



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

**DECISION OF THE BUSINESS INTEGRITY COMMISSION DENYING THE
REGISTRATION RENEWAL APPLICATION OF WASTE SOLUTIONS OF L.I. D/B/A
GALAXY CARTING D/B/A REDBOX PLUS (#3913) TO OPERATE AS A TRADE
WASTE BUSINESS**

I. INTRODUCTION & BACKGROUND

A. Introduction

On August 30, 2013, Waste Solutions of L.I. d/b/a Galaxy Carting d/b/a Redbox Plus (“Galaxy” or the “Applicant”) applied to the New York City Business Integrity Commission (the “Commission”)¹ for renewal of its exemption from the Commission’s trade waste licensing requirements to operate a trade waste business “solely engaged in the removal of waste materials resulting from building demolition, construction, alteration or excavation” (the “Instant Application”).² Local Law 42 of 1996 (“Local Law 42”) authorizes the Commission to review and make determinations on such exemption applications. See Title 16-A, New York City Administrative Code (“Administrative Code” or “Admin. Code”) § 16-505(a).

After a review of the application, if the Commission grants the exemption from the Commission’s trade waste licensing requirements, the applicant will be issued a registration. See *id.* at § 16-505(a)-(b). The Commission’s review of an exemption application focuses on a determination of whether the applicant possesses business integrity. See Title 17, Rules of the City of New York § 1-09 (prohibiting numerous types of conduct reflecting lack of business integrity, including violations of law, knowing association with organized crime figures, false or misleading statements to the Commission, and deceptive trade practices); Admin. Code § 16-504(a) (empowering the Commission to issue and establish standards for issuance, suspension, and revocation of licenses and registrations); Admin. Code § 16-509(a) (authorizing the Commission to refuse to issue licenses to applicants lacking “good character, honesty and integrity”).

¹ The Commission was formerly known as the New York City Trade Waste Commission.

² “Trade waste” or “waste” is defined at Admin. Code § 16-501(f)(1) and includes “construction and demolition debris.”

The Commission has completed its review of the Instant Application. On May 13, 2015, the Applicant's attorney agreed to accept service of the Commission's staff Notice of the Grounds to Deny the Application of Galaxy to Operate as a Trade Waste Business (the "Notice of Denial"), and, on that same date, the Commission's staff served the Applicant's attorney with the Notice of Denial. The Applicant was given 10 business days to respond, until May 28, 2015. See 17 Rules of the City of New York ("RCNY") §2-08(a). The Commission did not receive a response from the Applicant. The Commission has carefully considered the Notice of Denial. Based upon the record as to the Applicant, the Commission now denies Galaxy's exemption application because the Applicant lacks good character, honesty and integrity based on the following independently sufficient reasons:

- 1. The Applicant Lacks Good Character, Honesty, and Integrity Because Its Undisclosed Principal, Anthony Bazzini, Has Been Publicly Identified as a Member of Organized Crime and Has Committed Multiple Racketeering Offenses;**
- 2. The Applicant Knowingly Provided False and Misleading Information to the Commission on the Instant Application by Failing to Disclose Anthony Bazzini as its Principal; and**
- 3. The Applicant Knowingly Failed to Provide Truthful and Non-Misleading Information to the Commission When Its Principal Failed to Appear for a Scheduled Sworn Interview.**

B. 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, 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 such 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 thereof. Id. at § 16-501(a).

The Administrative Code provides an illustrative list of relevant factors for the Commission to consider in making its determination on 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.

Id. at § 16-509(a)(i)-(x). 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 Elite Demolition Contracting Corp. v. The City of New York, __ N.Y.S.2d __, 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). See also Admin. Code § 16-509(a)(i) (failure to provide truthful information in connection with application as a consideration for denial). 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 where the applicant or its principals have previously had their 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 (N.Y. 1997).

II. DISCUSSION

A. Statement of Facts

1. **Anthony Bazzini, a Known Organized Crime Member Who Has Committed Multiple Racketeering Offenses, Is an Undisclosed Principal of the Applicant.**

The record in this matter demonstrates that an individual named Anthony Bazzini (“Bazzini”) is an undisclosed principal of Galaxy, operating as a “ghost owner” for the company while the named principals are merely owners on paper. Bazzini has a lengthy criminal record, and the United States Attorney’s Office for the Southern District of New York and the Federal Bureau of Investigation have identified Bazzini as a soldier in the Gambino Organized Crime Family.³ In the course of a criminal prosecution of Bazzini in the Southern District of New York, Bazzini acknowledged that he and Galaxy had “an arm’s length billing arrangement and pay each other for services” and that he participated in a “joint venture” with Galaxy to expand into New Jersey. See Defendant Bazzini’s First Motion in Limine, United States of America v. Scott Fappiano and Anthony Bazzini, 13 Cr. 15 (PKC), S.D.N.Y. (2014). However, as set forth below, the relationship between the Applicant and Bazzini is significantly more than “arm’s length.”

Bazzini’s criminal record began at least as early as 1996, when he pleaded nolo contendere for obtaining property in return for a “worthless check,” one from a closed account. See Trial Transcript, United States of America v. Anthony F. Bazzini, No. 00CR10272003, 2003 WL 25737016, (S.D.N.Y. Sept. 16, 2003) at 1-2. Then, beginning in 1998, Bazzini engaged in conspiracy to commit securities fraud and the making of extortionate extensions of credit. Specifically, Bazzini loaned \$10,000 to a stock-broker at an “extortionate annual interest rate of 400%,” and forced the broker into extortionate repayment terms “by keeping the broker in perpetual fear of physical harm if he failed to make the required weekly interest payments.” See Brief for the United States of America, United States of America v. Richard E. Capri and Anthony Bazzini, No. 031579, 2004 WL 3399744 (C.A.2. May 26, 2004) at 3. In 2003, Bazzini

³ See press release dated January 16, 2013, “Thirty-Two Individuals Charged in Manhattan Federal Court in Connection with Alleged Organized Crime Scheme to Control the Commercial Waste Disposal Industry” (2013), available at <http://www.fbi.gov/newyork/press-releases/2013/thirty-two-individuals-charged-in-manhattan-federal-court-in-connection-with-alleged-organized-crime-scheme-to-control-the-commercial-waste-disposal-industry>.

was convicted of those crimes in the Southern District of New York.⁴ See Transcript of Sentencing Proceedings, United States of America v. Richard E. Capri and Anthony Bazzini, No. 00CR1027, 2003 WL 25737016, (S.D.N.Y. Sept. 16, 2003).⁵

Ten years later, Bazzini's criminal history continued in a case relating directly to the Instant Application. On January 19, 2013, along with 31 co-defendants, Bazzini was indicted in the Southern District of New York.⁶ The Indictment alleged, among other things, that Bazzini and his co-defendants were members of an organized criminal enterprise relating to the operation of waste disposal businesses throughout the New York City metropolitan area and New Jersey (the "Waste Disposal Enterprise"). Id. According to the Indictment, Bazzini and other members of the Waste Disposal Enterprise concealed their ownership of certain waste disposal businesses, including Galaxy. On paper, those businesses were owned and operated by non-Waste Disposal Enterprise members, or "Controlled Owners." See id. at 3. Thus, the government referred to the true owners (the Waste Disposal Enterprise members) as "ghost owners." See Notice of Enterprise Evidence and Government's Motions in Limine, United States of America v. Carmine Franco et. al., (S.D.N.Y., November 1, 2013) at 7. Because they had no known affiliations with organized crime, the "Controlled Owners" were able to obtain the necessary licenses to conduct business, such as a license or registration issued by the Commission. Id.

According to the Indictment, members of the Waste Disposal Enterprise required "Controlled Owners" to act as guarantors for debts owed by others to the Waste Disposal Enterprise and then took "retributive actions" when "debtors failed to pay in the manner desired." See id. at 9. The Indictment alleged that Bazzini acted as a silent partner of Galaxy, operating "behind the scenes." See id. at 6, 9. The government called Bazzini a "ghost owner" of Galaxy and alleged that Galaxy's nominal principals, David Warren and Thomas Cashel, were merely "paper owners." See Notice of Enterprise Evidence and Government's Motions in Limine, United States of America v. Carmine Franco et. al., (S.D.N.Y., November 1, 2013) at 7. Evidence of Bazzini's position as a "ghost owner" of Galaxy includes a conversation regarding money owed to Galaxy, recorded on December 22, 2011, in which Bazzini stated, "I want *my* money! I want *my* money. Make sure you get *my* money." See Supplemental Sentencing Memo at 2. Bazzini would have no reason to believe that any money supposedly owed to Galaxy belonged to him unless he had a vested ownership interest in the company. Importantly, Bazzini did not deny attempting to collect money on Galaxy's behalf. See Defendant Bazzini's First Motion in Limine at 4. This "ghost owner"/"Controlled Owner" relationship between Bazzini and Galaxy makes Bazzini an undisclosed principal of Galaxy.

⁴ The making of extortionate extensions of credit as defined by United States 18 U.S.C. § 892 is a racketeering activity enumerated in 18 U.S.C.A. § 1951, and is a basis for denial of an application for a license or registration from the Commission. See Admin. Code § 16-509(a)(v).

⁵ Bazzini later appealed, and his securities conviction was remanded for reconsideration of the money owed for restitution. See United States of America v. Richard E. Capri and Anthony Bazzini, 111 Fed.Appx. 32 (2004).

⁶ The Indictment charges Bazzini with racketeering in violation of 18 U.S.C.A. § 1962(c), and with conspiracy to commit extortion as defined by 18 U.S.C.A. § 1951(b)(2). See Sealed Indictment, United States of America v. Carmine Franco et. al., 1:13-cr-00015-PKC, S.D.N.Y. (2013) (the "Indictment"). Hereafter, unless otherwise stated, all court filings, pleadings and motions cited refer specifically to the case of United States of America v. Carmine Franco et. al., Case 1:13-cr-00015-PKC, S.D.N.Y. (2013).

Apparently Bazzini was aware that his association with organized crime would likely preclude him from receiving a license or registration from the Commission. A cooperating witness recorded a conversation with Bazzini in which Bazzini stated that he applied for a Commission license in the mid-1990s but was denied.⁷ See Notice of Enterprise Evidence and Government Motion In Limine, United States of America v. Carmine Franco et. al., (S.D.N.Y., November 1, 2013). Bazzini stated, “Nobody is kidding nobody. I applied in [the] mid-90’s when Giuliani started [the] waste trade commission [sic], I applied for my license and got turned down like that because [the Commission] told me don’t waste my time.” Id. Bazzini further elaborated concerning his organized crime affiliation, stating, “[w]hen they gave me the booklet with 1100 names [of individuals associated with organized crime], I probably knew 1060 personally then what do you do?” See id. at 12.

On January 28, 2014, Bazzini pled guilty in the Waste Disposal Enterprise case to the crime of communicating an interstate threat of bodily harm, a federal felony.⁸ See Trial Transcript, United States of America v. Scott Fappiano and Anthony Bazzini, (S.D.N.Y. January 28, 2014). He was sentenced to serve a year and a day in federal prison. See Judgment in a Criminal Case, United States of America v. Anthony Bazzini, (S.D.N.Y. June 25, 2014). This case, in conjunction with the rest of Bazzini’s lengthy criminal history, demonstrates Bazzini’s propensity toward violent threats and extortion. Importantly, this most recent offense relates directly to, and is the result of activity within, the trade waste industry. Even if the Commission were to believe Bazzini’s claim that he was not an owner of the Applicant, the fact that the Applicant did business with a known organized crime figure and racketeer such as Bazzini warrants denial of this renewal application.

2. The Applicant Knowingly Provided False and Misleading Information to the Commission on its Applications by Failing to Disclose Anthony Bazzini as its Principal.

Prior to submitting the Instant Application, the Applicant had submitted two earlier applications to the Commission. First, on or about February 9, 2009, Galaxy submitted a Class 2 Registration with the Commission, which was approved on August 27, 2009 (the “2009 Application”). Second, Galaxy submitted a Class 2 Renewal Application to the Commission on August 2, 2011, which was approved on August 23, 2013 (the “2011 Renewal Application”). The Instant Application is Galaxy’s second renewal application. Bazzini was not disclosed as a principal in any of those applications.⁹ See 2009 Application, 2011 Renewal Application, and

⁷ A search of Commission records reveals no such application having ever been filed.

⁸ This charge is defined by 18 U.S.C. § 875(c): “Whoever transmits in interstate or foreign commerce any communication containing any threat to kidnap any person or any threat to injure the person of another, shall be fined under this title or imprisoned not more than five years, or both.”

⁹ On all three applications, the Applicant disclosed Thomas Cashel and David Warren as principals. On the 2009 Application, the Applicant disclosed Kenneth Goetz as its President and 33.3% owner. Thomas Cashel and David Warren were disclosed as the other 33.3% owners, and disclosed as Vice-President and Secretary, respectively. See 2009 Application. On the 2011 Renewal Application, Thomas Cashel and David Warren were disclosed as the sole principals, each owning 50% of the business. See 2011 Renewal Application. On the Instant Application, Thomas Cashel and David Warren were disclosed as 50% owners and the sole principals, with the same titles as indicated on the 2011 Renewal Application. See Instant Application.

the Instant Application. However, as set forth above, through the course of the Waste Disposal Enterprise case, it became apparent that Bazzini is an undisclosed principal of Galaxy.

3. The Applicant Knowingly Failed to Provide Truthful and Non-Misleading Information to the Commission When Its Principal Failed to Appear for a Scheduled Sworn Interview.

When the Commission became aware of Bazzini's potential ownership role in and involvement with Galaxy, the Commission's staff noticed principal Thomas Cashel for sworn testimony. See letter to Galaxy, dated June 25, 2014. The sworn testimony was scheduled for July 15, 2014. Id. Prior to that date, Galaxy's attorney informed the Commission that Galaxy wished to withdraw its instant renewal application. See letter from Justin Block to the Commission, dated July 8, 2014. In his letter, Galaxy's attorney stated that Galaxy no longer conducted business in New York City. Id. On July 15, 2014, the Commission received Galaxy's Commission-issued license plates and a letter which reiterated Galaxy's request for withdrawal. See letter from Justin Block to the Commission, dated July 15, 2014.

On February 10, 2015, the Commission denied Galaxy's request to withdraw its application and once again noticed principal Thomas Cashel for sworn testimony. See letter to Thomas Cashel from Commissioner Daniel Brownell, dated February 17, 2015. Cashel's sworn interview was scheduled for March 3, 2015. Id. The Commission's staff received a phone call from Mr. Block (Galaxy's attorney) requesting to postpone the sworn testimony until March 12, 2015. Subsequently, the Commission's staff received two more phone calls from Mr. Block, informing the Commission that Mr. Cashel would not be appearing. In these calls, Mr. Block stated that he and Mr. Cashel understood that Mr. Cashel's failure to appear would constitute sufficient grounds for denial of the Instant Application. On March 12, 2015, Mr. Cashel failed to appear at the Commission's offices for his sworn interview.

B. Basis for Denial

1. The Applicant Knowingly Failed to Demonstrate Eligibility for a Trade Waste Registration Because the Applicant Lacks Good Character, Honesty and Integrity by Associating with Anthony Bazzini, an Organized Crime Member Who Has Committed Multiple Racketeering Offenses.

The Commission may refuse to issue a license to an applicant for an applicant's knowing association with a person who has been convicted of a racketeering activity. See Admin. Code § 16-509(v). See also id. § 16-504(a). The Commission also may refuse to issue a license to an applicant 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. See Admin. Code § 16-509(vi). See also id. § 16-504(a).

The Applicant associated with Bazzini, an individual who has been publicly identified as a soldier in the Gambino crime family and has a long history of committing racketeering

offenses. He has shown a lack of good character, honesty and integrity through his lengthy criminal history, most recently his 2014 conviction for communicating violent threats in the trade waste industry. The evidence in the record demonstrates that Bazzini is an undisclosed principal of Galaxy. Therefore, the Applicant knew or should have known of Bazzini's racketeering convictions and his ties to organized crime. The Applicant should neither have associated nor done business with Bazzini. The Applicant has not disputed these assertions. Thus, for this independently sufficient reason, the Commission denies the Instant Application.

2. The Applicant Knowingly Failed to Provide Truthful and Non-Misleading Information to the Commission by Failing to Disclose Anthony Bazzini as a Principal on the Instant Application.

All Applicants must provide truthful and non-misleading information required by the Commission. See Admin. Code § 16-509(a)(i). See also id. at § 16-509(b), § 16-504(a). A knowing failure to do so is a ground for denial of the application. See id. As set forth above, Bazzini was an undisclosed principal of Galaxy. The Applicant failed to disclose Bazzini as a principal in all of its three applications filed with the Commission. At no point did the Applicant attempt to amend its applications or inform the Commission of Bazzini's role as a principal. The Applicant has not disputed these assertions. Thus, for this independently sufficient reason, the Commission denies the Instant Application.

3. The Applicant Knowingly Failed to Provide Truthful and Non-Misleading Information to the Commission by Failing to Appear for Scheduled Sworn Testimony.

The Applicant knowingly failed to provide truthful and non-misleading information to the Commission in another way. As set forth above, the Commission noticed principal Thomas Cashel for sworn testimony, and he chose not to appear, knowing that to do so would be grounds to denied the Instant Application. The Applicant has not disputed these assertions, and has not explained Cashel's failure to appear as required for sworn testimony. Therefore, the Commission should find that the Applicant knowingly failed to provide the Commission with truthful and non-misleading information required by the Commission by failing to submit to a sworn interview. For this independently sufficient reason, the Commission denies the Instant Application. See Admin. Code § 16-509(a)(i). See also id. at § 16-509(b).

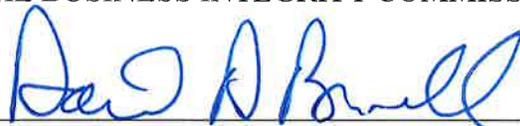
III. CONCLUSION

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 falls short of that standard. Accordingly, based on the above independently sufficient reasons, the Commission denies Galaxy's registration application.

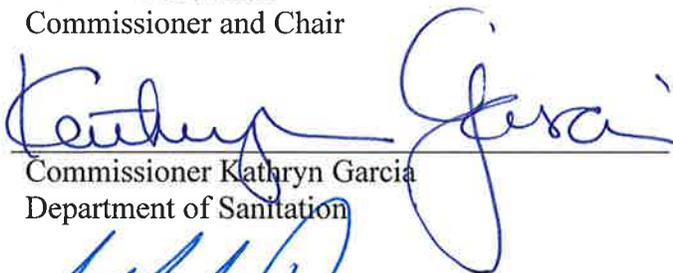
This registration denial is effective immediately. Galaxy may not operate as a trade waste business in the City of New York.

Dated: June 22, 2015

THE BUSINESS INTEGRITY COMMISSION



Daniel D. Brownell
Commissioner and Chair



Commissioner Kathryn Garcia
Department of Sanitation



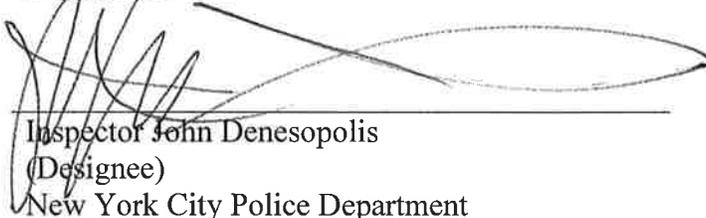
Commissioner Mark G. Peters
Department of Investigation



Commissioner Julie Menin
Department of Consumer Affairs



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



Inspector John Denesopolis
(Designee)
New York City Police Department