



The City of New York
BUSINESS INTEGRITY COMMISSION
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**DECISION OF THE BUSINESS INTEGRITY COMMISSION DENYING
THE APPLICATION OF LMC TRUCKING CORP. FOR RENEWAL OF A
REGISTRATION TO OPERATE AS A TRADE WASTE BUSINESS**

I. Introduction

On June 8, 2018, LMC Trucking Corp. (the “Applicant” or “LMC”) (BIC #2233) submitted an application (the “Instant Renewal Application”) to the New York City Business Integrity Commission (the “Commission”) for a renewal of its exemption from the licensing requirements and a registration to operate a trade waste business “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.” The Commission is authorized to review and make determinations regarding these renewal applications. *See* Title 16-A of the New York City Administrative Code (“Administrative Code” or “Admin. Code”) § 16-505(a). The Commission authorized the Applicant to continue to operate under the terms of its prior Registration Order, signed May 9, 2006, pending a decision on the Instant Renewal Application. Pursuant to renewal applications granted every two years from 2008 through 2018, the Applicant’s registration was renewed through May 31, 2020.¹

On June 24, 2019, the Commission’s staff personally served the principal with the Commission staff’s Notice to the Applicant of the Grounds to Deny the Application of LMC Trucking Corp. for a Registration to Operate as a Trade Waste Business (the “Notice”). William Cioffi was present at LMC’s business location and personally accepted service by signing for the Notice. *See* June 24, 2019 letter from the Commission. LMC Trucking had 10 days to respond, until July 9, 2019. *See* Title 17, Rules of the City of New York (“RCNY”) § 2-08(a). On July 11, 2019, after seeking and being granted an extension of time to respond, LMC submitted a seven-page response, which consisted of a four-page letter by the Applicant’s attorney and a three-page letter written by Assistant United States Attorney (“AUSA”) Jason Swergold from the United States Attorney’s Office for the Southern District of New York. *See* Applicant’s Response (collectively, the “Response”).

The Commission has completed its review of the Instant Renewal Application, having carefully considered the Commission staff’s Notice and the Response. Based on the record, the Commission denies the Instant Renewal Application because the Applicant lacks good character, honesty and integrity based on the following three independently sufficient grounds:

¹ The registration was further extended through the date of this decision pursuant to New York City Local Law 57 of 2020 and the mayor’s emergency executive order number 107, published April 14, 2020, as amended. Pursuant to Local Law 57, city agencies shall not require a registration subject to emergency executive order number 107, as amended, to be renewed for at least 45 days after it is no longer subject to such emergency executive order.

- 1. The Applicant failed to provide truthful information to the Commission in connection with several applications;**
- 2. The Applicant's undisclosed principal is an associate of the Gambino organized crime family and conducted trade waste-related business with members of organized crime; and**
- 3. The Applicant has admitted to defrauding a trade waste union by paying employees in cash and failing to pay union benefits.**

II. Statutory Background and Framework

Every commercial business establishment in New York City must contract with a private carting company to remove and dispose of the waste it generates, known as trade waste. Historically, the private carting industry in the City was operated as a cartel controlled by organized crime. As evidenced by numerous criminal prosecutions, the industry was plagued by pervasive racketeering, anticompetitive practices and other corruption. *See, e.g., United States v. Int'l Brotherhood of Teamsters (Adelstein)*, 998 F.2d 120 (2d Cir. 1993); *People v. Ass'n of Trade Waste Removers of Greater New York Inc.*, Indictment No. 5614/95 (Sup. Ct. N.Y. Cty.); *United States v. Mario Gigante*, No. 96 Cr. 466 (S.D.N.Y.); *People v. Ass'n of Trade Waste Removers of Greater New York*, 701 N.Y.S.2d 12 (1st Dep't 1999). The construction and demolition debris removal sector of the City's carting industry specifically has also been the subject of significant successful racketeering prosecutions. *See United States v. Paccione*, 949 F.2d 1183, 1186-88 (2d Cir. 1991), *cert. denied*, 505 U.S. 1220 (1992); *United States v. Cafra*, No. 94 Cr. 380 (S.D.N.Y.); *United States v. Barbieri*, No. 94 Cr. 518 (S.D.N.Y.).

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

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

The Administrative Code provides an illustrative list of relevant factors for the Commission to consider in determining whether to grant an application for a license or registration:

1. failure by such applicant to provide truthful information in connection with the application;
2. a pending indictment or criminal action against such applicant for a crime which under this subdivision would provide a basis for the refusal of such license, or a pending civil or administrative action to which such applicant is a party and which directly relates to the fitness to conduct the business or perform the work for which the license is sought, in which cases the commission may defer consideration of an application until a decision has been reached by the court or administrative tribunal before which such action is pending;
3. conviction of such applicant for a crime which, considering the factors set forth in section seven hundred fifty-three of the correction law, would provide a basis under such law for the refusal of such license;
4. a finding of liability in a civil or administrative action that bears a direct relationship to the fitness of the applicant to conduct the business for which the license is sought;
5. commission of a racketeering activity or knowing association with a person who has been convicted of a racketeering activity, including but not limited to the offenses listed in subdivision one of section nineteen hundred sixty-one of the Racketeer Influenced and Corrupt Organizations statute (18 U.S.C. § 1961 *et seq.*) or of an offense listed in subdivision one of section 460.10 of the penal law, as such statutes may be amended from time to time, or the equivalent offense under the laws of any other jurisdiction;
6. association with any member or associate of an organized crime group as identified by a federal, state or city law enforcement or investigative agency when the applicant knew or should have known of the organized crime associations of such person;
7. having been a principal in a predecessor trade waste business as such term is defined in subdivision a of section 16-508 of this chapter where the commission would be authorized to deny a license to such predecessor business pursuant to this subdivision;
8. current membership in a trade association where such membership would be prohibited to a licensee pursuant to subdivision j of section 16-520 of this chapter unless the

commission has determined, pursuant to such subdivision, that such association does not operate in a manner inconsistent with the purposes of this chapter;

9. the holding of a position in a trade association where membership or the holding of such position would be prohibited to a licensee pursuant to subdivision j of section 16-520 of this chapter;

10. failure to pay any tax, fine, penalty, or fee related to the applicant's business for which liability has been admitted by the person liable therefor, or for which judgment has been entered by a court or administrative tribunal of competent jurisdiction;

11. failure to comply with any city, state or federal law, rule or regulation relating to traffic safety or the collection, removal, transportation or disposal of trade waste in a safe manner.

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

The Commission also may refuse to issue a license or registration to any applicant who has “knowingly failed to provide information or documentation required by the Commission . . . or who has otherwise failed to demonstrate eligibility for a license.” *Id.* at § 16-509(b). *See also* 16-509(a)(i) (failure to provide truthful information in connection with application as a consideration for denial); *Elite Demolition Contracting Corp. v. The City of New York*, 4 N.Y.S.3d 196, 125 A.D.3d 576 (1st Dep’t 2015); *Breeze Carting Corp. v. The City of New York*, 52 A.D.3d 424 (1st Dep’t 2008); *Attonito v. Maldonado*, 3 A.D.3d 415 (1st Dep’t) (Commission may deny an application for an exemption “where the applicant fails to provide the necessary information, or knowingly provides false information”); *leave denied*, 2 N.Y.3d 705 (N.Y. 2004). In addition, the Commission may refuse to issue a license or registration to an applicant that “has been determined to have committed any of the acts which would be a basis for the suspension or revocation of a license.” *Id.* at § 16-509(c); *see also id.* at § 16-504(a). Finally, the Commission may refuse to issue a license or registration to any applicant when the applicant or its principals have previously had a license or registration revoked. *Id.* at § 16-509(d); *see also id.* at § 16-504(a).

An applicant for a private carting license (including a registration for hauling construction and demolition debris) has no entitlement to and no property interest in a license or registration and the Commission is vested with broad discretion to grant or deny a license or registration application. *Sanitation & Recycling Indus., Inc.*, 107 F.3d 985, 995 (2d Cir. 1997); *see also Daxor Corp. v. New York Dep’t of Health*, 90 N.Y.2d 89, 98-100, 681 N.E.2d 356, 659 N.Y.S.2d 189 (1997).

III. Statement of Facts

1. Background

On or about January 25, 2006, the Applicant applied to the Commission for an exemption from the licensing requirements and a registration to operate as a trade waste business that removes C&D (the “Original Registration Application”). *See* Original Registration Application. Laura

Cioffi identified herself on the Original Registration Application as the only principal of the Applicant. *See id.* at 9. Laura Cioffi certified under oath that all of the information contained in the Original Registration Application was “full, complete and truthful.” *See id.* at 16. The Commission approved the application for a two-year term beginning on June 1, 2006. *See* May 9, 2006 Registration Order.² From 2008 to 2018, the Applicant filed six renewal applications and the Commission granted each of those renewal applications. *See* First, Second, Third, Fourth, Fifth and Sixth Registration Renewal Applications. On each of the six renewal applications, Laura Cioffi identified herself as the only principal of the Applicant company. *See* Schedule A: Principals of each renewal application. In addition, in each of the six renewal applications, the Applicant was asked if it or “any of [its] principals, employees, affiliates, or representatives knowingly associated in any manner with any member or associate of organized crime.” The Applicant answered “no” to this question in each of the six renewal applications. *See* First, Second, Third, Fourth, Fifth and Sixth Registration Renewal Applications. Laura Cioffi certified under oath that all of the information contained in the six renewal applications was “complete and truthful.” *See* First Renewal Application at 10; Second Renewal Application at 12; Third Renewal Application at 12; Fourth Renewal Application at 14; Fifth Renewal Application at 16; Sixth Renewal Application at 16.

On or about June 8, 2018, the Applicant filed the Instant Renewal Application with the Commission. The Instant Renewal Application disclosed, among other things, that Laura Cioffi was the sole principal of the Applicant, and that William Cioffi was a mere employee – specifically, a “dispatcher.” *Id.* at Schedules A and C. Notably, William Cioffi also was not listed as a vehicle operator on the Instant Renewal Application. *Id.* at Schedule D.

Question 11 on the Instant Renewal Application also asks the Applicant if “any of the applicant’s principals, employees, affiliates, or representatives knowingly associated in any manner with any member or associate of organized crime.”³ *See* Instant Renewal Application at 6. The Applicant answered, “no.” *Id.* Laura Cioffi certified under oath that all of the information contained in the Instant Renewal Application was “full, complete and truthful.” *Id.* at 13.

2. *Testimony of William Cioffi*

On February 27, 2019, William Cioffi testified in the United States District Court for the Southern District of New York in the criminal case entitled *U.S. v. Cammarano, Jr. and Zancocchio* (S.D.N.Y.) (“*Cammarano*”). The defendants in that case were publicly identified by the United States Attorney’s Office for the Southern District of New York as members and associates of organized crime. *See* superseding indictment in *Cammarano* (S.D.N.Y. Nov. 13,

² When Laura Cioffi signed the May 9, 2006 Registration Order, she agreed, among other things, that the Applicant would “not knowingly associate with any member or associate of organized crime or any racketeer in any manner, . . .” and that the Applicant would “at all times provide truthful information to the Commission and [would] be completely truthful and forthright in all of its dealings and communications with the Commission.” *See* May 9, 2006 Registration Order.

³ Question 11 is marked by an asterisk to identify it as a question that seeks material information. *See* 17 RCNY § 1-01. An applicant for a registration or a registrant must notify the Commission within 10 business days of any material change in the information submitted to the Commission. *See* 17 RCNY § 2-05(b)(1). The Applicant has never notified the Commission of its associations with members and associates of organized crime.

2018) (S2 18 Cr. 15 (AKH)) (“Cammarano Indictment”). Among the charges in that case were that the defendants engaged in a racketeering conspiracy, assault in aid of racketeering, and conspiracy to commit extortion.

At the trial, William Cioffi testified that he drives trucks for a living, and that he works for two companies, including the Applicant. *See* transcript of William Cioffi testimony in *Cammarano* (“Cioffi Tr.”) at 677. He further testified that he manages the Applicant company and that the company is in his wife Laura’s name “[f]or minority status,” to get preferences on bidding on government contracts. *Id.* at 679-80.

With regard to organized crime, William Cioffi testified that he is “on record” with an organized crime family and that “on record” means that a person is “connected” to an organized crime figure. *Id.* at 684. He then admitted to being on record with the Gambino crime family, which is one of the organized crime families of *La Cosa Nostra*, more commonly known as the Mafia, in New York City. *See* Cammarano Indictment at 2-3. William Cioffi further testified that he went on record with the Gambino crime family “[a]bout seven years ago,” because he thought he would get more trucking work if he did so. *Id.* at 685-86. In fact, William Cioffi admitted that he paid a member of the Gambino crime family \$2,000 at Christmastime to go on record with him. The individual he paid was Michael Carbone – who, until his death in September 2018, was a “caporegime” (also known as a “capo” or “captain”) in the Gambino crime family. *See* NYPD report re: Carbone, dated May 31, 2019; Cammarano Indictment at 3. A capo in an organized crime family is the leader of a group of “soldiers,” collectively known as a “crew.” *See* Cammarano Indictment at 3 (explaining organized crime family hierarchy, in the context of the Bonanno crime family). “Soldiers [are] aided in their criminal endeavors by other trusted individuals, known as ‘associates,’ who sometimes were referred to as ‘connected,’ ‘on record,’ or identified as ‘with’ a [s]oldier.” Cammarano Indictment at 3.

During his testimony, William Cioffi also admitted to paying an individual named Joseph Sabella commissions on trucking jobs. *See* Cioffi Tr. at 707-09. According to law enforcement, Joseph Sabella is a capo in the Bonanno crime family. *See* NYPD report re: Sabella, dated May 31, 2019. William Cioffi testified that he paid Sabella 10 to 20 different times, up to \$5,000 at one time. *Id.* at 709. Cioffi testified that he paid Sabella in cash in order to deceive the Commission, stating that it would have been a problem to pay Sabella by check because “Joseph [Sabella] has a criminal history with organized crime.” *Id.* That would have been a problem because “when BIC [the Business Integrity Commission] goes through your files they would come [sic] right up that I was doing business with an organized crime figure.” *Id.*

In addition to the above, William Cioffi testified that he participated in a meeting with members of organized crime about who could and could not dump waste at a particular dumpsite. *Id.* at 710. Among the participants in that meeting were Sabella and Carbone and – Cioffi believed – Frank Camuso. *Id.* at 710-11.⁴

⁴ Although William Cioffi identified Camuso as a captain in the Gambino crime family, *id.* at 711, law enforcement has identified Camuso as a soldier in that family. Either way, Camuso has been publicly identified by law enforcement as a member of the Gambino organized crime family. *See* NYPD report re: Camuso, dated May 31, 2019.

Lastly, William Cioffi testified that the Applicant has a contract with Local 282 of the United Brotherhood of the Teamsters, under which the company must pay pension and welfare benefits and a proper salary to the Applicant's employees. *See* Cioffi Tr. at 683-84. When asked whether the Applicant has always complied with its contract with the Teamsters union, William Cioffi testified that the Applicant had not. In fact, Cioffi testified, "I paid drivers in cash, and I didn't pay union benefits on them. . . . I didn't report the amount of hours that they should have been paid." *Id.* at 684. To summarize, the Court asked Cioffi, "You're paying off the books and avoiding health and welfare payments." *Id.* Cioffi responded, "That's correct." *Id.*

IV. BASIS FOR DENIAL

1. The Applicant failed to provide truthful information to the Commission in connection with several applications.

All applicants must provide truthful information to the Commission. Admin. Code § 16-509(a)(i). The Instant Renewal Application and each of the prior applications disclose Laura Cioffi as the Applicant's sole principal. "Principal" is defined, in relevant part, as, "with respect to all business entities, all other persons participating directly or indirectly in the control of such business entity." *Id.* at § 16-501(d).

William Cioffi testified that he manages the Applicant. *See* Cioffi Tr. at 679. He further testified that he personally paid drivers in cash and failed to pay union benefits. *See id.* at 684 ("I paid drivers in cash, and I didn't pay union benefits on them . . ."). Thus, William Cioffi clearly participates "directly or indirectly in the control of" the Applicant, *i.e.*, he manages the company and pays drivers. Therefore, William Cioffi is a principal of the Applicant.⁵

The Instant Renewal Application also did not list William Cioffi as a driver of the Applicant's vehicles. *See* Instant Renewal Application at Schedule D. Yet, he testified that he drives trucks for the Applicant. Cioffi Tr. at 677 (testifying that he drives trucks for a living and works for the Applicant and one other company).

William Cioffi was not disclosed as a principal of the Applicant on the Instant Renewal Application or any of the previous applications filed with the Commission, when he clearly meets the definition of principal under the relevant section of the Administrative Code. Moreover, Question 11 of the Instant Renewal Application asks the Applicant whether "any of the applicant's principals, employees, affiliates, or representatives knowingly associated in any manner with any member or associate of organized crime." *See* Instant Renewal Application at 6. The Applicant falsely answered "no," even though William Cioffi admitted in court that he is an associate of organized crime and that he knowingly associated with several members of organized crime. William Cioffi knew that the Applicant could not disclose his organized crime connections to the Commission: In his own testimony, he explained how he deliberately tried to hide from the Commission his business dealings with members of organized crime. Thus, in answering question

⁵ As the husband of majority stockholder Laura Cioffi, William Cioffi would be deemed by Local Law 42 to be a principal of the Applicant even if he did not participate in the control of the Applicant. *See* 16 Admin Code § 16-101(d).

11 of the Instant Renewal Application, the Applicant failed to provide truthful information to the Commission.

In the Response, the Applicant argues that William Cioffi is not a principal because he has no ownership interest in LMC and because LMC obtained Minority and Women - Owned Business Enterprise (“MWBE”) certification by virtue of Laura Cioffi’s sole ownership. *See Applicant’s Response at 2.* William Cioffi’s status as a principal of the Applicant does not rest on ownership alone. Local Law 42 sets forth a broad definition of a principal. As noted above, this term includes not only individuals with an ownership interest, but also “all other persons participating directly or indirectly in the control of such business entity.” *See Admin. Code § 16-501(d).* William Cioffi’s own testimony makes it clear that he participated directly or indirectly in the control of the Applicant. When he testified in the Southern District of New York, William Cioffi admitted that he manages the Applicant business and that the company was placed in his wife’s name for “minority status.” *See supra at 2.* Among other things, William Cioffi admitted that *he* met with members of organized crime to discuss the dumping of trade waste; that *he* paid members of organized crime commissions on trucking jobs; that *he* paid LMC’s drivers in cash; and that *he* did not report the correct amount of hours worked by those drivers. *See Cioffi Tr. at 680, 684, 687, 688, 696; 709.* The Applicant did not dispute any of those facts in the Response.

Regarding the Applicant’s failure to disclose William Cioffi as a vehicle operator in the 2018 application, the Applicant states in the Response that this omission was a “careless error by a company employee who prepared the application, which was not caught by Mrs. Cioffi when she reviewed the application.” Yet Laura Cioffi certified under penalty of perjury that she read and understood the questions and statements contained in the renewal application, and that all information contained in the application was “accurate and truthful.” *See Sixth Renewal Application at 15.* William Cioffi is not just any vehicle operator; he is Laura Cioffi’s husband. The claim that she simply did not catch the omission – particularly given the circumstances of this matter – is not credible.

The Applicant failed to provide truthful information in connection with the Instant Renewal Application and in previous applications filed with the Commission. Admin. Code § 16-509(a)(i). Accordingly, the Commission denies the Instant Renewal Application on this independently sufficient basis.

2. The Applicant’s undisclosed principal is an associate of an organized crime family and conducted trade waste-related business with members of organized crime.

The Commission may deny an application where the applicant has associated “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.” Admin. Code § 16-509(a)(vi). As a principal – albeit undisclosed – William Cioffi’s actions are attributable to the Applicant. Admin. Code § 16-501(a).

William Cioffi testified that he conducted business relating to the trade waste industry with at least three members of organized crime – whom he knew to be members of organized crime: Michael Carbone, Joseph Sabella and Frank Camuso. Cioffi Tr. at 684-86, 707-11. As fully set

forth above, the NYPD has identified all three of those individuals as members of organized crime. *See* NYPD reports re: Camuso, Carbone and Sabella. In fact, William Cioffi testified that he paid Carbone to be on record with the Gambino crime family (Cioffi Tr. at 685-86); made between 10 and 20 payments to Sabella in connection with the trade waste industry (*id.* at 709); and participated in a meeting with all three figures regarding the industry (*id.* at 710).

In the Applicant's Response, LMC acknowledges that "over the past several years, William Cioffi was associated with members of organized crime." *See* Response at 2. Despite this stark admission, the Applicant argues that the Commission should nevertheless grant the Instant Renewal Application based on claims that William Cioffi (1) hid his association with organized crime figures from his wife, who owns LMC; and (2) worked with Commission investigators as a cooperating witness/confidential informant. These arguments are unavailing.

William Cioffi's organized crime associations occurred over several years by his own admission, and he engaged in such associations to benefit the business. *See* Cioffi Tr. at 685-86 (testifying that he went "on record" with the Gambino crime family because he thought he would get more trucking work). As such, it is not credible that Laura Cioffi was unaware of William Cioffi's associations. Moreover, even if it were true that Laura Cioffi did not know about her husband's organized crime associations, that fact would not result in a different outcome for the Applicant. Given William Cioffi's role with the Applicant, his actions are highly relevant to the analysis of the Applicant's character, honesty and integrity. William Cioffi personally met with members of organized crime to discuss the dumping of trade waste and paid commissions to members of organized crime for trucking jobs. *See supra* at 6; Cioffi Tr. at 696, 709. Through those actions, and others, William Cioffi participated directly in the control of LMC. By not disclosing William Cioffi as a principal of LMC, the Applicant clearly sought to distance itself from William Cioffi as much as possible to avoid the Commission's scrutiny.

The Applicant's argument concerning William Cioffi's cooperation similarly falls flat. When William Cioffi met with Commission investigators and agreed to cooperate with the Commission in early September 2016, he was informed that cooperation requires providing truthful and complete information to the Commission. It is undisputed that William Cioffi failed to do so. In fact, William Cioffi testified that he was not entirely truthful with the Commission (and the United States Attorney's Office) regarding his dealings with organized crime and other issues:

AUSA: Mr. Cioffi, were you entirely truthful during your initial meetings with BIC law enforcement and the U.S. Attorney's Office?
Cioffi: No.
AUSA: What weren't you truthful about?
Cioffi: My involvement with organized crime and my payments to my friend Joe Sabella.
AUSA: Were you truthful about the cash that you paid to your workers and didn't pay to the union?
Cioffi: No.

Cioffi Tr. at 740. The Applicant acknowledges this fact in the Response, stating that William Cioffi “may have not been 100% candid and may have withheld certain information from BIC’s investigators.” *See* Response at 2.

The Response does not describe any valuable assistance that William Cioffi provided to the Commission. Instead, the Response, which includes a letter from AUSA Swergold, details cooperation that William Cioffi later provided to the United States Attorney’s Office beginning in or about December 2017. Clearly, William Cioffi provided that cooperation under threat of criminal prosecution by the federal government – as evidenced by the fact that he ultimately received a non-prosecution agreement from and confessed his crimes to the federal government. *See* Cioffi Tr. at 739. He did not provide the same candor or assistance to the Commission.

Lastly on this point, the fact that the United States Attorney’s Office credits William Cioffi’s cooperation is not determinative with respect to the Commission’s analysis. The Commission serves a different role and conducts a different analysis in making determinations with respect to trade waste registration applications than the United States Attorney’s Office does in assessing the cooperation of cooperating witnesses.

Accordingly, for the reasons set forth in this section, the Commission denies the Instant Renewal Application based on the provisions of Admin. Code § 16-509(a)(vi).

3. The Applicant has admitted to defrauding a trade waste union by paying employees in cash and failing to pay union benefits.

William Cioffi admitted that he and the Applicant defrauded the union with which the Applicant had a contract. Cioffi Tr. at 683-84. William Cioffi testified that he paid drivers in cash and did not pay union benefits to them. *Id.* at 684 (admitting that he paid drivers in cash to avoid making payments to union health and welfare funds). This was in violation of the contract signed between the Applicant and Teamsters Local 282. When William Cioffi made these cash payments to the Applicant’s employees, he did so on behalf of the Applicant.

In the Applicant’s Response, the Applicant admits that William Cioffi paid LMC drivers in cash for overtime work and that he knew that this was an improper practice. *See* Response at 3. Yet, the Applicant argues that Laura Cioffi had no idea that William Cioffi was paying LMC drivers in cash to avoid paying union benefits. *Id.* at 4. If true, this would be a clear admission that Laura Cioffi was not in control of vital aspects of the operations of the Applicant and that William Cioffi was in direct control of those operations – and thus a principal of LMC. As the Applicant’s principal, William Cioffi’s actions are directly attributable to the Applicant. Moreover, the Response paints a picture of the Applicant’s sole disclosed principal (Laura Cioffi) being repeatedly unaware of the actions of her own husband as they relate to the business of which she claims to be the sole owner, *i.e.*, associating with organized crime for the benefit of the business and defrauding the union. Those claims of ignorance are simply not credible; nor can they insulate the Applicant from William Cioffi’s actions.

The Commission may deny an application to an applicant who lacks good character, honesty and integrity. Admin. Code § 16-509(a). Although that section of the Administrative

Code lists many factors that the Commission may consider in making this determination, it is not an all-inclusive list. *See id.* (“the commission may consider, but is not limited to . . .”). Paying workers in cash to avoid paying them union benefits clearly demonstrates a lack of good character, honesty and integrity. Accordingly, the Commission denies the Instant Renewal Application on this independently sufficient basis.

CONCLUSION

The Commission is vested with broad discretion to issue a license or refuse to grant an exemption from the license requirement and issue a registration in lieu of a license to any applicant that it determines lacks good character, honesty and integrity. The conduct of the Applicant set forth above demonstrates that it lacks good character, honesty and integrity. Accordingly, based on the aforementioned independently sufficient grounds, the Commission denies the Class 2 registration renewal application of LMC Trucking Corp. The denial is effective 14 days from the date of this denial decision. After the expiration of the 14-day period, the Applicant shall no longer operate as a trade waste removal business in the City of New York.

Dated: July 30, 2020

THE NEW YORK CITY
BUSINESS INTEGRITY COMMISSION

Approved at July 30, 2020
Telephonic Commission Meeting

Noah D. Genel
Commissioner and Chair

Approved at July 30, 2020
Telephonic Commission Meeting

Kathryn Garcia, Commissioner
Department of Sanitation

Approved at July 30, 2020
Telephonic Commission Meeting

Margaret Garnett, Commissioner
Department of Investigation

**Approved at July 30, 2020
Telephonic Commission Meeting**

Lorelei Salas, Commissioner
Department of Consumer and Worker Protection

**Approved at July 30, 2020
Telephonic Commission Meeting**

Andrew Schwartz, Deputy Commissioner
(Designee)
Department of Small Business Services

**Approved at July 30, 2020
Telephonic Commission Meeting**

John Dusanenko, Captain
(Designee)
New York City Police Department