



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

**DECISION OF THE BUSINESS INTEGRITY COMMISSION
DENYING THE APPLICATION OF EAST COAST DEMOLITION
CO. INC. FOR AN EXEMPTION FROM LICENSING
REQUIREMENTS AND A REGISTRATION TO OPERATE AS A
TRADE WASTE BUSINESS**

East Coast Demolition Co. Inc. ("East Coast" or the "Applicant") has applied to the New York City Business Integrity Commission, formerly known as the New York City Trade Waste Commission, ("Commission") for an exemption from licensing requirements and a registration to operate 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). Local Law 42, which created the Commission to 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.

East Coast has applied to the Commission as a trade waste business exempt from the requirement that it obtain a license, on the ground that it is "solely engaged in the removal of waste materials resulting from building demolition, construction, alteration or excavation" – a type of waste commonly known as construction and demolition debris, or "c & d." Admin. Code § 16-505(a). Local Law 42 authorizes the Commission to review and determine such applications for registration. See *id.* If, upon review and investigation of the application, the Commission finds that the applicant is entitled to be "exempt" from the licensing requirement applicable to businesses that remove other types of waste, it grants the applicant a registration. See *id.*¹

¹ A recent decision by the New York State Supreme Court appears to call into question this Commission's authority to refuse to register any hauler of construction and demolition debris that has provided all of the information required by the Commission's application form. See Whitney Trucking, Inc., et al v. New

In determining whether to grant a registration to operate a construction and demolition debris removal business, the Commission considers the same types of factors that are pertinent to the Commission's determination whether to issue a license to a business seeking to remove other types of waste. See, e.g., Admin Code § 16-504(a) (empowering Commission to issue and establish standards for issuance, suspension, and revocation of licenses and registrations); compare Title 17, Rules of the City of New York ("RCNY") §§ 1-06 & 2-02 (specifying information required to be submitted by license applicant) with id. §§ 1-06 & 2-03(b) (specifying information required to be submitted by registration applicant); see also Admin. Code § 16-513(a)(i) (authorizing suspension or revocation of license or registration for violation of Local Law 42 or any rule promulgated pursuant thereto). Central to the Commission's investigation and determination of a registration application is whether the applicant has business integrity. See 17 RCNY § 1-09 (prohibiting numerous types of conduct reflecting lack of business integrity, including violations of law, knowing association with organized crime figures, false or misleading statements to the Commission, and deceptive trade practices); Admin. Code § 16-509(a) (authorizing Commission to refuse to issue licenses to applicants lacking "good character, honesty and integrity").

Based upon the record as to the Applicant, the Commission denies its exemption/registration application on the ground that this Applicant lacks good character, honesty and integrity for the following independently sufficient reasons:

- (i) The Applicant failed to pay taxes and other government obligations for which judgments have been entered.
- (ii) The Applicant knowingly failed to provide information and documentation required by the Commission.
- (iii) The Applicant provided materially misleading and contradictory information to the Commission in connection with its registration application.

York City Business Integrity Commission, Index No. 100300/2003 (appeal filed). While the Whitney decision is the law of that case, it is currently under appeal, and in any event, it does not control the disposition of this application, which is readily distinguishable. For example, the staff recommends denial based on Section 16-509(b) of the Administrative Code, which authorizes the Commission to "refuse to issue a license or registration to an applicant ... who has knowingly failed to provide the information and/or documentation required" by the Commission (emphasis added).

I. BACKGROUND

A. The New York City Carting Industry

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

Extensive testimonial and documentary evidence adduced during lengthy City Council hearings addressing the corruption that historically has plagued this industry revealed the nature of the cartel: an entrenched anti-competitive conspiracy carried out through customer-allocation agreements among carters, who sold to one another the exclusive right to service customers, and enforced by organized crime-connected racketeers, who mediated disputes among carters. See generally Peter Reuter, Racketeering in Legitimate Industries: A Study in the Economics of Intimidation (RAND Corp. 1987). After hearing the evidence, the City Council made numerous factual findings concerning organized crime’s longstanding and corrupting influence over the City’s carting industry and its effects, including the anticompetitive cartel, exorbitant carting rates, and rampant customer overcharging. More generally, the Council found “that unscrupulous businesses in the industry have taken advantage of the absence of an effective regulatory scheme to engage in fraudulent conduct.” Local Law 42, § 1.

The City Council’s findings of extensive corruption in the commercial carting industry have been validated by the successful prosecution of many of the leading figures and companies in the industry. In 1995 and 1996, the Manhattan District Attorney obtained racketeering indictments against more than sixty individuals and firms connected to the City’s waste removal industry, including powerful mob figures such as Genovese organized crime family capo Alphonse Malangone and Gambino soldier Joseph Francolino. Simply put, the industry’s entire modus operandi, the cartel, was indicted as a criminal enterprise. Since then, all of the defendants have either pleaded

or been found guilty of felonies; many have been sentenced to lengthy prison terms, and many millions of dollars in fines and forfeitures have been imposed.

The Commission's regulatory and law-enforcement investigations have confirmed that organized crime has long infiltrated the construction and demolition debris removal sector of the carting industry as well as the garbage hauling sector that was the focus of the Manhattan District Attorney's prosecution. In light of the close nexus between the c & d sector of the carting industry and the construction industry, mob influence in the former should come as no surprise. The construction industry in New York City has been corrupted by organized crime for decades. See, e.g., James B. Jacobs, Gotham Unbound: How New York City Was Liberated from the Grip of Organized Crime 96-115 (1999) (detailing La Cosa Nostra's influence and criminal activity in the concrete, masonry, drywall, carpentry, painting, trucking, and other sectors of the City's construction industry).

Moreover, the c & d sector of the carting industry has been a subject of significant federal prosecutions over the past decade. In 1990, Anthony Vulpis, an associate of both the Gambino and the Genovese organized crime families, Angelo Paccione, and six waste hauling companies owned or controlled by them were convicted of multiple counts of racketeering and mail fraud in connection with their operation of a massive illegal landfill on Staten Island. See United States v. Paccione, 949 F.2d 1183, 1186-88 (2d Cir. 1991), cert. denied, 505 U.S. 1220 (1992). Many c & d haulers dumped their loads at this illegal landfill, which accumulated 550,000 cubic yards of refuse over a mere four-month period in 1988; during that period, "the City experienced a sharp decline in the tonnage of construction waste deposited" at its Fresh Kills landfill, as well as "a concomitant decline in revenue" from the fees that would have been charged for dumping at a legal landfill. 949 F.2d at 1188. The trial judge described this scheme as "one of the largest and most serious frauds involving environmental crimes ever prosecuted in the United States." United States v. Paccione, 751 F. Supp. 368, 371 (S.D.N.Y. 1990).

Another illegal waste disposal scheme also prominently featured haulers of construction and demolition debris. This scheme involved certain "cover" programs instituted by the City of New York at Fresh Kills, under which the City obtained materials needed to cover the garbage and other waste dumped at the landfill. Under the "free cover" program, transfer stations and carting companies could dispose of "clean fill" (i.e., soil

uncontaminated by debris) at Fresh Kills free of charge. Under the "paid cover" program, the City contracted with and paid carting companies to bring clean fill to Fresh Kills. Numerous transfer stations and carters, however, abetted by corrupt City sanitation workers, dumped non-qualifying materials (including c & d) at Fresh Kills under the guise of clean fill. This was done by "cocktailing" the refuse: Refuse was placed beneath, and hidden by, a layer of dirt on top of a truckload. When the trucks arrived at Fresh Kills, they appeared to contain nothing but clean fill, which could be dumped free of charge.

In 1994, twenty-eight individuals, including numerous owners of transfer stations and carting and trucking companies, were indicted in connection with this scheme, which deprived the City of approximately \$10 million in disposal fees. The indictments charged that from January 1988 through April 1992, the defendants participated in a racketeering conspiracy and engaged in bribery and mail fraud in connection with the operation of the City's "cover" programs. The various hauling companies, from Brooklyn, Queens, and Staten Island, were charged with paying hundreds of thousands of dollars in bribes to Department of Sanitation employees to allow them to dump non-qualifying materials at Fresh Kills without paying the City's tipping fees. See United States v. Cafrà, et al., No. 94 Cr. 380 (S.D.N.Y.); United States v. Barbieri, et al., No. 94 Cr. 518 (S.D.N.Y.); see also United States v. Caccio, et al., Nos. 94 Cr. 357,358, 359, 367 (four felony informations). Twenty-seven defendants pleaded guilty in 1994 and 1995, and the remaining defendant was found guilty in 1996 after trial.

In sum, the need to root organized crime and other forms of corruption out of the City's waste removal industry applies with equal force to the garbage hauling and the c & d sectors of the industry. Local Law 42 recognizes this fact in requiring c & d haulers to obtain registrations from the Commission in order to operate in the City.

B. Local Law 42

Upon the enactment of Local Law 42, the Commission assumed regulatory authority from the Department of Consumer Affairs ("DCA") for the licensing and registration of businesses that remove, collect, or dispose of trade waste. See Admin. Code § 16-503. "Trade waste" is broadly defined and specifically includes "construction and demolition debris." Id. § 16-501(f)(1). The carting industry quickly challenged the new law, but the courts have consistently upheld Local Law 42 against repeated facial and as-

applied constitutional challenges by New York City carters. See, e.g., Sanitation & Recycling Industry, Inc. v. City of New York, 928 F. Supp. 407 (S.D.N.Y. 1996), aff'd, 107 F.3d 985 (2d Cir. 1997); Universal Sanitation Corp. v. Trade Waste Comm'n, No. 96 Civ. 6581 (S.D.N.Y. Oct. 16, 1996); Vigliotti Bros. Carting Co. v. Trade Waste Comm'n, No. 115993/96 (Sup. Ct. N.Y. Cty. Dec. 4, 1996); Fava v. City of New York, No. CV-97-0179 (E.D.N.Y. May 12, 1997); Imperial Sanitation Corp. v. City of New York, No. 97 CV 682 (E.D.N.Y. June 23, 1997); PJC Sanitation Services, Inc. v. City of New York, No. 97-CV-364 (E.D.N.Y. July 7, 1997). The United States Court of Appeals has definitively ruled, that an applicant for a trade waste removal license under Local Law 42 has no entitlement to and no property interest in a license, and the Commission is vested with broad discretion to grant or deny a license application. SRI, 107 F.3d at 995; see also Daxor Corp. v. New York Dep't of Health, 90 N.Y.2d 89, 98-100, 681 N.E.2d 356, 659 N.Y.S.2d 189 (1997).

II. BACKGROUND OF THE APPLICANT

East Coast was incorporated on March 15, 1993, by its sole principal, Antonino Accardi ("Accardi"). On August 30, 1996, East Coast filed an application with the Commission for an exemption from licensing requirements and a registration to haul construction and demolition debris. At the time it submitted its application, East Coast held a DCA license. By operation of law, East Coast's DCA license remained valid pending the Commission's determination of its registration application. See Local Law 42, §14(iii)(a).

On January 27, 1997, Accardi incorporated a second business, named My Way Contracting Corp. ("My Way"). My Way filed an application with the Commission for an exemption from licensing requirements and a registration to haul construction and demolition debris on April 22, 1998. My Way did not have permission to operate – either from DCA or the Commission. On November 26, 2002, Accardi formally withdrew the pending application of My Way in writing. See My Way Withdrawal Letter.

On June 2, 1998, Accardi incorporated a third business, named Avian Construction Corp. ("Avian"). Avian filed an application with the Commission for an exemption from licensing requirements and a registration to haul construction and demolition debris on January 28, 1999. In Avian's application, Accardi certified that Avian would be doing business under the trade name "East Coast Demolition" and attached a certificate of assumed

business name. Despite the fact that Avian was using a trade name that was the same as a company with DCA-grandfathered status, Avian itself did not have a permission to operate – either from DCA or the Commission.² On November 26, 2002, Accardi formally withdrew the pending application of Avian in writing. See Avian Withdrawal Letter.

In 1999, Accardi informed the Commission that East Coast was out of business. See Letters dated January 5, 1999 and May 11, 1999. On February 2, 1999, East Coast's bookkeeper, Adriana Tamburello, informed Dun & Bradstreet, Inc., that the business discontinued operations on December 1, 1998. Furthermore, according to records of the New York State Department of State, Division of Corporations, on June 27, 2001, East Coast filed a "Dissolution by Proclamation" and became an inactive corporation.

According to judgment and lien searches performed by the Commission, all three of Accardi's companies owe substantial amounts of money to city, state and federal governmental agencies.

III. DISCUSSION

East Coast filed with the Commission an application for an exemption from licensing requirements and for a registration to operate a trade waste business on August 30, 1996. The staff has conducted an investigation of the Applicant and its principal. On July 3, 2003, the staff issued a 12-page recommendation that East Coast's application be denied. On July 18, 2003, the Applicant submitted opposition papers, consisting of an unverified three-page letter and numerous exhibits in response to the staff's recommendation.³ The Commission has carefully considered both the staff's recommendation and the Applicant's unverified response. For the independently sufficient reasons set forth below, the Commission finds that the Applicant lacks good character, honesty, and integrity and denies its exemption/registration application.

² DCA permits are not transferable. See Admin. Code §20-336.

³ Although both 17 RCNY Section 2-08(a) and the staff's recommendation state that any assertions of fact submitted in the Applicant's response must be made under oath, the Applicant's response failed to attach a *sworn* affidavit from its principal. See 17 RCNY Section 2-08(a); see also Recommendation at 12 (allowing the Applicant 10 business days to submit any assertions of fact "under oath" and any documentation that it wishes the Commission to consider).

A. The Applicant Failed to Pay Taxes and Other Government Obligations for Which Judgments Have Been Entered.

"[T]he failure to pay any tax, fine, penalty or fee related to the applicant's business for which ... judgment has been entered by a court or administrative tribunal of competent jurisdiction" reflects adversely on an applicant's integrity. See NYC Admin. Code §16-509(a)(x).

Numerous judgments totaling at least \$467,993.00 have been docketed against East Coast by New York City, New York State and the United States of America. According to a judgment and lien search conducted by the Commission, East Coast currently owes the following unsatisfied judgments:

NYS Commissioner of Labor:

- Docket date 8/7/97 - \$11,293.08
- Docket date 9/2/97 - \$8,770.52
- Docket date 9/29/97 - \$22,978.94
- Docket date 12/2/97 - \$502.53
- Docket date 12/2/97 - \$4,899.47
- Docket date 6/5/98 - \$9,600.14
- Docket date 1/6/99 - \$2,023.79
- Docket date 3/1/99 - \$2,543.95

NYS Department of Taxation and Finance:

- Docket date 2/23/89 - \$2,430
- Docket date 1/23/98 - \$30,966.11
- Docket date 2/18/98 - \$60,088.94
- Docket date 1/7/99 - \$31,282.78
- Docket date 9/14/99 - \$49,617.49
- Docket date 9/23/99 - \$32,277.96
- Docket date 9/23/99 - \$789.23
- Docket date 2/22/01 - \$1,454.62
- Docket date 3/12/01 - \$1,735.45
- Docket date 3/25/02 - \$15,462
- Docket date 4/29/02 - \$14,928
- Docket date 9/3/02 - \$100

NYC Department of Finance:

- Docket date 3/12/02 - \$5,321.17

Federal Tax Lien/Internal Revenue Service:

- Docket date 10/23/97 – Filing Number 97FL01421
- Docket date 4/30/98 – Filing Number 98FL00560
- Docket date 11/12/98 – Filing Number 98FL01250, \$52,302
- Docket date 12/7/98 - \$113,442.31
- Docket date 3/5/99 – Filing Number 99FL00063
- Docket date 3/8/99 - \$45,485.20

The Commission's staff informed Accardi that East Coast owed numerous unsatisfied judgments to state and federal tax authorities and the New York State Commissioner of Labor. Despite that warning, the judgments remain unsatisfied.⁴

In its response, the Applicant does not even attempt to contest any of the evidence on this point, and all but concedes that it owes various government authorities over \$467,993.00. See Unverified Response to Recommendation of the Staff to Deny the Registration Application ("Unverified Response"). Instead, the Applicant makes unsubstantiated claims that it was unable to satisfy its obligations with the above mentioned government authorities due to poor business decisions, poor advice from attorneys, and miscommunication. In fact, the Applicant's response explicitly states that its principal was not "able to properly manage the operations" of the company. See Response at 1. Thus, the Commission finds that by this Applicant's own admission, it does not have the business integrity to operate as a trade waste business. The Applicant's response does not even begin to address the fact that there has been absolutely no effort to resolve any of its numerous debts that have been reduced to judgment.

Again, the Applicant's refusal to address and satisfy numerous debts that have been reduced to judgment demonstrates that the Applicant lacks good character, honesty and integrity. Based on this sufficient independent ground, the Commission denies the Applicant's exemption/registration application.

⁴ Judgments against Accardi's other companies – My Way and Avian – remain unsatisfied as well. Avian currently owes the following judgments: NYS Commission of Labor (1/25/02, \$2,700.28); NYS Tax Commission (3/25/02, \$15,462.57 and 4/29/02, \$14,928.59); NYC Criminal Court (3/26/02, \$1,730; 4/29/02, \$350; and 8/27/02, \$2,080). My Way currently owes the following judgments: NYS Commissioner of Labor (3/19/01, \$8,862.71); NYS Tax Commission (6/5/01, \$23,464.43) and NYS Workers Compensation Board (7/11/01, \$1,000).

B. The Applicant Knowingly Failed to Provide Information and Documentation Required by the Commission.

“The commission may refuse to issue a license or registration to an applicant for such license or an applicant for registration who has knowingly failed to provide the information and/or documentation required by the commission pursuant to this chapter or any rules promulgated pursuant hereto.” See Admin. Code §16-509(b).

On August 21, 2002, a Commission staff attorney sent a letter to Accardi requesting proof of satisfaction of the outstanding judgments against East Coast docketed by governmental entities, information regarding a lawsuit filed by the New York State Insurance Fund (“NYSIF”) against East Coast, information regarding outstanding judgments owed to the union representing East Coast’s employees and information which would clarify what relationships, if any, exist between Accardi and publicly identified organized crime figures with same last name. The letter requested the information and documentation by the due date of September 4, 2002.

On three separate occasions, the Commission granted the request of Accardi’s attorney for extensions of time to gather the requested information, ultimately setting a final deadline of September 25, 2002.

On September 25, 2002, Accardi’s attorney submitted a letter stating that all of the judgments were against a “former” company belonging to Accardi that ceased doing business in 1998 and that Accardi was unable to pay the judgments. Accardi’s attorney further claimed that there were no judgments against Avian and blamed the supposed “confusion” over the fact that Avian’s trade name (“East Coast”) is identical to that of Accardi’s “former” company.

Accordingly, Accardi failed to provide proof of satisfaction of the outstanding judgments owed to governmental entities, failed to provide information regarding the lawsuit by the NYSIF and failed to provide information regarding the outstanding judgments to the union. The only information Accardi provided was an affidavit regarding his lack of relationship to known organized crime figures.

On October 30, 2002, a Commission staff attorney asked Accardi’s attorney to clarify its position. If East Coast was out of business, then Avian and My Way were engaged in unregistered activity and faced potential

administrative fines for operating without a permit. On the other hand, if East Coast was still in business, then it still needed to satisfy the outstanding judgments docketed against it by governmental entities. Accardi's attorney never contacted the Commission to respond to this inquiry.

As a result, the Commission sent Accardi, via his attorney, a letter dated November 12, 2002, stating that it was the position of the Commission that East Coast never ceased doing business, but simply created a new company (doing business under the old company name to capitalize on goodwill of East Coast), using the same location, employees, and equipment as East Coast. The new entity continued to pay all the Commission invoices to maintain East Coast's trade waste permit. The letter renewed information requests of the September 25, 2002 letter and imposed a new due date of December 2, 2002.

A new attorney contacted the Commission on behalf of Accardi on November 14, 2002. In order to avoid potential unregistered activity fines against My Way and Avian, Accardi formally withdrew the applications of My Way and Avian for trade waste registration permits. He was granted a few additional weeks to comply with the Commission's requests.

On November 25, 2002, the new attorney submitted a letter claiming that Accardi wanted to dispute the tax obligations and asserted that Accardi had the ability to borrow personal funds to satisfy the obligations, in a reduced amount. The letter also claimed that documents would be submitted regarding the lawsuit with the NYSIF and judgment owed to the union.

On December 16, 2002, the new attorney submitted another letter stating that Accardi was unable to negotiate with the various agencies to which he owed money since he filed for *personal* bankruptcy. The attorney did not provide any documentation regarding the bankruptcy, nor did he claim that East Coast was unable to satisfy its judgments because the *corporation* had filed for bankruptcy protection.

Since then, there has been no further communication from Accardi or his attorney (with the exception of the unverified response) and telephone calls from the Commission have gone unanswered. To date, Accardi failed to provide proof of satisfaction of the outstanding judgments owed to governmental entities, failed to provide information regarding the lawsuit by the NYSIF and failed to provide information regarding the outstanding judgments to the union.

In its response, the Applicant claims for the first time that it was unable to furnish most of the information requested by the Commission because "company records are in the hands of a receiver."⁵ See Unverified Response at 2. In addition, the Applicant claims that its principal had to be hospitalized on three separate occasions, and that "unfortunately no one contacted [the Commission] on Mr. Accardi[']s] behalf during that period." See Unverified Response at 3. The Commission finds that despite numerous attempts by the Commission's staff to acquire certain information, the Applicant *and* its counsel never offered these explanations for noncompliance. In fact, the Applicant and its counsel never offered the Commission's staff any explanation for noncompliance until the submission of its response.

"[T]he commission may refuse to issue a license or registration to an applicant for such license or an applicant for registration who has knowingly failed to provide the information and/or documentation required by the commission pursuant to this chapter or any rules promulgated pursuant hereto." Admin. Code §16-509(b). By failing to respond to the Commission's repeated requests, the Applicant has "knowingly failed to provide the information" required by the Commission and has demonstrated that it lacks good character, honesty and integrity. Based on this independent ground, the Commission denies the Applicant's exemption/registration application.

C. The Applicant Provided Materially Misleading and Contradictory Information to the Commission in Connection with Its Registration Application.

Accardi has provided contradictory information regarding East Coast's viability as a business. By his letters to the Commission dated January 5, 1999, and May 11, 1999, Accardi told the Commission that East Coast was out of business and filed a "Dissolution by Proclamation" with the New York State Division of State on June 27, 2001. Even Accardi's attorney referred to East Coast as a "former" company belonging to Accardi that ceased doing business in 1998. However, Accardi now claims that East Coast is a functioning company and that he withdrew the pending applications of Avian and My Way in order to operate solely under the East Coast company name. He also continues to pay the registration and truck fees that permit East Coast to operate in the city.

⁵ Again, in its response, the Applicant did not provide any documentation regarding its principal's *personal* bankruptcy, nor did the Applicant claim that it (the *corporation*) filed for bankruptcy protection.

Moreover, Accardi (via his attorneys) provided misleading information to the Commission by playing on the confusion between East Coast (the original corporation) and East Coast (the trade name of Avian) – a confusion Accardi intentionally created himself. For example, in a September 25, 2002 letter to the Commission, Accardi’s attorney attempted to avoid having to respond to a legitimate request that East Coast satisfy its outstanding judgments by blaming the supposed “confusion” over the identical names of the two corporations.

In addition, Accardi further attempted to mislead the Commission by suggesting that his personal bankruptcy filing excused him from dealing with East Coast’s corporate debts. However, the corporate entity cannot erase its own debts unless the corporation itself files for bankruptcy protection. By not filing for corporate bankruptcy, Accardi was able to avoid a forced sale of the assets of East Coast and preserve them for use by Avian, My Way or any other corporation.

The Applicant’s response to the staff’s recommendation barely merits a reply on this point. In its response, the Applicant states that “somehow in the filing of the bankruptcy it was erroneously recorded that the jobs were underbid instead of properly menaced...,” and that “Mr. Accardi never intentionally tried to mislead the [C]ommission ...” See Unverified Response at 3. As stated in the response, throughout the application process, counsel represented this applicant before the Commission. Nevertheless, the record is replete with instances of the Applicant providing the Commission with materially misleading and contradictory information.

East Coast’s submission of materially misleading and contradictory information to the Commission is an independent ground upon which the Commission finds that the Applicant lacks good character, honesty and integrity. Based on this independent ground, the Commission denies the Applicant’s exemption/registration application.

IV. CONCLUSION

The Commission is vested with broad discretion to refuse to issue an exemption/registration to any applicant that it determines lacks good character, honesty and integrity. The evidence recounted above demonstrates convincingly that East Coast falls far short of that standard.

It is of grave concern to the Commission that the Applicant has failed to satisfy the numerous outstanding judgments filed against it, has submitted materially misleading and contradictory information to the Commission and has failed to provide information requested by the Commission. For the independently sufficient reasons discussed above, the Commission hereby denies East Coast's exemption/registration application.

This exemption/registration denial decision is effective fourteen days from the date hereof. In order that the East Coast's customers may make other trade waste collection arrangements without an interruption in service and in order that East Coast has sufficient time to retrieve all of its trade waste containers from New York City customers, East Coast 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 immediately notify each of their customers by first-class mail that they must find an alternative trade waste collection arrangement within the next fourteen days. East Coast 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: July 29, 2003

THE BUSINESS INTEGRITY COMMISSION



José Maldonado
Chairman



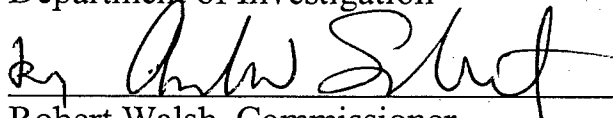
John Doherty, Commissioner
Department of Sanitation



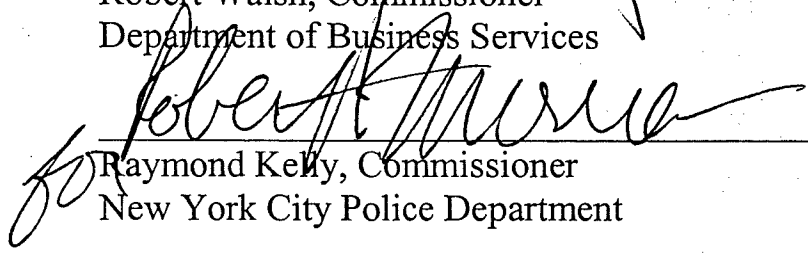
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Department of Investigation



Robert Walsh, Commissioner
Department of Business Services



Raymond Kelly, Commissioner
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