

There is much corruption when it comes to procurement. Probably the industry with the most corruption is construction. Keep in mind that corruption is the first cousin of discrimination which is why the establishment cringes at the thought of Black strangers coming into their territory. They want to keep the graft private.

I learned much about this corruption when I was in Indianapolis. One day one of my members invited me to attend “Bid Night”. Bid Night would occur two to three times a year. It was sponsored by the Indiana Department of Transportation (INDOT) and held at a downtown hotel in Indianapolis. Every major highway contractor would attend. Basically, it was a party held on the eve of bid openings. My friend was a known contractor and always attended. I went undercover as I would have never been formally invited to this good ol’ boy event. He would introduce me as his new vice president.

After about two hours most of the contractors were starting to get drunk. My member and I were two of the three Blacks in the whole place. It was very, very uncomfortable – red necks getting drunk. Some would be referred to as a “b_____”. It was explained to me that such a moniker described a front women owned business. Such White males actually owned fictitious women owned businesses in order to get in the Disadvantaged Business Enterprise program and would subcontract some of their work to themselves. This would give them credit towards the DBE program at the expense of Black, Hispanic and real women owned firms.

I left the affair early. It went on until about 2:00AM. Starting at 8:00AM the next morning the bids would be awarded. This was virtually a criminal activity. Each bid would have five or six companies “competing” for the lowest bid. There would be one logical bid and the others wouldn’t even be in the ball park. The bid room would fill with laughter as this went on for hours. It was obvious that these construction companies got together and decided who would win what. In the end, everyone had their share of contracts. It was bid rigging, pure and simple, and it was sanctioned by the state of Indiana. I was appalled. My member laughed at me and said “That’s how it’s done!”

A few days later, he invited me to come and see how “fronting” occurs. One form of fronting is to rent your company’s name to contracting activity. A White firm will actually do the work and get the money but the minority business report would falsely state that it was a Black firm. My member had a trucking company. The Indianapolis Airport Authority had his firm listed for dirt removal on a big project. He took me to the work site. There we saw three different White owned trucking companies doing the work. He informed me, “Harry, you are seeing a truck

come out every 20 seconds. Each truck means a \$3.00 fee for me. That's \$9.00 per minute; \$540 per hour and \$5,400 per day. Just for the use of my name! That's why I front."

Those three trucking companies simply padded their fee by \$3.00 per haul to cover the fronting fee. That was taxpayer money! My guy had no shame about this. We were at a reception to honor the Mayor of Indianapolis. The mayor came up to my guy and asked him "What are you doing at the airport?" He retorted, "I am fronting." The mayor didn't understand the answer. I just shook my head.

Then there was the case of "Dead Man Contracting". On a downtown project I noticed a particular firm listed as doing a sizeable contract. I knew the owner and he had died a year earlier – the business closed. I found a contact number and called it. It was the widow's home phone and I asked her if she had taken over the business. She explained to me, "No, I just fill out invoices per their instructions and they give me 2% of the invoice cost. I feel ashamed misrepresenting my husband's memory but the money is easy and I can use it." She promised to cease this illegal activity and I assured her that she wouldn't be reported as long as she stopped immediately.

It got so bad that I soon started to periodically write "Fudge Reports". I would call out a fronting activity – names of the fronts and the projects included. The reports would be widely distributed. In them, I explained how a real deal would have amounted in so many actual dollars being made. I would show how many jobs in the Black community would be created and how many families would have enjoyed the income. The fronting began to slow down.

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