



THE CITY OF NEW YORK  
TRADE WASTE COMMISSION  
253 BROADWAY, 10TH FLOOR  
NEW YORK, NEW YORK 10007

**DECISION OF THE TRADE WASTE  
COMMISSION DENYING THE APPLICATION OF  
C&A ENVIRONMENTAL CORP. FOR A LICENSE TO  
OPERATE AS A TRADE WASTE BUSINESS**

C&A Environmental Corp. ("C&A" or the "Applicant") has applied to the New York City Trade Waste Commission (the "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), 16-508. Local Law 42, which created the Commission to license and regulate the commercial carting industry in the City of New York, was enacted to address pervasive organized crime and other corruption in the 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 that it determines, in the exercise of its discretion, lacks good character, honesty, and integrity. See Admin. Code §16-509(a). The law 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 applicant's failure to provide truthful information to the Commission; certain criminal convictions of the applicant or its principals; administrative violations bearing on the applicant's fitness for licensure; and the prior revocation of the carting license of an affiliated company. See id. §§ 16-509(a)(i), (iii)-(iv); 16-509(b)-(d); 16-513(a). Based

upon the record as to the Applicant, the Commission finds, for the following independently sufficient reasons, that C&A lacks good character, honesty, and integrity, and denies its license application:

(1) the Applicant provided false and misleading information in connection with its license application by, among other things, intentionally failing to disclose one of its principals, Rocco Manzione, and its links to other Manzione-controlled businesses in the waste industry;

(2) the Applicant's controlling principal, Rocco Manzione, recently pleaded guilty to criminal charges that he operated a trade waste business without a license;

(3) Rocco Manzione, through the Applicant and a number of other companies operating in the waste industry, has committed a series of serious administrative violations bearing directly upon the Applicant's fitness for licensure in the industry; and

(4) a predecessor business of the Applicant had its carting license revoked by the Department of Consumer Affairs.<sup>1</sup>

## **I. BACKGROUND**

### **A. The New York City Carting Industry**

Virtually all of the more than 200,000 commercial business establishments in New York City contract with private carting companies to remove and dispose of their refuse. Historically, those services have been provided by several hundred companies. Beginning in the late 1950's, and until only recently, the private carting industry in the City was operated as an organized crime-controlled cartel engaging in a pervasive pattern of racketeering and anticompetitive practices. The United States Court of Appeals for the Second Circuit has described that cartel as "a 'black hole' in New York City's economic life." Sanitation & Recycling Industry, Inc. v. City of New York, 107 F.3d 985, 989 (2d Cir. 1997) ("SRI").

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<sup>1</sup> C & A also has filed a separate application for a registration as a hauler of construction and demolition debris (or "c & d"). See Admin. Code § 16-505(a). The Commission also denies this application for the reasons set forth above.

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 made numerous factual findings concerning organized crime's longstanding and corrupting influence over the City's carting industry and its effects, including the anticompetitive cartel, exorbitant carting rates, and rampant customer overcharging. More generally, the Council found "that unscrupulous businesses in the industry have taken advantage of the absence of an effective regulatory scheme to engage in fraudulent conduct." Local Law 42, § 1.

The City Council's findings of extensive corruption in the commercial carting industry have been validated by the successful prosecution of many of the leading figures and companies in the industry. In 1995 and 1996, the Manhattan District Attorney obtained racketeering indictments against more than sixty individuals and firms connected to the City's waste removal industry. The industry's entire modus operandi, the cartel, was indicted as a criminal enterprise. All of those defendants were convicted of felonies; many were sentenced to lengthy prison terms, and many millions of dollars in fines and forfeitures were imposed.

## **B. Local Law 42**

Upon the enactment of Local Law 42, the Commission assumed regulatory authority from the Department of Consumer Affairs ("DCA") for the licensing 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, No. 96 Civ. 6581 (S.D.N.Y. Oct. 16, 1996); Vigliotti Bros. Carting Co. v. Trade Waste Comm'n, No. 115993/96 (Sup. Ct. N.Y. Cty. Dec. 4, 1996); Fava v. City of New York, No. CV-97-0179 (E.D.N.Y. May 12, 1997); Imperial Sanitation

Corp. v. City of New York, No. 97 CV 682 (E.D.N.Y. June 23, 1997); PJC Sanitation Services, Inc. v. City of New York, No. 97-CV-364 (E.D.N.Y. July 7, 1997).

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 trade waste removal license under Local Law 42 has no entitlement to and no property interest in a license, and the Commission is vested with broad discretion to grant or deny a license application. SRI, 107 F.3d at 995; see also, Daxor Corp. v. New York Dep’t of Health, 90 N.Y.2d 89, 98-100, 681 N.E.2d 356, 659 N.Y.S.2d 189 (1997).

## II. DISCUSSION

C&A filed with the Commission an application for a trade waste removal license on August 30, 1996.<sup>2</sup> The Commission’s staff conducted an investigation of the Applicant. On April 5, 2000, the staff issued a 16-page recommendation that C&A’s applications be denied. On May 15, 2000, the Applicant submitted a response to the recommendation consisting of six affidavits (totaling twenty-nine pages)<sup>3</sup> and a seven-page memorandum of law (“Mem.”). The Commission has carefully considered both the staff’s recommendation and the Applicant’s response. For the reasons set forth below, the Commission finds that the Applicant lacks good character, honesty, and integrity, and denies its license and registration applications.

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<sup>2</sup> C&A filed its application for a registration as a c & d hauler on the same day.

<sup>3</sup> Affidavit of Antonietta Manzione, sworn to May 13, 2000 (“A. Manzione Aff.”); Affidavit of Rocco Manzione, sworn to May 13, 2000 (“R. Manzione Aff.”); Affidavit of Scott Bonforti, sworn to May 15, 2000 (“Bonforti Aff.”); Affidavit of Fred Lerner, sworn to May 12, 2000 (“Lerner Aff.”); Affidavit of Rick Manetta, sworn to May 12, 2000 (“Manetta Aff.”); Affidavit of Henry M. Marcus, sworn to May 12, 2000 (“Marcus Aff.”).

## A. Background and Corporate History

### 1. The Applicant's Corporate Predecessors and Affiliates

The staff's investigation revealed that the operations and affairs of the Applicant are deeply intertwined with several other companies in the City's waste industry -- specifically, National Paper Stock, Inc., Our Family Carting, Manzione Enterprises, Inc., and National Paper Fibers, Inc. Indeed, the investigation showed that for the past thirteen years, these companies have operated under the ultimate control and direction of one man, Rocco Manzione. During that entire period, these companies have engaged in serious and flagrant violations of the laws and rules governing the conduct of firms in the City's waste industry, as described below.

In March 1987, Rocco Manzione incorporated National Paper Stock, Inc. ("National Paper Stock"), with a business address at 136 North 10<sup>th</sup> Street in Brooklyn. Manzione was the corporation's sole officer, director, and shareholder. In May 1989, Manzione entered into an agreement to purchase Our Family Carting ("Our Family"), a DCA-licensed carting company.<sup>4</sup> In June 1989, Manzione incorporated Manzione Enterprises, Inc. ("Manzione Enterprises"), also with a business address at 136 North 10<sup>th</sup> Street in Brooklyn. Manzione also was Manzione Enterprises' sole officer, director, and shareholder.

In October 1989, DCA issued a decision finding that, since as early as December 1988, National Paper Stock had continuously operated an unlicensed trade waste business, unlawfully carting putrescible and other waste. DCA imposed a \$12,500 fine and posted a padlock order on National Paper Stock's business premises at 136 North 10<sup>th</sup> Street, directing the company to refrain from further unlicensed trade waste activity and warning that the premises would be sealed if the unlawful activity did not cease. Even as a DCA officer posted the padlock order, however, the illegal operation continued.

Also in October 1989, DCA issued a decision finding that National Paper Stock also had been operating an unlicensed junk dealership for the

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<sup>4</sup> Part of the purchase price was purportedly paid by checks issued by National Paper Stock. However, at least one of those checks, in the amount of \$75,000, was returned for insufficient funds. In November 1990, Manzione was arrested and charged with three counts of passing bad checks. In November 1991, he was arrested and arraigned for bailjumping in connection with those charges.

past year. DCA imposed a \$1,400 fine and, in November 1989, posted a second padlock order at the 136 North 10<sup>th</sup> Street location, again enjoining National Paper Stock from further unlicensed activity and warning that the premises would be sealed if the unlawful activity did not cease. As a result of the company's continuing illegal operations, DCA, during the period from December 1989 to February 1990, seized five of National Paper Stock's vehicles.

Also in early 1990, New Jersey state police officials investigating an illegal dumping incident in Secaucus concluded that Rocco Manzione's companies – specifically, National Paper Stock and Our Family – probably were involved in the unlawful activity. The evidence supporting this conclusion included waste materials found at the site which were determined to have originated from several businesses, including fast-food restaurants, that Our Family recently had begun servicing. In an investigation of another illegal dumping incident in Hoboken, the New Jersey state police also were able to trace waste found at the site to Our Family.

In February 1990, inspectors for the New York City Department of Health ("DOH") discovered numerous health code violations at two business premises of National Paper Stock – 136 North 10<sup>th</sup> Street and 79 North 5<sup>th</sup> Street in Brooklyn – including rodent, fly, roach, and other vermin infestations. At one site, inspectors observed baled putrescible waste and containers with food waste spilling from them. At the other site, leachate oozed from under the main gate, and foul organic odors emanated from the building. A report detailing the inspections also noted the company's and Rocco Manzione's history of violations of DOH and other agency regulations. The inspectors cited National Paper Stock for operating illegal transfer stations at the two locations. In March 1990, DOH issued a cease-and-desist order to National Paper Stock.

In April 1990, DCA determined that Our Family was operating out of the 136 North 10<sup>th</sup> Street location without a valid DCA license. In May 1990, New York City Department of Sanitation ("DOS") officers interviewed neighbors in the vicinity of National Paper Stock's premises, who reported that garbage trucks continued to dump there, despite DOH's cease-and-desist order. Investigators traced the license plate numbers on four of those trucks to Our Family.

In May 1990, Rocco Manzione submitted to DCA applications for a trade waste license on behalf of Manzione Enterprises and for approval of that company's purchase of Our Family's carting route. In January 1991, DCA denied the applications due to Manzione Enterprises' lack of adequate capitalization.

In August 1990, DOS determined that Our Family was illegally operating a putrescible waste transfer station at 1-13 George Street in Brooklyn. Inspections of the site, which was located next to an elementary school, disclosed severe rat and insect infestations and fire hazards, as well as large quantities of raw garbage.<sup>5</sup> In an attempt to obstruct one of the inspections, Rocco Manzione closed the premises and barricaded himself on the roof. DOH and DOS issued cease-and-desist orders sealing the premises; DOS also seized from the site and impounded equipment and vehicles. In September 1990, DOS ordered Our Family and Manzione to abate the nuisance and, under DOS supervision, to remove all waste from the site. In October 1990, after an administrative hearing, the New York City Environmental Control Board found Our Family guilty of three instances of illegal dumping, and imposed fines totaling \$14,000. Inspections of the 1-13 George Street site in October and November revealed that the illegal conditions persisted. In December 1990, after a DOH administrative hearing, Our Family was found guilty of numerous health code violations and fined a total of \$5,700.

In January 1991, Our Family's attorney advised DOS that all illegal conditions at the 1-13 George Street site had been corrected and would not recur. DOS inspections had confirmed that the site was clean. In February 1991, Rocco Manzione incorporated another company, National Paper Fibers, Inc. ("National Paper Fibers"), of which he was the sole officer, director, and shareholder. By March 1991, although he still lacked a permit to operate a waste carting company or a transfer station, Manzione had the 1-13 George Street location operational again. After receiving complaints that the facility was back in operation, DOS police officers visited the site, observed more than 200 bales of refuse and large quantities of garbage, and found the "operation to be in high gear."

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<sup>5</sup> In September 1990, City Council member Victor L. Robles wrote to DOS Commissioner Steven M. Polan to inform him that rats from the site had entered the schoolyard where children were playing, garbage had spilled into the yard through a broken fence, and foul odors were emanating from the site.

In August 1991, DCA again charged National Paper Stock with having operated an unlicensed trade waste business since December 1989. In October 1991, Rocco Manzione and the company stipulated to the violations and agreed to pay fines totaling \$40,000; Manzione, National Paper Stock, and any other waste company of which Manzione was a principal or stockholder agreed to apply for trade waste or junk dealer licenses within two weeks.

Later in October 1991, Manzione Enterprises, with its business address at 136 North 10<sup>th</sup> Street in Brooklyn – also the premises-of-record of National Paper Stock, Our Family, and National Paper Fibers – submitted to DCA an application for a carting license. The application identified Rocco Manzione as the company's sole officer and stockholder and represented that Manzione Enterprises would use one truck, recently purchased from National Paper Stock. On the bill of sale for that truck, Manzione Enterprises' address was listed as 1-13 George Street in Brooklyn. DCA thereafter issued a carting license to Manzione Enterprises.

In the ensuing months, Rocco Manzione became delinquent in the utility bill payments for the 1-13 George Street location, and Con Edison terminated service. Manzione then leased two generators for the site but soon became delinquent on the lease payments as well. In May 1992, the lessor's representative, Richard Dexter, visited the site to retrieve the generators. Upon Dexter's arrival, Manzione emerged from the building with a shotgun and opened fire on Dexter. Dexter sustained injuries, and Manzione fled the scene. In July 1992, Manzione was arrested and arraigned on charges of the attempted murder of Richard Dexter, criminal possession of a weapon, and reckless endangerment.

Between May 1991 and June 1992, DOS issued five separate notices of violation to Rocco Manzione and his businesses for operating a putrescible waste transfer station at the 1-13 George Street location without a permit. In June 1992, a large infestation of rats and flies, noxious odors, and excessive noise were observed at the site. In May and June 1992, waste stored illegally at the site twice caught fire, requiring Fire Department response and a DOS clean-up. Between June and December 1992, DOS issued several additional summonses to Manzione and his companies.

In December 1992, after Manzione Enterprises' license had expired, DCA charged the company with operating an unlicensed trade waste



business at 136 North 10<sup>th</sup> Street over the past four months. DOS officers observed Our Family trucks retrieving putrescible and other waste from several commercial locations. Later in December, Manzione dissolved National Paper Stock.

In January 1993, DOS charged Manzione Enterprises and National Paper Fibers with operating an illegal transfer station at 1-13 George Street and impounded two trucks that had been observed dumping loads containing putrescible waste. DOS then executed a closure, clean-up, and cease-and-desist order at the 1-13 George Street site, and arrested Rocco Manzione. DOS workers secured the premises and inspected and removed hundreds of bales of putrescible and other refuse. The four-day operation required seventy DOS workers, ten supervisors, and the removal of 172 loads of waste. In all, DOS removed 987.7 tons of garbage from the site, at a cost of \$85,877.81. Manzione (on behalf of himself, National Paper Stock, Our Family, National Paper Fibers, and Manzione Enterprises) agreed to forfeit various vehicles and equipment to DOS, and not to operate a solid waste transfer station without a permit.

In March 1993, DCA determined that Manzione Enterprises had failed to submit two quarterly reports in 1991 and 1992, and fined the company \$2,000. In May 1993, DCA revoked Manzione Enterprises' license for failure to pay the fine. In June 1993, DCA inspectors visited the 136 North 10<sup>th</sup> Street and 1-13 George Street locations. Both locations had been abandoned.

## **2. The Current Incarnation: C&A Environmental Corp.**

On February 24, 1994, Rocco Manzione's sister, Cathyann Blanco, and his brother-in-law, Carlos Blanco, incorporated the Applicant, and became its vice-president and president, respectively.<sup>6</sup> According to Manzione's wife Antonietta, she and the Blancos launched C&A at about the time Rocco went to prison (presumably in connection with the attempted murder charge), and managed the company together with Rocco's mother, Catherine Manzione.

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<sup>6</sup> Carlos Blanco has an extensive record of criminal charges and/or convictions, including kidnapping, reckless endangerment, grand larceny, criminal possession of stolen property, resisting arrest, and various felony and misdemeanor narcotics charges, including possession with intent to sell.

In July 1994, DCA received information that an unlicensed carting company was operating and storing garbage at 94 Beadel Street in Brooklyn, an address used by Manzione Enterprises. Some containers at the site were marked "C.A." and bore the number 387-4550, which has been the telephone number for both Manzione Enterprises and C&A.<sup>7</sup> In August 1994, DCA determined that Manzione Enterprises was continuing to operate a trade waste business without a license. That same month, on August 11, 1994, C&A submitted to DCA an application for a Class 7 license (limited to the removal of construction and demolition debris). Apparently unaware of the relationship between C&A's nominal officers and Rocco Manzione, DCA granted the company a Class 7 license on August 19, 1994. As discussed below, Manzione continued to operate Manzione Enterprises unlawfully and interchangeably with C&A.

On August 30, 1996, C&A filed with the Commission applications for a trade waste license and for a registration as a c & d hauler. Accordingly, by operation of law, C&A's Class 7 DCA license remained valid pending the Commission's determination of its applications. See Local Law 42, § 14(iii)(a)(2); 17 RCNY § 2-01(a). C&A's DCA license, however, authorized it to collect only construction and demolition debris, not putrescible waste, waste paper, or any other type of waste.

### **C. C&A's License Application Is Denied**

#### **1. C&A Provided Materially False and Misleading Information in Connection with Its License and Registration Applications**

##### **a. C&A Failed to Disclose That Rocco Manzione Is One of Its Principals**

C&A's license and registration applications identify Antonietta Manzione as the company's sole current principal, and Carlos and Cathyann Blanco as the company's former principals. See Lic. App. at 3, 22-23; Reg. App. at 2-3, 8-9.<sup>8</sup> The staff's investigation, however, established that Rocco

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<sup>7</sup> C&A now lists its business telephone number as (516) 561-1851, Rocco and Antonietta Manzione's home telephone number in Valley Stream, New York.

<sup>8</sup> The Blancos, Rocco Manzione's sister and brother-in-law, were the record owners of C&A from its incorporation on February 24, 1994 until May 10, 1996, when Rocco's wife Antonietta became president of the company.

Manziona has been C&A's controlling principal since the company's inception.

Evidence from a wide variety of sources, including customers, suppliers, and employees of Rocco Manzione's companies, his relatives, and Manzione himself, demonstrates that he is the controlling principal of C&A and continues to operate Manzione Enterprises unlawfully and interchangeably with C&A. In October and November 1997, Commission investigators interviewed twelve C&A customers, who stated that they have used C&A's services for periods ranging from one to ten years – this despite the fact that the company was not formed until 1994. Nine of those customers identified Rocco Manzione as the person at C&A with whom they dealt and/or the operator or owner of the company.<sup>9</sup> An insurance application that C&A submitted in 1994 identified Manzione as the company's president. A June 1995 printing company invoice to C&A identified "Rocco" as having placed the order and included telephone number 387-4550, which appears on C&A's containers and is also used by Manzione Enterprises. Invoices from four other C&A suppliers dating from July to September 1995 either bear Manzione's signature or identify "Rocco" as the payor, customer, or contact. A credit application that C&A submitted to a transfer station in April 1998 lists Manzione as the contact person and bears his signature as a personal guarantor. In January 1998, a C&A employee told Commission investigators that he had worked for Manzione at C&A for two years and confirmed that Manzione ran the day-to-day operations of both C&A and Manzione Enterprises. In March 1998 and October 1997, respectively, Manzione's brother-in-law and father-in-law told Commission investigators that he runs C&A. In May 1996, Manzione himself told a fellow carter, "I have no worries about a carting license; I put C&A in my wife's name."<sup>10</sup>

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<sup>9</sup> The Applicant has submitted form affidavits from three customers stating that they "typically dealt exclusively" with Scott Bonforti of C&A. See Lerner Aff. ¶ 5; Manetta Aff. ¶ 5; Marcus Aff. ¶ 5. These affidavits, which do not mention Rocco Manzione, are of limited probative value inasmuch as the issue here is not whether Manzione was the primary contact for all of C&A's customers but, rather, the overall extent of his participation in the company's operations.

<sup>10</sup> The Applicant expresses astonishment that the staff cited information obtained from C&A's "competitors." See Mem. at 5; see also A. Manzione Aff. ¶ 12; R. Manzione Aff. ¶¶ 9, 13; Bonforti Aff. ¶¶ 13, 23. With the possible exception of Antonietta Manzione's brother, this "fellow carter" is the only ostensible competitor of C&A whose statement was cited by the staff. As is shown below, his statement to the Commission's investigators about Rocco Manzione's control over C&A is quite similar to C&A's attorney's statement on that issue.

On October 23, 1997, Commission auditors and investigators made an unannounced visit to C&A's stated business address, a residence at 380 Salem Road in Valley Stream, for the purpose of examining the company's books and records. Antonietta Manzione, the nominal president of the company, answered the door and identified herself by her maiden name, Cicillini. When questioned, she at first claimed that Rocco Manzione was her "former" husband and that they were "divorced"; she then changed her story and claimed that they had "separated" when Manzione was incarcerated and that she no longer sees him.<sup>11</sup> When asked to produce C&A's books for inspection, Antonietta Manzione stated that the books are kept at an attorney's office in the Bronx and claimed that she updates them there on Fridays. Asked where C&A keeps its trucks, she was unsure, but guessed that they are parked at "Gerry [sic] Street" in Brooklyn. She then purported to telephone C&A's attorney to confirm that information, but was overheard saying, "Rocco, where do we store the trucks? . . . I'll call you back." A few minutes later, Commission investigators telephoned the attorney's office and were advised that he would be out of the office for the next several hours.

The Commission auditors and investigators then proceeded to 124 Cherry Street in Brooklyn, where they encountered a man known to one of the investigators present at the scene as Rocco Manzione. After the investigator greeted him as "Rocco," he replied, "I'm not Rocco; I'm Anthony," but claimed not to have any identification. He then said that his full name was "Anthony Randone," and that he was C&A's manager and dispatcher.<sup>12</sup> He refused to allow the auditors and investigators access to the premises.

The Commission team then went to the offices of the attorney, Kenneth Reiss. Reiss told Commission investigators that his office did not maintain C&A's records. He also said that he had spoken to Rocco Manzione that morning, that he expected Manzione to appear at his office at 3:00 p.m., and that Manzione was prepared to "make a confession" that he "runs C&A." As Reiss put it, Manzione "knows he can not get a carting license in his name; that's why the company is in his wife's name." At 3:15

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<sup>11</sup> These statements were false or at best misleading. In August 1996, a few weeks before C&A's applications were filed, Rocco and Antonietta Manzione sent out greeting cards announcing "Our New Home" and bearing a photograph of the 380 Salem Road residence.

<sup>12</sup> According to his brother-in-law and other sources, Rocco Manzione has been known to use various aliases, including "Anthony Randone." Manzione does not deny his use of that name.

p.m. that day, Commission investigators observed the person who had earlier identified himself to them as Anthony Randone arrive at the attorney's office.

On June 9, 1998, Rocco Manzione was arrested and charged with operating a trade waste business without a license. At the time of his arrest, Manzione was wearing a shirt emblazoned with the "C&A Environmental" logo. When a Commission investigator arrived at the police precinct to which Manzione was taken for processing, Manzione approached him and stated, "You know why I was operating . . . they would never give me a license . . . You know my route; I have about 40 customers that have been with me for a long time; I just can't let them go."

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The Applicant's response to all of this evidence indicating that Rocco Manzione is C&A's controlling principal is carefully indirect and indistinct. C&A rarely confronts the evidence head on; rather, the Applicant prefers to dwell on what the staff's recommendation does not contain. For example, C&A complains that the recommendation does not identify many of the companies and individuals, particularly customers, suppliers, and employees of the Applicant, whose statements describing Manzione's role in C&A are cited by the staff. See A. Manzione Aff. ¶¶ 12, 28-32; R. Manzione Aff. ¶¶ 9-10; Bonforti Aff. ¶¶ 13, 23-25. That is true, but ignores the fact that all of those persons and firms are identified in the documentary record supporting the recommendation. That record, comprised of approximately 100 documents and including numerous memoranda of witness interviews, has been available for examination by C&A and its counsel since the date of issuance of the recommendation. See Letter from Commission to Antonietta Manzione, dated April 5, 2000; Letter from Commission to Lloyd R. Ambinder, Esq., dated May 3, 2000. Neither C&A nor its counsel, however, took advantage of this opportunity.

C&A's failure even to examine the record makes its assertion that the staff did not conduct a thorough investigation of the Applicant, see A. Manzione Aff. ¶¶ 14, 22, 36, 42-44, 59; R. Manzione Aff. ¶¶ 15, 20-21, 23; Bonforti Aff. ¶¶ 14, 22, 27; Mem. at 3, 5, ring hollow. The Applicant's complaint that the staff did not conduct an audit of the company's books and records, see, e.g., A. Manzione Aff. ¶ 22; R. Manzione Aff. ¶ 20; Mem. at 4, is particularly disingenuous. As noted above, on October 23, 1997,

Commission auditors arrived at C&A's stated principal office in Valley Stream (which turned out to be the home of Rocco and Antonietta Manzione) to conduct an on-site audit. When asked to produce the company's books and records, Antonietta Manzione said that they were not kept on the premises but, rather, could be found at her attorney's office. When the auditors proceeded to C&A's garage, office, and storage yard in Brooklyn, Rocco Manzione, masquerading as "Anthony Randone," identified himself as C&A's manager, told the auditors that no company records were kept on site, and refused the auditors access to the premises. When the auditors then interviewed the attorney to whom they had been referred by Antonietta Manzione, he told them that C&A's books and records were not kept at his offices. Having chosen to play a shell game with its books and records, C&A cannot now be heard to complain that the Commission did not audit them.<sup>13</sup>

Similarly disingenuous is the Applicant's complaint that the staff did not interview or depose Scott Bonforti, who purportedly has been employed by C&A as its general manager since May 1997. See Bonforti Aff. ¶¶ 1, 3, 7, 14-16, 22; see also R. Manzione Aff. ¶ 15; Mem. at 5. Under Local Law 42, C&A was required to inform the Commission, in advance, of its intention to hire Bonforti, and he was required to submit a principal disclosure form to the Commission. See Admin. Code §§ 16-508(c), 16-510(a); 17 RCNY §§ 2-01(a), 2-05(a)(iv), 2-05(b)(i), 3-01(a). However, neither C&A nor Bonforti even informed the Commission that he was in the company's employ until earlier this week – three years after he was hired. C&A thus is poorly situated to complain that the staff did not make inquiry of Bonforti. Moreover, the staff reasonably relied on Rocco Manzione's statement in October 1997 that he was C&A's manager. This statement, not expressly denied by him, directly contradicts his wife's sweeping assertion that "from [the summer of 1997] on my husband had nothing to do with C&A in any capacity whatsoever." A. Manzione Aff. ¶ 35.<sup>14</sup>

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<sup>13</sup> At best, Antonietta Manzione did not know where C&A's books were located. Her ignorance impeaches her sworn assertion that, as C&A's president, she is "responsible for all aspects of C&A's finances, including . . . paying the bills, and monitoring and collection of outstanding invoices." A. Manzione Aff. ¶ 6.

<sup>14</sup> Antonietta Manzione's sworn assertion is also contradicted by, among other things, the statements of her father and brother, in October 1997 and March 1998, respectively, that Rocco Manzione runs C&A. Again, C&A does not deny that those statements were made, and the Manziones make no attempt to explain how their own family members could have been mistaken in the matter.

In responding to the staff's recommendation, the Manziones often resort to purported non-recollection as a substitute for outright denial of events. Thus, Antonietta Manzione claims not to recall whether, in an effort to distance herself from Rocco Manzione, she identified herself to Commission investigators by her maiden name and told them she was separated from her husband. See A. Manzione Aff. ¶ 18. Neither she nor her husband seemingly can recall whether, pretending to telephone her attorney about C&A matters in the presence of Commission investigators, she in fact telephoned her husband. See id. ¶ 20; R. Manzione Aff. ¶ 7. Similarly, rather than denying their attorney's damaging admissions to Commission investigators concerning Rocco Manzione's control over C&A (or submitting an affidavit from their attorney denying his statements), the Manziones merely profess disbelief of, or note the absence of authorization for, those statements. See A. Manzione Aff. ¶ 21; R. Manzione Aff. ¶ 7. Of a piece with this type of gamesmanship is Rocco Manzione's remarkable contention that the appearance of his signature on various C&A documents was "inadvertent[]." R. Manzione Aff. ¶ 19.

The Applicant's strategy in responding to the staff's recommendation is reminiscent of the approach sometimes taken by subjects of a criminal investigation who, in the guise of cooperation, admit only to what they believe the government already knows. In light of this strategy, it is not surprising that C&A's own version of events, to the extent it can be gleaned from the response, is disjointed and incomplete. For example, we are left only to wonder who — if not, in fact, Rocco Manzione — ran C&A during the first three years of its existence, from 1994 to 1997 (when Scott Bonforti allegedly assumed the reins). It apparently was not Antonietta Manzione, whose background was in the apparel business and who had several small children to care for. See A. Manzione Aff. ¶¶ 4, 17, 38. Yet, C&A identifies no one else and, indeed, persists in asserting, in the face of compelling evidence to the contrary, that Rocco Manzione never was regularly involved in the company's operations. See id. ¶ 34; R. Manzione Aff. ¶ 18. According to C&A, any of its customers or employees who have said otherwise (not to mention the Manziones' relatives, C&A's attorney, and Rocco Manzione himself) are unfortunately "mistaken." See A. Manzione Aff. ¶ 26; R. Manzione Aff. ¶ 11. This explanation simply does not hold water. We decline to credit the self-serving representations in C&A's response about Rocco Manzione's role in its operations over the documentary evidence and the many contemporaneous statements of persons disinterested in the outcome of the staff's investigation.

\* \* \*

The foregoing evidence makes it abundantly clear that Rocco Manzione has operated and controlled C&A since its inception, and that his wife, sister, and brother-in-law have served merely as fronts to conceal his dominant role in the company.<sup>15</sup> Manzione plainly is a principal of C&A under Local Law 42. See Admin. Code §16-501(d) (defining “principal” to include any person “participating directly or indirectly in the control” of the applicant business). C&A’s failure to disclose Manzione as a principal of the company on its license and registration applications was a material and deliberate omission and warrants denial of those applications. See id. §§16-509(a)(i) (authorizing Commission to deny application of applicant lacking good character, honesty, and integrity by reason of failure to provide truthful information in connection with application); 16-509(b) (authorizing Commission to deny application of applicant who has knowingly failed to provide information required by Commission).

**b. C&A Failed to Disclose Its Alter Ego Relationship with Manzione Enterprises**

The staff’s investigation revealed not only that Rocco Manzione is C&A’s controlling (and undisclosed) principal, but also that C&A is essentially an alter ego of Manzione Enterprises, a carting company with a long and inglorious regulatory history. Business records, customer interviews, and other evidence demonstrate that the two companies, both controlled by Rocco Manzione, share facilities and operations and are so closely intertwined as to be virtually indistinguishable. Yet, the name Manzione Enterprises, like the name Rocco Manzione, appears nowhere in C&A’s license and registration applications.

In an apparent attempt to disguise its connection to Manzione Enterprises, C&A falsely stated in its applications that its principal office is located at 380 Salem Road in Valley Stream, New York. See Lic. App. at 1;

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<sup>15</sup> Antonietta Manzione somehow contends that the staff’s conclusion that she is fronting for her husband “smacks of sexual [sic] discrimination.” A. Manzione Aff. ¶ 10; see id. ¶¶ 40-44. We have no opinion on whether Antonietta Manzione is, to use her own words, stupid, shallow, or a shill (in the sense of a mere decoy); we certainly do not “perceive” her as such. Id. ¶ 44. Suffice it to say that our conclusion that she knowingly failed to disclose Rocco Manzione’s controlling role in C&A is not dependent upon her gender.



Reg. App. at 1. That address is not an office at all but, rather, the residence of Rocco and Antonietta Manzione. None of C&A's operations, equipment, or books and records is kept or located there; nor are C&A's vehicles registered to that address. In fact, all of C&A's books and records, as well as its trucks and equipment, are maintained or located at, or registered to, either 222-44 Garland Drive in Bayside, New York or 94 Beadel Street in Brooklyn, addresses also used by Manzione Enterprises. C&A containers also have been observed at 94 Beadel Street, and company records indicate that C&A and Manzione Enterprises have operated from that address since 1994. Yet, neither of these addresses appears in C&A's applications.

In addition, many of C&A's customers do not distinguish between it and Manzione Enterprises. In almost all cases, customers interviewed by the staff identified the owner of their carting company or the carter with whom they dealt as Rocco Manzione. In March 1998, a customer who had been using Manzione as his carter for ten to twelve years told investigators that "Rocco changes company names . . . he was Our Family Carting, and Manzione, but he may be changing names now." Noting that C&A had formerly been known as "Manzione Enterprises," another customer stated that it had received invoices from the latter company until June 1996 -- two months before C&A filed its license and registration applications -- and thereafter began to receive invoices from C&A. In October 1996, a customer filing a complaint identified its carter as C&A; however, it had a service agreement with Manzione Enterprises, the invoices generated during the period of the agreement were from that company, and a container at the customer's premises bore that name as well. Another customer stated in December 1996 that its carter was Our Family, where it dealt with Rocco Manzione; however, Commission investigators observed that customer's refuse being picked up by a C&A truck bearing telephone number (718) 387-4550, a number used by both C&A and Manzione Enterprises, and the customer's bills were generated by Manzione Enterprises. Similarly, in June 1997, Commission investigators observed a C&A truck picking up numerous "Manzione" containers; the driver said that he worked for Rocco Manzione.

There is thus compelling evidence that Manzione Enterprises and C&A (and Our Family as well) have been operating interchangeably as the same entity from at least 1995, soon after C&A was incorporated, until at least 1998, long after C&A submitted its license and registration applications. Part I, Question 11 of the Commission's license application

form asks whether the applicant business “shares any office space, staff or equipment” with any other business. C&A answered “no” to that question. See Lic. App. at 4. As demonstrated by the foregoing, that answer was deliberately false. The Applicant’s failure to disclose the virtual identity of its operations with those of Manzione Enterprises, a company with a history of persistent and flagrant violations of law, constitutes additional grounds for denial of C&A’s license application.

**2. C&A’s Controlling Principal, Rocco Manzione, Recently Pleaded Guilty to Criminal Charges in Connection with the Waste Industry**

As noted above, on June 9, 1998, Rocco Manzione was arrested and charged with the criminal misdemeanor offense of operating a trade waste business without a license, in violation of section 16-505(a) of the Administrative Code. The arrest and charges were based upon numerous physical surveillances during which Commission investigators observed C&A and Manzione Enterprises collecting putrescible waste and cardboard, despite the fact that neither company was licensed to collect such materials. For example, as of May 1998, Commission investigators had observed two C&A trucks engaged in such unlicensed activity at seventeen different locations on seven different dates. On March 19, 1999, Manzione pleaded guilty as charged and allocuted to five separate instances of unlicensed carting activity in July 1996 and June 1998. See People v. Rocco Manzione and C&A Environmental Corp., Dkt. Nos. 98K046722, 98K056025 (N.Y. Crim. Ct., Kings Cty.), Transcript of Proceedings, March 19, 1999, at 3-4.

In light of this evidence, C&A’s repeated assertion that it has an “impeccable and unblemished record in this industry since 1994,” see Mem. at 6; see also A. Manzione Aff. ¶¶ 9, 45-49; R. Manzione Aff. ¶¶ 26, 28; Bonforti Aff. ¶ 29, is simply absurd. Rocco Manzione and C&A were charged together with the crime of unlicensed carting activity; in exchange for Manzione’s guilty plea, the District Attorney’s Office agreed to accept an adjournment in contemplation of dismissal of the case against the corporation. See Tr. at 1. That sort of resolution hardly attests to an unblemished record in the industry.

In determining whether an applicant possesses the good character, honesty, and integrity required to operate a trade waste business, the

Commission may consider the applicant's (or any of its principals') conviction of a crime that is directly related to the applicant's fitness for participation in the industry. See Admin. Code §§16-509(a)(iii), 16-501(a); N.Y. Correction Law §§ 752(1), 753(b)-(c). Rocco Manzione is undisputably a principal of C&A, and his criminal conviction for unlicensed carting activity (as well as his prosecution for attempted murder and subsequent incarceration) plainly bears directly upon his, and therefore C&A's, fitness to participate in the carting industry. Accordingly, C&A's license application is denied on this ground as well.

**3. C&A's Controlling Principal, Rocco Manzione, through C&A and Its Corporate Predecessors and Affiliates, Has Engaged in a Pattern of Serious Administrative Violations Bearing Directly upon C&A's Fitness for Licensure in the Trade Waste Industry**

In determining whether an applicant possesses the good character, honesty, and integrity required to operate a trade waste business, the Commission also may consider "a finding of liability in a civil or administrative action that bears a direct relationship to the fitness of the applicant to conduct the business for which the license is sought." Admin. Code § 16-509(a)(iv). As demonstrated above, C&A and its corporate predecessors and affiliates in the waste industry, all of which have been under the control of Rocco Manzione, have continually flouted the laws governing the industry and in the process have amassed an extensive record of serious administrative violations. In light of Manzione's control over all of these companies, including C&A, his and their flagrant disregard for the laws governing the waste industry in the City of New York bears directly upon C&A's fitness to participate in that industry. Accordingly, C&A's license application is denied on this ground as well.

**4. C&A's Alter Ego, Manzione Enterprises, Previously Had Its Carting License Revoked**

As noted above, on May 26, 1993, DCA revoked Manzione Enterprises' carting license. Nine months later, C&A was formed, although Manzione Enterprises also continued to operate illegally. The Commission may refuse to issue a license to an applicant whose previously issued DCA license was revoked. See Admin. Code § 16-509(c)(i). In light of the virtual

identity between Manzione Enterprises and C&A and their common control by Rocco Manzione, the former company's license revocation may fairly be attributed to the current Applicant. See id. §16-509(a)(vii) (authorizing Commission to deny license to applicant sharing principal with "predecessor trade waste business" as to which grounds for denial would exist). Accordingly, C&A's license application is denied on this ground as well.

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Perhaps sensing that there is little that can be said in its defense to the evidence marshaled in the staff's recommendation, C&A argues that the problems with its license application can be cured by the appointment of a monitor to oversee its operations. See A. Manzione Aff. ¶¶ 53-59; R. Manzione Aff. ¶¶ 32-34; Bonforti Aff. ¶¶ 32-35; Mem. at 6-7. We disagree. Although the Commission from time to time has required a monitorship as a condition to licensure, such a remedy is inapposite and unwarranted here. The appointment of a monitor cannot transform a company that plainly fails to meet the law's licensing standard of good character, honesty, and integrity into one that does meet it. Rather, a monitorship is imposed to ensure that a company that has met the standard does not, due to certain identifiable risk factors, fall below it.

The problems with C&A's license application are particularly unsuited to resolution through a monitorship. To begin, despite the Applicant's protestations to the contrary, it is the Commission's firm conclusion that Rocco Manzione has been C&A's controlling principal since the company's inception in 1994 to the present (and certainly, at the very least, until his arrest in 1998). The Applicant proposes a monitorship to ensure that Manzione will have no role in its affairs. However, Manzione's wife is C&A's president, and the company is headquartered in the couple's home. In addition, Manzione owns and operates a purportedly separate business, 380 Equipment Leasing Corp., which shares offices with C&A in Brooklyn. See R. Manzione Aff. ¶ 8. Under these circumstances, in which Manzione is around C&A literally night and day, a monitorship could not ensure that he would have no role in the company's affairs.

Moreover, and of equal importance, the Commission is deeply concerned not only about Rocco Manzione's controlling participation in C&A's affairs but also about C&A's failure to disclose it. The responsibility for that failure rests with the company's president and sole shareholder,

Antonietta Manzione, and calls into serious question her own fitness for participation in the City's carting industry. Indeed, the evidence indicates that she did not merely conceal from the Commission her husband's role in the company, but also affirmatively sought to deceive the Commission on the issue. Accordingly, we have no confidence in the business integrity of C&A even under the Applicant's theory of who controls it. In the absence of any faith in the Applicant's fitness, the appointment of a monitor would serve no purpose.

### III. 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 C&A falls far short of that standard. For all of the foregoing reasons, the Commission denies C&A's license application and its registration application as well.

This license and registration denial decision is effective fourteen days from the date hereof. In order that C&A's customers may make other carting arrangements without an interruption in service, the Applicant is directed (i) to continue servicing its customers for the next fourteen days in accordance with their existing contractual arrangements, unless advised to the contrary by those customers, and (ii) to send a copy of the attached notice to each of its customers by first-class U.S. mail by no later than May 23, 2000. 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.

Dated: May 19, 2000

THE TRADE WASTE COMMISSION



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Edward T. Ferguson, III  
Chairman

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Kevin P. Farrell  
Sanitation Commissioner



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Jane Hoffman  
Consumer Affairs Commissioner

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Edward J. Kuriansky  
Investigation Commissioner



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Deborah R. Weeks  
Acting Business Services Commissioner