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## New York: Compliance Failures Cost Offices Dearly

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As office buildings adapt to new demands in property management and risk control, outdated procedures in back-end operations are exposing corporate spaces to costly liabilities.

While front entrances at commercial buildings often feature advanced security such as ID scanning, guard posts, and access control systems, the same level of scrutiny is frequently

missing at delivery bays, freight corridors, and service entrances. Many facilities still rely on paper logs and unverified access lists to manage vendor traffic.

A recent case in midtown Manhattan highlights the consequences of such oversight. A scheduled delivery appeared routine until it was discovered that the vendor lacked a valid Certificate of Insurance (COI). During the delivery, the vendor accidentally damaged the building's freight elevator.

The elevator remained out of service for more than a week, delaying tenant move-ins and vendor schedules. Repair costs exceeded \$10,000, but when building management attempted to recover the costs through the vendor's insurance, it was revealed that the COI on file had expired and no updated documentation had been obtained.

As a result, the full financial burden was left with the property's management team.

This incident was not caused by negligence in construction or bad intent, but rather by a gap in administrative compliance. Reliance on manual processes and a lack of centralized oversight allowed a preventable risk to become an expensive problem.

Facilities experts say that operational blind spots like these are not uncommon, especially in large commercial spaces. Without proper systems to enforce verification of credentials and insurance compliance, building owners and managers may find themselves absorbing costs that could otherwise be covered.