

Challenges in Managing the Risks of Error and Fraud in Public Procurement During the State of Emergency Generated by the Covid-19 Virus

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Abstract

The new coronavirus has generated an unprecedented global crisis, bringing serious challenges to central and local public administration to ensure first and foremost the health of their citizens, as well as the continuity of public services. As part of these efforts, the Covid-19 pandemic has exposed unprecedented challenges in procuring the goods and products needed to fight the virus, while authorities around the world are taking extraordinary steps and entering into fierce competition for their procurement. Against the background of the relaxation of public procurement legislation caused by the extreme emergency situation as well as a wrongly controlled internal control system, corruption has risen rapidly due to the increased discretion of procurement staff in awarding contracts. This approach aims to identify the challenges faced by public institutions during this period, to determine the new crisis influence in the magnitude of error and fraud and, taking into account the perception of the representatives of these entities, to establish possible new directions for action to reduce these negative phenomena.

Key words: management, fraud, public procurement, control, funds

J.E.L. classification: H12, H83

1. Introduction

"Never Let a Good Crisis Go to Waste" - Winston Churchill

We will certainly win the battle against the current pandemic, although it leaves behind enormous losses and suffering. But this crisis forces us to reflect and draw conclusions about what went wrong and, more importantly, what we have to do in the future. The fact that this health crisis took us by surprise and found us unprepared may be understandable, but the lack of reaction, measures and analysis to understand and create the tools to combat or diminish the effects of a similar future crisis, this cannot be accepted. Winston Churchill's words have never better described a situation like the present one, in which he shows us precisely the way forward, namely to use this experience to draw the necessary lessons and capitalize on them for the future.

While the hope of developing a vaccine is closer than ever, the new coronavirus, already in the second wave, is spreading rapidly, still generating fears that it will become a long-term pandemic. In order to respond effectively to future pandemics, governments need to draw the necessary conclusions, analyze which of the measures taken in the fight against the new virus have not had the expected outcome and effectively review their response strategies (Bozzay *et al*, 2020).

2. Literature review

According to the literature, the phenomenon of fraud has been described by two theories, namely that of Cressey (1953) on the fraud triangle and Wolfe and Hermanson's theory (2004) on the diamond of fraud. Although there are still enough debates among theorists about the two approaches, in the following, in order to highlight some aspects of the phenomenon of procurement fraud in public sector organizations, we will use the theory from the perspective of the 4 points of the diamond.

The elements of diamond theory are: pressure, opportunity, rationalization and capacity. The possibility of committing fraud in the public procurement process is caused by a weak system of internal control within the organization.

Although the fraudster will try to justify his fraudulent behavior for various reasons, fraud cannot occur without the author's intellectual capacity (Rustiarini *et al*, 2019). Metaphorically speaking, the opportunity can be represented as the door to fraudulent behavior, while pressure, motivation and rationalization will direct the individual to this door, as long as that individuals are able to recognize the available opportunities so that they can go to the door.

In theory, depending on the particular situation, the pressure can be occupational, economic or social. Occupational pressure can come either from within the organization, from superiors or from outside it, from politicians. Internal pressure spreads from top to bottom, using powerful mechanisms such as obedience to authority (Milgram, 1963). External pressure comes from politicians or business people, who can influence procurement officials to draw up public procurement budgets for actions in their personal interest, to the detriment of the institution or the public interest.

Poor remuneration of public procurement officials can increase the pressure for fraudulent behavior. Thus, officials may consider that their remuneration is not commensurate with the work done, knowingly performing acts that are against the law (Blackburn *et al*, 2011, pp. 405–428), finding themselves in the situation of accepting bribes as a solution when faced with personal financial difficulties.

The last pressure is the social pressure in the environment. In this case, fraudulent behavior is not only about obtaining financial benefits, but also because employees have connections or interests with suppliers, friends, or family ties (Caulfield *et al*, 2014, pp. 38–45). This personal connection can be strong and can influence the actions of public procurement officials. As other motivations, employees want to obtain higher positions, promotion or recognition from third parties with political decision-making power if they are able to meet their requirements to win the tender.

Theoretically, *the opportunity* should be the only one that public organizations can fully control through the organization's internal control system, code of ethics, employee recruitment processes, fraud detection procedures, audit processes and sanctions for the committed fraud.

Higher sanctions can reduce the number of fraudulent actions, although, due to the risks to which they are exposed, legal officials may demand higher bribes (Mahmood, 2005, pp. 62–84). Several conditions affect the system of external liability, such as the existence of a free press, a dynamic and proactive civil society and an independent judiciary system.

Returning to the current context, the situation of maximum urgency generated by the health crisis seems to be the perfect opportunity for committing fraud in public procurement of goods and services necessary to prevent and combat the spread of the Covid-19 virus.

Every individual who commits fraud will experience moral dilemmas. The moral dilemma is a negative feeling perceived by individuals when they have two different cognitions - ideas, beliefs, opinions - (Aronson, 1969). Because the moral dilemma is an unpleasant condition, the individual will try to reduce it by seeking to justify his actions. In other words, the justification is the excuse that the delinquent uses for himself to compensate for the guilt he feels for his deed.

Some reasons that are usually used by the authors to justify their actions and to blur the cognitive dissonance they face would be that other people do the same thing, that they will return the amounts fraudulently appropriated, that they do it for a good cause, that they are not paid as they should and that these amounts are practically deserved or that the organization can buy again. These are the most commonly used excuses with which fraudsters silence their inner voice or arguments they use when they are discovered.

Factors such as the position or function of the individual within the organization, intellectual capacity, immunity to stress/guilt and the perception or self-confidence that fraud will not be detected or, even if detected, the punishment will be insignificant, are decisive in the emergence of fraud phenomena in public procurement (Wolfe *et al*, 2004, p. 38). Thus, the higher the function and level of training of the fraudster, the greater are the chances of being involved in fraud and, of course, more difficult to detect (Dellaportas, 2013, pp. 29-39). According to the Association of Certified Fraud Examiners, 51% of people who commit occupational fraud in public procurement are educated people, at least with a bachelor's degree.

Fraud and error in public procurement during the state of emergency have several **particularities**, as presented below.

While governments around the world are facing the COVID-19 pandemic, the profile market has seen a spectacular increase for medical equipment or protective masks whose wear has become mandatory by law in most countries. This huge imbalance, which appeared instantly between market demand and supply, also encouraged the emergence of fraud, as there were many situations in which unauthorized producers offered non-compliant or properly classified products for sale. Moreover, the intermediaries speculated and bought these products and subsequently resold them to public institutions around the world at an overcharge. But in this blind struggle to ensure at all costs the goods and products needed to combat the new coronavirus, quality and supplier verification has been a major challenge for the officials involved.

The disastrous Covid-19 pandemic has revealed weaknesses in global supply chains and in the ability of national procurement systems to provide essential personal protective equipment, sanitary materials and Covid tests. Several countries have faced and are facing problems such as poor quality of the goods purchased, extremely high prices, scams and the general inability to obtain sources.

Every state, major city and territory and also thousands of hospitals are forced to take part in a bidding war, a context that favors artificially rising prices. Distinct from the political challenges for combating the Covid-19 pandemic were those of the leaders of public institutions on the front lines of the battle, respectively, municipalities and hospitals, who were forced to react quickly in procuring specific products and services.

In their article, Theo Nyreröd and Giancarlo Spagnolo reviewed some examples of suspected fraud reported by the international press (Nyreröd *et al*, 2020):

- In the UK, a clear non-urgent contract has been awarded without competition to a firm owned by two longtime partners of Michael Gove and Dominic Cummings, personal advisers to British Prime Minister Boris Johnson.
- In Slovenia, a gambling mogul without a public record of medical experience appears to have received millions in an emergency contract related to Covid-19.
- In Bosnia, a raspberry farm was apparently awarded a contract to import 100 fans, paying \$ 55,000 for each fan, while their price ranged from \$ 7,000 to \$ 30,000 on the international market during the relevant period.
- In India, a real estate agent in Mumbai with no previous medical experience was given a contract to supply things like oxygen cylinders and medical beds.
- Bolivia's health minister was arrested in May after the country bought 179 fans at overvalued prices while it was later revealed that manufacturers were offering fans at about half the purchase price.
- In Bangladesh, Transparency International has published a study suggesting high corruption during Covid-19, exemplifying either by purchasing products or materials that are not of good quality or at obscenely overvalued prices.

The Covid-19 crisis has exacerbated an already significant problem: according to Transparency International (Rhodes, 2020), up to 25% of total global spending on healthcare is lost due to corruption.

The quality of the materials purchased was another major challenge during the Covid-19 pandemic. This time also there are a lot of examples from the press.

- The Spanish government found that out of 340,000 tests purchased from a Chinese manufacturer, 60,000 did not test accurately for Covid-19, and the Dutch Ministry of Health issued a recall of 600,000 face masks from a Chinese supplier because of poor quality.

- Similar problems were frequently found in the UK where \$ 20 million was paid for rapid coronavirus tests that did not work and are currently in unusable storage.
- In Romania, SC Unifarm SA, a national company subordinated to the Ministry of Health, purchased 265 pulmonary ventilators of questionable quality from a Chinese company that was not on the list of the 200 producers approved by the European Commission. These fans are currently unused in Unifarm warehouses. The fans were bought at an overvalued price of \$ 48,000 per piece while their price was actually \$ 18,000 (Ilie, 2020).

There are, of course, compelling reasons to relax the strict rules of procurement in emergency situations, to allow a rapid response in proportion to the needs of the population. But such a reduction in oversight and ex ante controls must be offset by more extensive ex post controls, which should be widely promoted to discourage officials from abusing discretion.

In this time of crisis, managers faced **specific threats and challenges**.

Previous major crises and measures taken worldwide, such as those caused by H1N1, Ebola or SARS viruses or those caused by natural disasters, such as Katrina Hurricane in the US, have not been able to provide effective solutions to the fight against the current crisis because it is infinitely different from any other previous crisis both in the extent of its geographical spread and in the magnitude of the globalized economic shock, all of which are spreading at the same time.

Although the specific legislation of each state regulates the concept of public procurement in situations of extreme urgency, the global crisis generated by the new coronavirus has created an unprecedented situation for public authorities. Public procurement officials around the world have been forced to procure medical or protective equipment in terms of uncertainty and an extremely volatile market, often facing a lack of supply in the context of their huge global demand.

A worrying aspect was, in addition to competition between countries to provide the materials needed to fight Covid-19, the emergence of a so-called cannibalization phenomenon between public institutions within the same country, in which central public authorities competed with local ones to procure these materials, which resulted in artificial price increase and implicitly the amplification of the risks of fraud with public funds. As shown above, public procurement fraud traditionally occurs in most cases when the seller corrupts the public procurement officer to buy goods or services in exchange for illegal financial benefits. However, the global situation generated by the new coronavirus may represent a change in the traditional way of fraud in public procurement, when the buyer as a public procurement officer could corrupt the sellers in order to provide the necessary medical supplies.

Moreover, in order to secure their domestic needs for medical equipment, materials or products to combat Covid-19, some countries have imposed certain restrictions on their export, further exacerbating the scare on the international market (Bozzay *et al*, 2020).

Neither **Romania** was immune to these phenomena of fraud and error during the state of emergency.

One of the starting points in the analysis of the evolution of error and fraud phenomena in the public procurement process during the state of emergency is the changes in the specific legislative framework during this period.

In response to the uncertainty generated by the threat of the new Coronavirus, the national authorities, through the newly created legislative framework, have imposed a series of measures to prevent and combat the epidemic. Through the two decrees issued by the President of Romania for the establishment and extension of the state of emergency, a series of new attributions were established in charge of some public entities from the central and local administration.

These normative acts established first emergency measures, with direct and immediate applicability, but also first emergency measures with gradual applicability (implementation to be done by military ordinances, emergency ordinances, government decisions and ministerial orders). Consequently, during the state of emergency, several normative acts for the implementation of these decrees were elaborated and approved, being inventoried a number of 39 normative acts of primary level, 12 normative acts of secondary level and 75 normative acts of tertiary level (Romanian Court of Accounts, 2020). Along with the sanitary measures, these new regulations also targeted the use of public funds.

We cannot fail to notice the difficult international context in which public procurement for sanitary materials took place during this period, with a demand that often exceeded the possibilities of a limited supply.

The legal provisions that changed the public procurement framework during this period also had a certain ambiguity. Decree no. 195/2020 stipulates that public entities may directly purchase materials and equipment necessary to combat the epidemic. However, this aspect is normal even in the absence of the pandemic, the provisions of Law no. 98/2016 on public procurement allowing contracting authorities to make direct purchases of products or services up to the level of RON 135,060 without VAT.

In the following Decree no. 240/2020, clarifications are brought to this aspect, in the sense that the contracting authorities can make direct acquisitions by derogation from the legal threshold of RON 135,060 lei. However, it is not mentioned to what extent the direct purchase is allowed.

As shown in the GRECO report on the risks of corruption in the context of the spread of Covid-19, national authorities are adopting legislation to combat Covid-19 to ensure the necessary stocks for the health system. However, although these legal rules in the emergency period may be temporarily effective, they have a negative influence on the public funds control system, as public procurement systems can become vulnerable targets (Mrčela, 2020). As mentioned in that report, one of the principles underlying public procurement that should be given much more emphasis on limiting this phenomenon is transparency.

Exemptions from the normal course of public procurement procedures were also supported by the European Commission. Thus, by communicating on the European Commission's Guidelines for the use of the emergency procurement framework related to the COVID-19 crisis, public procurers were recommended the possibility of substantially reducing deadlines to speed up open or restricted procedures, the application of flexibility mechanisms available in the EU on public procurement in cases of extreme urgency, the application of the negotiated procedure without publication, the application of alternative solutions and the establishment of contacts with the market. However, what has not been taken into account in the adopted national regulations is that, in the case of direct procurement, the European Commission states that a direct award to a pre-selected economic operator should be economic operator should be an exception to the general rule.

In addition to the difficult market context and the ambiguity of the legislative framework, there have also been risks related to the purchase of non-compliant materials and products (influenced mainly by high market demand), risks that have attracted the attention of various international bodies (Interpol, Financial Action Task Force, Financial Crimes Enforcement Network).

Another aspect that needs to be mentioned is the lack of a clear strategy regarding the purchases of various materials and health products needed to combat the pandemic. It is noted that no procedure has been designed for establishing and monitoring the need for such materials and ensuring that this need is staggered so that costs can be kept under control. According to the report made by Romanian Court of Accounts at the request of the Parliament on the management of public resources during the state of emergency, aspects of dysfunction, illegality and irregularity were found in terms of non-fulfillment of the necessary stocks of medical products and acquisition costs, which affect the principles of economy, efficiency and effectiveness in the use of public resources (Romanian Court of Accounts, 2020).

The results of the situation of novelty and uncertainty described above were quantified by the above-mentioned report, finding a series of deficiencies in the way of committing and making public expenditures, materialized in 825 cases of deviations, irregularities and / or errors, which generated additional revenues of RON 647,000, damages to the state of RON 38,377,000 and other accounting irregularities amounting RON 659,070,000.

Regarding public procurement, the main types of irregularities found were related to non-compliance with the principles of equal treatment and non-discrimination, being declared the winners the bids containing disadvantageous clauses, procurement directly over the threshold, purchase of goods at overvalued prices, granting substantial advances, acceptance for payment of higher prices than those initially offered, or of non-compliant equipment, etc.

The effects of these situations of uncertainty and ambiguity have also been known in the activity of criminal investigation bodies, in terms of public procurement being identified two major types of irregularities (National Anticorruption Directorate, 2020):

- breach of the legal provisions for the organization, award, development of contracts for direct procurement of protective equipment;

- the purchase of non-compliant medicinal products, considered dangerous and banned in the EU.

The restriction of the criminal treatment of frauds in the field of public procurement during the state of emergency was generated, according to the opinion of the National Anticorruption Directorate, by derogations from the public procurement procedure established by Law no. 98/2016 provided by the Presidential Decree no. 195/2020, respectively the fact that the contracting authorities can directly purchase materials and equipment necessary to combat the effects of the pandemic but also the limit established by the decision of Romanian Constitutional Court no.405/2016 which prevents the consideration of that act as abuse of office in case of violation of secondary legislation.

The global crisis of Covid-19 manifested itself violently also in Romania, where there were problems in the case of purchases using the SICAP catalog, being found products / services with outdated prices or listed as in stock, although in fact stocks were depleted, which led to difficulties in the search and identification of the necessary products / services. Numerous cases were reported when in the electronic catalog published on the SICAP platform the requested products were listed with stock, subsequently and / or at the beginning of the purchase was refused, on the grounds of lack of stock, unacceptable payment term, price update.

Thus, according to the above mentioned report, the largest variation in prices was in the case of disposable protective masks, the prices at which the purchases were made varying from RON 11.90 on March 30, up to RON 2.85 on May 14, purchases made by consulting the electronic catalog provided by SICAP. These price fluctuations were generated by the lack of basic commodity products on the market, especially during the initial period of the state of emergency.

The effect of this phenomenon was that suppliers of sanitary materials or medical devices had significantly different purchase prices during the state of emergency. For example, at Mureş County Clinical Hospital, the prices charged for the purchase of coveralls from various suppliers fluctuated from 42 lei to 98 lei.

Table no. 1. Evolution of the prices of protection materials at Mureş County Clinical Hospital

Coveralls		Surgical mask		FFP2 mask	
Data	Price (RON)	Data	Price (RON)	Data	Price (RON)
03.04.2020	50,00	13.01.2020	0,08	20.03.2020	18,70
09.04.2020	22,30	22.01.2020	0,08	30.03.2020	13,00
13.04.2020	78,11	31.01.2020	0,21	07.04.2020	23,00
14.04.2020	22,30	18.02.2020	1,90	09.04.2020	25,50
		25.02.2020	14,50	13.04.2020	18,70
		26.02.2020	4,25	14.04.2020	37,90
		09.03.2020	4,25	23.04.2020	18,75
		13.04.2020	2,61	07.05.2020	9,32
		25.02.2020	14,50	13.04.2020	18,70
		07.05.2020	1,65		

Source: (Romanian Court of Accounts, 2020, 88)

The report also highlighted the fact that the purchase price of the products evolved differently, having maximum levels in different periods of time. The maximum price at which the hospital purchased coveralls was RON 78 lei / coverall on April 13, 3.5 times higher than the purchase price of April 9, so that on April 14 the price will be RON 22.30. The purchase price for surgical masks with elastic was fluctuating, from RON 0.08 / piece to RON 14.25 / piece, which represents an increase of 178.13 times. The evolution of the purchase price for the FFP2 mask is oscillating, the maximum purchase price being registered in mid-April, of RON 37.90.

A similar phenomenon was registered at the health units in Prahova County:

Table no. 2. Evolution of the prices of protection materials in Prahova County

Sanitary unit	Sanitary materials	Price before the state of emergency (RON / piece)	Price during the state of emergency (RON / piece)	Increase
Azuga Orthopedic and Traumatology Hospital	surgical masks	0,12	3,44	2867%
Câmpina Municipal Hospital	surgical masks	0,08	4,57	5713%
Câmpina Municipal Hospital	protective coveralls	71,41	113,5	159%
Câmpina Municipal Hospital	disinfectant	17,85	29,75	167%
Sinaia City Hospital	reinforced surgical gown	6,50	23,50	362%

Source: (Romanian Court of Accounts, 2020, 88)

3. Research methodology

In order to identify how public entities perceive the incidence of these phenomena during the state of emergency, the degree to which internal mechanisms are prepared to respond to such challenges, we used selective research by multistage sampling. In this sense, a questionnaire was prepared based on Likert's scale and for data processing and analysis we assigned to the 5 levels of the scale scores from 1 (total disagreement) to 5 (total agreement). The questionnaire was addressed to persons with responsibilities in the public procurement process, regardless of the level of the position held (management / execution) in the territorial administrative units such as communes in the South Muntenia Region.

4. Findings

Regarding the **overall evaluation of the public procurement process**, the results of the questionnaire were as follows:

Table no 3. The results of the questionnaire regarding the general evaluation of the public procurement process

Measured criteria	Score				
	Total disagreement	Dis-agreement	Neutral	Agreement	Total agreement
Transparency of public procurement	0%	4%	28%	30%	38%
Urgency and unpredictability as triggers of fraud	19%	14%	26%	23%	17%
Purchase of non-compliant or poorly quality products as a result of the extreme urgency regime	12%	17%	33%	19%	19%
Reducing the risk of public procurement fraud by increasing transparency and publicity	3%	0%	10%	23%	64%
The increase of fraud phenomena due to the relaxation and simplification of public procurement procedures	28%	10%	25%	28%	10%

Source: authors' processing

It is noted that, although the proportion of respondents who state that public procurement is characterized by transparency (68%), the state of urgency and the growing need are triggers of fraud, leading at the same time to the purchase of non-compliant products from the qualitative point of view. Regarding the relaxation and simplification of public procurement procedures, their influence on increasing the magnitude of fraud and error is rather nil, the average score obtained by 2.82 being close to that given to the neutral rating.

Regarding the **procedural aspects at the level of the entities related to public procurement**, the results of the questionnaire were the following:

Table no. 4. Results of the questionnaire regarding the procedural aspects at the level of public procurement entities

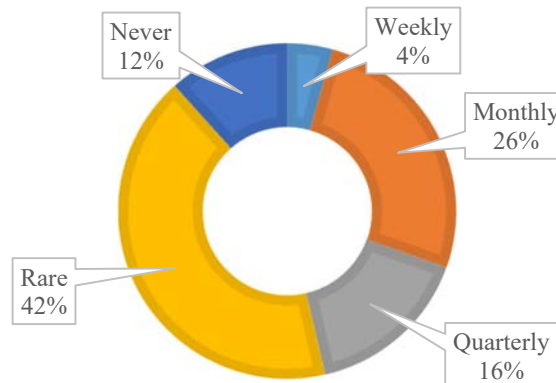
Measured criteria	Score				
	Total dis-agreement	Dis-agreement	Neutral	Agreement	Total agreement
Implementation of operational procedures	3%	3%	12%	32%	51%
The degree of coverage of all public procurement activities	1%	4%	17%	33%	43%
The degree of detail of the procedures	1%	7%	19%	30%	42%
Existence of fraud indicators (alert signals) in the operational procedures as well as the mode of action in case of their detection	3%	17%	19%	26%	35%
Existence of a fraud reporting procedure	7%	4%	26%	25%	38%
Design of internal control tools and mechanisms to prevent fraud	3%	4%	25%	30%	38%
Existence of training on fraud phenomena	13%	12%	14%	28%	33%

Source: authors' processing

Regarding the existence and implementation of operational procedures, the degree to which they cover public procurement activities, the existence of fraud indicators (alarm signals) in case of such phenomena, the results of data processing are positive, with average scores between 3.72 and 4.25, close to the agreement score. Similarly, there are data on the existence of a fraud reporting procedure and on the existence of internal control mechanisms to prevent such phenomena.

On the other hand, in terms of training on this phenomenon and increasing the level of awareness of employees, although most employees consider that they are performed at the level of their entities, obtaining an average score of 3.57, when we analyze the frequency with which they are made, these things are completely different, as we can see in the chart below, where the proportion of those who say that the frequency with which anti-fraud training is introduced as items on the agenda of working meetings is rarer than once per quarter or never is 54%!

Figure no. 1. Frequency of anti-fraud training in working sessions



Source: authors' processing

Regarding the public procurement activities carried out during the emergency period, the results of the questionnaire were as follows:

Table no. 5. Results of the questionnaire regarding the public procurement activities carried out during the emergency period

Measured criteria	Score				
	Total dis-agreement	Dis-agreement	Neutral	Agreement	Total agreement
Accepting offers with overvalued prices due to low market supply	13%	6%	19%	29%	33%
Frequent price increases for personal protective equipment	3%	6%	9%	22%	61%
Non-fulfillment of orders even though the entities would have been willing to accept higher prices than usual	55%	13%	9%	19%	4%
Malfunctions regarding the purchase of products and services necessary for the protection of employees' health	46%	12%	16%	16%	10%
Problems and dysfunctions regarding the acquisition of products and services necessary to fulfill the role and obligation of the institution towards the community (institutionalized persons, disadvantaged persons, etc.)	45%	20%	17%	14%	3%

Source: authors' processing

The analysis of the replies to this section of the questionnaire showed that the low market supply of products needed to prevent and combat the pandemic led to the acceptance of offers with overvalued prices. This was one of the main problems related to public procurement during this period, the other measured factors, namely non-fulfillment of orders, malfunctions in the purchase of specific products and materials for employees and for fulfilling the role that each institution had during this period obtaining average scores between 2.04 and 2.32, close to disagreement.

Regarding **the activities carried out by public entities after the end of the state of emergency**, the results of the questionnaire were as follows:

Table no. 6. Results of the questionnaire regarding the activities carried out after the end of the state of emergency

Measured criteria	Score				
	Total dis-agreement	Dis-agreement	Neutra l	Agreemen t	Total agreement
Preparation for the performance of duties in the event of a new state of emergency	4%	3%	12%	35%	46%
Review of internal rules and procedures to identify risks and find solutions and alternatives to address them	14%	14%	25%	25%	22%
Revision of the risk register	14%	17%	23%	19%	26%
Ensuring sufficient stocks of specific products and materials to prevent and combat the pandemic in accordance with legal obligations	9%	14%	17%	29%	30%

Source: authors' processing

The analysis of the data presented above shows that, in the event of a new state of emergency being declared, there is a high degree of confidence that public entities are prepared to carry out their tasks. Despite this confidence, there have been no major changes in the revision of rules and procedures aimed at identifying the risks encountered and finding solutions and alternatives for their treatment, identifying new risks, their impact and the likelihood of occurrence and ensuring of sufficient stocks of specific products and materials to prevent and combat the pandemic in

accordance with legal obligations. The average scores of these analyzed factors are between 3.25 and 3.58, which shows the approach to neutral, indifference.

5. Conclusions

Public procurement has been, is and will remain an area with a high risk of fraud (corruption). The academic research conducted so far is quite limited on the challenges of public managers when faced with the phenomena of fraud during the global pandemics generated by a health crisis.

In order to respond effectively to a crisis of this magnitude, public organizations need to increase public spending and establish a flexible and unambiguous legislative framework but at the same time to limit the opportunities for fraud. In fact, this should be the cornerstone of the response to this crisis. However, proper monitoring of the misuse of public funds remains, more than ever, the main challenge, along with better organization in the early establishment of emergency and disaster reserves.

Difficult decisions are made every day by public managers, public procurement professionals, medical professionals, companies and individuals. The echo of the economic and social effects of this pandemic will be heard for a long time and we will continue to feel effects in all areas of life in the coming years. Although world market practices seem daunting at the moment, as we face these difficult changes, organizations and public managers must look to the future to protect themselves and their employees from fraud. The question is not whether we will see more fraud, it is a question about how big they will be if the response of public entities remains the same.

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