was before. Both the advantages of the town and the beauties of the open fields are brought home to the farmer in a new way. The town which starts out to help itself brings a blessing quite as great to its neighbors.

CHESTER LLOYD-JONES.¹

RECENT GRAFT EXPOSURES AND PROSECUTIONS

IN THE graft exposures and prosecutions in cities and towns of the United States for the past six months, Chicago provides the best example of quiet, patient and effective investigation. There is a marked absence of spectacular effects that suggest skillful advertising in Chicago's latest excursion into the world of graft; and what is better, there are indications of constructive work of great practical value.

At the request of Henry Ericsson, commissioner of buildings, the civil service commission of Chicago conducted an inquiry into the methods and systems in use and the organization within the department of buildings, continuing from December 28, 1911, to May 6, 1912. In this investigation the commission had the assistance of the experts of the efficiency division, James Miles and J. L. Jacobs as examiners in charge, with the coöperation of Leon Hornstein, assistant corporation counsel.

There was time to be thorough. The methods of trained investigators were employed. The men charged with the unpopular task of unearthing the facts were protected in their positions by the rules of the civil service; but despite these favoring conditions the task set before these men was no simple one.

The duties and obligations of the department of buildings are of a broad and comprehensive character, and its power for good or evil exceeds that of any other department of municipal government except the department of police. These activities and powers at one time or another, directly or indirectly, affect every inhabitant and enter intimately into the commercial life of the city.

The tremendous growth of the department, lax administration, ulterior influences, lack of trained and reliable employees, incorrect lines of organization and greed on the part of the builders, and graft on the part of employees, have all had their part, not only in bringing about a demoralization of the department, but in adding to the difficulty of discovering faults and abuses and in ascertaining and applying the necessary corrective measures.

As a result of this investigation 1244 violations of the building code were disclosed. Of these, 182 separate violations were of the section relating

¹ University of Wisconsin.

to habitable rooms, bathrooms, pantries, requirements as to ventilation and lighting; 146 separate violations concerned rooms, sizes and height of attic rooms; 112 violations dealt with constructing buildings contrary to approved plans.

The actual number of violations of the ordinances is not represented in this total of 1244, as the separate times a violation was discovered in any one building were not noted in this list. The actual number of violations of ordinances in 500 buildings is estimated approximately at 1800. This is an average of about 7 violations to every 2 buildings in which violations were found.

The present building code of Chicago is proclaimed by the commission to be as strong, comprehensive and adaptable a code as exists in any city in the country. It has, they say, stood an excellent test and proven itself standard, inclusive and powerful.

The revised building ordinances adopted on December 5, 1910, and amended to date, have been found to be as complete and strong a set of rules and regulations, safeguarding property and persons, as are in existence in any city in this country.

How, then, did this model building code come to be violated with impunity? The story is told in the fifty-nine page report of the commission from which quotations are made above and below.

An investigator hints at one of the most fruitful sources of violations as follows:

On several occasions while making investigations, the owner or contractor would drop hints about paying money or having paid money to other inspectors and in several cases money was offered directly to me. They seemed to take it for granted that I was the inspector of the district.

In addition to the temptation to graft here suggested, these powerful ordinances were rendered practically null and void by the practice of the council in allowing violations by special orders.

A careful examination of the proceedings of the city council, from May 1, 1911, to April 29, 1912, a period of one year, shows that about 350 council orders were issued in connection with building construction. The greatest number of these allowed violations in buildings which are located in congested districts and neighborhoods where danger to persons and property is greatest. One particularly objectionable and notable practice is that of passing council orders which do not state definitely what violation or violations are allowed. In 212 cases, or about 60 per cent of the 350 building council orders passed during the period above mentioned, the statement of violation or violations to be allowed was neither definite nor explicit. As the result of these indefinite orders—often introduced to get around a just inspection by the building department—designing contractors and owners have profited greatly by erecting buildings with many violations.

Some cases have come to the attention of the commission where buildings erected in violation of the code were countenanced by building inspectors until such time as a council order was passed.

After specifications along this line and further censure, the commission summarizes the results of the inquiry with clear cut conclusions among which are:

That the building inspection situation has been a weak spot in the municipal government and that inspections of construction and alteration work involving approximately \$100,000,000 a year has been ineffectively and uneconomically performed because of the department's lack of scientific organization and fixed responsibility.

That because of the many past years of laxity in supervision and an inadequate system of records the discipline of building inspectors was particularly low and insubordination was rife throughout the department.

That bribery was countenanced by contractors, owners, building inspectors and assistant inspectors in charge.

That many inspectors deliberately overlooked serious defects in construction of buildings and waited until the structures were near completion and then "held up" contractors and owners, threatening to compel them to repair the defect or defects unless given "hush" money.

That many inspectors consistently and regularly held up innocent owners and contractors for amounts varying from \$5 to \$200 for tolerating certain violations.

That the issuance of a permit to construct or alter a building often served as a signal for someone to go out and arrange to "fix up" matters.

That investigators of this commission, checking up the work of building inspectors in the field, were offered and received (in the presence of detectives of the police department) bribes from contractors and owners.

That the conditions above noted have been largely due to:

- a. No fixed responsibility or effective system in examining and checking of plans, and following up approved plans.
- b. No fixed responsibility or effective system in checking movements and work of inspectors.
- c. Loose systems in requirement and issuing of reports and preserving records, plans, etc.
- d. No uniformity in division and in methods and procedure of inspection work.
- e. No permanent record of rulings and interpretations of certain sections of ordinances.
- f. Immunity of inspectors from criminal prosecution, because they are not "officers," and no determined effort to proceed against contractors, owners and architects, who regularly violated provisions of the building code.

After thus pointing out the faults specifically the commission in language no less plain and direct suggests the cures for the department's evils. Prominent among the recommendations are the following:

That an amendment to the code be passed providing for the automatic cancellation of a building permit wherever it is found that the contractor

or owner has altered the approved plans or has materially deviated from such plans.

That a committee of three be appointed by the city council and be given discretionary power to decide upon the changes necessary in the structures on which violations were disclosed during the inquiry.

That an amendment to the ordinances be passed forthwith making building inspectors, assistant building inspectors in charge, plan examiners and architectural engineers "officers."

That the police department coöperate with the department of buildings, and other departments having similar work, by having policemen turn in daily reports of their observations of building activities.

That the present "loose leaf" system of making and filing reports be done away with, and that a system of reports, correspondence and records be installed which will be permanent, reliable, immediate and adequate.

That arrangements be made whereby employees, and particularly inspectors, be given thorough instruction in the interpretation of ordinances and methods of procedure, and that regular meetings and conferences be held at which employees should be instructed and encouraged in their work.

There are thirty-two recommendations in all, which seem to cover every possible evasion of the building code.

In connection with the suggestion of suits against contractors, owners and architects, the commission recognized with charitable discrimination not always found in graft exposures that these men were more sinned against than sinning. The investigation was made to remedy conditions, methods and disorganization in the department. As it progressed it became apparent that most of the bribe money paid by contractors and owners was the result of extortion rather than collusion, and the matter of proceeding against them was not pressed. The negligent and grafting building inspectors, however, did not escape so easily. As the result of trials during the progress of the investigation, seven building inspectors and two assistant building inspectors were discharged and three building inspectors resigned under charges. The charges against one building inspector were withdrawn on the express understanding that he would resign one day after he had been reinstated in the service. Two building inspectors and one assistant building inspector, against whom no charges had been preferred, resigned during the progress of the investigation.

Under the head of "Criminal Prosecution Impossible" an interesting light is thrown on the reference to "officers" made in one of the recommendations:

When the matter of proceeding against the building inspectors came up it was found that in spite of the glaring and direct nature of evidence of graft against such inspectors they were immune from criminal prosecution, as the building ordinance describes them as "employees" and not "officers" of the city, while the bribery statute refers only to "officers." The commission respectfully recommends the immediate passage of an amendment to the ordinance, as authorized by the cities and villages act, making building inspectors and their superiors, viz., assistant building inspectors in

charge and any other employees in the city service having like responsibilities and important duties, "officers" instead of "employees."

In contrast with the quiet, but effective, procedure in Chicago is the latest dramatic exposure in Atlantic City with dictagraph and sleuth accompaniment. The operations of Judge Kalisch's "elisor grand jury," acting in coöperation with Governor Wilson's officials, were interestingly set forth in the July number of the NATIONAL MUNICIPAL REVIEW under the title of "Law Breaking in Atlantic City."¹ As a fitting climax to this saturnalia of graft came the arrest of five councilmen charged with agreeing to promote a concrete boardwalk for which each was to receive \$5000 if the deal went through. The councilmen involved are Samuel Phoebus, Guss Kessler, William Malia, James Lane and four others whose names are not disclosed. The first four named are said to have been trapped into a confession when confronted with dictagraph records of criminating conversations. Councilman Daugherty, however, with possibly some fine legal distinctions in mind, declined to admit his guilt and invited the great detective to "go as far as he liked." The action of the elisors will determine whether the councilman's faith in his innocence is justified.

Assuming that the confessions of the alleged grafting councilmen are genuine one is more than ever convinced of the worldly wisdom of a line in the closing scene of *Get-Rich-Quick Wallingford*: "What a fool a man is for being a crook." According to common report all the accused councilmen, with the possible exception of Daugherty are already well supplied with worldly goods. Phoebus is one of the best known hotel men in the resort. Kessler, familiarly known as the "millionaire butcher" heads one of the largest packing houses and is credited with possessing half a million. Lane is one of the favored Kuehnle contractors and is president of the Lane Paving Company. Malia is proprietor of the hotel that bears his name and is reputed to be worth at least \$100,000.

Ordinance No. 6, which is alleged to have appealed to the avarice of these men already rich, is officially known as the "concrete board walk bill." It now appears that it was a "frame up" ordinance or "plant" made by Detective Burns to secure evidence that big bribes had been paid in the award of the \$1,000,000 drainage canal. It provided for the rebuilding of the board walk by sections, as the council might determine by resolution from time to time, and that all repairs must be made under the plans prepared by a civil engineer to be employed. This engineer was to be employed for "all repairs," which meant that his tenure of office would be permanent, and that the city would be called upon to pay him indefinitely. No estimate of the cost was made but unofficial figures gave it as at least \$1,000,000 within a comparatively few years.

The developments in the board walk exposure promise an unusual number of thrills. It remains to be seen whether the entertaining features

¹ See NATIONAL MUNICIPAL REVIEW, vol. 1, p. 500.

will be supplemented with the kind of constructive work of which the Chicago commission has given such a good example.

The limits of this article demand a briefer review of the remaining recent graft exposures than perhaps their importance justifies. Among the minor instances, West Hammond, Indiana, seems to be a shining exception to the accepted rule that the village is the abiding place of the homely virtues. Affairs at West Hammond have for us a sentimental interest because an accomplished and comely young woman of twenty-two is the center of the reform movement. The interest of Miss Virginia Brooks, late of Chicago, in the municipal methods of West Hammond originated through her ownership of property in the village on which the taxes and assessments for improvements were abnormally high. It is now changed into a heart interest in the improvement of the Polish women of the community. Miss Brooks is credited with saving the taxpayers over \$21,000 and with waging a successful fight against the gambling dens which have taken even larger amounts from the pockets of the laboring population. She has pluckily carried her fight for decent government to the supreme court of the state. Her work has now assumed constructive shape in the social settlement and is worthy of a detailed study.²

The fight waged against alleged graft in Gary, Indiana, under the leadership of T. B. Dean of Lexington, Kentucky, resulted in a verdict of "not proven." Unlike Miss Brooks, Mr. Dean did not settle in the community, but quit in disgust, saying: "The town is too rotten for me. Let some one else clean it up." The "Magic City" incurred the wrath of Mr. Dean by failing to give him a desired heating franchise under what he considered suspicious circumstances. As the result of his prosecution, a partial confession was secured from one of the aldermen who gave a \$2000 bond, but afterwards sold his property and disappeared. The stenographer who took down the dictagraph records later repudiated them. These facts and a general difficulty of keeping vital witnesses from vanishing caused Mr. Dean to abandon his efforts. The court, however, sitting at Valparaiso discharged but one of the defendants. The cases against the mayor and alderman were "dismissed," leaving the way open for the state to file new charges if it desires.

That just ground for dissatisfaction with conditions at Gary exists is indicated by the following extract from an editorial that appeared in *The Tribune* of that city under date of April 13, 1912, entitled: "It Is the Truth that Hurts:"

For a minute look at the city administration of Gary in the face. Drop any sentiments of past disagreements and predilections.

The city engineer, who, as a member of the board of public works, is passing this year on contracts aggregating over a million dollars, by HIS OWN TESTIMONY IN HIS TRIAL AT VALPARAISO, IS A GRAFTER. He confessed on the stand to an agreement to make a profit of \$3000 on a lot, which he

² See NATIONAL MUNICIPAL REVIEW, vol. 1, p. 504.

was to buy for Thomas B. Dean for his heating plant. He was not in the real estate business. He could buy the lot no cheaper than anybody else could have purchased it. Dean could have bought at the same figure himself. But he tells Williston to buy the lot at one price and sell it to him at a price netting the city engineer \$3000. Dean paid \$300 on advance "profit" according to Williston's own testimony. Williston was to vote on this Dean franchise while this deal was pending. *The Tribune* is not changing Williston's testimony in the slightest degree.

No purchasing agent of a firm could HOLD HIS JOB FOR A SECOND AFTER SUCH A CONFESSION. No man passing on contracts for a private firm could last longer THAN THE TIME TO KICK HIM OUT AFTER HE HAD TESTIFIED TO TAKING A "PROFIT" OF \$3000 FROM A MAN WHO WAS ASKING A CONTRACT.

Yet Knotts' city engineer is sitting on the board of public works awarding contracts, kept there to act as a puppet for Knotts. *The CONTRACTORS WHO PUT UP THE MONEY* for his defense of course are getting the contracts. "Gary is too rotten," is not excessive.

Newport, Kentucky, has also received recently some undesirable advertising in the columns of the Cincinnati *Commercial Tribune*. This journal, under date of June 7, 1912, says that there have been rumors of graft in Newport for some time and that certain of the city and county officials were openly accused of irregularities in their accounts. To the loose methods in vogue in the keeping and examination of the official books is charged the responsibility for the boldness of certain delinquents. Expert accountants from New York are now making a thorough and searching examination of Newport's official records. Their report will soon determine the extent to which the rumors are based on actual crookedness.

The western coast has been comparatively free from reports of graft exposures and prosecutions for the past few months. In Washington, forged warrants to the amount of \$190 by a clerk in the controller's office in Tacoma constitute that state's sole contribution to municipal wrong doing that has come to light.

California seems to be resting on its late dishonors.

In Oregon there are developments that promise to be serious. On June 27, Mayor A. G. Rushlight, Chief of Police Slover, Captain of Police Baty and Detective Maddux and Reid, all of Portland, were indicted by the county grand jury for alleged conspiracy to bribe Deputy District Attorney Frank Collier. The deputy district attorney had charge of the May grand jury that was investigating the actions of the police department and the indicted officials are alleged to have engaged in a plot to entrap him.³

In addition to Chicago's constructive work in her building department, the law-breaking saloon as a factor in illegal voting and attendant graft received deserved attention from the Citizens Association of that city. Four indictments charging serious violations of the election laws in connection with the procurement of illegal voting were returned by the Cook

³ It seems to be a case of the accused "getting the drop" on the accuser.—THE EDITOR.

County grand jury on May 29, 1912, on evidence obtained by the Citizens' Association. Among the defendants is William McGovern, named in four indictments. The investigator of the Association was Robert J. McKnight who seems to have done his work thoroughly.

Concerning the notorious character of the McGovern saloons the report of the Citizens Association gives interesting testimony:

The McGoverns have for years been operating law-breaking saloons of the lowest type. On September 25, 1905, Mayor Dunne revoked the license of their then notorious place at 57 North Clark Street. The license was restored later, however, on the false pretext that the place had been sold. In the following year our investigators reported the place to be one of the worst in the city, harboring disreputable women and criminals. In 1907 John McGovern was indicted by two successive grand juries, on evidence furnished by the Citizens' Association, for conducting his place at 57 North Clark Street in a disorderly manner and he was subsequently found guilty and fined under both of these indictments. Both of the grand juries which returned these indictments emphatically recommended the revocation of McGovern's license, along with others.

The license was not revoked and McGovern continued to operate the place in the same fashion. In 1910, when the Citizens' Association made a similar investigation, this place and McGovern's saloon at 659 North Clark Street were found to be operating in the same illegal and indecent manner and repeated reports to this effect were made to the chief of police, with the suggestion that the license of both places ought to be revoked.

That these offenders are typical and that their overthrow will do much to clear up the illegal election centers is the opinion of the Association:

The Citizens' Association is deeply interested in the primary election fraud cases above mentioned not only because the offenses exposed strike at the root of decent government, but because the methods and men involved are typical. There can be no doubt but that at most elections in recent years the keepers of tough lodging houses and saloons in the so-called river wards have procured the casting of thousands of illegal votes by means above outlined.

Through their ability to deliver illegal votes in support of the candidates favored by ward bosses, these keepers of tough lodging houses and saloons have been able to gain such immunity that their disorderly places have been exempted from conforming to laws and police regulations that were enforced against competitors who refused to join in stuffing the registration lists.

C. R. ATKINSON.⁴

⁴ Since Dr. Atkinson prepared his article there have been a number of disclosures of graft, notably in New York and Detroit. Some of these will be treated of separately in the department of Events and Personalia, and Dr. Atkinson will contribute a further article to the January issue on the same subject.

Dr. Atkinson has been an active worker in the People's Institute of New York and in the West End Civic Club instituted by the Henry Street settlement established by the Children's Aid Society. After taking his doctor's degree at Columbia he became professor of political economy at Lawrence College.—EDITOR.