State of New York
Offices of the Inspector General

Investigation into the Spoilage of Personal Protective Equipment at the St. Albans Veterans Home

November 2023

Lucy Lang
Inspector General

EXECUTIVE SUMMARY

"The problem can't be fixed if people don't know about it."[1]

2020 was a scary and uncertain time for New York and the world. As the death toll mounted and what was known and unknown about the devastating SARS-CoV-2 virus and the coronavirus disease 2019 (COVID-19) remained a moving target, governments everywhere hastened to protect the people they served as best they could. Faced with rapidly changing guidance regarding the need for and the proper use of masks and other medical supplies, and with deficiencies in the international supply chain, people and organizations around the globe scrambled to acquire personal protective equipment (PPE)[2].

New York State and its agencies were no different. While this instinct and many of the ensuing actions were sensible given the context, the benefit of hindsight highlights failings in communication and logistics that resulted in large-scale and avoidable inefficiencies and waste. Lessons learned in retrospect can better equip New York going forward. The New York State Veterans Home at St. Albans (St. Albans) in Jamaica, Queens provides a telling case study illustrating how improved government planning and increased and consistent communication could have significantly mitigated waste.

This particular waste first garnered public attention with the publication of a June 28, 2021, article in *The City*[3], which detailed how what was later estimated to be more than $560,000[4] worth of masks, gowns, face shields, and other PPE had been ruined as result of being stockpiled on tarp-covered, weather-exposed pallets in a parking lot outside St. Albans due to a lack of storage space. The article prompted the referral of a complaint to the Offices of the New York State Inspector General by the New York State Department of Health (DOH), which is responsible for the operation of St. Albans as well as other New York State Veterans Homes.[5]

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[1] Testimony of the assistant director of New York State Department of Health's Operations Management Group to the Inspector General.

[2] According to the United States Food and Drug Administration, "Personal Protective Equipment (PPE) refers to protective clothing, helmets, gloves, face shields, goggles, facemasks and/or respirators or other equipment designed to protect the wearer from injury or the spread of infection or illness." See https://www.fda.gov/medical-devices/general-hospital-devices-and-supplies/personal-protective-equipment-infection-control.

[3] *See* https://www.thecity.nyc/2021/6/28/22554972/ppe-nyc-veterans-nursing-home-queens.

[4] As detailed later in this report, this rough estimate was derived from a review of available records and testimony, some of which was incomplete or inconsistent. As a result of these recordkeeping deficiencies, which are attributable to multiple agencies, the precise amount of loss to the State, which may be as high as $1.6 million, cannot be determined.

[5] The New York State Department of Health operates four skilled nursing facilities located in Batavia, Oxford,

The Inspector General's resulting investigation included interviews of over 30 witnesses from St. Albans, other State Veterans Homes, DOH, the New York State Office of General Services (OGS) and the New York State Division of Homeland Security and Emergency Services (DHSES). It also included visits to St. Albans, an off-site warehouse rented by St. Albans, the three other DOH-operated State Veterans Homes, and a DHSES-operated warehouse in central New York. Lastly, the Inspector General's investigators also reviewed relevant emails, surveys, reports, and procurement records, including purchase orders, invoices, price quotes, and information from the Statewide Financial System (SFS).

While acknowledging that the events in question took place against the difficult backdrop of constantly changing scientific predictions about the spread of the virus, challenges in the statewide roll-out and operation of COVID-19 testing and vaccination sites, shifting priorities and responsibilities, and new workplace precautions and accommodations, the investigation nonetheless revealed missed opportunities, breakdowns in recordkeeping, deficiencies in inter- and intra-agency communications, and staffing shortages. These deficiencies ultimately led to the significant waste of PPE and other resources.

More specifically, the investigation found that as was the case with healthcare facilities worldwide, the pandemic dramatically impacted all New York State Veterans Homes' need for PPE, and in spring 2020, St. Albans's rate of PPE consumption, or "burn rate," ranked at or near the top of other State Veterans Homes. Such usage posed significant challenges for St. Albans to comply with new DOH emergency regulations requiring State Veterans Homes to carry both a 30-day operational supply and a 60-day pandemic reserve of PPE. These challenges became even more acute when, in or around September 2020, DOH predicted the coming of a "third wave" of COVID-19 cases following the 2020 holiday season.

To prepare for this, OGS organized a statewide aggregate procurement (the "Agg Buy") to both ensure that State-operated facilities had sufficient PPE inventory for such a surge, and to take full advantage of the State's procurement resources and scaled purchasing leverage. The Agg Buy required State agencies in need of PPE to submit requests to OGS for their anticipated needs for each month from December 2020 through May 2021, all of which the agencies were obligated to purchase. These requests were due by November 6, 2020.

Montrose, and St. Albans for veterans and their dependents. The State University of New York operates a fifth, the Long Island State Veterans Home.

As part of this process, DOH ordered State Veterans Homes, including St. Albans, to place orders for sufficient PPE to sustain them through the predicted "third wave." OGS provided facilities with guidance on how to identify PPE needs that encouraged facilities to base their Agg Buy order on their burn rate from the height of the pandemic in order to prepare and sustain facilities through the predicted spike in cases.

As directed, on November 5, 2020, using their average rate of PPE consumption from spring 2020 as a guide, and without regard for storage capacity, St. Albans provided DOH's Health Facilities Management unit (HFM), which acts as DOH's liaison with State Veterans Homes, with its anticipated PPE needs for the Agg Buy—over five million units of PPE—at a cost later determined to be approximately $2.7 million. St. Albans expected that Agg Buy PPE would be delivered to its facility on a monthly basis starting in December 2020.

However, that month and the following month came and went without any PPE deliveries or any updates from DOH as to if, and when, such PPE would be delivered. Consequently, St. Albans reverted to its prior practice of purchasing PPE directly from individual vendors to meet its operational needs. Unbeknownst to St. Albans, its order was not actually submitted to vendors until almost three months after it had submitted its request to HFM. In the interim, both OGS and DOH completed necessary procurement steps including identifying vendors and receiving approval from the Division of the Budget. At the end of December 2020, OGS awarded the Agg Buy contracts to vendors, and on January 21, 2021, DOH completed its review process and submitted its PPE request to the Division of the Budget. St. Albans was unaware these additional steps were required, as such information was not clearly conveyed by DOH. The St. Albans administrator claimed that had the timeframe of the ordering been clearly communicated, he would have sought alternate storage solutions prior to the PPE arriving.

On January 26, 2021, the Division of the Budget approved DOH's PPE order. Shortly thereafter, on or after February 2, 2021, DOH submitted its PPE requests to the vendors. Since December 2020 and January 2021 had already passed, DOH requested of the vendors that the PPE deliveries anticipated for those two months be combined with the February 2021 delivery. DOH's structuring of orders to request a bulk delivery of half of the total PPE ordered in one month was not timely communicated to St. Albans and further hastened the impending storage dilemma.

Subsequently, in early February 2021, after it had become clear that the predicted third wave of COVID-19 infections had not materialized to the extent expected, St. Albans received its first shipment of PPE from the Agg Buy comprised of 52 pallets that filled two trailers. At the time of this delivery, St. Albans had the capacity to store a mere eight pallets of PPE in its regularly used storage area, most of which was already being used to store PPE that St. Albans had procured separate from the Agg Buy. St. Albans was able to find alternative storage space on its grounds for the remainder of this shipment, along with additional truckloads received later in February, by utilizing areas that the pandemic had rendered dormant, such as the barbershop, library, and auditorium. But all inside options were soon exhausted. By the end of February, St. Albans resorted to storing subsequently arriving PPE in their parking lots—covered by tarps and secured by ropes—while reaching out to HFM to turn off the PPE spigot or divert the PPE to another facility.

In mid-March 2021, St. Albans again sought relief from HFM[6]. However, the HFM director informed St. Albans that because of the way the contract was structured, there was no way to reduce the quantity of PPE being delivered, and St. Albans should seek to lease a temperature-controlled storage facility or container for incoming PPE. However, this proved to be prohibitively expensive and was not pursued.

Left with no other options, St. Albans continued to add to the pile of PPE stored in the parking lot. They simultaneously raised the alarm on weekly telephone calls with HFM and the other State Veterans Homes that PPE was being stored outside, exposed to the elements. Representatives from both Oxford and Montrose State Veterans Homes who participated in the calls recollected both St. Albans sharing this information and their own realization of the direness of the situation.

In late March, HFM requested assistance from DOH's Operations Management Group (OMG), which is responsible for overseeing DOH's leased and purchased space among other things, advising that St. Albans was encountering PPE storage issues and as the facility was preparing to open for veterans' services, PPE stored in areas used for veterans' services would need to be relocated. HFM also reported that PPE vendors were unable or unwilling to defer shipments to future months, and the cost of temperature-controlled storage near the facility was

[6] Of note, during this time, HFM was understaffed and the positions of clinical director, fiscal director, and an administrative assistant remained vacant.

extremely high. HFM asked OMG whether it was able to assist by having DOH accept and store future Agg Buy deliveries or arrange for delivery of PPE to St. Albans as needed.

In response, OMG offered to work with OGS to change the delivery address of incoming PPE. Because no alternate sites were identified, this was not a solution, and St. Albans continued to receive PPE. In mid-April, St. Albans alerted HFM that a large order of PPE was soon to arrive at the facility "with no plan to store them here!!" and asked if this delivery could be diverted. But this also did not happen. And although OMG and HFM continued to attempt to identify alternate delivery locations throughout this same period, this too proved unsuccessful. Consequently, PPE continued to arrive at St. Albans, and the number of tarp-covered pallets in its parking lots grew in turn. The ineffective communications among HFM, OMG, and St. Albans at this critical time stymied attempts to address the problem at hand and most importantly, did not lead to an immediate solution to the problem.

On May 26, 2021, approximately three months after St. Albans had begun storing PPE outside, HFM and OMG finally took action to rectify the storage crisis. Over the next several weeks, surplus space at an OGS-managed warehouse was identified, and, on June 22nd, St. Albans signed a lease for temperature-controlled warehouse space in Inwood, Nassau County. Over the following week, St. Albans moved some internally stored PPE to the Inwood warehouse. At the time of the publication of *The City* article on June 28th, no PPE had yet been moved from the parking lots. This was due to St. Albans's desire to first free up space in its facility for use by veterans and the St. Albans administrator's belief that the PPE stored in the parking lot had become unusable.

According to the St. Albans administrator, shortly after publication of the article, St. Albans, at the direction of DOH, moved nearly all of the PPE from its parking lot to a State warehouse in central New York.[7] Once there, this externally stored PPE was examined by staff from DOH's Center for Environmental Health, who determined that almost all of it was unsalvageable and consequently had to be incinerated. The Inspector General estimated the value of this PPE at between $560,000 and $1.6 million, which represented approximately 34 to 60 percent of the PPE ordered by St. Albans through the Agg Buy. Further elevating costs, St. Albans was then forced to expend over $21,000 to incinerate that damaged PPE.

[7] The Inspector General also received testimony that some PPE was determined to have deteriorated to such an extent that it was disposed of on site before it could be transferred to the State warehouse.

In addition to the PPE lost to the elements, as of September 2023, at least another seven percent of the Agg Buy PPE ordered by St. Albans was discarded because it had surpassed its expiration dates. The estimated cost of this expired PPE, with the majority being gowns, which were, by far, the most expensive PPE ordered, was approximately $779,000.

Notably, due to St. Albans's deficient receiving and recordkeeping practices and procedures with respect to incoming and outgoing PPE, St. Albans was unable to precisely confirm the actual delivery dates and quantities of PPE received, disposed of, and transported to warehouses. In fact, some documentation provided by St. Albans to the Inspector General reflected that it had only received 76 percent of the more than 5 million units of PPE ordered through the Agg Buy, while records maintained by SFS, the State's system by which vendors are paid, reflect that St. Albans received and paid for all Agg Buy PPE ordered. This discrepancy represents approximately 1.3 million units of PPE. Moreover, DOH advised that because of pandemic directives, vendors were often paid for PPE without verification of its actual receipt by a facility, which is contrary to standard procurement procedures, and thus, DOH could not confirm the total quantity of PPE received by St. Albans. Given that, the figures cited in this report are estimates based on the incomplete records maintained by St. Albans.

In addition, despite being designated as the agency responsible for overseeing the State's inventory of supplies of equipment purchased for the COVID-19 pandemic, DHSES was never notified by DOH (HFM or OMG) about St. Albans's storage issues. Had DHSES, which was working closely with the National Guard, been advised as to the situation and had the opportunity to bring its resources to bear to provide temporary storage space, it is highly likely that a storage solution would have been identified on such a timeline that significant waste could have been prevented.

St. Albans now estimates that it has sufficient PPE to sustain it for several years. Efforts are underway to construct additional on-site storage to ensure that adequate onsite storage exists to prevent future waste.

Given these findings, the Inspector General recommends that DOH/HFM:

I. Create a process to improve its communications with State Veterans Homes including formally memorializing its meetings with State Veterans Homes administrators so that all stakeholders have the same understanding of matters discussed and plans to address identified issues. Stakeholders should include representatives from OMG and any other DOH subunits when appropriate or relevant so that facilities have more direct knowledge of and regular contact with DOH resources and to facilitate more constructive problem solving.

II. Continue to prioritize hiring for the remaining vacant positions – fiscal director and administrative assistant – within HFM.

III. Incorporate the consideration of storage capacity into procurement processes.

IV. Promulgate policies and procedures for State Veterans Homes and other DOH facilities to ensure that accurate and complete records are created and maintained reflecting the receipt, storage, shipment, and destruction of inventory, and ensure that all employees involved in these processes are properly trained in the same.

V. Ensure that staff is aware DHSES is responsible for overseeing the State's inventory of supplies of equipment for emergencies like COVID-19, and communicate with DHSES should future concerns regarding storage of such supplies and equipment arise during an emergency.

FINDINGS OF FACT

St. Albans's Changing Need for PPE

Prior to March 2020, St. Albans's PPE needs were straightforward. Employees regularly used hospital gowns, disposable gloves, and surgical face masks if there was a flu outbreak. There was no need to stockpile PPE as St. Albans, like all other State Veterans Homes, was required by DOH to have a minimum 30-day operational supply of PPE on hand. PPE purchasing was not centralized. Instead, each State Veterans Home purchased PPE through vendors using its own budget.

With the onset of the COVID-19 pandemic in March 2020, St. Albans's PPE needs dramatically increased. St. Albans began using N-95 face masks and face shields, items not previously used at the facility. It also substantially increased its use of hospital gowns and gloves, ideally changing both for each new resident interaction. Simultaneously, DOH passed emergency regulations requiring State Veterans Homes to begin carrying a 60-day pandemic supply of PPE *in addition* to the 30-day operational supply the homes had always maintained.

At that time, worldwide shortages and supply chain issues significantly increased the cost of PPE. St. Albans's existing PPE vendors began allocating PPE supplies across their customers, resulting in St. Albans receiving less PPE than needed for daily use and the 30-day and 60-day supply requirements. Accordingly, St. Albans, like many other nursing and State Veterans Homes, was forced to either find PPE elsewhere (i.e., through donations or the open market) or make do with what the facility already had on hand (i.e., through re-use). At one point, with no other options, St. Albans resorted to using plastic garbage bags as gowns until additional PPE could be procured.

Around July 2020, PPE supply chain issues started to subside, and St. Albans was, for the first time, able to meet the newly imposed 60-day pandemic PPE supply requirement. In order to store these supplies, St. Albans utilized four leased temperature-controlled trailers parked on its property. This PPE pandemic supply required the approval of DOH to be used by St. Albans.

OGS Spearheaded a Statewide PPE Procurement Process in Which St. Albans Participated

In or around September 2020, DOH predicted that a new series of COVID-19 surges would occur following the Thanksgiving, Christmas, and New Year's holidays, resulting in a potential "third wave" of COVID-19 cases in January and February 2021. To ensure that State-operated facilities had sufficient PPE inventory for such surges, and to take advantage of the State's procurement resources and scaled purchasing leverage, OGS instituted a statewide aggregate procurement (the "Agg Buy").

DOH directed State Veterans Homes to order sufficient PPE through the Agg Buy to sustain them through this potential "third wave." OGS instructed agencies to submit a breakdown of the quantities of PPE the agencies intended to purchase for each month from December 2020 through May 2021, which the agencies would be committed to purchase. Issues surrounding storage capacity for the items ordered were not addressed in DOH's or OGS's guidance to the State Veterans Homes. OGS advised the Inspector General that it was the responsibility of the individual agencies to consider their storage needs when ordering off the Agg Buy.

On November 5, 2020, based on OGS's guidance, St. Albans submitted to HFM its monthly PPE requirements for the six-month period, which DOH compiled and forwarded to OGS per the Agg Buy instructions. St. Albans's expectation was that PPE would be ordered immediately and delivered in six monthly installments, beginning in December 2020. Notably,

St. Albans informed the Inspector General that prior to the Agg Buy, it had never procured PPE through DOH and was accustomed to placing orders directly with vendors who normally delivered within one to two weeks.

OGS provided "tips" to agencies for estimating required PPE quantities including to base their Agg Buy order on the average PPE consumption rate, or "burn rate," that they experienced during the height of the pandemic. In calculating its peak burn rate, St. Albans solicited input from various members of staff, including its Infection Control Unit, and took into account several variables, including the number of employees, beds, and projected interactions. In total, St. Albans requested over five million units of PPE at a cost later determined to be approximately $2.7 million.

Later that month, St. Albans's then fiscal administrator emailed a then office assistant working in the St. Albans storeroom, informing him of the large PPE order. The office assistant advised the Inspector General that although he told the fiscal administrator that there was insufficient storage space within the facility for the PPE, no action was taken at this time to address his concerns. He further noted that he had not been consulted about the purchase and storage needs before the order was placed. Only later, according to both St. Albans's administrator and its fiscal administrator, in January 2021, did they meet with the office assistant to discuss his concerns and identify empty rooms within the facility, which could be used to store PPE if needed.

St. Albans's Uncertainty About the Delivery of Agg Buy PPE

Because St. Albans expected that the first shipment of Agg Buy orders would not arrive until an undetermined date in December 2020, it continued to source PPE directly from vendors in November and December to ensure it would be prepared for meeting its operational needs including any interim spikes in cases. St. Albans also obtained PPE from the Federal Emergency Management Agency (FEMA). As these non-Agg Buy PPE shipments were received, they were placed in existing storage space in St. Albans.

When January arrived, and no PPE from the Agg Buy had yet been delivered, St. Albans once again made direct purchases of supplies from its vendors and stored the PPE on site at the facility. St. Albans's administrator told the Inspector General that at this point, he assumed the PPE from the Agg Buy was no longer coming to St. Albans because neither OGS nor DOH had advised him about any delays in its delivery.

Throughout December 2020 and January 2021, representatives from both OMG and HFM were part of email conversations, which clearly indicated the Agg Buy orders for the State Veterans Homes had not yet been placed. For example, on December 23, 2020, OGS emailed DOH details on the specific quantities they could proceed ordering and provided instructions on how to submit orders. Both HFM and OMG, among others, were recipients of this email. Similarly, on January 4, 2021, the HFM administrator emailed OMG asking, "[W]here are we in the process. Have we submitted the POs[?]". The following day, OMH replied, "[W]e are still working out budget and details with the DOB." Yet, despite their awareness that orders for St. Albans and the other State Veterans Homes had not yet been placed, the Inspector General saw no evidence this information was communicated to the State Veterans Homes.

And because of misunderstandings and further ineffective communication among the involved agencies and subunits, uncertainties remained as to when the Agg Buy would ultimately be delivered to St. Albans and the other State Veterans Homes. Such a misunderstanding was evident in the following email exchange. The OMG office services manager sent an email to OGS[8] at the end of January 2021, asking, in part, "Is the PPE expected to be delivered on a monthly schedule? Or are we to receive the full 6-month request at once." OGS replied in a non-responsive way that PPE "should be ordered on a monthly basis." OGS advised the Inspector General that while it provided general guidance to agencies to order Agg Buy PPE monthly, it was the agencies' responsibility to schedule the delivery of PPE.

Several days later, on February 2, 2021, OMG's manager sent the then HFM health program administrator[9] a one-line email that read, "Just reaching out to confirm if the facilities were to receive all of their requested PPE for the 6-month span, they would had [sic] adequate storage to receive the goods?" Records obtained by the Inspector General do not include a response to or continuation of this discussion by email. The OMG manager posited that she may have received a response by telephone but did not remember such a call or its substance. No one at St. Albans has a recollection of this question being posed to their facility.

In addition, the St. Albans administrator claimed he was unaware St. Albans's Agg Buy PPE was not actually ordered until early February 2021. As previously stated, St. Albans

[8] Most communication between OGS and the agencies regarding the Agg Buy took place with a general email address: NyGovBuy@ogs.ny.gov.

[9] The then HFM health program administrator, an employee of Health Research, Inc., working at DOH at that time, is hereafter referred to as the "HFM administrator."

submitted its Agg Buy PPE needs to DOH in early November 2020 and expected deliveries would begin in December 2020. However, after St. Albans and other State agencies submitted their PPE requests, OGS compiled all submissions and identified vendors who were able to provide the PPE sought. This process was not completed until late December 2020. After which, DOH conducted a review of the PPE requests, which included making adjustments to the requested quantities and preparing the request for review by the Division of the Budget. This latter process ultimately took approximately one month to complete. After DOH submitted its PPE requests to the Division of the Budget, it approved the purchases five days later, on January 26, 2021. St. Albans's purchase orders were then submitted to the selected vendors on or around February 2, 2021.

Significantly, as the anticipated deliveries for December 2020 and January 2021 were no longer possible, DOH requested vendors combine the PPE requested for those months with that requested for February 2021. This resulted in approximately half of St. Albans's total Agg Buy order—millions of units of PPE—being delivered to the facility in February 2021. DOH did not clearly communicate to St. Albans that they would receive these bulk deliveries until mere days before such deliveries arrived at St. Albans.

According to the St. Albans administrator, St. Albans was not timely informed of the additional steps in the procurement process that were required before their orders could be placed, that such orders would not actually be placed with vendors until February 2021, and that vendors would deliver multiple months at once. Had St. Albans been made aware of these circumstances sooner, the St. Albans administrator advised he would have taken steps to identify alternative storage options.

Storage Issues Arose After Bulk Agg Buy Shipments Arrived But A "Third Wave" Did Not

On February 12, 2021, after it had become clear that the predicted post-holiday season "third wave" had not materialized, the HFM administrator emailed State Veterans Homes to let them know that large quantities of Agg Buy PPE were about to arrive. More specifically, she emailed that contrary to previous expectations that orders would be delivered in monthly increments, facilities should now expect to receive their entire orders in either one or two bulk shipments. Acknowledging that this change "may lead to some storage issues," the HFM administrator encouraged the facilities to plan for the storage needed.

On or about the same day, St. Albans received its first shipment of PPE from the Agg Buy. According to the then St. Albans storeroom office assistant, the first delivery arrived in two truckloads and totaled 52 pallets. The then St. Albans storeroom assistant further testified to the Inspector General that, at the time of this delivery, St. Albans's storeroom had the ability to accommodate only eight pallets of goods, and most of this capacity was being used to store PPE purchased separate from the Agg Buy.

Faced with this deluge of PPE, the St. Albans administrator described to the Inspector General how he repeatedly warned HFM, both in telephone calls and during weekly conference calls[10] with all the State Veterans Homes, that St. Albans was struggling to store its deliveries. Informal notes taken during these weekly meetings corroborate that as early as February 23, 2021, St. Albans was advising HFM that the facility was unable to store or handle the Agg Buy PPE.[11] The HFM administrator acknowledged receiving these warnings from the St. Albans administrator, but stated it was her understanding that St. Albans was managing the PPE storage issue.

Shortly after the first shipment, St. Albans resorted to storing Agg Buy PPE in facility areas that were not being used by residents due to COVID-19 precautions (i.e., the auditorium, barbershop, library, rehabilitation and occupational therapy centers, and a multi-purpose room). Subsequently, the St. Albans administrator asked the HFM administrator to stop the Agg Buy PPE or divert it to another facility/location. According to St. Albans's administrator, the HFM director and administrator attempted to stop the PPE deliveries, but ultimately advised they were unable to do so because St. Albans was obligated by the agreements struck by OGS with the PPE vendors to purchase the PPE it had ordered through the Agg Buy. In multiple communications to agencies around this time, OGS reminded them of their obligation to purchase the quantities ordered. For example, on February 16, 2021, OGS emailed the agencies, "The PPE Aggregate Buy was done to ensure a secure supply of PPE through the summer. By participating (filing), you are **obligated** to purchase the quantities that you committed to purchase." (Emphasis original.)

[10] The weekly conference calls between DOH and the Veterans Homes were generally attended by the HFM administrator, St. Albans's administrator, and other State Veterans Homes administrators. The HFM director and other HFM staffers also attended some meetings.

[11] The informal notes taken by the HFM administrator and reviewed by the Inspector General do not mention specific units or quantities of PPE received in these shipments.

St. Albans Stored PPE Outside After it Exhausted Storage Options Inside the Facility

By late February, interior storage space at St. Albans was exhausted. Later arriving pallets of PPE were covered with tarps secured by ropes and stored outside in the facility parking lot. According to St. Albans's administrator, it had been his decision to maintain the PPE outside in this fashion, something he believed at the time was a temporary solution until additional storage space could be identified. The administrator acknowledged that "to a degree," he recognized that such temporary external storage could degrade the quality of the PPE but noted that HFM had given no further direction, and he was without other options. The St. Albans fiscal administrator corroborated the administrator's view that St. Albans regarded the outside storage of PPE as a temporary solution until alternative storage sites could be found.

But absent any such alternative storage, and faced with unrelenting deliveries of Agg Buy PPE, St. Albans continued to add to the growing tarp-covered piles in its parking lot. As their predicament grew more dire, they continued to sound the alarm during weekly calls with HFM and the other State Veterans Homes. While HFM somehow did not get the message, the gravity of the situation was not lost on the representatives of the other State Veterans Homes. In fact, representatives from the Oxford and Montrose facilities recalled St. Albans's sharing of the fact that they were storing PPE outside and exposed to the elements and their immediate recognition of the risks to the integrity of the shipments posed by such a strategy.

On March 19, 2021, in response to St. Albans's storage issues, the HFM director suggested a solution, emailing the St. Albans administrator that although there was not much they could do about the quantities of PPE that had been and would continue to be delivered "because of the way the contract is structured," St. Albans should seek a temperature-controlled storage facility or container for the PPE. The HFM director further advised that he would determine if Helen Hayes Hospital, a DOH-operated facility located approximately 50 miles from St. Albans, had space to accommodate some of St. Albans's PPE.[12]

The St. Albans administrator responded to the HFM director and the HFM administrator later that day, forwarding an email he had received from the St. Albans fiscal administrator

[12] Upon making this inquiry, the HFM director learned that Helen Hayes Hospital was experiencing similar storage issues as St. Albans but could provide space for storage containers on its property. The HFM director, however, indicated to the St. Albans administrator that a better solution would be to find storage closer to St. Albans.

discussing St. Albans's "dire need for additional space for storage." The forwarded email noted in pertinent part:

> On the outside of the building we have four trailers and the entire secondary parking lot occupied. We are anticipating more supplies for the month of April and May. Currently we are out of storage space.

The St. Albans fiscal administrator's search for storage spaces, which was underway by the time of the HFM director's March 19, 2021, email, was proving unsuccessful as storage space near St. Albans was very expensive. The fiscal administrator ultimately visited and obtained quotes from ten warehouses in Jamaica, Queens that were able to provide sufficient storage space (8,000 – 10,000 sq. ft.) for St. Albans's surplus PPE from the Agg Buy, but the pricing for non-temperature-controlled storage space was $100,000 per year or more. Costs for temperature-controlled storage were higher, with one warehouse providing a quote of $500,000 per year. The fiscal administrator also reviewed OGS's website and identified lower priced storage options in Syracuse and Buffalo, but those locations were ultimately deemed impractical given their distance from St. Albans.

Other State Veterans Homes that received Agg Buy PPE in bulk shipments were better situated to accommodate the deliveries because they ordered less PPE[13] and had more internal vacant space and/or larger properties that were able to accommodate more storage containers. According to the St. Albans administrator, St Albans would need at least 30 additional storage containers to accommodate the externally stored PPE, which he stated was far beyond the number of containers that could be housed within the facility's property lines. Although St. Albans's property abuts the property of St. Albans Veterans Affairs Medical Center (St. Albans VA), which is run by the U.S. Department of Veterans Affairs, the St. Albans administrator advised that placing storage containers on that property would require their approval, which St. Albans never sought. The St. Albans administrator further stated that because St. Albans's property could not accommodate a sufficient number of trailers to store even a fraction of the PPE being stored outside, a decision was made by St. Albans and HFM to forgo that potential option and to focus on more comprehensive solutions.

[13] St. Albans ordered more PPE than the other State Veterans Homes since its PPE burn rate in March and April 2020 was higher than the other facilities.

Throughout spring 2021, St. Albans continued to receive shipments of PPE from the Agg Buy. Around April or May 2021, St. Albans arranged with the St. Albans VA to use vacant space within St. Albans VA to store some of the Agg Buy PPE. However, St. Albans used this space to only store PPE that had been kept in alternative interior storage areas within St. Albans as well as one incoming shipment that was able to be diverted to St. Albans VA. St. Albans did not move any of the PPE stored on pallets in its parking lot to the St. Albans VA facility.[14]

St. Albans Veterans Home With PPE Stored On Pallets and Covered by Blue Tarp

Source: Google Earth, Data SIO, NOAA, U.S. Navy, NGA, GEBCO as of 5/26/21

HFM Enlisted the Assistance of DOH's Operations Management Group

On March 22, 2021, HFM sought the assistance of OMG in the search for storage space for St. Albans's surplus PPE. OMG is responsible for, among other things, overseeing DOH's leased and purchased space, new construction, and relocation services. The HFM administrator emailed the then OMG assistant director and its manager advising that St. Albans was encountering "some PPE storage issues" with the Agg Buy delivery because it was "exceedingly bulky," and vendors had delivered multiple monthly shipments at once. The HFM administrator noted that as the facility was preparing to open for veterans' services, PPE stored in areas used for veterans' services would need to be relocated. Additionally, the HFM administrator reported to OMG that the PPE vendors had been contacted but were unable or unwilling to defer

[14] St. Albans discontinued storing PPE at the St. Albans VA in June 2023, when the VA requested that the PPE be moved. At that time, according to the St. Albans administrator, most of the stored PPE had expired and was therefore discarded.

shipments to future months, and the cost of temperature-controlled storage near the facility was extremely high. The HFM administrator requested that while HFM continued to search for alternatives, OMG assist St. Albans by temporarily accepting and storing future Agg Buy deliveries and arranging for subsequent delivery to St. Albans when storage space there became available. The HFM administrator indicated that she was open to other suggestions that OMG might have.

In response, on March 25, 2021, the OMG manager informed the HFM administrator that OGS could initiate a change in the delivery address "relatively easily;" OMG would need to identify the purchase orders for which a change in address would be required and identify a location. The HFM administrator responded the next day by explaining that she was "working on it" and reiterating:

> St. Albans (VHSA) is the most critical – I'm awaiting the PO info. They have no storage for any shipments. We need to divert ALL of the upcoming VHSA deliveries from ALL vendors. Can we at least get the info on VHSA into OGS so there will be no deliveries next week?
>
> VHSA expects about 4 trailers every other week on Tuesdays and Fridays with 26 skids each. Approximate square footage of 3000.

But no alternate sites were immediately identified by either HFM or OMG, and St. Albans continued to receive PPE. In mid-April 2021, St. Albans sent an urgent message to HFM, stating that 70 skids of PPE were expected to soon arrive at the facility and no storage room was available there, and asking if these deliveries could be diverted elsewhere. No solution was found at the time and the PPE was delivered to St. Albans. Throughout this same period, OMG continued to email HFM about identifying alternate delivery locations, but the HFM administrator did not respond directly to any of these emails until mid-May 2021.

In one of her email responses on May 12, 2021, the HFM administrator expressed for the first time a sense of urgency to OMG. The communication, which was marked as "High" importance, read, "What do we need to do to finalize storage arrangements for St. Albans? . . . We are starting to open up more areas and need to get the house in order. We have PPE stored all over the facility and want to open up those spaces." In another email sent that same day, in which the HFM administrator suggested a belief that she had replied earlier, she informed OMG that HFM had identified space for a mere 20 pallets of St. Albans surplus PPE. OMG also attempted around this time to find storage space, including at an OGS warehouse and other

facilities. However, none of these efforts were fruitful and HFM and OMG were unable to locate any significant unused storage space where deliveries of St. Albans surplus PPE could be diverted. Consequently, PPE continued to arrive at St. Albans, and the number of tarp-covered pallets in its parking lots grew in turn.

The HFM administrator informed the Inspector General that at the time of this email, she recognized that St. Albans's PPE storage issues were important and becoming critical given that deliveries were continuing. Indeed, St. Albans's fiscal administrator acknowledged that the HFM administrator was working hard to help St. Albans find storage. The HFM administrator also stated, however, that from St. Albans's communications with HFM, she was under the impression that St. Albans was still managing the situation while it sought off-site storage, which she accepted without seeking further details as to how it was doing so.

HFM Visited St. Albans in May 2021

On May 18, 2021, more than three months after St. Albans received its first bulk Agg Buy shipment, HFM's director and an administration advisor visited St. Albans and met with its administrator. Their purpose, as stated in an email from HFM's director, was to see how St. Albans was conducting outdoor visits at the facility and administering vaccines, and to "catch up with you in person." The visit lasted no more than two hours.

During the visit, St. Albans's fiscal administrator took HFM's administration advisor outside the facility and showed him the PPE stored on pallets behind the building. According to the fiscal administrator, he asked the HFM administration advisor to speak with the HFM director about approval to rent warehouse space at a cost exceeding $100,000 for the PPE. The administration advisor replied that he would do this.

HFM's administration advisor recollected this conversation differently. He testified to the Inspector General that upon seeing that PPE was being stored outside, he confirmed with St. Albans's fiscal administrator that the fiscal administrator had notified others about the problem. Based on that, HFM's administration advisor was under the impression that St. Albans was managing the situation. The HFM administration advisor explained to the Inspector General that he did not observe any deterioration or damage to the boxes holding the PPE. He did not recall being asked to assist with finding storage space or to seek approval for the rental of warehouse space.

The HFM director testified to the Inspector General that he did not observe PPE stored outside the facility during his visit. He explained that he did not go outside except to walk to and from his car, which was parked in an area from where the PPE was not visible. Additionally, he testified that he had no recollection of either St. Albans's administrator or HFM's administration advisor mentioning it on that date.[15] According to the HFM director, his discussions with the St. Albans administrator were limited to issues surrounding vaccinations, staffing, and visitations, which were the HFM director's primary areas of focus in the first half of 2021. Although the HFM director toured inside the facility with the St. Albans administrator during his visit and observed PPE being stored within the facility, which was atypical, he was not concerned with this storage solution given the great need for PPE earlier in the year.

HFM Re-Engaged OMG after its Site Visit, and Expressed a Sense of Urgency to Address the PPE Situation at St. Albans

Soon after HFM's site visit, on May 20, 2021, the HFM administrator contacted OMG asking what specifically needed to be done to move St. Albans's surplus PPE to an OGS warehouse and indicating that she would like the PPE moved "as soon as possible." In this email to OMG, which was marked "High" importance, the HFM administrator informed OMG that HFM is waiting for St. Albans to provide specific details, such as the number of pallets that needed to be moved.

Without any apparent response from OMG, on May 26, 2021, the HFM administrator emailed OMG's assistant director and its manager, marking the email as "High" importance and noting at the top of the email in red, "URGENT-TIME SENSITIVE." In this email, the HFM administrator wrote:

> Ok. We are ready to move. Time is of the essence – it is critical for us and it may be a survey issue. St. Albans has approximately 400 skids on-site that need to be relocated . . . the skids are double stacked and are about 8 feet high . . . stacked as is it may be upwards of 8,000 sq feet . . . The facility lead is out of the office for 2 weeks starting on Monday. Therefore, we would like to wrap this up before weeks' [sic] end and get the PPE move-out schedule planned.

Later that day, the HFM administrator informed St. Albans that the OGS "warehouse is maxed" and additional PPE from St. Albans could not be stored there. At the time of these

[15] The HFM administrator testified to the Inspector General that he "probably" discussed the situation with the HFM director while driving back from the facility but was not certain, and that he did not recollect raising the external storage issue in any subsequent conversation prior to publication of *The City* article in June of 2021.

emails, approximately three months had passed since St. Albans first began storing PPE outside its facility. During this email exchange, St. Albans's fiscal administrator informed HFM that he identified adequate storage space at a cost ranging from $115,000 to $131,000 per year; the HFM administrator did not respond directly to this new option.

Over the next several weeks (into Mid-June), there was significant email communication between HFM and OMG about the storage of St. Albans's PPE. OMG informed the HFM administrator that it identified a mere 14 pallets of space that St. Albans could use at an OGS-managed warehouse in Guilderland, but OMG never received a request from HFM or St. Albans to facilitate such transfer. HFM and OMG also discussed the possibility of procuring storage containers for St. Albans to use, but the HFM administrator estimated that more than 30 storage containers would be needed to accommodate all PPE at St. Albans, and, according to the St. Albans administrator, it was agreed with HFM that this possible solution would not be pursued. Although some storage space would be better than none, the St. Albans administrator and HFM chose not to pursue this possible solution.

St. Albans's Unsalvageable PPE from the Agg Buy

During the more than three months between early March and late June when St. Albans stored PPE in its parking lot, the boxes were exposed to a range of environmental elements and changes, including high and low temperatures, wind, and rain. Consequently, a significant number of boxes were damaged.

On June 22, 2021, approximately a week prior to their PPE plight becoming public through the publication of an article in *The City*, and almost four months since it began storing Agg Buy PPE outside, St. Albans finally secured suitable off-site storage space, and almost immediately began moving boxes of PPE from the alternative storage sites within St. Albans to a temperature-controlled warehouse in Inwood, Nassau County.[16] No PPE from outside was moved to the Inwood warehouse. According to the St. Albans administrator, this was due to St. Albans's desire to free up space in its facility used for veterans' services and his belief that the PPE stored in the parking lot had become unusable.

[16] St. Albans initially spent approximately $5,850 per month for the warehouse space in Inwood. As St. Albans paid for these expenses out of its operating budget, it did not need to obtain approval before entering into this contract since the contract amount was less than the $100,000 threshold.

After the article's publication on June 28, 2021, the St. Albans fiscal administrator, other St. Albans staff, and the HFM director inspected the PPE boxes in the parking lot to determine which had "lost their integrity." At the direction and with the assistance of DOH, St. Albans immediately began removing nearly all[17] of the damaged PPE from the parking lot to a State warehouse in central New York.[18] It took two days, working into the night, to get all the PPE out of the parking lot.

Once at the State warehouse, the PPE was evaluated by representatives of DOH's Center for Environmental Health. Much of the PPE was wet and/or had black mold. Many of the boxes had disintegrated to such an extent that they had to be shoveled off the trucks upon arrival. As a result, it was determined by DOH that nearly all the PPE was unusable, and it was subsequently transported elsewhere and destroyed.

St. Albans's PPE Examined at a DHSES Warehouse in Central New York

[17] The Inspector General also received testimony that some PPE was determined to have deteriorated to such an extent that it was disposed of on site before it could be transferred to the State warehouse.
[18] Some PPE from the parking lot was initially moved to the Inwood warehouse, however, the Inwood warehouse refused to accept the PPE due to its deteriorated condition. Consequently, it too was transferred to the State warehouse.

Ultimately, DOH and St. Albans determined that nearly all PPE stored outside at its facility had become unsalvageable. According to testimony and records provided by St. Albans, this equated to between approximately 34 percent and 60 percent of the total Agg Buy PPE ordered by St. Albans. The Inspector General estimated the total loss to be between $560,000 and $1.6 million. In July and August 2021, DOH hired a vendor to incinerate the unsalvageable PPE that had been transferred to the State warehouse in central New York at an additional cost of $21,000. A small amount of PPE that was able to be salvaged was added to the State stockpile.

Recordkeeping by St. Albans

Notably, St. Albans failed to maintain a complete set of receiving records including a bill of lading and packing slip for each delivery that was received on the Agg Buy. To handle the unusually large volume of PPE received by the facility, which amounted to an all-hands-on-deck exercise, St. Albans had to rely on staff members who were inexperienced in warehouse duties and lacked sufficient direction or training in the same. The then St. Albans storeroom assistant claimed that in some instances, deliveries received through the Agg Buy did not include packing lists, and, absent such, he was unable to verify St. Albans received the correct amount of PPE. He further testified that he used a manual paper process to track PPE received and on hand. However, St. Albans did not provide any records to the Inspector General, paper or otherwise, detailing the PPE it stored outside beyond a spreadsheet with purported quantities of such.

The St. Albans administrator claimed these totals came from an inventory of this PPE he and the former St. Albans fiscal administrator conducted as the PPE was either being disposed at St. Albans or shipped to the State warehouse. However, the St. Albans administrator subsequently advised that he had little confidence in the inventory conducted and the accuracy of the quantities tallied, and he believed the quantities were underestimated. Ultimately, St. Albans was unable to confirm the exact delivery dates, the total number of deliveries, the quantities received from each Agg Buy shipment, or the amount ultimately destroyed. Therefore, PPE quantities and their associated values presented in this report are estimates based on the limited records provided by St. Albans.

HFM's Knowledge of the PPE Outside and the Role DHSES Could Have Played

HFM claimed that it was unaware of the status of the PPE in the facility parking lot. Notably, the HFM administrator advised the Inspector General that she did not know that PPE was being stored on pallets outside of St. Albans until *The City* article was published on June 28, 2021. She could not recall if she had discussed the HFM director's visit to St. Albans with him and stated that the HFM administration advisor, who actually saw the pallets of PPE outside the facility when visiting with the HFM director, did not inform her of his observations until after *The City* article. The HFM director did acknowledge, however, that it is possible he was told that PPE was being stored outside and he did not understand or appreciate the significance of the information given that other matters, including the monitoring of residents with COVID-19 symptoms, securing adequate testing supplies, the push to get staff vaccinated, and having to quickly adapt to newly issued health policies, were competing priorities at that time.

Moreover, despite DHSES being designated as the agency responsible for overseeing the State's inventory of supplies of equipment purchased for the COVID-19 pandemic, HFM did not notify DHSES about St. Albans's storage issues. Thus DHSES, which was working closely with the National Guard, never had the opportunity to bring its resources to bear to provide temporary storage space or to divert or transfer some of the surplus. According to the HFM director, he was unaware of the role that DHSES could have played.

St. Albans executive staff and relevant DOH employees involved in overseeing State Veterans Homes and the Agg Buy who were interviewed by the Inspector General stated they too were unaware of DHSES's role. And although some DOH and OGS employees who did not directly oversee State Veterans Homes were aware of DHSES's role, this information was not

communicated to staff within their agencies with oversight responsibilities. The executive deputy director of DHSES Office of Emergency Management testified that when St. Albans exhausted its indoor storage space, concerns should have been raised through leadership at DOH and DOH could have requested DHSES's assistance.

HFM's August 2021 PPE Guidance to State Veterans Homes does not Address Storage

In August 2021, HFM provided State Veterans Homes with a draft PPE Framework, which set forth guidance on procuring, managing, and maintaining ongoing supplies of PPE. HFM requested that State Veterans Homes provide comments and changes to the document to reflect how they were operating with respect to PPE.

Shortly thereafter, HFM promulgated a draft Health Facilities Management COVID-19 Response Strategy Document that incorporated the above-mentioned PPE framework and was designed to curb unnecessary PPE procurements and minimize unnecessary expenditures. The document, which is dated August 23, 2021, and remains in draft form, notes that HFM has built an ample supply of PPE at each of the facilities and directs facilities that have identified a need for additional PPE to first make a request to HFM in order to determine if an inter-facility transfer of PPE can be made. Remarkably, there is still no requirement in the guidance that State Veterans Homes evaluate existing storage space when contemplating PPE procurements.

St. Albans Still has Surplus PPE, Some of Which has Expired or Will Soon Expire

According to estimates from St. Albans executives, the facility has enough PPE to last for several years. Notably, an inter-facility transfer of PPE as contemplated by the draft Response Strategy Document, has already taken place. In late fall 2021, when the State Veterans Home at Oxford experienced an increase in COVID-19 cases, St. Albans transferred 10,000 face shields and 58,000 gowns, at a cost of approximately $15,500 in shipping expenses paid by St. Albans. St. Albans noted that such transfers of PPE to the other State Veterans Homes are rare because the other facilities similarly have a surplus of PPE.

The State Veterans Homes are required to notify HFM each month as to their burn rates and the quantities of PPE held for their 60-day pandemic supply and operational supply, expired PPE, and PPE set to expire within 30 days that will not be used. According to St. Albans, the only PPE it received from the Agg Buy that contained expiration dates were face masks and gowns.

St. Albans conducted an inventory of its Agg Buy PPE in November 2022, and started discussions with HFM about PPE that was set to expire and possible methods for dealing with same. As of this report, approximately $779,000 of PPE received by St. Albans through the Agg Buy had expired. St. Albans ultimately contracted with a storage company to dispose of this expired PPE at a cost of approximately $41,000.

St. Albans has Plans to Build Storage Space on its Property

St. Albans has been exploring the construction of a storage building on its property to maintain its PPE supply. This would eliminate the need for storage containers and outside warehouse space to store PPE. A feasibility study was conducted by an outside engineering firm and plans to commence this construction process are underway. According to the St. Albans administrator, as of the date of this report, the facility is in the middle of its Requests for Proposals process and expects the new storage space to be 6,300 square feet in size.

THE INSPECTOR GENERAL'S DETERMINATIONS

DOH and St. Albans Failed to Account for Storage Capacity or Burn Rate Variations

As is apparent, a significant part of St. Albans's storage issue stemmed from the fact that PPE was delivered in bulk shipments combined with the fact that the "third wave" never materialized to the extent predicted. While the storage issue would certainly have been mitigated with a higher burn rate, DOH and St. Albans failed to take into account any storage implications should the burn rate turn out to be lower than peak, even if a third wave came to pass.

Ineffective Communication Among Involved Agencies Was the Primary Cause of the PPE Waste

As an initial matter, the Inspector General recognizes the tremendous amount of pressure placed on DOH and the State Veterans Homes during the COVID-19 pandemic. The procurement and storage of PPE was only one of the many issues that DOH and the State Veterans Homes needed to address. Critical challenges during this time included: staffing (or lack thereof), COVID-19 testing, vaccinations, and admissions. In addition, DOH and the State Veterans Homes were operating in a quickly changing regulatory environment, where they needed to adapt to new rules and guidelines on a regular basis. There was no choice but to prepare for a third wave as directed and then to be grateful that it never came.

But even given those challenges and acknowledging that sourcing PPE during this time presented numerous and novel challenges for all those involved, the communications between St. Albans and agencies participating in the Agg Buy fell short. For example, the St. Albans administrator advised that he was not informed that when St. Albans submitted its request for PPE to HFM in November 2020, this did not constitute an order; that the actual purchase order would not be submitted to the vendors until February 2021; and that no PPE would be delivered until after this latter submission. Moreover, when that purchase order was ultimately submitted, it requested immediate delivery of significant quantities of PPE without any consultation by HFM or OMG with St. Albans as to whether such a delivery could be accommodated. Once it became clear that orders would be delivered in bulk, it should have been readily apparent that storage issues might arise, leading to the proposal of contingencies for diverted deliveries.

In another example, HFM's director and its administrator, who were serving as DOH's liaisons to St. Albans, testified they were not even aware that PPE was being stored outside the facility under tarps until *The City* reported on it nearly four months after the situation first arose. And although HFM's administration advisor observed the PPE on pallets outside during a tour of the facility, it remains uncertain whether he told HFM's director about the PPE or if HFM's director learned of but did not appreciate the significance of the HFM's administration advisor's observation. As a result, St. Albans was not made aware of other possible resources at its disposal and OMG did not get the information it needed in a timely fashion to be able to help provide solutions.

The deficiencies in communication between HFM and St. Albans are further illustrated by St. Albans's continued requests for approval from HFM to rent storage space for the PPE through June 2021. For example, the HFM director believed he had given St. Albans his approval for renting PPE storage space in a March 19, 2021, email in which he wrote to the St. Albans administrator, "Recognizing that PPE will be an ingoing [sic] need, we should find St. Albans temperature controlled storage." Yet, on May 26, 2021, when St. Albans's fiscal administrator informed the HFM administrator that he had identified 8,300 square feet of storage space at a cost ranging from $115,000 to $131,000 per year, the HFM administrator did not respond directly to this new option.

Ineffective communication and lack of meaningful follow-up also existed between HFM and OMG. According to OMG's assistant director, it was not until early May 2021 that HFM's administrator first indicated any urgency about the matter, and not until late May 2021, that HFM advised her in an email that St. Albans's PPE storage issue was "URGENT-TIME SENSITIVE." Prior to that, the OMG assistant director and its manager claimed they were unaware that there was a sense of urgency to the situation. Yet, the HFM administrator had advised OMG in mid-March 2021 that PPE storage at St. Albans was "becoming an issue" as the facility was preparing to restart its veterans' services, would need to "relocate PPE to other storage areas," had contacted PPE vendors and learned that they were unable or unwilling to defer shipments to future months, and was unable to identify suitable and affordable temperature-controlled storage near the facility. Moreover, in the same communication, HFM asked OMG, "Is DOH able to assist by accepting and storing future OGS Agg Buy deliveries, deliver/make arrangements to deliver PPE to VHSA as needed, [or] other suggestions[?]" Due to this ineffective communication and apparent misunderstandings, neither HFM nor OMG acted in a timely fashion to address this situation, which was becoming more dire by the day. It would not be until almost one month later that OMG's assistant director stated she first learned from *The City* article that PPE was being stored outside at St. Albans under tarps. Of this she noted, "The problem can't be fixed if people don't know about it."

Had information been conveyed in a timely manner between St. Albans and DOH, between HFM and OMG, and on to partner agencies like OGS and DHSES, solutions could have been sought sooner. The director of emergency operations with DOH's Center for Environmental Health, who was at the State warehouse in central New York helping to deal with the unsalvageable PPE, echoed this sentiment. He testified to the Inspector General that had he been made aware at the outset, working with DOH logistics and warehousing staff and DHSES, a solution could have been found.

It Is Unclear When St. Albans Notified HFM That PPE Was Being Stored Outside Under Tarps

The Inspector General's investigation found that there exist discrepancies in recollections as to when St. Albans notified HFM that it was storing a portion of its Agg Buy PPE outside under tarps in the facility's parking lot.

According to both St. Albans's administrator and its fiscal administrator, they notified HFM's director and administrator that the facility had resorted to storing PPE outside in its parking lot multiple times including in telephone calls, during weekly conference calls with HFM and the other State Veterans Homes, and by email. However, it is not entirely clear how much detail St. Albans provided to HFM about *the manner* in which the PPE was stored outside. St. Albans pointed to one such communication, the March 19, 2021, email referred to above, which reads, "On the outside of the building we have four trailers and the entire secondary parking lot occupied. We are anticipating more supplies for the month of April and May. Currently we are out of storage space." The administrators of the State Veterans Homes at Oxford and Montrose corroborated that HFM was notified in the weekly conference calls that PPE was being stored outside at St. Albans and exposed to the elements, while the administrator of the State Veterans Home at Batavia recalled that St. Albans had indicated it started storing PPE outside, but that administrator believed the PPE was in storage units.

However, both the HFM administrator and the HFM director claimed that they did not learn that St. Albans was storing PPE outside in its parking lot *on pallets under tarps* until around June 28, 2021, when *The City* published the aforementioned article. In fact, both HFM's administrator and director informed the Inspector General that they interpreted earlier communications, and the March 19, 2021, email to mean that St. Albans's parking lot was occupied by trailers maintaining PPE, which was not necessarily problematic.

Regardless of the extent to which they were explicitly notified, the Inspector General's investigation found that HFM had several opportunities to learn that St. Albans was storing PPE outside on pallets prior to the publication of the article in *The City*.

First, when the HFM director and the HFM administrator received the St. Albans administrator's email on March 19, 2021, which spoke of the "dire" storage situation at St. Albans, they should have sought clarification rather than assume that the facility was storing PPE in temperature-controlled storage containers. Instead, neither sought to obtain more information. A second missed opportunity was the May 18, 2021, visit to the facility by HFM's director and its administration advisor during which the HFM administration advisor saw that PPE was being stored outside on pallets. Both St. Albans and HFM bear responsibility for not clearly communicating the facility's need for secure PPE storage during this visit and addressing it in a timely fashion.

Lastly, although HFM's director stated that he did not see the PPE stored in the parking lot during his visit to the facility building, he should have toured the parking area given the ongoing discussions between St. Albans and HFM regarding the PPE storage issues. HFM's administrator advised the Inspector General that it was an "oversight" on the part of the HFM director not to have reviewed the PPE stored outside. Despite HFM being understaffed and overwhelmed with responsibilities during the period at issue, there is no question that the agency did not react in a timely manner to learn the extent of the storage issues at St. Albans in order to provide guidance and strategies to deal with the surplus Agg Buy PPE.

Regardless of these discrepancies in recollection, the Inspector General finds it incredible that notwithstanding discussions between St. Albans and HFM, which took place over a nearly four-month period, it was purportedly not until after *The City* article that the HFM director and administrator learned that PPE was outside in the parking lot under tarps. It seems hard to imagine they had meaningful conversations about the PPE in the parking lot without the realization to all parties that the PPE was outside under tarps.

HFM Was Inadequately Staffed

The investigation further found that HFM lacked necessary staffing to address all issues it confronted during the COVID-19 pandemic. In fact, the pandemic only exacerbated issues raised by HFM's pre-existing understaffing.

During the relevant period in 2021, HFM, a unit of eight employees when fully staffed, had three vacant positions which were critical to its functioning—a clinical director, fiscal director, and an administrative assistant. Moreover, responsibilities normally covered by these roles were spread among existing staff. According to the HFM director, the remaining unit staff, tasked with quickly responding to a steady stream of new COVID-19 policies and regulations, were overextended. The HFM director indicated that having a staffer dedicated to PPE would have mitigated storage issues, and a clinical director could have dealt with quickly changing policies.

In 2022, HFM hired a deputy director and a clinical director who have assumed some of the responsibilities shared among the unit staff. According to HFM, hiring both a permanent fiscal director and an administrative assistant is a priority and HFM has been actively engaged in that effort.

Communication between HFM and St. Albans has Improved but Requires Formalizing

According to the St. Albans administrator, communication between HFM and St. Albans has improved. Increased staffing at HFM and efforts by both St. Albans and the HFM director have contributed to this improvement.

The HFM director advised that previously, State Veterans Homes worked independently of DOH, operating largely on their own. According to the director, HFM has taken steps to increase and improve its communication with State Veterans Homes and to underscore the understanding that State Veterans Homes are part of DOH and HFM serves to provide them with oversight, support, and resources. In furtherance of these efforts, HFM's clinical director has provided training to facility compliance officers and administrators, and the HFM clinical director and deputy director make periodic visits to each facility. HFM has also changed the format of its conference calls with State Veterans Homes—instead of weekly group calls with facility administrators, HFM now conducts a bi-weekly meeting with each facility separately (the facility administrator and their staff) so that it can focus on each facility's distinct issues.

The investigation further found that HFM lacked a formal system for memorializing the weekly meetings it holds with State Veterans Homes. During the relevant period, the HFM administrator and other staff members took informal notes, but no formal process was in place for the taking, distribution, and maintaining of these notes or follow-up action. Since at least 2022, HFM has a standing meeting agenda for the bi-weekly meetings and HFM's director, deputy director, clinical director, and acting fiscal director typically participate in these meetings, and each takes notes. However, there remains no formal process for the circulation of these notes. Instead, HFM advised that the participants follow up with each other after the meetings to discuss action items (i.e., if there are any follow-up action items from the meeting, an email will be sent to the veterans home reiterating same).

To the extent not already done, all parties would be better served if this note taking process was formalized and notes were circulated to the participants of the meetings to track issues discussed and progress made toward resolving such issues.

DOH Should Have Communicated with DHSES Regarding St. Albans's Storage Issues

The investigation found that while DHSES has been designated as the agency responsible for overseeing the State's inventory of supplies and equipment purchased for the COVID-19 pandemic, there was a failure by DOH (including HFM and OMG) to notify DHSES about St. Albans's PPE storage issues. Had it been notified, DHSES, which worked with the National Guard to coordinate the transport and storage of pandemic supplies, could have arranged for alternate temporary storage of the surplus PPE until a permanent solution was identified. This simple act would likely have prevented the costly waste of then scarce PPE.

Instead, the HFM director advised that HFM had communicated and worked with OMG on the PPE storage issue, and OMG communicated with OGS, which was responsible for the Agg Buy initiative. However, the HFM director did not communicate with DHSES as he did not know of its involvement with PPE. The OMG manager also advised she similarly did not know that DHSES had a role to play in this process.

Other DOH subunits were aware that DHSES was involved in coordinating the transport and storage of pandemic supplies and equipment and could have assisted St. Albans if notified. DOH's then director of emergency operations and planning within its Center for Environmental Health opined that this problem could have been prevented had the space concerns been shared early on with him or others at DOH or DHSES. He testified, "If it had been brought to the attention of logistics staff [at DOH, DHSES, and] the staff involved in the warehousing . . . I think all of us would have been like alright, obviously this can't sit outside, we've got to move it. I know our COVID warehouses are full but let's find a solution to it."

RECOMMENDATIONS

The Inspector General makes the following recommendations to DOH/HFM to ensure accurate and consistent exchanges of information, to better position HFM to support the State Veterans Homes, and to prevent future storage issues and waste:

I. Create a process to improve its communications with State Veterans Homes including formally memorializing its meetings with State Veterans Homes administrators so that all stakeholders have the same understanding of matters discussed and plans to address identified issues. Stakeholders should include representatives from OMG and any other DOH subunits when appropriate or relevant so that facilities have more direct knowledge of and regular contact with DOH resources and to facilitate more constructive problem solving.

II. Continue to prioritize hiring for the remaining vacant positions – fiscal director and administrative assistant – within HFM.

III. Incorporate the consideration of storage capacity into procurement processes.

IV. Promulgate policies and procedures for State Veterans Homes to ensure that accurate and complete records are created and maintained reflecting the receipt, storage, shipment, and destruction of inventory, and ensure that all employees involved in these processes are properly trained in the same.

V. Ensure that all staff is aware DHSES is responsible for overseeing the State's inventory of supplies of equipment for emergencies like COVID-19, and communicate with DHSES should future concerns regarding storage of such supplies and equipment arise during an emergency.