



The City of New York
BUSINESS INTEGRITY COMMISSION
100 Church Street · 20th Floor
New York · New York 10007
Tel. (212) 437-0500

**DECISION OF THE BUSINESS INTEGRITY COMMISSION DENYING THE
LICENSE APPLICATION OF LVM CONTRACTING LLC
TO OPERATE AS A TRADE WASTE BUSINESS**

I. INTRODUCTION

LVM Contracting LLC (“LVM” or the “Applicant”) has submitted to the New York City Business Integrity Commission (the “Commission”) an application for a license to operate as a trade waste business (the “Instant Application”), dated December 19, 2023.¹ Local Law 42 of 1996 authorizes the Commission to review and make determinations on such applications. *See* Title 16-A, New York City Administrative Code § 16-505(a).

The Commission’s review of a license application focuses on determining whether the applicant possesses business integrity, *i.e.*, good character, honesty and integrity. *See* Title 17, Rules of the City of New York (“RCNY”) § 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 or registrations to applicants lacking “good character, honesty and integrity”).

On November 20, 2024, the Commission’s staff issued and served on the Applicant an 8-page Notice to the Applicant of the Grounds to Deny the License Application of LVM Contracting LLC to Operate as a Trade Waste Business (the “Notice”). The Applicant was given 10 business days to respond, until December 9, 2024. *See* 17 RCNY § 2-08(a). Two days after the deadline, on December 11, 2024, the Applicant submitted a response, which consisted of a two-page letter from the Applicant’s principal, Luis Villacis (the “Response”).² The Commission has completed its review of the Instant Application, having considered both the Notice and the Response. Based on the record before it, the Commission now denies LVM Contracting LLC’s application because the Applicant lacks good character, honesty and integrity based on the following independently sufficient grounds:

¹ “Trade waste” or “waste” is defined at Admin. Code § 16-501(f)(1).

² The Commission considered the Response even though the Response was submitted two days late.

1. **The Commission previously found that the Applicant's predecessor business lacked good character, honesty and integrity;**
2. **The Applicant provided the Commission with false and misleading information on its application; and**
3. **The Applicant has failed to demonstrate eligibility for a trade waste license.**

II. 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 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.

Local Law 42 provides that "[i]t shall be unlawful for any person to operate a business for the purpose of the collection of trade waste . . . without having first obtained a license therefor from the [C]ommission." Admin. Code § 16-505(a). Before issuing such license, 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 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; and

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

Id. at § 16-509(a)(i)-(xi). 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 § 16-509(b). The Commission 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 § 16-509(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 § 16-509(d).

An applicant for a trade waste license or registration 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); Admin. Code § 16-116.

III. FACTS

The Applicant disclosed Luis Villacis (“Villacis”) as its only principal. *See* Instant Application at 21. The Applicant disclosed (973) 418-6878 as its “business telephone number.” *See* Instant Application at 1. Villacis was previously disclosed as the only principal of SV Trucking Corp. (“SV Trucking”). *See* SV Trucking Application for Exemption from Licensing Requirement for Removal of Construction and Demolition Debris (“SV Trucking Registration Application”) at 9. Furthermore, SV Trucking, which previously applied to the Commission for renewal of a trade waste registration, disclosed the same telephone number- (973) 418-6878- as the Applicant. *See* SV Trucking Registration Application at 1.

SV Trucking Corp.

On or about October 22, 2007, SV Trucking applied to the Commission for a trade waste registration. *See* SV Trucking Registration Application. SV Trucking disclosed Villacis as the only principal of the business. *See* SV Trucking Registration Application at 9. Effective March 8, 2008, the Commission granted SV Trucking a trade waste registration. *See* SV Trucking Registration Order, dated February 29, 2008. On or about March 27, 2008, Villacis signed the Registration Order on behalf of the Applicant, thereby agreeing to its terms. *See id.* at 6.

On or about March 12, 2010, SV Trucking filed its first Renewal Application with the Commission. *See* SV Trucking First Renewal Application. The Commission granted the SV Trucking First Renewal Application and authorized the SV Trucking to operate for another two years, until January 31, 2012. Twenty-eight (28) days after its registration expired, on March 1, 2012, SV Trucking filed its second Renewal Application with the Commission. *See* SV Trucking Second Renewal Application. Consequently, the Commission issued an administrative violation against SV Trucking for operating as an unregistered trade waste removal business for twenty-eight (28) days.

On June 29, 2012, the Commission issued Notice of Violation, Violation Number TW-8592, charging SV Trucking with operating an unlicensed or unregistered trade waste removal business for twenty-eight (28) days. *See* Notice of Violation, Violation Number TW-8592. On September 13, 2012, the date of the scheduled hearing, SV Trucking failed to appear at the hearing, and failed to contest the charges. As a result, SV Trucking was found guilty upon default. *See* September 21, 2012 Default Decision and Order by David Paul, Administrative Law Judge (“ALJ”) for the Department of Consumer Affairs (“TW-8592 Default Decision and Order”). ALJ Paul ordered SV Trucking to pay a total fine of One Hundred Forty-Five Thousand (\$145,000) Dollars. *See* TW-8592 Default Decision and Order.

In addition, on July 10, 2012, the Commission issued Notice of Violation, Violation Number TW-8733, charging SV Trucking with operating a trade waste vehicle that had improper markings. *See* Notice of Violation, Violation Number TW-8733. On September 20, 2012, the date of the scheduled hearing, SV Trucking failed to appear at the hearing, and failed to contest the charges. As a result, SV Trucking was found guilty upon default. *See* September 28, 2012 Default Decision and Order by E. DeFontes, ALJ for the Department of Consumer Affairs (“TW-8733 Default Decision and Order”). ALJ DeFontes ordered SV Trucking to pay a total fine of Five Thousand (\$5,000) Dollars. *See* TW-8733 Default Decision and Order.

On November 25, 2012, SV Trucking and the Commission entered into a Stipulation of Settlement regarding both Notices of Violation- Violation Number TW-8592 and Violation Number TW-8733. *See* Stipulation of Settlement. By signing the Stipulation of Settlement, SV Trucking, by its principal, Luis Villacis, “admit[ed] to the charged violation(s).” *See Id.* SV Trucking also agreed to pay a total fine of Three Thousand (\$3,000) Dollars, payable in three monthly installments due on December 1, 2012, January

1, 2013, and February 1, 2013. On December 3, 2012, the Commission received the first installment of One Thousand (\$1,000) Dollars. SV Trucking failed to pay the final two installments. The Commission's staff reminded SV Trucking on several occasions of its agreement to resolve the above-mentioned administrative violations and warned SV Trucking about the consequences of not resolving them. *See* February 11, 2013 letter from the Commission's staff to SV Trucking; March 1, 2013 letter from the Commission's staff to SV Trucking. As of the date of this Decision- more than 11 years later- SV Trucking has not responded to the staff's correspondence and has breached the Stipulation of Settlement by failing to make the final two payments.

In the Response, the Applicant claims that "all the citations and fines that are listed in the denial letter under SV Trucking I was totally unaware of. I would like to request copies of citations, fines with dates and the drivers to further investigate and rectify the situation." *See* Response at 1. Yet, when Villacis agreed to settle these administrative violations, he admitted to the charged violations. *See* Stipulation of Settlement TW-8592, TW-8733. Thus, he cannot be "totally unaware" of these administrative violations. Nor can he be unaware of the fact that the terms of the Stipulation of Settlement [that he executed on SV Trucking's behalf] were breached. As of the date of this Decision, these administrative violations remain unresolved.

On May 13, 2013, the Commission found that SV Trucking lacked the requisite good character, honesty and integrity to operate in the New York City trade waste industry and denied its Second Registration Renewal Application based on two independently sufficient reasons:

- A. [SV Trucking] Violated the Rules of the Business Integrity Commission and Has Been Found Liable Administrative Actions That Bear a Direct Relationship to the Fitness of the Applicant to Conduct a Trade Waste Business; and
- B. [SV Trucking] Has Failed to Pay Fines That Are Directly Related to the Applicant's Business For Which Liability Has Been Admitted by the Applicant.

See Decision of the Business Integrity Commission Denying the Registration Renewal Application of S.V. Trucking Corp. to Operate as a Trade Waste Business.

LVM Contracting LLC

The Applicant operated without a Commission issued license or registration despite knowing (by virtue of SV Trucking) that it was required to be licensed or registered by the Commission. On or about July 19, 2023, the Commission issued Notice of Violation, Violation Number TWC-226893, charging the Applicant with operating an unlicensed or unregistered trade waste removal business on June 13, 2023. *See* Notice of Violation, Violation Number TWC-226893. On or about November 27, 2023, the Applicant agreed to resolve this administrative violation by admitting that it engaged in unlicensed or unregistered trade waste removal, and paid a total fine of two thousand five hundred (\$2,500) dollars. *See* Stipulation of Settlement, TWC-226893.

On or about December 19, 2023, the Applicant filed an Application for a Trade Waste Removal License. *See* Instant Application. The Applicant disclosed Villacis as the only principal of the business. *See* Instant Application at 21.

Question 27 of the Instant Application asks:

Currently, or at any time during the past ten (10) years, has the applicant business or any current or past principals been issued a license, permit, registration or authorization to operate in the trade waste industry, including but not limited to waste removal companies, transfer stations, recycling centers, and landfills, in New York City, New York State, New Jersey, and/or Connecticut?

The Applicant answered, “yes,” and stated that “Luis Villacis SV Trucking Corp.” had a BIC license or registration and that the status of the license, permit, authority to operate was “expired.”³ *See* Instant Application at 5. In reality, as explained above, on May 13, 2013, the Commission found that SV Trucking lacked the requisite good character, honesty and integrity to operate in the New York City trade waste industry and denied its registration renewal application. *See supra* at 5-6. By virtue of his status as a principal of SV Trucking, the Commission also found that Villacis lacked the requisite good character, honesty and integrity to operate in the New York City trade waste industry.⁴

Question 29 of the Instant Application asks:

Has the applicant business, any of its parents, subsidiaries, affiliates or any of the applicant’s current or past principals ever had a license, permit, registration or authority to operate from any government agency denied, suspended or revoked?

The Applicant falsely answered “no.” *See* Instant Application at 6. Again, the Commission previously found that SV Trucking, of which Villacis was the sole principal, lacked good character, honesty and integrity and denied its registration application.

The Applicant continued to operate knowing that it had still not been granted a license or registration. On or about April 11, 2024, the Commission issued Notice of Violation, Violation Number TWC-228927, again charging the Applicant with operating an unlicensed or unregistered trade waste removal business on April 1, 2024. *See* Notice of Violation, Violation Number TWC-228927. On or about October 11, 2024, the Applicant agreed to resolve this administrative violation by admitting to engaging in

³ Similarly, on the Disclosure Form for Principal of a Trade Waste Business that was filed by Villacis, Question 16 asks, “[h]ave you ever applied to a governmental agency for any license, registration, permit, or certificate requiring approval by the agency?” Villacis answered “yes,” and stated that BIC issued a license or registration and that license or registration “expired.” *See* Disclosure Form for Principal of a Trade Waste Business filed by Villacis at 7.

⁴ “Applicant” shall mean, if a business entity submitting an application for a license or registration pursuant to this chapter, the entity *and each principal thereof* (*emphasis added*). *See* Admin. Code § 16-501(a).

unlicensed or unregistered trade waste removal activity and paying a total fine of one thousand five hundred (\$1,500) dollars. *See* Stipulation of Settlement, TWC-228927.

IV. BASIS FOR DENIAL

1. The Commission previously found that the Applicant's predecessor business lacked good character, honesty and integrity.

The Commission 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." *See* Admin. Code § 16-509(c). The evidence set forth above establishes that the Applicant is the successor business to SV Trucking.

The Commission previously found that SV Trucking lacked good character, honesty, and integrity because: (1) it violated the rules of the Commission and was found liable in administrative actions that bear a direct relationship to its fitness to conduct a trade waste business; and (2) because SV Trucking failed to pay fines that are directly related to its business for which liability has been admitted.⁵

SV Trucking and the Applicant both disclosed Luis Villacis as their only principal and both companies utilize the same telephone number. The Response does not address this ground. Because the Applicant is the successor company to SV Trucking, the Commission's denial of SV Trucking's renewal application is fully applicable to the Applicant. Accordingly, the Commission denies the Instant Application on this independently sufficient ground.

2. The Applicant provided the Commission with false and misleading information on its application.

"The commission may refuse to issue a license or registration to an applicant [for] ... failure by such applicant to provide truthful information in connection with the application." Admin. Code § 16-509(a)(i).

As described above, the evidence establishes that on May 13, 2013, the Commission voted unanimously to deny the registration renewal application of SV Trucking. Despite this fact, the Applicant failed to disclose on the Instant Application that SV Trucking's

⁵ In the Response, the Applicant claims that "all the citations and fines that are listed in the denial letter under SV Trucking I was totally unaware of. I would like to request copies of citations, fines with dates and the drivers to further investigate and rectify the situation." *See* Response at 1. Villacis' claim that he is "totally unaware" of the administrative violations is simply not credible because when Villacis agreed to settle these administrative violations, he admitted to the charged violations. *See* Stipulation of Settlement TW-8592, TW-8733. Thus, he cannot be "totally unaware" of these administrative violations. Nor can he be unaware of the fact that the Applicant breached the terms of the Stipulation of Settlement. Again, as of the date of this Decision, the fines remain outstanding.

1

registration renewal application was denied. Instead, the Applicant provided the Commission with false and misleading information by stating that SV Trucking's registration "expired."

The Applicant claims in its Response that "I stated that I previously had a BIC license under a different company that is no longer in business. SV Trucking Corp." *See* Response at 1. After a review of the record, we find that although the Applicant disclosed that SV Trucking was once registered by the Commission, the Applicant falsely represented that SV Trucking or Luis Villacis, as the principal of both the Applicant and of SV Trucking, had never "had a license, permit, registration or authority to operate from any government agency denied, suspended or revoked." *See supra* at 6-7. Instead, the Applicant falsely represented that SV Trucking's registration was "expired." *Id.*

In sum, the Applicant and Villacis provided false and misleading information to the Commission. This conduct demonstrates that the Applicant lacks the requisite good character, honesty and integrity to operate a trade waste business in New York City. For his independently sufficient reason, the Commission denies the Instant Application.

3. The Applicant Has Failed to Demonstrate Eligibility for a Trade Waste License.

"The commission may refuse to issue a license or registration to an applicant . . . who has otherwise failed to demonstrate its eligibility for such license under this chapter." *See* Admin. Code § 16-509(b). The Applicant has failed to demonstrate its eligibility for a trade waste license. Instead, it has demonstrated that it is the successor to SV Trucking, a company whose registration renewal the Commission denied. As the successor to SV Trucking, with the same principal and the same telephone number, the Applicant is not eligible for a trade waste license. The Response does not address this ground. Accordingly, the Instant Application is denied based on this independently sufficient ground.

V. CONCLUSION

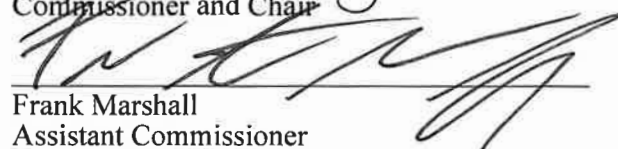
The Commission is vested with broad discretion to refuse to issue a license to any applicant who it determines lacks good character, honesty and integrity. The record as detailed above demonstrates that the Applicant lacks those essential qualities. Further, it is of great concern that the Applicant has repeatedly demonstrated its disdain for the Commission's authority by continuing to operate without a Commission issued license or registration. Accordingly, based on the three independently sufficient grounds detailed above, the Commission denies LVM Contracting LLC's License Application.

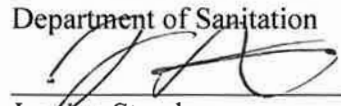
This license denial is effective immediately. LVM Contracting LLC may not operate as a trade waste business in the City of New York.

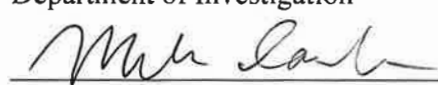
Dated: January 8, 2025

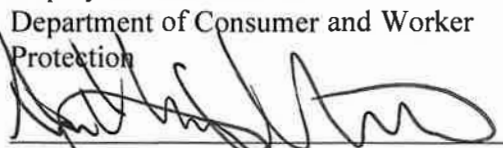
THE NEW YORK CITY
BUSINESS INTEGRITY COMMISSION

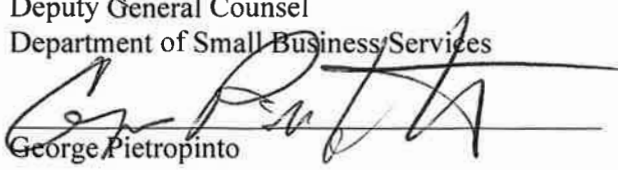


Elizabeth Crotty
Commissioner and Chair

Frank Marshall
Assistant Commissioner
Department of Sanitation

Jocelyn Strauber
Commissioner
Department of Investigation

Melissa Iachan
Deputy General Counsel
Department of Consumer and Worker
Protection

Anthony Dell'Olio
Deputy General Counsel
Department of Small Business/Services

George Pietropinto
Deputy Inspector
New York City Police Department