
20 personnel rendering the services are not subject, either by the contract’s terms or by the  
21 manner of its administration, to the supervision and control usually prevailing in  
22 relationships between the Government and its employees . . . .” (Doc. 17-1 at 5) In *Carrillo*,  
23 the court found that despite the hospital’s control over the physician’s administrative duties  
24 and the hours the doctor would see patients, the physician maintained his independent  
25 professional judgment. *Carrillo*, 5 F.3d at 1305. Similarly here, the Hospital had some  
26 administrative control over Murtagh, such as in setting his work schedule and managing

---

27  
28 <sup>1</sup> The Court notes that neither party has provided the Court with any contract signed  
by Murtagh.



1 how he handled patient information. (Doc. 17-1 at 10, 12) Beyond that, however, in both  
2 cases the physicians had independence in their practice of medicine. Both physicians had  
3 control in diagnosing and treating their patients, and there is little evidence that either  
4 hospital controlled the detailed, physical, day-to-day performances of the physicians  
5 practicing there.

6 As evidence of Hospital control over Murtagh, one may point to a clause in the PWS  
7 which stated that all services rendered by Murtagh would be “inspected, reviewed, and  
8 monitored by the [Hospital’s] Chief of the Emergency Room or his designee.” (Doc. 17-1  
9 at 9) However, the Court finds that this language serves as a quality assurance clause that  
10 gives the Hospital the right to evaluate the quality of Murtagh’s services. It does not give  
11 the Hospital the right to control his independent professional judgment in making patient  
12 decisions. Thus, in accordance with unanimous precedent, the Court finds that Murtagh  
13 was an independent contractor under the control test, as he was a physician contracted to  
14 provide services at a federal facility.

15 2. Indian Health Care Improvement Act Section 1680c(e)

16 The Plaintiff argues that section 1680c(e) of the IHCIA, when read in conjunction  
17 with Section 7.0 of the PWS, designates Murtagh as a federal employee. 25 U.S.C.  
18 § 1680c(e). Section 1680c(e) of the IHCIA states that healthcare practitioners who are  
19 under contract with the Indian Health Service may be “designated as employees of the  
20 Federal Government for purposes of section 1346(b) and chapter 171 of Title 28 (relating  
21 to Federal tort claims) only with respect to acts or omissions which occur in the course of  
22 providing services . . .” 25 U.S.C. § 1680c(e). Furthermore, Section 7.0 of the PWS states  
23 that “the recently passed 25 U.S.C. § 1680c(e) may extend Federal Tort Claims Act  
24 coverage to these ‘non-Service health care practitioners’ who are given clinical privileges  
25 and who provide health care services . . . .” Both subsections use “may” language. The  
26 Court has recently addressed the provision and, in doing so, looked closely at the terms of  
27 the PWS to determine what effect § 1680c(e) had on the physician’s employment status.  
28 *Tsosie v. United States*, 2019 WL 2476601, at 3–4 (D. Ariz. 2019). The plaintiff in *Tsosie*

1 alleged that a physician had been negligent in his care of the plaintiff’s son. In *Tsosie*, the  
2 physician was a contract emergency medicine service physician who worked for a medical  
3 staffing agency that had a contract with a hospital, and the contract between the hospital  
4 and the medical staffing agency included both a contract/purchase order and a PWS for  
5 emergency medicine service physicians. *Tsosie*, 2019 WL 2476601 at 1. In that case, the  
6 PWS contained a FTCA clause that stated FTCA coverage “is extended to [IHS]  
7 Nonpersonal Service Contractors if the health care practitioner is providing services in an  
8 IHS facility to IHS beneficiaries.” *Tsosie*, 2019 WL 2476601 at 1. In that case, the Court  
9 held that the physician, who was a health care practitioner providing services in an IHS  
10 facility to IHS patients, was an employee of the Government because the terms of the PWS  
11 explicitly said so and § 1680c(e) had permitted such a designation. *Tsosie*, 2019 WL  
12 2476601, at 3–4.

13 In the present case, the terms of the PWS do not explicitly grant FTCA protection to  
14 Murtagh. (Doc. 17-1 at 15) Instead, the terms merely acknowledge that FTCA protection  
15 may be afforded to some practitioners under § 1680c(e), basically repeating the language  
16 from the statute. (Doc. 17-1 at 15) The relevant section of the PWS in the present case  
17 states that “1680c(e) may extend [FTCA] coverage to these ‘non-Service health care  
18 practitioners’ who are given clinical privileges and who provide health care services to  
19 patients eligible for services from the [IHS] . . . .” (Doc. 17-1 at 15) This is distinctly  
20 different language than that found in the PWS in *Tsosie*. The terms of § 1680c(e) state that  
21 privileged practitioners may be designated as employees of the Government. Absent this  
22 designation, however, the Court finds that Murtagh cannot be considered an employee of  
23 the government.

### 24 3. Bad Men Clause

25 In the late 1860s, the United States signed a series of peace treaties with Native  
26 American tribes in an effort to end ongoing conflicts in the American West. The Navajo  
27 Treaty of 1868, like many of the other treaties, includes a provision known as the “Bad  
28 Men” clause, which states: “[i]f bad men among the whites, or among other people subject

1 to the authority of the United States, shall commit any wrong upon the person or property  
2 of the Indians, the United States will . . . cause the offender to be arrested and punished  
3 according to the laws of the United States . . .” 15 Stat. 667. In summary, the clause states  
4 that if an outsider, originally anticipated to be a white settler or Indian from another tribe,  
5 commits a wrong against a protected tribe, the tribe can deliver that outsider to the U.S.  
6 government to suffer under the weight of the federal criminal justice system. Lillian  
7 Marquez, *Making “Bad Men” Pay: Recovering Pain and Suffering Damages for Torts on*  
8 *Indian Reservations Under the Bad Men Clause*, 20 Fed. Circuit B.J. 609, 613 (2011). To  
9 bring a claim under the bad men clause, a plaintiff must first have suffered a “wrong” within  
10 the intent of the treaty, which courts have held to mean that only criminal claims may be  
11 brought under the Bad Men clause, not civil claims such as negligence. *Garreaux v. U.S.*,  
12 *77 Fed. Cl. 726, 736–37* (2007). The Plaintiff alleges claims for medical negligence,  
13 negligent hiring and supervision, wrongful death, and vicarious liability, all of which are  
14 civil matters. Accordingly, the Court finds that the Plaintiff has not suffered a “wrong”  
15 within the meaning of the Bad Men clause, and the Bad Men clause cannot confer subject  
16 matter jurisdiction in this case.

#### 17 4. Equitable Estoppel

18 In response to the Motion, the Plaintiff argues for the first time that there is subject  
19 matter jurisdiction in this case on the basis of equitable estoppel. However, it is well settled  
20 that “parties cannot by consent, waiver or estoppel obtain federal subject matter  
21 jurisdiction.” *Sullivan v. First Affiliated Sec., Inc.*, 813 F.2d 1368, 1374 (9th Cir. 1987);  
22 *Kuhlmann v. Sabal Fin. Grp. LP*, 26 F. Supp. 3d 1040, 1050 (W.D. Wash. 2014) (stating  
23 “[d]octrines of waiver, estoppel, and equitable tolling do not apply to subject matter  
24 jurisdiction requirements”). Accordingly, the Court finds that the Plaintiff’s argument for  
25 subject-matter jurisdiction on the basis of equitable estoppel fails.

#### 26 **B. 12(b)(6) – Failure to State a Claim**

27 The Defendant moves to dismiss the Plaintiff’s negligent hiring and supervision  
28 claim for failure to state a claim upon which relief may be granted. (Doc. 23 at 14) For this

1 claim, the Plaintiff alleges that the Defendant was negligent in its hiring and supervision of  
2 Harris, the medical employment placement agency that placed Murtagh at the Hospital.  
3 (Doc. 17 at 11) In light of Murtagh’s lack of training or board certification as an emergency  
4 medicine physician, the Plaintiff argues that the Defendant is liable for its failure to properly  
5 investigate and supervise Harris and for its failure to follow the PWS. (Doc. 17 at 6, 11–12)

6 Under Arizona law, an employer can be held liable for the negligent hiring, retention,  
7 or supervision of an employee if a court first finds that the employee committed a tort.  
8 *Kuehn v. Stanley*, 91 P.3d 346, 352 (Ariz. Ct. App. 2004) (citing *Mulhern v. City of*  
9 *Scottsdale*, 799 P.2d 15, 18 (Ariz. Ct. App. 1990)). “If the theory of the employee’s  
10 underlying tort fails, an employer cannot be negligent as a matter of law for hiring or  
11 retaining the employee.” *Mulhern*, 799 P.2d at 18. In Arizona, “[a] person conducting an  
12 activity through servants or other agents is subject to liability for harm resulting from his  
13 conduct if he is negligent . . . (a) in giving improper or ambiguous orders . . . (b) in the  
14 employment of improper persons or instrumentalities in work involving risk of harm to  
15 others . . . [or] (c) in the supervision of the activity . . .” *Kassman v. Busfield Enter., Inc.*,  
16 639 P.2d 353, 356 (Ariz. Ct. App. 1981) (citing Restatement (Second) of Agency § 213  
17 (1958)). Liability for negligent hiring or supervision results when “the employer has not  
18 taken the care which a man would take in selecting the person for the business in hand.” *Id.*

19 In the present case, the Plaintiff seeks to name the United States as a defendant  
20 without alleging that the party alleged to be the United States’ employee in this case, Harris,  
21 has committed a tort under Arizona law. In the complaint, the Plaintiff alleges tort liability  
22 against the Defendant and against Murtagh, but never specifies a tort that Harris is  
23 responsible for. For example, under Paragraph 64 of the complaint, the Plaintiff lists six  
24 reasons for why the Defendant is allegedly negligent. (Doc. 17 at 11) However, none of  
25 those reasons explicitly allege that Harris was negligent. The same is true in Paragraphs 23  
26 and 24 of the complaint, where the Plaintiff details that Murtagh was not trained or board  
27 certified and that “Defendant USA negligently hired [Harris]” and “[failed] to  
28 independently examine, investigate, document, and evaluate” Murtagh. (Doc. 17 at 6)

1 Again, the Plaintiff is alleging the negligence of the Defendant and Murtagh, but not of  
2 Harris. Thus, the Plaintiff's failure to do so fails to state a claim upon which relief may be  
3 granted.

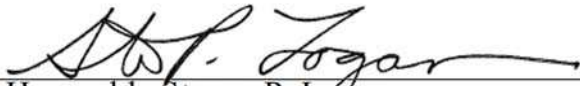
4 The Plaintiff also uses conclusory language to support its claim for negligent hiring  
5 and supervision. In the complaint, the Plaintiff fails to identify any specific act or omission  
6 by the Defendant to support its claim of negligent hiring. While the record indicates that  
7 Murtagh was not properly certified, the Plaintiff makes no factual allegations that his hiring  
8 or supervision constituted negligence on the part of the Defendant. Moreover, beyond this  
9 list of broad, open-ended failures to comply with the PWS, the Plaintiff does not provide  
10 any detail to the allegations. It is unclear just how the Defendant failed to investigate,  
11 supervise, or follow the PWS. The Plaintiff's reliance on conclusory statements fails to  
12 meet the pleading standards required to overcome a Rule 12(b)(6) motion for dismissal.  
13 Therefore, the Motion will be granted on Count III.

14 Accordingly,

15 **IT IS ORDERED** that the Defendant's Motion to Dismiss for Lack of Subject  
16 Matter Jurisdiction and Failure to State a Claim (Doc. 23) is **granted**.

17 Dated this 31st day of July, 2019.

18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

  
Honorable Steven P. Logan  
United States District Judge