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Covid-19: UK government faces legal action after awarding £250m in PPE contracts to jewellery company

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The UK government is facing another legal challenge after it awarded £250m (€279.5m; \$332.3m) worth of personal protective equipment (PPE) contracts to a US jewellery company.

The not-for-profit legal organisation the Good Law Project and EveryDoctor, a doctor led campaigning organisation, claimed that one of the contracts was awarded to the jewellery company without any advertisement or competitive tender process. The case is one of a number of lawsuits launched against the government by the legal campaigning group over contracts¹ and positions² awarded during the pandemic.

The latest charge says that Saiger, a Florida based jewellery company, had no experience of supplying PPE and had never previously been awarded a public contract by any central government department. It is challenging one of the many contracts that the company was awarded—namely, the contract entered into on 4 June for £70.5m to supply 10.2 million gowns.

In its announcement of the lawsuit the Good Law Project said that the Department for Health and Social Care had overpaid for the equipment, paying Saiger £7.05 per gown despite the weighted average price for PPE gowns being set at £4.60.

Saiger also appears to have used a middleman to procure its PPE, as a consultant received around \$50m for this service. This came to light after a lawsuit was filed by the jeweller's owner against the consultant. It alleged that the middleman had stopped supplying the PPE and that there were delays in delivering the equipment to the NHS.

“Persistent and unlawful”

The Good Law Project said, “Within two weeks of opening its portal inviting tenders for PPE in March 2020, the government had 24 000 offers from 16 000 suppliers, many of whom had experience in providing PPE for healthcare professionals. Surprisingly, three of the biggest beneficiaries of government contract awards were companies specialising in jewellery (Saiger), pest control (Pestfix) and an opaque ‘family office’ owned through a tax haven (Ayanda).”

In August the Good Law Project teamed up with three MPs to launch a legal challenge against the UK government over what they called a “persistent and unlawful” failure to disclose details of huge sums of money spent on PPE contracts.³

The project's director, Jolyon Maugham QC, said, “At last we can all see—in simple black and white—the staggering sums flowing from public coffers to private pockets. Who could blame individuals for joining the queue if the government is handing out free money?

“But you and I, and our children, are going to have to pay higher taxes because the government's incompetence handed fortunes big enough to last generations to obscure foreign businessmen.”

Julia Patterson, founder of EveryDoctor, said, “It is quite simply heart breaking to NHS staff to see this mismanagement of public funds exposed. Over 600 of our colleagues have died of covid-19, many of whom were not supplied with adequate lifesaving PPE . . .

“At the most crucial time in the first wave of this pandemic, when gowns were fast running out, a contract has been given to a company with no experience in supplying PPE, no experience in keeping healthcare workers and their patients safe.

“This is despicable behaviour by the government, and along with the Good Law Project we will not drop this until we have answers.”

1 Armstrong S. Covid-19: Government faces legal action over £75m contract for antibody tests. *BMJ* 2020;371:m4427. doi: 10.1136/bmj.m4427 pmid: 33184045

2 Mahase E. Covid-19: Experts question evidence behind prime minister's promise of rapid tests. *BMJ* 2020;371:m4254. doi: 10.1136/bmj.m4254 pmid: 33139253

3 Iacobucci G. Covid-19: MPs launch legal action against government over failure to disclose details of PPE contracts. *BMJ* 2020;370:m3333. doi: 10.1136/bmj.m3333 pmid: 32843353

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