



# **Good Practices Compendium on Combating Corruption in the Response to COVID-19**

**Prepared by the United Nations Office on Drugs and  
Crime (UNODC)**

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## Acronyms and abbreviations

ACIC	Australian Criminal Intelligence Commission
ACWG	G20 Anti-Corruption Working Group
ADA	Italian geo-referencing database on the distribution and delivery of medical equipment and supplies “ <i>Analisi Distribuzione Aiuti</i> ” system
AEMPS	The Spanish Agency of Medicines and Medical Devices
AGENAS	Italian National Agency for Regional Healthcare Services
AIA	Anti-corruption Initiative Assessment in the Republic of Korea
AML/CFT	Anti-Money-Laundering/Combating the Financing of Terrorism
ANAC	Italian National Anti-Corruption Agency
ANAO	The Australian National Audit Office
CARES America	Coronavirus Aid, Relief, and Economic Security in the United States of America
CGU	The Office of the Comptroller General in Brazil
CITCO Spain	The Intelligence Center against Terrorism and Organized Crime in Spain
CPD	Civil Protection Department in Italy
CSO	Civil Society Organization
DNA	The Italian National Anti-Mafia and Counter Terrorism Directorate
DOJ	Department of Justice of the United States of America
DOJ-OIP	Department of Justice’s Office of Information Policy of the United States of America
FATF	Financial Action Task Force
FCDO Kingdom	Foreign, Commonwealth and Development Office of the United Kingdom
FIU	Financial Intelligence Unit
FOIA	Freedom of Information Act
GAO	Government Accountability Office in the United States of America
GEM	Government E-Marketplace in India
GRECO	Council of Europe’s Group of States against Corruption
HGV	Heavy Goods Vehicle
HSACF	Health Sector Anti-Corruption Forum in the Republic of South Africa
IA	Integrity Assessments in the Republic of Korea

ICO	Internal Control Bodies in Mexico
ICT	Information and Communications Technology
IMCO	Mexican Institute for Competitiveness
IMF	International Monetary Fund
INAIL	Italian <i>Istituto Nazionale Assicurazione Infortuni sul Lavoro</i>
IsDB	Islamic Development Bank
ITSS	The Labor and Social Security Inspectorate in Spain
KPK	Corruption Eradication Commission of Indonesia
MLA	Mutual Legal Assistance
MMS	Miracle Mineral Solution in Spain
Nazaha	Oversight and Anti-Corruption Authority in the Kingdom of Saudi Arabia
NCA	National Crime Agency in the United Kingdom
NCDF	National Center for Disaster Fraud in the United States of America
NCS	National Commission of Supervision in China
NOSC	Núcleo de la Sociedad Civil (Core of the Civil Society Organizations) in Mexico
NPO	Non-Profit Organization
OECD	Organisation for Economic Co-operation and Development
OIG	Offices of Inspectors General
OUTA	The Organisation Undoing Tax Abuse
PARI	The Public Affairs Research Institute
PEPs	Politically Exposed Persons
PCSF	The Procurement Collusion Strike Force in the United States of America
PPE	Personal Protective Equipment
PPP	Paycheck Protection Program in the United States of America
PRAC of America	Pandemic Response Accountability Committee in the United States of America
PSPC	Public Services and Procurement Canada
SEPE	State Public Employment Service in Spain
SFAO	Swiss Federal Audit Office
SFP	Mexican Ministry of Public Administration

SIDEC	Mexican Comprehensive Citizen Complaints System
STR	Suspicious Transaction Reporting
UNODC	United Nations Office on Drugs and Crime
WHO	World Health Organization

## Executive summary

The rapid spread of the COVID-19 pandemic and its ensuing consequences have affected almost every aspect of society and created opportunities for corruption to thrive and grow, as actions taken to quickly address the needs presented by the crisis may lead to sacrifices in transparency and accountability. Corruption risks have proliferated across a variety of fields threatening life-saving aid and further hurting the most marginalized and vulnerable populations. In response to these growing threats, the G20 Anti-Corruption Working Group (ACWG) sought to identify key anti-corruption practices undertaken by G20 countries to address COVID-19. A survey was disseminated to all G20 countries in July 2020 to better understand the new and existing anti-corruption threats and countermeasures used to respond to the crisis and share experiences to inform global policy and strengthen international cooperation. 22 countries responded, with many using similar strategies and techniques to address common corruption risks arising from or exacerbated by COVID-19, with unique manifestations depending on national contexts and priorities.

[In the context of corruption risk assessments and mitigation measures used by G20 countries, the following has been reported:](#)

- 15 countries relied on corruption risk assessments that were conducted prior to the COVID-19 crisis and used those findings to implement current anti-corruption responses.
- Ten countries undertook specific corruption risk assessments at the onset or during the pandemic.
- 15 countries underlined the risks and threats of corruption in health-related procurement involving vital goods and services such as medicines, medical equipment, and personal protective equipment, among others.
- 13 countries reported the existence of corruption risks and threats to the vast sums of money allocated in economic stimulus and aid packages.
- Nine countries highlighted the threat of cyber-related corruption and the increased use of Information and Communications Technology to engage in corrupt acts.
- Out of the reported mitigation measures employed by countries, nine noted the use of technological tools to ensure and guarantee transparency, accountability and monitoring in various domains, especially within reporting mechanisms (whistle-blowing) and public procurement processes.

[In the context of emergency procurement to obtain essential medicines, medical supplies and equipment, G20 countries reported the following:](#)

- 14 countries reported that existing legislation, procedures and rules allowed for timely public procurement in emergency contexts, such as direct contract awards or reduced timelines.
- 18 countries introduced new legislation or produced guidelines or policy notes specifically related to emergency procurement in the context of COVID-19. Some of these highlighted existing rules to expedite procurement while others noted new measures passed to address the needs presented by COVID-19.
- 19 countries used, adapted and strengthened existing monitoring mechanisms to oversee public health procurement, including through dedicated task forces and audit teams, and online platforms and Information and Communications Technology to pre-register suppliers, publish award information and track the allocation of emergency funds.

In the context of national anti-corruption responses, strategies and approaches, G20 countries reported the following:

- 15 countries reported the use of online systems as a new anti-corruption measure derived from their efforts to respond to COVID-19, which also overlapped with G20 ACWG priorities in 2020. These included using Information and Communications Technology to help ensure the continuity of the criminal justice sector and to engage in robust monitoring of public procurement processes.
- Countries reported that they took action to increase transparency in the allocation and distribution of economic response and relief funds and in procurement processes, such as by making relevant information publicly available and using internal control bodies.
- Five countries reported that they strengthened whistle-blower protection systems, including by facilitating increased reporting through online and social media channels.
- A number of countries reported the publication of practical guides at the national level to help authorities better respond to and address the corruption risks presented by COVID-19.

In the context of collective approaches that the G20 could take together, countries reported the following:

- 15 countries reported that deepened international cooperation and enhanced collaboration and information-sharing would be beneficial.
- Four countries noted the increased implementation and promotion of common international standards, including the United Nations Convention

against Corruption and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

- Seven countries reported that the future development of collective guides and common strategies to respond to COVID-19 and similar future crises based on G20 member experiences would be useful.
- Other recommendations reported by countries included the increased use and investment in Information and Communications Technology, enhanced partnerships with non-governmental stakeholders, strengthened efforts to prevent abusive trade practices, improved donor response coordination and the potential for new anti-corruption infrastructure.

## 1. Introduction

The COVID-19 pandemic presents unprecedented challenges to the global community. Governments are dedicating enormous resources to respond to the ongoing health crisis and address economic challenges derived from global restrictions on convening for work, damaged supply chains and declining financial markets. The amount of resources necessary to ensure public health and safety coupled with the need to respond quickly to rapidly evolving challenges has increased opportunities for corruption.

The G20 Anti-Corruption Working Group (ACWG) recognizes that anti-corruption must go hand-in-hand with economic response and recovery efforts to ensure the appropriate allocation and distribution of funds. It is committed to deterring and tackling corruption in all its forms, including where it appears within the unprecedented public health and economic recovery response necessitated by the crisis. The G20 ACWG thus sought to leverage experience across G20 countries and compile a set of anti-corruption measures and good practices taken by countries in their responses to COVID-19 with the aim of informing current efforts and ensuring that countries are well-equipped to tackle similar crises in the future. This is also in line with the G20 Anti-Corruption Ministerial Communique, in which G20 Leaders committed to collaborate in delivering a global response to this crisis in the spirit of solidarity, and in line with the G20 Extraordinary Leaders' Statement<sup>1</sup> published on 26 March 2020.

This Good Practices Compendium on Combating Corruption in the Response to COVID-19 was prepared by the United Nations Office on Drugs and Crime (UNODC) at the request of the G20 Saudi Presidency and is based on information provided by 22 countries to a survey that was circulated to the members and observers of the ACWG at the end of July 2020. The survey sought inputs from the G20 community with regard to the key corruption risks that have been and are being observed during the pandemic, and good practices and approaches that have been implemented by countries to mitigate specific corruption challenges.<sup>2</sup> The compendium relies on the responses as they have been provided by the countries themselves.

The compendium highlights the significant corruption risks present in the COVID-19 response and the importance of anti-corruption controls in this context. It is informed by work undertaken by international organizations and the G20 ACWG in previous years. The compendium is meant to support the implementation of the 2019-2021 Action Plan, which mandates “deepening anti-corruption measures in ... other vulnerable sectors.” It is also complemented by the G20 Call to Action on Corruption and COVID-19, which sets out the G20 commitment to continued collective and coordinated action in the spirit of solidarity to combat corruption in the COVID-19 response and recovery.

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<sup>1</sup>

[https://g20.org/en/media/Documents/G20\\_Extraordinary%20G20%20Leaders%20Summit\\_Statement\\_EN%20\(3\).pdf](https://g20.org/en/media/Documents/G20_Extraordinary%20G20%20Leaders%20Summit_Statement_EN%20(3).pdf)

<sup>2</sup> Responses were received from Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Jordan, the Republic of Korea, Mexico, the Kingdom of Saudi Arabia, the Republic of South Africa, Spain, Switzerland, the Russian Federation, Turkey, the United Kingdom, and the United States.

As the crisis continues, a comprehensive analysis of anti-corruption efforts taken during the COVID-19 response cannot yet be completed. It is therefore suggested to revisit the G20's anti-corruption efforts in emergency and pandemic scenarios as a focus area during future G20 Presidencies.

## 2. Brief background on the global response to COVID-19 and the ensuing corruption risks and consequences

It is generally accepted that corruption thrives in times of crisis due to the conducive environments that are fed by disorder and confusion. The multiplicity of crises emerging from the COVID-19 pandemic continues to distress and destroy lives across the world. At its onset, owing to the extreme and sudden nature of the pandemic, governments were forced to take rapid restrictive measures that caused an immediate halt to economic activity and led to an injection of unprecedented sums of economic aid to assist the most affected and vulnerable. International bodies and institutions, including, the International Monetary Fund (IMF),<sup>3</sup> the Organisation for Economic Co-operation and Development (OECD),<sup>4</sup> the World Economic Forum (WEF),<sup>5</sup> the World Health Organization (WHO),<sup>6</sup> the World Bank,<sup>7</sup> the Council of Europe's Group of States against Corruption (GRECO),<sup>8</sup> the European Ombudsman,<sup>9</sup> as well as the United Nations Office on Drugs and Crime (UNODC)<sup>10</sup> called for countries to strive towards increased global vigilance and the integration of anti-corruption programming.

The importance of incorporating anti-corruption strategies in crisis responses has also been made clear from prior similar experiences<sup>11</sup> and the international community should take advantage of this knowledge in the global response to tackle COVID-19. Corruption directly interferes and hampers specific remedial actions that aim to address and ease one or more effects of the crisis. This may involve matters such as the embezzlement of the immediate economic and financial aid that is received as well as the abuse of emergency procurement processes for private benefit in areas that include crucial health sector resources such as medicines and medical equipment. For example, in the case of the Ebola crisis, final audits from the Red Cross revealed that more than \$5 million was lost to fraud from issues such as fake purchases and salaries for non-existent

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<sup>3</sup> *Spend what you can to fight Covid-19, IMF tells member states*. The Guardian, April 2020, <https://www.theguardian.com/business/2020/apr/15/spend-what-you-can-to-fight-covid-19-imf-tells-member-states>

<sup>4</sup> *The global response to the coronavirus pandemic must not be undermined by bribery*. OECD (April 2020), <http://www.oecd.org/corruption/the-global-response-to-the-coronavirus-pandemic-must-not-be-undermined-by-bribery.htm>

<sup>5</sup> *Corruption can have no place in our COVID-19 recovery*. The World Economic Forum (April 2020), <https://www.weforum.org/agenda/2020/04/corruption-no-place-covid-coronavirus-recovery/>

<sup>6</sup> *PPE-related corruption is 'murder'*. UN News (August 2020), <https://news.un.org/en/story/2020/08/1070782>

<sup>7</sup> *Advancing accountability for special emergency funds to address COVID-19*, World Bank Blog (May 2020), <https://blogs.worldbank.org/governance/advancing-accountability-special-emergency-funds-address-covid-19>

<sup>8</sup> *COVID-19 pandemic: GRECO warns of corruption risks*. The Council of Europe (April 2020), <https://www.coe.int/en/web/portal/-/covid-19-pandemic-greco-warns-of-corruption-risks>

<sup>9</sup> *Letter to the President of the European Council concerning transparency of the EU Covid-19 crisis response*. The European Ombudsman (April 2020), <https://www.ombudsman.europa.eu/en/correspondence/en/127056>

<sup>10</sup> *Accountability and the Prevention of Corruption*. UNODC (April 2020), [https://www.unodc.org/documents/Advocacy-Section/COVID-19\\_and\\_Anti-Corruption-2.pdf](https://www.unodc.org/documents/Advocacy-Section/COVID-19_and_Anti-Corruption-2.pdf)

<sup>11</sup> *Ebola and corruption: Overcoming critical governance challenges in a crisis situation*. U4 Anti-Corruption Resource Centre (2015), <https://www.u4.no/publications/ebola-and-corruption-overcoming-critical-governance-challenges-in-a-crisis-situation>

employees<sup>12</sup> due to the lack of consistent monitoring and accounting mechanisms. These difficulties are further intensified when corruption indirectly profits from the auxiliary consequences of the COVID-19 crisis. This may constitute an array of corruption risks ranging from petty corruption and bribes along with fraudulent sales; price gouging of essential commodities and the acceleration and diversion of political as well as legislative processes to increased exposure to corruption in private entities working in the health sector.<sup>13</sup> In the context of organized crime, criminals are also employing several innovative and novel techniques in their attempt to exploit and capitalize on the present circumstances touching areas such as fraud, cybercrime, money-laundering, among others.<sup>14</sup> For more information on corruption risk factors due to COVID-19, please see the annex.

UNODC in its paper “*Accountability and the Prevention of Corruption*”<sup>15</sup> elaborated on the different policy responses Member States could take immediately and the various aspects to consider in the prevention of corruption during the pandemic. The paper also emphasized immediate priorities in the fight against corruption as well as innovative solutions while focusing on the future measures that may be established to increase preparedness in anti-corruption responses to crises.

The COVID-19 crisis is unfortunately far from over; however, countries must continue to integrate anti-corruption as they address and manage various evolving challenges. Mechanisms and programmes that are transparent and accountable are among the only ways to ensure that their efforts reach the people who need it the most.

### 3. Corruption risks and mitigation measures emerging from the COVID-19 crisis

#### A. Pre-pandemic corruption risk assessments

Due to the exigent and time-sensitive nature of the COVID-19 crisis, many G20 countries reported using and adapting previous corruption risk assessments undertaken to ascertain corruption vulnerabilities and take targeted action. **Australia, Brazil, Canada, China, France, Germany, Indonesia, Italy, Jordan, the Republic of South Africa, the Republic of Korea, the Kingdom of Saudi Arabia, Switzerland, the United Kingdom and the United States of America** indicated their use of previous assessments, knowledge products (guidelines, papers, etc.) and mechanisms that aided in the quick recalibration of their respective anti-corruption approaches, policies and strategies. For example, **Brazil** reported that it has been applying the risk management framework that was already in place to mitigate the risks of fraud and corruption arising during the COVID-19 pandemic. **China** specified that the National Commission of Supervision (NCS) had internal guidelines and regulations in place for corruption risk assessments and control in areas such as work safety, public crises, poverty relief and health care, among

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<sup>12</sup> Red Cross apologise for losing \$5m of Ebola funds to fraud. BBC (November 2017), <https://www.bbc.com/news/world-africa-41861552>

<sup>13</sup> *Corruption in the time of Covid-19: A double-threat for low income countries*. U4 Anti-Corruption Centre (March 2020), <https://www.u4.no/topics/covid-19-and-corruption/basics>

<sup>14</sup> *Professional enablers of economic crime during crises*. U4 Anti-Corruption Centre (2020), <https://www.u4.no/publications/professional-enablers-of-economic-crime-during-crises>

<sup>15</sup> *Accountability and the Prevention of Corruption*. UNODC (April 2020), [https://www.unodc.org/documents/Advocacy-Section/COVID-19\\_and\\_Anti-Corruption-2.pdf](https://www.unodc.org/documents/Advocacy-Section/COVID-19_and_Anti-Corruption-2.pdf)

others.<sup>16</sup> The previous work laid the foundation for the anti-corruption agency to promptly and properly respond to the sudden outbreak of COVID-19. In **France**, a vast array of public organizations as well as companies are legally required to undertake corruption risk assessments covering their activities and to implement bespoke anti-corruption programmes to address the identified risks. The quality and efficiency of such programmes are audited by the French Anti-Corruption Agency. **Italy** highlighted that its national anti-corruption agency -- ANAC -- has paid special attention to the prevention of corruption in the health sector well before the pandemic. **Switzerland** also stressed its reliance on the scaling up of pre-existing instruments. The **United Kingdom** stated that regular and periodic assessments are produced on the corruption threat alongside other related threats (such as money-laundering and fraud).

### *Contextual framework and key findings*

The contextual framework in which these previous risk assessments were conducted is important to determining their effectiveness in addressing corruption risks emerging from the COVID-19 crisis. For instance, **Australia** noted that in response to the Australian Black Summer bushfires in 2019-20, the Commonwealth Fraud Prevention Centre created a guide that included guidance on fraud control in emergency management<sup>17</sup> in partnership with the Public Sector Fraud Forum. These principles were transferred to the COVID-19 response and were deemed to be useful in assisting agencies with their management of risks. Additionally, the Australian National Audit Office (ANAO) recently published a guide that made reference to historical examples<sup>18</sup> of rapid implementation of Australian Government initiatives. During March and April 2020, the Department of Health held fraud and corruption control risk workshops with each division in its organization. These workshops also allowed for discussions regarding fraud and corruption controls specific to COVID-19. **Canada** highlighted that its response to the COVID-19 crisis was largely informed through plans, principles and guidance which had been built on lessons learned from the Severe Acute Respiratory Syndrome (SARS) outbreak in 2003 and led to dedicated legislation, plans, and infrastructure to help ensure that the country would be well prepared to detect and respond to a pandemic.

**France** reported that their anti-corruption agency conducted a study<sup>19</sup> on corruption prevention in the municipal-level public sector in 2018 which resulted in support measures and guidance to local entities. **Indonesia** highlighted that in 2019, its Corruption Eradication Commission (KPK) conducted an assessment on governance in the procurement of medical devices and found problems in relation to the monitoring of these medical devices and their lack of regulatory and

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<sup>16</sup> The guidelines can be found in the work reports of the annual plenary session of the NCS. Internal work plans are often made for anti-corruption work in specific areas. An example is available here with regards to anti-corruption work in poverty reduction programmes: [http://www.ccdi.gov.cn/yaowen/201712/t20171215\\_151309.html](http://www.ccdi.gov.cn/yaowen/201712/t20171215_151309.html).

<sup>17</sup> *Fraud in Emergency Management and Recovery*. The UK Cabinet Office and the Commonwealth Fraud Prevention Centre, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/864310/Fraud\\_in\\_Emergency\\_Management\\_and\\_Recovery\\_10Feb.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/864310/Fraud_in_Emergency_Management_and_Recovery_10Feb.pdf)

<sup>18</sup> *Rapid Implementation of Australian Government Initiatives*. Australian National Audit Office (April 2020), <https://www.anao.gov.au/work/audit-insights/rapid-implementation-australian-government-initiatives>

<sup>19</sup> *Survey on the prevention of local government corruption*. Agence Française Anticorruption (November 2018), <https://www.agence-francaise-anticorruption.gouv.fr/files/2019-07/EN%20Survey%20local%20government%20antibribery%20policy.pdf>

licensing supervision.<sup>20</sup> In **Italy**, the health sector was systematically analysed in the National Anti-Corruption Action Plan of 2016.<sup>21</sup> The Italian Anti-Corruption Agency (ANAC), Italian National Agency for Regional Healthcare Services (AGENAS) and the Ministry of Health established a task force in 2016<sup>22</sup> to detect, investigate and prevent corruption in the health sector. ANAC's ex-President Raffaele Cantone focused on the health sector as a major risk area of corruption in his 2017 annual report to the Parliament, all of which underpinned Italy's anti-corruption efforts in the context of COVID-19.<sup>23</sup>

The **Republic of Korea** noted that after the outbreak of COVID-19, the Government began using its existing corruption risk assessments (Integrity Assessments), a measurement of public agencies' corruption risk level, and the Anti-corruption Initiative Assessment (AIA), which is a measurement of public agencies' anti-corruption efforts, to assess how the related areas such as the health sector and emergency relief provisions were exposed to the risk of corruption. These assessments were conducted on a daily basis. The IA and AIA assessments were also modified to reflect current circumstances, which included issues like difficulties in providing face-to-face services and they also diagnosed the increased corruption risks that may arise in the context of the COVID-19 crisis.

The **Russian Federation** reported that in line with section III of the National Anti-Corruption Plan 2018-2020 it had conducted an assessment of corruption risks in public procurement related to conflicts of interest and had subsequently strengthened the measures for detecting and preventing conflict of interest situations, in particular by creating a single register of legal persons held liable for the violation of article 19.28 "*Illicit reward on behalf of a legal person*" of the Code of Administrative Offences of the Russian Federation<sup>24</sup>. Moreover, the information regarding the procurement of goods, works and services for public and local needs is available in the single procurement information system<sup>25</sup>, which makes it possible to detect corruption-prone situations through the analysis of the information provided online.

The **Kingdom of Saudi Arabia** indicated that its Oversight and Anti-Corruption Authority (Nazaha) conducts an annual corruption risk assessment and as a result, it worked with the Ministry of Finance to develop a law on government tenders and purchases, as well as an electronic government procurement system (Etimad portal). These measures enhanced integrity, transparency and competitiveness while ensuring the fair treatment of contractors.

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<sup>20</sup> *Study on Medical Device Governance*. The Corruption Eradication Commission - KPK (March 2019), <https://www.kpk.go.id/id/publikasi/kajian-dan-penelitian/kajian-dan-penelitian-2/793-kajian-tata-kelola-alat-kesehatan>

<sup>21</sup> *Final approval of the National Anti-Corruption Plan*. National Anti-Corruption Authority of Italy - ANAC (August 2016), <https://www.anticorruzione.it/portal/rest/jcr/repository/collaboration/Digital%20Assets/anacdocs/Attivita/Atti/determinazioni/2016/831/del.831.2016det.PNA.pdf>

<sup>22</sup> *The ANAC, Ministry of Health and AGENAS taskforce*. The Italian National Agency for Regional Healthcare Services - AGENAS (April 2016), <https://www.agenas.gov.it/faq-pna-sanita/tag/ANAC>

<sup>23</sup> *Speech by the President of ANAC Raffaele Canton*. National Anti-Corruption Authority of Italy - ANAC (July 2017), <https://www.anticorruzione.it/portal/rest/jcr/repository/collaboration/Digital%20Assets/anacdocs/Attivita/Publicazioni/RelazioniAnnuali/2017/rel.anac.2016.int.pres.06.07.2017.pdf>

<sup>24</sup> Register of legal persons liable for the violation of article 19.28 of the Code of Administrative offences of the Russian Federation, as per the decrees issued in 2020. Prosecutor General's Office of the Russian Federation, <http://genproc.gov.ru/anticor/register-of-illegal-remuneration/1815676/>

<sup>25</sup> Public procurement system "Zakupki", <https://zakupki.gov.ru/>

The **Republic of South Africa** reported that following a pre-COVID-19 health sector risk assessment conducted in March 2018, the following risks were identified in the health sector:

- Non-compliance with procurement regulations.
- Counterfeit medical equipment.
- Pharmaceutical companies engaging in collusion / price fixing.
- Issuing medical waste disposal contracts to unqualified companies.
- Regulatory weaknesses in health sector compliance enforcement.
- Unregistered medical practitioners.
- Fraud related to medical aid supplies.

One of the key strategic interventions that was identified to mitigate these risks was the establishment of the “Health Sector Anti-Corruption Forum<sup>26</sup> (HSACF),” which was officially launched by the President of South Africa in 2019. The main objective of the HSACF was to collaborate in the fight against corruption and identify areas of cooperation to enhance prevention, detection and prosecution of corruption in the health sector.

The **United Kingdom** (UK) listed the following relevant assessments conducted prior to the COVID-19 crisis:

- The **annual national strategic assessment of serious and organized crime.**<sup>27</sup>  
The 2020 assessment, based on intelligence gathered prior to March 2020, considered corruption with a focus on organized crime, noting that:
  - Organized criminal groups remain the most significant external corruption threat to UK law enforcement.
  - Organized crime can be enabled by corrupt individuals within the private sector who may be in roles that allow them to subvert law enforcement functions.
  - Criminals may also use corrupt professional enablers to assist their operations, such as accountants to help them launder criminal profits.
  - Disproportionate damage could result from the criminal involvement of a corrupt public sector official both by supporting the organized crime group and by undermining trust in public organizations.

An updated report is now in preparation based on more recent intelligence which crosses into the period of the pandemic.

- The **national risk assessment of money-laundering and terrorist financing.**<sup>28</sup>
- The **annual fraud landscape report.**<sup>29</sup>

The 2019 report notes the Government’s progress against its objective of finding more fraud. As a result of this work, increased instances of suspected and

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<sup>26</sup> Health Sector Anti-Corruption Forum, <http://www.thepresidency.gov.za/press-statements/launch-health-sector-anti-corruption-forum>

<sup>27</sup> *National Strategic Assessment of Serious and Organised Crime 2020*. National Crime Agency of the UK (2020), <https://www.nationalcrimeagency.gov.uk/news/nsa2020>

<sup>28</sup> *National risk assessment of money laundering and terrorist financing*. HM Treasury and the Home Office (October 2017), <https://www.gov.uk/government/publications/national-risk-assessment-of-money-laundering-and-terrorist-financing-2017>

<sup>29</sup> *Cross-government fraud landscape annual report 2019*. The Cabinet Office (February 2020), <https://www.gov.uk/government/publications/cross-government-fraud-landscape-annual-report-2019>

reported fraud have been detected and the United Kingdom is further developing its counter-fraud capacities.

The **United States of America** (US) mentioned that the Department of Justice (DOJ) had published a resource guide entitled *Preventing and Detecting Bid Rigging, Price Fixing, and Market Allocation in Post-Disaster Rebuilding Projects: An Antitrust Primer for Agents and Procurement Officials*.<sup>30</sup> The primer contains an overview of the federal antitrust laws and the penalties that may be imposed for their violation. It describes the most common antitrust violations and outlines those conditions and events that may indicate anticompetitive collusion so that officials might better identify and investigate suspicious activity. In November 2019, the Department launched a “Strike Force” focused on collusion affecting public procurement.<sup>31</sup> The Procurement Collusion Strike Force (PCSF) is an inter-agency partnership of law enforcement personnel and prosecutors from the Antitrust Division and 13 US Attorneys’ Offices leading the national fight against criminal antitrust violations and other crimes affecting public procurement. The DOJ introduced the PCSF model to the global law enforcement community at a virtual meeting of the OECD in early 2020 and intends to continue sharing lessons learned from the PCSF and best practices with enforcers worldwide. In 2015, the Government and Accountability Office (GAO) released *A Framework for Managing Fraud Risks in Federal Programs*.<sup>32</sup> GAO’s Framework provides a comprehensive set of leading practices for federal agency managers to develop or enhance efforts to combat fraud in a strategic, risk-based manner. Since the issuance of the framework, GAO has issued a number of reports in which it assessed the extent to which federal programmes are adhering to the leading practices for fraud risk management.<sup>33</sup> Beyond those reports that applied the framework to specific programmes, GAO has issued numerous other reports examining risks in emergency scenarios based on its audit and investigative work.<sup>34</sup>

## B. COVID-19 corruption risk assessments

Corruption risks in the context of the COVID-19 crisis have and continue to be a major threat to mitigation efforts worldwide. It is noteworthy that some G20 countries conducted specific risk assessments at the onset of the crisis in order to inform their efforts in stemming the threat posed by corruption. Some countries undertook assessments through the creation of specialized and dedicated committees or task forces. For example, **Australia** established the Commonwealth

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<sup>30</sup> *Preventing and Detecting Bid Rigging, Price Fixing, and Market Allocation in Post-Disaster Rebuilding Projects*. U.S. Department of Justice, <https://www.justice.gov/atr/page/file/997121/download>

<sup>31</sup> Press Release, U.S. Department of Justice, *Justice Dep’t Announces Procurement Collusion Strike Force: a Coordinated National Response to Combat Antitrust Crimes and Related Schemes in Government Procurement, Grant and Program Funding* (5 November 2019), <https://www.justice.gov/opa/pr/justice-department-announces-procurement-collusion-strike-force-coordinated-national-response>.

<sup>32</sup> *A Framework for Managing Fraud Risks in Federal Programs*. U.S. Government Accountability Office- GAO (July 2015), <https://www.gao.gov/products/GAO-15-593SP>.

<sup>33</sup> See for example *Medicare and Medicaid: CMS Needs to Fully Align Its Antifraud Efforts with the Fraud Risk Framework*, GAO-18-88; *Low-Income Housing Tax Credit: Improved Data and Oversight Would Strengthen Cost Assessment and Fraud Risk Management* GAO-18-637; *Supplemental Nutrition Assistance Program: Disseminating Information on Successful Use of Data Analytics Could Help States Manage Fraud Risks* GAO-19-115; and *Identity Theft: IRS Needs to Better Assess the Risks of Refund Fraud on Business-Related Returns* GAO-20-174.

<sup>34</sup> See for example *Hurricane Sandy: FEMA Has Improved Disaster Aid Verification but Could Act to Further Limit Improper Assistance* GAO-15-15 and *2017 Hurricanes and Wildfires: Initial Observations on the Federal Response and Key Recovery Challenges*, GAO-18-472.

COVID-19 Counter Fraud Taskforce which ran from March to June 2020. The task force supported agencies that were rapidly designing and implementing the national pandemic response measures to prevent, detect and disrupt fraud against several stimulus and support measures. Furthermore, the task force assessed fraud risks by comprehensively mapping the COVID-19 stimulus measures and conducting a high-level risk assessment. In the same vein, **Brazil** reported that it established the Crisis Committee for Supervision and Monitoring of the Impacts of COVID-19 which was composed of nearly 20 government agencies. The committee served as a platform to coordinate and monitor the Brazilian federal government's integrated actions to fight the COVID-19 pandemic. The committee created a specific working group<sup>35</sup> that was tasked with mapping the risks directly related to the strategic objectives of the national response to the pandemic while also proposing mitigation measures. It also collected information on strategic risks at the state and local levels. The Office of the Comptroller General of Brazil (CGU) also created a task force to assist the Ministry of Health and other government agencies to monitor emergency purchases made under flexible ad hoc procurement rules. CGU officials regularly conduct operational and corruption risk assessment analyses on procurement contracts to inform the decisions surrounding these expenses and guide the adoption of corruption prevention measures. The CGU has also been assessing the risks related to the implementation of the emergency economic relief programme.<sup>36</sup> **France** also indicated that it internally assessed the threats and vulnerabilities linked to the pandemic in matters of economic crime and money-laundering which was carried out by a multiservice task force between April and June 2020. The **Kingdom of Saudi Arabia** has been continuously assessing corruption risks in the context of COVID-19 since the start of the crisis in March 2020 and has used a range of sources, such as reports from whistle-blowers, on-site inspection visits to government agencies responsible for providing health care services,<sup>37</sup> e-control analysis reports and perception surveys of the general public.

The **United Kingdom** (UK) initiated a number of complementary assessments and reporting processes: The National Assessment Centre within the National Crime Agency (NCA) has generated regular intelligence assessments on the implications of COVID-19 across a range of crime types, including a futures assessment. The Government Fraud Function has completed over 200 risk assessments to form a global risk assessment of all stimulus funds released in the UK for COVID-19. The UK further iterated that its government bodies continue to conduct internal fraud risk assessments in COVID-19 spending, including in procurement, economic stimuli, process easements and education support, among others.

### *Identified risks and key findings from assessments*

The identified risks vary from country to country according to their circumstances and national priorities; however, most identified corruption risks are transnational

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<sup>35</sup> *Crisis Committee for Supervision and Monitoring of Impacts of Covid-19*. Presidency of the Republic of Brazil (June 2020), <https://www.in.gov.br/en/web/dou/-/resolucao-n-6-de-2-de-junho-de-2020-259857288>

<sup>36</sup> CGU's monitoring activities related to the disbursement of economic relief aid, available at: <https://www.gov.br/cgu/pt-br/assuntos/noticias/2020/08/cgu-identifica-agentes-publicos-que-receberam-auxilio-emergencial-de-forma-indevida>

<sup>37</sup> *In coordination with the Ministry of Health, the Control and Anti-Corruption Authority intends to conduct inspection tours of government entities to ensure the implementation of health preventive protocols and measures for their employees*. Nazaha news (June 2020), <https://www.nazaha.gov.sa/en-us/mediacenter/news/pages/news1278.aspx>

in nature and cross-cutting. For instance, concerning the management of international projects, **Germany** assumes that there is international consensus that development cooperation projects may be exposed to higher fraud and corruption risks against the background of weakened management structures and oversight mechanisms (due to e.g. travel restrictions, the impact of COVID-19 on local communities, the impossibility of undertaking relevant on-site audits, checks, etc.). In highlighting the grave vulnerabilities exposed by corruption within the health sector, **Italy** reported that during the most acute phase of the pandemic, their health care sector was exposed to the risks of fraud and corruption, especially with regard to the procurement of emergency-related supplies, such as protective and medical equipment, and medicines, among others. Scam schemes also affected the private sector, mainly by offering counterfeit or non-existent health products or soliciting donations for charities related to the pandemic. Significant risks have also been associated with the illicit acquisition of dedicated public funds to support citizens and businesses. In this context, corruption involving public officials, politically exposed persons or companies connected to them could be envisaged through preferential access to the mentioned financial resources. Organized crime infiltrations into the economy also represented one of the most serious risks for Italy.

The **Russian Federation** reported that in July 2020, its financial intelligence unit (Rosfinmonitoring) prepared a set of materials entitled "*Risks of embezzlement of public funds, property of citizens and organizations during the coronavirus pandemic.*"<sup>38</sup> The document outlines the following corruption risks:

- Risks associated with public procurement.
- Purchase of overpriced goods, medical equipment, products, expendable supplies and personal protection equipment.
- Facilitated procedures for the procurement of goods not related to the fight against the pandemic.
- Failure to comply with the obligations under public contracts under the pretext of the coronavirus pandemic.
- Embezzlement of public funds under the pretense of spending them on certain needs of the coronavirus pandemic.
- Sale of counterfeit and expired products and products of low quality.

The **Kingdom of Saudi Arabia** highlighted the issue of bribery as one of the most observed and common forms of corruption during the crisis. It emerged through various means, including to avoid legal sanctioning due to infringement of curfew orders and in order to secure government contracts.

**Turkey** specifically noted the risk and presence of fraudulent disinfectants being produced in the private sector and also reported a 30% increase in phishing websites related to cybercriminal activity.

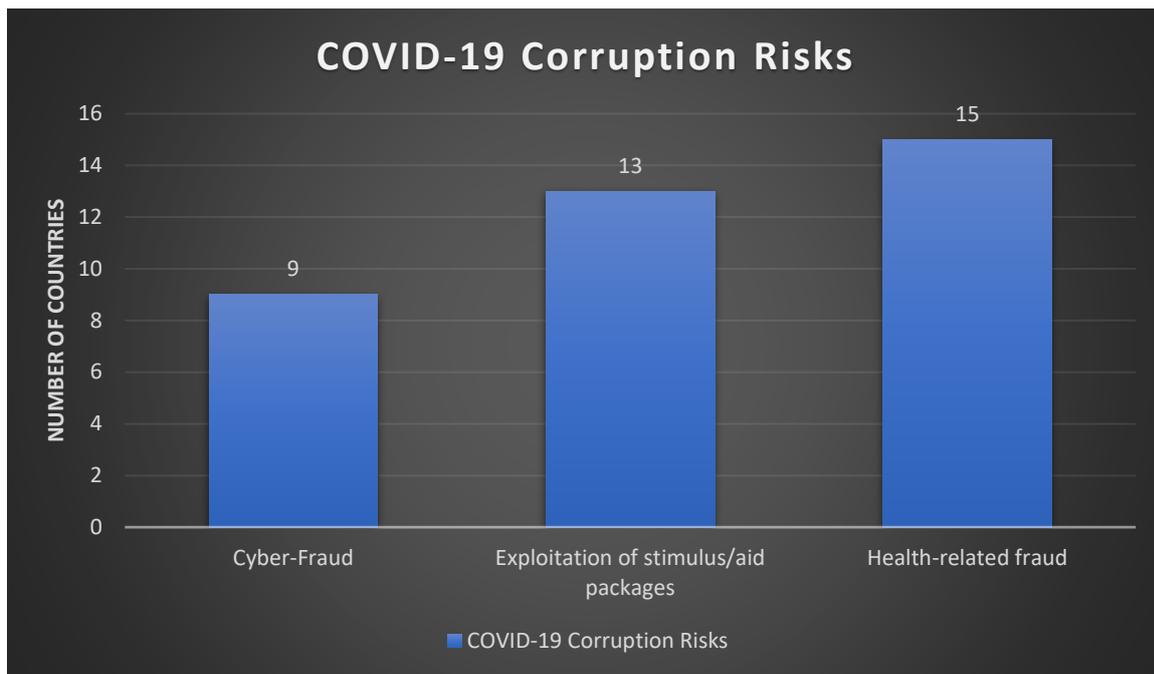
The **United Kingdom** noted the rapid emergence of multiple examples of COVID-19 fraud which sought to exploit the immediate vulnerabilities and demand across society; affected sectors included medical supplies (personal protective equipment (PPE) or fake vaccines), shortages of certain goods and services and in the provision of financial services (personal loans, stimulus relief funds). It was also noted that

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<sup>38</sup> Financial Security Review. *Pandemic and related money laundering risks.* (July 2020), <https://cutt.ly/tf6LEJO>

fraud was increasingly enabled and perpetrated using digital technology; the use of digital platforms - phishing, emails and online interfaces, among others.

In the **United States of America** (US), a report issued on 17 June 2020 by the PRAC (Pandemic Response Accountability Committee) based on a review of submissions by 37 Offices of Inspectors General (OIGs) noted that key areas of concern include both the need for accurate information concerning pandemic-related spending and the significant amount of money federal agencies may lose as the result of improper payments. Several OIGs also identified grant management as a separate performance management challenge for their agencies even before the pandemic, citing the increasing number, size and complexity of grants. A report by the Department of Defence's OIG recommended that the Department should seek to focus on, among other things, contractor vetting, oversight and surveillance, and financial management. For example, the report stresses that contracting officials should maintain complete, consistent and accurate contract files and accounting records to reduce the potential for improper use of CARES (Coronavirus Aid, Relief, and Economic Security) Act funding and violations of the Anti-Deficiency Act and to minimize the number of fraudulent disbursements. The Government Accountability Office (GAO) noted the increased risk of fraud due to the large number of payments US agencies were processing. Recognizing these challenges, the GAO reaffirmed the importance of establishing transparency and accountability mechanisms early on.



Graph 1 indicates the number of G20 countries that identified certain corruption risks emanating from the COVID-19 crisis. Nine countries indicated risks pertaining to cyber-fraud which include the utilization of new Information and Communication Technologies (ICTs) and cyber-scams. 13 countries reported increased corruption vulnerabilities in the exploitation of stimulus packages including dedicated employment furlough schemes and other economic aid. 15 countries identified heightened health-related fraud which includes risks emanating from counterfeit medicines, overpriced medical equipment, health procurement collusion, among others. It is worth noting that these risks were also identical to the new and emerging risks identified by G20 countries.

### C. Established mitigation measures

This section provides an overview of the concrete mitigation measures put in place by G20 countries in response to the diverse range of aggravated corruption risks and vulnerabilities. While some G20 countries underlined their utilization of technological tools to aid in the reconfiguration of anti-corruption programming and activities,<sup>39</sup> the general pattern suggested that most G20 countries relied, in addition, on existing national authorities and infrastructure in using a centralized approach to formulate and implement their respective mitigation measures. For example, **Australia** reported that the Commonwealth COVID-19 Counter Fraud Taskforce was a key anti-corruption measure established by the Australian Government in response to the pandemic. It operated a steering committee comprised of senior executives and an operational intelligence group to facilitate timely intelligence sharing of emerging fraud risks, trends and opportunities for coordinated multi-agency response to fraud during the pandemic. The Department of Health’s National Incident Room is the epicentre of the response to the pandemic, and which also houses a dedicated call center to facilitate reporting of COVID-19-related crime, including personal protective equipment (PPE) fraud and stimulus package corruption, among others. **Brazil** reported that its federal

<sup>39</sup> Brazil, France, Italy, Jordan, the Russian Federation, and Spain.

government established the Crisis Committee for Supervision and Monitoring of the Impacts of COVID-19, composed of nearly 20 government agencies. The crisis committee serves as a platform to coordinate and monitor the federal government's integrated actions to fight the COVID-19 pandemic, including measures to provide states and municipalities with support. Notably, the Office of the Comptroller General (CGU):

- Expanded the offer of online training courses<sup>40</sup> on integrity, compliance and foreign bribery legislation for federal, state and municipal public servants.
- Created a web page within its Transparency Portal for publishing detailed information on every government expenditure related to the COVID-19 pandemic on a daily basis.
- Published guidelines<sup>41</sup> on integrity in public-private relations during the fight against the coronavirus pandemic, stressing the importance for private companies to adopt integrity and transparency measures when dealing with the public sector.
- In partnership with the Ministry of Citizenship, has been cross-checking several federal government databases to detect and prevent fraud in the payment of emergency economic relief.
- Established an exclusive reporting channel – under the ombudsman platform *Fala.BR*<sup>42</sup> – to receive complaints and suggestions related to COVID-19 initiatives. Every citizen can report problems with the provision of public services, such as lack of medical supplies, abusive trade practices or misconduct of public officials. Users can also report cases of non-compliance with quarantine recommendations and stay-at-home measures or other public health guidelines. Detailed statistics about the reports are published weekly on the CGU website<sup>43</sup>.

In **China**, the National Commission of Supervision (NCS) issued two guiding documents on the anti-corruption work pertinent to the COVID-19 pandemic which outline requirements for anti-corruption organs nationwide to enhance supervision and mitigate corruption risks in specific areas, such as in public health infrastructure, care for front-line medical staff, administrative services for post-pandemic economic stimulus and economic relief for COVID-19 victims, among others. China indicated that the NCS has also sent inspection teams to check regulatory work, with a focus on the allocation and disbursement of crisis response materials and funds. In addition, reporting hotlines were established to receive relevant complaints from the public, particularly with respect to emergency public procurement.

**India** targeted illegal profiteering through the spread of misinformation and reported that the government established a COVID-19 fact check unit within its

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<sup>40</sup> The Office of the Comptroller General Brazil (CGU) Courses, <http://corregedorias.gov.br/cursos-online-crg>

<sup>41</sup> *Good Practices of Integrity in Relationships Public-Private in Times of the Pandemic*. CGU (April 2020), <https://www.gov.br/cgu/pt-br/centrais-de-conteudo/publicacoes/integridade/arquivos/cartilha-integridade-covid.pdf>

<sup>42</sup> *Integrated Ombudsman and Information Access Platform*.

<https://sistema.ouvidorias.gov.br/publico/Manifestacao/SelecionarTipoManifestacao.aspx?ReturnUrl=/>

<sup>43</sup> *Check the measures adopted by the Office of the Comptroller General in Brazil (CGU)*, <https://www.gov.br/cgu/pt-br/coronavirus>

press information bureau. **Italy** reported that its National Anti-Mafia and Counter Terrorism Directorate (DNA) developed innovative forms of crime analysis and of coordination among specialized anti-mafia prosecutors. The first DNA response to the COVID-19 threat to the integrity of public administration and transparency of procurement focused on designing strategies to prevent and counter the infiltration of the mafia in the crisis economy, during and after the pandemic. In the pursuit of increased transparency, Italy also established a dedicated web page which enables the consultation of the “*Analisi Distribuzione Aiuti*”<sup>44</sup> (ADA) system. This is a geo-referencing database that tracks the distribution and delivery of medical equipment and supplies, updated in real-time. In addition, amendments were made to the legislative regime related to conflicts of interest to mitigate corruption risks with respect to the clinical trials of drugs and pharmaceuticals for human use.<sup>45</sup>

**Mexico** reported that the Ministry of Public Administration (SFP, Secretaría de la Función Pública) adopted three anti-corruption measures in March 2020, consistent with the objectives established in the *National Program to Combat Corruption and Impunity, and to Improve Public Management 2019-2024*, in order to assure integrity and transparency in the Federal Public Administration’s public procurement processes based on its legal responsibility to organize and coordinate the internal control and to oversee federal public expenditure:

1. Active participation of the Internal Control Bodies (ICO) in the Public Procurement Committees of the Federal Public Administration entities to guarantee transparency and legality, and to prevent acts of corruption in public procurement.<sup>46</sup>
2. The Minister of Public Administration enacted an order published on the Federation’s Official Gazette (DOF) to promote the use of electronic media to report possible acts of corruption.
3. The Comprehensive Citizen Complaints System (SIDECE), which receives complaints of acts related to corruption of public officials, as well as for public medical services, was designated an essential activity not requiring its suspension.

Mexico also highlighted that given the recent statement on COVID-19 by the Financial Action Task Force of Latin America (GAFILAT), it adopted a series of measures to prevent the risks associated with anti-money-laundering/combating the financing of terrorism (AML/CFT) increases and has considered it as one of the chapters in the 2020 National Risk Assessment (not yet publicly available) as an emerging risk. Mexico’s financial intelligence unit has been:

- Analysing the cross-border flows of countries receiving emergency funds related to COVID-19 from international organizations and other donors.
- Analysing transactions involving companies with little or no experience in the medical supply sector.

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<sup>44</sup> Map of the materials distributed, <http://www.protezionecivile.gov.it/attivita-rischi/rischio-sanitario/emergenze/coronavirus/materiali-distribuiti-alle-regioni>

<sup>45</sup> Art.11-bis, Law No. 77 (17 July 2020).

<sup>46</sup> SFP maintains surveillance on public purchases and reception of complaints during COVID-19. Government of Mexico (March 2020), <https://www.gob.mx/sfp/articulos/funcion-publica-mantiene-vigilancia-sobre-compras-publicas-y-recepcion-de-denuncias-durante-contingencia-por-covid-19-239139?idiom=es>

- Performing price benchmarking exercises to detect purchases at inflated prices.

Mexico also reported that it has implemented control mechanisms to address the risks of corruption, such as internal and external whistle-blowers, which provide information on acts that have been committed, are being committed or likely to be committed by public officials, regarding alleged serious acts of corruption, human rights violations, harassment and sexual harassment.

In the **Russian Federation**, Rosfinmonitoring, the national financial intelligence unit, has focused on raising awareness about the emerging corruption risks during the COVID-19 pandemic and the measures to detect them among entities of the private sector by publishing respective information on its official website<sup>47</sup> and in the personal account sections of those entities on the corporate portal. Particular attention has been paid to enhancing preventive measures within existing compliance procedures. It was also recommended that the investigative committee of the Russian Federation strengthens its efforts in the fight against crime, taking into account its international forms which are related to the production and sale of drugs, PPE and medical equipment. It was also recommended that the Federal Anti-Monopoly Service pay particular attention to detecting collusion/price-fixing related to the sales of essential commodities during the COVID-19 pandemic.

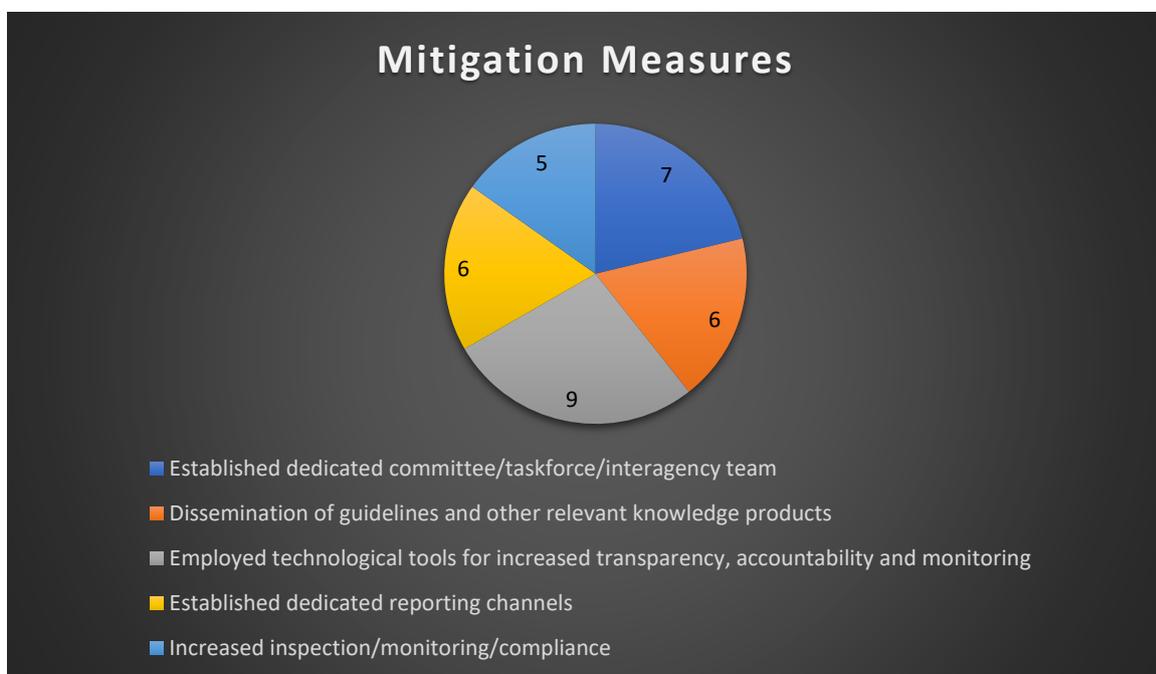
The **Kingdom of Saudi Arabia** emphasized the importance of a coordinated approach to combat corruption during the pandemic. It highlighted the role its Oversight and Anti-Corruption Authority (Nazaha) played in being the nodal point between different government agencies. Furthermore, two committees were established within the Ministry of Health: the COVID-19 follow-up committee that oversees activities such as purchasing and a standing committee on protecting integrity and promoting transparency that supervises the implementation of best practices in fighting corruption in the health care sector.

In **Spain**, interaction with Europol in order to counter transnational corruption was increased. The Spanish Guardia Civil also stepped up its efforts to control the export/import procedures related to medical equipment in order to detect fraudulent and corrupt practices (counterfeit goods, scams), as well as to detect material imported outside the mechanisms established by the Government. Furthermore, the Labor and Social Security Inspectorate (ITSS), an autonomous body under the Ministry of Labor and Social Economy, has increased its efforts to detect fraud in the employment furlough scheme through an inspection campaign targeting the protection and responsible use of public resources. On-site inspections have been intensified to detect non-compliant or irregular practices, such as the restart of activity without prior communication to the State Public Employment Service (SEPE). The Labor and Social Security Inspectorate also has an online mailbox, accessible both from its website and the Ministry's own website, that allows the communication of irregularities while safeguarding the identity of the informant. At the same time, the Ministry of Labor and Social Economy activated an outreach campaign on its social network channels, with the hashtag #ProtegerLoPúblico, aimed at highlighting the importance of the responsible use of public resources.

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<sup>47</sup> Measures against the spread of COVID-19. Federal Service for Financial Monitoring, <http://www.fedrfm.ru/covid19>

The **United States of America** reported that in addition to the economic relief funding and creation of the PRAC (Pandemic Response Accountability Committee), the CARES (Coronavirus Aid, Relief, and Economic Security) Act also includes a provision for the GAO (Government Accountability Office) to conduct monitoring and oversight of the use of funds made available to prepare for, respond to, and recover from the COVID-19 pandemic. The GAO is to report on, among other things, the pandemic's effects on the public health, economy and public and private institutions of the United States, including the federal government's public health and homeland security efforts. Additionally, the GAO is to report on loans, loan guarantees, and other investments and to conduct a comprehensive audit and review of charges made to federal contracts pursuant to the CARES Act, among other things. The CARES Act includes a provision for the GAO to submit a report to the United States Congress within 90 days of enactment on its ongoing monitoring and oversight efforts related to the COVID-19 pandemic, with subsequent reports due every 60 days. The Federal Bureau of Investigation (FBI) has also formed a PPP (Paycheck Protection Program) Fraud Working Group in coordination with the Department of Justice's (DOJ) Fraud Section. In addition to existing reporting channels, the United States has implemented or strengthened channels to address fraud and corruption specific to the COVID-19 pandemic. For example, the DOJ's NCDF (National Center for Disaster Fraud) complaint website allows individuals to submit complaints of fraud, waste, abuse or mismanagement related to any man-made or natural disaster, to include criminal activity related to COVID-19.<sup>48</sup> Individuals can also contact the NCDF telephone hotline. Similarly, individuals can report allegations of fraud, waste and abuse associated with the federal government's response to the pandemic to GAO's FraudNet hotline, which is operated by GAO's investigative unit.<sup>49</sup>



<sup>48</sup> NCDF Disaster Complaint Form, <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>

<sup>49</sup> FraudNet, <https://www.gao.gov/about/what-gao-does/fraudnet/>

Graph 2 depicts the number of G20 countries that employed the stipulated types of mitigation measures. Five countries indicated increased activities in the area of compliance and monitoring. Six countries also reported on the development of specific knowledge products such as guidelines and toolkits, which include online courses. Six countries indicated establishing dedicated reporting channels to allow for the reporting of corruption-related to COVID-19. Seven countries indicated having established dedicated task forces or committees, which include inter-agency coordination. Nine countries highlighted using technological tools to advance monitoring and transparency, including specific databases and web pages.

## 4. Public procurement in times of COVID-19

### A. Legislation and policies in place for emergency procurement in times of crises and how it functioned with respect to COVID-19

The majority of countries reported that legislation, procedures and rules were in place prior to the crisis that allowed for timely public procurement in emergency contexts. Most countries' legislation afforded institutions the ability to use simplified or flexible procedures to respond to the urgent needs presented by COVID-19, while still maintaining transparency and accountability.

In **Australia**, the Commonwealth procurement rules enable authorities to use a streamlined process in the event of extreme unforeseen emergencies, or to apply measures they deem appropriate for a range of circumstances, including to protect human health.<sup>50</sup> When doing so, the authorities must still achieve value for money and maintain appropriate records, including with respect to approvals and decisions.<sup>51</sup>

In **Brazil**, the Government is allowed to directly procure goods and services without carrying out standard public procurement procedures in cases of emergency or public calamity.<sup>52</sup> **Brazil** defines emergencies, or calamity situations, as those in which there is an actual risk of damage or to the safety of people, works, services, equipment and/or assets, both public and private.<sup>53</sup> More than 80 per cent of public procurement related to COVID-19 in Brazil has occurred using ad hoc procurement rules through direct contracts without a competitive procedure.<sup>54</sup>

In **Canada**, the Treasury Board's contracts directive addresses emergency procurement, allowing any department or agency to enter into, or amend, a

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<sup>50</sup> *The Commonwealth Procurement Rules* (CPR), paras. 2.6 and 10.3(b), (20 April 2019), [https://www.finance.gov.au/sites/default/files/2019-11/CPRs-20-April-2019\\_1.pdf](https://www.finance.gov.au/sites/default/files/2019-11/CPRs-20-April-2019_1.pdf); Department of Finance, *Exemptions from Division Two*, (23 July 2020), <https://www.finance.gov.au/government/procurement/buying-australian-government/exemptions-division-two>.

<sup>51</sup> *The Commonwealth Procurement Rules* (CPR) (20 April 2019), [https://www.finance.gov.au/sites/default/files/2019-11/CPRs-20-April-2019\\_1.pdf](https://www.finance.gov.au/sites/default/files/2019-11/CPRs-20-April-2019_1.pdf);

<sup>52</sup> Law No. 8.666/1993, chapter II, section I, article 24, (21 June 1993), [http://www.planalto.gov.br/ccivil\\_03/leis/l8666cons.htm](http://www.planalto.gov.br/ccivil_03/leis/l8666cons.htm)

<sup>53</sup> *Id.*

<sup>54</sup> Press release, Office of the Comptroller General (CGU), *600 days: CGU highlights main initiatives against the pandemic*. (August 2020) <https://www.gov.br/cgu/pt-br/assuntos/noticias/2020/08/600-dias-de-governo-cgu-destaca-principais-acoes-durante-a-pandemia>

contract above normal dollar values, in response to a pressing emergency. The same directive allows the Minister of Public Services and Procurement to engage in non-competitive contracts in response to pressing emergencies where there is significant human risk.

In **France**, legislation allows institutions to shorten publicity timeframes within a competitive tendering process or engage in a procurement without publicity if the matter is of particular urgency.<sup>55</sup>

**India** reported that its existing anti-corruption legislation and procedures permitted the use of special procurement measures during the COVID-19 crisis.<sup>56</sup> These allowed entities to engage in, among other actions, direct awards or procurement within shorter timeframes.<sup>57</sup> Existing regulations also included the National Disaster Management Authority's power to authorize institutions to engage in emergency procurement in response to a threatening disaster situation, such as COVID-19.<sup>58</sup>

**Indonesia** reported that its procurement regulations allow for direct procurement under emergency circumstances, such as in cases related to national security, public order or the safety and protection of society.<sup>59</sup> Further regulations provide details on how to undertake and monitor procurement processes in the context of a state of emergency.<sup>60</sup>

**Italy** reported that derogations from the Public Procurement Code allow for emergency procedures, such as the advance payment of suppliers, be used with adequate justification.<sup>61</sup> Italy also reported that emergency procurement must ensure compliance with internal rules on anti-corruption, anti-mafia and the traceability of cash flows, including through self-declarations.<sup>62</sup>

In **Mexico**, government agencies can engage in direct awards without conducting a public tender in the context of a health emergency.<sup>63</sup>

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<sup>55</sup> Ordinance No. 2018-1074, *On the legislative part of the Code of Public Procurement*, chapter II, article L2122-1, (26 November 2018), <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000037695219/>

<sup>56</sup> Ministry of Finance, *Manual for Procurement of Goods* (5 April 2017), [https://www.doe.gov.in/sites/default/files/Manual%20for%20Procurement%20of%20Goods%202017\\_0\\_0.pdf](https://www.doe.gov.in/sites/default/files/Manual%20for%20Procurement%20of%20Goods%202017_0_0.pdf); Ministry of Finance, *General Financial Rules* (11 February 2017), [https://www.doe.gov.in/sites/default/files/GFR2017\\_0.pdf](https://www.doe.gov.in/sites/default/files/GFR2017_0.pdf)

<sup>57</sup> *Id* at rule 194 of the *General Financial Rules*.

<sup>58</sup> National Disaster Management Authority, *National Disaster Management Plan*, (November 2019) <https://ndma.gov.in/images/policyplan/dmplan/ndmp-2019.pdf>

<sup>59</sup> Presidential Regulation No. 54 of 2010, *Public Procurement of Goods and Services* (6 August 2010).

<sup>60</sup> Presidential Regulation No 16 of 2018 on *Public Procurement of Goods and Services*, article 59, (22 March 2018), <https://jdih.lkpp.go.id/regulation/peraturan-presiden/peraturan-presiden-nomor-16-tahun-2018>; Public and Procurement Agency (LKPP) Regulation No. 13 of 2018, on *Public Procurement of Goods and Services in Emergency Handling*, (8 June 2018), <https://jdih.lkpp.go.id/regulation/peraturan-lkpp/peraturan-lkpp-nomor-13-tahun-2018>

<sup>61</sup> Italian Public Contract Code, Legislative Decree No. 50/2016, [https://www.anticorruzione.it/portal/rest/jcr/repository/collaboration/Digital%20Assets/anacdocs/MenuServizio/English%20section/ITALIAN\\_PUBLIC\\_CONTRACT\\_CODE%2015%20giugno%202018\\_sito%20\(2\).pdf](https://www.anticorruzione.it/portal/rest/jcr/repository/collaboration/Digital%20Assets/anacdocs/MenuServizio/English%20section/ITALIAN_PUBLIC_CONTRACT_CODE%2015%20giugno%202018_sito%20(2).pdf); ANAC, 2020 Annual Report, *Report to the Parliament 2019, 2 July 2020: L'Autorità e l'emergenza COVID*.

<sup>62</sup> Decree of the President of the Republic, no. 445, *Certificate Replacement Declaration Form*, (28 December 2000), [https://www.unifi.it/upload/sub/dottorati/29/dr807\\_13\\_160913\\_dich\\_sost\\_ingl.pdf](https://www.unifi.it/upload/sub/dottorati/29/dr807_13_160913_dich_sost_ingl.pdf); Legislative Decree No. 159/2011, *The code of anti-mafia laws and preventive measures, as well as new provisions on anti-mafia documentation*, pursuant to articles 1 and 2 of Law No. 136 (13 October 2011), <https://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legislativo:2011-09-06:159:vig>; Italian Public Contract Code, *Legislative Decree No. 50/2016*, article 80,

[https://www.anticorruzione.it/portal/rest/jcr/repository/collaboration/Digital%20Assets/anacdocs/MenuServizio/English%20section/ITALIAN\\_PUBLIC\\_CONTRACT\\_CODE%2015%20giugno%202018\\_sito%20\(2\).pdf](https://www.anticorruzione.it/portal/rest/jcr/repository/collaboration/Digital%20Assets/anacdocs/MenuServizio/English%20section/ITALIAN_PUBLIC_CONTRACT_CODE%2015%20giugno%202018_sito%20(2).pdf)

<sup>63</sup> Law of Public Sector Procurement, *Leasing and Services*, article 41 (II), (4 January 2000), [http://www.diputados.gob.mx/LeyesBiblio/pdf/14\\_110820.pdf](http://www.diputados.gob.mx/LeyesBiblio/pdf/14_110820.pdf)

Institutions in **Spain** were empowered to use existing emergency procurement procedures through legislation passed to respond to COVID-19, resulting in simplified processes during the pre-tender, tender and award stages of contracting.<sup>64</sup>

In **Switzerland**, the Federal Act on Public Procurement allows public institutions to waive ordinary procedures and engage in the direct awarding of contracts to respond to emergencies, such as where the protection of human health or life so requires.<sup>65</sup>

In **Turkey**, contracting authorities may apply two existing provisions in emergency contexts: one that allows the use of a negotiated procedure without notice by inviting at least three economic operators to bid in the case of unforeseen events, and one that enables authorities to engage in direct procurement without notice if the procurement involves an urgent item, such as a medicine, vaccine, or blood product.<sup>66</sup>

In the **United Kingdom**, individual contracting authorities may determine whether emergency procurement is warranted and use direct awards, call for competition with accelerated timescales or extend or modify a contract during its term, among other potential options.<sup>67</sup> There are existing rigorous central controls in place to challenge robust spending and ensure that the actions of Government contracting authorities are open, fair and transparent. In line with the Government's transparency guidelines, under emergency circumstances, authorities must still publish the details of any awards made, and the guidance encourages them to use good commercial judgment and achieve value for money.

The **United States of America** reported that federal laws and regulations afford flexible procurement during emergencies, including the waiver of full and open competition, the ability for agencies to enforce qualification requirements when an emergency exists and solicitation from a single source.<sup>68</sup> Additional flexibilities are available for emergency or major disaster declarations (a state of emergency was declared on 13 March 2020 in response to the COVID-19 pandemic). Federal regulations allow for noncompetitive procurements under certain circumstances, including when a non-state entity (under the Federal Emergency Management Agency.

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<sup>64</sup> Law 9/2017, *On Public Sector Contracts*, article 120 (8 November 2017); Royal Decree Law 7/2020, *Urgent measures are adopted to respond to the economic impact of COVID-19* (March 2020), <https://www.boe.es/buscar/act.php?id=BOE-A-2020-3580>

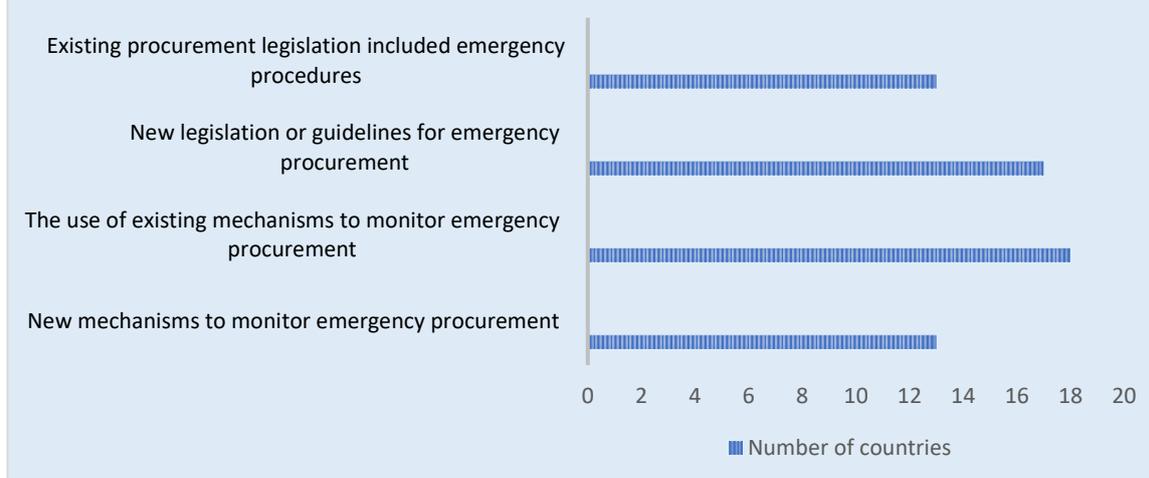
<sup>65</sup> *Federal Act on Public Procurement*, article 3, (16 December 1994), [https://www.bkb.admin.ch/dam/bkb/de/dokumente/Rechtsgrundlagen/Bundeserlasse/Federal\\_act\\_on\\_public\\_procurement\\_inofficial\\_translation\\_2011.pdf.download.pdf/Federal%20Act%20on%20Public%20Procurement%20of%2016%20December%201994%20\(1972.056.1.%20Status%20as%20of%201%20July%202011\).pdf](https://www.bkb.admin.ch/dam/bkb/de/dokumente/Rechtsgrundlagen/Bundeserlasse/Federal_act_on_public_procurement_inofficial_translation_2011.pdf.download.pdf/Federal%20Act%20on%20Public%20Procurement%20of%2016%20December%201994%20(1972.056.1.%20Status%20as%20of%201%20July%202011).pdf)

<sup>66</sup> Public Procurement Authority, *Public Procurement Law No. 4734*, articles 21(b) and 22(f), (2011), [http://www2.ihale.gov.tr/english/4734\\_English.pdf](http://www2.ihale.gov.tr/english/4734_English.pdf)

<sup>67</sup> No. 102, *Public Contract Regulations 2015*, regulation 32(2)(c), (5 February 2015), <https://www.legislation.gov.uk/ukxi/2015/102/contents/made>

<sup>68</sup> United States Federal Acquisition Regulation, *Emergency Acquisitions*, subpart 18, <https://www.acquisition.gov/far/part-18>

## EMERGENCY PROCUREMENT RESPONSES TO COVID-19



In Graph 3, 14 countries had existing procurement legislation that envisioned the use of streamlined procedures in the event of an emergency. 18 countries issued new legislation or guidance materials specifically related to emergency procurement in the context of COVID-19. 19 countries used existing monitoring mechanisms to oversee public health procurement during the emergency, and 13 countries implemented new controls.

### *New measures to facilitate emergency procurement*

Countries also reported that they further complemented their procurement procedures with emergency measures articulated in legislation or through emergency procurement guidelines.

In **Argentina**, the National Contracting Office published regulatory provisions to establish a specific framework concerning the use of direct contract awards during COVID-19.<sup>69</sup> This was complemented in May 2020 by recommendations from the Anti-Corruption Office suggesting concrete actions to strengthen integrity in public procurement within the framework of emergency procedures related to the crisis. Such recommendations included limiting the use of emergency procedures, applying the conflicts of interest regime to such procedures, requiring bidding companies to have adequate integrity programmes, developing complaint mechanisms for emergency contracting, and publishing procurement information.<sup>70</sup>

In **Brazil**, the federal government enacted complementary legislation<sup>71</sup> to regulate measures adopted in the fight against the pandemic, including specific measures

<sup>69</sup> Head of Ministers Cabinet National Contracting Office, *Provision 48/2020* (19 March 2020) <https://www.boletinoficial.gob.ar/detalleAviso/primera/227082/20200320> and *Provision 55/2020* (22 April 2020), <https://www.boletinoficial.gob.ar/detalleAviso/primera/228182/20200423>

<sup>70</sup> Anti-Corruption Office, *Recommendations to Strengthen Integrity and Transparency in Public Contracts Held within the Framework of the Emergency of COVID-19*, (14 May 2020), [https://www.argentina.gob.ar/sites/default/files/if-2020-32057444-apn-oapte\\_-\\_recomendaciones.pdf](https://www.argentina.gob.ar/sites/default/files/if-2020-32057444-apn-oapte_-_recomendaciones.pdf)

<sup>71</sup> *Law 13.979/2020, On the measures to address the public health emergency of international importance due to the coronavirus responsible for the outbreak of 2019*, (6 February 2020), [http://www.planalto.gov.br/ccivil\\_03/\\_ato2019-2022/2020/lei/l13979.htm](http://www.planalto.gov.br/ccivil_03/_ato2019-2022/2020/lei/l13979.htm)

designed to ensure the quick procurement of goods, services and supplies related to COVID-19.<sup>72</sup>

In **Canada**, an Order in Council was approved in March 2020 so that during the COVID-19 emergency, the Minister of Public Services and Procurement Canada (PSPC) could procure on behalf of any person or any body. This was an expansion of her current authority to procure on behalf of other federal departments and agencies, provincial, territorial, and municipal governments, and international bodies. The procurement policy was also amended in order to provide the Minister with enhanced authority to combat COVID-19, including a contracting limit of up to CAD\$500 million to purchase goods or services to support efforts to address the pandemic and unlimited contracting authority to purchase goods and services related to the design, development, research, production and manufacturing of vaccines.

**France** issued a specific ordinance on the basis of its emergency legislation which enabled contracting authorities to overcome procurement barriers by extending deadlines for the receipt of applications, modifying consultation rules, such as by using electronic signatures, and extending contracts beyond their maximum duration to avoid difficulties associated with re-competition procedures in the middle of a pandemic.<sup>73</sup>

**Germany** reported that it issued binding guidelines to the federal administration regarding the awarding of public contracts to temporarily accelerate investment measures and facilitate procurement.<sup>74</sup> With respect to anti-corruption in particular, the guidelines dictate that the principles of competition, transparency and economy remain unaffected and entities must abide by the corruption prevention guidelines of the federal government.

**India** reported that its Department of Expenditure issued guidelines explaining the emergency procedures available during crises to help facilitate expedited procurement processes in response to COVID-19.<sup>75</sup> In addition, India reported that its Government E-Marketplace (GEM) launched a COVID-19 platform which fast-tracked the registration of suppliers and reduced bidding time to three days.<sup>76</sup>

**Indonesia** reported that its Corruption Eradication Commission (KPK) published guidance for COVID-19 related procurements.

In **Italy**, the Anti-Corruption Authority issued a handbook addressed to contracting authorities with the purpose of accelerating and simplifying the management of

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<sup>72</sup> Law 14.035/2020, *Conversion of Provisional Measure No. 926* (11 August 2020), [http://www.planalto.gov.br/ccivil\\_03/\\_ato2019-2022/2020/Lei/L14035.htm](http://www.planalto.gov.br/ccivil_03/_ato2019-2022/2020/Lei/L14035.htm)

<sup>73</sup> Ordinance no. 2020-319, *On various measures for adapting the rules for the award, procedure or execution of contracts subject to the Public Procurement Code and public contracts not covered by it during the health crisis caused by the covid-19 epidemic*, (25 March 2020).

<sup>74</sup> Federal Ministry for Economy and Energy, *Binding guidelines for the federal administration for the award of public contracts to accelerate investment measures and cope with the economic consequences of the COVID-19 pandemic*, (7 August 2020), [BMWi.de/Redaktion/DE/Downloads/H/handlungsleitlinien-vergr-corona.pdf](https://www.bmwi.de/Redaktion/DE/Downloads/H/handlungsleitlinien-vergr-corona.pdf).

<sup>75</sup> Ministry of Finance, *Special Instructions relating to relief operations for COVID-19 global pandemic*, (F 6/18/2019-PPD (27 March 2020), <https://www.doe.gov.in/sites/default/files/Special%20Instructions%20relating%20to%20relief%20operations%20for%20COVID-19%20global%20pandemic.pdf>

<sup>76</sup> Ministry of Commerce and Industry, *GeM takes a number of initiatives for procurement of goods and services by Government departments in the fight against COVID-19 Pandemic*, (28 March 2020), <https://pib.gov.in/PressReleasePage.aspx?PRID=1608752>

public procurement procedures during the COVID-19 pandemic. The handbook provides an overview of existing legislative provisions on public procurement in order to support contracting authorities in all cases where it is necessary, to the extent permitted by the law, to accelerate or simplify public tender procedures. Permissible measures include the direct awarding of contracts without public calls to tender; the reduction of deadlines for the submission of tenders; and the early execution and early performance of the contract as a matter of urgency.

The **Republic of Korea** issued guidelines, which called for the Public Procurement Service to conduct minimal face-to-face evaluations and enabled suppliers to postpone on-site inspections and run internal and external committee meetings online or in writing.

The **Kingdom of Saudi Arabia** reported that regulations for government tenders and procurement procedures related to COVID-19 were issued pursuant to Ministerial Resolutions, which afforded entities the opportunity to use emergency procurement measures under a set of pre-defined conditions.<sup>77</sup>

The **Republic of South Africa**'s directives advocated for a central procurement approach and included that personal protective equipment (PPE) items must meet the specifications of the World Health Organization, the National Department of Health and the Department of Trade Industry and Competition (for cloth masks); that prices must be equal or lower to the benchmark set by the National Treasury; that suppliers must be registered in the central database; and that items must meet a stipulated minimum threshold percentage for local production and content for textiles, clothing, leather and footwear.<sup>78</sup> It also enabled authorities to procure essential goods and services through other means, such as price quotations, and with shortened sourcing time if the procurement was above R500,000 (approximately USD 30,000).

**Spain** released a comprehensive compendium detailing public procurement measures adopted in response to the COVID-19 pandemic.<sup>79</sup>

In **Switzerland**, the Federal Conference on Procurement issued a set of recommendations on public procurement during the emergency period.<sup>80</sup> The recommendations were designed to facilitate and accelerate the procurement of essential health products and services. In particular, the guidelines recommended the use of digital procedures, such as allowing electronic signatures, and called for both flexibility and transparency when dealing with exceptional circumstances.

The **Russian Federation** amended its procurement legislation, enabling institutions to award direct contracts with respect to goods, services and supplies

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<sup>77</sup> Minister of Finance Resolution no. 1242, *Draft Regulation of the Government Competition and Procurement Law*, dated 21/3/1441H (2020).

<sup>78</sup> National Treasury, Instruction Note 5 of 2020/21 for PFMA institutions, *Emergency procurement in response to National State of Disaster*, [http://www.treasury.gov.za/comm\\_media/press/2020/Instruction%205.pdf](http://www.treasury.gov.za/comm_media/press/2020/Instruction%205.pdf).

<sup>79</sup> Ministry of Finance and Civil Service, [https://www.hacienda.gob.es/RSC/OIReSuC/COVID-19/V-13%20\(22-06-2020\)/22-06%20OIRESCON%20COVID-19%20-CIERRE.pdf](https://www.hacienda.gob.es/RSC/OIReSuC/COVID-19/V-13%20(22-06-2020)/22-06%20OIRESCON%20COVID-19%20-CIERRE.pdf)

<sup>80</sup> *Coronavirus: Marge de manoeuvre en vue d'atténuer les conséquences pour l'économie suisse du point de vue des marchés publics. Recommandations de la Conférence des achats de la Confédération* (27 March 2020), <https://www.bkb.admin.ch/bkb/fr/home/hilfsmittel/coronavirus.html>

related to COVID-19 until 31 December 2020.<sup>81</sup> The legislation also doubled the maximum price of direct contracts and enabled the parties to a contract to modify the deadline of its implementation and its price for reasons of *force majeure* or in other cases as defined by the Government.<sup>82</sup>

**Turkey** released guidelines related to the exportation of face masks to help ensure the effective management of essential supplies and required the Ministry of Health to pre-approve the importation of medical diagnostic kits.<sup>83</sup>

The **United Kingdom** introduced specific due diligence during COVID-19 for procurement to monitor and support fraud prevention and issued a procurement policy note which set out options that may be considered under the existing Public Contracts Regulations of 2015 to procure goods and services quickly to respond to COVID-19.<sup>84</sup>

## B. Monitoring mechanisms for procurement during crises and in the context of COVID-19

Countries reported a number of monitoring mechanisms to ensure integrity in procurement in the context of COVID-19, including through the use of existing or newly designated entities or task forces, online platforms and portals, and reporting mechanisms.



Task force



Online platforms



Reporting mechanisms

### *Use of new or existing entities, teams and task forces*

Some countries developed new entities, teams or task forces to monitor procurement during COVID-19, while others empowered existing institutions to engage in oversight related to the crisis.

**Australia** reported that its National Audit Office created a multi-year audit strategy for COVID-19 to address the changed risk environment, which includes consideration of procurement activities taken during the emergency response.<sup>85</sup>

**Brazil** reported that it has adopted a three-pronged approach to monitoring procurement activity: risk-based assessments; broad transparency and civic

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<sup>81</sup> Federal Law No. 98/FZ, *On Amendments to Specific Legal Acts of the Russian Federation Regarding the Prevention and Elimination of the Consequences of Emergencies*, (1 April 2020), <http://publication.pravo.gov.ru/Document/View/0001202004010072>

<sup>82</sup> *Id.*

<sup>83</sup> Communiqué no. 96/31 Amending the Communiqué on Products Whose Exportation is Prohibited and Subject to Pre-Authorization (4 March 2020); Communiqué on Importation of Medical Diagnostic Kits (2 April 2020); Declaration no. 2020/10 on *Products whose Exportation and Importation are Subject to Pre-Authorization pursuant to the Communiqué No. 96/31 on Products whose Exportation is Subject to Pre-Authorization* (2 May 2020), <https://www.resmigazete.gov.tr/eskiler/2020/05/20200502-5.htm>

<sup>84</sup> Procurement Policy Note 01/20: *Responding to COVID-19* (18 March 2020),

<https://www.gov.uk/government/publications/procurement-policy-note-0120-responding-to-covid-19>

<sup>85</sup> Australian National Audit Office, *ANAO COVID-19 multi-year audit strategy*, <https://www.anao.gov.au/work-program/covid-19>

engagement; and ex-post facto auditing. The Office of the Comptroller-General (CGU) is the main internal control and oversight body for procurement activities involving federal funds, while the Federal Court of Accounts monitors and oversees federal procurement activities as the external control entity. The CGU also created a dedicated task force to actively monitor emergency purchases made under the ad hoc procurement rules. Brazil reported that the task force is adopting a “risk-based approach” to identify potential vulnerabilities with procurement contracts and implement corruption prevention measures. The CGU is also auditing procurement contracts related to COVID-19, which has led to 29 special operations, conducted in collaboration with the Federal Police and Prosecution Service, to combat fraud and corruption. Brazil estimates to recover up to BRL 80 million (approximately USD 15.2 million) as a result of auditing activities.

In **Canada**, the Public Services and Procurement Canada (PSPC) applies a government-wide integrity regime to all contracts and regularly undertakes integrity verifications as required, including with respect to the Government’s response to COVID-19. The department conducted specific verifications including research into companies and/or associated individuals that were considered to be high-priority and time-sensitive. In addition, Canada reported that it set up a supply council, consisting of a diverse group of non-governmental leaders, to provide advice on the procurement of critical goods and services to help support the Government’s timely response to the pandemic.<sup>86</sup>

**Indonesia** reported that existing procurement regulations stipulate that the Government Internal Supervisory Officer will oversee procurement activities in the context of emergencies, such as COVID-19, and will conduct audits and receive complaints from the public regarding potential irregularities.<sup>87</sup> In addition, the Indonesian Financial and Development Oversight Body was specifically authorized to monitor the use of state finances with respect to COVID-19 and established a technical team to do so.<sup>88</sup> The Corruption Eradication Commission also took part in the National Task Force on COVID-19 Rapid Response to supervise COVID-19 related procurement and inform the work of the task force, including with respect to procurement oversight.

In terms of new entities, **Italy** reported that it created a Special Commissioner for COVID-19 to manage and oversee the response to the health emergency.<sup>89</sup> Among other activities, the Special Commissioner implemented an Information and Communications Technology platform, which enabled the assessment of the most appropriate supplier for each urgent need.<sup>90</sup> Italy reported that each potential

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<sup>86</sup> Public Services and Procurement Canada (PSPC), *COVID-19 Supply Council*, <https://www.tpsgc-pwgsc.gc.ca/comm/aic-scr/ca-sc/index-eng.html>

<sup>87</sup> LKPP Regulation No. 13 of 2018 on *Public Procurement of Goods and Services in Emergency Handling*, article 7.

<sup>88</sup> Presidential Instruction 4/2020 (20 March 2020), <https://setkab.go.id/en/press-statement-of-president-of-the-republic-of-indonesia-on-government-policies-in-dealing-with-the-covid-19-pandemic-24-march-2020-at-the-merdeka-palace-jakarta/>

<sup>89</sup> Law No. 27, *Measures to strengthen the National Health Service and economic support for families, workers and businesses related to the COVID-19 epidemiological emergency*, article 122, chapter 2, (24 April 2020), [https://www.confindustria.it/wcm/connect/e633da49-7ac9-427d-bad0-23f9a78cd546/Decree-Law\\_18\\_17032020.pdf?MOD=AJPERES&CONVERT\\_TO=url&CACHEID=ROOTWORKSPACE-e633da49-7ac9-427d-bad0-23f9a78cd546-n4lhvQj](https://www.confindustria.it/wcm/connect/e633da49-7ac9-427d-bad0-23f9a78cd546/Decree-Law_18_17032020.pdf?MOD=AJPERES&CONVERT_TO=url&CACHEID=ROOTWORKSPACE-e633da49-7ac9-427d-bad0-23f9a78cd546-n4lhvQj)

<sup>90</sup> Law 190 of 2012, *Rules for the prevention and repression of corruption and unlawfulness in public administration*, (29 August 2017), [https://www.anticorruzione.it/portal/rest/jcr/repository/collaboration/Digital%20Assets/anacdocs/MenuServizio/English%20section/LEGGE\\_190\\_%206%20novembre%202012\\_EN-final\\_sito%20\(1\).pdf](https://www.anticorruzione.it/portal/rest/jcr/repository/collaboration/Digital%20Assets/anacdocs/MenuServizio/English%20section/LEGGE_190_%206%20novembre%202012_EN-final_sito%20(1).pdf)

supplier was required to register via the platform with relevant data and every contract was given a specific code by the national anti-corruption authority, which allowed for the tracing of cash flows pursuant to the contract.<sup>91</sup> In addition, the Scientific and Technical Committee, and the *Istituto Nazionale Assicurazione Infortuni sul Lavoro* (INAIL) conduct oversight over products purchased in response to COVID-19 to ensure that they meet their technical requirements under the relevant contract.<sup>92</sup> Each contract may be terminated for non-compliance.

**Mexico** reported that the Ministry of Public Administration (SFP, Secretaría de la Función Pública) through its Internal Control Bodies (ICO) exercised oversight over the procurement of medicines and supplies within the federal public administration, and in particular in the health sector. Central audit authorities modified their workplans to review acquisitions related to COVID-19. As of mid-August 2020, the ICOs had monitored nearly 7,000 procurement procedures for goods and/or services to ensure that the emergency is not used as a pretext to cover up embezzlement. Such control activities also help to ensure that goods are acquired at competitive prices, despite the overwhelming increase in demand for essential medical equipment and supplies.

The Public Procurement Service in the **Republic of Korea** created a task force to manage the supply of masks by cooperating and sharing information with other agencies and adjusting the number of masks supplied to each region depending on the number and severity of infections and the total stock available.<sup>93</sup> The task force also engaged the public in selling masks to regions that needed them most to help ensure a stable supply.

The **Russian Federation** reported that Rosfinmonitoring, its financial intelligence unit, is currently monitoring over 7,000 public contracts related to the COVID-19 pandemic. The total price of these contracts amounts to 11 billion RUB (around 150 million USD) and they are being implemented by 4,500 legal persons and individual contractors. The Russian Federation noted that Rosfinmonitoring has conducted a risk assessment of the parties to these contracts in order to timely prevent their failure to implement them. The assessment allowed the body to detect a number of contracts that were at risk and flag them to the competent law enforcement authorities to initiate criminal proceedings. As a consequence, the Russian Federation reported that it has registered a positive trend, with implementation standards growing stronger and the number of suspicious transactions and shell companies decreasing.

The **Kingdom of Saudi Arabia** reported that it created a new committee to oversee activities related to public procurement within the Ministry of Health called the

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<sup>91</sup> Law No. 136/2010, *Extraordinary plan against mafia-related crimes, as well as delegation to the Government on the subject of laws against the mafia*, (13 August 2010),

<https://www.izsvenezie.com/documents/forms/administrative-forms/italian-law-136-2010.pdf>; CIG: Codice Identificativo Gara,

<https://www.anticorruzione.it/portal/public/classic/MenuServizio/FAQ/ContrattiPubblici/FAQtracciabilita>

<sup>92</sup> Decree Law No. 18, *Measures to strengthen the National Health Service and economic support for families, workers and businesses related to the COVID-19 epidemiological emergency*, article 122, (17 March 2020),

[https://www.confindustria.it/wcm/connect/e633da49-7ac9-427d-bad0-23f9a78cd546/Decree-Law\\_18\\_17032020.pdf?MOD=AJPERES&CONVERT\\_TO=url&CACHEID=ROOTWORKSPACE-e633da49-7ac9-427d-bad0-23f9a78cd546-n4lhvQj](https://www.confindustria.it/wcm/connect/e633da49-7ac9-427d-bad0-23f9a78cd546/Decree-Law_18_17032020.pdf?MOD=AJPERES&CONVERT_TO=url&CACHEID=ROOTWORKSPACE-e633da49-7ac9-427d-bad0-23f9a78cd546-n4lhvQj)

<sup>93</sup> COVID-19, *Testing Time for Resilience in Recovering from COVID-19: The Korean Experience* (11 May 2020)

[http://www.moef.go.kr/nw/nes/detailNesDtaView.do?searchBbsId1=MOSFBBS\\_000000000028&searchNttId1=MOSF\\_000000000036537&menuNo=4010100](http://www.moef.go.kr/nw/nes/detailNesDtaView.do?searchBbsId1=MOSFBBS_000000000028&searchNttId1=MOSF_000000000036537&menuNo=4010100)

COVID-19 Follow-Up Committee. In addition, its Court of Audit continued to oversee procurement processes, including those related to COVID-19, by reviewing contracts, agreements and exchange documents provided by entities which are legally required to submit such information to the oversight body.

In the **Republic of South Africa**, the National Treasury oversaw controls on the procurement of personal protective equipment (PPE), including by setting a maximum price and publishing the names of all PPE-service providers.<sup>94</sup> In addition, South Africa reported that the National Treasury is in the process of developing an emergency procurement reporting template for the purpose of monitoring such activities, and is implementing controls on contract expansions, extensions or variations in excess of prescribed thresholds.

The **United Kingdom** reported that its counter fraud function is working to identify new opportunities to prevent fraud, including through the use of data and analytics and wider legislative reviews via a new COVID-19 Fraud Ministerial Board.

### *Use of shared data, Information and Communications Technology (ICT) and e-government*

Countries reported the use of online platforms, websites and dashboards as a means to monitor procurement activities related to COVID-19.

**Brazil** reported that it is actively publishing COVID-19 related purchases and expenses through several accessible channels such as the Transparency Portal, dedicated websites, online dashboards and platforms, with the aim of seeking to promote oversight by civil society organizations and individuals.<sup>95</sup> The Health Ministry also publishes every procurement contract that was signed without a competitive procedure.<sup>96</sup>

**Canada** reported that it launched a COVID-19 contract information web page to provide updates on the procurement of essential medical supplies and equipment in response to the pandemic.<sup>97</sup> The page contains information on suppliers, the type of item purchased and the total contract value.

**China** reported that it encouraged the use of e-procurement in order to ensure transparency and meet social distancing requirements.

**Germany** reported that contract awards related to COVID-19 must be published on the federal internet portal.<sup>98</sup> The published information must contain at least the core elements of the respective tender.

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<sup>94</sup> National Treasury, *Reporting - National Departments and Entities*, <http://ocpo.treasury.gov.za/COVID19/Pages/Reporting-National-Departments.aspx>; National Treasury, *Reporting - Provincial Government*, <http://ocpo.treasury.gov.za/COVID19/Pages/Reporting-Provincial-Government.aspx>

<sup>95</sup> Transparency Portal, <http://www.portaltransparencia.gov.br/>

<sup>96</sup> Law No. 13.979/2020, *Measures to address the public health emergency of international importance due to the coronavirus responsible for the outbreak of 2019*, article 4, para. 2, (6 February 2020), [http://www.planalto.gov.br/ccivil\\_03/\\_ato2019-2022/2020/lei/l13979.htm](http://www.planalto.gov.br/ccivil_03/_ato2019-2022/2020/lei/l13979.htm)

<sup>97</sup> Public Services and Procurement Canada, *COVID-19 contract information* (2 September 2020), <https://www.tpsgc-pwgsc.gc.ca/comm/aic-scr/contrats-contracts-eng.html>

<sup>98</sup> Service.Bund.De – Verwaltung online, [https://www.service.bund.de/Content/DE/Home/homepage\\_node.html](https://www.service.bund.de/Content/DE/Home/homepage_node.html)

**Italy** reported that its national anti-corruption authority is an observatory for all public contracts and collects data for all tenders and bidding companies, which is made public through its institutional website.<sup>99</sup>

The **Republic of South Africa** reported that its National Treasury is publishing the names of all companies that receive government contracts related to COVID-19 on its website.<sup>100</sup>

Similarly, the **United Kingdom** reported that all contracting authorities should be using online platforms to publish award notices for procurements carried out under emergency circumstances, including COVID-19.

The **United States of America** reported that once an emergency is declared, every contract issued pursuant to that emergency receives a National Interest Action Code and the data associated with such contracts is made publicly available online via the Federal Procurement Data System.<sup>101</sup> The public availability of this data provides opportunity for multiple stakeholders, including agency Inspectors General, Congressional oversight committees, the Government Accountability Office, non-governmental organizations and the private sector to monitor contract activity during any public emergency. Information is also available on grants via USASpending.gov and through the Pandemic Response Accountability Committee's website. The "Track the Money" feature displays federal funding provided in response to COVID-19.<sup>102</sup>

### *Use of existing monitoring mechanisms*

**Argentina** reported that no specific monitoring mechanisms were developed in response to COVID-19 as its Anti-Corruption Office continued to perform its regular functions with efficiency.

**France** reported that it had not implemented specific monitoring mechanisms related to public procurement during the ongoing crisis. **Germany** reported that its existing appeals system applies in any situation including with respect to the current emergency.

**India** reported the use of existing mechanisms to monitor emergency public procurement during the crisis, including its 2005 Right to Information Act, external monitors to mitigate corruption risks in procurement processes, and a public grievance portal that allowed individuals to report potential acts of corruption. Complaints received through the grievance portal were forwarded to the concerned ministries and relevant departments of state and union territories to

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<sup>99</sup> National Anti-Corruption Authority (ANAC), *Tenders and Contracts*, <https://www.anticorruzione.it/portal/public/classic/AmministrazioneTrasparente/BandiGaraContratti>

<sup>100</sup> National Treasury, *Reporting - National Departments and Entities*, <http://ocpo.treasury.gov.za/COVID19/Pages/Reporting-National-Departments.aspx>; xNational Treasury, *Reporting - Provincial Government*, <http://ocpo.treasury.gov.za/COVID19/Pages/Reporting-Provincial-Government.aspx>.

<sup>101</sup> The Federal Procurement Data System is a single-source website containing all information related to procurement performed by public institutions, <https://www.fpds.gov/fpdsng/cms/index.php/en/>

<sup>102</sup> H.R. 748., *The Coronavirus Aid, Relief, and Economic Security Act ( CARES Act)* (27 March 2020), <https://www.congress.gov/bill/116th-congress/house-bill/748>; H.R. 266, *The Paycheck Protection Program and Health Care Enhancement Act*, <https://www.congress.gov/bill/116th-congress/house-bill/266/actions> (24 April 2020), H.R. 6201, *The Families First Coronavirus Response Act*, <https://www.congress.gov/bill/116th-congress/house-bill/6201/text>; H.R. 6074, *The Coronavirus Preparedness and Response Supplemental Appropriation Act* (6 March 2020) <https://www.congress.gov/bill/116th-congress/house-bill/6074>.

provide redress.<sup>103</sup> India reported that the Department of Administrative Reforms and Public Grievances follows approximately 1,000 complaints per year through to their final disposal with the aim of evaluating how effective the concerned government agency is in responding to such complaints. In addition, India noted that its Central Vigilance Commission is mandated to inquire or cause an inquiry or investigation where it is alleged that a public servant may have committed an offence under the Prevention of Corruption Act (1998).<sup>104</sup> Complaints may be lodged directly with the Commission or through its portal or website.<sup>105</sup>

**Japan** similarly noted that its existing mechanisms applied to the COVID-19 crisis. **Jordan** reported that its unified system for government procurement designed at the end of 2019 was used to enhance integrity and legitimate competition during the pandemic.

The **Kingdom of Saudi Arabia** reported the use of existing mechanisms to maintain transparency and integrity in public procurement in the context of COVID-19, including the assignment of a Financial Controller to each government department to review documentation and pre-approve the disbursement of funds; the use of state audit institutions to review the expenditures of institutions ex-post; the use of a digital portal equipped with a red flag system to review bids for public contracts; and the development of key indicators, which are routinely checked for potential corruption risks in contracts.

**Spain** reported that there were no control mechanisms specific to emergency procurement procedures, but the existing internal control body continued to perform its verification functions. **Switzerland** similarly reported that there was no need for a specifically designed mechanism for pandemic-related procurement as procurement activity is generally subject to monitoring processes.

**Turkey** reported that its Public Procurement Authority continued to review complaints submitted by tenderers, potential tenderers and candidates, and will publish its monitoring reports on a semi-annual basis on its website.<sup>106</sup> In addition, Turkey reported that its Court of Accounts continued to undertake audits of the public administration's assets and revenues.

### C. Main challenges in monitoring emergency procurement

Several countries emphasized the challenge of meeting the urgent needs presented by COVID-19 and maintaining the necessary flexibility to do so, while also implementing controls in procurement procedures to detect and prevent abuses and illicit practices. A significant challenge reported by countries was emergency purchases conducted using simplified procedures, such as direct contracts without a competitive process. **Brazil** noted that while auditing has proven successful in detecting and addressing some abuses in this area, it takes time to complete such audits, which may prevent a quick response from anti-corruption

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<sup>103</sup> Department of Administrative Reforms and Public Grievances, *Centralized Public Grievance Redress and Monitoring System*, <https://pgportal.gov.in/>

<sup>104</sup> The Central Vigilance Commission Act (2003), <http://legislative.gov.in/sites/default/files/A2003-45.pdf>

<sup>105</sup> Central Vigilance Commission portal [www.portal.cvc.gov.in](http://www.portal.cvc.gov.in); Central Vigilance Commission website <https://cvc.gov.in/>

<sup>106</sup> Public Procurement Authority, [www.kik.gov.tr](http://www.kik.gov.tr)

authorities. **Jordan** reported that emergency contracting must be complemented by clear guidelines and aim to ensure the continuity of public services. **Jordan** also reported that new means of engaging with the market to find alternative and innovative solutions was a challenge and recommended the use of increased digitalization across all phases of the procurement cycle. **Spain** reported that simplified procedures cannot be a “blank check” for contracting authorities to act at their own discretion without objective criteria, while the **United Kingdom** stressed the need to ensure that contracts designed to tackle COVID-19 issues maintain value for money and are published online in accordance with transparency guidelines.

## 5. Detection, investigation and reporting of fraud and corruption

### A. Concrete cases and examples of detected domestic/transnational corruption

G20 countries enhanced the available pool of information on corruption cases and instances taking place in the context of the current crisis by providing concrete and real-life examples of how corruption has manifested since the onset of COVID-19 in a variety of ways.

**Australia** elaborated on the following:

- As of 29 September 2020, Australia’s Scamwatch has received over 4,160 scam reports mentioning the coronavirus with around \$3.36 million AUD in reported losses since the outbreak of COVID-19.<sup>107</sup>
- Support measures in the Australian Government’s COVID-19 stimulus package could be targeted by fraudsters<sup>108</sup>. For example, the COVID-19 Early Release of Superannuation (ERS) scheme has already been targeted, and the Australia Federal Police have made some arrests<sup>109</sup>. In September 2020, the Australian Taxation Office noted that approximately 92 per cent of applicants had met an eligibility criterion, however, the final estimate of the compliance rate for Australia’s ERS scheme will not be known until the scheme ends on 31 December 2020.
- The Therapeutic Goods Administration issued two infringement notices to companies for the alleged unlawful importation and advertising of medical devices in relation to COVID-19. One company allegedly imported non-contact infrared thermometers that at the time of importation were not included in the

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<sup>107</sup> For more information, please refer to: <https://www.scamwatch.gov.au/types-of-scams/current-covid-19-coronavirus-scams?date=2020-07>

<sup>108</sup> <https://www.ato.gov.au/Media-centre/Media-releases/ATO-zeroes-in-on-COVID-19-fraud/>; <https://www.ato.gov.au/Individuals/Super/In-detail/Withdrawing-and-using-your-super/COVID-19-Early-release-of-super---integrity-and-compliance/>

<sup>109</sup> <https://www.afp.gov.au/news-media/media-releases/three-people-charged-exploiting-covid-19-superannuation-early-release>; <https://www.afp.gov.au/news-media/media-releases/wa-woman-accused-exploiting-superannuation-hardship-payment>

Australia Register of Therapeutic Goods and were neither exempt nor excluded from the operation of the Therapeutic Goods Act of 1989.<sup>110</sup>

- Initial intelligence assessments identified suspected corrupt activity relating to the stockpiling or sourcing of personal protective equipment (PPE) and the procurement of substandard PPE, including through organized criminal networks sourcing goods to be exported overseas for significant profit.

**Brazil** reported that in the context of emergency economic relief benefits, the Office of the Comptroller General (CGU) has been cross-checking several federal government databases to detect problems and irregularities in disbursements. This intelligence work, for instance, allowed criminal prosecution bodies to capture several fugitives from justice with arrest warrants who had requested the benefit. The audit also identified 680,564 public officials from the federal, state and municipal government who unduly received the benefit.<sup>111</sup> The payments were in excess of BRL 981 million (approx. USD 181 million) and the CGU is still investigating if the public officials were mistakenly included as beneficiaries or had their personal information fraudulently used to request the aid.

**China** specified that there were several detected cases of misallocation and embezzlement of COVID-19 relief supplies and stimulus funds. For example, a local health care management department received a large number of COVID-19 medical supplies but allocated the supplies in an unfair and unjust way. It was found later that the hospitals had to bribe officials in that department for the relief supplies. The anti-corruption agency investigated the case and penalized officials held accountable. In another case, an official in a poverty relief department in central China solicited bribes during the distribution of COVID-19 stimulus funds. Only those who gave him the bribe were able to get the subsidy.

**France** indicated that in March 2020, Company A (fictitious name) was created and specializes in the construction and public works sector. In the two months of its existence, it received more than €500,000 from several French companies working in the same sector despite the unfavorable economic context for such a volume of business. The funds were partly used for orders from foreign mobile phone sales companies and for the purchase of masks and hydro-alcoholic gels from another European company for an amount of €300,000. The age of the company, its intensive activity despite the current economic situation, and the transactions realized in sectors that are not relevant to its corporate purpose all led to suspicions of a hidden labour laundering scheme. The case is currently still underway.

**Italy** reported that between the end of February and mid-June 2020, its financial intelligence unit (FIU) received approximately 350 Suspicious Transaction Reports (STRs) directly related to the COVID-19 pandemic. Significant cases also emerged from exchanges with FIUs in other countries. The analysis of the STRs confirmed the emergence of all types of risks previously described. Anomalies were found in the supply of personal protective equipment both to private and public clients. Numerous cash movements have also been detected, often related to the restrictions on individual mobility in the acute phase of the pandemic and the

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<sup>110</sup> Two companies fined \$25,200 for alleged unlawful importation and advertising of infrared thermometers in relation to COVID-19. Therapeutic Goods Administration (August 2020), <https://www.tga.gov.au/media-release/two-companies-fined-25200-alleged-unlawful-importation-and-advertising-infrared-thermometers-relation-covid-19>

<sup>111</sup> For more information, please refer to: <https://www.gov.br/cgu/pt-br/assuntos/noticias/2020/08/cgu-identifica-agentes-publicos-que-receberam-auxilio-emergencial-de-forma-indevida>

measures of social confinement but could sometimes hide illicit purposes. In some cases, the operating methods suggested the possible involvement of organized crime and forms of usury.

**Jordan** reported that during COVID-19, an individual was caught switching barcodes to replace expired medical supplies with valid dates. A clinic was inspected, and consequently a number of expired medicines and cosmetics were seized. Medicines and cosmetics not registered at the Jordan Food and Drug Administration were also seized in addition to medical supplies sold to the Ministry of Health. Investigations were conducted and the case was referred to the Public Prosecutor of Integrity and Anti-Corruption in order to proceed with legal formalities.

In the **Russian Federation**, the Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing issued a list of major fraud risks for the population during the COVID-19 pandemic<sup>112</sup>. There are, among other things, sales of counterfeit products against COVID-19 (filters, drugs and air purifiers), warnings to pay non-existent fines for having presumably violated lockdown restrictions, proposals of false job procurement services, attempts to enter private homes under the guise of health and social workers, etc. The national law enforcement authorities registered multiple cases of fraud related to falsified electronic authorizations to leave private homes during the lockdown sold at a price from 3,000 to 5,000 RUB (roughly from 38 to 64 USD), even though such authorizations were issued free of charge by the local authorities; sales of fraudulent COVID-19 test kits at a price of 15,000 (approximately 150 USD) apiece and of PPE at gouging prices. For example, the prosecutor's office of the region of Saratov is conducting the verification of the information previously published in the media about public procurement of individual face masks for medical purposes at a price of 425 rubles (approximately 6 USD) apiece. During the COVID-19 pandemic, the General Prosecutor's Office also registered a record growth of fraud cases related to the use of ICTs<sup>113</sup>: in the first half of 2020, the number of such cases grew by 76 per cent if compared to the same period of the previous year, meanwhile the total number of fraud cases grew by 36 per cent. Currently, 71 per cent of fraud crimes are committed by phone or on the Internet (50 per cent in 2019). The number of fraud crimes related to bank cards and accounts doubled, as most stores were locked down and the population was forced to acquire goods online. These statistics mean primarily that the personal data is under threat and certain categories of citizens, such as the elderly, are particularly vulnerable to these risks.

**Spain** indicated the following:

- The Spanish Agency of Medicines and Medical Devices (AEMPS) has been actively monitoring the online sale of illegal medicines. During the crisis, 13 websites have been formally requested to cease their activities of promotion and/or sale of medicines involved in COVID-19 studies or treatments, such as Kaletra and chloroquine (not authorized as COVID-19 treatments in Spain). Some investigations resulted in the removal of several advertisements of these medicines on platforms such as Vibbo or Facebook, as well as advertisements of other illegal remedies such as the Miracle Mineral Solution (MMS) or sodium hypochlorite. YouTube was also requested to remove several videos promoting these dangerous products as treatments. Finally, a Spanish company was

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<sup>112</sup> Major types of fraud related to COVID-19, Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing, [https://www.rosпотреbnadzor.ru/about/info/news/news\\_details.php?ELEMENT\\_ID=14333](https://www.rosпотреbnadzor.ru/about/info/news/news_details.php?ELEMENT_ID=14333)

<sup>113</sup> Criminal Statistics Portal, Prosecutor General's Office of the Russian Federation, <http://crimestat.ru/analytics>

requested to stop publishing its food supplement as a prophylaxis or treatment of COVID-19 after a complaint was received. Likewise, several medical devices were removed from the market through participation in the European surveillance market network.

- Concerning online fraud, detected instances included the sale of fraudulent or sub-standard personal protective equipment, the sale of fake COVID-19 tests and treatments, phishing campaigns concealing the identities of companies, charities and other organizations, and the fraudulent use of credit and debit card data.

**Switzerland** reported that on 20 March 2020, the Government simplified procedures and eased the conditions for granting short-term working compensation in order to extend the range of beneficiaries and cope with the large number of claims. The whistle-blower hotline at the Swiss Federal Audit Office (SFAO) received reports of irregularities related to short-term working compensation. Some employers may have claimed compensation while business activity remained at regular levels. It was also noted that the number of incidents reported to the Swiss National Cyber Security Center increased two- to threefold during the period when many employees were working from their homes. This included phishing, online fraud and network attacks.

The **United States of America** reported the following examples:

- In early August 2020, five individuals were charged in an indictment with fraudulently obtaining more than \$4 million in PPP (Paycheck Protection Program) loans and using those funds, in part, to purchase luxury vehicles. Authorities have seized a Range Rover worth approximately \$125,000, jewelry, over \$120,000 in cash, and over \$3 million from ten bank accounts at the time of arrest. The indictment alleges that four of the individuals submitted, or assisted in the submission of, PPP loan applications on behalf of five businesses, seeking loans of approximately \$800,000 for each company. They also submitted fraudulent loan applications that made numerous false and misleading statements about the companies' number of employees and payroll expenses.
- In early July 2020, a man was arrested on allegations that he fraudulently sought several loans through the emergency Paycheck Protection Program (PPP), and that he participated in a scheme to defraud the federal health insurance programme, Medicare, of at least \$5.6 million. The complaint alleges that to support the fraudulent PPP loan applications the individual submitted fake tax documents and doctored profit and loss statements. The individual succeeded in fraudulently obtaining over \$22,000 in PPP loan proceeds, and shortly thereafter, made payments, or caused payments to be made, to a company suspected of furthering the Medicare fraud scheme, and directed approximately \$12,000 of the PPP loan money to a personal account under his control.
- In mid-June 2020, two foreign nationals were arrested and charged in connection with defrauding victims using various online scams during the COVID-19 pandemic. According to the criminal complaint, the individuals participated in a series of online scams, including some related to emergency

unemployment insurance, designed to defraud victims by convincing them to send money to accounts controlled by the defendants. To carry out the scams, the defendants allegedly used false foreign passports in the names of others, but with their photos, to open numerous bank accounts, and in turn directed the victims to send money to these accounts. The defendants then rapidly withdrew the victims' money from various bank branches and automated teller machines (ATMs), often multiple times during a single day. It is alleged that the schemes included collecting unemployment insurance in the name of others during the COVID-19 pandemic.<sup>114</sup>

## B. Overview of engagement with non-governmental stakeholders, such as civil society and the media, in detecting fraud and supporting oversight efforts

The role of non-governmental stakeholders, such as civil society organizations (CSOs) and the media, cannot be understated in times of crises. They remain crucial and vital actors to the achievement of any tangible results that are to reach the general public. G20 countries have expressed their commitment to collaborate and encourage the active participation of civil society organizations and the media in detecting acts of corruption and ensuring sufficient oversight. For example, **Italy** reported that civil society and the media - especially investigative journalists - have been active during the pandemic. As in several other European countries, the right to access information (Freedom of Information Act) was suspended by the Government of Italy. However, Transparency International Italy and several other CSOs raised public awareness on the negative impact that this measure could have. The campaign for re-establishing the right to information gathered a lot of attention; civil society asked the public administration to improve the active transparency efforts during the period of suspension of the right to information in order to allow for public oversight. Some institutions, such as the Civil Protection Department (CPD), improved the quality of the published data. On whistleblowing, the National Anticorruption Agency (ANAC) supported the advocacy efforts of civil society calling for strengthening the protection of whistle-blowers. An example of a civil society initiative is the manifesto *Giustaitalia patto per la ripartenza*,<sup>115</sup> adopted by *Libera* and many other CSO entities.

**Mexico** reported on the creation of the COVID-19 Working Subgroup within the Steering Committee of the Open Government Partnership in Mexico as an effort together with civil society to strengthen the transparency of public sector actions, budget and resources assigned to assist during the COVID-19 pandemic in terms of public health care, as well as economic and social recovery. This action responds to the call of the Open Government Partnership known as “*Open response, Open recovery.*” The Subgroup is sustained through the collaboration of six expert civil society organizations in public policy and transparency, all members of the ‘Core of the Civil Society Organizations’ (Núcleo de la Sociedad Civil - NOSC): (1) Causa Natura, (2) Equis Justicia para las Mujeres, (3) Founding Center for Analysis and

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<sup>114</sup> *Two Nigerian Nationals Charged with Defrauding Victims Using Online Scams*, U.S. Department of Justice (June 2020), <https://www.justice.gov/usao-ma/pr/two-nigerian-nationals-charged-defrauding-victims-using-online-scams>

<sup>115</sup> *#Giustaitalia. Pact for the restart*. *Libera*, [https://www.libera.it/schede-1301-giustaitalia\\_patto\\_per\\_la\\_ripartenza](https://www.libera.it/schede-1301-giustaitalia_patto_per_la_ripartenza)

Research, (4) Mexican Institute for Competitiveness (IMCO), (5) México Evalúa, (a center for analysis of public policies) and (6) Mexican Transparency. It is important to note that the monitoring conducted by civil society and the media during the pandemic has contributed to identifying irregularities in procurement carried out by some hospitals where public officials were involved, where the investigation by the Ministry of Public Administration (SFP) determined the sanction of disqualification and fine, where appropriate. In a similar case, the SFP has fined and disqualified some pharmaceutical companies from participating in public procurement processes.

The **Russian Federation** highlighted that in accordance with established practice, competent federal authorities rapidly reacted to revelations of fraud and corruption in the media through different monitoring instruments. The activities of CSOs and NGOs in raising public awareness about corruption and detecting corruption offences are supported, in particular, by a programme of presidential grants for the empowerment of civil society. These practices are still relevant in times of the COVID-19 pandemic.

The **Republic of South Africa** noted the following initiatives from non-governmental stakeholders:

- The Imali Yethu and the Budget Justice Coalition has been pressuring the National Treasury to proactively publicize<sup>116</sup> details relating to the economic stimulus package to better enable its tracking.
- The Ahmed Kathrada Foundation initiated a civil society campaign including community-based organizations, the religious sector, NGOs and committed individuals to stop COVID-19 related corruption which will run from the end of August 2020 until December 2020 (to coincide with International Anti-Corruption Day).
- Corruption Watch is working on a project with Transparency International on open data standards for health procurement in the Republic of South Africa.
- Organisation Undoing Tax Abuse (OUTA) and Corruption Watch have whistle-blowing portals relevant to corruption around procurement, especially relevant to supporting whistle-blowing on corruption under emergency procurement conditions. The Public Affairs Research Institute (PARI) is developing a resource guide for public servants to assist them in reporting unethical conduct or corruption.

The **United Kingdom** reported that in May 2020 the National Crime Agency launched an initiative, bringing law enforcement and government together with the private sector to detect criminal activity seeking to exploit the COVID-19 crisis for financial gain. This Fusion Cell,<sup>117</sup> led by the National Economic Crime Centre and co-sponsored by the private sector, brings together experts from across sectors, including the financial sector, insurance companies, trade bodies, law enforcement and the broader public sector. The Cell works to rapidly share information on changes to the economic crime threat related to COVID-19 and to proactively target, prevent and disrupt criminal activity, protecting businesses and the public. This builds on the existing public-private partnerships that exist in the

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<sup>116</sup> Via [www.vulekamali.gov.za](http://www.vulekamali.gov.za)

<sup>117</sup> For more information please see: <https://nationalcrimeagency.gov.uk/who-we-are/publications/452-sars-in-action-may-2020/file>

National Economic Crime Centre, including through the Joint Money Laundering Intelligence Taskforce and the United Kingdom Financial Intelligence Unit.

The **United States of America** mentioned that the Department of Justice's Office of Information Policy (DOJ-OIP) has been providing advice to agencies focusing on finding workable solutions within current workforce policies to maximize the efficiency and effectiveness of FOIA (Freedom of Information Act) programmes that allow the public to request information related to the Government's COVID-19 response. The DOJ has publicly stated that, even as agencies are working under new constraints considering COVID-19, agencies' legal obligations under the FOIA continue.<sup>118</sup> Furthermore, the DOJ's Procurement Collusion Strike Force is structured to leverage non-governmental actors.

## 6. Enhanced anti-corruption measures taken by international organizations

Responses were received from the **Financial Action Task Force (FATF)**, the **International Monetary Fund (IMF)**, the **Islamic Development Bank (IsDB)**, the **United Nations Office on Drugs and Crime (UNODC)**, and the **World Bank**.

### A. Financial Action Task Force (FATF)

The **FATF**, with the assistance of its members and observers, has acted quickly to address the money-laundering threats and vulnerabilities emerging from the COVID-19 crisis. The FATF has noted the real risk that government funds to address the COVID-19 crisis are being syphoned away because of fraud and the funds laundered through financial centres around the globe, including those in G20 countries.

The FATF President issued a statement on 1 April 2020 calling for action and emphasizing the need for collaboration between governments and financial institutions in addressing illicit finance risks.<sup>119</sup> At a time when critical relief is needed in-country and beyond, effective implementation of the FATF Standards fosters greater transparency in financial transactions, which gives governments and donors greater confidence that their support is reaching their intended beneficiaries.

*"The continued implementation of the FATF Standards facilitates integrity and security of the global payments system during and after the pandemic through legitimate and transparent channels with appropriate levels of risk-based due diligence."* Statement by the FATF President, 1 April 2020

The FATF has quickly identified the changing illicit finance risks resulting from the COVID-19 crisis. The FATF issued a paper on COVID-19 related Money Laundering

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<sup>118</sup> *Guidance for Agency FOIA Administration in Light of Covid-19 Impacts*, U.S. Department of Justice (May 2020), <https://www.justice.gov/oip/guidance-agency-foia-administration-light-covid-19-impacts>.

<sup>119</sup> Financial Action Task Force, *Statement by the FATF President: COVID-19 and measures to combat illicit*

*financing* (1 April 2020), <http://www.fatf-gafi.org/publications/fatfgeneral/documents/statement-covid-19.html>

and Terrorist Financing Risks and Policy Responses.<sup>120</sup> This paper is based on information received from the FATF Global Network (comprising over 200 jurisdictions) and observer organizations such as the International Monetary Fund (IMF), World Bank and United Nations. The FATF identified that there are increased risks of illicit finance and corruption from the misdirection of government funds or international financial assistance. The emergency situation provides opportunities for corruption and misappropriation of public funds, particularly in procurement and government contracts. Public and private sector participants of a FATF webinar on “COVID-19 and the changing money laundering and terrorist financing landscape” on 30 July 2020, highlighted misuse of government stimulus funds as the third most prevalent COVID-19 related crime after fraud and cybercrime.<sup>121</sup>

The FATF’s work also highlights policy responses that can help support the swift and effective implementation of measures to respond to threats and vulnerabilities emerging during the COVID-19 pandemic, including detecting the proceeds of corruption. These measures include domestic coordination to assess the impact of COVID-19 on anti-money-laundering (AML) and countering the financing of terrorism (CFT) risks and systems, strengthened communication with the private sector and supporting electronic and digital payment options. Recognizing the quick pace at which proceeds of corruption are transferred across the globe, the FATF has asked all countries to alert banks and other businesses to remain vigilant to detect suspicious financial transactions, particularly in the context of cross-border flows from countries that are receiving emergency COVID-19-related funding from international organizations and other donors.<sup>122</sup>

FATF continues to assess the changing risk landscape and propose effective policy responses including by collecting and consolidating information from its 200 jurisdiction-strong Global Network. The FATF held two webinars on ML/TF risk with the private sector in July 2020 involving INTERPOL and Europol and two further webinars in September 2020 for government authorities on ensuring that money-laundering investigations and prosecutions and international cooperation continues despite the current challenges.<sup>123</sup>

## B. International Monetary Fund (IMF)

In the wake of the COVID-19 pandemic, the **IMF** maintained its commitment to address governance and corruption vulnerabilities in member countries. The IMF’s message to all governments has been clear: spend whatever you need, but keep

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<sup>120</sup> Financial Action Task Force, *COVID-19-related Money Laundering and Terrorist Financing Risks and Policy Responses* (4 May 2020), <http://www.fatf-gafi.org/publications/methodsandtrends/documents/covid-19-ml-tf.html>

<sup>121</sup> Financial Action Task Force, *FATF Webinars on Money Laundering and Terrorist Financing and COVID-19*, (30 July 2020), <http://www.fatf-gafi.org/publications/methodsandtrends/documents/covid-19-webinars.html>

<sup>122</sup> Financial Action Task Force, *COVID-19-related Money Laundering and Terrorist Financing Risks and Policy Responses* (4 May 2020), <http://www.fatf-gafi.org/publications/methodsandtrends/documents/covid-19-ml-tf.html>

<sup>123</sup> Financial Action Task Force, *FATF Webinars on Money Laundering and Terrorist Financing and COVID-19*, <http://www.fatf-gafi.org/publications/methodsandtrends/documents/covid-19-webinars.html>

the receipts. To assist their members in these efforts, the IMF has published notes<sup>124</sup> on how to promote transparency and accountability in their crisis-related spending.

The IMF reported that never before have so many countries appealed to the IMF for financing at the same time. Given the urgency of the need, the IMF responded quickly, with over 80 countries receiving emergency assistance so far. At the same time, the IMF has taken steps to promote accountability and transparency in the use of these funds to help ensure, as best as possible, that financial aid reaches those in need, and the IMF has tried to do this in ways that do not unduly delay the provision of much-needed assistance.

IMF emergency financing is provided in upfront, outright disbursements, which provides less scope for attaching conditions; however, the Fund has actively developed the following measures to promote transparency and accountability in the use of the emergency funds, all without unduly delaying urgently needed disbursements.

When countries have difficulties implementing these commitments, the IMF is also providing swift and targeted technical assistance to help, including on transparency of company ownership and availability of beneficial ownership information and good practices in setting up a fund for crisis relief. More generally, the IMF is continuing to provide virtual assistance to many countries to help them strengthen economic governance and transparency as part of its regular lending and capacity development work. For example, technical assistance has been provided during the crisis on strengthening AML/CFT measures in Pakistan, adopting anti-corruption legislation in Equatorial Guinea, and improving public financial management systems in Honduras.

In early September 2020, the IMF published a consolidated tracking document<sup>125</sup> of all published Letters of Intent that allows the public to view the COVID-19-related governance commitments for each member country. Going forward, the IMF will continue to track the implementation of these governance and safeguard measures by member countries. In addition, the IMF is engaging in an active dialogue<sup>126</sup> with civil society organizations like Transparency International to collaborate on issues such as the implementation of anti-corruption and transparency commitments.

Where warranted, as part of the IMF's ongoing implementation of the Framework on Enhanced Engagement on Governance<sup>127</sup>, specific governance, anti-corruption and anti-money laundering measures will continue to be included for member countries who have existing multi-year financing arrangements with the IMF or will be seeking such arrangements following on from the pandemic. These multi-

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<sup>124</sup> Such notes include [Keeping the Receipts: Transparency, Accountability, and Legitimacy in Emergency Responses](#), [Budget Execution Controls to Mitigate Corruption Risk in Pandemic Spending](#), and [COVID-19 Funds in Response to the Pandemic](#).

<sup>125</sup> <https://www.imf.org/-/media/Files/Topics/COVID/Governance-Commitments-in-COVID-19-Rapid-Instruments-As-of-9-1-2020.ashx?la=en>

<sup>126</sup> <https://www.transparency.org/en/blog/the-imf-on-corruption-and-covid-19#>

<sup>127</sup> <https://www.imf.org/en/News/Articles/2018/04/21/pr18142-imf-board-approves-new-framework-for-enhanced-engagement-on-governance>

year arrangements are better-suited than emergency financing to addressing longer-term structural issues that underpin poor governance and corruption.

### C. Islamic Development Bank (IsDB)

The **IsDB** reported that it has committed up to USD 2.3 billion to support its member countries in their efforts to respond to COVID-19. The programme envisages a holistic approach in the short-, medium- and long-term, accommodating priorities beyond the health sector, with consideration to the fact that COVID-19 does not only affect people's health but has also a knock-on effect on their livelihoods through a loss of income and a broader economic growth slowdown as parts of the economy are incapacitated. To do so, the IsDB reported that it created a global coordination platform built on blockchain technology that aims to coordinate aid delivery and mobilize technical and financial resources to support member countries in the immediate and long-term. The platform enables countries to apply for financing and allocate approved financing to implementing agencies, complete with real-time reporting and oversight, and to shop for pre-validated items with verified suppliers with built-in controls to track the procurement process.

The IsDB highlighted recommendations for others who may wish to implement similar blockchain technology, including the need to: conduct thorough due diligence and obtain compliance clearance before allowing vendors access to the platform; pilot implementation on a small scale to test and validate the platform, including the required risk controls; ensure that beneficiaries take responsibility for the procurement process; ensure the vendor has a robust business continuity plan and governance framework to mitigate risks of cyber-attacks; and all participants should be clearly authorized to access the platform.

### D. Organisation for Economic Co-operation and Development (OECD)

The OECD has analysed corruption risks in the context of the COVID-19 crisis across a number of policy areas, with a special focus on areas with particularly elevated corruption risks. This includes public sector governance and public procurement, transnational bribery and stimulus measures. The OECD work in this area aims at helping policymakers, law enforcement officials and the private sector to ensure that the global response to the crisis is not undermined by corruption and bribery.

The crisis has created opportunities for many integrity violations, particularly in public procurement and public organizations. Such challenges could significantly undermine government action to respond to the crisis. Both short- and long-term measures are needed to address these risks, focusing on procurement strategies, the resources of internal audit functions, and integrity strategies in public organizations, among others. The OECD has focused on a number of areas related to public sector integrity, which have a high impact on the success or failure of current and future government intervention. These include integrity challenges in public procurement, accountability, control and oversight of the economic stimulus packages, and increased risks of integrity violations in public organizations.

Many countries and institutions are buying and importing medical equipment and supplies through emergency procurement processes, in which due process may

not always be followed. OECD data<sup>128</sup> shows that risks of corruption are particularly present in public procurement, and are even more elevated in emergency procurement processes. The OECD has analysed and scoped out measures and tools that can help mitigate such risks in its reports *Public integrity for an effective COVID-19 response and recovery*<sup>129</sup>, *Public procurement and infrastructure governance: Initial policy responses to the coronavirus (Covid-19) crisis*<sup>130</sup> and *the Stocktaking report on immediate public procurement and infrastructure responses to COVID-19*<sup>131</sup>.

Moreover, the OECD has analysed the risks related to social benefit programmes (SBP), which are destined to protect individuals and families from economic and social risks, and provide a safety net for households and businesses. In its report *Safeguarding COVID-19 social benefit programmes from fraud and error*<sup>132</sup>, the OECD has outlined ways to mitigate the risks of fraud relative to the programmes, with a view to maintaining the effectiveness and accountability, and ensuring the provision of support at a time when it is most needed.

On 22 April 2020, the Working Group on Bribery (WGB) issued a public statement reaffirming its collective commitment to fight foreign bribery under the OECD Anti-Bribery Convention and noting that bribery and corruption have the potential to undermine the global response to the COVID-19 pandemic.<sup>133</sup> Through its statement, the WGB made public its intention to “examine the possible impact and consequences of the coronavirus pandemic on foreign bribery, as well as solutions to help countries strengthen their anti-bribery systems”. Since then, and in the context of its systematic follow-up, the Working Group on Bribery has engaged in ongoing monitoring of potential COVID-19 related foreign bribery cases, as well as the impact of COVID-19 on existing foreign bribery cases. WGB member countries, through a survey, have shared experiences and best practices in the detection, investigation and prosecution of foreign bribery cases, the identification of emerging corruption risks and the impact of physical distancing measures on enforcement. The WGB’s network of Law Enforcement Officials also discussed the issue in the context of one of its meetings. Furthermore, the WGB will consider the issue of the fight against foreign bribery during future global crises in the context of the ongoing review of the OECD Anti-Bribery Recommendation with a view to ensuring that the OECD Anti-Bribery instruments remain up to date and relevant.

The OECD has organized webinars on related topics.<sup>134</sup> These include anti-corruption and integrity safeguards for a resilient COVID-19 response and recovery, emergency measures to protect whistle-blowers and promote reporting during the ongoing crisis, as well as the impact of COVID-19 on the work of Anti-Corruption

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<sup>128</sup> OECD Foreign Bribery Report 2014: <https://www.oecd.org/corruption/oecd-foreign-bribery-report-9789264226616-en.htm>.

<sup>129</sup> <https://www.oecd.org/coronavirus/policy-responses/public-integrity-for-an-effective-covid-19-response-and-recovery-a5c35d8c/>

<sup>130</sup> <http://www.oecd.org/coronavirus/policy-responses/public-procurement-and-infrastructure-governance-initial-policy-responses-to-the-coronavirus-covid-19-crisis-c0ab0a96/>

<sup>131</sup> <http://www.oecd.org/coronavirus/policy-responses/stocktaking-report-on-immediate-public-procurement-and-infrastructure-responses-to-covid-19-248d0646/>

<sup>132</sup> <http://www.oecd.org/coronavirus/policy-responses/safeguarding-covid-19-social-benefit-programmes-from-fraud-and-error-4e21c80e/>

<sup>133</sup> OECD Working Group on Bribery (22 April 2020) [The global response to the coronavirus pandemic must not be undermined by bribery](#).

<sup>134</sup> See [OECD, Anti-Corruption and Integrity Hub](#).

Law Enforcement Agencies in Eastern Europe, Central Asia and Asia-Pacific. The OECD also released a policy note aimed at policymakers, donor agencies, law enforcement officials and the private sector on measures to ensure that the global response to the crisis is not undermined by corruption and bribery.<sup>135</sup>

OECD analysis, data and policy recommendations related to tackling the COVID-19 crisis is publicly available at <https://www.oecd.org/coronavirus/en/>

## E. United Nations Office on Drugs and Crime (UNODC)

Since the beginning of the COVID-19 pandemic, **UNODC** has been working to ensure that countering corruption is seen as an important element of the global response to COVID-19 and has been providing substantive support in the form of policy papers for Member States, survey tools for anti-corruption agencies and advanced virtual methodologies for addressing corruption in the context of emergency procurement to meet critical needs. UNODC's efforts to provide expertise and ensure that its technical assistance is informed, innovative, and non-duplicative continues throughout the crisis.

UNODC's work includes an initial policy paper on accountability and the prevention of corruption in the COVID-19 response, an article on the COVID-19 fiscal response and the prevention of corruption, and a paper on ensuring sport operates with integrity when responding to the pandemic.<sup>136</sup> UNODC also led the development of a UN-coordinated policy paper addressing the potential corruption risks emerging from large economic response and relief packages while providing examples of good practices and rapid recommendations to reduce such risks, including in dedicated sectors such as public health procurement and supply chains. Further, UNODC is developing a series of guidance papers aimed at addressing corruption in the health sector designed to help ensure that States are well-equipped for the ongoing pandemic and similar future emergencies. These are on the protection of whistle-blowers in the health sector, and addressing corruption linked to sanitary and phytosanitary standards. In addition, a policy paper on "The impact of COVID-19 on sport and the role of sport and physical activity in responding to the pandemic" is being prepared in collaboration with the UN Department of Economic and Social Affairs (DESA).

To complement and inform these knowledge products, UNODC's recent COVID-19 surveys, which were undertaken with anti-corruption authorities in all regions in which UNODC works, has helped UNODC better understand the challenges faced by Member States and inform its support. This has led to the development of data analytic tools for increased transparency and accountability in South-East Asia with respect to the delivery of COVID-19 related health services and mitigating corruption risks in the disbursement of emergency funds. These tools will include

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<sup>135</sup> OECD (26 May 2020) [Policy measures to avoid corruption and bribery in the Covid-19 response and recovery](#).

<sup>136</sup> *Accountability and the Prevention of Corruption in the allocation and distribution of emergency economic rescue packages in the context and aftermath of the COVID-19 pandemic* (15 April 2020), [https://www.unodc.org/documents/Advocacy-Section/COVID-19\\_and\\_Anti-Corruption-2.pdf](https://www.unodc.org/documents/Advocacy-Section/COVID-19_and_Anti-Corruption-2.pdf); *COVID-19 fiscal response and the prevention of corruption* (23 July 2020) [https://www.unodc.org/pdf/corruption/COVID-19fiscal\\_response.pdf](https://www.unodc.org/pdf/corruption/COVID-19fiscal_response.pdf); *Ensuring that integrity is at the core of sport's response to the pandemic: preventing corruption in sport and manipulation of competitions* (1 July 2020), [https://www.unodc.org/documents/Safeguardingsport/Documents/COVID-19\\_and\\_Anti-Corruption\\_FINAL\\_VERSION\\_2.pdf](https://www.unodc.org/documents/Safeguardingsport/Documents/COVID-19_and_Anti-Corruption_FINAL_VERSION_2.pdf)

an online corruption risk assessment methodology for medical procurement and distribution.

UNODC has also provided targeted technical assistance throughout the pandemic, including through trainings for COVID-19 related public procurement for authorities and institutions in East Africa. In addition, UNODC's four regional platforms in Southern Africa, South America and Mexico, South East Asia and Eastern Africa under the Fast-Tracking UNCAC Implementation Project, supported by the United Kingdom, continue to bring countries together and provide support to help them achieve their regional anti-corruption goals. UNODC has provided a wide range of services to countries participating in the regional platforms throughout COVID-19, including the provision of technical assistance to strengthen effective reporting mechanisms.

UNODC is expanding and deepening its ability to provide on-site anti-corruption advisory services around the world. With the support of the United States of America, UNODC is launching nine national anti-corruption procurement platforms across three regions in South Africa, South America and South East Asia. These platforms will bring together national public procurement oversight bodies, supreme audit institutions and anti-corruption authorities to create a national network or task force focused solely on public procurement and whistle-blower protection. Once established, these platforms will serve as coordinating hubs to implement activities designed to integrate anti-corruption knowledge, frameworks and infrastructure throughout public procurement processes to support States in their efforts to respond to and recover from COVID-19 and future crises.

Since the COVID-19 pandemic presents an unprecedented global crisis, which gives rise to increased levels of corruption, a panel was held in early September 2020 on challenges and approaches to the prevention of corruption during times of crisis as part of the first intersessional meeting on preparations for the special session of the General Assembly against corruption. The panel highlighted the temptation to forgo oversight and accountability in this urgent context and underlined that the potential repercussions of such decisions may hinder progress in emergency response management or prolong and amplify the crisis. Hence, the importance of considering mechanisms through which anti-corruption measures could be incorporated into ongoing programming during both the crisis response and crisis recovery phases was emphasised.

More details about all of UNODC's initiatives related to the pandemic will soon be available on a dedicated website.

## F. World Bank

The **World Bank** is taking broad, fast action to help countries strengthen their pandemic response and health care systems. The World Bank is providing \$160 billion over 15 months to countries to address this emergency, and as of 11 September, 77 countries have benefited from the dedicated COVID-19 Fast-Track Facility, and many more received other forms of assistance such as redeploying of existing projects. The Bank is working with partners to ensure that the poorest countries do not drown in debt when they need to free up fiscal space to address the pandemic. As of 15 September, 43 IDA countries have applied for the Debt Service Suspension Initiative (DSSI).

Despite significant logistical challenges, the World Bank remains committed to its strong fiduciary standards for operations, including emergency operations, and has not waived our fiduciary policies or diluted fiduciary standards for operations

responding to the COVID-19 pandemic. The Bank's Anticorruption Guidelines apply to the borrower and anyone who works for them under contract or as a subcontractor, as well as beneficiaries. The Bank draws on lessons from years of investigations into fraud and corruption and includes mitigation guidance for emergency operations. Integrity issues are, as usual, taken into consideration in the drafting of project agreements, during design, and throughout implementation.

The Bank is taking a proactive approach to address new and emerging risks and to meet the speed and scale of the COVID-19 response. The Bank is undertaking extensive due-diligence measure through ex-post review of contracts. In situations where the Bank has determined that the risks are high, the Bank is taking a more active role in procurement processes through Bank-facilitated procurement. In places where capacity constraints are an issue or where risks are high, the Bank is providing enhanced implementation support, helping counterparts to identify suppliers, prepare and organize bidding and selection processes and negotiate, sign and monitor contracts. To strengthen oversight, the Bank is working with Supreme Audit Institutions and other control or oversight institutions to review Bank-financed expenditures related to the national COVID-19 response. Other measures included in emergency operations include the introduction of beneficiary feedback mechanisms, additional transparency measures, and consultations with communities and local leaders.

Governments are spending billions of their own resources on addressing the simultaneous health, social, and economic emergencies. The strains placed on governments in responding to the pandemic present new risks of corruption and misallocation of public resources that need to be managed. The World Bank has highlighted these risks and the Bank's policy advice to counteract them in a policy note: Ensuring Integrity in the Government's Response to COVID-19<sup>137</sup>, part of a series of policy notes to assist governments during the COVID-19 crisis.

The World Bank emphasizes transparency and accountability in its work with clients. Under COVID-19 financing, the Bank has also been supporting governments to be more transparent about procurements and results. Heightened transparency measures have included the publication of large COVID-19 related contracts and the publication of the beneficial owners of the firms awarded contracts as part of the emergency response. Transparent financial reporting through COVID-19 is encouraged as part of the DSSI, the Sustainable Development Finance Policy (SDFP), the Bank's commitments under IDA 19, and through policy-based lending. The World Bank is providing technical assistance in over 70 countries to Supreme Audit Institutions<sup>138</sup> to improve the coverage, timeliness, quality and transparency of audit reports and their publication.

The support for control of corruption related to COVID-19 emergency is part of a long-standing commitment by the World Bank to addressing corruption. The Bank recently launch a new set of Anticorruption Initiatives<sup>139</sup> to reaffirm its support to this issue, and has just published a report on Enhancing Government

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<sup>137</sup> <http://documents1.worldbank.org/curated/en/801501588782665210/pdf/Ensuring-Integrity-in-Governments-Response-to-COVID-19.pdf>

<sup>138</sup> <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/267801591908669145/covid-19-role-of-supreme-audit-institutions-sais-in-governments-response-to-covid-19-emergency-and-post-emergency-phases>

<sup>139</sup> <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/365421591933442799/anticorruption-initiatives-reaffirming-commitment-to-a-development-priority>

Effectiveness: The Fight Against Corruption<sup>140</sup> that provides a look at tools and solutions that are showing impact in controlling corruption.

## 7. The Way Forward / Preparing for future crises

- A. New corruption risks and long-term trends, including measures G20 countries can take to safeguard against corruption risks in future crises

### *New corruption risks and potential long-term trends as a result of COVID-19*

Countries reported a number of new corruption risks and potential long-term trends as a result of the COVID-19 pandemic. In particular, countries highlighted the increased use of Information and Communications Technology (ICT) and digital platforms, which have also afforded opportunities for organized criminal groups to engage in cybercrime. The **United Kingdom** noted that increased online activity has left individuals and businesses vulnerable to exploitation and, with the expanding use of mobile banking and online judicial processes, criminals may adapt their methods to continue illicit activities. The **United States of America** similarly noted that criminals may move into other methods, such as acquiring real estate, art and cash-intensive businesses to launder funds exploited from crisis response.

Some countries reported that COVID-19 has further exacerbated existing corruption risks and stressed the need to strengthen preventive anti-corruption measures. In this regard, **France** reported that insufficient resources may have been allocated to anti-corruption activities related to the COVID-19 crisis. **Italy** reported that the crisis has exposed the vulnerabilities associated with beneficial ownership transparency and the risk that organized crime will infiltrate and exploit public health procurement. The **United States of America** similarly stressed that a potential long-term trend is the use of shell companies and businesses based in offshore jurisdictions with weak anti-money-laundering policies.

Other countries emphasized that COVID-19 affected their abilities to engage in international cooperation, including anti-money-laundering obligations, affording greater opportunities for transnational corrupt activities.

The **Republic of Korea** emphasized that public funds could be subject to false claims. The **Russian Federation** stressed that in order to obtain adequate assessment results, a global analysis of both the impact of streamlined public procurement procedures and the suspension of business and labour activities during the COVID-19 pandemic on criminal patterns and the effectiveness of adopted anti-corruption and anti-fraud measures should be conducted. Such analysis is to be carried out by the Russian Federation's competent authorities in the first quarter of 2021.

The **United States of America** also underlined that the exploitation of government funds and the international financial system has created new sources of illicit proceeds for criminal actors. Ongoing corruption through price-gouging,

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<sup>140</sup> [https://www.worldbank.org/en/topic/governance/publication/enhancing-government-effectiveness-and-transparency-the-fight-against-corruption?cid=gov\\_tt\\_gov\\_en\\_ext](https://www.worldbank.org/en/topic/governance/publication/enhancing-government-effectiveness-and-transparency-the-fight-against-corruption?cid=gov_tt_gov_en_ext)

fraudulent schemes to obtain patients or bill for services that were not provided, and the non-delivery or illegal hoarding of essential supplies will likely continue and increase as the pandemic continues.

### *Measures to safeguard against corruption risks in future crises*

Countries reported that they were taking a number of steps to safeguard against corruption risks in future crises. Some of these measures include a continuation of COVID-19 responses and others require the use of new tools and actions to better prevent and combat corruption during future crises. These encompass strengthened transparency in procurement practices, the use of ICT systems, risk management techniques and a whole-of-government response.

**Australia** indicated that the Commonwealth Fraud Prevention Centre in the Attorney-General's Department and Operation Ashiba in the Australian Federal Police will continue many of the activities established by the Commonwealth COVID-19 Counter Fraud Taskforce.<sup>141</sup> For example, the Steering Group and Operational Intelligence Group will continue to meet, to facilitate coordination, collaboration, strategic policy development, and information- and intelligence-sharing. Furthermore, the Commonwealth Fraud Prevention Centre will drive practical action and promote collaboration and the exchange of information and intelligence in future crises, without establishing a formal task force.

**Brazil** reported that a number of measures would help to safeguard against future corruption risks. These include the development of a risk management framework, continued oversight and monitoring by the Government and civil society to detect and remedy corrupt practices, a robust IT infrastructure and strong private and public integrity systems.

**Canada** reported that its Office of the Auditor General will audit the Government's response to the COVID-19 pandemic, including spending related to health and safety protection, support to individuals and businesses and other liquidity support and capital relief. Canada reported that additional audit work will also have to occur later, as to the effectiveness of some programmes and corrective action that the Government may take. The Office of the Auditor General is exploring means to present its findings to Parliament as reports are completed, rather than the traditional approach of setting a specific date to present a collection of reports at the same time.

**China** reported that sector-specific corruption risks can be analysed to identify relevant mitigation measures which would be referred to when crises take place in a particular sector. In addition, a mechanism for on-site inspection tours can be further used so as to detect and close corruption loopholes in a timely manner.

**Indonesia** reported that future anti-corruption measures could include a risk-based approach to improve good governance in the private sector and a review of each programme established to respond to COVID-19 to ensure its accountability and transparency. Indonesia also reported that it would be helpful to ensure that

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<sup>141</sup>Operation Ashiba is a multi-agency task force designed to combat serious and organized crime from exploiting Commonwealth-funded programmes, <https://www.afp.gov.au/sites/default/files/PDF/Factsheet-OpAshiba.pdf>

policies taken during future crises adhere to the rule of law and to further encourage public reporting of potential acts of corruption through existing mechanisms.

**Italy** reported that it has already identified tools and actions to simplify procurement processes and engage in the full digitalization of tenders to increase transparency. This includes the use of a database that would reduce appraisal requirements if a supplier has already been vetted in a previous tender within a pre-defined time interval.<sup>142</sup> The principle of a single data submission, already provided for by the Code of Public Contracts, will streamline communication obligations and making information on public procurement more broadly available to institutional bodies and citizens.

**Jordan** reported that response plans need to involve anti-corruption agencies from the beginning, promote the key principles of anti-corruption and engage in identifying and assessing corruption risks.

The **Republic of Korea** reported that in the post-COVID-19 era, anti-corruption reforms should focus on strengthening the code of conduct for public officials to prevent collusive ties between the government and the private sector and improving civic engagement by protecting whistle-blowers, with training provided to ensure the successful operation of any reporting system. Korea also highlighted the need to engage in stronger international anti-corruption cooperation in times of crisis.

**Mexico** stated that measures to mitigate the risks associated with future crises could include creating a specific contracting transparency platform and preparing a homogeneous communication strategy for actions and measures taken to address the risks. Mexico also reported that incorporating the financial intelligence unit and the tax administration service into the national anti-corruption system would prove useful. Finally, Mexico recommended the use of a COVID-19 Working Subgroup, which can enhance synergies between the government and civil society to strengthen transparency with respect to the use of resources committed to addressing the pandemic.

In addition, **Mexico** reported that it would be necessary to move towards the digitalization of files, including requests for information from authorities and the remote conduct of judicial hearings, and raised the possibility of using artificial intelligence to manage and process data, forecast results and draw other conclusions. Mexico also noted that these measures would need to ensure confidentiality and continue to ensure due process and access to justice for complainants and the accused. Mexico stressed that transparent public procurement processes, with electronic mechanisms to report complaints, may also be beneficial in the future.

The **Kingdom of Saudi Arabia** reported that governments must strike the right balance between giving government agencies sufficient resources to empower them to confront any virus and imposing anti-corruption measures to protect

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<sup>142</sup> Legislative Decree No. 50/2016, *Public Contract Code*, article 81, [https://www.anticorruzione.it/portal/rest/jcr/repository/collaboration/Digital%20Assets/anacdocs/MenuServizio/English%20section/ITALIAN\\_PUBLIC\\_CONTRACT\\_CODE%2015%20giugno%202018\\_sito%20\(2\).pdf](https://www.anticorruzione.it/portal/rest/jcr/repository/collaboration/Digital%20Assets/anacdocs/MenuServizio/English%20section/ITALIAN_PUBLIC_CONTRACT_CODE%2015%20giugno%202018_sito%20(2).pdf).

public money. Given the largely novel nature of this threat, governments should review their approach and develop guidance in this area. The Kingdom of Saudi Arabia reported that in particular, anti-corruption legislation should be reviewed to incorporate guidance on transacting and operating in emergency contexts. In addition, publishing all tenders received and awarded and publishing cases, including those of high-profile individuals convicted of corruption offences, would send strong messages of accountability and transparency. The Kingdom of Saudi Arabia also noted the need to embed a culture of integrity throughout society, including by raising awareness of the risks of corruption.

The **Republic of South Africa** reported that key measures should be implemented in line with its national anti-corruption strategy. These measures include improving whistle-blower mechanisms and protection, leveraging ICT systems to automate corruption-prone processes, enhancing integrity and transparency in public procurement, strengthening coordination among anti-corruption agencies and engaging in effective risk management. South Africa also highlighted the potential of creating a permanent multi-agency task force to investigate corruption and documenting lessons learned from past crises, building on the success of the Fusion Centre as the main coordination point for anti-corruption cooperation during the pandemic. This centre helped to manage the flow of intelligence across all levels and sectors and will continue to be used in the future.

**Spain** stated that post-audits of companies which have received public contracts through the emergency public procurement procedure would be beneficial.

**Turkey** reported that further cooperation between the public and private sectors would help to fill gaps in the anti-corruption system. Turkey also noted that it would be useful to improve reporting mechanisms and measures for increased transparency and accountability. In the health sector, Turkey noted that it would be beneficial to increase regulations to mitigate the risk of counterfeit products entering the market and to develop a portal for the purpose of announcing public acquisitions related to essential medicines, medical supplies and equipment.

The **United Kingdom** reported that new threats posed by increased online activity requires new approaches, including the assessment of risks, training and awareness campaigns in this regard. The United Kingdom highlighted that it is continuing to implement a whole-of-system response to tackle economic crime and strengthen COVID-19-related intelligence-sharing, including through closer public-private cooperation and legislative reforms. The United Kingdom also noted that through the FCDO's (Foreign, Commonwealth and Development Office) core priority of responding to COVID-19, it has developed a Transforming Procurement Systems project that will deliver a range of activities under the umbrella of UNODC. The project aims to improve transparency and accountability across the procurement process of medical equipment and services and will promote the use of open data by governments and stakeholders. Moreover, it will support the digital transformation of public procurement in partner countries. The United Kingdom also reported that this project is being piloted in three of the 37 countries that are part of the UNODC project to fast-track the implementation of UNCAC.

The **United States of America** reported that continued consideration and evaluation of measures, examples of which are outlined in its Department of

Justice's COVID-19 Response<sup>143</sup> and the implementation of the Government Accountability Office's recommendations, as well as those from Inspectors General, designed to address vulnerabilities to fraud, waste and abuse will remain useful in long-term emergency planning. In addition, having the appropriate technological infrastructure is essential, including by ensuring that investigative teams have appropriate equipment to conduct interviews remotely and securely collaborate with other members of the investigative team, including prosecution offices. This may also include providing the resources necessary, such as personal protective equipment, to permit personnel to safely conduct investigative operations.

B. New anti-corruption responses, strategies and approaches as a result of COVID-19 and their alignment with G20 ACWG priorities



ICT & online  
platforms



New control  
measures



Areas linked to  
ACWG priorities

### *ICT and online platforms*

Nearly all countries reported the use of online systems as a new anti-corruption measure derived from their efforts to respond to COVID-19, which also overlapped with G20 ACWG priorities in 2020.

**Australia** reported that ICT plays an important role with respect to the sharing of intelligence and the use of data and analytics to identify and mitigate fraud and corruption risks. Australia reported using ICT solutions to ensure the continuity and preparedness of its criminal justice sector.

**Brazil** similarly emphasized the use of a robust ICT infrastructure to support anti-corruption work and noted that anti-corruption controls have benefited from artificial intelligence and machine-learning to process large amounts of data. Brazil noted that secure information technology tools enabled the Office of the Comptroller General to conduct remote hearings, analyse evidence and prepare work for administrative hearings. It also enabled the continuation of anti-corruption work due to the integration of different online systems across various institutions that needed to collaborate. For example, the Federal Prosecution Service has remote access to a set of varied databases used in investigations through a password-protected system and the Office of the Attorney General's system can be fully integrated with the judiciary's system. Brazil noted that institutions should continue to digitize work processes and develop secure remote access systems. Brazil reported that adequate training is essential to ensure that public officials can effectively use these tools.

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<sup>143</sup> The United States Department of Justice, *Department of Justice Coronavirus Response*, <https://www.justice.gov/coronavirus/DOJresponse>

**Canada** reported conducting remote court hearings and the development of a guide by the Federal Court of Canada to safely resume in-person operations.<sup>144</sup>

**China** also reported using ICT in both domestic anti-corruption efforts and international anti-corruption cooperation during the pandemic. China indicated that secure communication platforms will further enhance international cooperation regarding corruption prevention and investigation, including by admitting the validity of witness testimony taken by virtual means and conducting remote court hearings on corruption cases.

**Germany** reported that ICT can play an important role in decision-making and supports the development of platforms promoting transparency on beneficial ownership and contracting and procurement data in partner countries and also in terms of political participation by and information for people living in the respective country.

**Indonesia** noted the importance of ICT to enforce anti-corruption controls during the pandemic and reported the use of such tools to continue adjudicating corruption cases during COVID-19, including through the online examination of trial witnesses.<sup>145</sup> In addition, Indonesia reported that virtual meetings have been convened to further national and international cooperation between law enforcement agencies.

**Italy** similarly reported that the use of ICT programmes to respond to COVID-19 also aligns with the G20 ACWG priorities of 2020. Italy developed a specific ICT programme, called *Innova per l'Italia*, to accompany public efforts to counter the COVID-19 crisis which received 319 solutions from public and private research bodies and companies to provide devices to monitor and prevent the spread of the virus. In addition, Italy reported that its national anti-corruption authority has launched a study on *Using technologies for the prevention of corruption*. According to its terms of reference, the paper will address new digital-based tools, including applications, as well as the innovative use of existing techniques that accelerate, extend, facilitate or otherwise improve corruption prevention mechanisms and support for municipalities and local administrations. This includes data mining, blockchain systems, mobile applications, and the use of open data, e-learning and information technology tools.

The **Republic of Korea** stressed that ICT-based corruption prevention has enabled the sharing of COVID-19 responses with citizens in real-time through online platforms and mobile applications. Korea emphasized that it will continue to use no-contact technologies and will require a strong, complementary anti-corruption monitoring scheme.

The **Kingdom of Saudi Arabia** also highlighted the importance of using digital tools to respond to corruption risks in line with ACWG 2020 priorities. The Kingdom of Saudi Arabia reported that the adoption of e-government platforms and the digitalization of services reduced opportunities for corruption and allowed for

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<sup>144</sup> Courts Administration Service, *Covid-19: Recommended Preventive Measures: Resuming In-Person Court of Operations*, <https://www.cas-satj.gc.ca/en/about/Guide-public-version-july172020-Final.pdf>

<sup>145</sup> Supreme Court Circular Letter No. 1/2020, *the Adjustment of the Working System for Judges and Court Apparatus to Prevent the Spread of COVID-19 at the Supreme Court and Subordinate Courts* (23 March 2020), <https://www.mahkamahagung.go.id/media/7294>

robust monitoring. The Kingdom of Saudi Arabia also noted that it has developed an e-control center, a digital platform that connects all government institutions to facilitate the analysis of government businesses and identify high risk areas for corruption, including by requiring all institutions to upload their internal audit reports for further analysis and follow-up action. Moreover, the Kingdom of Saudi Arabia has developed and implemented a free digital health care system for its population, notably including the e-clinic, which allows patients to receive digital consultations, have prescriptions assigned digitally, and collect these from a local pharmacy directly without the need to enter the clinic. By digitizing areas such as prescription distribution and clinic waiting lists, the opportunities for abuse of power are reduced. Finally, the use of ICT to conduct judicial hearings via video link and expedite investigations and prosecutions of corruption, with due regard to cyber-security and confidentiality, was reported as being very beneficial.

The **Republic of South Africa** reported that COVID-19 presented an opportunity to digitize court processes, including holding virtual court hearings.

**Spain** also reported that the availability of secure information technology infrastructure afforded ongoing opportunities for communication between all anti-corruption actors, along with digital certifications and signatures, including the use of such certifications in remote court hearings and through police cooperation.

The **Russian Federation** noted that the COVID-19 pandemic provided the impetus to further strengthen anti-corruption prevention measures via digitalization.

**Turkey** reported that it introduced a secure electronic judicial hearing system, which enabled concerned parties to attend their hearings in different cities via remote video conferencing.

The **United Kingdom** noted that ICT has been used extensively to support remote working across agencies and to facilitate the exchange of information during lockdown to continue to detect, report and investigate fraud and corruption.

The **United States of America** continued to encourage the electronic transmission, via email, of mutual legal assistance (MLA) requests and responsive materials maintained electronically, such as business and bank records. Secure videoconferencing and document production systems afford the Department of Justice the ability to hold remote hearings, conduct interviews, review documents and take other investigative steps, including subpoenaing records and obtaining search warrants.

### *New control measures*

Some countries reported the use of new control measures, such as auditing processes, to help ensure that funds reached their intended beneficiaries and were used wisely. **Australia** reported new measures regarding the planning, resourcing and carrying out of post-payment assurance activities. **Jordan** noted that remote meeting technology enabled the Anti-Corruption Commission to monitor the extent of public institutions' compliance with national integrity standards. **Mexico**

noted the strengthening of local anti-corruption systems to ensure that local entities can establish relevant controls. **Spain** reported the use of ex-post supervision and inspection to verify the use of public money.

### *Other thematic areas linked to the G20 ACWG priorities*

With respect to overlapping areas between the G20 ACWG priorities in 2020 and the response to COVID-19, countries also highlighted that both emphasize the relevance of national anti-corruption strategies and the importance of civil society and private sector participation in the fight against corruption.

**Argentina** reported that all ACWG priorities in 2020 remained relevant.

**Brazil** highlighted the key role played by civil society, particularly in times of crisis, and the importance of promoting transparency in both the public and private sectors.

**China** noted that national anti-corruption strategies proved necessary in both effective pandemic control and relief.

**Germany** reported that it supports the inclusion and strengthening of civil society in development cooperation processes to increase public sector integrity, an ACWG 2020 priority. Germany noted that civil society can help identify inconsistencies in public procurement so that stakeholders can be held accountable.

**Indonesia** reported that it would like to incorporate additional anti-corruption measures related to COVID-19 in its national anti-corruption strategy, in line with an ACWG 2020 priority.

**Mexico** highlighted overlapping priorities with respect to conflicts of interest and economic crime.

The **Kingdom of Saudi Arabia** reported that the development of national anti-corruption strategies is an important priority, particularly those that include strong coordination to facilitate the implementation of anti-corruption controls across all relevant entities.

The **Republic of South Africa** noted the relevance of anti-corruption strategies in the ACWG priorities in 2020 to the pandemic, and reported that it was reviewing its strategy to, among other actions, enhance whistle-blower protection, improve integrity and transparency in public procurement and strengthen institutional mechanisms, and their independence, to coordinate anti-corruption efforts.

**Spain** reported that its National Strategy against Organized and Serious Crime (2019 to 2023) contemplated emerging threats linked to economic and financial instability and pandemics and as such, reflected the increased corruption risks faced during COVID-19. For example, Spanish police forces have increased their cyber-patrolling activities during the pandemic by monitoring web domains and collecting information for the Intelligence Center against Terrorism and Organized Crime (CITCO).

The **Russian Federation** reported that all ACWG priorities in 2020 were relevant for the prevention of corruption risks in times of global pandemic crises.

### C. National approaches to address corruption risks emerging from COVID-19

Countries suggested a number of key national efforts to address corruption risks arising in connection with the COVID-19 crisis. Countries reported the use of pandemic-specific task forces, existing bodies with increased powers and responsibilities and key practical guides as practices used to respond to COVID-19.



Task forces



Guides



Transparency



Whistle-

blower

protection

#### *Task forces, response teams and existing bodies*

**Australia** highlighted its COVID-19 Counter Fraud Taskforce which was created to support agencies to rapidly design and implement the Government's pandemic response measures to prevent, detect and disrupt fraud against these measures. Australia reported that this centralized and coordinated approach was highly effective and made a real impact to the Commonwealth's ability to counter fraud and corruption during the COVID-19 response. Australia also emphasized the Operational Intelligence Group, which has assisted with cross-government intelligence-sharing and has strengthened the posture of the Australian Government's response to fraud and corruption. A good communications strategy was essential to promote prevention and control measures. For example, such a strategy was developed for specific threats to the Department of Health in consultation with the Fraud Prevention Centre. Finally, Australia noted the Bribery Prevention Network provides a model for improved private-public partnerships in the prevention, detection and response to the risks of bribery and corruption. Similar partnerships could be established applying the concept to other related criminal conduct as well. Australia also specified a few examples of new ways to work in the anti-corruption space, including addressing the integrity challenges associated with a government agency quickly hiring a large number of surge capacity staff (for pandemic-related work), such as having access to reliable information to verify the self-declarations made by candidates seeking positions.

**Italy** emphasized the strengthened capacity of national actors to engage in cooperation, exchange intelligence and analyse information related to potential corruption or organized crime risks. This included a communication by the financial intelligent unit to reporting entities to raise their awareness of potential risks and facilitate the detection and reporting of new types of suspicious behaviours. The Court of Auditors is also committed to carrying out an external public audit on the use of public resources during the COVID-19 crisis.

**Switzerland** indicated that the reliance on pre-existing instruments and procedures in the COVID-19 response, thus avoiding discretionary allocation of funds, was useful.

The **United Kingdom** reported that it had established Op ETHERIN, a National Economic Crime Centre campaign, to lead and coordinate the response to fraud relating to and during the COVID-19 pandemic. It brought together a wide range of stakeholders from both the public and private sector, to gather data, intelligence and insight on the emerging threats to both individuals and organizations such as the National Health Service in the COVID-19 environment. This enabled a range of organizations to have a clear understanding of the threat posed by COVID-19 related fraud, provided a coordinated response and delivered coordinated communications.

The **United States of America** similarly reported that by relying on pre-existing bodies and expertise, rather than creating a new stand-alone organization, the Pandemic Response Accountability Committee (PRAC) was able to begin fulfilling its responsibilities immediately. The participating Inspectors General already had the necessary legal provisions in place to conduct oversight of the relevant COVID-19 response activities taken by their agencies. This is particularly useful in a decentralized anti-corruption framework, when it could be difficult to establish a centralized oversight body. The COVID-19 Contract Obligation Tracking Dashboard, a publicly available resource, allows any member of the public the ability to understand how agencies are spending a large portion of federal funds. This information can be used for oversight purposes, but it also helps to build public trust and confidence in how the Government is responding to the crisis. The United States reinforced the continued commitment to access to information as a critical component during crises. In addition, the ability to make Freedom of Information Act requests is a central component of the commitment to open government.

### *Practical guides*

**France** highlighted the publication of a practical guide on controlling corruption risks in the public procurement cycle. The continuous promotion of international cooperation, despite closed borders and travel restrictions, through the work of the Network of Corruption Prevention Authorities (NCPA) and its advocacy in favour of corruption prevention during the pandemic. Furthermore, France indicated that its financial intelligence unit drafted and published a typological analysis of its main findings. This document details the various cases identified, highlights red flags useful in the identification of fraudulent transactions and calls for heightened vigilance by private actors. This document also identifies the anti-fraud unit set up by the Ministry of Finance in April 2020 to monitor the quality of suppliers to local authorities and public establishments.<sup>146</sup>

### *Increased transparency in the allocation and distribution of economic response and relief funds*

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<sup>146</sup> Ministry of Economy and Finance, *Money laundering and terrorist financing risks associated with the health and economic crisis of the COVID-19 pandemic*, [https://www.economie.gouv.fr/files/files/directions\\_services/tracfin/ML-TF\\_Covid19\\_EN.pdf](https://www.economie.gouv.fr/files/files/directions_services/tracfin/ML-TF_Covid19_EN.pdf)

**Jordan** suggested that all grants, purchases or emergency financial aid provided by governments must be disclosed to the general public within a certain number of specified days after they have been disbursed or otherwise used.

The **Republic of South Africa** reported that publishing the list of all COVID-19 related government tender expenditures was essential to ensuring transparency in government.

**Spain** noted that further to ensuring continued transparency and publicity of all tenders, which allows for their effective control, the intensification of checks and inspections to prevent fraud at all levels, such as export/import procedures related to medical equipment and inspections to prevent the misuse of economic stimulus and relief funds, is of special relevance.

### *Whistle-blower protection*

Several countries emphasized the continued need to protect whistle-blowers and facilitate increased confidential reporting.

**Jordan** noted that its anti-corruption commission receives reports of potential corrupt acts via social media, among other channels.

The **Republic of Korea** noted that its Public Fund Recovery Act provided protection measures and specified rewards for whistle-blowers to encourage reports on the alleged fraudulent use of public funds.

**Mexico** noted that G20 countries could better protect whistle-blowers through effective national cooperation, including by adopting new technologies like the Mexican Comprehensive Citizen Complaints System (SIDECA) or the Internal and External Whistleblowers against Corruption System to facilitate and guarantee the protection of those who report possible acts of corruption. SIDECA receives anonymous and confidential reports at any time via multiple reporting options, including a mobile application.

The **Kingdom of Saudi Arabia** also reported that its Oversight and Anti-Corruption Authority has a wide range of channels available for whistle-blowers to report through, and has a dedicated team to analyse potential corruption incidents reported over social media channels such as Twitter and WhatsApp. Furthermore, whistle-blowers are also incentivized with a monetary reward, as well as protected from retribution by Royal Order.

The **Republic of South Africa** similarly noted the need to collaborate with civil society organizations and promote press and media freedom to encourage reports of potential fraud and corruption.

### *Transparency in procurement*

Countries also reported increased transparency in procurement, including by using internal control bodies to monitor public acquisition processes and by rendering all tenders public.

**Brazil** implemented a risk-based approach to identify potential corruption vulnerabilities in procurement contracts and implement mitigation measures, including by publishing guidelines for private companies on the need to integrate

transparency measures, particularly in times of crisis when receiving public funds. Brazil also published a searchable list of 75.1 million beneficiaries of emergency economic relief programmes, in addition to an interactive dashboard on crisis-related procurement and an online platform to monitor COVID-19 judicial cases.

For **Italy**, involvement in the framework of EU programmes such as EUROFRONT opened strategic communication channels to mitigate the risk of corruption in public health corruption.

**Spain** highlighted the use of electronic procurement as a valuable tool through which G20 countries can promote accountability, efficiency, transparency and value for money in the acquisition of goods and services, including as a result of having audit trails.

The **United Kingdom** noted that it committed to publish Contracts Finder data in the Open Contracting Data Standard (OCDS).

#### D. Collective approaches to address corruption risks emerging from COVID-19

Countries recommended a number of collective approaches to address corruption risks emerging from COVID-19.

### Collective approaches the G20 can take for a better future

#### 1. Increased implementation and promotion of common international standards

**Australia:** The G20 should continue its work on promoting the implementation of international standards for the prevention of corruption and international cooperation in corruption matters.

**France:** Continue efforts towards a broader adoption of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

The **Republic of Korea:** Strengthen enforcement of international anti-corruption mechanisms such as the United Nations Convention against Corruption (UNCAC), and the OECD Anti-Bribery Convention.

The **United States of America:** G20 countries should follow through on their existing international anti-corruption obligations, including by criminalizing all of the corruption offences obligated under UNCAC. In this regard, G20 countries should continue to press each other to follow through on these obligations, and where possible, provide assistance in doing so.

#### 2. Deepened international cooperation, enhanced collaboration and information-sharing

**Argentina:** G20 countries should strengthen their cooperation in existing forums, fostering synergies between states, international organizations

and their corresponding working groups, in order to avoid an overlap in their reporting efforts, especially in the context of the pandemic.

**Australia:** Collaboration and information-sharing are integral to an effective response to the new risks posed by crises.

**Brazil:** Countries should deepen international cooperation, facilitating and promoting interactions among anti-corruption authorities and the exchange of information.

**Canada:** G20 countries could establish a working group to share schemes and mitigation techniques relating to common scenarios of fraud and corruption in pandemic procurement, disbursement of crisis funding, and cybercrime resulting in the fraudulent misallocation of pandemic funds.

**China:** Online law enforcement cooperation platforms should be established and used for ongoing communication, and capacity-building programmes and experience-sharing should be provided.

**India:** G20 countries should share best practices with each other and assist each other in the implementation of such practices.

**Italy:** The G20 may work to improve ways for law enforcement agencies to exchange information and collaborate to address corruption and money-laundering risks and exchange good practices. This could include strengthening international police and law enforcement cooperation through INTERPOL and Europol.

The **Republic of Korea:** Suggested the creation of informal networking systems for anti-corruption in times of crises.

The **Kingdom of Saudi Arabia:** The G20 should engage in experience-sharing concerning the challenges observed during the pandemic, and how these can be overcome. In addition, the G20 should increase informal cooperation between anti-corruption law enforcement, particularly through platforms such as the Riyadh Initiative. Finally, efforts should be made to further strengthen effective coordination in the demand and supply of critical resources in the response, such as essential medical equipment and vaccine units, to avoid competing with each other over price and availability and ensure fair access for all.

The **Republic of South Africa:** Emphasized the need to encourage and facilitate the active, timely sharing of information across all available international cooperation channels between financial intelligence units, law enforcement agencies and prosecuting authorities.

**Spain:** The G20 should be increasingly used to share best practices and experiences. The exchange of operational information would facilitate the early detection of corruption instances linked to the COVID-19 crisis and future pandemics. This will be especially relevant once COVID-19 vaccines become available in order to avoid the proliferation of counterfeit vaccines and/or the sale and trafficking of vaccines through illicit channels.

**Turkey:** G20 countries should increase and accelerate international cooperation in emergency contexts. Joint measures should be taken to prevent the production and distribution of counterfeit drugs concerning the COVID-19 vaccine and related therapeutics.

The **United Kingdom:** Share information among international law enforcement agencies as quickly and efficiently as possible, including on an informal basis and through the International Anti-Corruption Coordination Centre.

The **United States of America:** G20 countries should continue to share lessons learned and good practices based on their experiences in preventing and combating corruption during the COVID-19 pandemic.

The **Russian Federation:** G20 countries could strengthen their cooperation, in particular, by enhancing and facilitating informal contacts between practitioners.

### 3. New global guides, strategies and messaging

**Australia:** A key first step is to achieve broad acceptance that fast-tracking policies and programmes come with a range of new risks, including fraud and corruption. This is a central message the G20 can promote.

**Canada:** The development of a guide on open government and the coronavirus: whistle-blower protection and scientific integrity.

**Indonesia:** The G20 should include the COVID-19 crisis as an anti-corruption priority in the G20 ACWG Ministerial Communique. The G20 should also organize a side event with speakers from international organizations, civil society and experts from member countries to share practices and lessons learned with respect to enhancing anti-corruption measures during the COVID-19 crisis. Suggested topics include preventing corruption during the emergency and good practices in improving governance in public procurement during the crisis.

**Jordan:** The G20 should unite together in a global strategy to contain the effects of the virus with regard to combating corruption and money-laundering and to provide technical assistance to the communities most affected by COVID-19.

The **Republic of Korea:** A manual or guidance document on practical measures to respond to global crises should be developed.

**Spain:** G20 countries could explore the development of a set of guidelines to improve the effectiveness of ex-post control mechanisms in emergency public procurement procedures.

### 4. Greater use and investment in ICT

The **United States of America:** G20 needs to engage in greater investment in technology, cyber tools and training to prevent and combat the surge in illicit COVID-related activity.

## 5. Enhanced partnerships with non-governmental stakeholders

**Mexico:** G20 countries could work collectively to address corruption risks arising in connection with the COVID-19 crisis by increasing the promotion of compliance measures within the private sector to develop and strengthen integrity in public health procurement. To do so, close cooperation with the B20 and C20 are crucial.

**Canada:** The G20 should refer to the resources developed by the Open Government Partnership.

The **United States of America:** The G20 should continue to recognize and elevate the work of non-government stakeholders such as the Open Government Partnership.

## 6. Better prevent abusive practices

**Brazil:** G20 countries should work collectively to prevent abusive trade practices in the domestic and international supply chain related to resources to fight COVID-19. Countries should strive to deter price gouging and market reservation practices, fraud in international procurement contracts, bribery, marketing of counterfeit medical products and conflicts of interest, among others.

**Turkey:** G20 countries should take measures to investigate companies which defraud consumers, particularly companies involved in antibody testing, and prevent such acts from occurring.

## 7. Improved donor response coordination

**Germany:** G20 countries should work together by improving their donor response coordination, increasing political dialogue with development assistance recipients on the importance of anti-corruption measures and coordinating joint responses in actual cases of corruption. G20 countries should follow good practices, share future challenges and ensure, in the delivery of development assistance, the highest degree of inclusiveness by, for example, involving non-state actors such as civil society where possible. Among others, this could include collaboration and knowledge-sharing in the field of remote management, remote monitoring and control mechanisms or the disposal of tools driving digitalization. G20 members could make use of multilateral delivery structures which can provide additional coordination and oversight.

## 8. New anti-corruption infrastructure

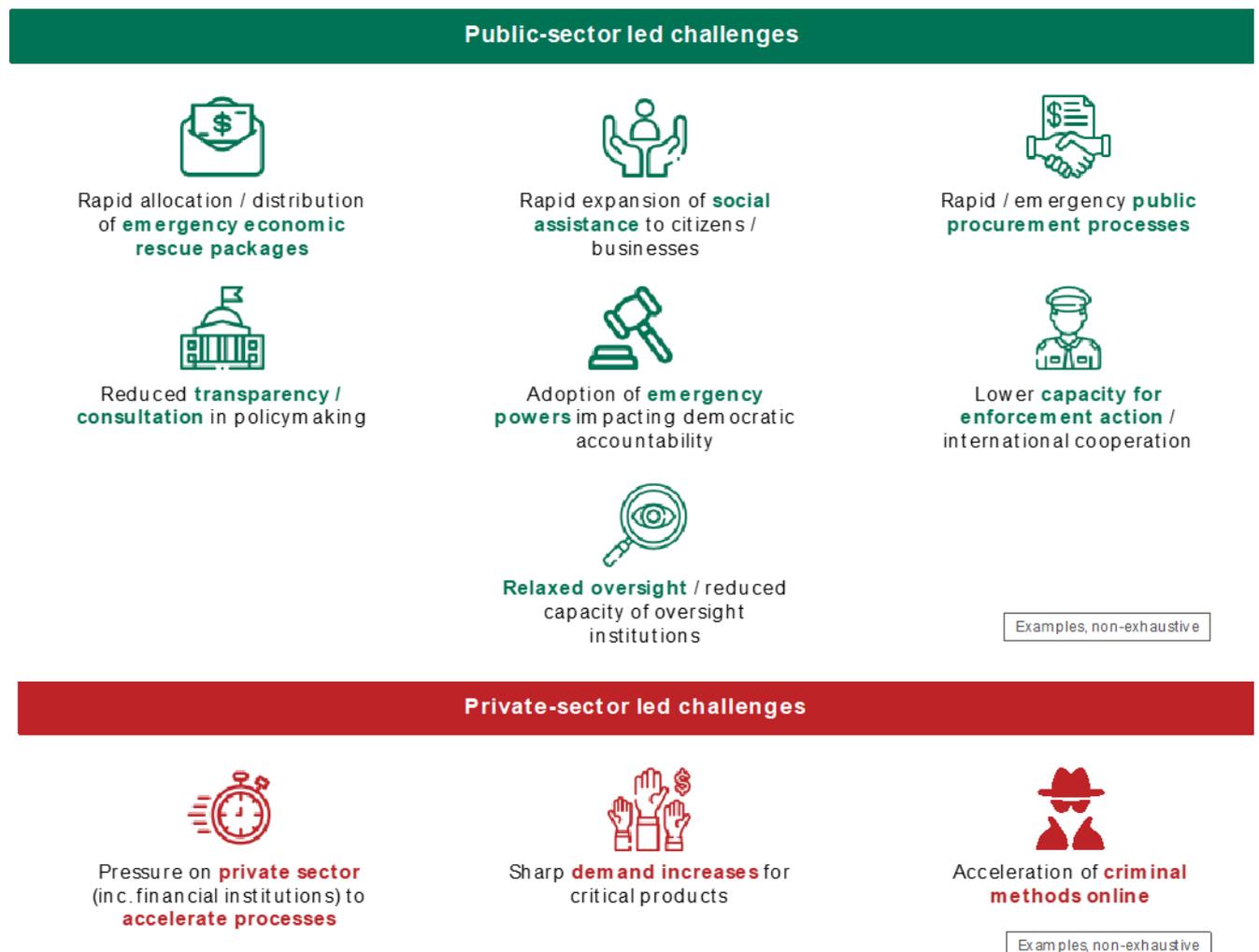
The **Republic of South Africa:** Noted the potential to establish special courts to adjudicate incidents of fraud and corruption.

# ANNEX 1: FURTHER BACKGROUND INFORMATION ON COVID-19-RELATED RISK FACTORS

Research by international organizations has highlighted several trends in the prevalence of corruption risk factors and their associated impacts on our societies. An overview of key risk factors is presented in Figure 1 below.

## KEY CORRUPTION RISK FACTORS

**Figure 1: Corruption risk factors due to COVID-19**



Source: Analysis of publications by UNODC, OECD, FATF, World Bank, IMF and other international organizations; G20 analysis.

## OVERVIEW OF KEY RISKS IDENTIFIED

### Rapid allocation / distribution of emergency economic rescue packages, and rapid expansion of social assistance to citizens / businesses

Government actions to mitigate the economic impact of the pandemic through cash transfers to individuals and emergency subsidies to businesses or food distribution to the poor, while providing a vital lifeline, are vulnerable to fraud,

corruption, and undue influence by private and elite interests or for political gain.<sup>147,148</sup>

### **Rapid / emergency public procurement processes**

Rapidly procuring medical supplies in a context of lack of stockpile preparedness, ensuring rapid customs clearance and mobilizing additional health care workers all present risks, alongside the need for governments to resort to non-standard emergency procedures while managing ongoing public contracts.<sup>149,150</sup> UNODC considers that the risk of corruption in health care procurement in non-crisis times can be as much as 10-25%. The OECD's Foreign Bribery Report shows that risks of corruption are always present in public procurement, with 57% of foreign bribery cases involving public procurement.<sup>151</sup>

### **Reduced transparency / consultation in policymaking, and adoption of emergency powers impacting democratic accountability**

Emergency powers are adopted to address health and economic crises and to maintain public safety. Governments in many countries have therefore assumed exceptional powers to enable a more rapid response. Strict rules mandating quarantine, isolation and curfews, and prohibition of economic activity have in many countries been accompanied by broad authority and discretion for police and other authorities in enforcing these rules. The adoption of unlimited emergency powers and surveillance technologies risk undermining institutional checks and balances, weakening the authority and independence of accountability institutions, and shrinking civic space in the longer term.<sup>152</sup>

### **Lower capacity for enforcement action / international cooperation**

Investigations and prosecutions of corruption and bribery cases should not be undermined or weakened in the context of the immediate or longer-term response to the COVID-19 crisis. Law enforcement agencies are also struggling to investigate due to a variety of restrictions, including the inability to conduct in-person interviews. Countries should be flexible in the cooperation they can provide, such as allowing for interviews via phone or Skype. Adequate resources for investigative agencies should be protected to permit effective detection, investigation and prosecution of corruption and bribery and to support international cooperation.

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<sup>147</sup> World Bank

<sup>148</sup> OECD, Safeguarding COVID-19 Social Benefit Programs from Fraud and Error:

<http://www.oecd.org/coronavirus/policy-responses/safeguarding-covid-19-social-benefit-programmes-from-fraud-and-error-4e21c80e/>

<sup>149</sup> <https://www.u4.no/publications/corruption-in-the-time-of-covid-19-a-double-threat-for-low-income-countries>

<sup>150</sup> OECD, *Public Integrity for an Effective COVID-19 Response and Recovery*:

<http://www.oecd.org/coronavirus/policy-responses/public-integrity-for-an-effective-covid-19-response-and-recovery-a5c35d8c/>

<sup>151</sup> OECD, *OECD Foreign Bribery Report: An Analysis of the Crime of Bribery of Foreign Public Officials*, <https://doi.org/10.1787/9789264226616-en>.

<sup>152</sup> World Bank. Some countries have also used the emergency to remove democratic checks and balances, for example reducing parliamentary oversight or restricting media freedom. The Varieties of Democracy Institute (VDEM) identifies 17 countries and 7 democracies or semi-democracies with particular concerning trends<sup>152</sup>. They identify particular risks around media freedom, which is compounded by increasingly severe financial headwinds facing independent public interest media, who are struggling to compete with state-owned media and social media platforms. <https://www.v-dem.net/en/analysis/PanDem/>

### **Relaxed oversight / reduced capacity of oversight institutions**

The FATF report<sup>153</sup> noted the impact on regulatory institutions including financial supervisors and FIUs. Critical institutions for democratic accountability, such as supreme audit institutions and parliamentary oversight committees, are also likely to be constrained in their effectiveness by the volume and the pace of demands, expediency concerns and complexity of issues created by the pandemic.

### **Pressure on private sector (including financial institutions) to accelerate processes**

The FATF report noted the constraints on the ability of governments and businesses to implement their AML obligations. As the economic impact becomes more prominent, regulated entities are likely to face difficult trade-offs between accepting new business and fully implementing their obligations.

### **Sharp demand increases for critical products**

Significant increases in demand, particularly for medical equipment and supplies, have been observed throughout the pandemic. Subsequently, suspected cases of counterfeit production and misappropriation have been noted, as well as potential issues around self-dealing and bribery.

### **Acceleration of criminal methods online**

The FATF noted the ready sources of illicit proceeds for criminal actors and the move to online methods, challenging the ability of law enforcement agencies, regulators and regulated entities to identify risks and threats.

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<sup>153</sup> FATF <http://www.fatf-gafi.org/media/fatf/documents/COVID-19-AML-CFT.pdf>