



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

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**DECISION OF THE TRADE WASTE COMMISSION DENYING  
THE APPLICATION OF GLOBAL RECYCLING & COLLECTION,  
INC. FOR A REGISTRATION TO OPERATE AS A TRADE WASTE  
BUSINESS**

Global Recycling & Collection, Inc. ("Global" or the "Applicant") has applied to the New York City Trade Waste Commission (the "Commission") for 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.

Global has applied to the Commission for a registration enabling it 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." 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 grants the applicant a registration, the applicant becomes "exempt" from the licensing requirement applicable to businesses that remove other types of waste. See id.

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 the requisite good character and business integrity to participate in an industry that not only is subject to stringent regulation due to the public health and environmental issues posed by waste removal, but also has a history of corruption. See 17 RCNY § 1-09 (prohibiting numerous types of conduct reflecting lack of good character and business integrity, including violations of law, knowing association with organized crime figures, false or misleading statements to the Commission, and deceptive trade practices); compare 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, for the following independently sufficient reasons, denies Global's registration application:

(i) Kenneth Cartalemi, the principal with operational control over Global, has knowingly associated with Joseph DiNapoli, a member of organized crime, in connection with the waste removal and related industries.

(ii) Global and an affiliated company have unlawfully engaged in sustained and substantial waste removal activity in the City of New York without any license, registration, or other permit to operate such a business issued by the City of New York.

## 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 been convicted

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. 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.); 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 (the "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. DISCUSSION

On May 27, 1997, Global submitted to the Commission an application for a registration as a hauler of construction and demolition debris. The Commission's staff investigated Global and, on December 1, 1999, issued an 11-page recommendation that the Commission deny the application. In response to the staff's recommendation, on January 10, 2000, Global submitted a 9-page affidavit from Kenneth Cartalemi, one of its principals. The Commission has considered both the staff's recommendation and Global's response in reaching its determination. For the reasons set forth below, the Commission denies Global's registration application.

### A. **Kenneth Cartalemi, the Applicant's Principal in Charge of Its Operations, Has Knowingly Associated with Joseph DiNapoli, a Member of Organized Crime**

Kenneth Cartalemi is a principal of Global, managing and supervising all operations of the company, which is owned by his wife (who purchased the company from her husband and his father for one dollar in February 1995). See Application at 8-9; Transcript of Deposition of Kenneth Cartalemi on June 28, 1999 ("Dep. Tr."), at 43-46; accord Cartalemi Aff. ¶ 1; see also Admin. Code § 16-501(d) (defining "principal" to include any person "participating directly or indirectly in the control" of the applicant business). Joseph DiNapoli is a capo (or captain) in the Luchese organized crime family of La Cosa Nostra. See Affidavit of Detective Anthony

Farneti, sworn to December 1, 1999 ("Farneti Aff."), ¶ 6. The staff's investigation of Global revealed that Cartalemi, despite concededly knowing of DiNapoli's organized crime connections, has had business dealings with him for many years. This knowing association with a member of organized crime demonstrates that Global lacks the good character and business integrity required for participation in the waste removal industry in the City of New York.

### 1. DiNapoli's Status as a Member of Organized Crime

Joseph DiNapoli has been publicly identified as a member of organized crime for well over a decade. For example, major organized crime figures who became cooperating witnesses for the government have identified DiNapoli as a member of the Luchese crime family. See, e.g., Twelfth Signed Statement of Vincent "Fish" Cafaro, dated January 8, 1987 (recounting that in 1984, Luchese capo Steven Crea introduced DiNapoli to Cafaro, a soldier in the Genovese crime family, as "amico nostra," i.e., a fellow member of La Cosa Nostra); Twenty-Third Signed Statement of Vincent "Fish" Cafaro, dated March 10, 1987 (recounting that other crime families objected that the Luchese crime family failed to follow proper procedures in inducting DiNapoli into the Mafia); Farneti Aff. ¶ 6 (noting that DiNapoli has also been identified as a member of the Luchese crime family by Alphonse D'Arco, a former acting boss of the Luchese family, and Peter Chiodo, a former Luchese capo). Based upon this and other information, DiNapoli has been identified as a capo in the Luchese family by the New York Police Department's Organized Crime Investigation Division. Farneti Aff. ¶ 6. The Federal Bureau of Investigation also considers DiNapoli to be a Luchese capo. Id. Furthermore, DiNapoli has been involved in the waste hauling and disposal industry in the New York metropolitan area. See id. ¶ 7; accord Dep. Tr. at 111-12.

Joseph DiNapoli has the extensive criminal record typical of the career criminal. For example, in 1969, DiNapoli was arrested on New York state gambling charges. He was indicted in 1973 on federal drug conspiracy and tax evasion charges and was subsequently convicted of the latter. In 1975, DiNapoli was convicted of extortion and tax evasion and was sentenced to twenty-one years in prison. In 1976, he was convicted on New York state perjury charges and sentenced to two to four years in prison. DiNapoli was released from prison in 1982. In 1993, he was indicted on federal loansharking charges; he was convicted in 1995 and sentenced to thirty months in prison. Also in 1995, shortly before that conviction,

DiNapoli was indicted on federal mail fraud conspiracy charges. A few weeks after that indictment, DiNapoli was indicted again, this time on New York state racketeering charges. He was later convicted in that case and sentenced to three years in prison. In 1996, DiNapoli pleaded guilty in the federal mail fraud conspiracy case. He has been incarcerated since 1995.

Kenneth Cartalemi has known Joseph DiNapoli since at least the mid-1980's. See Dep. Tr. at 81, 93-94; Cartalemi Aff. ¶ 27. When Cartalemi first met him, DiNapoli had recently been released from prison. Dep. Tr. at 93-94. They met through Pasquale Carbone, Cartalemi's uncle through marriage and the uncle through marriage of DiNapoli's brother Louis. See id. at 81.

Cartalemi's general approach to the criminal backgrounds of his business associates is to "never ask[ ] questions." Dep. Tr. at 95; see id. at 142 ("If they don't tell me, I don't ask."). Nonetheless, he has long known that Joseph DiNapoli is a member of organized crime, and Global does not contend otherwise. Cartalemi has "always" and "forever" been familiar with allegations, from both the newspapers and "basic street talk," that DiNapoli is connected to organized crime. Id. at 93-94. For example, Cartalemi read in the newspaper that DiNapoli is a Luchese soldier. Id. at 198. Cartalemi himself has heard DiNapoli "talk like a wise guy," i.e., a member of organized crime. Id. at 95. "I have been in his company and I would say that he has talked the talk." Id. DiNapoli's organized crime connections were a topic of discussion with Cartalemi's friends and relatives. See id. at 121.

Indeed, Cartalemi and DiNapoli have been criminal defendants together. In May 1995, they and eight others (including DiNapoli's brother Anthony, a member of the Genovese crime family) involved in the New York metropolitan area waste removal and construction industries were indicted in the Southern District of New York on federal mail fraud conspiracy charges arising out of a scheme to defraud the New York State Insurance Fund of hundreds of thousands of dollars by making payoffs to obtain unwarranted reductions in workers compensation insurance premiums for their businesses. See Office of the United States Attorney, Southern District of New York, Press Release No. 95-62, dated May 3, 1995 (describing indictment in United States v. Joseph DiNapoli, et al.). Joseph DiNapoli pleaded guilty in that case. According to Cartalemi, the charges against him were dismissed. Dep. Tr. at 132.

## 2. Cartalemi's Business Dealings with DiNapoli

Despite being well aware of Joseph DiNapoli's membership in organized crime, Kenneth Cartalemi has long been DiNapoli's business partner and, indeed, maintains a business relationship with him to this day. Cartalemi and DiNapoli have been shareholders in Mid-Hudson Construction Corp. ("Mid-Hudson"), a closely held construction company based in Peekskill, New York, since approximately the mid-1980's. See Dep. Tr. at 21, 82-83; Cartalemi Aff. ¶¶ 8-9. Cartalemi owns 15% of Mid-Hudson; his father, his uncle Angelo Carbone, and members of the DiNapoli family, including Joseph DiNapoli, own the rest. Dep. Tr. at 82.

There are a number of significant business connections among Mid-Hudson, other companies in which Cartalemi has an interest, and Global, which was formed in 1991. See Dep. Tr. at 24. Mid-Hudson's business address is 1011 Lower South Street in Peekskill. Several Cartalemi companies – Karta Industries, Karta Container & Recycling, and Ken-Mar Motors – are located at the same address. See id. at 22-23. Global's business address is 120 Travis Lane in Peekskill, an adjacent parcel of property. Id. at 23. Kenneth Cartalemi and Joseph DiNapoli are personal guarantors on promissory notes owed by Mid-Hudson. Id. at 96. Since 1991, Global and Karta Container have given undocumented loans totaling upwards of \$100,000 to Mid-Hudson – either directly or through Travis Lane, a Cartalemi real estate company – to enable Mid-Hudson to make payments on those notes. See id. at 98-101. Cartalemi also has loaned \$50,000 of his own money to Mid-Hudson. Id. at 103-04.

Before Joseph DiNapoli's most recent incarceration, Cartalemi had periodic telephone conversations and meetings with him to discuss Mid-Hudson's business affairs. See Dep. Tr. at 82-84. During that time – specifically, the early 1990's – Cartalemi also served as an informal consultant to DiNapoli in connection with two waste-industry ventures, unrelated to Mid-Hudson, in which DiNapoli had an interest: a leaf-composting contract with the town of Harrison, New York and the Hunts Point Recycling transfer station in the Bronx. See id. at 84-87, 92-93, 106-11. It was during these meetings with DiNapoli that Cartalemi "heard him talk like a wise guy." Id. at 95. DiNapoli also has periodically sent messages to Cartalemi through others (such as DiNapoli's son and son-in-law) concerning the conduct of Mid-Hudson's business and other business matters. See id. at 114-16, 150-51.

A particularly noteworthy facet of the relationship between Cartalemi and DiNapoli involved Statewide Carting, a company briefly operated by Cartalemi in Rockland County in the early 1990's. After Statewide began operating, Cartalemi received a telephone call from DiNapoli's son-in-law, conveying a message from DiNapoli. According to Cartalemi, DiNapoli's message was "to be careful, I was going to be set up" – "the FBI was going to set me up and dump asbestos in my containers and then try to see if I knew anything." Dep. Tr. at 148-49, 150-51. In Cartalemi's estimation, DiNapoli, an organized crime figure, was trying to "protect" him. *Id.* at 151. Cartalemi discontinued Statewide's operations immediately. *Id.* at 149.

Global asserts that Kenneth Cartalemi's business dealings with Joseph DiNapoli have been "*de minimus*." Cartalemi Aff. ¶ 3. The cumulative weight of the evidence described above dispels that assertion. In any event, however, in light of the long history of organized crime's corrupting influence over the waste removal industry in the New York metropolitan area, even minor dealings between a carter and a mobster would call into serious question the carter's ability to meet the character and integrity standards mandated by Local Law 42. This is particularly true where, as here, the carter values and follows the advice of the mobster concerning law-enforcement authorities.

Global argues that Cartalemi's business dealings with Joseph DiNapoli should be excused because they originated with his brother, Louis DiNapoli. *See* Cartalemi Aff. ¶¶ 7-9, 27, 30, 34. This affords us no comfort. Louis DiNapoli is a member of the Genovese organized crime family with interests of his own in the waste industry. *See* Affidavit of Detective Anthony Farneti, sworn to January 21, 2000, ¶¶ 6-7. Business dealings between a carter and a Genovese soldier are just as troublesome as those between a carter and a Luchese capo. The fact remains that, ever since Kenneth Cartalemi has been in the waste removal business, he has had business relationships with members of organized crime, and he apparently is unable or unwilling to terminate those relationships.<sup>1</sup>

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<sup>1</sup> We note in this regard that, despite presumably having every incentive to be clear about the "*de minimus*" extent of his business dealings with the DiNapolis, Cartalemi has opted for ambiguity. Thus, he variously asserts (i) that, by the late 1980's, the DiNapolis had "removed their financial interests" in Mid-Hudson; (ii) that "[i]n order to divest the interests" of the DiNapolis in Mid-Hudson, he "brokered a deal purchasing Global," which was not incorporated until 1991; and (iii) that he "made every effort to purchase" the DiNapolis' "financial interests in Mid-Hudson." Cartalemi Aff. ¶¶ 9, 11, 34. If the business relationship between Cartalemi and the DiNapolis is as insignificant as Global contends, he should be able to explain it in a straightforward manner. He has not, however, done so.

The evidence recounted above demonstrates that Kenneth Cartalemi has long had business dealings with Joseph DiNapoli, a capo in the Luchese organized crime family, in the waste removal and construction industries. Local Law 42 expressly authorizes the Commission to deny licensure to a carting company whose principal has knowingly associated with a member of organized crime. See Admin. Code § 16-509(a)(v); see also SRI, 107 F.3d at 998. In light of Local Law 42's core goal of eliminating the influence of organized crime from all sectors of the City's waste removal industry, the Commission also may refuse on this ground to issue a registration to a carting company seeking to haul construction and demolition debris. See Admin. Code §§ 16-505(a), 16-509(b). Cartalemi's knowing association with a member of organized crime demonstrates that his company, Global, lacks the good character and business integrity required under Local Law 42 for participation in the carting industry in the City of New York.<sup>2</sup>

**B. Global and an Affiliated Company Have Unlawfully Engaged in Carting Activity in the City of New York**

Under Local Law 42, it is unlawful for a carting company to operate in the City of New York without having first obtained a license or registration from the Commission. See Admin. Code § 16-505(a). Neither Global nor Karta Container & Recycling, Inc. ("Karta Container"), another carting company controlled by Kenneth Cartalemi, has been issued a registration or any other authorization by the Commission to operate in the City. Karta Container, in fact, has not even applied to the Commission for such authorization. Nor did Global previously hold a carting license issued by the DCA, the agency with regulatory jurisdiction over the City's carting industry before the enactment of Local Law 42. Karta Container previously held a DCA license to haul construction and demolition debris, but that

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<sup>2</sup> Global requests an evidentiary hearing "to examine the Commission's evidence" and to demonstrate the "*de minimus*" nature of Cartalemi's business relationship with DiNapoli. Cartalemi Aff. ¶ 3. We note first that Global is not entitled to an evidentiary hearing in connection with its registration application. The United States Court of Appeals already has held that an applicant seeking licensure from the Commission has no entitlement to a license and, therefore, no constitutionally protected property interest in a license. SRI, 107 F.3d at 995. In the absence of such a property interest, the applicant has no constitutional right to a hearing on its application. See Litod Paper Stock Corp. v. City of New York, No. 11054/97-001 (Sup. Ct. N.Y. Cty. June 19, 1997), slip op. at 3 (citing SRI); Pearsall Carting Co. v. City of New York, No. 23666/98 (Sup. Ct. Bronx Cty. Nov. 16, 1998), slip op. at 2 (citing SRI and Litod). Nor does Local Law 42 itself afford such a right. Moreover, we find that an evidentiary hearing is unwarranted here. Global's asserted desire "to examine the Commission's evidence" rings hollow when one considers that Global has not even obtained a copy of Cartalemi's deposition transcript, despite having been repeatedly informed by the Commission that a copy was available. As for Cartalemi's relationship with DiNapoli, Global had ample opportunity to explain it in both Cartalemi's deposition testimony (which formed the principal basis for the staff's denial recommendation) and his subsequent affidavit.

license expired by operation by law due to the company's failure to file a registration application with the Commission by August 30, 1996. See Local Law 42, § 14(iii)(a)(2); 17 RCNY § 2-01(a).

Global and Karta Container are separate companies only on paper. According to Cartalemi, the two companies "share everything," including employees, telephone lines, equipment, trucks, and containers. See Dep. Tr. at 37-43, 62. Cartalemi oversees the operations of both companies. Id. at 43-44.

Despite the lack of any authorization to operate in the City of New York, both Global and Karta Container, by Cartalemi's own admission, have been operating in the City for the past three years. Indeed, the companies have been operating throughout the City without interruption since the late 1980's. See Dep. Tr. at 64-66. Cartalemi's testimony in this regard is confirmed by Commission inspection staff observations of Karta Container trucks operating in the City in 1998 and 1999. Cartalemi estimated that over the past three years his companies have earned annual revenues of approximately \$100,000 from hauling construction and demolition debris in the City. Id. at 68-69. Cartalemi's companies engaged in this unlawful carting activity despite his knowledge that prior authorization from the Commission was required under the law. See id. at 66-67; see also id. at 64 ("I had been wanting to submit a license [application, but] didn't have the time . . ."); Cartalemi Aff. ¶ 19.

Global seeks to excuse its unlawful carting activity by asserting that Karta Container was its "predecessor-in-interest." Cartalemi Aff. ¶¶ 14, 33. This description of the two companies' relationship seems inaccurate since Karta Container apparently still exists. In any event, by operation of Local Law 42, Karta Container has not been authorized to operate in the City of New York since August 1996 at the latest and thus cannot confer any legitimacy upon Global's operations. As to Global's contention that it is justified in operating unlawfully because, in its view, the Commission took too long to investigate its registration application, see id. ¶ 33, suffice it to say that Local Law 42 does not provide for such "registration by estoppel." The law is clear that a carting company in Global's situation cannot haul c & d in the City of New York without a registration from the Commission, and it is undisputed that Global did not obtain one but nonetheless has operated in the City for the past three years.

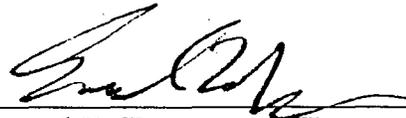
Global's and Karta Container's admitted unlawful carting activity in the City of New York over the past three years has been sustained and substantial, and provides another, independent ground on which to conclude that Global lacks the good character and business integrity required under Local Law 42 for participation in the City's carting industry.

### III. CONCLUSION

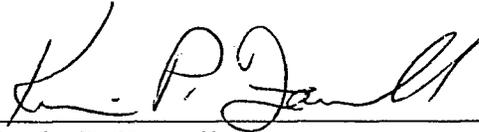
For the independently sufficient reasons discussed above, the Commission denies Global's registration application. Inasmuch as Global is not currently authorized to operate in the City of New York, this decision is effective immediately.

Dated: January 21, 2000

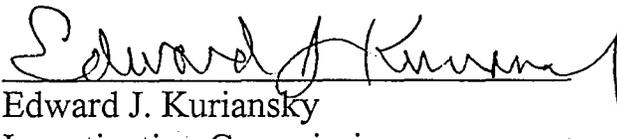
#### THE TRADE WASTE COMMISSION



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Chair

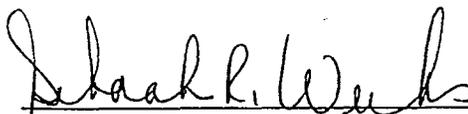


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Acting Business Services Commissioner