



RISK ADVISORY

MITIGATING RISK IN COVID-19 RELATED PROCUREMENTS



GAO

Government Accountability Office
New Mexico Office of the State Auditor

The Office of the State Auditor (OSA) and the General Services Department (GSD) issue this Risk Advisory to alert all governmental entities, including school districts, throughout the State of New Mexico of risks related to the management and expenditure of CARES Act funds, Elementary and Secondary School Emergency Relief (ESSER) funds. The OSA advises reviewing CARES Act and ESSER requirements in conjunction with internal controls to aid in the proper use of the funds and prevention and detection of risks that may lead to waste, fraud, and abuse.

The potential for waste, fraud, and abuse related to the procurement of goods and services in response to COVID-19 is of utmost concern, as many public entities are having to make purchasing decisions in new and risky areas, including with respect to personal protective equipment (PPE) and other safety equipment. As a result, the OSA and GSD compiled the following resources with information and recommendations for New Mexico's governmental entities in an effort to reduce the risk associated with these procurements.

Permissible Uses of ESSER Funds in the CARES Act for K-12 Education Relief

School districts and local public bodies may have to independently obtain PPE. Guidance has been issued by the Public Education Department (PED) on allowable uses of federal funds, statewide priorities, application requirements, and program requirements. Click the link below to view the memo issued by PED.
<https://webnew.ped.state.nm.us/wp-content/uploads/2020/05/CARES-Act-memo-ESSER-Funds-2020-05-14-Final.pdf>

COVID-19 Procurements

The OSA and GSD want to alert governmental entities of risks related to securing procurements related to COVID-19, and recommendations to mitigate risks. These include: preventing price gouging; negotiating with vendors; abiding by transparency laws; applying the scrutiny to large purchases; and avoiding prepayments. Click the link below to view the complete recommendations.

https://www.saonm.org/wp-content/uploads/2020/06/Risk-Advisory_OSA_LFC_Emergency-Procurements-061520-1.pdf

Office of Inspector General (OIG) COVID-19 Portal

The U.S. Department of Health and Human Services' OIG created a COVID-19 portal that provides fraud alerts, policy statements and guidance, response toolkits, active work plan items reflecting OIG audits, evaluations, and inspections, in addition to other resources, as well as the option to submit questions related to COVID-19. Click the link below to access the OIG's COVID-19 portal.

<https://oig.hhs.gov/coronavirus/index.asp>

GSD Statewide Price Agreements for Governmental Entities

GSD, through its State Purchasing Division (505-827-0472), offers vetted vendors and statewide price agreements that have been approved to be utilized for good and services. This also includes emergency procurement resources. Click the link below to search for a list of vendors.

https://www.gsd.state.nm.us/statepurchasing/Statewide_Price_Agreements.aspx

Click the link below for GSD main website.

<https://www.generalservices.state.nm.us>



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Procurement Specialist Support

The National Association of State Procurement Officers (NASPO) assist in the national vetting of vendors through the collective experience of 50 state procurement offices. In addition, NASPO maintains a list of states reporting issues with vendors. Click below to explore their vast resources.

<https://www.naspo.org/>

213 Request Form for Personal Protective Equipment (PPE)

The Department of Health is providing the 213 Request Form for governmental agencies that may need PPE. Along with the form are detailed instructions. Click below to access the form.

<https://www.nmhealth.org/publication/view/form/5811/>

Click below for DOH main website.

<https://www.nmhealth.org>

Department of Health Vendor List for Medical Supplies– PPE

Click below for vetted vendors DOH has used for medical supplies and PPE.

<https://www.saonm.org/wp-content/uploads/2020/08/DOH-Vendors.pdf>

REPORT GOVERNMENTAL WASTE, FRAUD, OR ABUSE

To report potential instances of governmental waste, fraud or abuse contact the Office of the State Auditor. Reports may be made anonymously through our website at www.saonm.org or by calling **1-866-OSA-FRAUD**. You may also speak to an investigator by calling **505-476-3800**.

REPORT FRAUDULENT VENDORS

Additionally, agencies should report fraudulent vendors and instances of vendor fraud to State Purchasing. If the fraud is confirmed, State Purchasing will post the vendor on the “debarment list”. Reports can be made by emailing: Mark.Hayden@state.nm.us or by calling **505-827-0472**.

For further information or questions on this Risk Advisory please contact: The Office of the State Auditor’s Director of Constituent Services and Outreach, Antonio Corrales, at antonio.corrales@osa.state.nm.us.