



TESTIMONY

Presented by

**Lilliam Barrios-Paoli
Commissioner**

on

FY 2014 Executive Budget

before the

**New York City Council
Committee on Finance, Committee on Aging & Subcommittee on Senior Centers**

on

**Wednesday, May 29, 2013
10:00 A.M.**

at

**Council Chambers, City Hall
New York, NY 10007**

Good morning, Chair Recchia, Chair Lappin, Chair Greenfield and members of the Finance and Aging Committees. I am Lilliam Barrios-Paoli, Commissioner of the New York City Department for the Aging (DFTA). I am joined today by Joy Wang, Assistant Commissioner for Budget and Fiscal Operations, to discuss DFTA's Executive Budget for Fiscal Year 2014.

OVERVIEW

The FY '14 Executive Budget projects \$226 million in baseline funding, and includes allocations of \$107 million to support senior centers, \$32 million for home delivered meals, \$16 million for case management services, \$16 million to support homecare for homebound seniors who are not Medicaid eligible, \$5.6 million for Naturally Occurring Retirement Community (NORC) programs and \$4 million for caregiver support services.

In addition, the FY '14 Executive Budget includes an estimated \$6.2 million reduction in federal funding due to sequestration. Based on information that DFTA has received from the New York State Office for the Aging, the latest sequestration estimate is \$4.4 million. A \$4.4 million cut in federal funding is equivalent to a loss of 150,000 home delivered meals and 350,000 congregate meals annually, which would impact 600 seniors receiving home delivered meals and 1,400 senior center participants daily.

NEIGHBORHOOD SENIOR CENTERS

At the FY '14 Preliminary Budget hearing, I discussed the re-solicitation for Neighborhood Senior Centers in four community districts issued in January of this year because there were not enough viable proposals to cover the need in these areas. Proposals for Neighborhood Centers in these community districts were due on February 11th. The proposals have been reviewed and we have awarded contracts to the American Italian Coalition of Organizations, Inc. (AMICO) in Brooklyn Community District 6; Presbyterian Senior Services in City Island in Bronx Community District 10; Convent Avenue Baptist Church in Manhattan Community District 9; and Action for the Retired Community (ARC) XVI Fort Washington in Manhattan Community District 10. These contracts will commence on July 1, 2013.

NORC REQUEST FOR PROPOSALS

As you know and as I testified this past March, Naturally Occurring Retirement Communities are residential locations – single buildings, housing developments, or clusters of buildings within a neighborhood – that are neither age restricted nor built for seniors. Over time, however, they have become home to significant concentrations of older residents. Currently, DFTA funds services in 28 NORCs in the Bronx, Brooklyn, Manhattan and Queens. These communities are located in public housing, low to moderate-income co-ops and low to moderate-income private rentals. We are pleased that the Council also allocated \$900,000 in the adopted budget for FY '13 to fund 10 NORC programs.

To strengthen the NORC network, DFTA is slated to release a request for proposals (RFP) this June for NORCs to promote the ongoing evolution of this important program model. DFTA plans to announce contract awards later this year. We expect to award 21 to 35 NORC contracts for a term that will begin before the end of this calendar year, and that will continue for a maximum of six years. In advance of the NORC RFP, DFTA released a concept paper in November 2012 and we accepted comments until this past January.

CONCLUSION

Thank you for this opportunity to testify about DFTA's Executive Budget for FY '14. As always, I appreciate the support and partnership of the City Council in these efforts. I am pleased to answer any questions you may have.

**DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS TESTIMONY
BEFORE THE CITY COUNCIL COMMITTEES ON LAND USE AND TECHNOLOGY
FISCAL YEAR 2014 EXECUTIVE BUDGET
WEDNESDAY, MAY 29, 2013**

Good afternoon, Chairs Recchia, Comrie and Cabrera, and members of the City Council Committees on Finance, Land Use, and Technology. My name is Rahul Merchant and I am Commissioner of the Department of Information Technology and Telecommunications (DoITT), and New York City's Chief Information and Innovation Officer. Thank you for the opportunity to testify today about DoITT's Fiscal 2014 executive budget. With me are Brett Robinson, Deputy Commissioner for Financial Management and Administration; John Winker, our Associate Commissioner for Financial Services; and Charles Fraser, our General Counsel.

DoITT's **Fiscal 2014 Executive Budget** provides for operating expenses of approximately \$443.5 million, an increase of \$28 million from the Fiscal 2014 January Budget, and a net decrease of \$34 million from Fiscal 2013's current modified budget. The addition of \$28 million represents a net increase to DoITT's budget is to extend the funding associated with IFA positions that previously had their funding expire, and maintenance costs associated with Capital Projects that have been recently approved. The net decrease between the Fiscal 2013 current modified and the Fiscal 2014 budget allocations is largely attributable to the one-time grant funding that had been reflected in the Fiscal 2013 current modified budget. Any unspent Fiscal 2013 grant funding will be rolled over into Fiscal 2014.

The budget includes \$96 million in Personal Services to support 1,230 full-time positions, and \$347 million for Other than Personal Services. Of the \$347 million, 34 percent, or \$117 million, represents Intra-City funds to be transferred from other agencies to DoITT for services it provides. Telecommunications costs represent the largest portion of the Intra-City expense; Fiscal 2013 Intra-City telecommunications expenditures are budgeted at \$94 million, while total telecommunications costs are budgeted at \$141 million.

As the City's technology leader, DoITT implements, maintains, and administers the City's backbone IT and telecommunications systems. Over the last year we have continued to modernize our infrastructure, extend broadband across the five boroughs, and foster innovative public/private partnerships to provide technology resources and access to New York City students, residents, businesses, and visitors.

Before I proceed I would like to thank the Council for the support they have offered in my time as CIO and DoITT Commissioner. The Bloomberg Administration has successfully made New York City into one of the world's pre-eminent digital and technological centers, and the Council has served as a vital partner throughout that important journey.

Since we last appeared before you in March, DoITT has continued to build on a number of critical agency initiatives.

I. Hardening and Enhancing the City's IT Infrastructure

CITIServ: To date, DoITT has successfully migrated 20 agencies to the centralized CITIServ environment, and by next month will achieve a combined cost savings and cost avoidance of \$15.3 million; this of a total program cost savings and cost avoidance of more than \$47 million through Fiscal 2015.

CITIServ “Site B”: Earlier this month, DoITT commissioned a new backup data center (known as “Site B”) designed to “mirror” the citywide Data Center at MetroTech Center in technical architecture, monitoring, reporting, and management tools. To ensure the same business continuity we did for DoITT-supported systems and applications during and after Hurricane Sandy, City agencies will be required to identify their most critical systems currently hosted by DoITT that should be backed up at Site B.

Citynet Upgrade: The upgrade and hardening of the City’s institutional fiber network, Citynet, will also be complete in 2013. When enhanced with its new “omni-directional” optical technology, DoITT can remotely switch light and route traffic around failed fiber path. This upgrade will increase the network’s bandwidth, capability, and resiliency by maximizing the City’s use of available dark fiber – and significantly increase the City’s resiliency to catastrophic events.

NYC311: Even as call volume to the City’s non-emergency service center peaked at more than 270,000 calls per day during Hurricane Sandy, NYC311 remained up and operational throughout the storm. We are now working to further expand call-taking capacity during emergencies by implementing a redundant call-routing solution to ensure continuity of 311 call-taking; by establishing an alternate location for 311 call-takers; and by expanding the use of cloud-based mapping to support emergency activity.

II. Building Upon World-Class Technological Tools

As we harden the infrastructure supporting the City’s IT investments, we also continue to enhance the investments themselves that make New York a global digital leader.

NYC311: I just described the measures taken to expand call-taking capacity at NYC311. And earlier this year, as you know, we marked its tenth birthday. The nation’s largest and most comprehensive government information and services center, NYC311 is available 24 hours a day, seven days a week in nearly 180 languages, and now serves more than 60,000 customers filing 7,700 daily requests via phone, online and text message.

Since its launch in March 2003, NYC311 has received more than 161 million calls and has been a clearinghouse for all things New York City government, providing information on more than 4,000 topics, routing details to the appropriate City agencies and providing customers with service request numbers for use in tracking the progress of their inquiry.

Over the past decade, NYC311 has hosted hundreds of delegations from dozens of countries spanning six continents, and most major United States cities, as a model for non-emergency government service delivery operations. These delegations draw on NYC311’s experience and insights – as the largest customer service center in the biggest city in the nation – on everything from technology to staffing, to business processes, to interagency coordination.

Reinvent NYC.gov: The City’s official website, NYC.gov, will be re-launched in the coming months. Today, NYC.gov is accessed by over 25 million users each year, and improving the effectiveness of its user interface will enhance service delivery to New Yorkers.

NYCWiN: The New York City Wireless Network (NYCWiN) is the most aggressive commitment by any municipality in the United States to provide a next-generation public safety infrastructure, and has eliminated many of the challenges of data sharing in an ultra-urban environment. Today, there are more than 850,000 network points of presence (POPs) citywide supporting fixed, mobile and portable applications across 30 agencies. Some innovative applications include:

- The citywide Interoperable Video System, which allows command vehicles and watercraft equipped with mobile cams to generate streaming video to the Fire Department Operations Center (FDOC), City Hall, and the Office of Emergency Management (OEM).
- Police Department (NYPD) mobile and desktop computing for 1,145 NYPD patrol fleet vehicles – which provides for access to mugshot, license plate, domestic violence, and quality-of-life databases, the Real Time Crime Center, and more.
- NYPD Fixed Location Technology – for monitoring critical city infrastructure to support anti-crime/counter-terrorism efforts.
- The Fire Department (FDNY) uses NYCWiN to support “Fireground Monitoring” – which provides the Fire Department the ability monitor vital radio transmissions in real-time, improving firefighter safety. FDNY also uses the network for “Electronic Fireground Accountability System” – which provides real-time radio assignment information of firefighters. This means that firefighters can now simply press a button on their radios to transmit a “mayday” call over the network, instantly identifying them when they are in danger.

Overall, more than 300 applications across 30 City agencies on NYCWiN are enabled running millions of wireless transactions over the network daily.

III. Improving the Management of Technology Projects

TDC: Earlier this year, New York City launched the Technology Development Corporation (TDC), a non-profit organization tasked with improving citywide IT delivery. By infusing talent and discipline, building new capabilities in project management, business analysis, and enterprise architecture, TDC will increase transparency into citywide IT activity and hold contracted technology vendors more accountable for their performance than ever before.

Furthermore, TDC will ensure its one client – the City of New York – delivers IT projects on-time and on-budget, and, unlike private-sector IT consultants, will do so without the aim of turning a profit. It will do so by providing governance over key IT projects during all major project phases, as well as provide a common framework, tools, best practices, and diagnostics for on-time and on-budget project delivery. Management of IT projects through the TDC is expected to save up to \$30 million over the next three years as compared with the costs of contracting with for-profit vendors for the same services.

New Solicitations for Systems Integration & Quality Control: We are also focusing on the technology projects not under the purview of the TDC by opening up a new series of citywide solicitations for Systems Integration and Quality Control services.

Last month, DoITT issued a request for proposals for Systems Integration, or “SI” services. Systems Integrators can now help design, build and implement applications, networks, systems or IT infrastructure by applying to two different classes of service – one for smaller IT initiatives and the other for larger IT projects. The two classes were designed to encourage a diverse range of SI firms to submit proposals, leveraging the city’s talented and ever-growing tech sector. From small start-ups to global IT firms, any SI can apply and help New York lead the way as a tech-driven city. Interest is substantial so far, with approximately 300 attendees joining DoITT as its pre-proposal conference on May 15.

And we will soon be releasing a request for proposals for Quality Control services. Three classes of contract that clearly delineate responsibilities – ranging from requirements gathering to strategic planning, and from audit functions to application testing and project oversight – will help the City divide duties on large projects to avoid conflicts. Clear requirements for reporting and escalation, higher minimum experience requirements, payments tied to City acceptance of agreed-upon deliverables, and integration with the newly-formed TDC can help ensure these new contractors are delivering high-caliber projects to best serve our taxpayers.

IV. Continuing Innovation

As we move into Fiscal 2014 and beyond, DoITT will also continue its innovative work to expand the reach and power of technology directly to New Yorkers.

NYC Open Data: In March, DoITT announced the strides made on implementation of Local Law 11 of 2012, the landmark open data legislation signed by Mayor Bloomberg last year. This included the publication of a crowd-sourced Open Data Policy and Technical Standards Manual for use by agencies when categorizing their public data sets and nearly 2,000 representations of that data on the City NYC OpenData portal (www.nyc.gov/data).

A bevy of new additions will soon be made to the NYC OpenData portal, furthering this Administration's commitment to the transparency that has been its hallmark.

And coming in September, DoITT – with assistance from City agencies – will publish an open data compliance plan categorizing all public data sets held by the City and outlining plans to make them available on NYC OpenData by the end 2018. Beginning July 15, 2014, DoITT will publish annual updates to the open data compliance plan, detailing the City's progress in opening public data sets since its last report. Appointment earlier this year of New York City's first Chief Open Platform Officer further underscores the Administration's commitment to open data – and will help ensure compliance with this historic law.

Crime Mapping: DoITT was recently pleased to support Intro. 984 – championed by Chairman Cabrera – which calls for the creation and maintenance of an interactive crime mapping website. And we look forward to working with the Police Department to deliver this tool by the end of the calendar year.

NYC Developer Platform: Earlier this month, DoITT launched a beta version of the “NYC Developer Portal.” A hub for talented civic developers, this site will help developers make the best use of NYC OpenData, building the City's capacity as a platform for innovation and civic participation.

Broadband Deployment / Enhancing Digital Inclusion – The City's three federally-funded Broadband Technology Opportunities Programs – NYC Connected Learning, NYC Connected Foundations, and NYC Connected Communities – were designed to foster sustainable broadband adoption at home, and create access for all through Public Computing Centers across the five boroughs. And through these programs alone we have served more than 300,000 New Yorkers so far.

These programs, of course, are in addition to the more than \$60 million in public benefits the City has ensured by tapping its regulatory authority over incumbent cable franchise providers. By doing so we are helping bringing free and low-cost WiFi and other tech improvements to public parks, community centers, and commercial sectors.

Parks Wi-Fi: DoITT and the Parks Department, for example, are working with Time Warner Cable and Cablevision to ensure dozens of City parks across the five boroughs are equipped with public WiFi as a condition of their franchise renewals. This service is in addition to the 24 locations in 19 parks now wired for free public WiFi through an agreement with AT&T.

Micro-Trenching: Since fiber is a means by which an increasing share of broadband service is provided, the City also recently launched an innovative pilot program to speed the deployment of fiber optic cabling to businesses and residences across the five boroughs while minimizing construction time, environmental impact and cost.

Finally, I would like to provide an update on Minority and Woman-owned Minority Business Enterprises. When I last appeared before these committees I described the recognition DoITT received in December, from the Department of Small Business Services, which recognized ACCO units for outstanding use of Minority and Women-owned Business Enterprises in the 'Small Purchase' category. Since that time DoITT's own Jennie Torres, Director of Procurement, was recognized by SBS an "Agency M/WBE Champion" at a citywide ceremony. This award is presented to individuals who go above and beyond in their efforts in providing opportunities for M/WBEs, and we are honored to have Jennie on our team.

Thank you again for the time this afternoon, and we will now be pleased to answer your questions.



FY 2014 Preliminary Budget Hearing

Testimony of Jonathan Mintz

Commissioner, Department of Consumer Affairs

Presented to:

New York City Council

Committee on Consumer Affairs

Committee on Finance

March 6, 2013

Good morning Chair Garodnick and members of the Consumer Affairs Committee. I'm Jonathan Mintz, Commissioner of the New York City Department of Consumer Affairs. I am pleased to have the opportunity to brief you this morning on DCA's work this fiscal year as a regulatory agency fundamentally charged with enforcing consumer protection laws to fully realize its mission to empower businesses and consumers alike to ensure a fair and vibrant marketplace.

A core strategic focus in Fiscal Year 2013 has very much been to send a strong message to all New Yorkers, consumers and the businesses we regulate alike: **you can count on DCA**. We've gotten the message out about our work and our services through four strategic public awareness campaigns, coupled with organized community outreach efforts.

Our most recent multi-pronged campaign, "**Good for Customers. Great for Business**", launched at the end of December, announced two groundbreaking efforts to make it as easy as possible for businesses to do right by their customers, follow laws passed by the Council and the State of New York, and thus avoid violations. There should be – and is – no mystery to what businesses need to know to comply with this City's strong consumer protection laws, and that's why we targeted these two key business assistance strategies.

We asked ourselves, "so how do you improve already robust business education?" We thought about our annual no-inspection Business Education Day events, our dozens of education materials, our thousands of community events. What was left? Well, **now we've gone the whole nine yards, making public for the first time the very checklists our inspectors use**. These easy-to-read checklists provide businesses with the details of exactly what DCA inspectors look for during inspections. Checklists are available to everyone – they're right online – and they not only cover licensed industries like sidewalk cafes, parking garages, employment agencies, laundromats and laundries, newsstands, and pawn brokers, but also industries we don't directly license but nevertheless regulate like immigrant service providers, funeral service providers, tax preparers, supermarkets, general retail stores, and more.

The campaign also highlights **the City's first-ever online Live Chat service for businesses**. Businesses now have the inspector checklists, but maybe there's still a question, either about licensing or compliance or something else. Our Live Chat tool, designed exclusively for businesses, provides the opportunity to easily ask questions and get immediate answers from dedicated DCA staff during business hours without taking time away from their customers or having to visit DCA's Licensing Center. To date we've engaged in more than **650 chats** with visitors needing help filing licensing applications, paying violations, asking legal questions, and more. A close monitoring of the chats even at this early date reveals startlingly high customer satisfaction with DCA's new service: even visitors who approach us in anger often finish their chats with compliments. One such visitor who was angry about receiving a violation (and by the way, we've never encountered anyone who is actually happy to receive a fine) said, quote, "You are the best; I'm more inspired from you after getting the summons. You won't mind if I come back again and ask you any question right?"

Access to Live Chat and our inspection lists is simple and easy through our newly- expanded online Business Toolbox at nyc.gov/businesstoolbox. As you may recall, DCA's Business Toolbox led the City in online functionality already. Businesses can apply for and renew licenses

online; they can download and print required signs, forms, model contracts and receipts, relevant laws and rules; and they can perform other standard functions, including changing their business information, get help resolving consumer complaints, pay fines or learn how to attend or reschedule a hearing...and so much more. Our updated guide, "10 Things Every Business Should Know", available now in English and Spanish and next month in Chinese, Korean, Russian, Haitian Creole and Bengali, is more comprehensive than ever and serves as an easy, efficient compliance tool as well. It specifically provides information about City and State laws requiring every business selling goods or services to post a refund policy, provide a receipt for any purchase over \$20 or upon request for purchases between \$5 and \$20, and other requirements mandated by the Consumer Protection Law.

We've given businesses everything they need to comply with the law ...no holds barred.

To market these new resources for businesses, advertisements, featuring real business owners, are currently running on 2,000 subway cars, bus shelters, and phone kiosks and appeared in MetroNY and online. The new resources are widely distributed by inspectors at every inspection, at community outreach events, in our Licensing Center, at our Adjudication Tribunal, with every license application and license renewal, and through messages I sent to every BID, Community Board, and to all Council members and all relevant state and federal elected officials. Individual New Yorkers as well as Crain's and the Grand Central BID tweeted these new resources and many tweeted thanks for successful Live Chats.

In mid- 2012, DCA launched "**How Can Consumer Affairs Help You Today**", a **public awareness campaign highlighting DCA's core services for all New Yorkers**. Ads featuring five real DCA staff describing how they personally help businesses get or renew DCA licenses, inspect businesses, mediate consumer complaints, and provide financial counseling, appeared on subway cars and stations, busses **and in multiple languages** in major daily, community and ethnic newspapers. The campaign will be reprised in May 2013 to ensure that New Yorkers know that **DCA not only protects consumers' rights, but balances fairness in the marketplace by assisting businesses as well.**

In addition to the tens of thousands of New Yorkers who have seen our ad campaigns, we've spoken directly to 3,642 businesses through the more than 100 community events we participated in to date this fiscal year, including tow truck operators and newsstand operators who attended our industry-specific, after-hours Open Houses to have their questions answered and to review pertinent rules and regulations. Similarly, so far this fiscal year we've met 8,292 consumers directly at community meetings to answer their questions and assure them that DCA will continue to protect their rights.

This last Fall we launched "**You Can Tackle Your Debt**", a **full-on campaign to encourage New Yorkers to get one-on-one, professional financial counseling at the City's free Financial Empowerment Centers**. Drawn from real clients' experiences and using messages that resonate with us all, the "**You Can**" ads highlighted how Center counselors can help New Yorkers take control of their debt, deal with debt collectors, improve their credit, create budgets, build savings, connect to safe bank accounts, and more. Ads quoted our clients, offering taglines like: "you can answer your phone without worrying it's a bill collector," "you can sleep

through the night," "you can pull out the bills hidden in a drawer," "you can stop living paycheck to paycheck," "you can improve your credit score," "you can negotiate with your creditors," and "you can see the light at the end of the tunnel." In addition to our usual outdoor campaign, including subway cars, busses, kiosks and bus shelters and in print media, we posted on our YouTube channel and featured on our website **video testimonials of eight New Yorkers who COULD and DID tackle their debt through financial counseling at our Financial Empowerment Centers.** The videos also are captioned in Spanish, Chinese, Korean, Russian, and Haitian Creole. Our YouTube channel has had 6,296 views to date in Fiscal Year 2013. And our Twitter follow grew by nearly 1,000 followers this fiscal year to a current figure of more than 3,640.

Currently in Fiscal Year 2013, the Financial Empowerment Centers have helped 4,438 individual New Yorkers with low or moderate incomes in more than 6,000 one-on-one counseling sessions. Since the Centers started as a privately-funded pilot program back in 2008, financial empowerment counselors have helped over 20,000 clients in more than 36,000 separate counseling sessions. Through the end of December, we've helped clients reduce almost \$10 million in debt and rack up about \$1.5 million in new savings.

As you may recall, the City-wide network of nearly 30 Financial empowerment Centers, run in partnership with five nonprofits, is now funded by the City with an allocation of \$2.4 million. We are especially pleased that the Financial Empowerment Center initiative is also being replicated in more than half a dozen other cities across the country.

And now it's tax time. What DCA started 11 years ago as a broad-based public awareness campaign on behalf of the Mayor to help New Yorkers with low incomes get the Earned Income Tax Credit (the EITC) has expanded to a **more comprehensive Tax Time campaign**, highlighting other credits such as the childcare tax credit, dozens of free tax prep sites helping New Yorkers with low incomes get the tax refunds they've earned and deserve, free online tax prep, a \$49 tax prep coupon we negotiated with H&R Block, and a groundbreaking tax-time savings program for tax filers we created, **SaveUSA.**

SaveUSA originated in 2008 as DCA's City-wide savings program, \$aveNYC. Here's how SaveUSA works: at designated free tax prep sites in the City's network of more than 60 Volunteer Income Tax Assistance (VITA) sites, filers have the opportunity to receive a 50 percent match, up to \$500, if they deposit at least \$200 of their tax refund into a special account and maintain the initial deposit for a year. Key to helping people use this program to begin to save, there is no penalty for withdrawing refund deposits before the year is up, though of course those who do so would not earn the matching funds. This unique savings program is replicated in three additional cities (San Antonio, Newark and Tulsa) through a federal Social Innovation Fund grant to the Mayor's Center for Economic Opportunity, and last year helped filers across the four cities save \$1.6 million. Here in the City, 588 tax filers with low incomes last year saved more than \$576,600, including their initial savings and the matching funds.

Last year our Tax Time campaign helped more than 100,000 New Yorkers file their tax returns through one of our several options and claim more than \$162 million in tax credits and refunds. You may be surprised to learn that over the past decade, this campaign put back **\$20 billion** in

Federal, State and City tax credits and refunds into the pockets of New Yorkers, who were then able to put that money back into their communities and neighborhood businesses. **Fully \$1 billion was gained directly through the City's vast network of free tax prep sites and low-cost tax prep options.**

"It's Tax Time: Go Get Your Refund" campaign ads are currently running in 2,000 subway cars, phone kiosks, and bus shelters. Our more than 250 partners distributed 615,000 informational brochures in English Spanish, Korean, Chinese, Russian, and Haitian Creole. This year's campaign emphasized special help for victims of Superstorm Sandy. First, we partnered with H&R Block to allow New Yorkers who live in the storm-affected zip codes and suffered the loss of their homes, household items, or vehicles to be able to file the casualty loss form to reduce taxable income for free at any H&R Block location in the City...a hugely helpful opportunity. Second, we worked with our City partners to open new VITA sites in Red Hook and Far Rockaway for free tax prep in those communities.

And for the thousands of homeowners affected by Superstorm Sandy, as you all are only too well aware, the most critical need has been restoring or rebuilding damaged homes and apartments. Beyond tax assistance, therefore, DCA also responded to New Yorkers' home repair challenges in the following ways:

- First, we immediately expedited the licensing of home improvement contractors to get unlicensed contractors or contractors who normally work outside of New York licensed and working on repairs. Contractors could become newly licensed by us in only two days.
- Second, we did a targeted mailing to more than 150,000 New Yorkers in the hardest-hit areas to ensure that they knew their rights and had the right tips and tools both for hiring and working with licensed contractors, as well as avoiding being taken advantage of by unscrupulous contractors.
- Third, DCA's inspectors, on patrol in affected areas, distributed home improvement contractor tips to businesses and homeowners.
- Fourth, DCA partnered with the Better Business Bureau of Metropolitan New York, BJ's Wholesale Club, Home Depot, Lowe's, the National Association of Remodelers/Home Improvement Contractors of Staten Island, PortSide New York, and Sherwin Williams to distribute home improvement contractor information to the stores' customers, with customized information both for consumers and for contractors.
- And finally, we are coordinating anti-scam outreach efforts with FEMA.

Perhaps of greatest direct assistance, DCA's financial counselors were dispatched to staff the Mayor's NYC Restore Centers in affected neighborhoods. Since the Centers opened, DCA staff, Financial Empowerment Center counselors, and other DCA partners provided disaster-related financial guidance to more than 3,3600 people at those sites, helping victims sign up for disaster unemployment assistance, understand what kinds of grants are available and how to start the application process, and file insurance claims. We also scheduled more than 125 follow-up appointments for one-on-one financial counseling at our Financial Empowerment Centers.

Our preliminary web metrics suggest that with **more than 2.7 million page views** of our site to date this fiscal year and a steady monthly uptick **New Yorkers are indeed getting the message: you can count on DCA.**

To support the wide range of activities that further the Department's mission, I turn my focus now to the proposed Fiscal Year 2014 preliminary budget numbers:

- The Department's **revenue** projection for the current fiscal year has increased from \$27.5 to \$30.3 million, and in Fiscal Year 2014 increases to \$31.3 million. These increases are attributed to the great strength of Sidewalk Cafés and increased expectations for consent fee revenue based on historical trend growth, as well as fine revenue that will be generated by a new Legal Examination Unit.
- On the **expense** side, the Fiscal Year 2014 preliminary budget is \$26.9 million – which includes \$18.8 million in PS and \$8.1 million in OTPS. This is up \$1.3 million from the adopted Fiscal Year 2013 budget due to the creation of the Legal Exam Unit, as well as funding associated with the implementation of the Online Service Enhancement Program.

The Department's managers and staff are understandably proud of our many program successes and initiatives. And New Yorkers and the millions of visitors to our City are certainly the better for it – which after all, is the point of why the Charter created the Department.

We look forward to continuing to partner with Council to protect consumers and assist businesses, providing the public with the best service we possibly can without being distracted by a challenging climate of economic and political change.



THE CITY OF NEW YORK
BUSINESS INTEGRITY COMMISSION
100 CHURCH ST, 20th FL
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**Testimony of Shari C. Hyman, Commissioner and Chair
of the New York City Business Integrity Commission, Before the Joint Committees on
Finance and Consumer Affairs of the Council of the City of New York on the Fiscal Year
2014 Executive Budget**

May 29, 2013

Good morning Chairperson Garodnick, Chairperson Recchia and members of the Consumer Affairs and Finance Committees. My name is Shari Hyman and I am the Commissioner and Chair of the Business Integrity Commission. I appreciate the opportunity to testify before you today regarding the Commission's Executive Expense, Revenue, Contract and Capital Budgets for Fiscal Year 2014. With me here today is my Chief Operating Officer, Jay Kairam.

Before I discuss the Fiscal Year 2014 Budget, I wanted to take a brief moment to mention BIC's 2012 Annual Report, which was released last week. This "self-produced" Report is a first for the agency and provides a detailed look into our operations and reach, the industries we oversee, and our accomplishments this past calendar year. I'm very grateful to the staff for their hard work on this report and am pleased to share it with you. Copies are also available on our website at www.nyc.gov/bic. Now, to the budget.

The Business Integrity Commission's ("BIC") Executive Expense Budget for Fiscal Year 2014 is \$ 7.15 Million. Of this total, \$ 5.2 Million is allocated to Personal Services ("PS") and \$

1.95 Million to Other Than Personal Services (“OTPS”). Overall, BIC’s Fiscal Year 2014 Executive Budget does not reflect any changes to the agency’s core programmatic aspirations from when I testified this past March.

With regards to the PS Budget, there is a \$71,639 increase between the Fiscal Year 2014 Executive Budget and the Fiscal Year 2013 Current Modified Budget. The increase reflects funding through FY14 for the Database Consolidation Project Manager position as well as restitution of a one-time \$73,000 PS Accrual Savings change instituted in FY13. In FY 2014, BIC’s budgeted headcount will remain at 81.

BIC’s OTPS budget for Fiscal Year 2014 reflects a \$324,925 decrease from the Fiscal Year 2013 Current Modified Budget. This is a result of a number of adjustments in Fiscal Year 2014, which include a one-year \$146,000 lease-related savings and an ongoing lease abatement savings of \$88,000; the conclusion of a \$75,000 NYS grant for document imaging; the reduction of \$150,000 in federal funds; and, the addition of \$135,000 in ongoing funding for subscription costs related to the new IT database. These ongoing costs will be offset by increased revenue from licensing and registration fees. The funds for ongoing subscriptions are currently reflected in the contract budget, which is set for \$343,743 overall in FY14.

BIC’s Executive Revenue Budget for Fiscal Year 2014 is \$6.36 Million, a decrease of \$417,456 from the Fiscal Year 2013 Current Modified Budget. The overall decrease in revenue seen between the FY13 Current Modified Budget and FY14 is attributable to adjustments to licensing/registration fees and investigation fee revenue. The trade waste licensing and registration revenue projection baselines a \$135,000 increase in trade waste fees. From FY10 through FY13, BIC has averaged \$4.28 million in license and registration revenue and

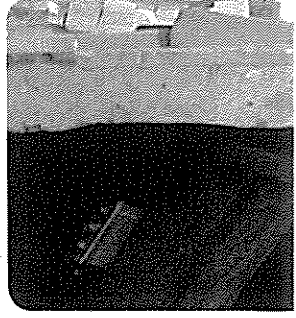
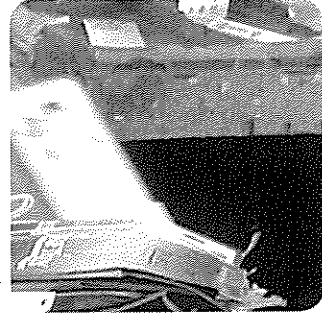
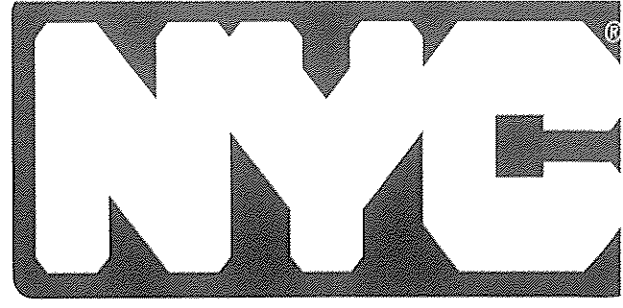
maintained stable applicant volumes. Considering these recent trends in the BIC-regulated population, the increase in the revenue target is a reasonable adjustment.

It is worth mentioning the steps BIC has taken to ensure firms receive appropriate licenses and registrations and achieve compliance and transparency continue in the trade waste industry. These include: targeted compliance efforts such as those directed at the e-waste and scrap metal sectors that were discussed in March and a program that leverages the agency's denial authority to compel entities to pay off outstanding debt in order to receive a license or registration. Authorizing company sales is also critical to ensuring transparency in the industry and in FY13, the agency strategically emphasized thorough investigations of ownership in these transactions. We will look to continue and expand on all these efforts in FY14 and in the outyears.

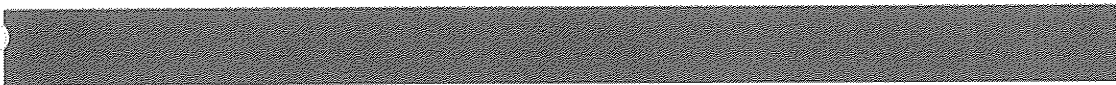
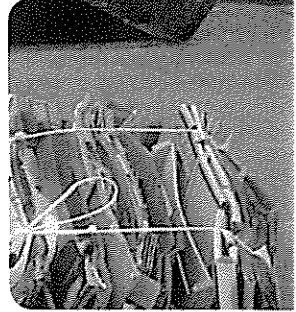
Similarly on the market registration operations, we have taken a few steps to ensure compliance and reduce paperwork. BIC has significantly streamlined renewal applications for market businesses that should dramatically cut company paperwork and reduce BIC's processing burden, while retaining the full investigative breadth common to our applications. The new version will be available on our website by the start of FY14. We recently completed a second nuisance abatement in the Hunts Point Adjacent Area against S&M Produce, a company that was operating as a front for a previously denied company, 3's Produce, whose principal had been convicted of embezzlement. As a result of this action, S&M has ceased operations and vacated the premises and the landlord has agreed to notify the City of future tenants to ensure compliance with BIC regulations. Not only is this a critical use of innovative law enforcement tactics, but it has sparked a jump in the number of new applicants from the Hunts Point Adjacent Area, with 10 applications in FY13, up from 2 in FY12.

In FY13, BIC received \$1.97 Mil in capital funding to be used for the technical and development consulting team brought in to perform the build of NIMBUS, the agency's new CRM system which will be completed by the end of 2013. These funds are included in the FY14 Capital Commitment Plan. As I mentioned in my testimony in March, this new system will greatly improve the data management, reporting, processing and operations of the agency, and provide mobile accessibility to field agents for use in real-time enforcement and investigative work. The first phase of the project, a fully integrated base system, will be up and running by August, less than 12 months after the build began.

This concludes my testimony and I am happy to answer any questions that you may have.



**Business Integrity
Commission**



ANNUAL REPORT 2012

MESSAGE FROM THE COMMISSIONER AND CHAIR, SHARI C. HYMAN



Shari C. Hyman
Commissioner and Chair

I am pleased to introduce the first-ever Business Integrity Commission Annual Report. My goal is to increase understanding of the important work the Business Integrity Commission does through a reflective look at the wide array of policy and investigative matters that have been handled by the Commission in 2012.

The Business Integrity Commission was established in 2001 via City Charter to license and regulate the commercial carting industry, the City's wholesale public markets and any shipboard gambling operations.¹ The mission of the Commission- to ensure the companies we regulate engage in honest business practices, free from the influences of organized crime and corruption- helps maintain a level playing field for our regulated industries and allows a competitive marketplace to flourish.

This Report presents a detailed and informative look at the history and operations of the Commission and spotlights trends of Commission regulated industries. It also documents the many ways the Commission continues to achieve its mission and protects the interests of honest New York City businesses and their customers.

I am grateful to the dedicated staff at the Commission who are tireless in ensuring we succeed in our mission. I hope this report provides better insight into both their work and our mission.

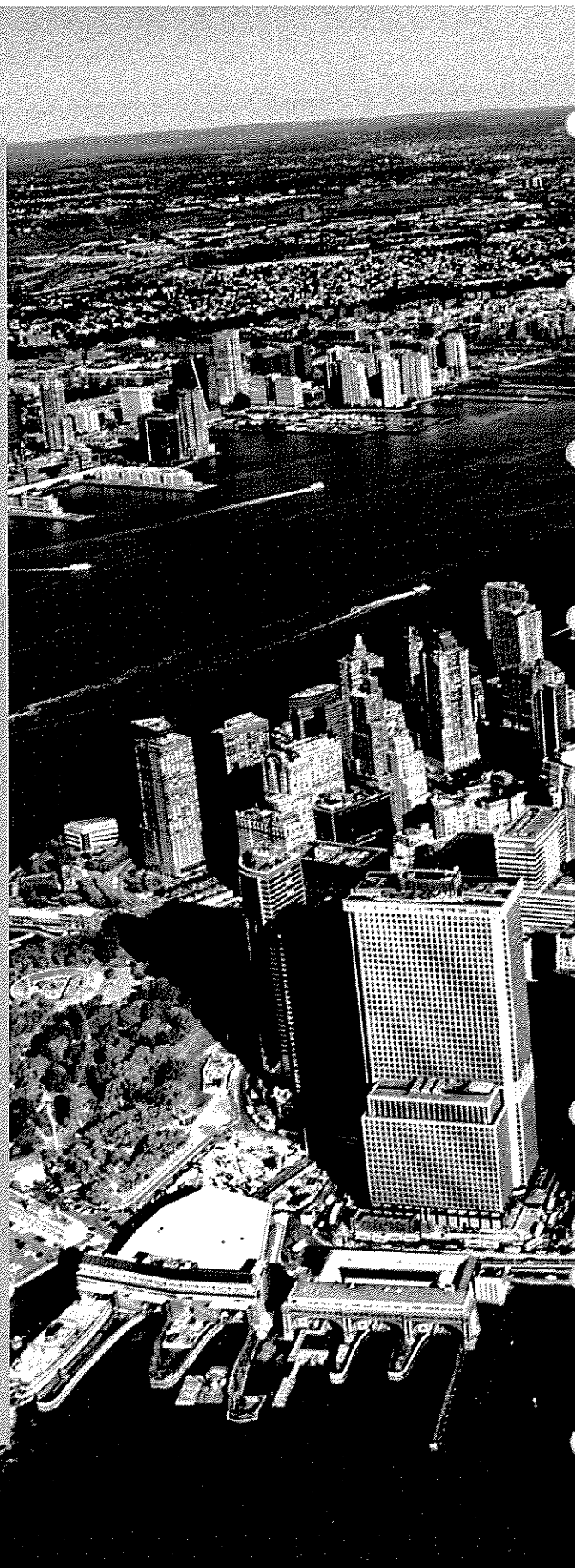
¹Currently there are no shipboard gambling companies operating in New York City.

OVERVIEW OF THE COMMISSION

In November 2001, a revision of the New York City Charter established the Business Integrity Commission (“the Commission”) to consolidate regulatory authority over the City’s private carting industry, public wholesale markets and shipboard gambling industries.

The Commission is both a law enforcement and regulatory agency with the authority to issue licenses and registrations to trade waste companies and registrations to wholesale market firms, investigate applicants and companies, establish standards for service, educate customers, enforce applicable laws and promulgate rules and regulations that govern the conduct of the businesses it oversees.

The Commissioner and Chair is responsible for the direction, management and operations of BIC. The Commission consists of the Chair, and the Commissioners of the New York Police Department, the New York City Department of Investigation, the New York City Department of Sanitation, the New York City Department of Consumer Affairs, and the New York City Department of Small Business Services.





COMMISSION MISSION

The mission of the Business Integrity Commission is to eliminate organized crime and other forms of corruption and criminality from the industries the Commission regulates. The Commission's goals are numerous: to ensure that the regulated businesses are able to compete fairly; to ensure that the marketplaces remain free from violence, fraud, rackets, and threats; to ensure that customers receive fair treatment; and to ensure that the businesses which are allowed to operate in these industries always conduct their affairs with honesty and integrity.

Photo Credit: Nathan Siemers <http://www.fiveprime.org/>

AGENCY PROFILE

LICENSING

Typically, the Licensing Unit is the first point of contact for regulated businesses. The Licensing Unit is responsible for processing all applications and issuing the appropriate license or registration once an application has been received by the Commission. The Commission issues Class 1 and Class 2-Exempt Registrations to self-hauling and construction and demolition firms respectively, and Licenses to putrescible waste haulers. Businesses operating in the wholesale markets are issued Registrations. Additionally, the Licensing Unit is responsible for maintaining the official records of the Commission, issuing Commission license plates to all trade waste registrants and licensees, processing payments in accordance with all fee schedules, and issuing photo identification cards to employees within the public wholesale markets. The Licensing Unit routinely responds to general public inquiries and provides daily assistance to licensees and registrants.

The Commission renewed 788 licenses and registrations and approved 187 new applications for licensees and registrants in calendar year 2012.

BACKGROUND INVESTIGATIONS

The process of screening companies who apply for a Commission license or registration ordinarily begins with a thorough and robust background check conducted by the Background Investigations Unit (BIU). BIU staff use a wide array of tools such as internal government databases and public record searches in order to gather information, which may be helpful to the Commission in its assessment of the honesty, integrity and good character of an applicant. BIU staff often work directly with applicants to ensure that all relevant information is obtained so that the application can move forward for final review and determination.

1,690 background investigations were completed in calendar year 2012.

LEGAL

The Legal Unit provides legal counsel to the Commission and its staff about various issues that arise in connection with the Commission's work of ensuring that the regulated industries are free from crime and corruption. One of the Legal Unit's primary roles is to review intelligence compiled by the BIU and the Investigations Unit, as well as information obtained by the Legal Unit itself, in order to provide the Commissioner with a legal recommendation as to whether a license or registration application should be approved or denied.

In 2012, the Commission brought its first ever nuisance abatement action to permanently shutter a previously denied company.

AUDIT

The Audit Unit conducts audits of licensees and registrants in the trade waste industry and registrants in the public markets to validate the financial integrity of these businesses. The Audit Unit reviews and analyzes financial as well as other documents to obtain an understanding of these business entities and the individuals who operate these entities. The Audit Unit also provides analytical assistance to enhance investigations and policy development and is responsible for gathering, reviewing, and analyzing financial statements of trade waste licensees.

The Audit unit issued 122 violations in calendar year 2012 for issues related to a company's financial record keeping. These violations settled for nearly \$400,000.

INVESTIGATIONS

The Investigations Unit works directly with the NYPD and other local and state law enforcement agencies to conduct wide-ranging criminal investigations involving theft of materials, undisclosed principals and locations, illegal transfer stations and ties to organized crime.

The Commission received 1,465 complaints and customer service inquiries in calendar year 2012.

ENFORCEMENT

The Enforcement Unit is responsible for patrolling the markets and the five boroughs. All members of the Enforcement Unit are trained NY State Peace Officers and are authorized to conduct arrests and issue violations. Some of the agents focus on trade waste haulers and others on the public markets. Another responsibility of the agents is to investigate complaints, which come in from myriad sources including concerned residents, customers, or other licensees.

The Commission issued 3,124 violations in calendar year 2012.

BRIEF HISTORY OF THE WHOLESALE MARKETS AND TRADE WASTE INDUSTRIES

Historically, the city's private trade waste industry, wholesale markets and their associated unions were heavily subject to the influence of corruption and organized crime. Anti-competitive forces used a variety of tactics, some violent, to extort, control and drive out competition which ultimately left customers with an unfairly monopolized marketplace. For example, the trade waste industry was characterized by the "property rights" system, a mechanism for local county associations (typically run by a borough's dominant organized crime family) to dictate supply and demand. At the wholesale markets, businesses paid high "insurance" prices to mobsters, which inflated the prices customers had to pay for goods.

In 1996, the City Council passed Local Law 42, in response to a 114-count indictment by the Manhattan District Attorney of various members of the trade waste industry. Local Law 42 created the Trade Waste Commission to oversee and regulate the industry. In 2001 the Trade Waste Commission was combined with the Small Business Services wholesale markets division and Gambling Commission into the present day Business Integrity Commission.

Today, anti-competitive behavior still surfaces in these industries. While the Commission has prevented the wide-scale reemergence of organized crime and kept major mob-related individuals from dominating the industry, there is an ongoing need for investigation, enforcement and vigilance to prevent theft, fraud and general corruption in these industries.



What is trade waste?

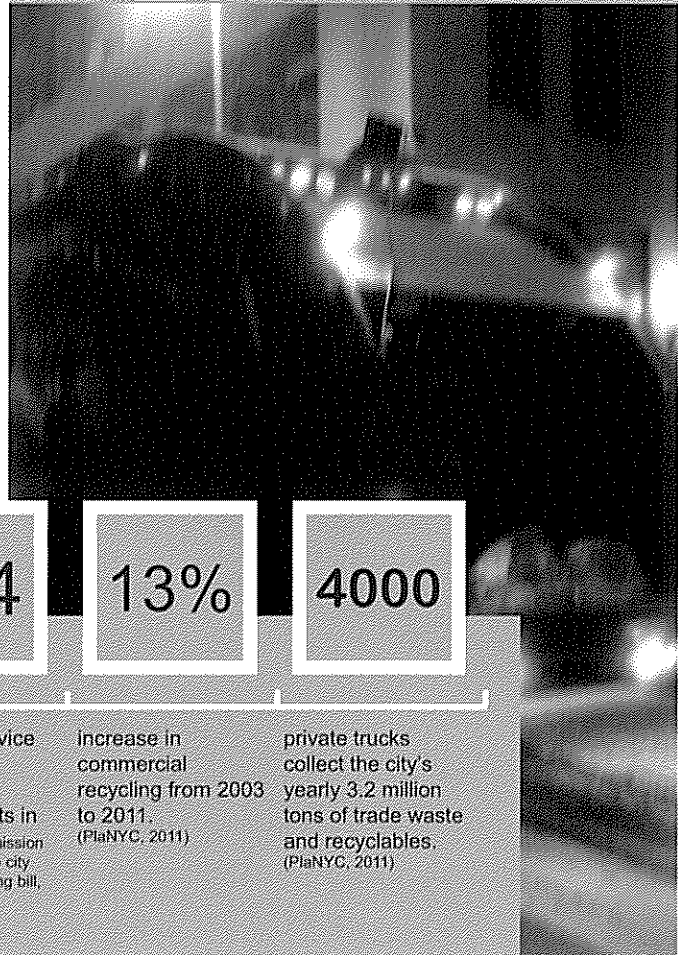
Trade waste comes from commercial businesses and must be disposed of or recycled by a licensed hauler. Types of waste can include garbage, medical waste, construction debris, and landscaping waste.

The trade waste industry supports an invisible economic sector of the city, unseen by the average person. The city's 150,000 commercial businesses use licensed or registered haulers to dispose of their waste.¹ These haulers service all types of businesses across the five boroughs. The industry operates 24 hours a day, 7 days a week, 365 days a year, to keep the city clean.

Altogether, there are over 2,000 companies involved in commercial waste collection. The industry is composed of a few types of haulers, because each type of waste requires a different means of disposal. Commercial waste haulers, brokers, construction and demolition (C&D), landscapers, and self-haulers are issued registrations by the Commission. Haulers who collect putrescible and recyclable waste are licensed by the Commission. The Commission also establishes the maximum rates that carters can charge for certain types of waste removal service.

¹Commission letter of support to city council for recycling bill, 6/24/12

REGULATED INDUSTRY: TRADE WASTE



25%

3.2

234

13%

4000

TRADE WASTE FACTS

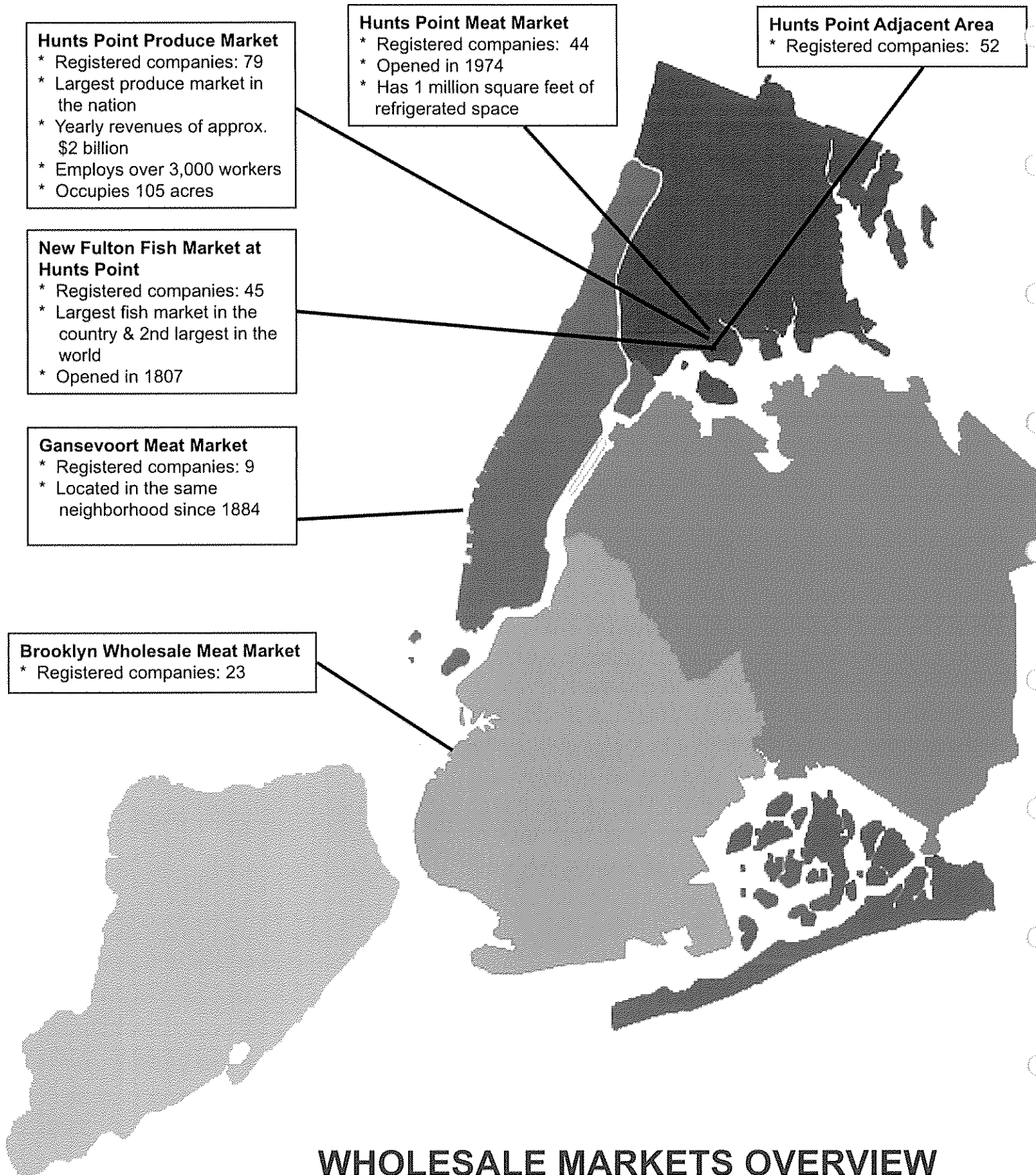
of the city's waste is from commercial businesses. (PlaNYC, 2011)

million tons of waste and recyclables generated by offices, factories, stores, restaurants, and construction sites. (PlaNYC, 2011)

licensees service over 150,000 commercial establishments in the city. (Commission letter of support to city council for recycling bill, 6/24/12)

increase in commercial recycling from 2003 to 2011. (PlaNYC, 2011)

private trucks collect the city's yearly 3.2 million tons of trade waste and recyclables. (PlaNYC, 2011)



WHOLESALE MARKETS OVERVIEW



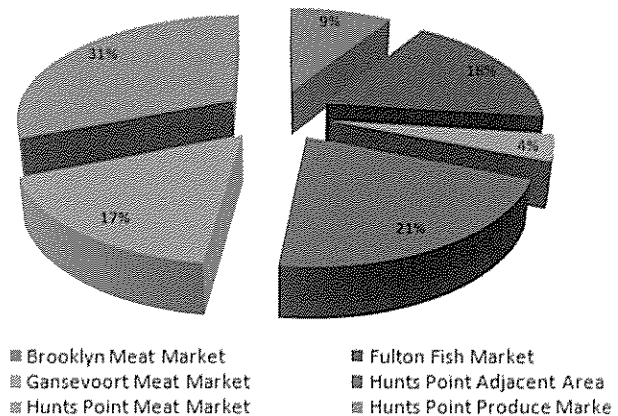
REGULATED INDUSTRY: WHOLESALE MARKETS

The Commission regulates five public wholesale markets in the city including the three Hunts Point markets (Hunts Point Meat Market, Hunts Point Produce Market, New Fulton Fish Market), along with the Gansevoort Meat Market and the Brooklyn Meat Market. The markets open Sunday night and continue operating throughout the week until closing on Friday with fresh products delivered daily from more than 55 countries.¹ NYC's markets are some of the biggest in the world and the Hunts Point Markets are the largest food distribution center in the nation. At 329 acres, the Hunts Point Markets employ 10,000 people and generate over \$3 billion in sales a year.² There are approximately 225 wholesalers and market businesses in the Hunts Point markets and in the NY Metropolitan area.

The Hunts Point Produce market sells 2.7 billion fruits and vegetables a year.³ It brings in about 22 percent of the region's fruits and vegetables, and restaurants, supermarkets, hotels, country clubs, and butcher shops buy their goods there. It is also responsible for bringing in about 60 percent of the city's fruits and vegetables.⁴ Anytime you buy a snack from a street vendor, eat in a restaurant or buy groceries, chances are high that the food passed through these markets first.

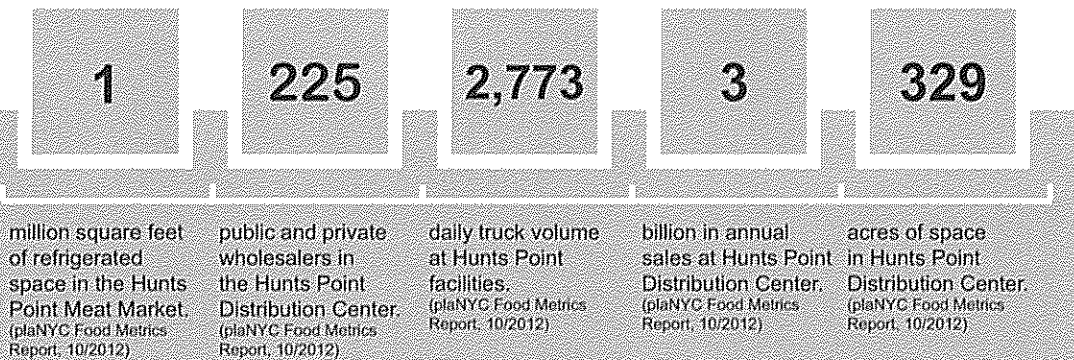
All wholesale businesses operating in these markets need to be issued registrations by the Business Integrity Commission. In addition, the Commission registers related market businesses such as the loaders, un-loaders and delivery companies. Beginning in 2010, the Commission began regulating wholesale businesses operating in the area adjacent to the markets in Hunts Point. The Commission also investigates complaints regarding market businesses.

Percentage of Companies in City's Wholesale Markets



¹Bronx hunts point produce..., NY Daily News, 11/5/12
²PlaNYC Food Metrics Report, 10/2012
³NYC EDC Hunts Point Vision Plan, 2005
⁴"Missing the market in...", The New York World, 11/20/12

PUBLIC MARKET FACTS



INDUSTRY FOCUS

CARDBOARD

What's the big deal?

Cardboard has become a valuable commodity of late. In calendar year 2012, cardboard commanded as much as \$100 a ton at recycling facilities. Illegal haulers cruise city streets at night gathering as much cardboard as their rented moving vans can carry. Licensed commercial waste haulers, who have scheduled pick-up times with businesses, are left empty-handed with no product to re-sell. These licensed haulers estimate they have lost between \$8 million to \$10 million each year due to illegal cardboard theft.¹

In order to lawfully pick up recyclable cardboard in the city, haulers are required to obtain a license issued by the Commission. In June 2012, the City Council introduced an amendment to the administrative code that would create significantly increased criminal fines for any person who removes recyclable materials without the appropriate permit. The Commission issued a formal support letter and led a large-scale investigation this past year.

HURRICANE RESPONSE

In the aftermath of Hurricane Sandy, Commission Market Agents took to the streets in the hardest hit areas to work with the local business community and trade waste haulers to facilitate the timely removal of commercial waste along with demolition waste under trying circumstances. Commission Investigators also assisted the NYC Parks Department by wading through the flooded areas to identify and relay the location of trees that posed an imminent risk to the public.

SCRAP METAL

Not for the junk yard anymore...

Due to an increase in the worldwide demand for metal, NYC has experienced a substantial increase in the theft of scrap metal. The Commission has renewed its enforcement efforts through targeted operations and investigations. The Commission is actively working to license scrap haulers where appropriate.

GREASE

Why grease?

Grease carters, trade waste haulers specializing in the removal of cooking grease, are contracted by restaurants to properly dispose of used cooking oil from grease traps and fryers.

There are currently 29 licensed haulers that service approximately 17,000 commercial and institutional establishments. In 2011, nearly 10.1 million gallons of grease were collected by licensed haulers who are required to dispose of the waste product in conformity with environmental regulations. Improperly disposed of grease contributes to sewer line blockages and is a major burden on city infrastructure.²

Increasingly, yellow and brown grease have been used in the production of biodiesel fuels, making it an inexpensive, but valuable raw material. Barebones, unlicensed haulers have sprung up to capitalize on this market and are hurting the profits of legitimate haulers.

The Commission has responded to this problem by partnering with the Department of Environmental Protection and the Mayor's Office of Analytics to create a joint task force that analyzes grease disposal and sewer backup data and proactively dispatches enforcement agents to those problematic areas with high concentrations of grease-producing businesses.

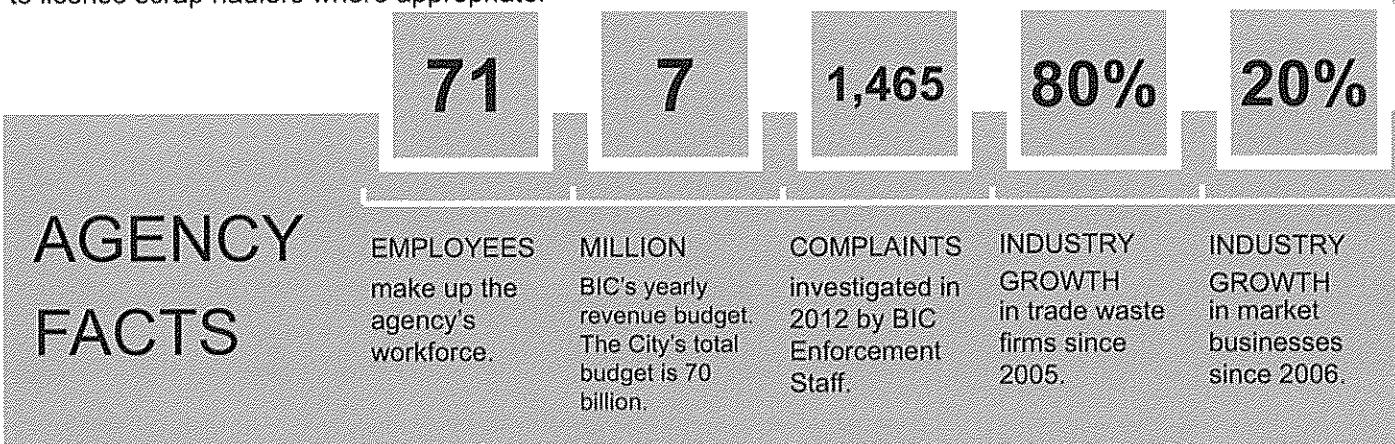
HUNTS POINT PRODUCE MARKET

trucked 4,000 pounds of fruit and vegetables to Hurricane Sandy victims.³

¹"Inside the surprisingly lucrative...", Atlantic Cities, 7/31/12

²Commission press release, 10/18/12

³"Bronx Hunt's Point Produce"... ,NY Daily News, 11/5/12



DRIVING ENFORCEMENT WITH DATA

This “heat map” visualizes potential hotspots of unlicensed activity. The map captures data from BIC, DOHMH and DEP and is being used in ongoing enforcement efforts to tackle illegal activity in the grease hauling industry.

Mayor’s Office of Analytics & NYC BIC, NYC DEP, NYC DOHMH



IN THE MEDIA: 2012

Applicants with questionable integrity regularly come to the attention of the Commission and their less than admirable behavior has been the subject of media attention. Here are a few notable Commission actions from 2012:

Affirmative Litigation

In September 2012, the Commission launched its first affirmative litigation effort to shut down the operations of **Jaraq Produce**, a wholesale produce company illegally operating in an area of the Bronx regulated by the Commission. Using an action known as “nuisance abatement”, the Commission succeeded in its efforts and obtained a shut-down order for the premises. The Commission also seized Jaraq Produce’s trucks after evidence revealed that Jaraq was likely a front for two other market companies, **C&S Wholesale Produce, Inc.** and **Dutchie Enterprises, LLC**. The wholesale applications of C&S Produce and Dutchie Enterprises had been previously denied by the Commission because of the principals’ well-documented associations with members of the Genevose crime family. The Commission’s actions against Jaraq Produce not only permanently shuttered the unlawful business, but a penalty of \$120,000 was also imposed. Notably, a new and properly registered wholesale business has replaced Jaraq Produce, creating a more competitive marketplace.¹

“It’s a complicated scenario, but the crime itself was pretty simple,” said Shari C. Hyman, Commissioner of New York City’s Business Integrity Commission, which began the investigation. “They cooked the books and stole from the union.”²

Union Fraud Uncovered

In the summer of 2012, the Commission concluded a three-year, multi-agency investigation into the operations of the owners of **Greenwood 2 Inc**, **Rainbow Transportation Corp**, **Nicholas J. LLC**, and **Marky OG LLC** hauling companies. The Commission-led investigation uncovered a \$5 million payroll scam where Greenwood 2 charged union rates on a variety of projects and subcontracted out the work to their non-unionized affiliates in order to pocket the difference in wage rates. This scheme is commonly referred to as “double-breasting.” The US Attorney’s Office of the Eastern District of New York indicted the perpetrators in March of 2012.³

¹“Investigators shutter Bronx produce...”, Wall St. Journal, 9/25/12; Commission Budget Testimony to City Council, 3/6/13

²“Trucking company workers are...”, NY Times, 3/8/12

³Commission denial decision, 1/14/13; “Trucking company workers are...”, NY Times, 3/8/12; Commission Budget Testimony to City Council, 3/12/12

Cardboard Theft Ring Unpacked

In the summer of 2012, the Commission led the breakup of a large-scale recycling theft ring in the NY Metropolitan area. The Commission conducted an investigation into ***Metro Paper***, a shell company that was run by a convicted racketeer and Commission-denied principal and a current trade waste applicant. Metro targeted big box stores in New Jersey and stole 900 tons of cardboard (valued at \$100,000) over a 4-month period. The three individuals operating Metro Paper were indicted on charges of theft, fencing stolen property and conspiracy, and the Commission denied their company's application.¹

"Licensed haulers need to operate in a market where they can deliver safe and reliable disposal services to city businesses", said Commissioner and Chair Hyman.²

Arson Investigation Leads to Homicide Arrest

A 2009 routine investigation into the arson of trucks at Coney Island Container Co. Inc. on Staten Island developed into a long-term investigation by the Commission, the NYPD, and the US Attorney for the Eastern District of New York. After the arrest of several Bonnano crime family associates on federal racketeering charges related to the investigation, one of the men under investigation was murdered. After arrests were made in connection with the homicide, one of the men arrested agreed to cooperate with investigators and gave up evidence on several Bonnano crime family members, including his own father-in-law.³

"We look at every loose thread that needs to be pulled," said agency Commissioner Shari Hyman. "And you can see what can unravel when you do these kinds of investigations."⁴

¹Commission press release, 7/24/12; "Inside the surprisingly lucrative...", Atlantic Cities, 7/31/12; Commission Budget Testimony to City Council, 3/6/13

²Commission press release, 9/26/12

³"Probe's thread turned extraordinary...", Wall St. Journal, 7/26/12; Commission Budget Testimony to City Council, 3/6/13

⁴"Probe's thread turned extraordinary...", Wall St. Journal, 7/26/12

PROTECTING

The Commission works towards establishing a level playing field for companies in the trade waste and wholesale market industries. The goal is for all businesses to conduct their affairs with honesty and integrity. The Commission conducts thorough and comprehensive examinations into every company that applies to work in its regulated industries to ensure NYC firms meet this standard. Companies found to be operating in accordance with the laws are granted licenses or registrations. However, if the Commission uncovers information that reveals ties to organized crime, fraud, inaccurate business records or other transgressions, the Commission will seek to deny an application. Companies that are deemed to not have met the standards of “good character, honesty and integrity” are formally denied and permanently banned from operating in these industries.

Stallion Recycling Corporation

Stallion was denied a renewal license in 2012 after the Commission's investigation found the principals of the company allowed a convicted racketeer and member of the Gambino crime family to solicit business on behalf of the company. This individual had been previously convicted for spearheading a multimillion-dollar illegal dumping scheme in Staten Island that is considered one of the more egregious environmental disasters in the city's recent history. ¹

Dutchie Enterprises d/b/a ADJ Wholesale Produce

Dutchie was denied a registration in 2012 after the Commission found the company had significant ties to organized crime. The principals of the company were found to be strongly influenced by a convicted felon and associate in the Genovese crime family who had operated a gambling ring in Hunts Point Market. In addition, one of the principals had previously applied for and been denied a Commission registration in 2007. ²

¹Commission Denial Decision of Stallion Recycling Corp. licensing application, 6/5/12

²Commission Denial Decision Dutchie Enterprises d/b/a ADJ Corp. registration application, 2/7/12

INTEGRITY

Empire State Rubbish Removal d/b/a 1-800-Got-Junk?

After receiving a license, Empire played hide and seek with the Commission by ignoring multiple Commission directives to submit regulatory paperwork, leading to fines of nearly \$100,000. Empire did not pay its fines or submit any required paperwork with the exception of an application for renewal of its license. Empire's refusal to follow the rules led the Commission to revoke their license. ¹



"Today's action highlights the need for continued oversight to ensure that those who refuse to play by the rules and erode a fair marketplace are held accountable," said Commissioner and Chair Hyman.²

¹Commission Denial Decision of Empire State Rubbish Removal d/b/a 1-800-GOT-JUNK licensing application, 2/7/12

²Commission press release, 9/26/12

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in favor in opposition

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Name: Jonathan Mintz (PLEASE PRINT)

Address: Commissioner, DCA

I represent: _____

Address: _____

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in favor in opposition

Date: _____

Name: George Pape (PLEASE PRINT)

Address: Deputy Comm., DCA

I represent: _____

Address: _____

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in favor in opposition

Date: _____

Name: Charles R. Fraser (PLEASE PRINT)

Address: _____

I represent: Do ITT

Address: 255 Greenwich St., NYC 10007

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in favor in opposition

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(PLEASE PRINT)

Name: Brett Robinson

Address: 255 Greenwich St, 9th Floor

I represent: DOTT

Address: same

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Date: 5/29/13

(PLEASE PRINT)

Name: JOHN WINKER

Address: 255 Greenwich ST NYC 10007

I represent: DOTT

Address: 255 Greenwich ST NYC 10007

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Shari Hyman, CMSR & CHAIR

Address: BIC, 100 Church St, 20th Fl, NY, NY

I represent: _____

Address: _____

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**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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in favor in opposition

Date: 5.29.13

(PLEASE PRINT)

Name: Lillian Ramos-Paoli

Address: Commissioner

I represent: DTA

Address: _____

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THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 5/29/13

(PLEASE PRINT)

Name: JAYANT KIRAN

Address: BIC, 100 CHURCH ST, 20th FL, NY, NY
1007

I represent: _____

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 5.29.13

(PLEASE PRINT)

Name: Joy Wang

Address: Assistant Commissioner, Budget & Fiscal Operations

I represent: DTA

Address: _____

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