



FENG LI—GETTY IMAGES

OLYMPIC GREED

How crooked Chinese officials have cashed in on the 2008 games

By Oliver August

An opulent villa stands on a plot of farmland just north of the Chinese capital, close to where the Beijing Olympics will be held next August. The villa's architecture mixes classical Chinese features with modern steel and glass elements. But the real surprise is inside. The bedrooms are decorated in warm, soft tones that appeal to the residents—a group of young, attractive women chosen by the vice mayor of Beijing. They are his personal concubines, paid for by building contractors.

Before he was fired last year and subsequently imprisoned, Vice Mayor Liu Zhihua was directly responsible for the construction of the city's Olympic venues. He oversaw projects worth \$35 billion, more

money than was spent on all previous games together going back to the Montreal Olympics in 1976. Using the power of his office, Liu collected kickbacks that he used to set himself up in regal splendor. "Liu had more than one mistress," wrote the *Wen Hui Bao* newspaper in Shanghai. "He had a secret pleasure palace for himself to have fun." His fall

was triggered not by Chinese associates aware of his lavish lifestyle but rather by a foreign businessman who reportedly found Liu's payoff demands for a real-estate deal so outrageously steep that he complained to the authorities.

Liu's case draws attention to the Achilles heel of China's economic boom: corruption. Last year alone,

some 100,000 members of the Communist Party were censured for graft, a number that still understates the extent of the problem. Almost no major business transaction gets done in China without a cash payment under the table, long-term observers say. Liu's only mistake was that he became too greedy, and his behavior was too conspicuous. Other officials continue to collect bribes.

The most recent allegations involve Zhou Liangluo, leader of Haidian district in northern Beijing, bordering the Olympic village. He was fired from of-



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LANDMARKS. At top, a worker near the new 91,000-seat National Stadium, dubbed the "Bird's Nest"; (above) raising the Olympic rings

SHOWCASE. The “Water Cube” National Aquatics Center features an energy-saving, translucent exterior.



ficial posts in June after rumors of his bribe-taking became so widespread that officials were forced to take action.

Yet individual sackings such as this do little to solve the wider problem. Corruption is endemic in China and could sully the reputation of the games. “American companies who sponsor the Olympics are unlikely to be damaged by this directly,” said Robert Kapp, a former president of the U.S.-China Business

painting concrete surfaces green to make them look like parks.

Urban amenities. Expecting 2 million visitors during the two-week games next summer, the government has dug deep into official coffers to show itself worthy of Olympic honors. In record time, it has tripled the size of the city’s subway system. Where there were once narrow and congested residential streets, out-of-town traffic now flows on elevated highways.

The centerpiece is a 91,000-seat National Stadium, constructed from an elaborate web of high-tech steel beams. These “interwoven twigs” earned the \$400 million-plus structure the nickname “Bird’s Nest.” It will be the main venue for track and field competitions and the site of the opening and closing ceremonies, organized by Zhang Yimou, the Chinese movie director, and American film director Steven Spielberg (who has threatened to pull out as a protest against China’s support for Sudan in the Darfur conflict).

Beijing is hoping to stage an Olympics that matches the nation’s impressive rise to economic superpower status. After centuries during which China was focused inward, the games are something of

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Council. “But there is a general danger that public perceptions in America will turn against China.”

In 2001, when Beijing won the right to host the games, the Chinese capital was drab and sleepy. Even as construction has boomed and a thousand new cars a week worsen the already bad urban air pollution, the government has worked hard to improve living conditions for the city’s 15 million residents. New parks and grassy patches are sprouting, and public transportation is expanding. Forgotten are the tricks employed when Beijing was competing with Paris to host the games, such as spray-

Foreign visitors will be landing at a new airport, designed by Norman Foster, the British star architect. Near Tiananmen Square, they will find a highly innovative opera house shaped like a giant egg sitting in its own lake designed by Paul Andreu, who built Paris’s main airport.

These landmarks are surrounded by hundreds of new high-rise towers providing modern working and living spaces. The towers reach northward for miles out of the city to a grandiose Olympic village, to be lit by solar-powered lamps, no less. The area includes a total of 31 sports stadiums that are already more or less finished.

a coming-out party, similar to Tokyo’s postwar re-emergence with the 1964 games. Young Chinese, in particular, see this as a pivotal event. Zhang Yue, a 26-year-old computer engineer, says: “China is keen to show herself to the world. Though there are other opportunities, the Olympics is the best and is the one that suits China most. It’s big-scaled, and it’s noisy. It will draw a lot of attention.”

And yet, despite Beijing’s impressive efforts, the flaws are hard to overlook. New city plazas frequently flood in downpours, new highways are potholed within months, and new buildings show cracks in load-bearing walls. Much of the

construction work of the past few years has been shoddy.

In March, six workers were killed in the collapse of a tunnel for the new No. 10 subway line, which connects to the Olympic village. Some outspoken officials say the cause of the accident was covered up. Authorities blamed misjudgment about soil conditions, but most likely it was due to inferior construction standards. Robert Broadfoot, a Hong Kong-based analyst, told news agencies at the time: "This highlights a huge problem of transparency. Right since the very beginning, you have had precious little

village. His face is covered with tiny specks of cement, and his muscled forearms show cuts and bruises sustained during building work. During a break from his 12-hour shift, he shows several brick walls he has helped to erect near the Bird's Nest. But much of the surrounding area is concrete, and Guang, who built his own brick home in the countryside, is not impressed. "See this? It already looks old," he says. "Nobody from a foreign country has even been here yet." With a mix of frustration and fear, he points out that there are cracks and fissures evident long before the first

among foreign visitors and consumers. With China already embroiled in a scandal over tainted food exports, its booming economy has become vulnerable.

An Olympic disaster would have political consequences, too. The question of who is responsible for shoddy construction work is not one the government wants examined too closely. Top officials have made a show of cracking down on corruption, though this may be too little, too late. Among those convicted for taking money are the head of the highway construction agency building roads to Olympic sites; the head of the port of Qingdao, site of Olympic sailing competition; a senior executive at a state construction group building stadiums; and the deputy head of a state-run lottery raising money for Olympic facilities. These four have been exposed in recent months. But experts believe there are many more.

Like a cancer, graft is eating away at Beijing's newly built infrastructure and, by extension, at China's senior leaders. It would be hard to exaggerate the importance they attach to the 2008 games. Having been vilified as violators of human rights for decades, they are hoping for a show of approval from the international community next summer. Seeing that approval under threat from corruption now, they are, belatedly, taking action. China's first supposedly independent anticorruption agency will be set up later this year, and an Olympic anticorruption commissioner has been appointed, the first in the games' history.

Yet, these efforts likewise could be too late to make a difference. Corruption is a national problem. Surveys have found that 90 percent of the country's richest 3,000 people come from the families of Communist Party officials. Sweetheart deals and kickbacks are a way of life here. Any serious attempt by senior leaders to change that would devastate their power base.

Thus, the biggest winners at the games will not be standing on numbered podiums with medals hanging around their necks. Instead, they will be sitting high above the athletes in plush VIP sections reserved for officials. ●

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GILLES SABRIE—ONASIA

UNDERGROUND. In preparation for the 2008 Olympics, Beijing has tripled the size of its subway system.

transparency attached to the Beijing Olympics. The coverup of the tunnel collapse is not a surprise given that history."

Construction workers in Beijing report systematic disregard for safety regulations. To meet tight deadlines, their bosses often add chemicals to the concrete mix that make it set faster. Unfortunately, they also make it more brittle. Former Prime Minister Zhu Rongji has spoken of "tofu construction," since the resulting walls have the strength of bean curd.

Guang Xin, a 44-year-old former farmer who came to Beijing two years ago, earns an "OK salary" of \$60 a month as a construction worker at the Olympic

Olympics spectators arrive. "What happens when the world finds out our stadiums are fakes?"

Wired. A few blocks away, another construction worker, Wang Lanqing, leans his bike against a lamppost. "The whole area is lit by solar-powered lamps," he observes. "That's what they say. But our boss told us to hook the lamps up to the city [electric] grid instead."

The nonsolar lamps are a potential embarrassment. Other construction flaws, however, could have more serious repercussions. The collapse of a subway tunnel or even a sports arena during the games would undermine confidence