



The City of New York  
BUSINESS INTEGRITY COMMISSION  
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**DECISION OF THE BUSINESS INTEGRITY COMMISSION DENYING  
THE APPLICATION OF BLUE BOX LLC FOR A REGISTRATION  
TO OPERATE AS A TRADE WASTE BUSINESS**

**I. Introduction**

On October 31, 2017, Blue Box LLC DBA Blue Box Hauling LLC (the “Applicant”) (BIC #494638) applied to the New York City Business Integrity Commission for an exemption from the Commission’s trade waste licensing requirements “to operate a trade waste business solely engaged in the removal of waste materials resulting from building demolition, construction, alteration or excavation.” Local Law 42 of 1996 (“Local Law 42”) authorizes the Commission to review and make determinations on such applications. *See* Title 16-A, New York City Administrative Code (“Administrative Code” or “Admin. Code”) § 16-505(a).

On September 13, 2019, the Commission’s staff served the Applicant with a “Notice to the Applicant of the Grounds to Deny the Application of Blue Box LLC for a Registration to Operate as a Trade Waste Business” (the “Notice”). The Applicant was given until September 27, 2019 to respond. *See* Title 17 of the Rules of the City of New York (“RCNY”) § 2-08(a). The Applicant did not contact the Commission’s staff or submit a response to the Notice. The Commission has completed its review of the Application, having carefully considered the Notice and the Applicant’s failure to respond. Based on the record as to the Applicant, the Commission denies the Application because the Applicant lacks good character, honesty, and integrity based on the following two independently-sufficient grounds:

- 1. The Applicant has been found liable in an administrative action that bears a direct relationship to the fitness of the applicant to conduct the business for which the exemption is sought; and**
- 2. The Applicant’s principal has failed to pay penalties that are related to the Applicant’s business for which judgments have been entered.**

**II. Statutory Background and Framework**

Every commercial business establishment in New York City must contract with a private carting company to remove and dispose of the waste it generates, known as trade waste. Historically, the private carting industry in the City was operated as a cartel controlled by organized crime. As evidenced by numerous criminal prosecutions, the industry was plagued by pervasive racketeering, anticompetitive practices and other corruption. *See, e.g., United States v. Int’l Brotherhood of Teamsters (Adelstein)*, 998 F.2d 120 (2d Cir. 1993); *People v. Ass’n of Trade*

*Waste Removers of Greater New York Inc.*, Indictment No. 5614/95 (Sup. Ct. N.Y. Cty.); *United States v. Mario Gigante*, No. 96 Cr. 466 (S.D.N.Y.); *People v. Ass'n of Trade Waste Removers of Greater New York*, 701 N.Y.S.2d 12 (1st Dep't 1999). The construction and demolition debris removal sector of the City's carting industry specifically has also been the subject of significant successful racketeering prosecutions. See *United States v. Paccione*, 949 F.2d 1183, 1186-88 (2d Cir. 1991), *cert. denied*, 505 U.S. 1220 (1992); *United States v. Cafra*, No. 94 Cr. 380 (S.D.N.Y.); *United States v. Barbieri*, No. 94 Cr. 518 (S.D.N.Y.).

The Commission is charged with, among other things, combating the influence of organized crime and preventing its return to the City's private carting industry, including the construction and demolition debris removal industry. Instrumental to this core mission is the licensing scheme set forth in Local Law 42, which created the Commission and granted it the power and duty to license and regulate the trade waste removal industry in New York City. See Admin. Code § 16-505(a). This regulatory framework continues to be the primary means of ensuring that an industry once overrun by corruption remains free from organized crime and other criminality, and that commercial businesses that use private carters can be ensured of a fair, competitive market.

Pursuant to Local Law 42, a company "solely engaged in the removal of waste materials resulting from building demolition, construction, alteration or excavation," also known as construction and demolition debris, must apply to the Commission for an exemption from the licensing requirement. *Id.* If, upon review of an application, the Commission grants an exemption from the licensing requirement, it issues the applicant a class 2 registration. *Id.* at § 16-505(a)-(b). Before issuing such registration, the Commission must evaluate the "good character, honesty and integrity of the applicant." *Id.* at § 16-508(b); see also *id.* at § 16-504(a). An "applicant" for a license or registration means both the business entity and each principal thereof. *Id.* at § 16-501(a).

The Administrative Code provides an illustrative list of relevant factors for the Commission to consider in making a decision on an application for a license or registration:

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.

*Id.* at § 16-509(a)(i)-(x). *See also id.* at § 16-504(a).

The Commission also may refuse to issue a license or registration to any applicant who has “knowingly failed to provide information or documentation required by the Commission . . . or who has otherwise failed to demonstrate eligibility for a license.” *Id.* at § 16-509(b). *See also Elite Demolition Contracting Corp. v. The City of New York*, 125 A.D.3d 576 (1st Dep’t 2015); *Breeze Carting Corp. v. The City of New York*, 52 A.D.3d 424 (1st Dep’t 2008); *Attonito v. Maldonado*, 3 A.D.3d 415 (1st Dep’t) (Commission may deny an application for an exemption

“where the applicant fails to provide the necessary information, or knowingly provides false information”); leave denied 2 N.Y.3d 705 (N.Y. 2004). *See also* Admin. Code § 16-509(a)(i) (failure to provide truthful information in connection with application as a consideration for denial). In addition, the Commission may refuse to issue a license or registration to an applicant that “has been determined to have committed any of the acts which would be a basis for the suspension or revocation of a license.” *Id.* at § 16-509(c). *See also id.* at § 16-504(a). Finally, the Commission may refuse to issue a license or registration to any applicant where the applicant or its principals have previously had their license or registration revoked. *Id.* at § 16-509(d); *see also id.* at § 16-504(a).

An applicant for a private carting license (including a registration for hauling construction and demolition debris) has no entitlement to and no property interest in a license or registration, and the Commission is vested with broad discretion to grant or deny a license or registration application. *Sanitation & Recycling Indus., Inc.*, 107 F.3d 985, 995 (2d Cir. 1997); *see also Daxor Corp. v. New York Dep’t of Health*, 90 N.Y.2d 89, 98-100 (N.Y. 1997).

### III. Statement of Facts

On or about October 31, 2017, the Applicant applied to the Commission for an exemption from its licensing requirements and a registration to operate as a trade waste business that removes construction and demolition debris. *See* Application for Exemption From Licensing Requirement for Removal of Construction and Demolition Debris (the “Registration Application”). The Registration Application disclosed Thomas Grande and John Grande as the Applicant’s principals. *See* Registration Application at 13.

#### 1. Thomas Grande’s Background

In 2010, Thomas Grande registered Platinum Services LLC (“Platinum”) with the New Jersey Department of Environmental Protection (“NJDEP”) as a self-generating waste transporter. *See* NJDEP Solid & Medical Waste Transporter Registration Application (Initial) for Platinum Services LLC.<sup>1</sup> Thomas Grande described Platinum as a “small interior demolition company” in that application and certified that he would “*not* receive nor transport waste from third parties.” *See id.* (emphasis in original). In 2011, Thomas Grande incorporated another company, Blue Box Demo & Recycling, LLC (“Blue Box Demo”). *See* NJ Division of Commercial Recording Corporation Filing Inquiry for Blue Box Demo. Blue Box Demo was never licensed or registered by NJDEP. *See* Initial Decision of Administrative Law Judge at the New Jersey Office of Administrative Law in *Thomas Grande v. NJDEP*, at 14 (“Initial Administrative Decision”).

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<sup>1</sup> Similar to New York City, the solid waste industry in New Jersey is highly regulated. In New Jersey, NJDEP is the regulating authority. All solid waste haulers are required to have a NJDEP-issued license, known as an A-901 license. Self-generators such as landscapers, roofers, and home improvement contractors are exempt from the licensing requirement, but must register with NJDEP as self-generating transporters. These regulations are enforced by the A-901 Unit of the New Jersey Attorney General’s Office.

## 2. NJDEP Administrative Orders and Penalties

### a) *Platinum AONOCAPA and Blue Box Demo AONOCAPA*

After a NJDEP investigation found that Thomas Grande improperly allowed Blue Box Demo to use Platinum's NJDEP registration number in order to advertise itself, the NJDEP issued two notices of violation. First, on April 28, 2014, the NJDEP issued a notice of violation against Thomas Grande and Blue Box Demo. *See* Administrative Order and Notice of Civil Administrative Penalty Assessment ("AONOCAPA") issued to Thomas Grande and Blue Box Demo at 3 ("Blue Box Demo AONOCAPA"). Then, on June 11, 2014, the NJDEP issued a notice of violation against Thomas Grande and Platinum. *See* AONOCAPA issued to Thomas Grande and Platinum at 2 ("Platinum AONOCAPA"). In addition to the findings regarding improper usage of Platinum's registration number, the NJDEP also found that Blue Box Demo and Platinum transported and disposed of non-self-generated solid waste without an A-901 license or a Certificate of Public Convenience and Necessity ("CPCN"). *See id.*; Blue Box Demo AONOCAPA at 1-3.

In connection with its investigation, on February 2, 2015, the NJDEP issued two administrative orders against Thomas Grande, Platinum, and Blue Box Demo. *See* Platinum AONOCAPA; Blue Box Demo AONOCAPA. The first order directed Thomas Grande and Platinum to immediately cease transporting non-self-generated waste without an A-901 license or CPCN, allowing Blue Box to use its registration number, and using its equipment in a manner that exceeds its registration. *See* Platinum AONOCAPA at 3. The Platinum AONOCAPA set forth a civil administrative penalty of \$25,000. *See id.* at 3. On April 6, 2015, Thomas Grande and Platinum Services appealed the AONOCAPA. *See* Initial Administrative Decision at 3.

The second order directed Thomas Grande and Blue Box Demo to cease transporting solid waste without the appropriate registration, A-901 license, or CPCN. *See* Blue Box Demo AONOCAPA at 3. The Blue Box Demo AONOCAPA also noted that Blue Box Demo was using its website to advertise "roll off container services and pricing using the DEP Registration number of Platinum" and ordered Blue Box Demo to stop advertising these services on its website without first obtaining an A-901 license. *See id.* at 2-3. The Blue Box Demo AONOCAPA set forth a civil administrative penalty of \$28,000. *See id.* at 3-4. On April 6, 2015, Thomas Grande and Blue Box Demo appealed the Blue Box Demo AONOCAPA. *See* Initial Administrative Decision at 3. The Blue Box Demo website continued to operate until September 2015. *See id.* at 12.

### b) *Petition for Transfer of Stock of All County Garbage, LLC*

On June 6, 2014, after the initial notice of violation was issued against Thomas Grande and Blue Box, Damien Mancini petitioned the NJDEP to transfer his stock in All County Garbage, LLC ("ACG") to Thomas Grande. *See id.* at 12. ACG had an A-901 license and could collect, transport, and dispose of solid waste. *See id.*; AONOCAPA issued to Thomas Grande, dated February 3, 2017 ("Grande AONOCAPA"), at 2. On October 2, 2015, the petition to transfer was denied. *See* Initial Administrative Decision at 12. On October 23, 2015, Thomas Grande appealed that denial, which was consolidated for hearing with the appeals of the Platinum and Blue Box

Demo AONOCAPAs. *See id.* at 1-2. The Administrative Law Judge (“ALJ”) made the following Finding of Fact regarding the stock transfer petition:

The denial was issued on October 2, 2015, more than a year after the petition was filed, and was based on Grande’s two pending AONOCAPAs (addressed below), the failure to file a personal disclosure statement, and the Blue Box [Demo] website that had remained open until September 2015, as well as the lack of financial compliance by Grande in Blue Box and Platinum, and Mancini’s lack of financial compliance regarding [ACG], as well as the failure of Mancini to answer discovery questions by May 2015.

*See id.* at 12.

The appeal of the stock transfer denial was dismissed as moot by the ALJ, while the Platinum and Blue Box Demo AONOCAPAs were affirmed. *See id.* at 21. The Initial Administrative Decision was then adopted by the Commissioner of NJDEP on October 3, 2017. *See* Administrative Action, Final Decision (Consolidated) of *Thomas Grande v. NJDEP* at 11 (“Final Administrative Decision”). The modified penalties adopted by the Final Administrative Decision directed Platinum and Thomas Grande to pay \$20,000 and Blue Box Demo and Thomas Grande to pay \$23,000. *See id.* at 11. As of the date of this Notice, these penalties remain outstanding.

c) *Thomas Grande AONOCAPA*

In June 2014, while the petition for stock transfer was pending, ACG hired Thomas Grande to serve as general manager. *See* Initial Administrative Decision at 1-2. Thomas Grande, who was disclosed to the NJDEP as a key employee of ACG, began running its day-to-day operations. *See* Grande AONOCAPA at 2. During this time, Thomas Grande leased two trucks and 15 roll-off containers to ACG. *See id.* On August 1, 2016, ACG surrendered to NJDEP its authority to collect, transport, and dispose of solid waste. *See id.* Following the surrender, all decals that were issued to ACG should have been destroyed or returned to NJDEP. *See id.*

The NJDEP determined that Thomas Grande continued to use the leased vehicles and roll-off containers using ACG’s now-surrendered registration to collect and transport solid waste despite having no authority to do so. *See id.* at 2-3. Specifically, the NJDEP found that on August 19, 2016, a vehicle owned by Thomas Grande dumped solid waste at a transfer station in New Jersey. *See id.* The vehicle used a registration decal which had been issued to ACG, and the waste was dumped using ACG’s name, NJDEP registration number, and decals. *See id.* On February 3, 2017, an administrative order was issued to Thomas Grande. *See id.* at 1, 7. The Grande AONOCAPA stated that Thomas Grande refused, inhibited, or prohibited immediate lawful inspection by NJDEP of the equipment that had been leased to ACG and that he transported solid waste without an approved registration statement or CPCN. *See id.* at 2-4. The Grande AONOCAPA assessed a penalty of \$108,000 against Thomas Grande. *See id.* at 5. As of the date of this Notice, this penalty is outstanding.

### 3. Denial of the Applicant by NJDEP

On April 20, 2017, three days after Thomas Grande's hearing before the ALJ, the Applicant was incorporated in New Jersey. *See* Order of Denial of A-901 Application of Blue Box, LLC and Debarment of John Grande, dated February 12, 2018 ("NJ Blue Box Denial"). In June 2017, the Applicant submitted two applications to NJDEP – one for an A-901 license to transport waste and the other for an A-901-exempt self-generator registration. *See id.* In these applications, the Applicant described itself as a "commercial retail fit out service." *See id.* at 1.

The A-901 license application listed Thomas Grande's son, John Grande, as the sole owner of the Applicant. *See id.* Although partners, participants in joint ventures, and key employees are required to be listed on an application for an A-901 license, Thomas Grande was not listed as a partner, participant in a joint venture, or key employee on the application. *See id.* at 2. When John Grande submitted the application, he also requested 20 container decals and a truck decal on behalf of the Applicant. *See id.* at 1. The truck decal was for a truck owned by Blue Box Demo & Recycling, LLC and insured in the name of Blue Box Demo, LLC. *See id.*

On September 11, 2017, John Grande provided sworn testimony to the A-901 Unit. *See id.* During this sworn testimony, John Grande admitted that he had no training or experience in the solid waste industry or the commercial construction trade, and he claimed to have no knowledge about his father's activities in the industry. *See id.* He testified that he was the sole owner of Blue Box and came up with the name of the company on his own. *See id.* He stated that Blue Box had nothing to do with his father's company, Blue Box Demo. *See id.* He claimed that his father gave him 20 containers and a truck and that he kept them at his father's yard. *See id.* He could not recall the location of the storage yard his company used. *See id.* Following his testimony, John Grande responded to a Request for Information from the A-901 Unit in which he admitted that he did not own any equipment and the business phone number for Blue Box, LLC was his father's cellphone number. *See id.*

In addition to the findings against John Grande, the NJDEP also found that Thomas Grande was "continu[ing] to operate as an unlicensed waste transporter." *See id.* In September 2017, a container filled with waste labeled with the name "Blue Box" was observed in Berkeley, New Jersey. *See id.* Permit application records showed that Five Stars Quality Construction, LLC ("Five Stars") was charged \$462.50 for "dumpster rental" by Blue Box Demo & Recycling. *See id.* Documents obtained by the A-901 Unit established that Blue Box Demo & Recycling had charged Five Stars for renting containers and transporting waste from August 2017 to October 2017. *See id.*

In January 2018, NJDEP officials inspected Thomas Grande's new storage yard in Old Bridge, New Jersey. *See id.* They observed containers marked with names such as "Blue Box" and "Blue Box Demo & Recycling" that were filled with waste. *See id.* Thomas Grande admitted during the inspection that he had transported the waste-filled containers from his former yard in Manalapan, New Jersey to the current one. *See id.*

On February 12, 2018, NJDEP denied the Applicant's A-901 license application and debarred John Grande. *See id.* at 1-4. NJDEP listed numerous grounds, including John Grande having "no customers, no equipment, and no training or experience in the commercial construction

trade” and no experience in the solid waste industry; not disclosing Thomas Grande as a key employee, business partner, or joint venturer; Thomas Grande’s having a beneficial business interest in the Applicant and “not possess[ing] a reputation for good character, honesty and integrity;” supplying information which is untrue or misleading; giving false testimony; and that “John Grande’s conduct and misrepresentations demonstrate a lack of sufficient integrity, reliability, expertise and competency . . . .” *See id.* at 3.

#### **IV. Basis for Denial**

##### **1. The Applicant has been found liable in an administrative action that bears a direct relationship to the fitness of the applicant to conduct the business for which the exemption is sought.**

The Commission has the authority to deny an application where, as here, there has been “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.” Admin. Code § 16-509(a)(iv). The AONOCAPAs issued against Thomas Grande, the denial of the Applicant, and the debarment of John Grande by NJDEP bear a direct relationship to the fitness of the Applicant to conduct the business for which this registration is sought. Specifically, the Applicant and its principals seek to enter New York City’s highly-regulated trade waste industry but have shown utter disregard for the government’s authority in this area through their continued and significant violations of the NJDEP’s rules and regulations in the waste hauling industry.

Furthermore, in the NJ Blue Box Denial, the NJDEP determined that Thomas Grande is a person who “does not possess a reputation for good character, honesty, and integrity” and that John Grande’s “conduct and misrepresentations demonstrate a lack of sufficient integrity, reliability, expertise and competency to operate in the solid waste industry.” *See* NJ Blue Box Denial at 3. These findings were made in an administrative action that was directly related to the fitness of the Applicant to conduct business in the trade waste industry. *See* Admin. Code §§ 16-509(a)(iv); 16-509(b). NJDEP’s finding of a “lack of sufficient integrity, reliability, expertise and competency to operate in the solid waste industry” is directly analogous to the Commission’s standard for denial of a license or registration application: a lack of good character, honesty and integrity. The Applicant has not disputed this. Accordingly, the Commission denies the Registration Application based on this independently-sufficient ground.

##### **2. The Applicant’s principal has failed to pay penalties that are related to the Applicant’s business for which judgments have been entered.**

The Commission may deny an applicant for “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.” *See* Admin. Code §16-509(a)(iv). Between February 2, 2015 and February 3, 2017, NJDEP assessed the Applicant’s principal, Thomas Grande, \$151,000 in penalties. None of these penalties have been paid. The Applicant has not disputed this. Accordingly, the Commission denies the Registration Application based on this independently-sufficient ground.

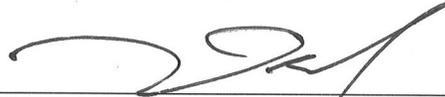
**V. Conclusion**

The Commission is vested with broad discretion to refuse to issue a license or registration to any applicant who it determines lacks good character, honesty and integrity. The record herein demonstrates that the Applicant and its principals lack good character, honesty and integrity. Accordingly, based on each of the two independently-sufficient grounds detailed above, the Commission denies the Registration Application.

This denial is effective immediately. Blue Box LLC may not operate as a trade waste business in the City of New York.

Dated: October 21, 2019

THE NEW YORK CITY  
BUSINESS INTEGRITY COMMISSION



Noah D. Genel  
Commissioner and Chair



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(Designee)  
Department of Sanitation



Margaret Garnett, Commissioner  
Department of Investigation



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