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PANDEMIC PROFITEERS

AS GOVERNMENTS RUSH TO ADDRESS THE CORONAVIRUS PANDEMIC, CHECKS AND BALANCES CAN BE LEFT BY THE WAYSIDE, PRESENTING TEMPTING OPPORTUNITIES FOR FRAUD AND CORRUPTION.

BY CLAIRE MEYER

IN THE WEST AFRICA Ebola outbreak of 2014–2016, the International Federation of Red Cross and Red Crescent Societies (IFRC) played a pivotal role in disease prevention. Teams of volunteers provided treatment and care, as well as burying victims of the disease, preventing as many as 10,500 additional cases, IFRC estimates. However, where there is money being spent on crisis response, there is opportunity for fraudsters to take action.



Transparency International warned that the influx of funds and donations into the region would make response efforts vulnerable to fraud and corruption. In a subsequent investigation, IFRC uncovered millions of dollars' worth of fraud across the humanitarian organization's operations in West Africa. Of the more than \$124 million handled by the organization during

the Ebola epidemic, approximately \$6 million was lost through collusion between former IFRC staff and bank employees in Sierra Leone, overbilling and fake billing by a customs clearance provider in Guinea, and inflated prices for goods and services in Liberia.

Today, the wider scale of the coronavirus pandemic, which has

touched six continents, also presents a wider stage for corruption, back-room deals, and fraud.

According to Transparency International, corruption in the health sector causes losses of more than \$500 billion every year, even without the extreme circumstances of a pandemic. Health sector corruption often involves solicited informal payments from patients in exchange for treatment; theft and embezzlement of money, medicine, or medical equipment and supplies; favoritism for certain patient groups over others; and data manipulation, such as fraudulent billing.

"In a time of crisis, when resources are scarce and the stakes are high, eliminating corruption in the response to an emergency is literally a matter of life and death," says Irem Röntgen, business integrity program coordinator for Transparency International. "Yet, with large amounts of resources suddenly available and a rush to get it to those most in need, there are sadly still those who will seek to take advantage for their own benefit."

In the coronavirus pandemic, this behavior was quickly apparent. In late May, the U.S. Federal Trade Commission (FTC) announced it had received more than 52,000 reports of COVID-19 related scams since the beginning of 2020, resulting in almost \$39 million in losses. The average consumer lost \$470.

"Sadly, corruption often flourishes in times of uncertainty and could undermine the response to the pandemic," wrote Lisa Ventura, practice lead of the Partnering Against Corruption Initiative at the World Economic Forum, in a recent article. While the response to COVID-19 should focus on saving lives and addressing health and socio-economic consequences quickly and effectively, she added, "principles of transparency, justice, and good governance need to underpin all measures at all times."

“Transparency and accountability must not be lost in the haste to respond to COVID-19,” she wrote.

As governments enacted emergency legislation to bypass typical checks and balances on public spending to expedite health crisis response measures, transparency may have already been left by the wayside. According to a report by the Lawyers Council for Civil and Economic Rights at the Cyrus R. Vance Center for International Justice, *Corruption in Times of COVID-19: A Regional Perspective on Public Procurement*, corruption related to public procurement for pandemic response has been alleged in at least 12 countries across North and South America as of April 2020.

“While corruption risks always exist, the costs of these risks are higher during the emergency as already limited public resources are syphoned off due to corruption,” the report warned. The lawyers’ report highlighted misappropriation of public goods and increases in direct purchases and contracts for health-related equipment and services, instead of acquiring goods through more transparent public bid processes. These shifts may produce short-term results but long-term risks of increasingly corrupt government systems and national processes, which threatens both citizens and private organizations.

“Essentially, corrupt political systems become less responsive to the needs and interests of ordinary citizens,” Röntgen says. “We see that countries with more corrupt public sectors have fewer opportunities for diverse groups to engage in decision making, for example. For businesses, this can mean that only those companies with close links to those in power are able to win contracts or take advantage of government incentives for the private sector.”

In addition, some key materials—such as personal protective equipment (PPE)—have been in short supply in different regions affected by the pandemic. In the environment of high demand and low supply, governments, private companies, and individuals are

forced to compete to gather the necessary PPE, leading opportunists and bad actors to take advantage of the situation to sell counterfeit or shoddy goods, price gouge, or seek favors or bribes.

According to the UN Office on Drugs and Crime, between 10 and 25 percent of all money spent on procurement globally is lost to corruption. In the European Union, 28 percent of health corruption cases are specifically related to medical equipment procurement, Transparency International reported.

“Public procurement of emergency equipment has quickly emerged as an area to watch closely, as governments relax procurement regulations in order to quickly obtain essential goods,” Röntgen says. “This opens the door for back-handers, price gouging, and conflicts of interest. It is essential that there is trans-

parency about how governments are spending funds to fight the pandemic, so that any abuse can be identified and those responsible held accountable.”

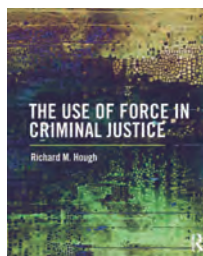
Writing for Pillsbury Law, Aaron Hutman, Jenny Sheng, and David Oliwenstein warn that the COVID-19 pandemic exposes a large number of organizations and individuals to legal risk, as well as the risks associated with falling prey to a scam or risking the purchase of ineffective PPE. “In the aftermath of the COVID-19 pandemic, we expect to see widespread enforcement actions by the U.S. government, other national governments, and multilateral development banks. Companies will face large penalties, and individuals who participated in unlawful activity or looked the other way may face criminal liability,” they wrote.

USE OF FORCE

BY RICHARD M. HOUGH. Routledge; Routledge.com; 192 pages; \$51.95

Current events underscore the importance of understanding “use of force.” Dr. Richard Hough, who has a background in law enforcement, corrections, and education, employs useful examples to clearly illustrate and emphasize the concepts in *The Use of Force in Criminal Justice*. The book emphasizes the practical side of the issue and targets law enforcement managers.

Real-life examples are reviewed and analyzed so that readers cannot help but understand the lessons learned. Current best practices are explained for ensuring that incidents are thoroughly investigated at the time of occurrence. Because complaints and litigation can occur years after an incident, Hough illustrates his recommendations with actual litigation examples. Further, he addresses each point from a police officer’s perspective, with advice on how to prevent, manage, and minimize use of force incidents.



The author emphasizes the importance of balancing policy and procedure, as well as how to properly investigate and discipline an officer who uses excessive force. He also provides ample material on how to support and defend officers when they act within the law and correctly follow procedures. There is also coverage of topics such as memory distortions and recall; chain of command responsibilities; and fair, detailed, and open investigations.

This book is a good reference for law enforcement and security management, police academies, and both proprietary and contract security organizations. It is also a good in-service training resource. Every public and private officer, supervisor, and executive will benefit from the concepts and recommendations in this book. The information provides insight for classes in any security studies or liberal arts criminal justice program. Anyone interested in a law enforcement or security profession as a career should read this book to better understand the decisions that have to be made on the job every day.

REVIEWER: Mark H. Beaudry, CPP, is a frequent reviewer for Security Management and a longtime member of ASIS.

“At some point in the next 12 to 24 months, the world will return to some level of economic normalcy. Politicians, the media, watchdogs, and whistleblowers will begin to shine daylight on the activity that took place during the chaos of the pandemic. If past crises are any guide, public outcry for accountability will ensue,” they added.

“In one sense,” Röntgen notes, “COVID-19 will be a litmus test for businesses and governments alike to show their commitment to serving all stakeholders. With companies vying with each other to receive large amounts of loans and other financial assistance, transparent business conduct will be more crucial now than ever.”

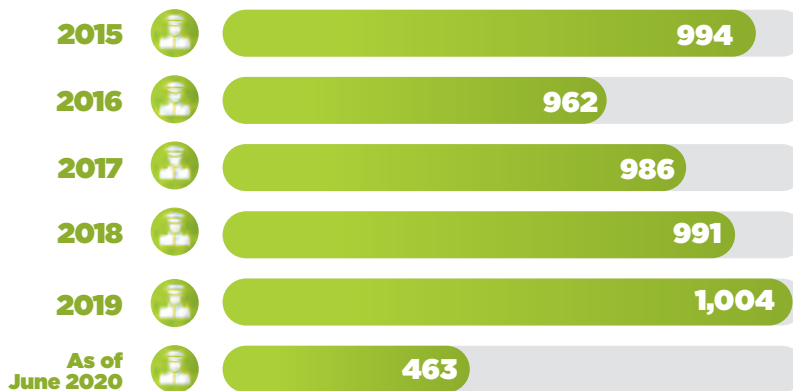
CRACKDOWN ON ART TRAFFICKING

More than 19,000 archaeological artifacts and other artworks were recovered as part of a global operation across 103 countries, resulting in the arrest of 101 suspects and encompassing 300 investigations in a coordinated crack-down, Europol announced in May.

FATAL POLICE SHOOTINGS

After Ferguson Police Officer Darren Wilson shot and killed Michael Brown, Jr., an unarmed Black man, in 2014, law enforcement agencies across the United States introduced body camera policies, training methods, and more to reform police use of force.

Despite reforms, fatal police shootings in the United States remain consistent.



SOURCE: *The Washington Post*, June 2020

The criminal networks involved handled archaeological goods and art looted from war-torn countries, museums, and archaeological sites. Artifacts seized in global Operation ATHENA II—led by the World Customs Organization and Interpol—included coins, ceramics, historical weapons, paintings, and fossils.

Some highlights of the multinational operation, as touted by Europol, include the recovery of rare pre-Columbian objects—such as a Tumaco gold mask, gold figurines, and ancient jewelry—at Barajas airport in Madrid; the seizure of 2,500 ancient coins following an Argentinian Federal Police Force investigation of a single case of online sale; and the last-minute seizure of 971 cultural objects at Kabul airport by Afghan Customs, just as the objects were about to depart for Turkey.

“Organized crime has many faces,” said Catherine de Bolle, Europol executive director, in a press statement. “The trafficking of cultural goods is one of them; it is not a glamorous business run by flamboyant gentlemen forgers, but by international criminal networks. You cannot look at it separately from combatting trafficking in drugs and weapons: we know that the same groups are engaged, because it generates big money. Given that this is a global phenomenon affecting every country on the planet—either as a source, transit, or destination—it is crucial that law enforcement all work together to combat it.”

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