

NEWS

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For Immediate Release

Investigation of Surplus Safety Equipment, Cleaning Supplies Finds Lack of Controls, Communication

Redwood City – An independent investigation into what caused the County of San Mateo to leave surplus COVID-19 safety equipment and cleaning supplies in the rain found internal controls lacking.

A report released today concluded boxes containing primarily non-medical grade gowns, goggles and face shields, as well as cleaning supplies and a number of sterile gowns, were stacked outside without a definitive timeline for how the surplus safety equipment would be ultimately distributed.

Due to this breakdown in controls, cardboard boxes containing approximately \$7.1 million in equipment were drenched in an October 2021 rainstorm while stored in a parking lot at the San Mateo County Event Center. (While the independent investigator’s report lists the value at \$7.5 million, since the conclusion of the investigation the County has been able to confirm the number is closer to \$7.1 million.)

“What’s clear is that that this shouldn’t have happened. What is equally clear is we are taking the steps necessary to make sure that we put the checks and balances in place so this never happens again,” said Mike Callagy, the County’s executive officer. “To that end, Management Partners has been hired to review best practices in the industry which will be reviewed and implemented once we have those findings.

Callagy ordered a searching examination by an outside, independent investigator of why and how the equipment ended up being overlooked in the rain.

In response, the County hired James Lianides, the former superintendent of the Sequoia Union High School District, who has decades of experience in dealing with large organizations and purchasing practices. Lianides interviewed County employees and Event Center staff, reviewed documents and conducted site visits.

In his report, Lianides found that, months into the pandemic, there was little demand for the non-medical grade equipment and cleaning supplies purchased by the County. The County, lacking its own warehouse space, had contracted with the Event Center to store the surplus supplies in its Fiesta Hall at a monthly cost of approximately \$100,000.

Meanwhile, “The equipment that was determined to be most valuable, such as N95 masks and gloves, was moved to Sequoia Hall,” according to the report. “Sequoia Hall,” a separate, covered Event Center space, “was then filled to its capacity with the more valuable, in-demand safety equipment.”

(While the County owns the Event Center’s grounds and buildings, it leases them to a nonprofit organization governed by a separate board of directors. That organization in turn, manages the Event Center and charges all users, including the County, rent to use the facilities.)

In summer 2021, the County agreed to move the surplus Fiesta Hall supplies to a nearby, uncovered parking lot to make way for a planned conference. County staff “explored whether the excess equipment could be donated” but found “little interest,” the report states.

Then the rains came.

In his report, Lianides acknowledges the County’s rush to organize COVID-19 mass vaccination and booster clinics jammed the decision-making system “as other more immediate priorities took precedence.”

After first considering the boxes a total loss, a further review found that individual plastic wrapping spared all but \$128,152 of supplies following an inspection and cleaning. Since January, more than 90 nonprofits and other government entities have received some of these supplies for their use in food banks, residential care homes, veterans groups, churches and shelters. The remainder has been moved to storage. The County is working with nonprofit agencies to distribute the remaining useable supplies.

In his conclusion, Lianides recommends the County, among other things:

- Maintain the centralization of the decision-making process through a clear delineation of responsibilities and accountability;
- Improve coordination and integration among internal departments tasked with emergency planning and response;

- Provide County staff with annual training and review on federal and state regulations regarding emergency management;
- Ensure the process for making significant decisions in an emergency situation addresses all potential consequences of the actions taken; and,
- Retain an expert in storage, tracking and distribution and acquire tracking tools and software.

“The County of San Mateo was a leader during the pandemic but we should have done better here. We will learn from this to ensure that this never happens again,” Callagy said. “The COVID-19 pandemic has been and continues to cause so much pain to so many people. All County employees, regardless of their roles, are also disaster service workers and have served their community to the best of their ability through these trying times. We had a system failure, and that system will be fixed.”

The full report is available at: <https://www.smcgov.org/ceo/county-executive-reports>

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