

Report on Supply Chain Compliance Volume 3, Number 18. September 17, 2020 US federal agencies actively monitoring and enforcing coronavirusrelated compliance

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Fraud has increased dramatically during the pandemic as companies try to profit off of the skyrocketing demand for medical and cleaning supplies. Due to years of just-in-time supply chains that valued speed over inventory, as well as decades of globalization that led corporate executives to seek cheaper materials and labor outside of the developed world, medical and disinfectant supply chains are spread thin and have proven too inflexible to effectively meet demand.

The United States Environmental Protection Agency (EPA) keeps a list of all of the disinfectants that meet EPA criteria for use against SARS-CoV-2 (COVID-19), <u>known as List N.^[1]</u> This list is updated frequently and is the best resource for determining whether a product that claims to be effective against COVID-19 actually is.

The EPA <u>announced a loosening of rules^[2]</u> in March regarding how companies obtain certain inert ingredients in order to help ease supply chain challenges, while also keeping List N up to date. But the chemicals and disinfectant supply chains still rely on outsourced raw materials arriving on ship to meet demand, so lead times are incredibly long. The difficulties sourcing result in higher prices and even more demand. Companies such as <u>Estée Lauder have retooled previously closed factories^[3]</u> while <u>others have attempted to diversify their supply</u> <u>chains</u> by seeking out new third-party vendors and suppliers.^[4]

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