



**The City of New York
BUSINESS INTEGRITY COMMISSION**

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Michael J. Mansfield
Commissioner/Chair

FOR IMMEDIATE RELEASE
July 7, 2009

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BIC SETTLES RECORD FINES WITH NEW YORK CITY CARTING COMPANIES

IESI NY Corporation and Filco Carting Corp. Pay \$100,000 and \$75,000 Penalties to Settle Violations Pertaining to Unlawful Subcontracting Agreements

July 9 (NEW YORK) Michael J. Mansfield, Commissioner and Chair of the New York City Business Integrity Commission, announced today that IESI NY Corporation, and Filco Carting Corp. have agreed to pay to the Commission penalties of \$100,000 and \$75,000 respectively, for violations pertaining to acquiring the Commission's approval for sub-contracts that they entered into with other New York City carters for waste pick-up within the City.

IESI, one of the largest waste haulers in the nation, agreed to pay the fine after a routine audit by the Commission's auditing unit discovered that IESI had failed to obtain the Commission's permission before subcontracting stops to other carters. As part of the settlement, IESI has turned over to the Commission all documentation relating to these and all other subcontracting agreements entered into by the company since 2006. IESI also agreed to implement protocols to prevent such activity from re-occurring.

Filco Carting Corp. consented to pay the \$75,000 fine after the Commission discovered that it had ignored a direct order of the Commission forbidding it from entering into a long term subcontracting agreement with All-American Hauling & Recycling, Inc., a company formerly licensed by the Commission.

Any carter who wishes to enter into subcontracting agreements, is required to first obtain permission from the Commission. The authorization of subcontracting agreements is an essential means by which the Commission ensures that New York City remains a competitive and balanced marketplace for all companies who operate within the trade waste industry. In addition, although not present in the instant case, abuse of these rules was a hallmark of the "property rights system," which plagued the City for decades. Also included in the settlement are a number of fines for lesser violations.

Commissioner Mansfield said, “Violation of New York City’s subcontracting rules are of a very serious nature and will not be tolerated. I am gratified that IESI and Filco have taken steps to ensure that all future subcontracting agreements will be fully disclosed to the Commission in the appropriate manner.”

The Business Integrity Commission, originally known as the Trade Waste Commission, was created in 1997 in response to the indictment of key players in an organized crime cartel that controlled the private waste hauling industry. The Commission is both a regulatory and law enforcement agency. It consists of the Chair and the Commissioners of the New York City 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, with the Chair having administrative management over the agency.

In November, 2001, a charter revision measure created the Organized Crime Control Commission, which was later renamed the Business Integrity Commission, to consolidate under one agency the regulatory jurisdiction over the private carting industry, businesses operating in the City’s public wholesale markets, and the shipboard gambling industry. The mission of the Commission is to eliminate organized crime and other forms of corruption and criminality from the industries that it regulates. The Commission’s goals are numerous: to ensure that the regulated businesses are able to compete fairly; that the marketplaces remain free from violence, fraud, rackets, and theft; that customers receive fair treatment; and that the businesses which are allowed to operate in these industries always conduct their affairs with honesty and integrity.