

THE OKLAHOMAN

Coronavirus in Oklahoma: Health Department to be audited

by NOLAN CLAY
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The state auditor agreed Tuesday to conduct an investigative audit of the Oklahoma Health Department after the attorney general raised spending concerns.

Gov. Kevin Stitt criticized Attorney General Mike Hunter for making the request.

"It is disappointing that the Attorney General would see the need to entangle the agency with an investigation when it is in the midst of responding to the most historic pandemic of our time," Stitt said.

The request for an audit came after disclosures in the media about the extreme steps state officials have been willing to take to find N95 masks and other equipment during the coronavirus crisis. Critics have called the steps too risky.

Health Commissioner Gary Cox said Tuesday "we are confident the financial review will demonstrate our efforts for excellence to protect public health."

State Auditor & Inspector Cindy Byrd said she is making plans to assign staff to the audit and begin as early as next week. "The attorney general has indicated that this is a priority," she said.

Hunter made the formal request for an investigative audit in a letter Tuesday. He told the auditor he has a duty as the state's chief law officer "to enforce the proper application of monies appropriated by the Legislature and to prosecute breaches of trust in the administration of such funds."

His chief deputy warned the health commissioner in a separate letter that any effort to hinder the examination is prohibited.

Stitt earlier Tuesday praised Gino DeMarco, the official primarily responsible for making the multimillion-dollar PPE deals. "He's done a fantastic job," the governor said at a news briefing.

The Oklahoman reported Tuesday that health officials had been moving forward with a \$9.5 million purchase of N95 masks and other equipment from a new company even after being told the FBI was investigating it. A special agent with the FBI told DeMarco

the company was being investigated for possible fraudulent activity involving Chinese ventilators, according to information obtained by The Oklahoman.

Health officials canceled that deal Monday at the last minute.

The Oklahoman reported April 20 that health officials were ordering more than \$9 million in masks from a Tulsa company that at the time had been in existence for less than a month. A partner in that company also owned a Tulsa piano bar.

The Oklahoman also reported April 20 that the state secretary of health, Jerome Loughridge, had authorized prepayment on some supplies costing millions of dollars.

Deliveries of certain supplies, particularly of N95 masks from China, have been slow to arrive or have not arrived at all, officials have acknowledged. The Health Department on Tuesday evening reported having approximately 130,000 N95 masks on hand.

The Associated Press reported this week that Oklahoma spent \$2 million to buy the malaria drug, hydroxychloroquine, to treat patients with the coronavirus despite warnings from doctors that more research was needed. Stitt said Tuesday, "I was being proactive to try and protect Oklahomans."

DeMarco, a deputy tourism director, now has the title of PPE supply chain leader.

At his news briefing Tuesday, the governor said he brought in DeMarco in March to be the "czar" for PPE. "You've got to understand that my goal as the governor is to protect the health and lives of Oklahomans," Stitt said. "I told him to go out and get — procure — gowns, gloves, N95 masks, build up the ... stockpile. We knew we were getting reimbursed for that."

In his comments about an investigative audit, Stitt said strong reporting requirements are already in place.

"In light of Congress providing Oklahoma with \$1.2 billion in funds to respond to COVID-19, my administration arranged a few weeks ago a strategic financial team of public employees to closely monitor COVID-related transactions and to be prepared to account for every penny to Congress and the federal government," the governor said in a news release.

The commissioner said the Health Department has been "above board and quick to provide information, where legally able, on our transactions to anyone who asks."

In the letter to the commissioner, the AG's chief deputy, Mary Ann Roberts, wrote employees cannot be disciplined for reporting mismanagement, a gross waste of public funds, an abuse of authority or a danger to public health or safety. The chief deputy

specifically cited the state's whistleblower act, explaining it "provides protection to employees reporting wrongful governmental activities."

She also wrote that neglectful or willful destruction of evidence is sanctionable.

A previous investigative audit of the Health Department looked at its financial conditions back to July 1, 2010. It was released in 2018 after the state's multicounty grand jury completed its own investigation.

That audit and the state grand jury found that millions of dollars had been hidden from lawmakers in a "slush fund" that allowed the Health Department to spend beyond its means for years.



MIKE HUNTER
ATTORNEY GENERAL

April 28, 2020

The Honorable Cindy Byrd
State Auditor and Inspector
123 State Capitol Building
2300 North Lincoln Boulevard
Oklahoma City, Oklahoma 73105

Re: Oklahoma State Department of Health audit

Dear Ms. Byrd:

As stated in 74 O.S. § 18b(A)(9), one of the duties of the Attorney General as the chief law officer of the state is to enforce the proper application of monies appropriated by the Legislature and to prosecute breaches of trust in the administration of such funds. To that end and pursuant to 74 O.S. § 18f, this letter is a formal request of your office to conduct an investigative audit of the Oklahoma State Department of Health.

Thank you for your cooperation in this matter. Should you have any questions please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Mike Hunter".

Mike Hunter
Attorney General