The City of New York
BUSINESS INTEGRITY COMMISSION
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# DECISION OF THE BUSINESS INTEGRITY COMMISSION DENYING THE REGISTRATION APPLICATION OF MAAD CONSTRUCTION INC. (BIC #4046) TO OPERATE AS A TRADE WASTE BUSINESS

## Introduction

MAAD Construction Inc. ("MAAD Construction" or the "Applicant") (BIC #4046) has applied to the New York City Business Integrity Commission (the "Commission") for an exemption from 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." See Title 16-A of the New York City Administrative Code ("Administrative Code" or "Admin. Code") §16-505(a).

On September 15, 2015, the staff issued and personally served the Applicant with Notice to MAAD Construction Inc. of the Grounds to Recommend the Denial of the Registration Application of MAAD Construction Inc. to Operate as a Trade Waste Business ("Notice of Denial").[1] See Affidavit of Service dated September 17, 2015. The Applicant had 10 business days to respond to the Notice of Denial, which period expired on September 30, 2015. See Title 17 Rules of the City of New York ("RCNY") section 2-08(a). The Applicant did not submit any response. The Commission has now completed its review of MAAD Construction's application, having carefully considered the Commission staff's Notice of Denial and the Applicant's failure to respond. Based upon the record as to the Applicant, the Commission denies the Applicant's registration application based on the following independently sufficient reasons:

**A. The Applicant knowingly associated with individuals who have been convicted of racketeering activities;**

**B. The Applicant provided false and misleading information to the Commission; and**

**C. The Applicant repeatedly engaged in unregistered trade waste removal activity.**

## Background and Statutory 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. Historically, the private carting industry in the City was operated as a cartel controlled by organized crime. As evidenced by

[1] As discussed below, Michael A. Loguidice, the disclosed principal's father, accepted service on his son's behalf at the business location provided by the Applicant to the Commission. See Memo dated September 16, 2015.

numerous criminal prosecutions, the industry was plagued by pervasive racketeering, anticompetitive practices and other corruption. See e.g., United States v. International Brotherhood of Teamsters (Adelstein), 998 F.2d 120 (2d Cir. 1993); People v. Ass'n of Trade Waste Removers of Greater New York Inc. et al., Indictment No. 5614/95 (Sup. Ct. N.Y. Cty.); United States v. Mario Gigante et al., No. 96 Cr. 466 (S.D.N.Y.); People v. GNYTW, 701 N.Y.S.2d 12 (1st Dep't 1999). The construction and demolition debris removal sector of the City's carting industry 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, et al., No. 94 Cr. 380 (S.D.N.Y.); United States v. Barbieri, et al., No. 94 Cr. 518 (S.D.N.Y.); United States v. Caccio, et al., Nos. 94 Cr. 357, 358, 359, 367.

The Commission is charged with, *inter alia*, combating the pervasive 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 (then known as the "Trade Waste Commission") and granted it the power and duty to license and regulate the trade waste removal industry in New York City. NY Admin. Code §16-505(a). It is this licensing scheme that continues to be the primary means of ensuring that an industry historically plagued with 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," commonly known as construction and demolition debris, or "C & D" removal, must apply to the Commission for an exemption from the licensing requirement. Id. If, upon review and investigation of an exemption application, the Commission grants the applicant an exemption from the licensing requirement, it issues the applicant a Class 2 registration. Id. Before issuing such registration, the Commission must evaluate the "good character, honesty and integrity of the applicant." Id. at §16-508(b). The New York City Administrative Code provides an illustrative list of relevant factors for the Commission to consider in making a licensing or registration decision:

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.

Id. at § 509(a)(i)-(x). Additionally, the Commission 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 §509(b). The Commission also may refuse to issue a license or registration to an applicant when such applicant was previously issued a license which was revoked or not renewed, or where the

applicant "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 § 509(c). Finally, the Commission may refuse to issue a license or registration to any applicant where the applicant or its principals have previously had their license or registration revoked. Id. at § 509(d).

An applicant for a private carting license (including construction and demolition) 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 Industry, Inc., 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); NY Admin. Code § 16-116.

**Statement of Facts**

Background

On January 19, 2011, the Applicant applied to the Commission for an exemption from the licensing requirement for the removal of construction and demolition debris. See Application for Exemption from Licensing Requirement for Removal of Construction and Demolition Debris (the "Registration Application"). In its application, the Applicant disclosed that it had one principal, the President and 100% owner, Michael Loguidice, Jr. ("Loguidice Jr."). See Registration Application at 13. The Applicant disclosed that the principal acquired ownership of the company on March 8, 2008, by "inheritance." See id. at 13. Loguidice Jr. certified that all the information contained in the Registration Application was "full, complete and truthful." Id. at 20. Neither of Loguidice Jr.'s parents, Michael A. Loguidice ("Loguidice Sr.") or Dorothy Loguidice (collectively, the "Loguidice Parents"), was disclosed in the Registration Application as principals or employees.

The Commission's investigation into the Applicant revealed that the Loguidice Parents have a significant role in the operations of the company and also have criminal histories. The Applicant sought to conceal the Loguidice Parents' involvement in the operations of the company due to their criminal histories. In addition, the Applicant knowingly and repeatedly operated without a registration, in an attempt to avoid the Commission's scrutiny.

On August 17, 2005, the Loguidice Parents were indicted by a federal grand jury in the Eastern District of New York on charges of Conspiracy to Launder Money, a racketeering activity. Specifically, on or about and between January 1, 1992 and December 31, 2003, the defendants were charged with conspiring to embezzle from employee pension funds, theft concerning programs receiving Federal funds, and mail fraud. See Indictment, U.S. v. Michael A. Loguidice and Dorothy Loguidice, CR-05-0626 (the "Indictment"). As part of the scheme, the Loguidice Parents submitted false certifications and other information to New York City and New York State agencies in order to obtain Disadvantaged Business Enterprise ("DBE") certification. Dorothy Loguidice's certified trucking and excavation company was awarded several contracts as a DBE, but Loguidice Sr.'s companies actually performed the work. As part of the conspiracy, the Loguidice Parents obtained a total of approximately $7.8 million in DBE subcontracts for which they were actually ineligible. See U.S. Department of Transportation, Office of Inspector General,

New York Construction Company Owners Sentenced to More Than 1 Year in Prison and Fined for DBE Fraud Scheme, March 13, 2008.

On March 21, 2006, the Loguidice Parents pled guilty to Conspiracy to Launder Money, in violation of 18 United States Code ("USC") sections 1956(h) and 1956 (a)(1)(B)(i). They both admitted that during the time period on or about and between January 1, 1992 and December 31, 2003, together with others, they committed mail fraud involving minority business enterprise contracts knowing that the property involved in the financial transactions represented proceeds of some form of unlawful activity, that is, mail fraud, and knowing that the transactions were designed to conceal the mail fraud. The contracts received were for trucking jobs on roadway improvement and other construction projects. See Transcript of Criminal Cause for Pleading (the "Plea") at 21-29.

On March 13, 2008, Loguidice Sr. and Dorothy Loguidice were each sentenced to a period of 15 months imprisonment and three years' supervised release. They forfeited $1.1 million to the United States government and paid, collectively, $900,000 to the Internal Revenue Service. See Consent Order of Forfeiture, dated April 3, 2006; Office of Inspector General supra. Each was also ordered to make restitution in the amount of $296,599.81. See Judgment in a Criminal Case, Michael A. Loguidice; Judgment in a Criminal Case, Dorothy Loguidice. The Loguidice Parents have paid the restitution in full. They both agreed to debarment from participating in federal, state or municipal contracts. See Plea at 19.

On January 19, 2011, the Registration Application was filed with the Commission. On February 4, 2011, "Mike Loguidice" called the Commission and inquired about the status of the Registration Application. The caller left Loguidice Sr.'s cellular telephone number as the call-back number.[2] See email dated February 4, 2011; transcript of sworn testimony of Loguidice Jr., dated August 10, 2011 ("Loguidice Jr. Tr.") at 130. On February 8, 2011, Loguidice Sr. called the Commission. He called from the same cellular telephone number provided days earlier and stated that he was calling on behalf of his son regarding the Registration Application. He stated that his son was busy "on a machine," was "bashful," and had asked Loguidice Sr. to call the Commission for him. See email dated February 8, 2011.

On or about March 18, 2011, Dorothy Loguidice called the Commission to inquire into the status of the Registration Application. She stated that she was calling on behalf of her son. She also stated that "we have contracts with Tully [Construction Co., Inc.] and we need the license to perform work." See email from John Mancino, dated March 18, 2011. She provided a call-back number that was her cellular telephone number. See id.; Loguidice Jr. Tr. at 112.[3]

On September 16, 2015, a Commission investigator appeared at the Applicant's place of business to personally serve the Notice of Denial. Loguidice Jr. was not at the location, but a man

[2] Loguidice Jr. testified during his sworn testimony before the Commission that his father's cellular telephone number is (516) 322-2887, which is the number provided by the caller who identified himself as "Mike Loguidice." Loguidice Jr. Tr. at 108.

[3] Dorothy Loguidice provided (516) 322-2764 as her cellular telephone number when she left a message for Commission staff. Additionally, Loguidice Jr. testified that this is his mother's cellular telephone number. See Loguidice Jr. Tr. at 112.

who later identified himself as Loguidice Sr. was there. In an effort to locate Loguidice Jr., the Commission investigator called the telephone number provided to the Commission as the Applicant's business telephone number, (516) 232-0071. The number was no longer in service. The Commission investigator then called the telephone number stenciled on the Applicant's vehicle that was located in the yard at the business location, (516) 432-4281. A woman who represented herself as Dorothy Loguidice answered the telephone and stated that her son, Loguidice Jr., was out "in the field." Further, she stated that her husband, Loguidice Sr., would accept service on the Applicant's behalf. The Commission investigator then personally served the Notice of Denial on Loguidice Sr., who himself agreed to accept service on behalf of the Applicant. See Memo dated September 16, 2015; Affidavit of Service dated September 17, 2015.

Loguidice Jr. Sworn Testimony

On August 10, 2011, Loguidice Jr. appeared at the Commission and gave sworn testimony. As described below, Loguidice Jr. testified that the Loguidice Parents have never had any involvement in the Applicant business. However, the credible evidence in this matter demonstrates that the Loguidice Parents, both convicted racketeers, hold substantial roles in the operations of the Applicant business and that the Applicant and Loguidice Jr. have intentionally concealed their involvement from the Commission.

Loguidice Jr. stated that he operates the Applicant business as well as a recycling facility at the Applicant's business address. After his parents were convicted of Conspiracy to Launder money, they reportedly transferred to Loguidice Jr. all of their trucks, equipment, the recycling facility, and the property on which their businesses were located, which is the same business location as the Applicant. Loguidice Tr. at 74-75, 85-86, 100-01. Additionally, Loguidice Jr.'s parents gave him all of the cash from their businesses, totaling approximately $40,000. Id. at 93. Loguidice Jr. then formed the Applicant. Tellingly, many of the Applicant's employees previously worked for Loguidice Jr.'s parents. See id. at 76-83.

Loguidice testified that his sister, Andrea Doreen Loguidice, is Vice President and 50% owner of the Applicant business. When asked why his sister's name does not appear on the Registration Application, he stated, "I must have been rushing it and not realized." See id. at 12, 16, 21-22.

Loguidice Jr. stated that he uses cellular telephone number (516) 232-0071 for business, which is the number provided to the Commission on the Registration Application. See Registration Application at 1; Loguidice Jr. Tr. at 36. He further testified that the telephone number painted on the Applicant's vehicles, (516) 432-4281, is a telephone line in his parents' home. Loguidice Jr. also stated that shortly after forming the Applicant, he moved out of his parents' home, but failed to update the telephone number on the vehicles. Loguidice Jr. Tr. at 31-32, 87-88, 128-29. Although the Applicant has not disclosed that telephone number to the Commission, Dorothy Loguidice left that telephone number as a contact number when she called the Commission to resolve the administrative violations issued against the company.[4] See id. at

[4] As discussed below, the Commission issued numerous administrative violations against the Applicant for transporting trade waste without a license or registration issued by the Commission. Dorothy Loguidice contacted Commission staff regarding those violations and negotiated a settlement of those violations. See *infra* at 8-9.

31-32; Violations Phone Message, dated 2/15/11. Additionally, Dorothy Loguidice answered this telephone line when a Commission investigator sought to contact Loguidice Jr. regarding service of the Notice of Denial. See Memo dated September 16, 2015.

With respect to the involvement of the Loguidice Parents in the Applicant's operations, Loguidice Jr. testified that neither his mother nor father has ever had any role in the Applicant business; neither has contacted the Commission on his behalf; Loguidice Jr. is the only one who deals with the customers; Loguidice Jr. is the only one who dispatches the trucks to job locations; and Loguidice Jr. is the only one in charge of day to day operations. See id. at 95, 102-03, 107-09, 112-13.[5]

Loguidice Jr. also testified he did not know that his father contacted the Commission about the status of the Registration Application; that his mother contacted the Commission about the status of the Registration Application; or that his mother negotiated the settlement of administrative violations on behalf of the Applicant. See id. at 109, 114-15, 141-42. Loguidice Jr. also claimed that although both of his parents are required to be employed as per the conditions of their supervised release, he does not know where either of them works. See id. at 42-43, 138.

As further described below, on September 20, 2010, October 29, 2010, and February 3, 2011, the Commission issued administrative violations against the Applicant for unregistered trade waste removal activity. The Applicant resolved those administrative violations by agreeing to pay fines. Loguidice Jr. testified that the Applicant has not operated in New York City since receiving those violations. See Loguidice Jr. Tr. at 70, 74. Further, he testified that he was awaiting the registration in order to accept various job opportunities in New York City, including a potential "Tully job." See id. at 69-74, 103, 119-20, 71-72. Notwithstanding that testimony, the Commission issued four additional violations to the Applicant for unregistered activity observed in June 2011. The evidence supporting those violations, which were issued after Loguidice Jr. testified, directly contradicts Loguidice Jr.'s claims that the Applicant was not engaged in unregistered activity after the February 3, 2011 violation for unregistered activity.

Unregistered Activity

On September 7, 2010, a Commission investigator observed a 1998 Peterbilt dump truck with the name "MAAD Construction" stenciled on the doors of the vehicle while it was being used to collect and transport trade waste from 4301 Berrian Blvd, Astoria, NY 11105. On September 20, 2010, a Notice of Violation was issued against the Applicant, and a hearing was scheduled for October 21, 2010. See Notice of Violation TW-6267. The Applicant entered into a stipulation of settlement with the Commission and paid a fine of $2,500.

On October 21, 2010, a Commission investigator observed a blue 2006 Kenworth tractor while being used to collect and transport trade waste from Putnam Avenue between Lewis Avenue and Marcus Garvey Blvd., Brooklyn, New York. On October 29, 2010, a Notice of Violation was issued against the Applicant, and a hearing was scheduled for November 18, 2010. See Notice of Violation, TW-6393. The Applicant failed to appear for the hearing.

[5] Notwithstanding this testimony, Loguidice Sr. was present at the business location when a Commission investigator served the Notice of Denial. See Memo dated September 16, 2015.

On January 4, 2011, a Commission investigator observed a 2000 Kenworth tractor with the words "Operated By MAAD Construction" marked on the vehicle while it collected trade waste from an excavation site located at 265-21 76th Avenue, Glen Oaks, New York. On February 3, 2011, a Notice of Violation was issued against the Applicant, and a hearing was scheduled for February 17, 2011. See Notice of Violation, TW-6595. The Applicant failed to appear for the hearing.

On January 11, 2011, a Commission investigator observed the same 2000 Kenworth tractor again at the same excavation site in Glen Oaks, New York, while such vehicle collected and transported trade waste. On February 3, 2011, a Notice of Violation was issued against the Applicant, and a hearing was scheduled for February 17, 2011. See Notice of Violation, TW-6596. The Applicant failed to appear for the hearing.

On February 15, 2011, Dorothy Loguidice contacted the Commission regarding the three violations that were outstanding at that time. She negotiated a settlement on behalf of the company for $8,000. As noted above, the call-back telephone number provided by Dorothy Loguidice was the same number painted on the Applicant's vehicles, a number not disclosed to the Commission in the Registration Application and which Loguidice Jr. claimed in his testimony is no longer used by the business. See Violations Phone Message, dated 2/15/11; Ann Marie Zanfardino notes dated 2/6/11; Dorothy Loguidice email dated 3/18/11; Loguidice Jr. Tr. at 128-129.

Although Loguidice Jr. testified that the email disclosed on the Registration Application, maadconstruction@gmail.com, is used only by him, (see Loguidice Tr. at 19), on March 18, 2011, Dorothy Loguidice emailed a Commission staff member from this email address regarding the settlement. She also made various representations regarding her wish to obtain temporary permission to operate from the Commission, the costs of doing business, and the hardship that the agreed-upon fine would cause for the business. Further, she stated that the company "must continue to work." See email from Dorothy Loguidice dated March 18, 2011. On or about April 29, 2011, the Applicant paid the $8,000 fine.

Less than two months later, on June 13, 2011, Commission investigators observed three of the Applicant's vehicles being loaded with trade waste, from the main roadbed of the westbound Long Island Expressway between 168th Street and 167th Street, in Queens, New York. The vehicles were registered to MAAD Construction, and had the name and business address of MAAD Construction on the vehicle. All three drivers of the vehicles were interviewed by Commission investigators. They all stated that they were working for the Applicant business, and that it was Loguidice Sr.'s company. See O'Brien report dated 6/13/11.

Specifically, one driver who was interviewed told Commission investigators that he had been employed for the past 15 years by "Big Mike," the owner of MAAD Construction. He affirmatively identified Big Mike as Loguidice Sr., not Loguidice Jr. Another vehicle operator who said that he had been working for MAAD Construction for the preceding three weeks, identified his boss as Loguidice Sr. The third vehicle operator stated that he had been employed by MAAD Construction and Loguidice Sr. for the preceding five-to-ten year period. See O'Brien report dated 6/13/11.

On June 15, 2011, Commission investigators again observed a vehicle registered to the Applicant collecting trade waste, dirt and concrete, from the same location in Queens, New York. The words "Operated by MAAD Construction" were painted on the vehicle. Commission investigators interviewed the operator of the vehicle, who stated that he works for MAAD Construction, which is operated by Loguidice Sr. and his wife, Dorothy. The driver further stated that because "Big Mike" is no longer allowed to enter into a union agreement with Local 282, he put the company in the son's name and leases the trucks to Deland Contacting Inc., a union Local 282 signatory company.[6] He also stated that they were working on a Tully job at the time.[7] See O'Brien Report dated 6/15/11.

As a result of the activities on June 13, 2011 and June 15, 2011, the Commission issued administrative violations for unregistered trade waste removal activity, the failure to have proper markings on a vehicle, and the failure to disclose an employee to the Commission. See Stipulation of Settlement, TW-7126, TW-7127, TW-7128, TW-7129, TW-7130. On January 18, 2012, the applicant admitted guilt and agreed to pay a fine of $10,000. The fine has been paid.

**Basis for Denial**

**1. The Applicant knowingly associated with individuals who have been convicted of racketeering activities.**

The Commission may deny a license application of a business whose principals have had business dealings with known racketeers. See Admin. Code § 16-509(a)(v); SRI, 107 F.3d at 998. Section 16-509(a)(v) of the Administrative Code specifically states that racketeering activities include, but are not limited to, those delineated in 18 USC § 1961(1).

As discussed above, the Loguidice Parents were convicted of Conspiracy to Launder Money, in violation of 18 USC Sections 1956(h) and 1956 (a)(1)(B)(i), a racketeering activity as defined by 18 USC § 1961(1). Despite their convictions, the Loguidice Parents funded the operations of the Applicant, providing its vehicles and cash. They directed vehicles to job sites, communicated directly with the regulatory agency responsible for investigating the Applicant about the business' operations and potential jobs, and negotiated administrative settlements on behalf of the company. Further, the telephone number displayed to the public on the vehicles is the telephone line at the Loguidice Parents' home, a telephone number that was not the one disclosed to the Commission by the Applicant in the Registration Application and one that Dorothy Loguidice utilized for the Applicant business. Finally, the Applicant's employees corroborated the Commission's findings, confirming the Loguidice Parents' involvement in the company. At minimum, the Loguidice Parents participate in the operations of the business to a great extent. More likely, they directly or indirectly control the company and are undisclosed principals of it.

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[6] This is further evidence of Loguidice Sr.'s control over the company. Loguidice Jr. testified that Deland Contracting Inc. leases the Applicant's trucks occasionally and uses its own drivers to operate those trucks. See Loguidice Jr. Tr. at 104-05, 118-20, 125-27. However, this testimony is refuted by the credible evidence in this matter, i.e., the statements of all the drivers and the fact that the Applicant admitted liability and paid a fine for the above-referenced unregistered activity.

[7] Although Loguidice Jr. testified that he was waiting to accept work from Tully until the Applicant received a registration, the driver's statement demonstrates otherwise.

Thus, the Applicant maintained a business relationship with the Loguidice Parents, both convicted racketeers, whose convictions relate directly to contracts in the trucking industry. The Applicant has not refuted this point. Accordingly, the Commission denies MAAD Construction's Registration Application based on this independently sufficient ground.

**2. The Applicant provided false and misleading information to the Commission.**

All Applicants must provide truthful and non-misleading information to the Commission. A knowing failure to do so is a ground for denial of the application. See Admin. Code §§16-509(a)(i), (b); Attonito v. Maldonado, 3 A.D.3d 415 (1st Dept. 2004); leave denied 2 N.Y.3d 705 (2004); Breeze Carting Corp. v. The City of New York, 52 A.D.3d 424, 860 N.Y.S.2d 103 (1st Dept. 2008). As discussed above, the Applicant provided the Commission with applications and other submissions that contained false and misleading information about, among other things, who is involved in the operations and management of the company.

False Statements During Sworn Testimony

Loguidice Jr. provided false sworn testimony before the Commission. Many of his responses to questions about the Loguidice Parents' involvement in the company and the company's illegal activity were simply not credible in light of the other evidence in this matter.

Failure to Disclose Association with Dorothy Loguidice and Loguidice Sr.

As discussed above, Loguidice Jr. testified before the Commission that neither of the Loguidice Parents had any involvement in the Applicant business in any manner. However, the evidence demonstrates that Dorothy Loguidice and Loguidice Sr. have both had significant involvement in the operations of the Applicant business. Both individuals, collectively, have had contact with at least four Commission employees regarding the status of the Registration Application, potential projects of the Applicant, administrative violations issued against the Applicant, and service of the Notice of Denial. Further, the Applicant's own employees stated that Loguidice Sr. and Dorothy Loguidice are running the company. It is likely that Loguidice Jr. lied about his parents' involvement in the company because he and his parents knew that their involvement might be an impediment to obtaining a registration from the Commission.

False Statements About Unregistered Activity

Loguidice Jr. testified before the Commission that since the Applicant received administrative violations from the Commission in January 2010, the Applicant ceased hauling trade waste in New York City. However, Commission investigators again observed the Applicant operating illegally in June 2011, less than two months before Loguidice Jr. provided this sworn testimony.

Four separate employees stated that they were working for MAAD Construction at the time they were stopped by Commission investigators for hauling trade waste without a registration. Moreover, MAAD Construction entered into a stipulation of settlement with the Commission, admitted guilt, and paid a fine of $10,000 related to this unregistered activity, thereby admitting

its misconduct and paying a fine for it. Consequently, there is no question that the company was, in fact, illegally operating at the time when Loguidice Jr. testified it was not. Viewed in the light most favorable to Loguidice Jr., this testimony demonstrates that he does not know the particulars of how his business is operating and who is operating it. Much more likely, Loguidice Jr.'s testimony on this issue was false.

False Statement in the Registration Application

Failure to Disclose Principals

Schedule A of the Registration Application requests all information about the principals of the Applicant. "Principal" is defined as "every officer and director and every stockholder holding ten percent or more of the outstanding shares of a corporation ... and all persons participating directly or indirectly in the control of such business entity." Admin. Code § 16-501(d).

The Registration Application, certified as true by Loguidice Jr., disclosed Loguidice Jr. as the sole, 100% owner and officer of the Applicant. See Registration Application at 13. However, during his sworn testimony before the Commission, Loguidice Jr. testified that his sister, Andrea Doreen Loguidice, is the Vice President of the company with a 50% ownership interest it. See Loguidice Jr. Tr. at 12, 16, 21-22. When asked why the Registration Application failed to disclose his sister as a principal, he could provide no reasonable explanation. See id: at 21-22.

Additionally, the Applicant failed to disclose his parents as principals (or even employees) of the Applicant business. Yet, the evidence establishes that both Dorothy Loguidice and Loguidice Sr. funded the formation of the company and have direct and/or indirect control over the operations of the company. Dorothy Loguidice negotiated settlements on behalf of the company, and the Applicant's drivers identify Loguidice Sr. as the "boss" running the company.

The evidence demonstrates that Loguidice Jr., the Applicant's sole disclosed principal, has on numerous occasions provided false written and oral sworn statements to the Commission, the agency entrusted with regulating the industry in which the Applicant seeks to operate. The Applicant has not disputed this point. Loguidice Jr.'s blatant and continual false statements demonstrate that neither he nor the Applicant business possesses the requisite good character, honesty, and integrity to operate in the trade waste industry. Accordingly, the Commission denies the Registration Application based on this independently sufficient ground.

**3. The Applicant repeatedly engaged in unregistered trade waste removal activity.**

The Commission is authorized to deny the registration application of a company that has engaged in unlicensed carting activity in the City of New York. See Admin. Code §§ 16-509(c)(ii), 16-513(a)(i), 16-505(a). The Applicant has never held a carting license or registration authorizing it to operate a trade waste business in New York City. Nevertheless, since its inception, the Applicant has continuously operated a trade waste removal business in the City of New York. Because it has never been authorized to do so, the Applicant's trade waste removal activity has been illegal.

As discussed above, the Commission issued eight violations against the Applicant for illegal operation of a trade waste business, from September 7, 2010 through June 15, 2011. Three of the Notices of Violation were issued prior to submission of the Registration Application. Then, when Loguidice Jr. provided sworn testimony before the Commission on August 10, 2011, he stated that the company stopped operating without the required registration after the February 2011 violation. He also testified that he did not take the "Tully job" because his company did not have the required registration. However, the Applicant was observed operating in June 2011. At the time of Loguidice Jr.'s sworn testimony, the violations had been observed by Commission investigators, but the Notices of Violation had not yet been served on the Applicant.

The Applicant's repeated unregistered or unlicensed activity, combined with its false statements as to its operations, demonstrates a blatant disregard for the Commission's rules and regulations. Not only did the Applicant continue to operate illegally after receipt of the first Notice of Violation, but it also did not submit the Registration Application until approximately four months after it was first observed operating illegally. Further, the disclosed principal appeared before the Commission and falsely testified that the Applicant stopped illegally operating when, in fact, the Applicant continued to operate. The circumstances demonstrate that the Applicant likely knew the Registration Application would be denied based on the involvement of convicted racketeers, and it consciously chose not to submit an application to the Commission, until it could no longer ignore the regulating entity. The Applicant has not refuted this point. Under the circumstances, the Applicant's repeated unregistered carting is strong evidence of the Applicant's lack of good character, honesty and integrity and merits the denial of its Registration Application. Accordingly, the Commission denies the Applicant's Registration Application based on this independently sufficient ground.

**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 who it determines to be lacking in good character, honesty and integrity. The record as detailed above demonstrates that the Applicant lacks those qualities. Accordingly, based on the three independently sufficient grounds set forth herein, the Commission denies the Applicant's exemption application.

This denial decision is effective immediately. MAAD Construction Inc. may not operate as a trade waste business in the City of New York.

Dated: November 9, 2015

THE NEW YORK CITY
BUSINESS INTEGRITY COMMISSION

Daniel D. Brownell
Commissioner and Chair

Deputy Commissioner Robert Orlin
(Designee)
Department of Sanitation

Deputy General Counsel Tracy N. Wright
(Designee)
Department of Investigation

Commissioner Julie Menin
Department of Consumer Affairs

Acting Commissioner Andrew Schwartz
Department of Small Business Services

Inspector John Denesopolis
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