THE CITY OF NEW YORK
BUSINESS INTEGRITY COMMISSION
100 CHURCH STREET, 20TH FLOOR
NEW YORK, NEW YORK 10007

DECISION OF THE BUSINESS INTEGRITY COMMISSION DENYING THE APPLICATION OF WORLD CLASS DEMOLITION, INC. FOR A REGISTRATION TO OPERATE AS A TRADE WASTE BUSINESS AND DENYING THE RENEWAL APPLICATION OF PHANTOM DEMOLITION CORP. FOR A REGISTRATION TO OPERATE AS A TRADE WASTE BUSINESS

World Class Demolition, Inc. ("World Class") and Phantom Demolition Corp. ("Phantom")(collectively the "Applicants") have each applied to the New York City Business Integrity Commission (the "Commission") for a registration to operate as a trade waste business and for renewal of a registration to operate as a trade waste business pursuant to Local Law 42 of 1996. See Title 16-A of the New York City Administrative Code ("Admin. Code"), §16-505(a). Local Law 42, which created the Commission to regulate the trade waste removal industry in New York City, was enacted to address pervasive organized crime and other corruption in the commercial carting industry, to protect businesses using private carting services, and to increase competition in the industry and thereby reduce prices.

The applications for registrations would, if granted, enable World Class and Phantom to operate as trade waste businesses "solely engaged in the removal of waste materials resulting from building demolition, construction, alteration or excavation" – a type of waste commonly known as construction and demolition debris, or "C & D." See Admin. Code § 16-505(a). Local Law 42 authorizes the Commission to review and determine such applications for registration. See id. If, upon review and investigation of the application, the Commission grants the applicant a registration, the applicant becomes "exempt" from the licensing requirement applicable to businesses that remove other types of waste. See id.

In determining whether to grant a registration to operate a construction and demolition debris removal business, the Commission considers the same types of factors that are pertinent to the Commission's determination whether to issue a license to a business seeking to remove other types of waste. See, e.g., Admin. Code § 16-504(a) (empowering Commission to issue and establish standards for issuance, suspension, and revocation of licenses and registrations); compare Title 17, Rules of the City of New York ("RCNY") §§ 1-06 & 2-02 (specifying information required to be submitted by license applicant) with RCNY §§ 1-06 & 2-03(b) (specifying information required to be

submitted by registration applicant); see also Admin. Code §16-513(a)(i) (authorizing suspension or revocation of license or registration for violation of Local Law 42 or any rule promulgated pursuant thereto). Central to the Commission's investigation and determination of a registration application is whether the applicant has business integrity. See 17 RCNY § 1-09 (prohibiting numerous types of conduct reflecting lack of business integrity, including violations of law, knowing association with organized crime figures, false or misleading statements to the Commission, and deceptive trade practices); see also Admin. Code § 16-509(a) (authorizing Commission to refuse to issue licenses to applicants lacking "good character, honesty and integrity"); Breeze Carting Corp. v. The City of New York, 52 A.D.3d 424, 860 N.Y.S.2d 103 (1st Dept. 2008).

Based upon the record as to the Applicants, the Commission, for the following independently sufficient reasons, denies World Class' registration application and denies Phantom's registration renewal application:

A. The Applicants failed to demonstrate eligibility for the registration they seek.

   1. These Applications are denied because the Commission recently found that two related companies - Metro Demolition Contracting Corp., and Circle Interior Demolition Corp. - lacked good character, honesty, and integrity, and denied their applications.

   2. In an effort to circumvent the Commission's authority, the Applicants have engaged in numerous instances of unregistered trade waste removal activity.

   3. The Applicants failed to pay taxes and other obligations for which judgments have been entered.

B. The Applicants knowingly failed to provide information and/or documentation to the Commission and have provided false or misleading information to the Commission in connection with the applications.

I. BACKGROUND

A. The New York City Carting Industry

Virtually all of the more than 200,000 commercial business establishments in New York City contract with private carting companies to remove and dispose of their refuse. Historically, those services have been provided by several hundred companies. For the past four decades, and until only a few years ago, the private carting industry in the City was operated as an organized crime-controlled cartel engaging in a pervasive pattern of racketeering and anticompetitive practices. The United States Court of Appeals for the Second Circuit has described that cartel as "a 'black hole' in New York City's economic life." Sanitation & Recycling Industry, Inc. v. City of New York, 107 F.3d 985, 989 (2d Cir. 1997) ("SRI").

Extensive testimonial and documentary evidence adduced during lengthy City Council hearings addressing the corruption that historically has plagued this industry revealed the nature of the cartel: an entrenched anti-competitive conspiracy carried out through customer-allocation agreements among carters, who sold to one another the exclusive right to service customers, and enforced by organized crime-connected racketeers, who mediated disputes among carters. See generally Peter Reuter, Racketeering in Legitimate Industries: A Study in the Economics of Intimidation (RAND Corp. 1987). After hearing the evidence, the City Council made numerous factual findings concerning organized crime's longstanding and corrupting influence over the City's carting industry and its effects, including the anticompetitive cartel, exorbitant carting rates, and rampant customer overcharging. More generally, the Council found "that unscrupulous businesses in the industry have taken advantage of the absence of an effective regulatory scheme to engage in fraudulent conduct." Local Law 42, § 1.

The City Council's findings of extensive corruption in the commercial carting industry have been validated by the successful prosecution of many of the leading figures and companies in the industry. In 1995 and 1996, the Manhattan District Attorney obtained racketeering indictments against more than sixty individuals and firms connected to the City's waste removal industry, including powerful mob figures such as Genovese organized crime family capo Alphonse Malangone and Gambino soldier Joseph Francolino. Simply put, the industry's entire modus operandi, the cartel, was indicted as a criminal enterprise. Since then, all of the defendants have either pleaded or been found guilty of felonies; many have been sentenced to lengthy prison terms, and many millions of dollars in fines and forfeitures have been imposed.

The Commission's regulatory and law-enforcement investigations have confirmed that organized crime has long infiltrated the construction and demolition debris removal sector of the carting industry as well as the garbage hauling sector that was the focus of the Manhattan District Attorney's prosecution. In light of the close nexus between the C & D sector of the carting industry and the construction industry, mob influence in the former should come as no surprise. The construction industry in New York City has been corrupted by organized crime for decades. See, e.g., James B. Jacobs, Gotham Unbound: How New York City Was Liberated from the Grip of Organized Crime 96-115 (1999) (detailing La Cosa Nostra's influence and criminal activity in the concrete, masonry, drywall, carpentry, painting, trucking, and other sectors of the City's construction industry).

Moreover, the C & D sector of the carting industry has been a subject of significant federal prosecutions. In 1990, Anthony Vulpis, an associate of both the Gambino and the Genovese organized crime families, Angelo Paccione, and six waste hauling companies owned or controlled by them were convicted of multiple counts of racketeering and mail fraud in connection with their operation of a massive illegal landfill on Staten Island. See United States v. Paccione, 949 F.2d 1183, 1186-88 (2d Cir. 1991), cert. denied, 505 U.S. 1220 (1992). Many C & D haulers dumped their loads at this illegal landfill, which accumulated 550,000 cubic yards of refuse over a mere four-month period in 1988; during that period, "the City experienced a sharp decline in the tonnage of construction waste deposited" at its Fresh Kills landfill, as well as "a concomitant decline

in revenue" from the fees that would have been charged for dumping at a legal landfill. 949 F.2d at 1188. The trial judge described this scheme as "one of the largest and most serious frauds involving environmental crimes ever prosecuted in the United States." United States v. Paccione, 751 F. Supp. 368, 371 (S.D.N.Y. 1990).

Another illegal waste disposal scheme also prominently featured haulers of construction and demolition debris. This scheme involved certain "cover" programs instituted by the City of New York at Fresh Kills, under which the City obtained materials needed to cover the garbage and other waste dumped at the landfill. Under the "free cover" program, transfer stations and carting companies could dispose of "clean fill" (i.e., soil uncontaminated by debris) at Fresh Kills free of charge. Under the "paid cover" program, the City contracted with and paid carting companies to bring clean fill to Fresh Kills. Numerous transfer stations and carters, however, abetted by corrupt City sanitation workers, dumped non-qualifying materials (including C & D) at Fresh Kills under the guise of clean fill. This was done by "cocktailing" the refuse: Refuse was placed beneath, and hidden by, a layer of dirt on top of a truckload. When the trucks arrived at Fresh Kills, they appeared to contain nothing but clean fill, which could be dumped free of charge.

In 1994, twenty-eight individuals, including numerous owners of transfer stations and carting and trucking companies, were indicted in connection with this scheme, which deprived the City of approximately $10 million in disposal fees. The indictments charged that from January 1988 through April 1992, the defendants participated in a racketeering conspiracy and engaged in bribery and mail fraud in connection with the operation of the City's "cover" programs. The various hauling companies, from Brooklyn, Queens, and Staten Island, were charged with paying hundreds of thousands of dollars in bribes to Department of Sanitation employees to allow them to dump non-qualifying materials at Fresh Kills without paying the City's tipping fees. See United States v. Cafra, et al., No. 94 Cr. 380 (S.D.N.Y.); United States v. Barbieri, et al., No. 94 Cr. 518 (S.D.N.Y.); see also United States v. Caccio, et al., Nos. 94 Cr. 357,358, 359, 367 (four felony informations). Twenty-seven defendants pleaded guilty in 1994 and 1995, and the remaining defendant was found guilty in 1996 after trial.

In sum, the need to root organized crime and other forms of corruption out of the City's waste removal industry applies with equal force to the garbage hauling and the C & D sectors of the industry. Local Law 42 recognizes this fact in requiring C & D haulers to obtain registrations from the Commission in order to operate in the City. See Attonito v. Maldonado, 3 A.D.3d 415, 771 N.Y.S.2d 97 (1st Dept. 2004).

B. Local Law 42

Upon the enactment of Local Law 42, the Commission assumed regulatory authority from the Department of Consumer Affairs (the "DCA") for the licensing and registration of businesses that remove, collect, or dispose of trade waste. See Admin. Code § 16-503. "Trade waste is broadly defined and specifically includes "construction and demolition debris." Id. § 16-501(f)(1). The carting industry quickly challenged the new law, but the courts have consistently upheld Local Law 42 against repeated facial

and as-applied constitutional challenges by New York City carters. See, e.g., Sanitation & Recycling Industry, Inc. v. City of New York, 928 F. Supp. 407 (S.D.N.Y. 1996), aff'd, 107 F.3d 985 (2d Cir. 1997); Universal Sanitation Corp. v. Trade Waste Comm'n, No. 96 Civ. 6581 (S.D.N.Y. Oct. 16, 1996); Vigliotti Bros. Carting Co. v. Trade Waste Comm'n, No. 115993/96 (Sup. Ct. N.Y. Cty. Dec. 4, 1996); Fava v. City of New York, No. CV-97-0179 (E.D.N.Y. May 12, 1997); Imperial Sanitation Corp. v. City of New York, No. 97 CV 682 (E.D.N.Y. June 23, 1997); PJC Sanitation Services, Inc. v. City of New York, No. 97-CV-364 (E.D.N.Y. July 7, 1997). The United States Court of Appeals has definitively ruled that an applicant for a trade waste removal license under Local Law 42 has no entitlement to and no property interest in a license, and the Commission is vested with broad discretion to grant or deny a license application. SRI, 107 F.3d at 995; see also Daxor Corp. v. New York Dep't of Health, 90 N.Y.2d 89, 98-100, 681 N.E.2d 356, 659 N.Y.S.2d 189 (1997).

Local Law 42 specifically permits the Commission to refuse to issue a registration to an applicant "who has knowingly failed to provide the information and/or documentation required by the commission pursuant to [Title 16 of the Administrative Code or any rules promulgated thereto]" or "who has otherwise failed to demonstrate eligibility for such license." Admin. Code §16-509(b). Applicants who knowingly fail to provide information required by the Commission (whether they fail to provide the information altogether or they provide false and misleading information) fall under the first prong. In Attonito v. Maldonado, 3 A.D.3d 415 (1st Dept. 2004); *leave denied*, 2 N.Y.3d 705 (2004), the Appellate Division affirmed the authority of the Commission to "review" exemption applications, to fully investigate any matter within its jurisdiction and to deny such applications in those cases "where the applicant fails to provide the necessary information, or knowingly provides false information." It further affirmed the authority of the Commission to investigate the accuracy of the information provided in an application. Id.

Applicants who fail to demonstrate good character, honesty and integrity using the criteria by which license applicants are judged fall under the second prong of §16-509(b). While the Appellate Division in Attonito did not directly address the second prong, by affirming the Commission's authority to investigate matters within the trade waste industry, it necessarily follows that the Commission need not ignore the results of its investigation that bear on an applicant's good character, honesty and integrity. Id.; accord Breeze Carting Corp. v. The City of New York, 52 A.D.3d 424, 860 N.Y.S.2d 103 (1st Dept. 2008) (Commission denial not arbitrary and capricious where based on a criminal conviction, identification as an organized crime associate, and false and misleading statements). Accordingly, the Commission evaluates whether applicants meet the fitness standard using the same criteria upon which license applicants may be denied, including:

1. failure by such applicant to provide truthful information in connection with the application;

2. a pending indictment or criminal action against such applicant for a crime which under this subdivision would provide a basis for the refusal of such

license, or a pending civil or administrative action to which such applicant is a party and which directly relates to the fitness to conduct the business or perform the work for which the license is sought, in which cases the commission may defer consideration of an application until a decision has been reached by the court or administrative tribunal before which such action is pending;

3. conviction of such applicant for a crime which, considering the factors set forth in section seven hundred fifty-three of the correction law, would provide a basis under such law for the refusal of such license;

4. a finding of liability in a civil or administrative action that bears a direct relationship to the fitness of the applicant to conduct the business for which the license is sought;

5. commission of a racketeering activity or knowing association with a person who has been convicted of a racketeering activity, including but not limited to the offenses listed in subdivision one of section nineteen hundred sixty-one of the Racketeer Influenced and Corrupt Organizations statute (18 U.S.C. § 1961 et seq.) or of an offense listed in subdivision one of section 460.10 of the penal law, as such statutes may be amended from time to time, or the equivalent offense under the laws of any other jurisdiction;

6. association with any member or associate of an organized crime group as identified by a federal, state or city law enforcement or investigative agency when the applicant knew or should have known of the organized crime associations of such person;

7. having been a principal in a predecessor trade waste business as such term is defined in subdivision a of section 16-508 of this chapter where the commission would be authorized to deny a license to such predecessor business pursuant to this subdivision;

8. current membership in a trade association where such membership would be prohibited to a licensee pursuant to subdivision j of section 16-520 of this chapter unless the commission has determined, pursuant to such subdivision, that such association does not operate in a manner inconsistent with the purposes of this chapter;

9. the holding of a position in a trade association where membership or the holding of such position would be prohibited to a licensee pursuant to subdivision j of section 16-520 of this chapter;

10. failure to pay any tax, fine, penalty, or fee related to the applicant's business for which liability has been admitted by the person liable

therefor, or for which judgment has been entered by a court or administrative tribunal of competent jurisdiction.

Admin. Code § 16-509(a)(i)-(x). While the presence of one of the above factors in the record of a registration applicant would not necessarily require a denial as a matter of law, the Commission may consider such evidence as a factor in determining overall eligibility.

II. DISCUSSION

On August 24, 2004, Phantom filed an application for exemption from licensing requirements for removal of construction and demolition debris. On February 1, 2005, the Commission granted that application. See Phantom Registration Order. Brothers Maurizio Bordone ("Maurizio") and John Bordone ("John") were the only disclosed principals of Phantom.[1] See Phantom Application. Phantom's registration expired on January 31, 2007. See Phantom Registration Order. On February 6, 2007, Phantom filed a renewal application with the Commission.[2]

On or about January 9, 2006, World Class filed an application for exemption from licensing requirements for removal of demolition debris (the "Original World Class Application") with the Commission. Joanne DiBiase ("DiBiase") was the only disclosed principal of World Class. See Original World Class Application at 9. In connection with World Class' application, on May 16 2006, the Commission took testimony from DiBiase. DiBiase testified and provided the Commission with other documentary information in an effort to demonstrate that World Class was not affiliated with Phantom, Metro, and Circle (collectively, the "Bordone Companies").[3]

The staff has conducted a background investigation of the Applicants and their principals. Throughout the application process the Applicants have failed to provide clear and consistent information about their affiliation with Metro and Circle. However, the totality of the evidence clearly demonstrates that the operations and ownership of the Applicants are so intertwined with each other and with Metro and Circle that their applications are reasonably be considered together, and that they are considered in light

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[1] Vincent Bordone ("Vincent") is the father of Maurizio and John. Vincent and another son, Carlo Bordone ("Carlo"), are the disclosed principals of Metro Demolition Contracting Corp. ("Metro"). Carlo is also the only disclosed principal of Circle Interior Demolition Corp. ("Circle"). On May 8, 2007, the Commission found that Metro and Circle each lacked good character, honesty, and integrity, and denied Metro's registration renewal application and Circle's registration application. See Metro Denial Decision; Circle Denial Decision. In an April 21, 2005 deposition related to litigation brought by the Trustees of the Mason Tenders District Council Welfare Fund, Maurizio testified that in addition to himself, Vincent, Carlo and John had authority to sign documents, including checks, on behalf of Phantom. See April 21, 2005 Deposition Transcript of Maurizio Bordone, Trustees of the Mason Tenders District Council Welfare Fund v. Metro Demolition Contracting Corp. and Phantom Demolition Corp., ("Maurizio Tr.") (04 Civ. 6629) (S.D.N.Y.) at 55.

[2] Thus, it is likely that Phantom operated with an expired registration for approximately one week.

[3] Before filing the Original World Class application with the Commission, DiBiase was a clerical employee of Metro and Phantom. See Maurizio Tr. at 24; May 16, 2006 Deposition transcript of Joanne DiBiase ("DiBiase Tr.") at 13.

of the Commission's previous finding that Metro and Circle lacked good character, honesty, and integrity.

On July 6, 2006, the Commission's staff orally communicated to World Class' attorney, Mark Hankin, some of the inconsistencies of DiBiase's testimony (see infra at pp. 14-16), including questions about the true ownership and control of World Class. On or about July 25, 2006, DiBiase advised the Commission that she was resigning from the company. On or about July 26, 2006, World Class was transferred to Maurizio.[4] See World Class Amended Application at 28 (attached letter from World Class' attorney, Frank Didero, states that "on Wednesday, July 26, 2006, all of the shares of stock in World Class Demolition Corporation were transferred into the name of Maurizio Bordone in my office."). The Applicants' response does not dispute any of these facts and offers no additional evidence about how and why World Class was transferred from DiBiase to Maurizio. See response at 2.

Before the transfer, Maurizio made no secret to the Commission staff that he was anxious to shut down Phantom and register World Class in Phantom's place. See November 28, 2007 Affidavit by David Mandell, Special Counsel. Accordingly, on or about August 8, 2006, World Class submitted an amended application to the Commission. See World Class Amended Application. The World Class Amended Application disclosed a new main office and mailing address, which was also Metro's address. See World Class Amended Application at 1; Metro Demolition Contracting Corp. Application at 1.[5] The World Class Amended Application also disclosed a new garage address, which is also Circle's address.[6] See World Class Amended Application at 1; Circle Interior Demolition Inc. Application at 1. World Class' Amended Application also disclosed that Maurizio was World Class' only principal as of July 26, 2006. See World Class Amended Application at 9. Much of World Class' original application and amended application included substantially similar information, including the same agent for service of process, the same telephone and facsimile numbers. See Original World Class Application at 1-2; World Class Amended Application at 1-2. The same notary public notarized DiBiase's signatures on the original World Class application and Maurizio's signatures on the World Class Amended Application. See Original World Class Application at 16-17; World Class Amended Application at 16-17. The Applicants' response does not challenge any of these facts.

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[4] In a July 25, 2006 telephone conversation with Special Counsel David Mandell, Maurizio stated that he was "shutting down Phantom" and buying World Class. Later the same day, DiBiase contacted the staff member by telephone to inform the Commission that she heard that Maurizio had contacted the Commission but did not know what Maurizio told the Commission. DiBiase stated that she was "resigning" from World Class and wished to withdraw World Class' application. DiBiase said she did not know anything about the sale of World Class to Maurizio. See Affidavit of David Mandell, Special Counsel.

[5] According to Maurizio, Metro owns the property where Phantom's and World Class' offices are located. See Maurizio Tr. at 15. Metro allows Phantom and World Class to use these offices rent-free and does not require that either pay for utilities. See Maurizio Tr. at 17.

[6] Maurizio testified that FB Realty owns the garage that Phantom and World Class both use. Brothers Carlo, Maurizio, John, and Fabio Bordone own FB Realty. See Maurizio Tr. at 15-16.

On May 27, 2008, the staff issued a 19-page recommendation that the applications be denied. The Applicants were served with the recommendation on or about May 28, 2008 and were granted ten business days to respond (June 16, 2008). See 17 RCNY §2-08(a). By letter dated June 9, 2008, the Applicants' attorney requested that the Commission grant an extension of time to submit a response to the staff's recommendation. See June 9, 2008 letter from Mark L. Hankin, Esq. To Michael J. Mansfield, Commissioner/Chair. The Commission granted this request and extended the Applicants' time to submit a response to July 2, 2008. See June 10, 2008 letter from David Mandell, Special Counsel to Mark L. Hankin, Esq. By letter dated June 30, 2008, the Applicants requested, and the Commission granted an additional extension of time to submit a response to July 16, 2008. See June 30, 2008 letter from Mark L. Hankin, Esq. To David Mandell, Special Counsel; see July 1, 2008 letter from David Mandell, Special Counsel to Mark L. Hankin, Esq. The Applicants continued to seek several more extensions and the Commission granted several more extensions. See July 16, 2008 letter from David Mandell, Special Counsel to Mark L. Hankin, Esq.; July 22, 2008 letter from David Mandell, Special Counsel to Mark L. Hankin, Esq.; August 4, 2008 letter from David Mandell, Special Counsel to Mark L. Hankin, Esq.; August 14, 2008 letter from David Mandell, Special Counsel to Mark L. Hankin, Esq. Finally, by letter dated August 29, 2008, the Applicants requested another extension of time to submit a response. See August 29, 2008 letter from Mark L. Hankin to David Mandell, Special Counsel. The Commission denied this request, as it became clear that the Applicants were only seeking to delay the process.[7]

Nevertheless, on or about November 5, 2008, the Commission received a response (purported to be from World Class only) to the staff's recommendation, which consisted of a 9-page affidavit signed by Maurizio Bordone and a 1-page exhibit (the "response.") Although the response was originally due on June 16, 2008, the Commission granted several of the Applicant's requests for additional time. Despite several extensions of the due date to September 1, 2008, the response was still untimely. Regardless, the Commission has considered the Applicants' arguments in opposition and finds them unpersuasive.

III. BACKGROUND OF THE BORDONE COMPANIES

The four companies share common offices, ownership, management and supervision. They also implement complementary labor policies, interchange personnel with each other, and perform the same services for the same customers using the same equipment. See Metro Registration Application, Circle Registration Application, Phantom Registration Application, Original World Class Registration Application, and World Class Amended Registration Application (admissions of common offices, ownership, vehicles, and employees). The Applicants' response does not dispute any of

[7] Although World Class' attorney acknowledged that he received the public documents relied upon by the staff in the recommendation on or about June 9, 2008, he stated that the same documents were "copied and delivered to [World Class] for review and response. Due to the large number of documents provided by [the Commission,] this process took several months." See November 4, 2008 letter from Mark L. Hankin, Esq. To Michael J. Mansfield, Commissioner/Chairman. Thus, the Applicants' attorney blames the untimely response on the Applicants themselves.

these facts. On July 16, 2007, National Labor Relations Board ("NLRB") Administrative Law Judge ("ALJ") Stephen Fish issued a Decision after holding a hearing on March 13 and 14, 2007.[8] See July 16, 2007 NLRB Decision by ALJ Stephen Fish at 1-2. Phantom, World Class, Metro, and Circle were each parties in this case. See id. After hearing testimony and reviewing the evidence, including, among other things, a lease to property, invoices from a common customer, payroll records, and photographs, ALJ Fish found that "Phantom is an alter ego of... Metro," that Vincent, "although not an owner of Phantom, continued to maintain a high level of control of the operations of Phantom, notwithstanding the fact that his sons were owners of that company," and that Circle and World Class are alter egos with Metro and Phantom." Id. at 17-18, 23.

In addition to sharing principals, the Bordone companies have shared main office, mailing, and garage addresses. See Maurizio Tr. at 15-17 (shared addresses); Carlo Bordone V Deposition Tr. at 10, 12-14, 17, 42-44, 52 (shared addresses). The Bordone companies share equipment. See Notice of Hearing TW-1393 (Commission v. Metro)(same vehicles used by different Bordone companies); Notice of Hearing TW-1390 (Commission v. World Class)(same vehicles used by different Bordone companies); Vehicle Bills of Sale (admissions that vehicles were passed among the Bordone companies); Maurizio Tr. at 37-38, 40, 47 (shared vehicles and equipment); Department of Motor Vehicles Registration Printouts; Notice of Hearing TW-1391 (Commission v. Circle). The Bordone companies share personnel. See Weekly Shop Steward Reports (employees); Maurizio Tr. at 23-24 (employees); New York City Department of Buildings Work Permit Data Printout (Maurizio as "superintendent" of World Class); Maurizio Tr. at 55-56 (signatures of corporate officers and partners). The Bordone companies have serviced customers interchangeably. See Customer invoices; see also February 17, 2006 Affidavit of Mason Tenders District Council field representative Joseph Bianco; January 5, 2006 Affidavit of International Brotherhood of Teamsters Local 813 business agent Sean T. Campbell; January 5, 2006 Affidavit of employee Jack Baiamonte; January 5, 2006 Affidavit of employee Joseph Angrisani; Brief of the NLRB General Counsel to the Administrative Law Judge at 16, 17, 18, 19, 20, 21 (arguingt that the Bordone companies are alter egos of each other); July 16, 2007 NLRB Decision by ALJ Stephen Fish (finding that the Bordone companies are alter egos of each other). The Applicants' response does not address any of the abovementioned facts. Instead, the Applicants' response simply states, without citing any evidence, that Maurizio "was never a principal" of Metro and Circle.[9] See response at 3.

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[8] Counsel represented World Class at the hearing. Maurizio attended the hearing and appeared on behalf of World Class and Vincent attended and appeared as a representative of Metro. There was no appearance on behalf of Phantom. See July 16, 2007 NLRB Decision by ALJ Stephen Fish at 2. The Applicants' response contains a convoluted argument, again, without citing any evidence, that this NLRB action was "unrelated" and that World Class "could not possibly been a party to said claims..." See response at 3-4. Nevertheless, the Applicants admit that "World Class is currently negotiating with NLRB on a settlement..." See Id. The record, however, establishes that World Class was a named party in this case and the Applicants' admission that World Class is "currently negotiating" a settlement with the NLRB contradicts the assertion that World Class "could not have been a party."

[9] It is not clear if the Applicants admit in their response, that Maurizio was or is an employee of Metro and Circle. See response at 3.

As ALJ Fish concluded in the NLRB decision, "in sum, the evidence here reveals that the Bordone family had little use or respect for corporate formalities, and believed that it could simply form and utilize a new company, any time it had problems with unions." See July 16, 2007 NLRB Decision by ALJ Stephen Fish. Similarly, the Bordone family followed the same practice when it had problems with the Commission's rules and regulations. See Maurizio Tr. at 10-11. ("We ran into a problem with [the Commission], and they suggested we go this way..."). Thus, the overwhelming weight of evidence establishes that the Applicants are alter ego companies of each other and of Metro and Circle. As discussed below, the Commission has already found that Metro and Circle lack good character, honesty, and integrity and, accordingly, has denied their applications.

A. Metro Demolition Contracting Corp.

Metro was granted a trade waste registration on or about December 1, 2004. See Metro Registration Order. Carlo and his father, Vincent, were listed on Metro's application as the principals and owners of Metro. [10] See Metro Registration Application at 10. Metro's registration expired on November 30, 2006. See Metro Registration Order. On December 1, 2006, Metro filed a Renewal Application for License or Registration as a Trade Waste Business with the Commission ("Metro Renewal Application"). See Metro Renewal Application. On May 8, 2007, the Commission found that Metro lacked good character, honesty, and integrity, and denied its registration renewal application because Metro failed: (1) to pay taxes and other obligations for which judgments were entered; (2) to pay administrative fines that were directly related to the trade waste industry; and (3) to provide information and/or documentation to the Commission in connection with its application. See Denial Decision of Metro.

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[10] Although only Carlo and Vincent were listed on Metro's application as the principals and owners of Metro, a July 2, 2004 letter signed by Vincent states that,

> "As of Thursday, July 1, 2004, Vincent Bordone is no longer a decision maker of Metro Demolition Contracting Corp. The following are now decision makers on behalf of Metro Demolition Contracting Corporation:
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> 1. Carlo Bordone
> 2. John Bordone
> 3. Maurizio Bordone
>
> Banking and accounting will be done through Maurizio and Marisa Bordone."

See July 2, 2004 letter from Vincent Bordone. Indeed, Maurizio admitted that he signed documents as a "corporate officer or owner" of Metro. See Maurizio Tr. at 56. Thus, in addition to providing the Commission with conflicting information regarding who is and who is not a principal of Metro, it is clear, based on his own admission, that Maurizio was a principal of Metro, a company that the Commission previously determined to lack good character, honesty, and integrity. The Applicants' response did not address any of this evidence.

B. Circle Interior Demolition Corp.

Circle filed an application for exemption from licensing requirements for removal of demolition debris with the Commission. On May 8, 2007, the Commission found that Circle lacked good character, honesty, and integrity, and denied its registration application because Circle: (1) knowingly failed to provide information and/or documentation to the Commission in connection with its application; (2) engaged in unregistered trade waste removal activity; (3) failed to abide by the terms of a Stipulation of Settlement to resolve a Notice of Hearing for unregistered trade waste removal activity; and (4) failed to pay taxes and other obligations for which judgments have been entered. See Denial Decision of Circle.

In the response, the Applicants object to the "bundling" of the Commission's findings relative to [World Class] and that of the Renewal Application of Phantom Demolition Corp., which is a separate and distinct application, made by other individuals and not the subject of this response." See response at 1. Yet, the response does not address the fact that Maurizio Bordone was disclosed to the Commission as a principal of both Applicants. Similarly, the response ignores all of the evidence that these Applicants are alter egos of each other and of Metro and Circle. See supra. Therefore, in light of the Applicants' modus operandi- to form a new company whenever problems arise with an old company- both applications must be considered together. The Commission has carefully considered both the staff's recommendation and the Applicants' response. For the reasons stated below, the Commission finds that the Applicants lack good character, honesty, and integrity and denies their applications.

IV. GROUNDS FOR DENIAL

A. The Applicants failed to demonstrate eligibility for the registrations they seek.

1. These applications are denied because the Commission recently found that two related companies - Metro Demolition Contracting Corp., and Circle Interior Demolition Corp. - lacked good character, honesty, and integrity and denied their applications.

"The commission may refuse to issue a license or registration to an applicant ... who has otherwise failed to demonstrate eligibility for such license under this chapter." Admin. Code §16-509(b). The term "applicant" includes both the applicant business and any "principal" of the business. See Admin. Code §§16-501(a); 16-501(d). As demonstrated above, these Applicants are thinly veiled alter egos of each other and of companies that have previously been denied registrations due to their lack of good character, honesty, and integrity. The Commission's findings that Metro and Circle each lack good character, honesty, and integrity are fully applicable to Phantom and World Class. Accordingly, the Commission's denial of Metro's registration renewal application and Circle's registration application for lack of good character, honesty and integrity necessarily encompasses the finding that Phantom, World Class, and their principals, Maurizio (Phantom and World

Class) and John (Phantom) are unfit to be registered. See Admin. Code §16-501(a). In their response, the Applicants have not provided any evidence to dispute this fact. For this independently sufficient ground, these applications are denied.

2. In an effort to circumvent the Commission's authority, the Applicants have engaged in numerous instances of unregistered trade waste removal activity.

On August 9, 2004, John and Maurizio, as the owners of Phantom were arrested in Queens for operating a trade waste business without a license or registration. On November 4, 2004, John and Maurizio each pled guilty to attempted unlicensed carting, were sentenced to conditional discharges and paid a fine of five hundred dollars. Thus, the Bordones were made fully aware that a license or registration issued by the Commission is required to lawfully remove trade waste in New York City. Nevertheless, World Class later hauled debris in the five boroughs of New York City without a license or registration from the Commission. World Class operated without a license or registration despite the Bordones' knowledge that a license or registration was necessary to operate legally.[11]

On March 30, 2006, World Class was charged administratively with operating an unlicensed or unregistered waste removal business on March 3, 2006, in violation of §16-505(a) of the New York City Administrative Code.[12] See Department of Consumer Affairs ("DCA") Notice of Hearing, #TW-1390. That Notice of Hearing was settled on May 16, 2006 by Stipulation of Settlement. See Stipulation of Settlement, #TW-1390.

Under the circumstances, the repeated instances of unregistered carting merit the denial of these applications because they represent further evidence of the Applicants' flagrant disregard for the law and lack of good character, honesty, and integrity. The Applicants' response only mentions the charges brought against World Class, and fails to contest the fact that John and Maurizio pleaded guilty to attempted unlicensed carting as well. In the response, the Applicants also argue that all of the abovementioned "violations are alleged to have occurred" before the submission of the World Class Amended Application. See response at 4-5. We find this argument to be irrelevant, as it is clear that these Applicants engaged in repeated instances of unregistered trade waste

[11] Although Circle never held a carting license or registration from a City regulatory agency, and was never legally authorized to operate in the City of New York, it, like World Class, also engaged in trade waste removal activity. At his deposition on May 23, 2006, Carlo testified Circle started to remove construction and demolition waste in New York City for "several months" until the Commission issued a Notice of Hearing for unregistered activity on or about March 30, 2006. See Carlo Bordone V Deposition Transcript. at 19-20. Yet, the Commission obtained documentation that proved that Circle removed trade waste without a license or registration as early as December 2005. See Id. at 53. At his deposition, Carlo admitted, "it may be possible" that Circle removed waste in New York City since at least December 2005 even though it did not have a trade waste registration. See Id. at 53.

[12] It is likely that World Class engaged in unlicensed or unregistered trade waste removal activity on numerous other dates as well. For instance, on or about May 12, 2006, the Department of Buildings issued World Class numerous violations concerning, among other things, the failure to carry out demolition operations in a safe and proper manner. See Department of Buildings Notices of Violation and Hearing. However, the Applicant was only charged with unlicensed or unregistered trade waste activity on the date when the Commission's staff observed the activity. See DCA Notice of Hearing #TW-1390.

removal activity. Finally, the Applicants argue that it is improper for the Commission to consider the administrative charges brought against World Class and settled by Stipulation of Settlement "as requested and suggested by the Commissions' staff." See response at 5. However, the Stipulation of Settlement states that "Nothing contained herein limits in any way, or shall be construed in any way to limit, the authority of the Commission to exercise any and all of its powers under Title 16-A, Chapter 1 of the Administrative Code of the City of New York, including but not limited to the authority to deny license and registration applications." See Stipulation of Settlement #TW-1390. Accordingly, the Commission denies these applications on this independently sufficient ground.

3. The Applicants failed to pay taxes and other obligations for which judgments have been entered.

"[T]he failure to pay any tax, fine, penalty or fee related to the applicant's business for which ... judgment has been entered by a court or administrative tribunal of competent jurisdiction" reflects adversely on an applicant's integrity. See Admin. Code §16-509(a)(x).

The Mason Tenders District Council of Greater New York and the Trustees of various Benefit Funds of the District Council sued Metro and Phantom under the Employee Retirement Income Security Act and the Labor-Management Relations Act to recover unpaid fringe benefit contributions, tier violation contributions, unremitted dues "check offs," as well as PAC contributions owed to the Funds and the District Council. Metro agreed to resolve the case against it by entering into a consent judgment which was "so ordered" by the United States District Court, Southern District on October 2, 2005, and which obligated Metro to pay $732,631 to the plaintiffs. See Judgment on Consent. However, Metro has neither paid nor satisfied this judgment. See Judgment and Lien printout. Similarly, Phantom has not addressed this debt, which has been converted into a $732,631 judgment against it. See Judgment and Lien Printout.[13] The Applicants' response does not address the abovementioned judgment entered against Phantom. Again, although the Applicants' response argues that the judgment entered against Metro should not be held against World Class, the Applicants, without providing any evidence, admit that World Class has "entered into negotiations... to resolve all claims for union benefits, and more particularly the judgment entered herein." See response at 5. Thus, the Applicants acknowledge responsibility for this unpaid judgment.

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[13] The practice of not satisfying obligations is common among the Bordone companies. The Internal Revenue Service has docketed judgments against Metro. According to a judgment and lien search conducted by the Commission on October 20, 2008, Metro owes the following unsatisfied judgments to the Internal Revenue Service:

Amount	Docket No.	Date Filed
$289,901	2004000748487	12/03/04
$289,901 (unemployment contributions)	200411121142251	11/12/04
$197,622	2005000175589	3/25/05
$332,474	2006000479465	8/24/06

Again, the failure to satisfy debts that have been reduced to judgment is a sufficient independent ground for denial of these applications. For this independently sufficient ground, these applications are denied.

B. The Applicants knowingly failed to provide information and/or documentation to the Commission and have provided false or misleading information to the Commission in connection with the applications.

"The commission may refuse to issue a license or registration to an applicant for such license or an applicant for registration who has knowingly failed to provide the information and/or documentation required by the commission pursuant to this chapter or any rules promulgated pursuant hereto." See Admin. Code §16-509(b). By failing to respond to the Commission's requests for information and or documentation, and by providing the Commission with false and misleading information, the Applicants have "knowingly failed to provide the information" required by the Commission. The Commission, therefore, denies World Class' and Phantom's respective applications based on this independently sufficient ground.

1. The Applicants knowingly failed to provide information to the Commission by providing the Commission with false and misleading information.

a. Joanne DiBiase

On May 16, 2006, the staff took the testimony of DiBiase under oath in connection with World Class' original application. In her testimony, as well as in other submissions, she attempted to distance herself and World Class from Maurizio and Phantom. In doing so, she provided the Commission with false and misleading information.

Prior to testifying, DiBiase completed a questionnaire and certified that her answers were true. See Questionnaire at 13. Question 50 asked DiBiase about her previous employers. See Questionnaire at 10. DiBiase's answer failed to disclose that she was employed by Phantom, as did her testimony. See id.; DiBiase Tr. at 13. Her answer and testimony also conflicts with Maurizio's testimony that DiBiase was an employee of Phantom. See Maurizio Tr. at 24. DiBiase willfully provided the Commission with false and misleading information about her employment history in an effort to distance herself and World Class from Maurizio and Phantom.

DiBiase testified that although she was the only principal of World Class, her cousin Marisa Bordone, whom she only later identified as Maurizio's wife, was also an employee of World Class.[14] See DiBiase Tr. at 15. Even though DiBiase seemed to

[14] Initially, DiBiase testified that her cousin, who helped her run World Class as a receptionist, was "Marisa Mangione." See DiBiase Tr. at 15. DiBiase sought to mislead the Commission by providing Marisa's maiden name. See DiBiase Tr. at 10. Like DiBiase, Marisa was employed by Metro and Phantom as a clerical worker. See March 13, 2007 National Labor Relations Board Testimony of Jack Baiamonte at

know that Phantom was out of business, she claimed that she did not know what, if anything, Maurizio did for a living.[15] See DiBiase Tr. at 14. DiBiase's testimony on this topic is simply not credible. Despite her claims of ignorance, DiBiase has close business and familial ties to Maurizio, Phantom, and the other Bordone companies.

DiBiase attempted to convince the Commission that Maurizio was not involved in the business of World Class. However, her testimony was inconsistent and contradictory. DiBiase was adamant that Maurizio was never an employee of World Class and never performed any tasks on behalf of World Class, but her testimony tended to undermine that claim. For instance, she testified that she does not discuss business with Maurizio. See DiBiase Tr. at 18. See also DiBiase Tr. at 19 (DiBiase testified that although she never did business with Maurizio, she did ask him for business advice). Yet she also testified both that "if [she] need[s] advice, [she will] ask [Maurizio],"and that Maurizio "doesn't really give [her] advice." Id. Finally, DiBiase concluded her doubletalk on the topic by stating that she does indeed talk about jobs with Maurizio, that "he knows the business. He's been there for a long time, but I don't really get into it with him." Id. at 18-19. However, a review of all the evidence of Maurizio's involvement in World Class does not support much of DiBiase's testimony on this subject. DiBiase could not explain why Maurizio was identified on at least one Department of Buildings permit as a "superintendent" for World Class. See DiBiase Tr. at 19. She would only concede that Maurizio "took a look at the job to see what kind of job it was." Id. at 37-38. Thus, DiBiase could not tell a straight story about Maurizio's involvement in the company, but the evidence suggests that Maurizio was involved, which was necessary because it appears likely that DiBiase could not operate a business on her own. In fact, as ALJ Fish concluded, "there is no evidence that DiBiase had any expertise or ability to operate a business," and that "the formation of World Class was but another step in the scheme of the Bordone family to avoid the union obligations incurred by Metro and Phantom." See July 16, 2007 NLRB Decision by ALJ Stephen Fish at 25-26.

DiBiase's testimony attempted to establish that World Class acquired its trucks as the result of arms-length transactions. However, her testimony and the evidence establish that this is not true. DiBiase testified that in January 2006, she "purchased" two vehicles from Phantom for five thousand dollars and one thousand dollars respectively, and paid for them with two separate checks. Id. at 19-21. DiBiase did not remember if she "purchased" any other vehicles from Phantom. Id. at 22. DiBiase also testified that "at the same time, in January of 2006," she "purchased" a vehicle from Metro for five thousand dollars, which was paid for by check. Id. at 22. Regarding a vehicle that she "purchased" from Phantom, DiBiase testified that she did not know that Commission registration plates issued to Phantom were on the vehicle when she took possession of it.[16] See DiBiase Tr. at 19.

162-164; Maurizio Tr. at 23. However, DiBiase sought to mislead the Commission by testifying that Marisa had been employed by Metro and not by Phantom. See DiBiase Tr. at 16. Marisa was also initially a principal of Phantom although not disclosed to the Commission as required. See Section b, infra.

[15] Yet she admitted that she sees Maurizio all the time because he frequently visits Marisa at World Class' office. See DiBiase Tr. at 18. DiBiase also stated that she believed Metro Demolition to be out of business. Id. at 16-17.

[16] Phantom violated 17 RCNY Section 7-03(a) by transferring license plates between the companies. See Business Integrity Commission v. Phantom Demolition Corp., Violation Number TW-1392.

Subsequent to her deposition, the Commission asked World Class to provide certain documentation, including bills of sale and cancelled checks relating to the acquisition of World Class' vehicles. See May 19, 2006 letter from David Mandell to World Class. In response, World Class provided the Commission with four bills of sale and one cancelled check. See May 18, 2007 Response to the Commission's request for records. Two bills of sale were printed on Metro letterhead and two bills of sale were printed on Phantom letterhead. Id. Although the bills of sale were printed on two different companies' letterhead, the language on all four invoices was identical, with the exception of the purchase prices.[17] Id. Even though World Class provided the Commission with four bills of sale, it could not provide the Commission with proof of payment for three of the vehicles because, contrary to DiBiase's testimony, there were no payments made for these vehicles. DiBiase admitted as much by noting on these three of the bills of sale, "Not paid as of 5/32/06 [sic]." Id. Evidence that vehicles were interchanged among the Bordone companies serves as further evidence that the Applicants and Metro and Circle are alter egos of each other. The documents provided by DiBiase do not support her testimony about the acquisition of the vehicles. Thus, DiBiase provided the Commission with false and misleading information regarding the acquisition of World Class' vehicles to further her unsuccessful attempt to distinguish World Class from the other Bordone companies.

Based on the evidence, including but not limited to the failure of DiBiase to disclose her affiliation with Phantom as an employee, the identification of Maurizio as a "superintendent" for World Class, and the testimony and the submission of documents regarding the acquisition of vehicles, it is clear that DiBiase submitted false and misleading information to the Commission regarding the extent of the links between herself, World Class, Maurizio, Phantom, and the other Bordone companies. The Applicants' response states that "since [Maurizio] was not involved with the initial application filed by Joanne DiBiase on behalf of... World Class nor her communications with Commission staff, we cannot admit or deny their claims." See response at 7. Thus, the Applicants left the evidence against them on this point uncontested. For this independently sufficient ground, these applications are denied.

b. Maurizio Bordone and John Bordone

Question 6 (a) of Phantom's registration application directed Phantom to identify on Schedule A "all individuals who are now or who have been principals of the applicant business during the past ten years..." See Phantom Application at 2. On Schedule A, Phantom only disclosed John Bordone and Maurizio Bordone as principals. Id at 7. However, Maurizio testified that the original shareholders of Phantom were Marisa Bordone (Vice President) and Desiree Bordone (President), and that ownership of the company was transferred to John and Maurizio in July or August 2004.[18] See Maurizio Tr. at 8-11.

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[17] It is unlikely unaffiliated companies would use identical language in their legitimate business documents.

[18] Maurizio testified that he and John became owners of Phantom because they "just figured it would be better... to put it under our names, give them less... we ran into a problem with [the Commission], and they suggested we go this way, you know because if [the Commission] goes after them in the future, God forbid, if anything happens, so we switched it to our names." See Maurizio Tr. at 10-11. Maurizio explained that

Although the Commission need not establish a motive for the false information on the application, it appears clear that, as ALJ Fish reasonably found, incorporating the company in the names of Maurizio's and John's wives aimed to shield the company from liability to avoid labor law and union obligations. Incorporating Phantom in the spouses' names "was merely a clumsy attempt [by Maurizio and John] to shield the Bordone family from liability" and "initially plac[ing] the ownership of Phantom and World Class in the names of family clerical employees, who obviously had no management experience and were not involved in running the business... constitutes significant evidence of an unlawful motive to avoid labor law obligations." See July 16, 2007 NLRB Decision by ALJ Stephen Fish at 26. Whatever its intent, Phantom's application contains false and misleading information for failing to disclose that Marisa Bordone and Desiree Bordone were principals of Phantom.[19] The Applicants' response does not dispute any of the evidence on this point. Rather, the Applicants' feebly dispute the sources of the information relied upon by the Commission. As described above, those sources include contradictory information provided by Maurizio in Phantom's application and in Maurizio's sworn testimony.

The failure of the Applicants to provide truthful information to the Commission is evidence that the Applicants lack good character, honesty and integrity. The Commission denies these applications on this independently sufficient ground. See Admin. Code §16-509(b).

2. The Applicants knowingly failed to provide documentation to the Commission in connection to the application.

On or about November 3, 2006, the Commission sent Phantom a letter by both mail and facsimile requesting information and documentation about a $732,631.15 judgment that had been filed against Phantom by the Mason Tenders District Council Welfare Fund, Pension Fund, Annuity Fund and Training Program Fund and the Mason Tenders District Council of Greater New York.[20] See November 3, 2006 letter to Phantom; see supra. On November 6, 2006, the Commission sent Phantom another copy of the November 3, 2006 letter by certified mail, return receipt requested. See November 6, 2006 letter to Phantom. A Phantom representative received the letter and signed the return receipt on or about November 7, 2006. Both letters established a deadline of November 20, 2006 to respond to the Commission's request. The Commission's staff

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the nature of the problem with the Commission was that "we had no trade waste license" and "we were operating without a trade waste license, hauling demolition debris." Id.

[19] The failure to disclose Marisa Bordone and Desiree Bordone to the Commission adds credence to ALJ Fish's finding that the "Bordone family had little use or respect for corporate formalities." See supra. This disregard for regulatory authority is further evidence that the Bordones have little use or respect for the Commission's rules.

[20] The law firm that represented Phantom in the matter (Trustees of Mason Tenders District Council Welfare Fund et. al. v. Metro Demolition Contracting Corp. and Phantom Demolition Corp. under Docket No. 1:04-CIV-6629-RMB) has brought a civil suit in Supreme Court, New York County against Phantom for failing to pay for legal services rendered. See Summons and Verified Complaint, Durkin & Durkin, LLP v. Phantom Demolition Corp., Maurizio Bordone, and John Bordone, Index No. 07104341. On August 28, 2007, a default judgment in the amount of $37,771.92 plus interest was entered against Phantom, Maurizio, and John. See August 28, 2007 Decision of Hon. Rolando T. Acosta, Supreme Court, New York County.

also attempted to contact Phantom before the November 20, 2006 deadline by telephone. However, both the telephone and facsimile numbers provided to the Commission on Phantom's application were "temporarily disconnected" and there were no forwarding telephone numbers.[21]

On or about December 28, 2006, Maurizio contacted the Commission's staff about both the Phantom and World Class applications. Maurizio initially denied that he received the November 3, 2006 letter from the Commission. After the Commission's staff member informed Maurizio that a signed receipt was returned to the Commission, Maurizio acknowledged that he received the letter. Although Maurizio acknowledged receiving the letter, he stated that it is his "father's problem." See December 28, 2006 letter from the Commission to Phantom. After the Commission staff member advised Maurizio that the Commission's request was still outstanding and overdue, Maurizio claimed that he gave the letter to his attorney and that his attorney should have provided the requested information. See id. However, despite being warned that the failure to provide the above requested information and documentation is a basis to deny an application or revoke a registration, as of the date of this recommendation, Phantom has still not responded to the Commission's request for this information. See id.

On July 27, 2007, Maurizio contacted a member of the Commission's staff by telephone. During this conversation, the Commission staff member reminded Maurizio that he had still not responded to the Commission's November 3, 2006 request for information and documentation regarding the $732,631.15 judgment. In response, Maurizio claimed that he was "in court with the Mason Tenders," that he "was grandfathered into this mess," and that "it is [expletive] up." See Affidavit by David Mandell, Special Counsel.

The Applicants failed to respond to the Commission's requests for information and documentation. The Applicants were warned that their applications could be denied for knowingly failing to provide the Commission with information and documentation. Despite these warnings, as of the date of this Decision, the Applicants have knowingly failed to provide all of the information and documentation that is required by the Commission. The Applicants' response does not address this point, thereby leaving the evidence against them uncontested.[22] For this independent reason, Phantom's registration renewal application and World Class' registration application are denied.

[21] Phantom violated 17 RCNY § 2-05(b) by failing to notify the Commission within ten business days about a change in telephone numbers, which is a material change in information. As of the date of this recommendation, Phantom's telephone and facsimile numbers are "out of service."

[22] The response did provide ample proof that a $269,120 judgment filed by the Commissioner of the State Insurance Fund was resolved.

V. CONCLUSION

The Commission is vested with broad discretion to refuse to issue a license or registration to any applicant that it determines lacks good character, honesty, and integrity. The evidence recounted above demonstrates convincingly that World Class and Phantom fall far short of that standard. Based upon the above independently sufficient reasons, the Commission denies World Class's exemption application and registration and Phantom's renewal application for a registration.

This exemption/registration denial is effective immediately. World Class Demolition Corp. and Phantom Demolition Corp. may not operate as a trade waste business in the City of New York.

Dated: November 7, 2008

THE BUSINESS INTEGRITY COMMISSION

Michael J. Mansfield
Commissioner/Chair

John Doherty, Commissioner
Department of Sanitation

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Department of Consumer Affairs

Deputy Commissioner

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Department of Investigation

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Brian O'Neill, Inspector (designee)
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