

Corruption and strengthening anti-corruption efforts in healthcare during the pandemic of Covid-19

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Abstract

The Covid-19 pandemic has created the opportunity for corruption to flourish in healthcare sectors around the world. Challenges include misuse and mismanagement of resources and corruption, which require scrutiny and attention. This article deals with such corruption during the pandemic, involving public procurement of goods and services for the treatment of diseases, falsification of public contracts and kickbacks, embezzlement of healthcare funds, opacity in governance, misuse of power, nepotism and favouritism in the management, petty corruption in the level of service, fraud and theft or embezzlement of medicines and medical devices.

Keywords

Covid-19 pandemic, corruption, public procurement, combating corruption, healthcare system

Corruption in healthcare systems is a global negative socio-political phenomenon, which can occur in any state in the world and derives from the state's system and ethos, development, politics, economy and culture.

Corruption undermines the sense of justice in society, people's confidence in their public institutions and undermines checks and balances that should protect society. It threatens peace, creates conditions for illegal behaviour and promotes the flourishing of shadow relationships. Corruption affects how administration in all sectors functions and is a major barrier to economic growth and good governance.

Corruption in healthcare reflects the weaknesses of its structural and administrative organisation.¹ Although there is no global dataset of corruption in healthcare, we know many countries face significant risk of it. Approximately \$455 billion of the \$7.35 trillion spent on healthcare annually worldwide is lost each year to fraud and corruption. Furthermore, the Organisation for Economic Co-operation and Development estimates that 45% of global citizens believe the healthcare sector is incompetent, corrupt or very corrupt.^{2,3}

The Covid-19 outbreak is an international public health problem, which has demonstrated weaknesses in many countries' healthcare systems leading to acute and severe shortages of essential equipment, including personal protective equipment diagnostics,

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clinical management, and the need for financial assistance.⁴

As the pandemic continues to spread across the world with cases identified in 216 countries, corruption continues to undermine appropriate responses, depriving people of essential care when most needed. Corruption affects the allocation of resources, the distribution of medical supplies and relationships between healthcare professionals and patients. The global index of health security report for 2019 noted that today, in every country, biological threats (natural, intentional or accidental) can pose risks to global health, international security and the world's economy. Infectious diseases recognise no borders, so every country must be able to take measures to prevent, detect, and rapidly respond to public health emergencies and be transparent about its capabilities if it is to assure neighbours that it can stop an outbreak from becoming an international catastrophe.⁵

The Covid-19 coronavirus outbreak highlighted significant gaps in national and international plans to contain a pandemic and that insufficient attention was paid to good governance and preventing corruption.

The pandemic has devastated economies and in some cases people have no work or means of subsistence. All the countries involved face problems but differ in how they combat them and also corruption. The nature and extent of corruption changes constantly where it occurs and its prevalence differs depending on the level of development of the state; it takes different forms in different countries. However, the consequences of corruption are disastrous both for a country's economy at large and its citizens in particular. If in rich countries corruption affects the financing of medical services, access and quality of services, in poor countries, it can be a matter of life and death.

In the search for a rapid response to the pandemic and the introduction of strategies to combat the disease, many governments around the world failed to put in place effective anti-corruption measures or the means to assess the risks of it, so without these and without good governance their systems are obviously, left wide open to potential abuse.⁶

During the Covid-19 pandemic, corruption weakened the day-to-day functioning of the healthcare system with increase in supply and demand, uncertainty, distraction and disruption creating perfect conditions for corrupt actors to take advantage of the situation.

Worst examples of corruption during this period include public procurement of goods and services for the treatment of disease, bid-rigging in public procurement and kickbacks, embezzlement of healthcare funds, opacity in governance, misuse of power or level position, nepotism and favouritism in the

management, petty corruption in levels of service, fraud and theft of medicines and medical devices.

In high-, middle- and low-income countries, public procurement is very vulnerable to wastefulness, mismanagement, inefficiency and corruption.⁷ Public procurement in healthcare has been most affected by the pandemic, which prompted emergency sourcing of supplies and so increased the risks of corruption as the rapid spread of the disease, and resultant shortage of medical supplies, forced the governments of the world and their officials to act fast to ensure their healthcare systems could cope. That created additional strain on procurement. Consequently, public procurement was acutely vulnerable for exploitation by thieves and fraudsters. It is estimated that 10–25% of all money spent in procurement globally is lost to corruption.⁸ For example, in Italy, where the number of active cases was one of the highest in the world,⁹ in March 2020 two of the six companies that won six urgent tenders for the manufacture of 32,039,550 masks with a total value of €12,225,528.00 were the agricultural and forestry company, and a company that deals mainly with office supplies.¹⁰ The government of Slovenia has signed deals for medical supplies worth about €80 million with dubious companies involved in gambling with no experience in healthcare.¹¹

The healthcare sector is one of the largest employers worldwide with thousands of health workers who treat millions of patients, giving the opportunity for petty corruption, which flourished during the pandemic. This is because a patient seeking treatment when there is a shortage of doctors, nurses, beds, machines may offer a bribe or will pay for it, if asked, because he needs access to treatment. In Norway and the USA, for example, it is reported that some doctors are hoarding medications touted as possible coronavirus treatments by writing prescriptions for themselves and family members.^{12,13}

In addition to the petty corruption of doctors and nurses who charge bribes or ask for “informal payments”, larger-scale corruption during a pandemic can include acts taken by a hospital's administrators or local government and public authorities who take or redirect resources away from those for whom they were intended. The Control and Anti-Corruption Authority of the Kingdom of Saudi Arabia, for example, on April 2020 initiated a financial and administrative corruption case involving two senior officials at the General Directorate of Health Affairs in the Riyadh region in conjunction with six people, one of whom is a hotel owner. They are alleged to have exploited (by overcharging) the state's generous spending scheme that aimed to provide accommodation where citizens returning from abroad could be quarantined during the current Covid-19 crisis. They were required by the

commissions on hotels to contract the Ministry of Health but overcharged with expenses exceeding a fair price.¹⁴

The rapid spread of the pandemic has affected all aspects of life and led to a global economic crisis. To reduce its impact many governments around the world have turned to the International Monetary Fund (the IMF) for financial assistance which is currently giving more than \$82,987.55 million in financial assistance to 77 countries, including \$1444.53 million in assistance to Asia and the Pacific, \$618.63 million to European countries, \$13,548.83 million to the Middle East and Central Asia. Also, the IMF reduced its debt from 27 countries by \$243.61 million.¹⁵

This provides fertile ground for corruption and requires that measures are in place to ensure transparency and accountability in the use of funds, to ensure these resources are used to protect lives and livelihoods. The adoption of commitments to increase transparency and fight corruption, anti-money laundering mechanisms and public finance management is a condition to benefit from IMF payments. One example is Moldova, which is committed to implementing strong control, audit, reporting, and transparency requirements with regards to crisis-related government spending, which includes publishing information on associated public procurement and the beneficial owners of companies who get government contracts as well as continuing to enforce the Anti Money Laundering (AML) framework and asset declaration regime. Also, Moldova must subject all crisis-mitigation spending to a dedicated audit by the Court of Accounts Chamber and has agreed to make the audit report public.¹⁶ Another example is Nepal; it has to report quarterly on its spending these funds; further, It must commission an independent audit by the Office of Auditor General of Nepal on its Covid-19-related spending in a year's time. It must publish quarterly reports and audit results on the websites of the implementing agencies, and publish on the implementing agency website all large public procurement documentation together with ex-post validation of delivery along with the name of awarded companies and the Nepal international monetary fund and name of their beneficial owner(s).¹⁷ The same commitments have been undertaken by more than 30 countries, in particular: Egypt, the Dominican Republic, Jordan, Mauritania, Pakistan, Uzbekistan, Jamaica, etc.

Corruption in the healthcare sector is made easier by poor or non-existent regulation, but also overregulation, lack of accountability, low salaries and greater demand than availability of supply of services or other products.¹

Fighting against corruption requires keen and continuous oversight and integrated strategies to prevent it

which must be regularly reviewed to keep them effective against this scourge. Successfully reducing corruption will improve healthcare and reduce health risks and improve overall governance in the fight against the pandemic and its consequences.⁶

Focus needs to be where corruption risks are greatest (administrative and financial spheres) with early detection strategies and effective enforcement to punish those found guilty.

Governments must ensure a fair and transparent distribution of all funds, with adequate resources to combat corrupt decision-making. This is best achieved by providing reliable information and making public data freely available on the Internet including disaggregating health and financial data and taking this data into account during decision-making. Strong reporting mechanisms, public reporting of abuse and public access to reliable up-to-date information are key to preventing corruption and mitigating a health crisis.

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