



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 GRECO INDUSTRIES, LLC FOR A REGISTRATION TO OPERATE AS A TRADE WASTE BUSINESS

Greco Industries, LLC (the “Applicant” or “Greco Industries”) has applied to the New York City Business Integrity Commission (“Commission”), formerly named the New York City Trade Waste Commission, pursuant to Local Law 42 of 1996, for an exemption from licensing requirements for the removal of construction and demolition debris. See Title 16-A of the New York City Administrative Code (“Admin. Code”), §16-505(a). Local Law 42 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.

Greco Industries applied to the Commission for a registration enabling it to operate a trade waste business “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.” 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 id. §§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); 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 Applicant, the Commission denies the Applicant’s exemption/registration application on the ground that this Applicant lacks good character, honesty and integrity for the following independent reasons:

- A. The Applicant Knowingly Failed to Provide Information and Provided False and Misleading Information to the Commission in its Application.
- B. The Applicant has Failed to Demonstrate Eligibility for a Trade Waste Exemption from Licensing and a Trade Waste Registration.
 - 1. The Applicant’s Undisclosed Principal, Andrew Greco, was Convicted of Bribery Involving Federal Programs.
 - 2. The Applicant’s Undisclosed Principal, Andrew Greco, has Committed Racketeering Activities.
 - 3. The Applicant’s Disclosed Principal, Camille Greco, Knowingly Associated with Andrew Greco, a Convicted Racketeer.

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 sentenced to lengthy prison terms, and many millions of dollars in fines and forfeitures 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 over the past decade. 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 (“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); Attonito, 3 A.D.3d 415.

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 v. The City of New York, 52 A.D. 3d 424 (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

Greco Industries is, according to its application, a one-truck roll-off container business owned and operated by Camille Greco. In fact, the Applicant is run primarily by her husband, Andrew Greco, who was convicted in federal court in 2004 of bribing a city official in an attempt to obtain preferential treatment in connection with federal sewer and water main projects.¹

¹ On March 14, 2006, the Commission denied the registration application of a company owned by one of Greco's co-defendants, Frank Liquori Plumbing & Heating, for reasons related directly to its principal's conviction. See *infra* at 10-13 for a discussion of Andrew Greco's criminal conviction.

The Applicant would have the Commission believe that Andrew Greco is only peripherally and marginally involved in Greco Industries, merely an unpaid “helper” (see, e.g. Camille Greco Questionnaire (“Questionnaire”) at 4; Greco Deposition Transcript (“Greco Tr.”) at 30-31). The staff’s investigation, however, found that Andrew Greco has direct managerial control over the Applicant and is, therefore, a principal who should have been disclosed to the Commission along with his criminal conviction. It is reasonable to conclude that he was not so disclosed precisely because of that conviction and in an effort to evade the Commission’s scrutiny.

On March 11, 2009, the staff issued a thirteen-page recommendation that the Application for Exemption from Licensing Requirement for Removal of Construction and Demolition Debris submitted by Greco Industries (the “Application”) be denied (the “Recommendation”). On May 11, 2009, the Commission sent the Recommendation to the Applicant’s business address by regular mail and to the Applicant’s attorney by facsimile. See Certificate of Mailing; facsimile receipt dated March 11, 2009. Pursuant to the Commission’s rules, the Applicant had ten business days to submit a response to the Recommendation. See 17 RCNY §2-08(a); see also Recommendation at 13. On March 16, 2009, at the Applicant’s request, through its attorney, the Commission provided the Applicant with a copy of the record relied upon by the staff in the Recommendation. See letter dated March 16, 2009. On March 23, 2009, the Applicant, through its attorney, requested additional time to respond to the Recommendation. The Commission granted that request, and gave the Applicant until April 3, 2009 to submit a response to the staff’s Recommendation. See letter dated March 23, 2009.

On April 1, 2009, the Commission received a request via facsimile by the Applicant’s attorney that the Commission withdraw the Application from consideration. See letter dated April 1, 2009 from Jade Fuller. The Commission denied that request. See letter dated April 1, 2009 from Leigh Neren. The Applicant did not submit any written factual response to the Recommendation.

The Commission has carefully considered the staff’s Recommendation. Accordingly, the Commission finds that the Applicant lacks good character, honesty, and integrity, and has failed to demonstrate eligibility for a registration because of its failure to disclose the existence of a principal convicted of a crime related to the Applicant’s business as well as for the substance of the underlying conviction. Either alone demonstrates a lack of good character, honesty, and integrity, meriting denial.

A. The Applicant knowingly failed to provide information and provided false and misleading information to the Commission in its Application.

The Commission may refuse to issue a registration to an applicant who has failed “to provide truthful information in connection with the application.” See Admin. Code §16-509(a), (b); *Attonito*, 3 A.D.3d 415. The Application, filed on December 21, 2006, disclosed Camille Greco as the sole principal of the Applicant. See Application at 9. The Applicant, however, should have disclosed Camille Greco’s husband, Andrew Greco, because of his direct and indirect control over the company.

The definition of "principal" (which is included in the instructions section for the Application) includes corporate officers and directors, all stockholders holding ten percent or more of the outstanding shares of the corporation and "*all other persons participating directly or indirectly in the control of such business entity*" (emphasis added). See Admin. Code §16-501(d).²

Question 12 of the Application asks, "On Schedule A, identify all individuals who are principals of [the] applicant business...." See Application at 2. The Application disclosed that Camille Greco was the sole principal of the company. Id. at 9. Camille Greco certified that the information contained in the Application was true and accurate. Id. at 16.

On May 15, 2007 a Commission staff attorney deposed Camille Greco in connection with the Application. Immediately prior to the deposition, Greco completed a questionnaire that contained a series of questions regarding her personal and employment history ("Questionnaire"). She certified before a public notary that the information contained in response to the questions posed in the Questionnaire was true and accurate. See Questionnaire at 13.

Question 12 of the Questionnaire asked Camille Greco to provide information pertaining to the deponent's "spouse's last two employers." She listed her husband's position within the Applicant, beginning on September 18, 2006, as that of a "helper" who does not receive any salary from the company. Id. at 3-4.

Additionally, Camille Greco initially testified during her deposition that her husband is a "nonpaid employee" of her business and implied that he was working for other companies and individuals. See Camille Tr. at 30-31, 65-66. She also testified falsely that her husband did not invest any money in the Applicant business. Id. at 74-76.

Camille Greco's subsequent testimony contradicted her earlier assertions and established that her husband is in fact an active principal who has significant managerial responsibility for Greco Industries.

First, Camille Greco eventually conceded that her husband has the title of "excavation coordinator" and that he is one of the only two individuals who operate the Applicant's machinery. Id. at 67, 70. She also admitted that her husband is not employed by any other company. See id. at 80-81. Further, she testified that he was directly involved in purchasing the company's only roll-off truck and acquiring the land on which the Applicant started operating in Farmingdale, New Jersey. Id. at 76-78.

² In addition, an individual is considered to hold stock in a corporation where such stock is owned directly or indirectly by or for the spouse of such individual. See Admin. Code §16-501(d). This broad definition of "principal" was adopted by the City Council to be read in conjunction with the legislation's §16-507 (requiring Applicants for registration to provide the Commission with information sufficient to enable the Commission to identify a business) and §16-508 (setting forth a detailed list of information Applicants for license would have to provide to the Commission). See Report of the Legal and Governmental Affairs Division of the City Council; Hearing on Int. No. 676-A Before the Committee on Consumer Affairs, May 10, 1996 at 11-12.

Camille Greco also acknowledged that her husband and SRA Contracting Corp. (“SRA”), his former company, contributed significantly to the operations of the Applicant. In addition to the one roll-off container truck, the Applicant owns three other pieces of equipment – an excavator and two mini-excavators. Camille Tr. at 64, 67, 74-75. The excavator came from SRA. Id. at 75. The two other pieces of equipment were financed by Block 7400 Realty, LLC (“Block 7400”), a management company owned by Andrew Greco and another individual. Camille Greco has no ownership interest in that company, but she took a loan of \$40,000 from Block 7400 in order to finance the equipment and operations of the Applicant. Id. at 54-55, 74-76.

Andrew Greco also has significant involvement in the daily operations of the company. Id. at 65-67, 70-71. Camille Greco testified that the Applicant entered into written contracts with two customers, both for water main and sewer work. Andrew Greco signed the contracts with those customers on behalf of the Applicant, and the customers were former customers of SRA. Id. at 70-71. Camille Greco also acknowledged that her husband handled all of the bidding for a number of potential contracts for the Applicant. Id.

Therefore, as demonstrated above, Camille Greco was not only inconsistent and evasive about her husband’s role in the company, which she sought –unsuccessfully – to minimize, but provided false testimony and submissions to the Commission. First, when characterizing his position in the company, she stated that he was an unpaid employee and a “helper;” then when pressed, she testified that he was in fact the “excavation coordinator.” With respect to her husband’s duties and responsibilities, she initially attempted to downplay his role, but eventually conceded that he handles the bidding, signs contracts, solicits customers, operates the equipment, and participated in negotiating a real estate deal and the purchase of the company’s roll-off truck. Finally, although Camille Greco initially stated that her husband provided no financial investment in the company, further testimony established that he contributed significantly to the company, providing equipment and capital. Consequently, notwithstanding Camille Greco’s attempts to conceal and downplay her husband’s role in the Applicant’s operations, both in the Application and throughout her deposition before the Commission, the proof establishes that Andrew Greco functions in a managerial role, has direct control in the company’s operations, and is, therefore, a principal.³

The failure of the Applicant to provide truthful information to the Commission, a point not refuted by the Applicant, constitutes an independent basis for the conclusion that the Applicant lacks good character, honesty and integrity. Id. at §16-509(a)(i), 509(b). Therefore, Greco Industries’ Application is denied on this ground.

³ It is worth noting that the Applicant also omitted any mention of Andrew Greco as either principal or employee in its October 11, 2006 filing for a waste hauling license in New Jersey or in the investigative interview afterward, and therefore appears to have provided false information to regulators there as well. Moreover, in her personal disclosure form, Camille Greco maintained that her husband had no occupation or employer. See NJ Personal History Disclosure Form at 7. Her eventual admissions to the contrary in New York City contradict her statements in New Jersey. See, e.g., Questionnaire at 3-4 (Andrew Greco’s employer is Greco Industries, LLC, 9/18/06-to-present).

B. The Applicant has failed to demonstrate eligibility for a trade waste exemption from licensing and a trade waste registration.

1. The Applicant's undisclosed principal, Andrew Greco, was convicted of bribery involving federal programs.

The Commission may deny the application of an applicant whose principals have been convicted of a crime that bears a direct relationship to the fitness of the applicant to conduct the business for which the license is sought. In making licensing determinations, the Commission is expressly authorized to consider prior convictions of the applicant (or any of its principals) for crimes which, in light of the factors set forth in section 753 of the Correction Law, would provide a basis under that statute for refusing to issue a license. See Admin. Code §16-509(a)(iii), §16-501(a). Those factors are:

- (a) The public policy of this state, as expressed in [the Correction Law], to encourage the licensure . . . of persons previously convicted of one or more criminal offenses.
- (b) The specific duties and responsibilities necessarily related to the license . . . sought.
- (c) The bearing, if any, of the criminal offense or offenses for which the person was previously convicted will have on his fitness or ability to perform one or more such duties and responsibilities.
- (d) The time which has elapsed since the occurrence of the criminal offense or offenses.
- (e) The age of the person at the time of occurrence of the criminal offense or offenses.
- (f) The seriousness of the offense or offenses.
- (g) Any information produced by the person, or produced on his behalf, in regard to his rehabilitation and good conduct.
- (h) The legitimate interest of the public agency . . . in protecting property, and the safety and welfare of specific individuals or the general public.

N.Y. Correct. Law §753 (1).

As previously discussed, Andrew Greco is an undisclosed principal of the Applicant, who on October 29, 2003, was charged in the United States District Court, Eastern District of New York, with violating 18 USC §666 (a)(2), bribery involving federal programs, and 18 USC §1341, mail fraud. See Information, Cr. No. 04-298 ("Information"); Press Release, October 30, 2003, United States Attorney, Eastern District of New York ("Press Release"). He was charged,

along with thirteen other plumbing contractors and two developers, with bribing an inspector of the New York City Department of Buildings (“DOB”), who conducted inspections as an agent of the New York City Department of Environmental Protection (“DEP”). See Information; Press Release at 1-5. Greco, owner and President of SRA, was responsible for installing new sewer connections and making repairs to existing sewer systems. See Press Release at 1-5. Contractors seeking to do such work must apply for permits from the DEP, DOB, and New York City Department of Transportation, and pay certain fees to obtain such permits. Id. at 3. Greco and his codefendants were charged with paying the inspector on more than 100 occasions to obtain expedited approvals for work or approvals without the necessary permits.

On April 7, 2004, Greco pled guilty to one count of bribery involving federal programs in violation of 18 USC §666 (a)(2) and admitted that he knowingly and intentionally gave cash payments to a corrupt DEP agent in order to receive preferential treatment in connection with federally funded sewer and water main connection projects. See Transcript of Criminal Cause for Pleading, U.S. v. Andrew Greco at 34-37 (“Plea Transcript”). Greco admitted that he “gave the inspector money as a bribe to come to inspect [SRA’s] projects before any other inspections and to expedite or send [Greco] back [his] sewer sign[-]offs ahead of the list.” See Plea Transcript at 35. Greco stated that he gave those payments “under the table” from approximately October 2000 to February 2002 relative to sewer and water main connection projects involving contracts of \$5,000 or more. See id. 35-37.

On July 30, 2004, Greco was sentenced to two years probation and was ordered to pay a \$7,500.00 fine. See Judgment in a Criminal Case, U.S. v. Andrew Greco.

Greco was also the subject of criminal charges in 1993. At that time, he and his wife’s father, Joseph Piazza, were arrested as part of a sting operation related to insurance fraud. Id. at 36-38. Greco was arrested on June 29, 1993, and charged with violating Penal Law §176.20, insurance fraud in the third degree, for fraudulently disposing of his automobile. Id. at 40; Andrew Greco Criminal History at 1 (“Criminal History”). He pled guilty to submitting a false written statement, in violation of Penal Law §210.24, a class A misdemeanor, and was sentenced on July 16, 1993 to a conditional discharge and was ordered to pay a fine and restitution. Criminal History at 1-2.

Applying the above factors, notwithstanding the public policy of the state of New York to encourage licensure of persons convicted of crimes, the crimes committed by Andrew Greco are so serious, and so closely related to both the purposes for which registration is sought here and the duties and responsibilities associated with such registration, that they should preclude the grant of a trade waste removal registration to this Applicant. The Applicant does not contest this point. At the time of the conduct implicated in the 2004 conviction, Greco was a business owner in his early 40’s – plainly old enough to know what the law is, how to obey it, and to recognize that the payments he made were illegal. The criminal activity occurred when he was operating SRA, a company that performed construction, water main, and sewer work. The Applicant is in many respects a successor to SRA: it does much of the same work; has the same principals; uses some of SRA’s equipment; and has the same customers. By his own admission, Greco defrauded the City of New York by bribing one of its employees. His crimes were the result of a conscious decision to violate the law in order to obtain a benefit to himself at the expense of

others. The same is true of his 1993 conviction. This is the sort of cynical disregard for the law that corrupted the City's waste removal industry for decades. With Andrew Greco as a principal of the Applicant, it is unworthy of registration in the private carting industry.

Due to Andrew Greco's criminal history, both convictions involving crimes of dishonesty, the Commission finds that the Applicant lacks good character, honesty, and integrity and has failed to demonstrate eligibility for a registration. Greco Industries' Application is denied on this independently sufficient ground.

2. The Applicant's undisclosed principal, Andrew Greco, has committed racketeering activities.

Admin. Code §16-509(a)(v) allows the Commission to consider "the Commission of a racketeering activity..." in refusing to issue a license to an applicant. See Admin. Code §16-509(a)(v). Similarly, the Commission may consider such factor in determining an applicant's eligibility for a registration. See supra at 4-6. As discussed above, as charged and evidenced by Andrew Greco's admission of guilt, the Commission finds that Andrew Greco, an undisclosed principal of the Applicant, committed racketeering activities. This point is not refuted by the Applicant.

Section 16-509(a)(v) of the Administrative Code specifically states that racketeering activities include, but are not limited to, those delineated in 18 USC §1961(1). The violations of the United States Code that Andrew Greco was charged with violating, bribery and mail fraud, are racketeering activities as defined by 18 USC §1961(1). Moreover, the crime to which he pled guilty, bribery involving federal programs is a racketeering activity. See 18 USC §1961(1). Andrew Greco's commission of racketeering activities in connection with a sewer and water main business directly relates to the trade waste industry and is a sufficient ground upon which to deny the Applicant's application. See Admin. Code §16-509(a)(v). Accordingly, the Commission denies Greco Industries' Application on this independently sufficient ground.

3. The Applicant's disclosed principal, Camille Greco, knowingly associated with Andrew Greco, a convicted racketeer.

The Commission may deny a license application of a business whose principals have had business dealings with known racketeers. See Admin. Code §16-509(a)(v); SRI, 107 F.3d at 998. The Commission may consider this factor in determining an applicant's eligibility for a trade waste exemption from licensing and a trade waste registration. See supra at 4-6. As demonstrated above, Andrew Greco has been convicted of a racketeering activity. See Admin. Code §16-509(a)(v); 18 USC §1961(1). Despite his criminal conviction, Camille Greco maintained a business relationship with him.

When the Applicant was formed in 2006, Camille Greco was well aware of her husband's 2004 conviction. The evidence recounted above demonstrates not only that Camille Greco, the Applicant's sole disclosed principal, engaged in business dealings with Andrew Greco, but that he participated in the operations of the Applicant, contributed financially to its formation, and has significant control over it.

Further, when Camille Greco was asked during her deposition about her husband's bribery of a City employee, she deflected his responsibility and placed the blame on the Department of Buildings inspector. Although she acknowledged that her husband made the payments, she claimed that he was "set up" because the inspector "wouldn't sign off on [the permit] without the money." See Camille Tr. at 85-86. There is no evidence, however, to indicate that either of them came forward to the authorities with allegations that government employees were seeking bribes. Quite the contrary, all evidence, including Andrew Greco's plea of guilt, establishes that he bribed a city official in order to receive preferential treatment. Camille Greco cannot now argue in this forum that her husband was innocent of the charges and should not be held accountable for his actions.

Moreover, even though Camille Greco denied having knowledge of her husband's criminal activities until his arrest, this is unlikely; she was operating SRA with him at the time. By the time he was arrested in 2002, she had been closely involved in the operations of SRA for approximately the preceding 15 years. She was in charge of the accounting, payroll, and, more importantly, filling out paperwork for DEP jobs. *Id.* at 57-58. As involved as she was in the operations of the company, particularly with the company's finances and paperwork, it is highly unlikely that she was unaware of payments being made to a DOB inspector related to DEP jobs for almost two years. It can be properly deduced from the facts and common sense that Camille Greco had knowledge of her husband's criminal activities, or, at the very least, willfully ignored the obvious. In either scenario, the facts illustrate that Camille Greco is unfit for registration in the trade waste industry.

Camille Greco's actual business dealings with her husband, a convicted racketeer, as well as her attitude about his criminal conduct despite his conviction demonstrate that Camille Greco lacks the good character, honesty, and integrity required for her to obtain a registration. The Applicant does not refute this point. Accordingly, Greco Industries' Application is denied on this independent ground.

III. CONCLUSION

The Commission is vested with broad discretion to refuse to issue a license of registration to any applicant that it determines lacks good character, honesty, and integrity. The evidence recounted above demonstrates convincingly that Greco falls short of that standard. For the reasons discussed above, the Commission denies the Application of Greco Industries, LLC.

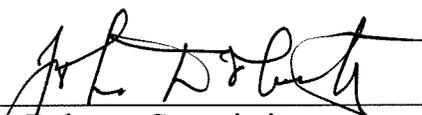
This exemption/registration denial decision is effective immediately. The Applicant shall not service any customers or otherwise operate a trade waste removal business in the City of New York.

Dated: April 14, 2009

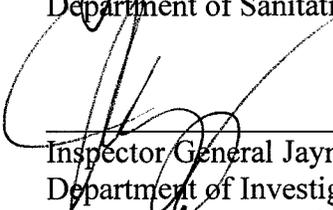
THE BUSINESS INTEGRITY COMMISSION



Michael J. Mansfield
Chairman



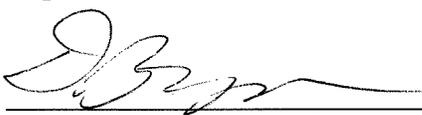
John Doherty, Commissioner
Department of Sanitation



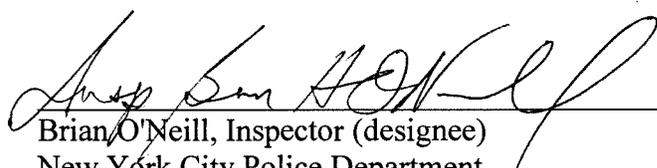
Inspector General Jayme Naberezny (designee)
Department of Investigation



Jonathan Mintz, Commissioner
Department of Consumer Affairs



Deborah Buyer, General Counsel (designee)
Department of Small Business Services



Brian O'Neill, Inspector (designee)
New York City Police Department