

The Fire Inspector and other tales

A TV show would give voice to the problems between business owners and the powers that be. To sample some of those voices, the Review put out a simple request to entrepreneurs across Russia: send short accounts of the absurdities experienced everyday: be it the most bizarre, costly or ridiculous. What follows is a small sample
Some names and/or cities may have been changed

"I could afford the old Soviet building, but not the bribe that the Fire Inspector demanded – \$50,000 just for his permission! He finally came down to \$20,000. **I bought the building, paid off the Fire Inspector**, then took him to court. After nine months of fierce court battle and hundreds of thousands of dollars in legal fees, I finally won - much to everyone's surprise. He's now behind bars for four years - the first ever such case in our region."

Sergei Frolov, Tula, Supermarkets

"When my private chicken business started to become successful, the state chicken farm warned me to cut down my business activity. They made threats several times. **Then my four year old son was kidnapped**. I was crazy with fear. I broke up the business and three weeks later my son was returned unharmed. I never went back to the chicken business."

V Besmertnyk, St Petersburg

"My truckers were continually held up for money by petty officials at check points. The larger our transport company became, the higher the bribes. Finally **I decided to take them on**. I installed video cameras in my trucks. When my trucks were stopped,

the road police found themselves looking at a camera. They ceased immediately after my guys said, "Everything you say is being recorded and is sent to Moscow". I began regular trips to Moscow to report these activities and on behalf of others who couldn't afford cameras in their rigs. I'm still raising hell in Moscow and will until the road police clean up their habits."

V Turganov, Novosibirsk, Transport Company

"I own a successful dental clinic with 50 workers. My clinic provides free dentistry on Fridays and the local community knows that we are fair to the elderly and the poor. Most middleclass people buy our dental services. I took a strong position with city officials about the corruption of bureaucrats and supported one of the first OPORA conferences on Business and Power. Our city officials weren't happy about this. The night before the conference my dental clinic was torched, **a Molotov cocktail thrown through the window**. It was night, fire broke out, much damage was done. Since the people in my community like and respect our work, who could have been so provoked with me to do this damage?"

S Lebedev, Volgograd

"The mayor sent his representative to tell me that I had to pay for city improvements in front of my business. He wanted all the old concrete broken up and taken away, with a sand bed for new patio stones. I said, **"What if I say no, I can't afford that right now?"** "Then you won't get your next documents stamped" was the answer. "I can't afford problems with the authorities. So patio stones now rest where concrete was before."

A Ivanov, Voronezh, Print Company

"I needed documents for a new wing of my business. I went to the appropriate bureaucrat and explained what I needed. He told me that it could take up to six months. I complained, telling him that my loan money needed to be paid back and that I couldn't wait that long. He hesitated and chattered around, hinting for extra money. I didn't offer. He finally said if I wanted to get my papers in a week, I should check out the next door down the hall. There, **I found myself with another bureaucrat who announced that for \$500 he can produce my papers in five days**. I paid. What choice did I have? He probably splits the money with the chatterer I first talked to".

N. Orlov, Nizhny Novgorod

“I wanted to create pure water distillation and bottling for our town as our water is very bad. **Every step of the way I had to give big money to every bureaucrat** for services that should incur a minor cost or be free. They thought I was rich just because of the idea of a small water company. I explained that if I could get the company built that some water would go free to sick children’s homes, some to veterans’ homes, some to hospitals. It made no difference to them: all they were interested in was getting their portion of my money.”

A Alexandrov, Volgograd

“My retail store is away from the street and had a dirt car park, so I made inquiries to get permission for work to be done. To my shock, **the permission would cost almost as much as the work itself!** What for? The bureaucrats said, “take it or leave it”. I paid, for the sake of the convenience of my clients, but I get angry every time I look at the asphalt car park!”

G Federov, Omsk

“I have an independent radio/TV station. I needed a new tower for the station. On inquiring about permission, the Mayor came to me and said, “I’ll help if in return you make positive broadcasts about my forthcoming election. Also, **you will of course make bad PR about my opponent.**” I explained that I couldn’t do it: I can only give independent news with balanced information. He replied that he was sorry, but he wouldn’t give permission for my new tower if I wouldn’t go along with his plan”

D Frolov, Chelyabinsk

“My pharmacies have constant problems with inspectors who are interested in finding problems and making me pay fines, but not whether I fix the grievances that they list. They would much rather come back every three months and fine me for the same thing. How do other countries deal with constant fines? When I went to America and asked the

first pharmacy that I trained in, I asked, “How do you deal with all the inspections?” The pharmacy owner said that he did not understand the question. “What inspections?” he asked. Finally I asked the right question: How often do inspectors come to your pharmacy business? I learnt that some come once a year and others once every three years. When I returned home, I told the first inspector the story from the US and warned him that if he showed up more than once a year, I would report him to the Union of Entrepreneurs and Industrialists and bring a case against him. **It must have scared them, as they haven’t come back since.**”

T Ivanova, Perm

“Bribes, payoffs and giveaways are the price of having my own travel business. After a dozen years in this business, **I just put this financial requirement into my business plan.** But I dream about what I could do, how successful my business could be, if I didn’t have to support these bureaucrats – who by the way live more lavishly than I do.

E Sovolokova, Rostov

“I own a construction company. We build Dachas on the peripheries of Russian cities, most of which are built for those on the state payrolls. We all know they make modest salaries. **Where do they get the extra money to live in houses which entrepreneurs can’t afford?** It’s from us. They get their money from the entrepreneurs, not from their salaries, but from bribes, payoffs, fines, percentages of rigged tenders and business deals.”

S. Menshikov, Voronezh

“I switched from IRS Office Number 1 to IRS Office Number 2 having paid all the taxes for the previous period to IRS Office Number 1 that it was supposed to transfer to IRS Office Number 2. Yet, they were not transferred within 40 days which made me “tax evader” in IRS Office Number 2. I was inundated by a stream of letters from IRS Office Number

2. Demonstration of payment confirmations and other documents made no difference. **It was only after my threat to bring the case to court that my taxes were transferred** from IRS Office Number 1 to IRS Office Number 2. But it’s not a happy ending yet. Right after getting the documents, that inspector got ill, forgetting to make a certain mark in the documents. His colleague resumed the stream of warranties and extra charges for unduly payment. That’s the state of affairs now.”

S. Borisova, Khanty Mansiisk

“The inspector came to my restaurant wanting to inspect my kitchen. He informed me that I must have separate rooms for cutting different food products, and also that I don’t have enough refrigerators, that I need a separate refrigerator to cool meats in. I asked why restaurants in the US don’t have to have different rooms for cutting foods or different refrigerators for cooked foods and another for uncooked foods. **He replied that bacteria can jump from one to the other and Russia knows best.** He charged me a \$100 fine (straight in his pocket) and reminded me that he will be back for free food for the anniversary party of his department.

Y Anisomov, Belgorad

“We entrepreneurs were being hit upon regularly by multiple department bureaucrats for special contributions to charity events, city improvements, official parties, city day celebrations Finally 19 of us organised ourselves and decided we would form a bloc. We made a flyer describing how we work with bureaucrats. We take their suggestions and then our committee meets to decide which ones we feel we can collectively support. Either we all contribute jointly or we decide none of us will support the project. **We stick together and with this social initiative have cut out double what we had to pay before.**”

K Sokolov, Yuripinsk