



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 APPLICATIONS OF USA WASTE INDUSTRIES LLC AND ORIENT EXPRESS WASTE INDUSTRIES FOR LICENSES TO OPERATE AS TRADE WASTE BUSINESSES**

USA Waste Industries LLC (“USA Waste”) and Orient Express Waste Industries (“Orient Express”) (collectively, the “Applicants”) have each applied to the New York City Business Integrity Commission for licenses to operate as trade waste businesses 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 Applicants, the Commission should deny their license applications on the ground that these Applicants lack good character, honesty, and integrity for the following reason:

- A. The Applications of USA Waste and Orient Express Should Be Denied Because the Commission Denied the License Renewal Application of Chinatown Carting Corp. for Lack of Good Character, Honesty, and Integrity.

## 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 Todisco -- 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 3½ 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).

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**

USA Waste and Orient Express each filed with the Commission applications for a trade waste removal licenses. The staff has conducted an investigation of both Applicants and their principals. On November 2, 2007, the staff issued an eleven-page recommendation that both applications be denied. See Recommendation. The Applicants were served with the Commission's recommendation by certified mail on or about November 5, 2007. See Signed Certified Mail Return Receipt. On November 28, 2007, the Applicants submitted a three-page response and one exhibit. See Response to the Staff's Recommendation ("Response"). The Commission has carefully considered both the staff's recommendation and the Applicants' response. For the reasons set forth below, the Commission finds that USA Waste and Orient Express each lack good character, honesty and integrity and denies their respective license applications.

## **III. BACKGROUND OF THE APPLICANTS**

Each of the Applicants has three principals. Two of the three principals in each company are former principals of Chinatown Carting Corp. ("Chinatown"). See USA Waste License Application at 12; Orient Express License Application at 12; Chinatown License Application at 157-158. The Commission denied Chinatown's license renewal

application for lack of good character, honesty, and integrity, a finding that also applies to each of Chinatown's principals. Accordingly, the license applications of Chinatown's successors, USA Waste and Orient Express, the current Applicants, should also be denied.

Chinatown disclosed its principals to be Wayne Tragni (president) and Nicholas Tragni (secretary/treasurer). See Chinatown Renewal Application at 5. USA Waste's application discloses its principals to be Wayne Tragni (president), Nicholas Tragni (vice president), and Walter Gohn.<sup>1</sup> See USA Waste License Application at 12. Orient Express' application discloses its principals to be Wayne Tragni (president), Nicholas Tragni (vice president), and Shirley Lee (secretary). See Orient Express License Application at 12.

On their applications, USA Waste and Orient Express each admit their affiliations with Chinatown. Question 2 of both applications ask the Applicants for "Other names used by applicant business in the last ten (10) years, including but not limited to trade names, d/b/a's and aliases." In response, each Applicant listed "Chinatown Carting." See USA Waste License Application at 1; Orient Express License Application at 1. In addition, Orient Express also shares an address with Chinatown. See Orient Express License Application at 3. Accordingly, the history of Chinatown before the Commission is relevant to this recommendation.

On or about August 30, 1996, Chinatown applied to the Commission for a License to Operate as a Trade Waste business in the City of New York pursuant to Local Law 42. See Chinatown License Application; USA Waste License Application at 1; Orient Express License Application at 1. On or about April 1, 2003, the Commission issued a conditional Licensing Order to Chinatown. See Chinatown Licensing Order. On February 14, 2005, Chinatown applied for renewal of its license. On June 20, 2006, the Commission issued a decision, pursuant to Local Law 42, denying Chinatown's application for renewal of its trade waste license. In issuing its decision, the Commission found that Chinatown lacked good character, honesty and integrity for the following reasons:

- (1) Chinatown violated the terms of its Licensing Order by employing and continuing a financial relationship with Peter Tragni, a person debarred from the carting industry and who was convicted of a felony directly related to both the carting industry and organized crime; by failing to timely pay all taxes and government obligations; and by failing to timely pay all fees and expenses of its monitor; and
- (2) Chinatown failed to pay taxes related to the Applicant's business for which judgment has been entered; and
- (3) Chinatown sought to defraud its creditors, including the State of New York and the City of New York, by conveying money into personal checking accounts.

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<sup>1</sup> In 2005, Walter Gohn resigned from the company. See December 15, 2005 affidavit of Walter Gohn.

See June 20, 2006 Decision of the Business Integrity Commission to Deny Trade Waste License Application of Chinatown (hereinafter “Denial Decision” or “Chinatown Denial Decision”) (attached as Exhibit A). The Commission’s Denial Decision was upheld by the Supreme Court, New York County. See Chinatown Carting v. New York City Business Integrity Commission, 2007 N.Y. Misc. LEXIS 870 (2007).

The Commission has previously determined that Chinatown and its principals lack good character, honesty, and integrity. Accordingly, the Commission hereby denies USA Waste’s and Orient Express’ license applications because they also lack good character, honesty, and integrity due to their relationship and connection with Chinatown.

#### IV. GROUNDS FOR DENIAL

##### A. The Applications of USA Waste and Orient Express Are Denied Because the Commission Denied the License Renewal Application of Chinatown Carting Corp. for Lack of Good Character, Honesty, and Integrity.

The Commission may refuse to issue a license to an applicant when such applicant was previously issued a license and such license was not renewed. Admin. Code §16-509(c). The Commission may also refuse to issue a license to an applicant when the principals of the applicant lack good character, honesty, and integrity. Admin. Code §16-509(a).<sup>2</sup> The term “applicant” means both the applicant business and any “principal” of the business, as defined by Admin. Code §16-501. Admin. Code §16-501(d) accord Admin. Code §16-501(a). As discussed above, these Applicants have admitted in their submissions that they are affiliates or successors of Chinatown, and share two of the same principals as Chinatown. Therefore, the Commission’s denial of Chinatown Carting Corp.’s license renewal application entails a finding that its shared principals, Wayne Tragni and Nicholas Tragni, also lack good character, honesty, and integrity.

As evidenced by their filings and testimony, and as documented in the Commission’s Denial Decision of Chinatown’s license renewal application, Wayne Tragni and Nicholas Tragni ran every aspect of Chinatown’s business from at least 2003 until the Supreme Court, New York County upheld the Commission’s decision to deny Chinatown’s license renewal application in early 2007.<sup>3</sup> As early as 1992, Wayne Tragni and Nicholas Tragni were actively involved as principals of Chinatown, along with their brothers, Damon and Peter Tragni. See Chinatown Denial Decision at 8-9. After Wayne Tragni and Nicholas Tragni assumed total control of Chinatown in 2003, they violated the Licensing Order under which Chinatown operated by employing Peter Tragni, who they knew was both a convicted felon and debarred from the trade waste industry in New York City. Id. at 11. In addition, while Chinatown was in their control, Wayne Tragni and Nicholas Tragni violated the terms of Chinatown’s Licensing Order by failing to

<sup>2</sup> The facts that follow support denial of these applications on either of these statutory grounds.

<sup>3</sup> In various pleadings and affidavits submitted to the Court, the Tragni brothers exhibited different opinions about who among them was responsible for the operations of the Applicant before April 1, 2003. See 10/17/02 Damon Tragni Sr. Affidavit at 2-4; see also 9/24/02 Wayne Tragni Affidavit. Nevertheless, the Commission found that Wayne Tragni was involved in Chinatown’s business operations, both legitimate and illegitimate, prior to April 1, 2003. See Chinatown Denial Decision at 10.

timely pay taxes and other government obligations.<sup>4</sup> Furthermore, as the principals of Chinatown, Wayne Tragni and Nicholas Tragni repeatedly failed to timely pay all fees and expenses of a monitor they agreed to retain on behalf of Chinatown as a condition of licensure. Id. at 27-29. Finally, while Chinatown was in their undisputed control, Wayne Tragni and Nicholas Tragni sought to defraud Chinatown's creditors by conveying money into personal checking accounts. Id. at 29-31. All of these acts and omissions by Wayne Tragni and Nicholas Tragni as principals of and on behalf of Chinatown establish that they do not possess the requisite good character, honesty, and integrity to be licensed by the Commission.

The Applicants dispute the Commission's previous findings that Chinatown and its principals lack good character, honesty and integrity by denying the actions attributed to their principals and repeating arguments that were previously rejected by the Commission and the Supreme Court, New York County.<sup>5</sup> However, the Response does not provide a scintilla of proof that the Commission erred in determining Chinatown's renewal application or that the Supreme Court, New York County erred in upholding the Commission's decision. In addition, the Response does not dispute the fact that Chinatown shares principals with these Applicants, nor does it present any evidence that distances the principals herein from the actions described in the Denial Decision.

Since Wayne Tragni and Nicholas Tragni are principals of Chinatown, USA Waste and Orient Express, the facts and circumstances of Commission's denial of Chinatown's license renewal application virtually mandates the denial of the applications of Chinatown's successors, Orient Express and USA Waste. See Admin. Code §16-501(a). Indeed, any other course would render the initial denial decision ineffective. These Applicants and their principals, Wayne Tragni and Nicholas Tragni, should not be permitted to pick up where Chinatown left off, which would result from granting these applications. Allowing Wayne Tragni and Nicholas Tragni to remain in the trade waste industry in New York City under the auspices of these Applicants would be inimical to the purposes of Local Law 42. Based on either of these statutory grounds, these applications are denied.

## V. 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 USA Waste and Orient Express fall far short of that standard. For the reasons discussed above, the Commission hereby denies USA Waste's and Orient Express' license applications.

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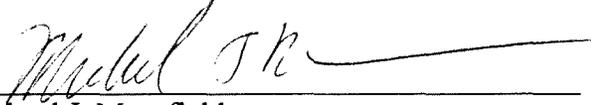
<sup>4</sup> As of the date of the Commission's Decision to Deny Chinatown's renewal application. Chinatown owed over \$1,282,025 to the New York State Tax Commission and the New York City Department of Finance. See Denial Decision at 24-27.

<sup>5</sup> The Supreme Court, New York County did not agree with the Commission's finding that Chinatown attempted to defraud its creditors.

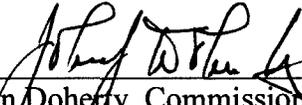
This license denial decision is effective immediately. USA Waste and Orient Express shall not service any customers, or otherwise operate as a trade waste removal business in the City of New York.

Dated: January 29, 2008

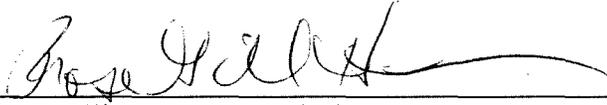
THE BUSINESS INTEGRITY COMMISSION



Michael J. Mansfield  
Chair



John Doherty, Commissioner  
Department of Sanitation



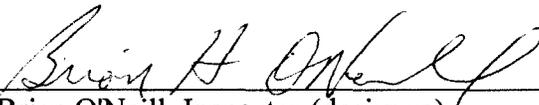
Rose Gill Hearn, Commissioner  
Department of Investigation



Alba Pico, Deputy Commissioner (designee)  
Department of Consumer Affairs



Kathleen Ahn, Deputy General Counsel (designee)  
Department of Small Business Services



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