

Business Integrity Commission Meeting
June 27, 2017

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TRANSCRIPT OF
THE CITY OF NEW YORK
BUSINESS INTEGRITY COMMISSION MEETING

TUESDAY, JUNE 27, 2017
100 CHURCH STREET, 2ND FLOOR
BOROUGH OF MANHATTAN

Reported By:

Nicole Ellis

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HEARING CONVENED AT 11:03 a.m.

PRESENT:

DAVID D. BROWNELL, Commissioner/Chair of BIC

NOAH D. GENEL, Deputy Commissioner of Legal

Affairs/General Counsel of the Commission

KATHRYN GARCIA, Commissioner for Department of Sanitation

MARK PETERS, Commissioner for Department of Investigation

LORELEI SALAS, Commissioner for Department of

Consumer Affairs

ANDREW SCHWARTZ, Deputy Commissioner, Department of Legal

and Regulatory Affairs, Department of Small

Business Services

DOMINICK D'ORAZIO, Deputy Inspector, NYC Police Department

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MR. GENEL: Good morning. Today is June 27, 2017, the time is 11:03 a.m., we're at 100 Church Street in New York City on the second floor.

Welcome to today's meeting of the New York City Business Integrity Commission. I'm Noah Genel, Deputy Commissioner of Legal Affairs and General Counsel for the Commission. And I'm joined by the following commission members:

Daniel Brownell, Commissioner and Chair of the Business Integrity Commission;

Department of Sanitation Commissioner Kathryn Garcia;

Department of Investigation Commissioner Mark Peters;

Department of Consumer Affairs Commissioner Lorelei Salas;

Deputy Commissioner for Legal and Regulatory Affairs Andrew Schwartz of the Department of Small Business Services, representing SBS Commissioner Gregg Bishop;

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And New York City Police Department
Deputy Inspector Dominick D'Orazio
representing Police Commissioner James
O'Neill.

Today, the Commission will be
considering two applications, both of
which the Commission's staff has
recommended be denied. The applicants
were each served with a Notice of Grounds
to Recommend the Denial of their
applications.

The applicants were advised that they
had ten business days to submit a sworn,
written response to the Commission. As is
the Commission staff's practice, the staff
granted reasonable requests for an
extension of the response date.

On June 14, 2017, I e-mailed to the
Commission members the recommended denial
decisions regarding the applications at
issue, as well as any responses submitted
by the applicants. There have been no
material changes made to any of the
recommended denial decisions.

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I will now review the grounds cited for both recommended denials. For each application, the Commission members will vote as to whether or not to adopt the staff's recommendation to deny the application. A vote of yes is a vote to adopt the staff's recommendation. A vote of no is a vote not to adopt the recommendation.

The first application to be considered is the registration renewal application of La Bella Vista Industries I60nc., BIC No. 34 Inc., BIC No. 3460 to operate as a trade waste business. The staff attorney in charge of this application is Deputy General Counsel John Curry. The Commission's staff recommends denial of this application based on the following two grounds as fully set forth in the staff's recommendation:

One, the applicant was recently convicted of the crime of scheme to defraud in the first degree, a class E felony;

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2 And two, the applicant's sole
3 principal has recently committed a
4 racketeering activity.

5 Do any of the Commissioners have any
6 questions or comments regarding this
7 application?

8 (No response.)

9 MR. GENEL: Is there a motion from
10 the Commissioners to adopt the staff's
11 recommendation?

12 MS. GARCIA: So moved.

13 MR. PETERS: Second.

14 MR. GENEL: How does the board vote?

15 MR. PETERS: Yes.

16 MS. GARCIA: Yes.

17 MR. BROWNELL: Yes.

18 MR. D'ORAZIO: Yes.

19 MR. SCHWARTZ: Yes.

20 MS. SALAS: Yes.

21 MR. GENEL: Let the record reflect
22 that the vote is unanimous.

23 The second and last application to be
24 considered today is the registration
25 application of NYC Topline Construction

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and Management Inc., BIC No. 491145 to operate as a trade waste business. The staff attorney in charge of this application is former Assistant General Counsel Leigh Neren.

The Commission's staff recommends denial of this application based on the following two independently sufficient grounds as fully set forth in the staff's recommendation:

One, the applicant's sole principal was convicted of falsifying business records in the second degree;

And two, the applicant provided false information to the Commission in the registration application.

Do any of the Commissioners have any questions or comments regarding this application?

(No response.)

MR. GENEL: Is there a motion from the Commissioners to adopt the staff's recommendation?

MR. PETERS: So moved.

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MS. GARCIA: Second.

MR. GENEL: How do the members vote?

MR. PETERS: Yes.

MS. GARCIA: Yes.

MR. BROWNELL: Yes.

MR. D'ORAZIO: Yes.

MR. SCHWARTZ: Yes.

MS. SALAS: Yes.

MR. GENEL: Let the record reflect
that the vote is unanimous.

I believe Commissioner Brownell wanted
to make a statement about the La Bella Vista
denial.

MR. BROWNELL: So as noted in the denial
for La Bella Vista, in November of 2015 the
Manhattan District Attorney's office announced
the indictments of 44 individuals and 9
companies involved in massive systemic fraud
in the heating oil supply industry that was
exposed by detectives from NYPD, the
investigators from the Business Integrity
Commission, investigators from DOI, for
substantial assistance from inspectors from
DCA, great help from DSNY -- the only one that

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didn't help was SBS, but you help in other ways.

(Laughter.)

MR BROWNELL: But seriously, it was a very large investigation. And the defendant's in those schemes rigged their heating oil delivery trucks to allow them to steal from their customers. Gennaro Nortetano, the sole principal, was one of those indicted in the heating oil scam, along with his two uncles who ran G&D Petroleum Industries Inc. Nortetano was a driver for that -- for G&D and he pleaded guilty to defrauding his customers, which he admitted in his allocution he did for a three-year period between October 2012 and 2015. He's been sentence to a split sentence, six months and five years probation and must pay back thousands of dollars in forfeiture.

This case demonstrates that BIC -- when I say "BIC," I mean the whole commission, everyone in this room -- will not allow the corruption that is rampant

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in the heating oil supply industry to bleed over into the trade waste industry.

For the last 20 years, BIC has worked very hard, along with the City, to make that industry a much better industry.

As of now, because there's no licensing structure regulating the heating oil supply industry, Nortetano, and, in fact, all the defendant's that have pleaded guilty, could go right back to work in the heating oil supply industry, but he will not find a home in the trade waste industry.

And if the City Council passes Intro No. 1268, which proposes placing the heating oil supply industry under BIC's regulation, Nortetano, and other fraudsters like him, will no longer be welcome in that industry either.

Thank you.

MR. GENEL: Thank you, Commissioner.

That concludes the matters before the Commission today. I ask the members of the Commission to sign the denial

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decisions that have been voted today.

Thank you to the Commission members for your participation in today's meeting and to the members of the Commission staff for your hard work on these matters. And thank you also to any members of the public who have attended or are watching on our YouTube channel.

Thank you and that concludes the meeting.

(Time noted: 11:11 a.m.)

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C E R T I F I C A T E

STATE OF NEW YORK)

: ss.:

COUNTY OF QUEENS)

I, NICOLE ELLIS, a Notary Public for and within
the State of New York, do hereby certify:

I reported the proceedings in the within-entitled
matter, and that the within transcript is a true
record of such proceedings.

I further certify that I am not related to any of
the parties to this action by blood or by marriage
and that I am in no way interested in the outcome of
this matter.

IN WITNESS WHEREOF, I have hereunto set my hand
this 3rd day of July 2017.

NICOLE ELLIS

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<p align="center">A</p> <p>a.m (3) 2:2 3:3 11:12 action (1) 12:13 activity (1) 6:4 admitted (1) 9:16 adopt (5) 5:5,8,9 6:10 7:23 advised (1) 4:13 Affairs (5) 2:10,12 3:9,19,22 Affairs/General (1) 2:6 allocution (1) 9:16 allow (2) 9:8,25 Andrew (2) 2:11 3:22 announced (1) 8:17 applicant (2) 5:22 7:15 applicant's (2) 6:2 7:12 applicants (3) 4:9,13,23 application (13) 5:4,7,11,12,16,19 6:7,23,25 7:5,8,17,20 applications (3) 4:7,12,21 assistance (1) 8:24 Assistant (1) 7:5 attended (1) 11:8 attorney (2) 5:15 7:4 Attorney's (1) 8:17</p>	<p>commission (18) 1:4 2:6 3:7,10,11 3:14 4:6,15,16,20 5:4 7:16 8:23 9:24 10:24,25 11:3,5 Commission's (3) 4:8 5:18 7:7 Commissioner (15) 2:5,7,8,9,11 3:8,12,15,18,20,21,24 4:4 8:12 10:22 Commissioner/Chair (1) 2:4 Commissioners (4) 6:5,10 7:18,23 committed (1) 6:3 companies (1) 8:19 concludes (2) 10:23 11:10 considered (2) 5:11 6:24 considering (1) 4:7 Construction (1) 6:25 Consumer (2) 2:10 3:19 CONVENED (1) 2:2 convicted (2) 5:23 7:13 corruption (1) 9:25 Council (1) 10:15 Counsel (4) 2:6 3:9 5:17 7:6 COUNTY (1) 12:5 crime (1) 5:23 Curry (1) 5:17 customers (2) 9:9,15</p>	<p>DSNY (1) 8:25</p> <p align="center">E</p> <p>E (3) 5:24 12:1,1 e-mailed (1) 4:19 either (1) 10:20 Ellis (3) 1:22 12:7,20 exposed (1) 8:21 extension (1) 4:18</p> <p align="center">F</p> <p>F (1) 12:1 fact (1) 10:10 false (1) 7:15 falsifying (1) 7:13 felony (1) 5:25 find (1) 10:13 first (2) 5:11,24 five (1) 9:19 floor (2) 1:11 3:5 following (3) 3:11 5:19 7:9 forfeiture (1) 9:21 former (1) 7:5 forth (2) 5:20 7:10 fraud (1) 8:19 fraudsters (1) 10:19 fully (2) 5:20 7:10 further (1) 12:12</p>
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<p align="center">N</p> <p>Neren (1) 7:6</p>		

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<p>ten (1) 4:14 thank (5) 10:21,22 11:3,7,10 thousands (1) 9:20 three-year (1) 9:17 time (2) 3:3 11:12 today (5) 3:2 4:6 6:24 10:24 11:2 today's (2) 3:6 11:4 Topline (1) 6:25 trade (4) 5:14 7:3 10:3,13 transcript (2) 1:2 12:10 trucks (1) 9:8 true (1) 12:10 TUESDAY (1) 1:10 two (6) 4:7 5:20 6:2 7:9,15 9:12</p> <hr/> <p align="center">U</p> <p>unanimous (2) 6:22 8:11 uncles (1) 9:12</p> <hr/> <p align="center">V</p> <p>Vista (3) 5:13 8:13,16 vote (9) 5:5,7,7,8,9 6:14,22 8:3,11 voted (1) 11:2</p> <hr/> <p align="center">W</p> <p>wanted (1) 8:12 waste (4) 5:15 7:3 10:3,14 watching (1) 11:8 way (1) 12:14 ways (1) 9:3 we're (1) 3:4 welcome (2) 3:6 10:20 WHEREOF (1) 12:16 within-entitled (1) 12:9 WITNESS (1) 12:16 work (2) 10:12 11:6 worked (1) 10:4 written (1) 4:15</p> <hr/> <p align="center">X</p> <hr/> <p align="center">Y</p> <p>years (2) 9:19 10:4 York (6) 1:3 3:4,7 4:2 12:3,8 YouTube (1) 11:9</p> <hr/> <p align="center">Z</p> <hr/> <p align="center">0</p> <hr/> <p align="center">1</p> <p>100 (2) 1:11 3:4 11:03 (2) 2:2 3:3 11:11 (1) 11:12 1268 (1) 10:16 14 (1) 4:19</p>	<hr/> <p align="center">2</p> <hr/> <p>20 (1) 10:4 2012 (1) 9:17 2015 (2) 8:16 9:18 2017 (4) 1:10 3:3 4:19 12:17 27 (2) 1:10 3:3 2ND (1) 1:11</p> <hr/> <p align="center">3</p> <hr/> <p>34 (1) 5:13 3460 (1) 5:14 3rd (1) 12:17</p> <hr/> <p align="center">4</p> <hr/> <p>44 (1) 8:18 491145 (1) 7:2</p> <hr/> <p align="center">5</p> <hr/> <p align="center">6</p> <hr/> <p align="center">7</p> <hr/> <p align="center">8</p> <hr/> <p align="center">9</p> <hr/> <p>9 (1) 8:18</p>
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