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Global Survey Finds Significant Impact of Fraud on Healthcare Capacities during COVID-19

(Berlin, May 4th, 2020) – Fraud and corruption affecting healthcare services around the world significantly reduced delivery of COVID-19-related healthcare during the month of April and contributed to COVID-19 mortality in every third country surveyed, according to a new study from NEMEXIS.

NEMEXIS, an international anti-fraud consulting firm based in Berlin, reported that fraud and corruption affecting healthcare also led to strikes by medical workers and whistleblower activity in half of the 58 countries in the survey.

“This is currently the largest survey on fraud, waste and corruption affecting healthcare systems across the globe while the world battles COVID-19,” said Dr. Paul Milata, the managing partner of NEMEXIS and one of the authors of the survey. “It is the first study based almost exclusively on input from anti-fraud specialists – one of the professional groups most likely to have relevant information on the issue at hand. The survey shows areas of common concern where further investigation is needed.”

Suppression of whistleblower who gave early warnings of the virus was mentioned in almost a quarter of the countries surveyed. According to the report, early warning whistleblower suppression is the single most important fraud-related factor in the spread of COVID-19, as other studies and the success of countries focussing on this aspect have demonstrated the paramount importance of early detection.¹

Pamela Davis, Director at Veriten Legal and a former federal prosecutor in the United States with extensive experience successfully prosecuting healthcare crime said: “Combatting COVID-19 will require more than simply medical knowhow: It will require a steadfast and targeted anti-fraud program in public healthcare. We must immediately adopt clear methodologies for monitoring and auditing disbursed funds and medical equipment related to this global containment effort. And where there is any evidence of malfeasance, action must be swift and appropriate. Should we fail at this, we will fail at our stated goal of containing the pandemic.”

John Kostyack, Executive Director of the National Whistleblower Center based in Washington, D.C., said: “With retaliation against COVID-19 healthcare whistleblowers appearing in almost half of the countries in this survey, the time is now for national governments to enact new whistleblower protections. Silencing whistleblowers means that problems with delivering

¹ For example: <https://www.southampton.ac.uk/news/2020/03/covid-19-china.page>



COVID-19 healthcare services are being left unaddressed. We cannot allow a single individual to die of COVID-19 because of suppression of healthcare industry whistleblowers.”

The most widespread problem outlined in the report is fraud involving personal-protective equipment or PPE, which appeared in 81% of the countries surveyed. Black markets were reported from 62% of countries, followed by embezzlement, faulty equipment, and cyber-attacks.

The survey assessed the impact of fraud and corruption in healthcare delivery during the COVID-19 crisis from April 4 to April 22, 2020, concluding that the rates of such fraud were high and significant. Lockdown measures with enormous economic and political consequences were introduced across the planet in order to maintain high healthcare deliveries, meaning that the impact of this fraud reached far beyond the healthcare industry and those dependent on its services.

The survey looked at seven core issues: fraud involving PPE and ventilators, the existence of relevant black markets and faulty equipment, cyber attacks on healthcare, the embezzlement of healthcare funds and bribes taken by medical personnel. The survey assumed that these problems would result in the emergence of whistleblowers, strikes and death.

80% of respondents thought that fraud and corruption's impact on their country's healthcare system had been "very important" (59%) or "important" (21%).

The 58 countries surveyed represent 76% of the global population. 92% of the 512 respondents are anti-fraud professionals working for business or governmental entities.

The report's main recommendation is that an aggressive anti-fraud strategy has to become an integral part of fighting COVID-19. In particular, national healthcare systems should maintain or share multi-disciplinary anti-fraud capacities and rapid response units. Supra-national, medical, anonymous, two-way whistleblower channels aimed at early warning whistleblowers have to be introduced.

For additional information and access to the survey please contact:

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NEMEXIS is an anti-fraud consulting company based in Berlin. We are a service integrator collaborating with independent specialists worldwide in preventing, detecting and investigating fraud and corruption.