



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

**DECISION OF THE BUSINESS INTEGRITY COMMISSION TO DENY THE APPLICATION OF NATIONAL WASTE SERVICES CORP. FOR A LICENSE TO OPERATE AS TRADE WASTE BUSINESSES**

National Waste Services Corp., (“National”) applied to the New York City Business Integrity Commission for a license 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), 508. Local Law 42, which created the Commission to license and 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.

Local Law 42 authorizes the Commission to refuse to issue a license to any applicant who it determines, in the exercise of its discretion, lacks good character, honesty, and integrity. See Admin. Code §16-509(a). The statute identifies a number of factors that, among others, the Commission may consider in making its determination. See id. §16-509(a)(i)-(x). These illustrative factors include the failure to provide truthful information to the Commission, certain civil or administrative findings of liability, and certain associations with organized crime figures. Based upon the record as to the Applicant, the Commission finds that National lacks good character, honesty, and integrity and denies its license application for the following independent reasons:

- (i) Michael Mongelli was a principal in a predecessor trade waste business that the Commission would be authorized to deny licensure.
- (ii) The Applicant's principal, Michael Mongelli, has associated with known organized crime figures, including the reputed underboss of the Luchese organized crime family.
- (iii) The Applicant provided false, incomplete and misleading information in its License Application and through its principal's deposition testimony under oath.
- (iv) The Applicant failed to notify the Commission of the November 28, 1996 arrest of Michael Mongelli within ten calendar days of the arrest.

## **I. BACKGROUND**

### **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. Beginning in the late 1950's, and until only recently, the commercial 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":

Like those dense stars found in the firmament, the cartel can not be seen and its existence can only be shown by its effect on the conduct of those falling within its ambit. Because of its strong gravitational field, no light escapes very far from a "black hole" before it is dragged back . . . [T]he record before us reveals that from the cartel's domination of the carting industry, no carter escapes.

Sanitation & Recycling Industry, Inc. v. City of New York, 107 F.3d 985, 989 (2d Cir. 1997) ("SRI") (citation omitted).

Extensive evidence presented at lengthy City Council hearings addressing the corruption that historically has plagued this industry revealed the nature of the cartel: an entrenched anticompetitive 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 found:

- (1) "that the carting industry has been corruptly influenced by organized crime for more than four decades";
- (2) "that organized crime's corrupting influence over the industry has fostered and sustained a cartel in which carters do not compete for customers";
- (3) that to ensure carting companies' continuing unlawful advantages, "customers are compelled to enter into long-term contracts with onerous terms, including 'evergreen' clauses";
- (4) "that the anti-competitive effects of this cartel have resulted, with few exceptions, in the maximum [legal] rates . . . effectively being the only rate available to businesses";
- (5) "that businesses often pay substantially higher amounts than allowed under the maximum rate because carters improperly charge or overcharge for more waste than they actually remove";
- (6) "that organized crime's corrupting influence has resulted in numerous crimes and wrongful acts, including physical violence, threats of violence, and property damage to both customers and competing carting firms";
- (7) "that recent indictments have disclosed the pervasive nature of the problem, the structure of the cartel, and the corruption it furthers through the activities of individual carters and trade associations";

- (8) "that unscrupulous businesses in the industry have taken advantage of the absence of an effective regulatory scheme to engage in fraudulent conduct"; and
- (9) "that a situation in which New York City businesses, both large and small, must pay a 'mob tax' in order to provide for removal of trade waste is harmful to the growth and prosperity of the local economy."

Local Law 42, § 1.

The criminal cartel operated through the industry's four leading New York City trade associations, the Association of Trade Waste Removers of Greater New York ("GNYTW"), the Greater New York Waste Paper Association ("WPA"), the Kings County Trade Waste Association ("KCTW"), and the Queens County Trade Waste Association ("QCTW"), all of which were controlled by organized crime figures for many years. See, e.g., Local Law 42, § 1; United States v. International Brotherhood of Teamsters (Adelstein), 998 F.2d 120 (2d Cir. 1993). As the Second Circuit found, regardless of whatever limited legitimate purposes these trade associations might have served, they "operate[d] in illegal ways" by "enforc[ing] the cartel's anticompetitive dominance of the waste collection industry." SRI, 107 F.3d at 999.

In June 1995, all four trade associations, together with seventeen individuals and twenty-three carting companies, were indicted on enterprise corruption, criminal antitrust, and related charges as a result of a five-year investigation into the industry by the Manhattan District Attorney's Office and the New York Police Department. See People v. Ass'n of Trade Waste Removers of Greater New York Inc. et al., Indictment No. 5614/95 (Sup. Ct. N.Y. Cty.). The defendants included capos and soldiers in the Genovese and Gambino organized crime families who acted as "business agents" for the four trade associations, as well as carters closely associated with organized crime and the companies they operated. In essence, the carting industry's modus operandi, the cartel, was indicted as a criminal enterprise.

More carting industry indictments followed. In June 1996, both the Manhattan District Attorney and the United States Attorney for the Southern District of New York obtained major indictments of New York metropolitan area carters. The state indictments, against thirteen individuals and eight companies,

were (like their 1995 counterpart) based upon undercover operations, including electronic surveillance intercepts, which revealed a trade waste removal industry still rife with corruption and organized crime influence. The federal indictment, against seven individuals and fourteen companies associated with the Genovese and Gambino organized crime families (including the brother and nephew of Genovese boss Vincent "Chin" Gigante), included charges of racketeering, extortion, arson, and bribery. See United States v. Mario Gigante et al., No. 96 Cr. 466 (S.D.N.Y.). In November 1996, the Manhattan District Attorney announced a third round of indictments in his continuing investigation of the industry, bringing the total number of defendants in the state prosecution to thirty-four individuals, thirty-four companies, and four trade waste associations.

The accuracy of the sweeping charges in the indictments has been repeatedly confirmed by a series of guilty pleas and jury verdicts. On October 23, 1996, defendant John Vitale pleaded guilty to a state antitrust violation for his participation in the anticompetitive criminal cartel. In his allocution, Vitale, a principal of the carting company Vibro, Inc., acknowledged that he turned to the trade associations, and specifically to Genovese capo Alphonse Malangone and Gambino soldier Joseph Francolino, to obtain their assistance in preventing another carter from bidding on waste removal services for a "Vibro-owned" building in Manhattan.

On January 27, 1997, Angelo Ponte, a lead defendant in the state prosecution and the owner of one of the City's largest carting companies, pleaded guilty to attempted enterprise corruption and agreed to a prison sentence of two to six years and to pay \$7.5 million in fines, restitution, and civil forfeitures. In his allocution, Ponte acknowledged the existence of a "property rights" system in the New York City carting industry, enforced by a cartel comprised of carters and their trade associations through customer allocation schemes, price fixing, bid rigging, and economic retaliation, for the purpose of restraining competition and driving up carting prices and carting company profits. His son, Vincent J. Ponte, pleaded guilty to paying a \$10,000 bribe to obtain a carting contract to service an office building. Both defendants agreed to be permanently barred from the City's carting industry.

On January 28, 1997, Vincent Vigliotti became the fourth individual defendant to plead guilty to carting industry corruption charges. In addition, two carting companies and a transfer station run by Vigliotti's family under his

auspices pleaded guilty to criminal antitrust violations. In his allocution, Vigliotti confirmed Ponte's admissions as to the scope of the criminal antitrust conspiracy in the City's carting industry, illustrated by trade association-enforced compensation payments for lost customers and concerted efforts to deter competitors from entering the market through threats and economic retaliation. Vigliotti agreed to serve a prison term of one to three years, to pay \$2.1 million in fines, restitution, and civil forfeitures, and to be permanently barred from the City's carting industry.

On February 13, 1997, the KCTW pleaded guilty to criminal restraint of trade and agreed to pay a \$1 million fine, and four individuals who were officers of or otherwise closely associated with the KCTW, as well as their affiliated carting companies, pleaded guilty to corruption charges. The Brooklyn carters who were the KCTW's principal representatives -- president Frank Allocca and vice-president Daniel Todiço -- pleaded guilty to attempted enterprise corruption, as did Brooklyn carter Dominick Vulpis; each of their defendant companies pleaded guilty to criminal restraint of trade. Brooklyn carter and KCTW secretary Raymond Polidori also pleaded guilty to criminal restraint of trade, as did two related companies controlled by Polidori. These individual defendants agreed to pay fines ranging from \$250,000 to \$750,000, to serve sentences ranging from probation to 4½ years in prison, and to be permanently barred from the City's carting industry. The same day, Manhattan carters Henry Tamilly and Joseph Virzi pleaded guilty to attempted enterprise corruption and agreed to similar sentences, fines, and prohibitions. All six defendants confirmed the existence of the criminal cartel and admitted to specific instances of their participation in it.

On February 24, 1997, defendants Michael D'Ambrosio, Robros Recycling Corp., and Vaparo, Inc. all pleaded guilty in allocutions before New York Supreme Court Justice Leslie Crocker Snyder. D'Ambrosio pleaded guilty to attempted enterprise corruption, and his companies pleaded to criminal antitrust violations.

On July 21, 1997, Philip Barretti, another lead defendant in the state prosecution and the former owner of the City's largest carting company, pleaded guilty to two counts of attempted enterprise corruption and agreed to a prison sentence of 4½ to 13½ years and to pay \$6 million in fines, restitution, and civil forfeitures. Frank Giovinco, former head of the WPA, pleaded guilty to attempted enterprise corruption and agreed to a prison sentence of 3½ to 10½ years. Carters Paul Mongelli and Louis Mongelli also pleaded guilty to attempted enterprise

corruption, and agreed to prison sentences of four to twelve and 3<sup>1</sup>/<sub>3</sub> to ten years, respectively. All four defendants agreed to be permanently barred from the City's carting industry. On the same day, Philip Barretti, Jr. and Mark Barretti pleaded guilty to an environmental felony and commercial bribery, respectively, and agreed to be sentenced to five years probation. The Barretti and Mongelli carting companies also pleaded guilty at the same time. A few days later, the WPA pleaded guilty to criminal restraint of trade.

In the federal case, on September 30, 1997, Thomas Milo, a Gambino family associate, and his company, Suburban Carting, among others, pleaded guilty to federal charges of conspiracy to defraud the United States and to make and file false and fraudulent tax returns, and, respectively, to defraud Westchester County in connection with a transfer station contract and to violate the Taft-Hartley Act by making unlawful payments to a union official. In their allocutions, Suburban and Milo admitted that one objective of the conspiracy was to conceal the distribution of cartel "property rights" profits by engaging in sham transactions.

The pleas of guilty to reduced charges by the state defendants took place in the context of an ongoing prosecution of the entire enterprise corruption conspiracy, in which testimony had begun in March 1997. The remaining defendants were the GNYTW, Gambino soldier Joseph Francolino and one of his carting companies, Genovese capo Alphonse Malangone, and two carting companies controlled by defendant Patrick Pecoraro (whose case, together with the case against the QCTW, had been severed due to the death of their attorney during the trial). On October 21, 1997, the jury returned guilty verdicts on enterprise corruption charges – the most serious charges in the indictment – against all six of the remaining defendants, as well as guilty verdicts on a host of other criminal charges. On November 18, 1997, Francolino was sentenced to a prison term of ten to thirty years and fined \$900,000, and the GNYTW was fined \$9 million. On January 12, 1998, Malangone was sentenced to a prison term of five to fifteen years and fined \$200,000.

On January 21, 1998, Patrick Pecoraro pleaded guilty to attempted enterprise corruption and agreed to serve a prison sentence of one to three years, to pay a \$1 million fine, and to be barred permanently from the City's carting industry. On the same day, the QCTW pleaded guilty to a criminal antitrust violation and agreed to forfeit all of its assets. Numerous other guilty pleas followed. On December 21,

1999, all of the guilty verdicts were affirmed on appeal. See People v. GNYTW, 701 N.Y.S.2d 12 (1<sup>st</sup> Dep't 1999).

In sum, it is far too late in the day for anyone to question the existence of a powerful criminal cartel in the New York City carting industry. Its existence has been proven beyond a reasonable doubt. The proof at trial also established conclusively that the cartel which controlled the carting industry for decades through a rigorously enforced customer-allocation system was itself controlled by organized crime, whose presence in the industry was so pervasive and entrenched – extending to and emanating from all of the industry's trade associations, which counted among their collective membership virtually every carter – that it could not have escaped the notice of any carter. These criminal convictions confirm the judgment of the Mayor and the City Council in enacting Local Law 42, and creating the Commission, to address this pervasive problem.

#### **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 of businesses that remove, collect, or dispose of trade waste. See Admin. Code § 16-503. The carting industry immediately 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, 940 F. Supp. 656 (S.D.N.Y. 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).

Local Law 42 provides that "[i]t shall be unlawful for any person to operate a business for the purpose of the collection of trade waste . . . without having first obtained a license therefor from the [C]ommission." Admin. Code §16-505(a). After providing a license applicant with notice and an opportunity to be heard, the Commission may "refuse to issue a license to an applicant who lacks good character, honesty and integrity." Id. §16-509(a). Although Local Law 42 became effective immediately, carting licenses previously issued by the DCA remained

valid pending decision by the Commission on timely filed license applications. See Local Law 42, §14(iii)(a).

As the United States Court of Appeals has definitively ruled, an applicant for a carting 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). In determining whether to issue a license to an applicant, the Commission may consider, among other things, the following matters, if applicable:

- (i) failure by such applicant to provide truthful information in connection with the application;
- (ii) 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;
- (iii) 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;
- (iv) 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;
- (v) 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;

- (vi) 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;
- (vii) 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;
- (viii) 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;
- (ix) 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;
- (x) 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).

## II. DISCUSSION

National filed with the Commission an application for a trade waste removal license on December 4, 1996. The Commission's staff has conducted an investigation of the Applicant. On July 9, 2003, the staff issued a 26-page recommendation that the application be denied. The staff delivered a copy of the recommendation to the Applicant by hand the same day. Pursuant to the Commission's rules, the Applicant had 10 business days to submit a written response. See Chapter 17 of the Rules of the City of New York, Section 2-08(a). The Applicant failed to submit a response to the recommendation. The Commission has carefully considered both the staff's recommendation and the Applicant's failure to respond. For the reasons set forth below, the Commission finds that the Applicant lacks good character, honesty, and integrity, and denies its application.

## III. GROUNDS FOR LICENSE DENIAL

### A. Michael Mongelli Was a Principal in a Predecessor Trade Waste Business That the Commission Would Be Authorized to Deny Licensure.

Michael Mongelli ("Michael"), who is listed as the sole principal of National, was employed by Mongelli Carting Co. Inc. ("Mongelli Carting") from approximately 1976 to at least late 1991 or 1992.<sup>1</sup> See Mongelli Deposition Transcript ("Dep. Tr.") at 25. At his deposition under oath before the Commission on September 24, 2002, Michael described how he worked his way up to a position of significant responsibility with Mongelli Carting. By the time that he left the employ of Mongelli Carting, Michael rose to become the General Manager of the company, a position that is deemed to be a principal under the terms of Local Law 42. See Dep. Tr. at 24-25.<sup>2</sup> Michael even acknowledged that he "built [the]

<sup>1</sup> Michael is identified as a "director" of the company in a May 19, 1992 *Newsday* article. See "Violations May Trash Efforts of Firm to Crack Into Carting," by Kevin Flynn, *Newsday*, 19 May 1992 P. 23. After Michael was identified as an owner and operator of Mongelli Carting in the book "Takedown," by Rick Cowan and Douglas Century, Michael sent the Commission a letter dated January 9, 2003, wherein he states that he "had no knowledge of what was taking place with the operations of Mongelli Carting Company, Inc. from the time I left there in 1990." (Page 124). The fact that Michael has provided the Commission with several different dates of his departure from Mongelli Carting does not obscure the plain fact that Michael exercised significant responsibility over Mongelli Carting during years when it participated in the illegal cartel system.

<sup>2</sup> As the General Manager of Mongelli Carting, Michael's duties included collecting money and acquiring new accounts, among others. In fact, upon leaving the employ of Mongelli Carting Co. Inc., Michael became employed as the "Head of Operations" for Hunts Point Recycling. See Dep. Tr. at 23. As the "Head of Operations" for Hunts

business [Mongelli Carting].” See *infra*. As the General Manager of Mongelli Carting, Michael’s duties included soliciting business, negotiating prices, and

“guarantee[ing] ... that Mongelli Carting Company will be there at 7:00 in the morning to pick up all the stuff and make sure my truck will be out of there at a quarter past seven. I built a nice business like that for my father...”

See Dep. Tr. at 47-48.

Q.: Did you have the authority to make business decisions?

A.: Pertaining to?

Q.: Any type of business decisions?

A.: Toward the end, yes, toward the end, yes.

Q.: What kind of decisions were you allowed to make?

A.: To purchase a new truck if I needed a new truck, containers going out and getting new customers. Stuff like that.

Q.: He always had the last say, that was it.

See Dep. Tr. at 58-59.

Furthermore, Michael’s duties for the company included representing Mongelli Carting at the QCTW. Again, Michael sought to understate his role in Mongelli Carting and his role in the illegal cartel by stating that he “went on occasion” to the association. Nevertheless, after Michael’s father stopped attending association meetings in the middle to late 1980’s, Michael continued to attend on his own. See Dep. Tr. at 35-36.<sup>3</sup> See *infra*. Michael’s attendance at

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Point Recycling, Michael “was in control of 150 men...” See Dep. Tr. at 23. The fact that Michael was given such a high level position upon leaving Mongelli Carting is a further indication that his position at Mongelli Carting was well above a menial one.

<sup>3</sup> Michael’s testimony about why he attended and what he observed at association meetings, and about his level of participation at the association meetings was simply not credible. Michael’s false and misleading testimony about the association is another independent ground for denial of this license application. See *infra*.

association meetings is further evidence confirming his status as a principal of Mongelli Carting.

Additional evidence of Michael's role as a principal of Mongelli Carting was presented at the carting trial of Paul and Louis Mongelli through the trial testimony of Mongelli Carting customer, Charles Green. Green testified that when his company moved into its location in 1986,

"Michael Mongelli came over to my company and introduced himself and told me that he was – that his company had the – was going to pick up the trash at my building and my company."

See People v Ass'n of Trade Waste Removers of Greater New York, et al., No. 5614/95 Trial Tr. at 2761-2763. Charles Green also testified that Michael Mongelli asked for "somewhat more" than the maximum rate allowed by law for the removal of trade waste.<sup>4</sup> Since moving his business to the Bronx in 1986, Charles Green became most familiar with Michael as the representative of Mongelli Carting. According to Green, "Michael seemed to be more the business manager, I would say." Green also stated that,

"I never saw Michael with the trucks. I would only see Michael if we were to come by the office to pick up a check or see if we were late with the payment or whatever and see what was going on and to try to find out what the status was compared to that. I never saw Michael in the back with the drivers and the men."

See Id. at 2769. Thus, it is clear that Michael Mongelli, as the General Manager of Mongelli Carting, was considered even by customers to be a principal of the company.<sup>5</sup>

As described above, on July 21, 1997, Paul and Louis Mongelli and Mongelli Carting each pleaded guilty to attempted enterprise corruption in

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<sup>4</sup> The credible assertion that Michael attempted to break the law by charging a sum above the maximum legal rate for the removal of trade waste is another independent ground to deny this applicant a license. See 17 RCNY § 5-02.

<sup>5</sup> Admin. Code Section 16-501 defines principal as a "person[ ] participating directly or indirectly in the control of such business entity..."

connection with their roles in the New York City garbage carting cartel.<sup>6</sup> In their allocution, Louis Mongelli, Paul Mongelli and Mongelli Carting admitted that:

"...The carters of the City of New York including the defendant and the defendant's companies operated by means of a property rights system for purposes of which was to prevent meaningful competition in the carting industry. This system was enforced by a group called the cartel, composed of carters and the Trade Associations including the defendants, the defendants' company and co-defendants, Greater New York Waste Paper Association, Association of Trade Waste Removers of Greater New York, Kings County Trade Waste Association, Queens County Trade Waste Association, Frank Allocca, Philip Barretti, Sr., Michael D'Ambrosio, Joseph Francolino, Frank Giovinco, Alphonse Malangone, Louis Mongelli, Patrick Pecoraro, Raymond Polidori, Angelo Ponte, Henry Tamily, Daniel Todisco, Vincent Vigliotti, Sr., Joseph Virzi, John Vitale and Dominick Vulpis.

The method used to enforce the property rights system included assault, threats, customer allocation schemes, coordinated economic activities by cartel members and economic retaliation against those who broke the cartel's rules. One of the pattern acts involved the Charles Green Company. In late May of 1993, a carting company known as Paper Service which was under common ownership with Chambers Paper Fibres competed for and won the right to service Charles Green Company located at 841 Barretto Street in Kings County.

This was a customer previously serviced by the defendants and their company [Mongelli Carting]. Chambers won the right to service the customer in part by substantially cutting the price of service, a price that the defendant was previously able to maintain because of the existence of the property right system.

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<sup>6</sup> Although Michael may claim total ignorance of and non-involvement in the specific illegal activities cited in the criminal case against his father, brother and their company, he cannot deny the fact that he was a principal of Mongelli Carting at a time when Mongelli Carting participated in the illegal cartel system with impunity for years. Under the circumstances, Michael's denials are totally unbelievable. The Commission should find that, contrary to his testimony, Michael was fully aware that Mongelli Carting was a significant participant in the illegal scheme of the mob-backed cartel.

In retaliation for Chambers winning the Charles Green account defendant and other employees of the defendant's company engaged in a campaign of violence and other harassment against Chambers during the month of June of 1992. The retaliation included a continuing truck blockade of the Charles Green Company location by defendant and others backed by threats of physical harm if Chambers did not respect their claims to this account under the cartels property rights system. The threats culminated in a June 22, 1993 assault at 841 Barretto Street in which employees of the defendant's company acting under his management, supervision and control seriously injured a Chambers driver about the head and body with a blunt instrument...<sup>7</sup>

...after [the] June 22, 1993 assault, and pursuant to eliciting property rights system defendant and co-defendants Frank Giovinco and WPA and others demanded and obtained substantial monetary payments from Chambers thereby depriving Chambers of the right to provide Carting Service to Charles Green and company..."

See Plea Allocution Tr. at 6854-6858.

Local Law 42 defines a predecessor trade waste business as "any business engaged in the removal, collection or disposal of trade waste in which one or more principals of the applicant were principals in the five year period preceding the application." See Admin. Code Section 16-508. As the application of National was submitted to the Commission on December 4, 1996, and Michael Mongelli claimed to have left Mongelli Carting in "late 1991 or early 1992,"<sup>8</sup> the Commission considers Mongelli Carting Co. Inc. to be a predecessor trade waste business to this applicant.

The Commission is empowered to consider the fact that Michael Mongelli was a principal in a predecessor trade waste business as such term is defined in subsection (a) of Section 16-508 of the Administrative Code. The Commission is also authorized to deny a license application when a principal of an applicant was a principal in a predecessor trade waste business that would be denied a license if it applied.

<sup>7</sup> "On that day, outside the Charles Green stop, two Mongelli drivers beat a Paper Fibers driver so severely that they fractured his skull and nearly killed him." See Affidavit of Detective Joseph Lentini.

<sup>8</sup> Additional evidence suggests that Michael was a principal until at least May 1992. See supra.

The Commission finds that Mongelli Carting Co. Inc., as a predecessor trade waste business to National, would certainly be denied a license for its lack of good character, honesty and integrity. More specifically, Mongelli Carting would be denied a license for its conviction and for the convictions of some of its principals for crimes that directly relate to the trade waste industry. The Applicant has not disputed this finding. Based on this sufficient independent ground, the Commission denies National's application.

**B. The Applicant's Principal, Michael Mongelli, Has Associated with Known Organized Crime Figures, Including the Reputed Under-Boss of the Luchese Organized Crime Family.**

Michael Mongelli has admitted to several meetings with Steven "Steve" Crea, a person whom Michael knew to be associated with organized crime, but has failed to provide full, candid and accurate information about the nature and purpose of these meetings. Steven Crea has been identified by law enforcement sources as the acting underboss of the Luchese organized crime family. Crea's prominence in organized crime's inner circles has been documented in various newspapers since at least the 1980's. Sometime in the 1970's or 1980's, Michael first became aware that Steve Crea was involved with organized crime. "That I initially surely, read about that [organized crime and Steve Crea] in the paper I saw his picture right there..."<sup>9</sup> See Dep. Tr. at 30.

Steve Crea is a cousin of the Michael's father through marriage. See Dep. Tr. at 28. Due to Michael's vague, evasive, conflicting and self-serving testimony, the record as to Michael's dealings with Crea is far from clear. For instance, at his deposition before the Commission, Michael initially testified that he last saw Crea "by chance...on the street...over ten years ago... in the early 1990's." See Dep. Tr. at 31-32. According to Michael, at his last meeting with Crea, he and Crea discussed Michael's father and the fact that Michael did not "want to be around" his father.

Q.: Have you ever seen him [Crea] since then, at any affairs, or anything like that?

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<sup>9</sup> However, in the license application submitted to the Commission, which Michael certified as true, Michael, denies that he has associated with any members or associates of organized crime.

A.: I don't go to any - - just my immediate family, I don't go out. I stay away from the Bronx.

See Dep. Tr. at 32. Only when the Commission's staff directly asked Michael about meeting Crea at the Whitestone Coops<sup>10</sup>, did Mongelli admit to such meetings. According to Michael, he visited the Whitestone Coops "on occasion," and met with the reputed underboss of the Luchese crime family, Steve Crea on each of those occasions.<sup>11</sup> See Dep. at 60. At his deposition, Michael recalled with seeming ease that he met with Crea at the Coops because he was "disgruntled" and to "have someone [Steve Crea] to talk to, maybe someone to talk to about my father." See Dep. Tr. at 60. However, in stark contrast, Michael could not recall if he ever discussed business with Steve Crea:

Q.: Did you ever discuss any business - [with Crea]?

A.: I don't recall.

See Dep. Tr. at 61. Michael does not deny that he and Crea discussed business; instead, Michael asserts that he does not recall whether they discussed business. Michael's supposed failure to recall whether he and Crea discussed business is a tacit acknowledgment that they may have had such discussions and, in the totality of the circumstances here, it is improbable in the extreme that they failed to address business concerns. Indeed, in light of the realities of how the cartel operated, the likelihood is that Michael frequented the Whitestone Coops specifically to meet with Crea and to discuss business with Crea. Michael's calculated memory loss does not deter the Commission from concluding by a preponderance of the evidence that Michael did discuss business with Crea at one time or another.

"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" is an independent ground upon which to deny a license application. Admin. Code §16-509(a)(vi). Simply put, Michael had several meetings with an

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<sup>10</sup> While conducting surveillance on Steve Crea on July 21, 1993, the New York City Police Department observed a vehicle registered to Michael Mongelli and a person who may have been Michael Mongelli at the Whitestone Coops meeting with Crea.

<sup>11</sup> According to Michael, these meetings were not by chance, but rather took place whenever Michael felt he needed someone to talk to.

individual whom he knew to be deeply involved in organized crime, and he was misleading to the Commission in his testimony about the same. In sum, Michael's testimony regarding his relationship with Crea was evasive, vague and self-serving. In light of the record as a whole, the Commission finds that Michael's meetings with Steve Crea reflects adversely on Michael's good character, honesty and integrity and precludes licensure. The Applicant has not disputed this finding. Based on this sufficient independent ground, the Commission denies National's application.

**C. The Applicant Provided False, Incomplete and Misleading Information in Its License Application and through Its Principal's Deposition Testimony under Oath.**

The Commission is authorized to deny the license application of a company that fails to provide truthful information in connection with the application. See Admin. Code § 16-509(a)(i). Attached to National's license application was a sworn, notarized certification signed by Michael Mongelli, President of National, attesting that he had "read and understood the questions in the attached application and its attachments, which consist[ed] of 43 pages" and that "to the best of [his] knowledge the information given in response to each question and in the attachments is full, complete and truthful." See License Application ("Lic. App.") at 43. As discussed below, it is clear that the Applicant provided false and misleading information to the Commission through its omissions and through its written submissions and testimony under oath.

On December 4, 1994, the Applicant submitted the license application to the Commission. On September 24, 2002 this information was supplemented when Michael Mongelli gave sworn deposition testimony at the Commission and filled out a sworn questionnaire in connection with the deposition.

Based on Michael's responses at his deposition and the responses on his written submissions to the Commission, it is clear that the applicant provided false and misleading information on the license application. For instance, Part III, Question 6(j) of the application asks,

"Has the applicant business or any of its past principals ever associated with any person that you knew or should have known was a member or associate of an organized crime group?"

See Lic. App. at 16. The applicant answered “no” on the license application. See Id. Based on the evidence, the Applicant’s answer to Part III, Question 6(j) was false. As stated above, Michael Mongelli admitted at his deposition that he had several meetings with Steven Crea, the reputed underboss of the Luchese Crime Family. Furthermore, Michael testified that he knew that Crea held a position in organized crime since the 1970’s. See supra. Nevertheless, Mongelli’s admission at his deposition was misleading in that Mongelli claimed that he could not recall if he and Crea spoke about business throughout their meetings.

Additionally, on the license application, Part II, Question 1 asks,

“Currently or at any point in the past ten years, is/has the applicant business, any current or past principal of the applicant business, or predecessor trade waste business, or any employee of the applicant business or predecessor trade waste business been a member or served at any meeting as the representative of a member of a trade association currently under indictment?”

See Lic. App. at 6. The applicant answered “no” on the license application. See Id. Based on the evidence, the Applicant’s answer to Part II, Question 1 was false. At his deposition before the Commission, Michael admitted that Mongelli Carting was a member of the Queens County Trade Waste Association (“QCTW”) See Dep. Tr. at 35. Furthermore, Michael represented Mongelli Carting when he attended meetings at the QCTW. See id. Michael admitted that,

“I first went [to the QCTW] with my father, and then for a while, he stopped going, he didn’t want to go out there anymore, so you have to go and make an appearance for whatever reason. You go out to have a cup of coffee and donut and you stay around for a few minutes and you leave.”<sup>12</sup>

See Dep. Tr. at 35-36. Thus it is abundantly clear that Mongelli Carting was a member of the QCTW and that Michael represented Mongelli Carting during the period that the indicted trade waste association played a central role in enforcing the organized crime-dominated illegal customer allocation and price fixing schemes. Mongelli Carting undoubtedly obtained illicit benefits from its

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<sup>12</sup> Michael’s claim that “you have to go and make an appearance for whatever reason...” disingenuously understates the real reason to attend meetings of the QCTW. See infra. As such, this testimony is false and misleading.

membership in the QCTW. However, Michael offered false and misleading testimony under oath about the trade associations and about Mongelli Carting's participation in the cartel.

Michael's dedication to the association is demonstrated by the fact that he attended association meetings "maybe once a month..." See Dep. Tr. at 36. Yet he claimed that during his frequent visits to the association, he only observed,

"a bunch of guys sitting around talking about ridiculous stuff, not even business, drinking coffee, having a beer, that was it. That is all I saw."

See Dep. Tr. at 36-37. Incredibly, Michael even claimed that he "had no idea" why a carter would join the association. See Dep. Tr. at 38-39. Also, Michael claimed that he did not know what an "outlaw" or "renegade" was in relation to the carting industry. See Dep. Tr. at 58. Only "after years and trials," did Michael learn that the association administered "territorial rights and whatnot." See Dep. Tr. at 38. Even "after years and trials," Michael claimed ignorance as to the association's role in the property rights system.<sup>13</sup> See Dep. Tr. at 40. Michael first learned that Mongelli Carting was alleged to have been involved in property rights when "a whole bunch of companies and people got indicted including my brother and my father."<sup>14</sup> See Dep. At. 40-41.

Michael's professed ignorance of the central role played by the carting industry's local trade associations in enforcing the property-rights system, and of the specific rules governing the operation of the cartel, is not worthy of belief. Michael's claims that he did not know and/or that he did not participate in the property rights system is replete with misrepresentations, contradictions, and falsehoods. As discussed above, Michael claims that he had no idea of the illegal activities of Mongelli Carting and of the association are undermined by his

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<sup>13</sup> While insinuating that Mongelli Carting was not a participant in the property rights system, Michael glibly stated "if you don't have them [property rights], you don't know about them [property rights]." See Dep. Tr. at 40.

<sup>14</sup> Yet, although Michael claimed ignorance about the illegal activities of the association and of Mongelli Carting, he also admitted to having a prophetic discussion with his father, "We had a discussion about it, basically, you know, [t]hat [arrests] would happen sooner or later." See Dep. Tr. at 42.

Q.: Why did you say that to him?

A.: Because something that I felt years before, things that were going on that I didn't like. It caught up to him.

See Dep. Tr. at 42. Although Michael would not describe his father's activities as illegal, he did acknowledge that "it was something that wasn't right. I didn't like what was going on." See id.

admission that he did know that his father was engaged in activities that were not "right," and that sooner or later "it" would catch up to his father. The idea that Michael did not know why the association existed and why he frequented the association on behalf of Mongelli Carting is ludicrous. One of the main functions – if not the primary function – of the trade associations was to enforce the non-compete rules of the cartel. See Aff. of CI #15407, ¶3; Aff. of CI #15613, ¶3 ("primary function" was to enforce rules to protect the stops of members in good standing). The trial record in the carting case alone is one long record of what those rules were, how pervasive they were, and how they were enforced. That record is replete with references to rules for carters who are members of the associations and the sanctions for breaking them. See, e.g., June 17, 1997 Trial Tr. at 3849, 3909 (undercover met with head of Waste Paper Association to discuss what rules it expected from [its] members). See also June 18, 1997 Trial Tr. at 3993 (member of the QCTW had to abide by the rules of that association in dispute with carter from another trade waste association or an outlaw) and 4022-23 ("I saw the guy in the Queens Association. It is settled. . . . [Defendant] Lou [Mongelli] is going to have to follow his Association rules") and June 19, 1997 Trial Tr. at 4102-03 (carter urging outlaw/undercover to join the association "because he wanted Chambers and myself to follow those rules . . . [so that] other carters would not compete for Chambers stops"). And also see. August 16, 1994 wire (Exhibit 106B) (Gambino soldier Joe Francolino): "there's no--one way street here, what's good for the goose is good for the gander, I abide by all the rules. . . and I expect everybody else to do the same. If I bend, the other guy's gonna bend. And it's in the best interests of our future. Guys are going to bend"). Exhibit 79B (Joe Francolino: "When you are a New York member you abide by the New York rules. And if you're a Brooklyn member, you abide by the Brooklyn rules when it pertains to Brooklyn. When it pertains to New York, it's New York. So, it's very simple. There's nothing complicated." and later " I never go to the Board, and I never did. Unless you want to take me to the Board-- [laughs] After, if I show you all the facts and figures you become persistent and become stubborn--. And say, uh, uh deal with that, bring it to the Board. And I know, I know the Board has to rule according to the rules. So, they're gonna, this guy's gonna lose anyway.) Exhibit 82B (Joe Francolino: Angelo [Ponte] belongs to our association so there's no (Unintelligible) he pays less dues (Unintelligible) tell ya how the rules are he abides by the rules don't don't think you're talking to a God he's not a God (tape jumps) he pays dues to us he abides by our rules.). June 17, 1997 Trial Tr. 3940-41 (Frank Giovinco, head of the Waste Paper Association, explained to undercover that the WPA had a rule that governed buying the property rights to printing

companies that were larger than 5,000 square feet). June 18, 1997 Trial Tr. at 4052 (Frank Giovinco explained to the UC that there was an association rule some of the time to stay away from government buildings because of the comparatively higher risk of getting caught rigging bids). June 19, 1997 Trial Tr. at 4161-62 (UC describes practice or rule that name of new association member is put "on the board" for 90 days during which association members can make claims for compensation against the new member for work lost to the new member under the property rights system). June 23, 1997 Trial Tr. 4220-4221 (undercover describing how its solicitation and competition for customers in the Metropolitan area was not in conformity with the associations rules ) and 4238 (under the rules if you solicit and compete for customers you have to "pay" the prior carter "in some way. Make him whole, If not, pay him in cash or to give [the other carter] a stop that was comparable"). June 26, 1997 Trial Tr. at 5679-80 ("the rule was the carter that lost the stop would have to be paid on what he lost, what was actually coming out of the stop"). July 1, 1997 Trial Tr. 5803-04 (the multiple rule for paying compensation was forty-to-one if paid by check and thirty-five-to-one or even thirty-to-one if paid by cash) and 5804 (rule on paying compensation that the new carter would pay the old carter according to the volume of garbage that was being removed from the customer rather than according to what he was charging the customer, on the theory that anything the old carter was getting above the actual volume of garbage he was collecting he wasn't entitled to and a brother member of the Association should not have to pay for that). Also see Exhibit 120B at 7-8: Joe Francolino: "Well, well we're gonna work fairly, I mean comin' out of the place is exactly what the rule is . . . whatever's comin' out" (Transcript of December 1, 1994 taped conversation between Joe Francolino, Sr., and "Dan Benedetto"). July 8, 1997 Trial Tr. 6145-46 (compensation payments for stops taken from member of the Kings County Trade Waste Association in accordance with the Association's property rights rule). July 10, 1997 Trial Tr. at 6297 (according to property rights rules of the Association the owner of a property right has the right to service that property at any time and remove whatever it produces) Id. at 6297 (under "five-year rule" property rights claims dormant for over five years old do not have to be honored) see also Exhibit 106B ("[I]f it's [i.e., a claim] after 5 years we're not going to entertain it, but the rule we'll go along with"). July 15, 1997, Trial Tr. at 6581 (claim made under property rights rule).

Probably the most basic rule sought to be enforced by the cartel -- and one that Mongelli Carting abided by -- was that unless you were a member of the Association, you had no right to be in business. As Joe Francolino put it: "I go

after all the outlaws . . . They all want to make a meeting with me . . . No. I'm never in . . . They're fucking outlaws and there's no way, no reason for me to sit with them and discuss anything. Stop what you 're doing? Sell your business? Join the association, or we'll knock you right out of business . . . [an outlaw] is trying to sell. Oh, you wanna buy it? Make sure you make good all the fuckin' stops that he took. . . There shouldn't be [lists outlaws] uh, you shouldn't be in business or you should be members. Or sell. You got, you got choices." Exhibit 79B at 37-38 (September 12, 1994 conversation between Joseph Francolino, Sr. and "Dan Benedetto"). Given these "choices," the Mongelli Carting signed up with the QCTW and Michael attended meetings on Mongelli Carting's behalf. Thus, a willingness to abide by rules goes along with membership in the Associations. As Francolino explained: "My primary, my primary interest here is to make sure my membership is respected. And my membership respects . . . It's a two-way street. [Unintelligible] have to respect and go by rules." Exhibit 89B at 25 (transcript of November 22, 1994 conversation between Joseph Francolino, Sr., Patrick Pecoraro, and "Dan Benedetto"). There simply is no credible evidence in this record -- nor does the staff know of any -- that a carter could belong to an association and be both ignorant of and exempt from the rules that governed the industry.

Again, Michael's testimony is overwhelmingly refuted by multiple authoritative sources. All four of the local trade associations were indicted on enterprise corruption charges; the indictment charged that the cartel "structured its criminal activity" through the trade associations. People v. GNYTW, Indictment at 3; see also Local Law 42, § 1 (corruption furthered by cartel "through the activities of . . . trade associations"). All four associations were convicted. As the Second Circuit observed, "[t]he hearings on [Local Law 42] revealed [that] the associations enforced the cartel's anticompetitive dominance of the waste collecting industry" -- an industry in which, as stated in an authoritative 1986 New York State Assembly Report, "no carting firm in New York City 'can operate without the approval of organized crime.'" SRI, 107 F.3d at 999. The "defining aim" of the local trade associations, "obvious to all involved," was "to further an illegal anticompetitive scheme." Id. Due to the pervasive scope of the mob-run cartel, "even tho[s]e carters not accused of wrongdoing" in the Manhattan District Attorney's prosecution were aware of . . . the . . . association rules regarding property rights in their customers' locations." Id. The association members [such as Mongelli Carting] -- comprising the vast majority of carters -- recognize[d] the trade associations as the *fora* to resolve disputes regarding customers. It is that

complicity which evinces a carter's intent to further the trade associations illegal purposes by joining and remaining in it. *Id.* The City Council's findings and the Second Circuit's conclusions were confirmed by the jury in the criminal prosecution which was aimed broadly and directly at the property-rights system itself. The evidence produced at trial and the guilty verdicts on the sweeping enterprise corruption charges underscored that the carting cartel's rules were so pervasive, entrenched, and rigorously enforced, that no carter could credibly claim to have known so little about them. Michael's contrary assertion, that he never realized what the QCTW was all about, and that he never reaped any of the benefits of membership, have no basis in logic, in common sense or in fact.

Michael's deposition testimony before the staff also cannot be reconciled with the sworn statements of reliable confidential sources with many years of personal experience in New York City's commercial carting industry. Those sources confirm that the cartel's anticompetitive rules and practices were enforced by the trade associations. See Affidavit of Confidential Informant ("CI") #15407, sworn to January 16, 1997, ¶3; see also Affidavit of CI#15613, sworn to February 6, 1997, ¶4. Those rules were "known to *all* the [association] member carters." *Id.* (emphasis added). Indeed the *primary* function of the trade associations, according to these sources, was to enforce rules designed to protect the "rights" of member carters to service their allocated stops without interference from other carters. *Id.* It was "understood" by association members that carters in New York City "respected" one another's customers and did not "take work of other carters." Aff. of CI #15613, ¶4; Aff. of CI #15407, ¶5. It was also common knowledge among member carters that the boards of directors of each of the associations mediated disputes between carters over stops. Aff. of CI #15613, ¶9; Aff. of CI #15407, ¶9.

It was "common knowledge" among member carters that the trade associations were controlled by organized crime. Aff. of CI#15407, ¶¶10-11; Aff. of CI#15613, ¶¶3, 10-11. It was also well known that each association's "business agents" held that position because he had connections to organized crime. *Id.* At large, general meetings relating to union contract negotiation, the associations' business agents sat at the dais, and it was well known among carters that those individuals were either members of organized crime or closely connected to members of organized crime. *Id.* Indeed, the consensus among carters was that the industry's formal labor negotiations were a sham, and that the "true deal" was made by the "wiseguys." Aff. of CI #15407, ¶4. Thus, as an attendee of regular

association meetings, Michael should have known exactly what the association was about.

The Applicant wishes for the Commission to ignore the mountain of evidence that establishes otherwise, and to accept at face value Michael's testimony that he could belong to an association whose primary function was to enforce the cartel rules to favor its members and be totally ignorant of the existence of those rules. This would require the Commission to indulge in an astonishing level of credulity and the Commission declines to do so.

The Commission finds it simply incredible that the Michael never participated in, and did not know about the anticompetitive activities and cartel rules that held sway over the City's carting industry for decades and that were encouraged and enforced by the trade association to which his company belonged. At his deposition in connection with this application, the President of National, Michael Mongelli testified falsely and misleadingly on a number of material issues. His testimony was contradicted by documentary evidence, including the license application and by common sense. The inescapable conclusions are that Michael Mongelli was fully aware of the illegal activity in the trade waste industry while he was a principal of Mongelli Carting, and more importantly, the illegal activities of Mongelli Carting itself. Mongelli's claim that he was unaware of many of the most basic aspects of the history and operations of the industry and of Mongelli Carting is impossible to believe. The Commission concludes that Mongelli knew about the illegal activities of the trade waste associations and participated in them, and that he knew about the illegal activities of Mongelli Carting and participated in them. None of these conclusions reflect well on the character, honesty and integrity of this Applicant. The Applicant has not disputed these findings. Based on this sufficient independent ground, the Commission denies National's application.

**D. The Applicant Failed to Notify the Commission of the November 28, 1996 Arrest of Michael Mongelli Within Ten Calendar Days of the Arrest.**

An applicant for a license has the affirmative duty to notify the Commission, within 10 calendar days, of the arrest or criminal conviction subsequent to the submission of the application of any principal or any employee or agent... of which the applicant had knowledge or should have known. See 17 RCNY §2-

05(a)(1), Admin. Code §16-507(b). On November 28, 1996, Michael Mongelli was arrested and charged with Driving While Intoxicated. Later, Michael was convicted upon a plea of guilty to Driving Under the Influence. See Dep. Tr. at 18-20. The Applicant failed to notify the Commission of Michael's arrest and conviction.<sup>15</sup> The Applicant has not disputed the Commission's finding that it failed to comply with 17 RCNY §2-05(a)(1). Based on this sufficient independent ground, the Commission denies National's application.

#### IV. CONCLUSION

The Commission is vested with broad discretion to refuse to issue a license to any applicant that it determines lacks good character, honesty, and integrity. The evidence recounted above demonstrates convincingly that National falls far short of that standard. For the independently sufficient reasons discussed above, the Commission hereby denies National's license renewal application.

This license denial decision is effective fourteen days from the date hereof. In order that the Applicant's customers may make other carting arrangements without an interruption in service, the Applicants are directed (i) to continue servicing their customers for the next fourteen days in accordance with their existing contractual arrangements, unless advised to the contrary by those customers, and (ii) to immediately notify each of their customers of such by first-class U.S. mail. The Applicant shall not service any customers, or otherwise operate as a trade waste removal business in the City of New York, after the expiration of the fourteen-day period.

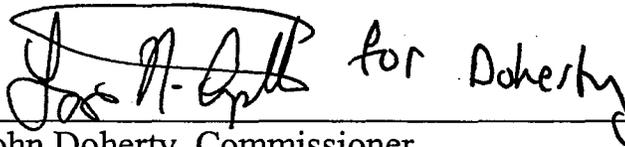
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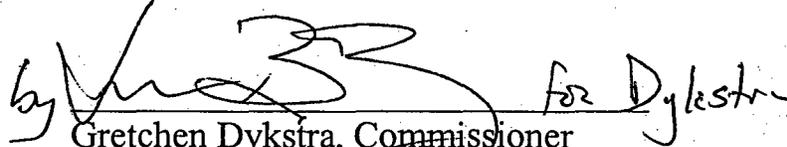
<sup>15</sup> At his deposition before the Commission, Mongelli admitted that he never notified the Commission of his arrest or his conviction, in violation of 17 RCNY §2-05(a)(1).

Dated: July 29, 2003

THE BUSINESS INTEGRITY COMMISSION

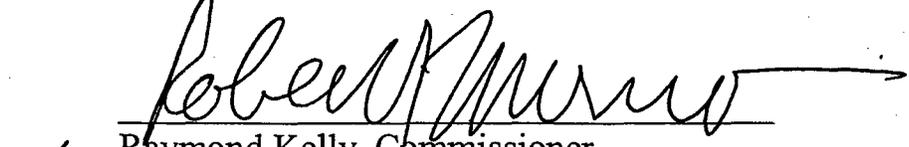
  
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Chairman

  
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