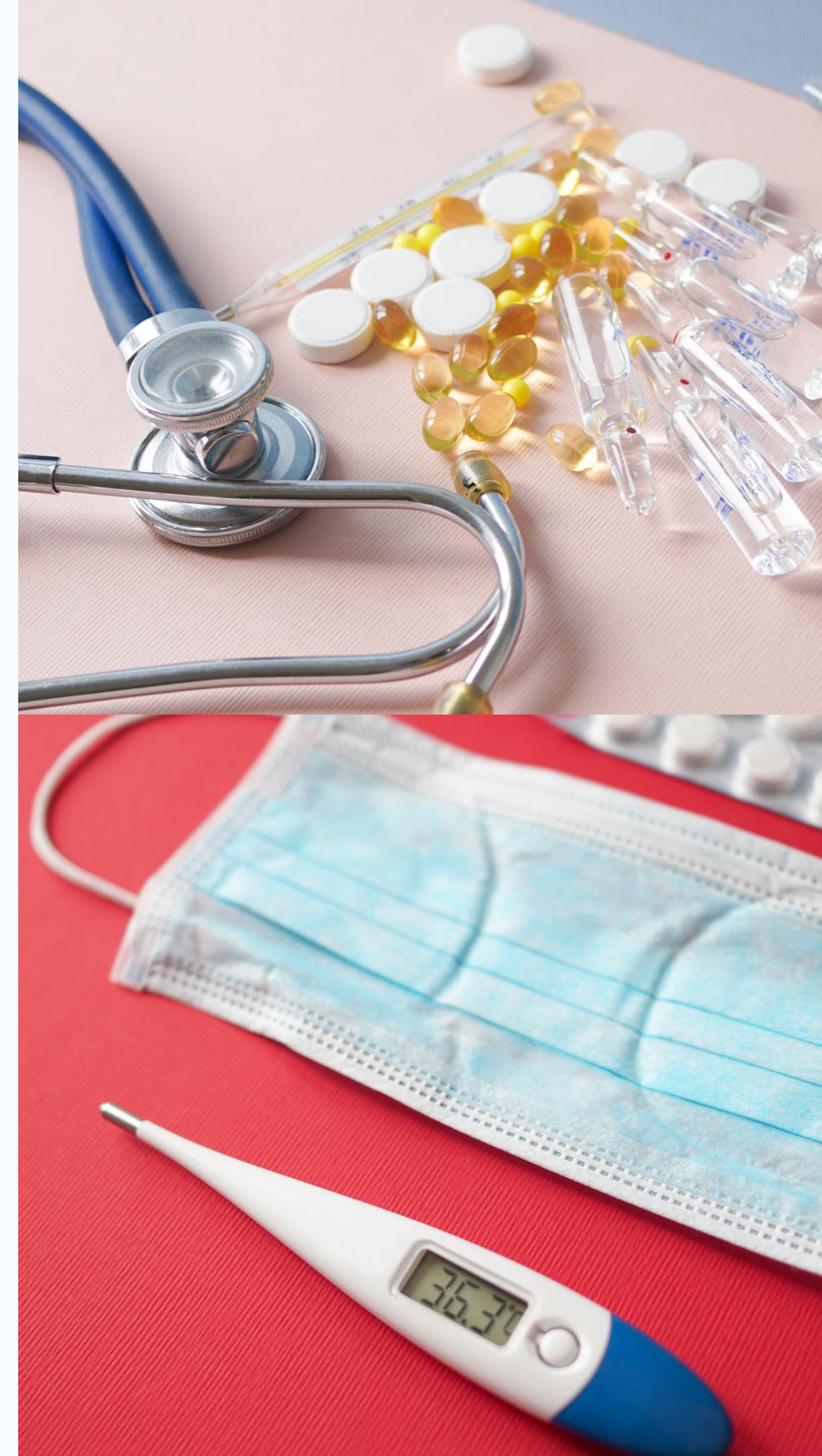


RESULTS OF SOCIAL AUDIT OF INVEST-H'S ACQUISITIONS

- 290 ventilators
- Biosecurity gear
- Mobile Hospitals
- 450 ventilators
- COVID-19 test kits



JUNE 24, 2020



In the context of the COVID-19 emergency, Honduras' Congress authorized INVEST-H to undertake the purchases of goods and services to address the pandemic:

- According to its website, MCA-Honduras -now INVEST-H- was founded in 2005 after Honduras nace en 2005 después que Honduras became a beneficiary of funds from the United States' Millennium Challenge Corporation. MCA-Honduras was a national and international example for managing time, budgets, the participation of diverse sectors in decision-making and project reach.
- Due to INVEST-H's recognition as experts in public contracting, the Honduran government justified its decision to authorize INVEST-H to manage purchases to address the pandemic.
- With this decision, the Honduran government also recognized the weaknesses that agencies like SESAL and SINAGER had demonstrated in public contracting.

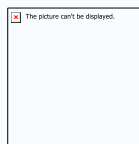


INVEST-H ASKS ASJ TO BE AN AUDITOR AND SIGNS A COOPERATION AGREEMENT FOR TECHNICAL ASSISTANCE

April 16, 2020

- This work was financed with funds from ASJ, its partners, and international donors.
- ASJ had not audited or overseen its acquisition processes.
- ASJ recognized that INVEST-H was an institution with professionals experienced in public procurement, for which reason it agreed to audit several acquisition processes. It hoped to find-despite the emergency-that officials complied with steps and requirements that guarantee accountability and transparency.

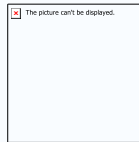
ADQUISITION PROCESS OF 5 PURCHASES



MOBILE HOSPITALS

USD 47,462,500

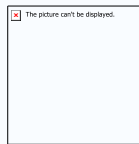
L 1,186 MILLONES



450 VENTILATORS

USD 13,834,525.88

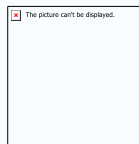
L 342.4 MILLONES



290 VENTILATORS

USD 9,319,920

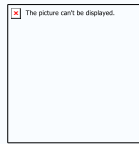
L 231 MILLONES



BIOSECURITY GEAR

USD 7,992,695.07

L 197 MILLONES



COVID-19 TEST KITS

USD 1,875,000

L 46.5 MILLONES

TOTAL

USD 80,484,640.95

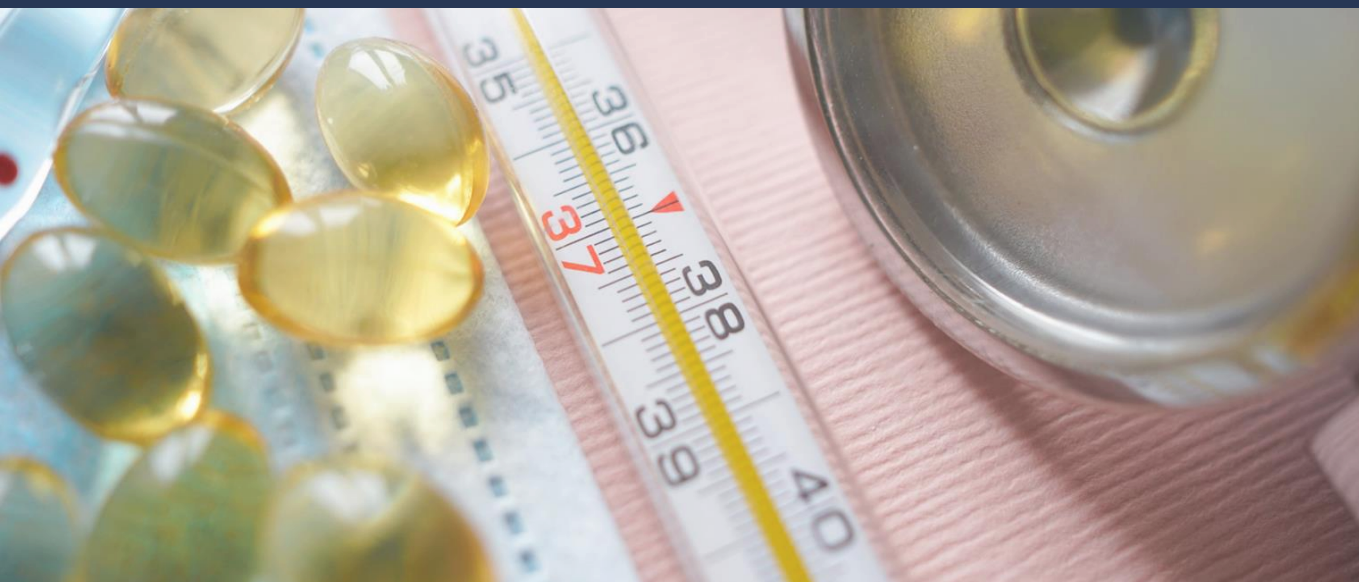
L 2,002.9 MILLONES



ASOCIACIÓN
PARA • UNA
SOCIEDAD MÁS JUSTA

CAPÍTULO EN
HONDURAS DE





ASJ formed four multidisciplinary work teams:

- 1 team in the **United States**
- 3 teams in **Honduras**
- Teams observed **procurement processes, prices, quality, delivery times, and the caliber of selected companies**

Initially, they had hoped to complete the process of reviewing and presenting the reports on each purchase in periods of approximately **8 days**

METHODOLOGY

WE PRIORITIZED 5 AREAS WITH THE HIGHEST RISK OF CORRUPTION



PRICE

Overvaluation



QUALITY

Good price, but bad quality



DELIVERY TIMES

In emergencies, late deliveries could threaten lives



PROCESSES FOLLOWED

Some processes could be used to favor certain businesses or individuals



SHELL COMPANIES

OUR METHODOLOGY

QUALITY

WORKING TEAMS

Teams in the U.S. and Honduras verified if officials complied with requirements and technical qualifications. In some cases, it was necessary to consult with other experts.



DOCUMENTOS INDEPENDIENTES

Each team presented independent documentation about the quality of purchased products

PRICES & DELIVERY TIMES

NEITHER NORMAL PRICES NOR NORMAL DELIVERY TIMES WERE USED

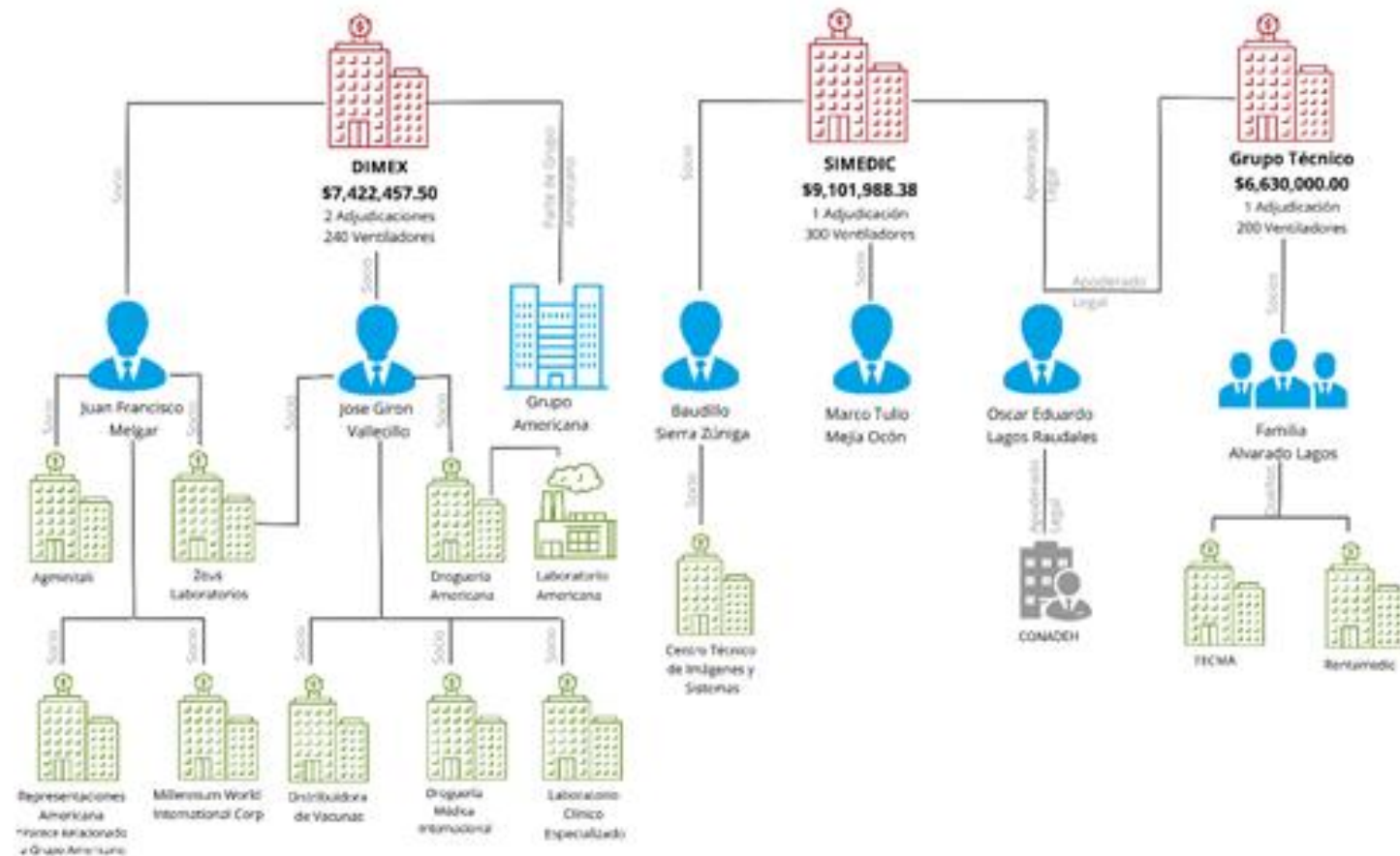
Many countries were buying the same products, so prices increased, as did delivery times

TEAMS IN HONDURAS AND THE U.S.

The teams researched quotes from countries in the region. They also compared their findings with purchases of the same products in 7 Latin American countries.

METHODOLOGY: QUALITY OF CONTRACTED COMPANIES

- A team in Honduras investigated the contracted companies and their partners, to judge whether they had clean histories.
- Through the ASJ database **Open Businesses**, the team could research information about the relationship between businesses and partners.
- The team investigated the companies' websites, clients, value, corruption accusations, and pending cases
- They used this information to create a summary document that graphically depicted the relationship between companies, partners, and the links between them.

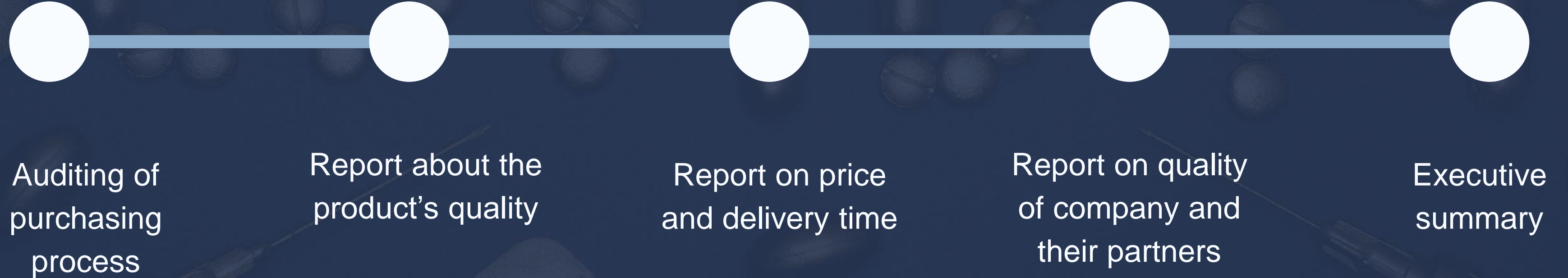


METHODOLOGY: PROCESS



The report on mobile hospitals was not presented to INVEST-H by their request. They stated that the process of reviewing the document would consume much team.

METHODOLOGY: REPORTS



RESULTS

PRIMARY FINDINGS FROM THE ACQUISITION OF 290 VENTILATORS

ASJ'S AUDIT OF THE PURCHASE OF 290 VENTILATORS

| Proceso: Adquisición de 290 ventiladores pulmonares mecánicos | |
|---|--|
| ENTIDAD EJECUTORA: | INVEST-Honduras |
| NORMATIVA APLICABLE: | Norma nacional vigente, principios y buenas prácticas en adquisiciones y contratación pública |
| MODALIDAD: | Compra directa |
| FUENTE DE FINANCIAMIENTO: | Fondos del Tesoro General de la República asignados para hacer frente a la pandemia de COVID-19 |
| DESCRIPCIÓN DE BIENES ADQUIRIDOS: | Equipo para proporcionar ventilación artificial a pacientes en estado crítico, que debe contar con facilidades de ventilación invasiva y no invasiva. Además, debe poseer la capacidad de humidificación activa y pasiva, con facilidad de transporte. |
| MONTO: | USD 9,319, 920.00 (equivalentes a L 232,998,000.00) |
| EMPRESAS ADJUDICADAS: | <ul style="list-style-type: none">- DIMEX MÉDICA, S. A. DE C. V. (DIMEX): USD 2,689, 920.00- Grupo Técnico S. de R.L.: USD 6,630,000.00 |

POSITIVE FINDINGS

PRICE

Ventilators were bought at the approximate price of \$31,000. ASJ determined that the market price was \$25,000 - \$29,000, not including shipping and handling costs. The price was reasonable.

PROMISED QUALITY

ASJ's team of experts determined that the models and brands of selected ventilators were versatile, operated with good performance, and matched the needs of patients.

PROMISED DELIVERY DATES

Contracted companies promised arrival times of 80 days. ASJ teams in the U.S. and Honduras did not find shorter delivery times.

STRENGTHENING OF CAPACITY IN PUBLIC HOSPITALS

The purchase permitted the strengthening of equipment at public hospitals with better capacities after the emergency

WORRYING RESULTS

MECHANICAL VENTILATORS

- 450 ventilators (first purchase)
- 290 ventilators (second purchase)
- 129 ventilators (purchased by COPECO –March 2020)
- 210 ventilators (to come with mobile hospitals)
- 600 ventilators (donation of U.S.)

TOTAL: 1,679 VENTILATORS

QUANTITY

The decision to acquire these ventilators was taken **without consulting the Ministry of Health or experts** about important topics like: the necessary quantity of ventilators, if the health system had the capacity to operate them, necessary complementary purchases to operate the ventilators (monitors, beds, etc), trained staff, and the necessary infrastructure to install the ventilators.

WORRYING RESULTS



- Lack of a strategy or master plan for confronting the pandemic. This strategy should be a living document, which is adjusted **week by week** with new national conditions, international lessons, etc. **This plan still does not exist.** It is the Ministry of Health to create such a plan
- The governing board of INVEST-H was not consulted about the decision of procurement.
- **There is not a plan for how to put the ventilators into use.** Although INVEST-H/the Honduran government is buying 1,000 ventilators in total (and receiving a 600 ventilator donation), saving a patient requires much more than a ventilator.

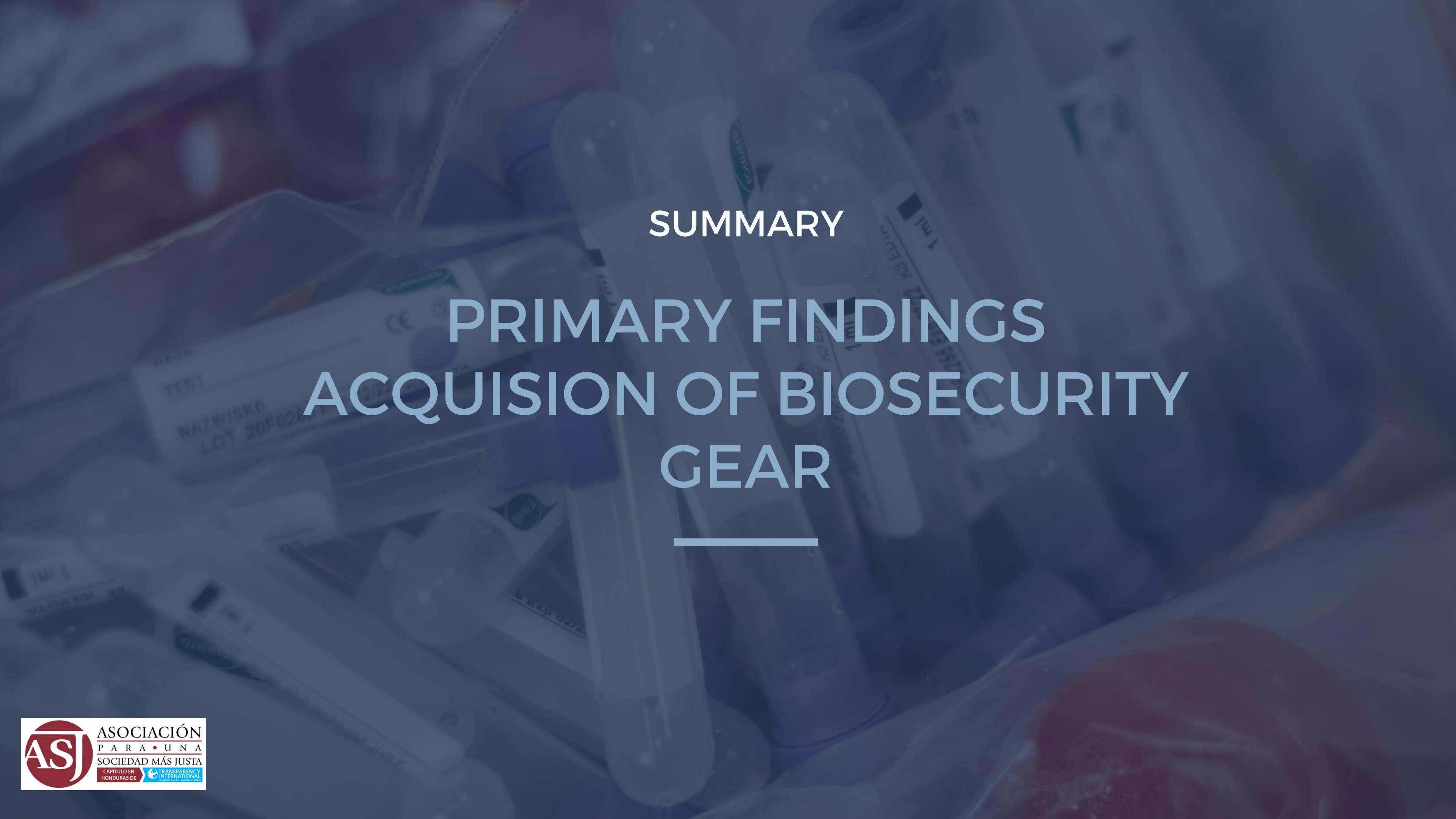
ANALYSIS OF CONTRACTED COMPANIES

Dimex Médica S.A. de C.V. (Dimex)

- **Partners:** Juan Francisco Melgar Milla y Ricardo José Girón Vallecillo.
- **Legal Representative:** Larissa Yissele Tejada Hernández
- Dimex is part of Grupo Americana, a corporate entity that also includes the Droguería Americana y Laboratorio Americana, which have historically been some of the State's top medicine providers.

Grupo Técnico S. de R. L.

- **Partners:** Raúl Antonio Alvarado Lagos, Sandra Sofía Alvarado Lagos y Carla Danila Alvarado
- **Legal Representative:** Óscar Eduardo Lagos Raudales y Adela María Banegas Moncada
- This company has obtained 82 previous contracts with the State.
- The current legal representative of SIMEDIC, Óscar Eduardo Lagos Raudales, also appears in documents from 2018 as the legal representative of the company Grupo Técnico S. de R.L. de C.V. Grupo Técnico belongs to the same Tecma family, the company that sold used ambulances to the Social Security Hospital..



SUMMARY

PRIMARY FINDINGS

ACQUISITION OF BIOSECURITY

GEAR

ASJ's Audit of the Purchase of Biosecurity Gear

| Proceso: Adquisición de insumos de bioseguridad | | |
|---|---|-------------------------------|
| ENTIDAD EJECUTORA | INVEST-Honduras | |
| NORMATIVA APLICABLE | Lineamientos de Adquisiciones para Programas (PPG) utilizados por INVEST-H, normativa nacional vigente, principios y buenas prácticas en adquisiciones y contratación pública | |
| MODALIDAD | Compra directa por cotizaciones | |
| FUENTE DE FINANCIAMIENTO | Fondos del Tesoro General de la República asignados para hacer frente a la pandemia de COVID-19 | |
| DESCRIPCIÓN DE BIENES ADQUIRIDOS | Insumos de bioseguridad (mascarillas, batas, protectores faciales, anteojos, guantes, termómetros, oxímetros, entre otros), para uso de personal médico | |
| CANTIDAD | <p>150 mil mascarillas 95% de filtración sin válvula, un millón de mascarillas descartables quirúrgicas, 5 mil batas de bioseguridad, 100 mil anteojos descartables, 60 mil protectores fáciles, 100 mil guantes estériles látex, 100 mil guantes estériles látex talla m, 100 mil guantes estériles látex talla m, 2 mil oxímetros, 3 mil termómetros,</p> <p>250 mil mascarillas KN95 Modelo KZ</p> <p>474 mil mascarillas médicas de protección superior N95</p> | |
| MONTO | USD 7,992,695.07 | |
| EMPRESAS Y MONTOS ADJUDICADAS | Access-Telecom | USD 3,547,500.00 |
| | Distribuidora Comercial Hondureña S.A. (DICOHONSA) | USD 1,411,666.00 ¹ |
| | Grupo GyT S.A. de C.V. | USD 2,050,404.54 |
| | PROSEDI | USD 262,166.54 |
| | Medical Group | USD 720,957.99 |

POSITIVE RESULTS

PROMISED QUALITY

All products purchased are **necessary for the personal protection** of health care workers while assisting patients with COVID-19.

ASJ found that these items are fairly generic and of equal quality, so the quality of the products purchased is expected to be good; but the quality can only be determined by having samples of the products delivered and obtaining an evaluation by a biomedical doctor.

PROMISED DELIVERY DATES

The contracted companies **promised immediate delivery** or that goods would be available in a maximum of 10 days.

These promised dates were encouraging at the time of purchase and would have made it possible to meet the supply needs of the public health system to a certain extent.

WORRYING RESULTS

- The **most worrisome finding** of this purchase is that it was justified on the grounds that the hospitals did not have personal protective equipment, without a prior analysis of the current need in the country's health care centers.
- **INVEST-H neither investigated nor quoted**, it only received a list from the Administrative Manager of SESAL (the Ministry of Health), César Barrientos (April 8) and issued three purchase orders for the products that same day and another two orders (April 9), only hours and one day after receiving the purchase request from the Ministry of Health, respectively.
- INVEST-H's decision was to contract five companies (including one dedicated to telecommunications and security), three companies failed to comply with the contract, one withdrew and the fifth company delivered the material late. This has left health personnel and patients without the protective equipment that they should have had from the day of contracting, according to the companies' promises.
- This process has only **partially achieved** its objective of providing personal protection supplies, which is causing damage to the State, as it has not received the protective supplies for the medical personnel who are attending to the pandemic.

Lack of Compliance by Providers with Delivery Dates

- As a result of rapid and unstrategized purchasing:
 - Four of the five purchase orders were **cancelled** because **suppliers reneged on promises** of available products and delivery dates.
 - The only supplier still contracted promised full delivery of purchased products in 10 days (but it's 65 days late).
- **Result:** Medical personnel on the front lines without the necessary equipment to deal with the COVID-19 pandemic and **exposed to the risk of contagion.**

ANALYSIS OF CONTRACTED COMPANY

Grupo GyT S.A. de C.V.

Partners: Juan José Lagos Romero (also listed as legal representative), Sonia Griselda Lagos Zepeda and Waleksa Marlene Zelaya Portillo (founding partner).

This company signed 75 contracts with public institutions in eight previous years for a total of L 10,007,911.668.

The contract for N95 masks alone represents a value **five times greater than the total of all the 75 previous contracts** GyT has signed with the State.

Juan José Lagos Romero (partner and legal representative) was president of the Real de Minas soccer team, which was financed with RNP funds (RNP is Honduras' national registry of persons), and at the same time Grupo GyT was in charge of supplying security paper to RNP, through a direct purchase.

ANALYSIS OF CONTRACTED COMPANY

Distribuidora Comercial Hondureña S.A. (DICOHONSA)

Partners: Alejandra María Rápalo Ocón (also listed as legal representative) and Alejandro José López Montes

Legal representative: Alejandra María Rápalo Ocón and Nancy Reneé Rivera Ferrera.

DICOHONSA has obtained 92 previous contracts with the State; its main contractors are: ENEE and Conatel. The contracts are for office maintenance, electrical supplies, hardware materials and materials for plasterboard works.

DICOHONSA's contract for KN95 masks represents 8.1 times more than the amount of all the previous 92 contracts.

Alejandra María Rápalo Ocón is **linked to the NGO** "Organización No Gubernamental Desarrollo Transformando Nuestra Nación" for **alleged falsification of documents** in the Red de Diputados case. (a case presented by the MACCIH).

ANALYSIS OF CONTRACTED COMPANY



Access Telecom Group INC.

- **Partners:** Abraham A. Benhamu, president/agent
- **Legal representative:** José Antonio Zúniga Castillo
- No previous public contracts were found.
- No information was obtained on its partners or legal representatives, only Mr. Arturo Maduro, who was part of Access Telecom's activities in the United States and who is linked to 10 other companies in Honduras, is listed as a contact.

Medical Group

Partners: Not identified as there is no record of incorporation of the company.

Legal representative: No record

No previous public contracts were found.

- The purpose of On Media is **audiovisual production**; Mario Medardo Zaldaña Olmedo, general director of On Media Group, was elected second alderman in internal elections of the Liberal Party for the Villedista movement.
- He is also president of the company Sky Consulting Group Corp, created in Panama. He currently produces Roa Fest, an event sponsored by the Government of Honduras.

ANALYSIS OF CONTRACTED COMPANY

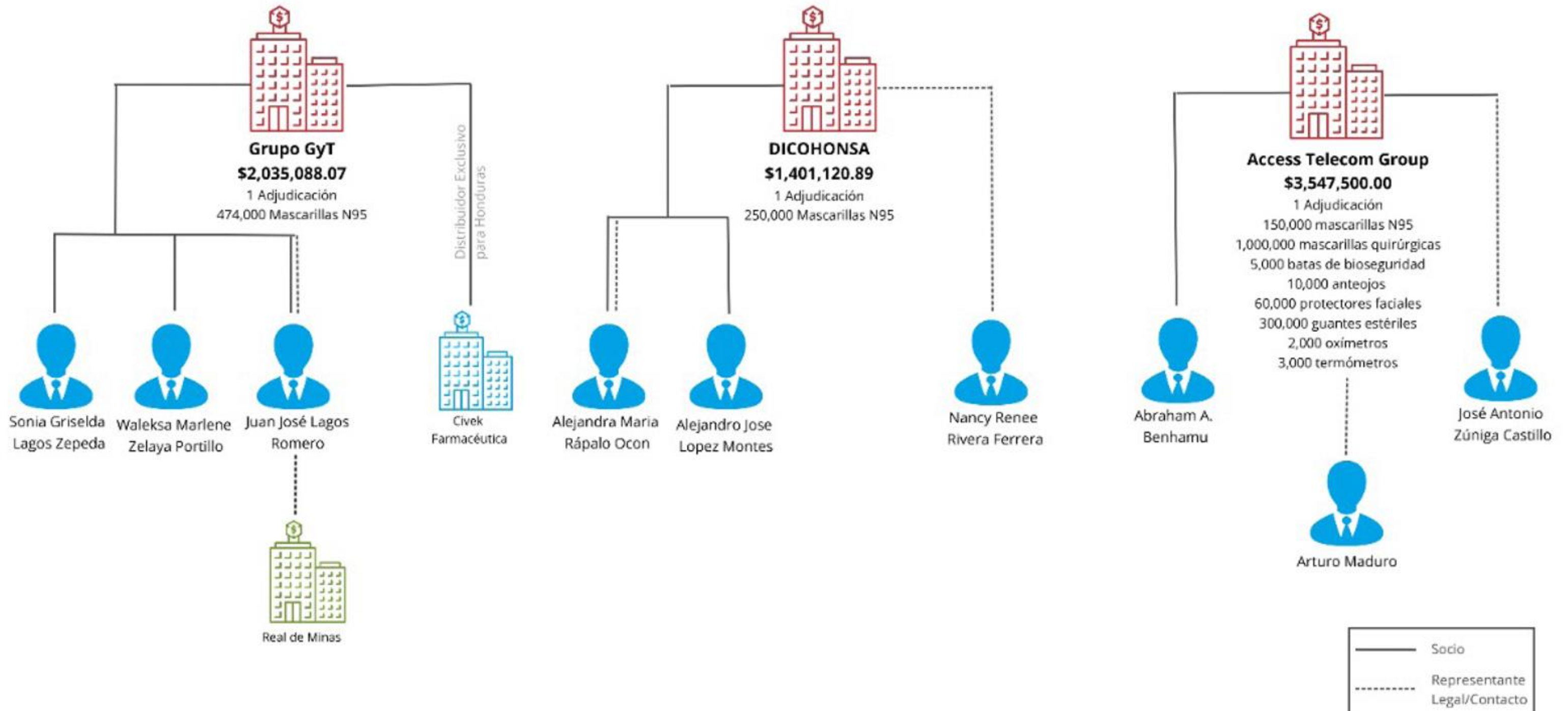
PROSEDI

-
- **Partners:** Not identified as there is no record of incorporation of the company.
- **Legal representative:** No record
- No previous public contracts were found.
- The RTN shown in the purchase order of the company PROSEDI belongs to a natural person. The person Fuad Alexander Kafati is a partner and manager of the company La Casa de la Música, which has nothing to do with the distribution of masks.

DIAGRAM OF COMPANIES AND PARTNERS

Red de Proveedores en COVID-19

Proveedores de Mascarillas y Suministros Médicos



SUMMARY

PRIMARY FINDINGS ACQUISITION OF MOBILE HOSPITALS

THIS IS THE MOST WORRYING PURCHASE

STRONG INDICATORS OF OVERPRICING

The ASJ team quoted the same mobile hospitals directly with the same manufacturing company from which INVEST-H purchased the hospitals, at a price of **USD 2 million less**, and with other companies they quoted very similar hospitals for **USD 4 million less each**.

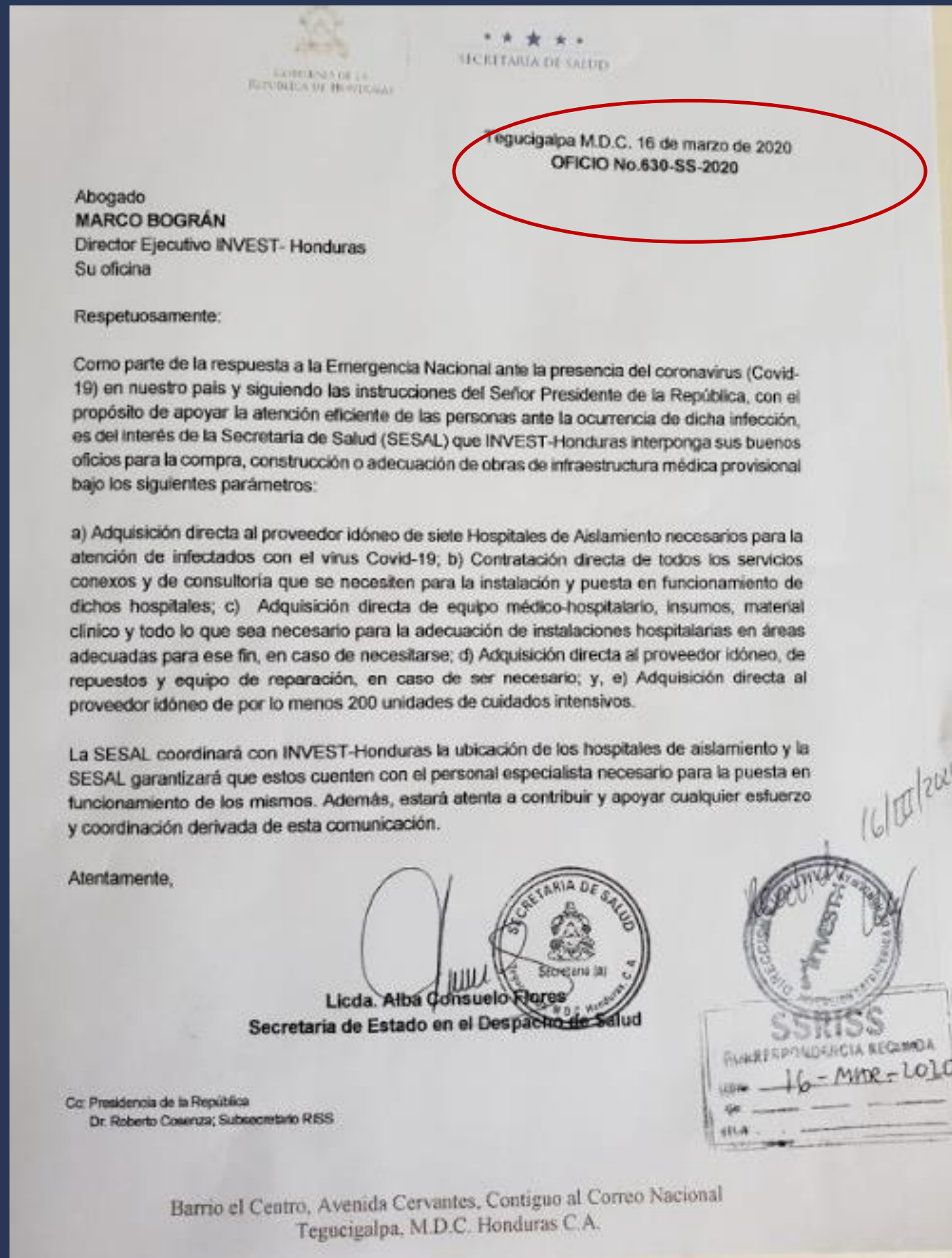
EXPERTS WERE NOT CONSULTED

It was found that there is no evidence that INVEST-H consulted with medical and engineering experts to determine whether it was better to build 9 mobile hospitals that would arrive in the country in 3 months minimum or the possibility of building new and permanent wings in the country's public hospitals and equip them with the necessary equipment.

WORRYING RESULTS

THIS IS THE MOST WORRYING PURCHASE

- **There are indications of significant overpricing.** ASJ teams quoted the same mobile hospitals directly with the same manufacturing company from which INVEST-H purchased them, at a price USD 2 million less. Other companies responded to requests for quotations for very similar hospitals for USD 4 million less each, showing a possible case of overpricing.
- There was **no evidence that INVEST-H consulted with medical and engineering experts** to determine whether it was better to purchase seven mobile hospitals that would arrive in the country in at least three months or to build new, permanent wings at the public hospitals and equip them with the necessary equipment.
- **Failure of the supplier to meet delivery dates.** The justification for this purchase was the urgency to relieve health facilities. However approximately 90 days after the purchase, the process has not yet been completed, although the supplier committed to deliver within 45 to 55 days from the date of issuance of the purchase orders. There is a **delay of approximately 35 days** in the delivery of the first two hospitals and 21 days in the delivery of the 5 hospitals, so the need has not been met in **an efficient and timely manner**.



Service sent by the Ministry of Health
March 16, 2020

| S/N | Description of Products | Qty | Unit price (USD) | Total price |
|-----|--|------|------------------|-----------------|
| 1 | 91 BED CAPACITY COMPACT NEGATIVE-PRESSURE AREA MOBILE HOSPITAL ±2,000 m2 - 60 ICU Beds+ 26 HDU Beds+ 3 Triage Beds + 2 Emergency Beds (Sections A, B, C, as offered in proposal presented by company) | 2 | 7,950,000.00 | \$15,900,000.00 |
| 1 | NOTE: OFFER good until March 20, 2020 | | | |
| 2 | ** SHIPPING BY AIR (Estimated delivery time 3-5 days) SHIPPING BY SEA (Estimated delivery time 45-55 days) Subject to Transport Availability to be confirmed with order paid | INCL | | |

Terms and Conditions

Lead Time : 15 Work Days (21 Calendar). Pre-inspection before shipment allowed at warehouse to verify order and packing list.

Delivery : HONDURAS AIRPORT and/or PORT. *We are working with Transport Company for Air Delivery and Seafreight details availability at time confirmed order. DUE TO CURRENT travel limitation, restrictions, availability of equipment, and other Causes outside of our control we can only estimate.

Payment Terms: 100% in Advance with The Order before Shipment. Pre-inspection from Client in Turkey before Shipment when order ready.

Beneficiary: ELUMED Medical Systems, Inc., dba, HospitalesMoviles.com

CHASE BANK 1812 West Sand Lake Rd Orlando, FL 32809 Tel. 1 800 768 7000

ABA : WMS BUS 66 ROUTING : 26 708 4131 ACCOUNT : 120056152

All prices are budgetary in USD and exclusive of any taxes, duties and levies, importation, duties or local taxes in Honduras. Firm and fixed price proposal will be provided after the definition of the technical requirements, terms and conditions. Please confirm all technical requirements, terms and conditions.

☒ *Payment terms shall be based upon a full payment of one hundred percent (100%) over the total value of the products and services to be sold by HospitalesMoviles.com under the contract that may be awarded, which should be received by company within 1 (One) day After Receipt of Order (ARO).

☒ In order to support the application of the export license and ensure the delivery of the concerned products and services on time, the BUYER is to provide Seller with the necessary Import/Export Certificates/End User Certificates and any other documentation that might be requested by the competent authorities."

☒ This purchase order will be invalid, if the confirmation is not received within validity time frame.

☒ In case of payment being done by any other currencies except the issued purchase order currency, conversion would be calculated under "Ex-Change Rate" of purchase order issuance date.

☒ Prices are ex-works. Airports name will be provided by the End-User or Seaports to assist in delivery. All Local logistics will be handled by Client/Distributor.

☒ Validity of the prices and delivery term are subject to availability and payment confirmation.

☒ The Force Majeure (exemption) clause of the international chamber of commerce (ICC PUBLICATION NO: 421) is hereby incorporated in this purchase order.

☒ Buyers will handle ALL preparations of installation area, logistics to bring systems to site along with tools, machinery and personnel assistance.

☒ Both parties confirm, accept and declare that they will not share the information of this purchase order with the third parties.

☒ The equivalent of the products may be offered subject to buyer's acceptance.

☒ Final destination transport arrangements will be made with Client AND delivery subject to availability at the time of confirmed order with payment.

BY AFFIXING SIGNATURE ON THIS PURCHASE ORDER, BOTH PARTIES (BUYER & SELLER) AGREE AND CERTIFY THAT THE INFORMATION ABOVE IS CORRECT AND THAT THE FUNDS INVOLVED ARE SOLELY FOR THE ABOVE MENTIONED GOODS TRANSACTION. THE BUYER CERTIFIES THAT THE FUNDS ARE CLEAN AND FREE FROM ANY ENCUMBRANCES.

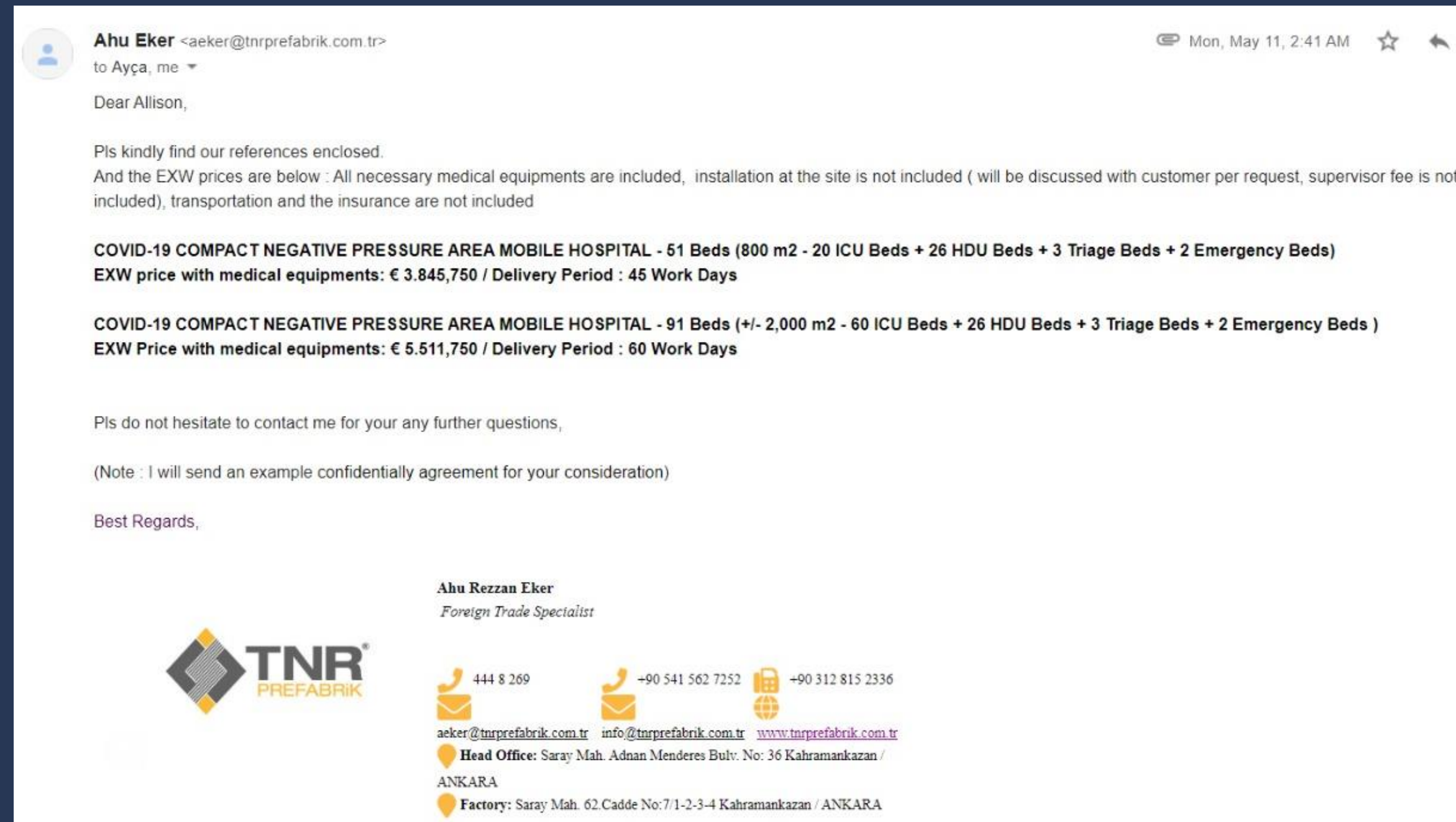
| BUYER'S CONFIRMATION: | SELLER'S CONFIRMATION: |
|--|---|
| INVEST-HONDURAS Gobierno de Honduras NAME: DATE: March 18, 2020 SIGNATURE: | HospitalesMoviles.com NAME: DATE: March _____, 2020 SIGNATURE: |

Purchase order emitted by INVEST-H
March 18, 2020

WORRYING RESULTS

- **Award to a company without documentation of legal existence.** There is no evidence in the digital file of the minimum legal identification documents presented by the awarded company. ASJ was able to verify that at the physical address of the company Elmed medical systems - hospitalesmoviles.com, **there are literally hundreds of businesses registered at the same address.** In addition, it is not possible to verify concrete information on previous or current clients, nor is it clearly identified who are the legal representatives or owners of the company, only Axel Lopez and Evana Lopez are listed as partners.
- **Purchase orders issued without detailed guarantees of compliance or quality.** In this process, there was no performance guarantee or a system to pay only a percentage before delivery, even though the purchase amounts to almost USD48 million. Invest-H paid 100% in advance, assuming all the risks of the contract.
- **There is no plan for the management of these hospitals.** ASJ teams have verified with authorities that there is still no plan or budget for the management of these hospitals, as they require a strong investment in human resources, complementary equipment, maintenance, cleaning, etc.

Quote sought by ASJ's team from the same company that INVEST-H used



ASJ quote (without negotiating and only buying 1 mobile hospital)

51-bed mobile hospital: approx. USD 4,157,178.84

91-bed mobile hospital: approx. USD 5,958,091.52

INVEST-H quote (buying 7 and supposedly negotiated)

51-bed mobile hospital: USD 5,750,000

91-bed mobile hospital: USD 7,950,000

| HOSPITAL DE 51 CAMAS | | |
|----------------------|--------------------|---|
| | Costo por hospital | Costo por cantidad que compró el gobierno hondureño (4) |
| Hospitales Móviles | \$5,750,000.00 | \$23,000,000.00 |
| TNR Prefabrik | \$4,157,178.84 | \$16,628,715.36 |
| Diferencia | \$1,592,821.16 | \$6,371,284.64 |

| HOSPITAL DE 91 CAMAS | | |
|----------------------|--------------------|---|
| | Costo por hospital | Costo por cantidad que compró el gobierno hondureño (3) |
| Hospitales Móviles | \$7,950,000.00 | \$23,850,000.00 |
| TNR Prefabrik | \$5,958,091.52 | \$17,874,274.56 |
| Diferencia | \$1,991,908.48 | \$5,975,725.44 |

- A total of USD 12.3 million overvaluation (minimum)
- If the purchase of 7 mobile hospitals had been negotiated with the company, the price of the hospitals would have been lowered.

HIGH RISK

- There is a risk that INVEST-H/Government of Honduras has spent USD 47,462,500 on mobile hospitals that arrive when we no longer need them, with **overvalued prices and poor quality**.
- That money would have been better invested in building or equipping permanent and new wings in existing hospitals, which **would have served us for many more years**.
- INVEST-H **did not consider establishing penalties for late deliveries** in the contracts with supplier companies, despite the fact that the delivery of goods is indispensable in the response to the health crisis.



RESPONSE OF INVEST-H

- INVEST-H, argues that the **urgency of the crisis and the desire to save lives explains the rush to make purchases** without prior consultation and analysis; however, this argument is not supported by the results of the rush. If it had spent 1 or 2 days to validate each purchase process with experts in each area, it would have had more information about needs, quality and quantities and would be saving much more lives.
- INVEST-H argues that ASJ "**punishes them for being the only ones brave enough to buy**", but ASJ has pointed out that the government's decision to turn to INVEST-H to lead the procurement processes was because of their experience and knowledge, not because of their bravery to make the purchase without quoting, consulting, or planning.
- INVEST-H points out that they are not responsible for the stages that were mishandled by others; but it was INVEST-H's responsibility to do whatever was necessary to avoid making the same mistakes previously made by the Ministry of Health or COPECO and to ensure that each of the processes were carried out at least to the minimum that their professionalism and experience dictated.

CONCLUSIONS

INVEST-H has not adequately played its role in transparently and effectively managing the responsibility to use the more than \$80 million invested in responding to the COVID-19 pandemic, and the result is that it could put the lives of millions of Hondurans at risk.

Our audit's findings provoked the following questions:

- Why didn't INVEST-H form **a team of health experts** inside and outside the government to seek advice at every stage of procurement?
- Why doesn't an expert institution in contracting **impose penalties for late deliveries**, in purchases where time is worth human lives?
- Why did they **not quote with companies with years of experience in these** areas, but instead bought biosecurity equipment from telecommunications and security companies?
- Why did they **not consult with medical experts and engineers** to receive qualified opinions on the advantages and disadvantages of mobile hospitals versus rapid construction of additions to existing hospitals in the country?
- What was the added value of INVEST-H?
- How should INVEST-H's handling of more than USD 80 million of the Honduran people's funds be evaluated?

RECOMMENDATIONS

IN THE COVID-19 EMERGENCY

- It is not too late to create a commission of national and international experts, inside and outside the government, to develop, implement and adjust -if possible on a weekly basis- a **National Strategy for the COVID-19 Pandemic**. Effective and timely actions could come from this strategy, in areas such as the response of the health system, economic reactivation, education system, among others.

AUTHORITIES OF INVEST-H

- ASJ joins the request of INVEST-H's Board of Directors to demand a **forensic audit to the authorities of the institution**.
- The state's control bodies such as the TSC (Superior Accounts Tribunal) and the MP (Attorney General's office) should effectively perform their work and act in a timely manner based on the law, while monitoring the process of the forensic audit that is applied to INVEST-H and the evidence that it yields.

RECOMMENDATIONS

AUTHORITIES IN THE MINISTRY OF HEALTH AND SINAGER

- We demand **better planned, transparent, effective action** and leadership by the authorities of SESAL (the Ministry of Health) and SINAGER that responds to the needs of the Honduran people in the face of the health crisis.
- The National Congress should appoint a commission to investigate whether the resources approved to address the pandemic have been used effectively.

SYSTEM OF NATIONAL PURCHASES

- The state needs a new purchasing system that allows the identification of certified buyers for each item.

RECOMMENDATIONS

HEALTH SYSTEM

- The COVID-19 health crisis has demonstrated the failure of our country's health system, which shows the urgent need for a **total transformation of the system**, which must be built by experts in the area, both national and international, and not by **politicians**.
- The new Health System should include a comprehensive procurement management system that considers and plans its supply chain, timely and transparent purchases, ensuring the system has accessible medicines for the Honduran population.

BAD NEWS

- The greatest risk of these purchases is that we may have products (ventilators, personal protective equipment, mobile hospitals) that patients and medical personnel need urgently, but due to **lack of planning, coordination, control or prioritization**, these products are insufficient, are not distributed, stop working due to mishandling or are stored in warehouses.

-

GOOD NEWS

Many human lives already have been lost. A major strategy with experts in the area should have been developed 3 months ago; however, it is still necessary and indispensable to design a comprehensive plan to respond to the crisis faced by the health system with its historical deficiencies aggravated by the pandemic.

This strategy must consider aspects of human resources, infrastructure and additional supplies to **save as many lives as possible**.

#TransparenciaSalvaVidas



Junio 23 | 2020