

The Building Payoffs

Corruption in the building industry is flourishing in New York; what else is new? The word in the industry always has been that this is payoff city; and it has been common wisdom for decades that this fact has a lot to do with the exceptionally high cost of building here. The payoff figure has apparently risen dramatically from the \$25 million estimated as the annual bribe tally three years ago. Everyone plays and pays, from the city's leading architects and engineers and contractors to high-ranking officials in city departments.

As most city employees in the appropriate agencies are either involved in or knowledgeable about the practice, it could not have been very hard to uncover the action. It only meant turning over the flat rock to see what was underneath. Buildings Department commissioners have come and gone and the system has flourished. Still, the city is to be commended for its current investigation. Even if it has been normal operating procedure, this is, after all, criminal conduct.

The big question is what the city intends to do about it now. Indictments are not enough. The pot has been stirred before, but the mess inevitably simmers down. Corruption in the building business is not just a matter of "taking care of" violations. "Expediteurs," a fixture in the system, continue to extract their special fee for getting what should be routine city approvals; construction workers still get paid on the side to do what they are supposed to do anyway; inspectors normally pad their salaries, and bribers and bribees rarely miss a waltz step together.

There is more to it than custom or simple corruption in the classic sense of the fix. If the city really wants to have effective reform, it is going to have to look at its building processes closely. One reason the payoff is so hallowed is that it has become almost an essential tool for getting things done. Moving construction through the regulations of city agencies, all the way from plan approval, building permits and code compliance to certificates of occupancy, on any schedule that will not bankrupt the builder through obstruction or delay, takes miracles or bribes. And to coordinate this with delivery of materials and the work of the building trades takes more of both. The greater the complexity of the city's processes, the greater the opportunities for the take. The basic trouble is in the ills of bureaucracy as much as the venality of men.

Corruption isn't just something slimy going on in the city's building agencies; the bribes are coming right out of the citizen's pocket. He pays the "passthrough" in higher rents; he pays the price in housing so exorbitantly expensive that it never gets built. The need now is not only to indict, but to pursue basic reform of the entire system of regulation and control of the building process in New York City.