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City Controller Christy Brady's Audit of Licenses & Inspections Raises Concerns Over Public & Worker Safety

Several findings identified that weaken the department's ability to ensure safe and lawful construction in the city

PHILADELPHIA – Today City Controller Christy Brady released an audit of the Department of Licenses & Inspections (L&I), identifying significant gaps in the department's oversight of construction activities across Philadelphia. The audit, which examined both residential and commercial construction sites, highlights systemic issues that pose risks to public and worker safety, as well as the potential loss of city revenue.

"Since taking office, I've prioritized reviewing policies that protect our residents, especially those related to construction and development," said Brady. "This audit builds on our previous investigation into dangerous and unsafe buildings and continues our commitment to ensuring that all construction activity in Philadelphia is safe, lawful, and properly inspected."

At eight construction site visits observed by auditors, L&I inspectors failed to request contractors' licenses or documentation verifying workers' employment status. The site visits included residential and commercial properties.

"At no time during any of the site visits did the construction inspectors ask to review applicable contractor licenses or determine whether there were any misclassified workers on site," said Brady. "By failing to actively review contractor licenses, L&I accepts that unlicensed contractors are performing work that many not comply with the Uniform Construction Code."

"This failure by L&I puts the public and worker safety at risk," said Brady.

Councilmember Michael Driscoll, 6th District, who is Chair of the Licenses and Inspections Committee, joined Brady in issuing the audit.

"Philadelphians deserve safe, lawful construction in every neighborhood," said Driscoll. "I want to thank Controller Brady and her team for their careful work, and I also want to thank the men and women of L&I who work hard every day under challenging circumstances. By working together, we can build on this audit and deliver the safe, reliable construction our residents deserve."

Along with potential safety issues, misclassified employees prevent the city from collecting the revenue needed to offset the costs of L&I's compliance and enforcement efforts.

The City Controller's audit also identified several other findings:

- Incomplete Inspection Records: Of 40 residential permits sampled, 13 lacked documentation to show that all required inspections were completed.
- Missing Documentation: 34 of the 40 permits were missing required comment details or photographs, violating L&I's own inspection procedures.
- Unqualified Fire Inspectors: Eight employees conducted over 1,000 fire inspections without the necessary Uniform Construction Code certifications.
- Inadequate Electrical Inspection Audits: About 1% of over 6,000 third-party electrical inspections were audited, and some audits were conducted by uncertified staff.

"These findings are alarming," Brady stated. "They weaken L&I's ability to ensure safe construction and allow unlicensed contractors and misclassified workers to operate unchecked, putting both public and worker safety and the city at risk."

Controller Brady noted that L&I Commissioner Basil Merenda and Mayor Cherelle Parker's administration have already begun implementing corrective actions in response to the audit's findings.

"We are encouraged by L&I's commitment to addressing these issues," Brady said. "Our office will continue to monitor progress and collaborate with the department to ensure that Philadelphia's construction industry operates safely and responsibly."

For more information and to view the full audit report, visit controller.phila.gov.

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