



NEW YORK CITY COMPTROLLER
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Audit of the Monitoring of the City's Trade Waste Carting Industry by the Business Integrity Commission

MG25-062A | December 26, 2025





THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BRAD LANDER

December 26, 2025

To the Residents of the City of New York,

My office has audited the Business Integrity Commission (BIC) to assess the effectiveness of BIC's monitoring of the City's commercial waste carting industry, with a particular focus on its inspection program, issuance of violations, and investigation of complaints.

The audit found that BIC has made progress in managing its operations, including reducing backlogged violations, improving processing timeliness, and responding to complaints. However, BIC does not have a clearly defined enforcement framework to address companies that repeatedly violate rules. Specifically, the agency lacks written criteria or measurable benchmarks that explain when routine enforcement should escalate to stronger oversight.

From January 2021 through December 2024, BIC issued 7,641 violation charges, nearly half of which were concentrated among 140 companies with extensive violation histories. Several of these companies also had crash histories. Despite this concentration, only a small number of these companies were subject to greater action, such as audits or placement under an independent monitor. The agency did not provide any documentation to show that such measures were even considered. . Most of the companies concerned continued operating with no consequences beyond fines, even when their records suggested elevated safety or integrity risks.

The audit also found that BIC's use of audits, monitors, and other enforcement tools was inconsistent and not clearly tied to risk. Companies with serious safety issues and/or crash histories were sometimes left without additional oversight, while others with fewer violations received stricter scrutiny. In addition, BIC lacks a formal audit program and risk-based selection process, limiting its ability to use audits and other tools to achieve sustained compliance across the industry.

The audit makes five recommendations in total, of which BIC partially agreed with three and disagreed with two.

The results of this audit have been discussed with BIC program officials, and their comments have been considered in preparing this report. BIC's complete written response is attached to this report.

If you have any questions concerning this report, please email my Audit Bureau at audit@comptroller.nyc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Lander".

Brad Lander
New York City Comptroller

Table of Contents

Audit Impact.....	1
Summary of Findings	1
Intended Benefits	2
Introduction.....	3
Background	3
Types of Carting Industry Companies Under BIC's Purview	5
Compliance and Enforcement Operations	7
Analysis of Enforcement Data: BIC Issued Nearly 8,000 Charges Between January 2021 and December 2024	11
Objective	12
Discussion of Audit Results with BIC	12
Detailed Findings.....	14
Standardized Enforcement Policies Lacking	16
Companies with Substantial Violation Histories Faced No Consequences Other than Increased Fines.....	17
Inconsistent Enforcement Oversight Lacking Escalation Strategy.....	20
Monitorships Did Not Lead to Lasting Compliance	24
Lack of Standards, Structure, and Coverage Undermines the Effectiveness of BIC's Audits	25
Absence of Clear Criteria and Procedures Weakens BIC's Audit Function	25
Minimal Audit Coverage Reduces Assurance Over Industry Compliance	26
BIC Reduced Backlogs and Improved Timeliness in Processing Violations and Complaints	28

Violation Processing Times Improved	28
Complaint Response Times Generally Met Standards	29
Recommendations	31
Recommendations Follow-up.....	33
Scope and Methodology	34
Appendix I.....	38
Appendix II.....	40
Addendum	

Audit Impact

Summary of Findings

While the Business Integrity Commission (BIC) has improved the agency's timeliness in processing violations and complaints, the agency lacks standardized policies and procedures to guide its operational and enforcement mechanisms. BIC focuses overwhelmingly on the issuance of violation charges (charges), fines, and penalties, and although it also focuses on remediation of the conditions that lead to the issuance of charges, there does not appear to be a strategy in place for addressing chronic violators to achieve sustained compliance.¹ An analysis of companies with complex and persistent histories of safety- and integrity-related charges (as well as crash histories) shows that enforcement escalation was inconsistent and uneven.

Between January 2021 and December 2024, BIC issued 7,641 charges. Nearly half of the 7,641 charges (each based on multiple instances of noncompliance and potential indicators or risk) were concentrated among 140 companies, but only five of these companies were audited or monitored, and only one faced revocation. In some cases, these 140 companies also had histories of crashes.

BIC reported that the agency adheres to Title 17 of the Rules of the City of New York and Title 16-A of the New York City Administrative Code; however, the rules do not offer guidance on when BIC should refer a company for audit or when it should consider imposing a monitor or escalate toward revocation. BIC has not established any internal policies and procedures to fill that gap. A review of 12 companies with significant safety and integrity charges and crashes (as well as BIC's enforcement actions for each) found the need for greater enforcement action and little evidence of consistency in BIC's exercise of discretion.

In addition, BIC's audit coverage is minimal and its selection of companies for audit is insufficiently tied to risk. BIC informed the audit team that the agency conducts three to four audits per year, but BIC performed just one audit in 2022, one in 2024, and no audits in 2023.

¹ A violation refers to a single enforcement case issued by BIC. Each violation may contain one or more violation charges, which are the specific rule sections cited (for example, missing DVIRs, improper loading, or failure to complete a six-month inspection). Throughout this report, numerical counts reflect the number of charges in a single violation unless otherwise noted, because they provide a more accurate measure of the extent and nature of noncompliance.

Intended Benefits

The audit assessed whether BIC's oversight of the trade waste industry is effective in identifying high-risk operators, preventing unsafe conditions, and ensuring that enforcement actions are fair, consistent, and focused on public safety.

Introduction

Background

BIC was created in 1996 following a series of State and federal investigations that exposed pervasive corruption, organized crime influence, and price-fixing in the trade waste carting industry (carting industry).² For decades, private waste collection was controlled through cartel arrangements and racketeering schemes that inflated costs and undermined fair competition.

BIC was created in 2001 via charter revision, by combining elements of various regulatory and oversight bodies. The agency was given broad powers to license carters, register brokers, and investigate applicants' backgrounds. The City Charter (§ 2100 and related provisions) established BIC as an independent commission to prevent corruption and the influence of organized crime in the industry. Its mandate includes preventing corruption, ensuring lawful business practices, and protecting the public from both unfair pricing and unsafe operations. Promoting safety—an element not included in the agency's original mandate—was added through Local Law 198 of 2019 and fully implemented beginning in 2021.

BIC is responsible for ensuring that all licensed entities adhere to a wide range of applicable laws and regulations, including those pertaining to public safety, environmental protection, and labor practices. BIC's authority stems from its power to conduct comprehensive background checks, inspect business operations, and investigate both applicants and active licensees and registrants. The agency encourages compliance by issuing violations, imposing fines and penalties, and ensuring their remediation.

In New York City, trade waste establishments are legally required to contract with a BIC-licensed private carting company for waste removal or, alternatively, to transport and dispose of their own waste at designated facilities in compliance with City regulations.³ BIC monitors the City's carting industry and identifies and resolves ongoing issues by conducting:

² BIC and related sources use several terms interchangeably, including "waste trade," "commercial waste trade," "commercial trade waste," and "waste trade industry." For clarity and consistency, this report uses the term "trade waste carting industry" to refer to the regulated sector of licensed private carters. In its response, BIC asserts that the terms "trade waste" and "commercial waste" are legally distinct terms and that treating them as interchangeable overlooks statutory definitions that affect the scope of BIC's regulatory authority. While it is true that the NYC Administrative Code contains distinct legal definitions for "trade waste" and "commercial waste" in certain regulatory contexts, BIC's own public materials, datasets, and enforcement records routinely use these terms inconsistently or interchangeably. To avoid confusion, the report adopts a single, clearly defined term solely for clarity and consistency, without altering or conflating the underlying legal distinctions.

³ New York City law requires every business to manage its waste by either hiring a licensed private carter or transporting it to approved facilities on their own. The City enacted Local Law 199 of 2019 establishing the Commercial Waste Zone

1. **Application Reviews:** BIC handles applications from entities seeking to obtain a BIC license or registration for the first time, and from re-applicants who are seeking to renew a license or registration. This occurs every two years. Applications are submitted to the Licensing Unit, after which the Background Investigation Unit (BIU) conducts vetting to determine good character, honesty, and integrity. BIU prepares an intelligence report summarizing the results of the vetting process. The Legal Unit reviews each new and renewal trade waste application as well as BIU's findings. The Legal Unit may take additional investigative steps before recommending approval/denial of the application. During this process, BIC ensures payment of outstanding taxes, penalties, and fines; ensures all previously issued violations are cured; obtains necessary documentation; and, if necessary, obtains sworn testimony from applicants. BIC also issues summonses for any uncured or new violations uncovered during the review and works with applicants to ensure they meet the standards for a license or registration or renewal.
2. **Investigations of Complaints:** BIC reviews complaints submitted by the public, businesses, and other agencies regarding the practices of licensed carters. These investigations may involve gathering records, interviewing witnesses, and inspecting company operations to determine whether violations of laws, rules, or license conditions have occurred.
3. **Field Investigations (Patrols):** BIC conducts patrols and unannounced site inspections across the five boroughs to monitor operations of the carting industry in real time. These field investigations are used to identify unlicensed activity, unsafe practices, and other violations that may not be captured through formal complaints.
4. **Independent Monitor Oversight:** In cases where serious compliance concerns are identified, BIC may impose an independent monitor on a company. The monitor provides ongoing oversight of the company's operations and reports directly to BIC to ensure corrective actions are implemented and misconduct is prevented.
5. **BIC Internal Audits of the Carting Companies:** BIC conducts audits of licensed carters' financial and operational records to verify compliance with reporting requirements, fee payments, and applicable rules. These audits aim to detect underreporting, hidden ownership, and other practices that may undermine the integrity of the industry.
6. **License Denials/Revocations:** BIC has the authority to deny license or permit applications or revoke existing licenses when companies or their principals fail to meet integrity standards, violate rules, or engage in unlawful conduct. These actions remove

Program, administered by the Department of Sanitation, which maintains this requirement but restructures it by dividing the City into geographic zones and limiting service in each zone to a small number of licensed carters. This law was enacted to address issues with the carting industry including dangerous driving, public safety issues, and excess truck miles impacting air quality and public health.

unfit operators from the industry and help safeguard fair competition and public safety. According to the New York City Administrative Code, BIC may revoke a license for several reasons including fraud or misrepresentation in applications, repeated violations of carting industry laws, failure to notify BIC of changes in ownership or principal's convictions, associations with members of organized crime, health and safety risks, failure to pay taxes, fines, and penalties, or any action that demonstrates a lack of good character, honesty, and integrity. In practice, this standard is assessed through background checks, financial reviews, and investigations into business practices. Factors such as prior criminal convictions, fraud and deceptive conduct, regulatory violations, financial irresponsibility, and associations with organized crime figures may all indicate a lack of integrity.

Types of Carting Industry Companies Under BIC’s Purview

As of September 2025, BIC oversaw a total of 1,850 active carting industry companies including licensees and different classes of registrants.

Licensees (carters) are the most regulated class of company and must comply with the strictest set of rules. In addition to licensing private carters, BIC also requires certain businesses that handle trade waste—such as companies that generate, broker, or remove waste with their own trucks—to register with the agency (referred to as registrants).

Both groups must apply for a license or registration every two years, both are held to integrity and recordkeeping standards, and both can face suspensions, revocations, and fines. However, violations against licensees often carry higher penalties because they are seen as the backbone of the system, while registrants have narrower, but still important obligations.

Table 1 below lists the types of companies that are overseen by BIC and outlines the associated legal requirements.

Table 1: Types of Licenses and Registrations Issued by BIC

Type	Description	Legal Requirements	# Issued by BIC as of September 2025
Licensee	Businesses that collect, remove, or dispose of waste for a fee (i.e., private commercial carting industry companies).	Must hold a BIC license (this is different from simple registration). Are subject to the full set of BIC requirements, which include:	284

Type	Description	Legal Requirements	# Issued by BIC as of September 2025
		<p>(1) Customer Register requirements (a complete, accurate customer list);</p> <p>(2) Financial disclosure filings (annual audited financial statements);</p> <p>(3) Background checks on principals, officers, and key employees;</p> <p>(4) Rate regulations (carting fees must comply with BIC-approved schedules); and</p> <p>(5) Recordkeeping and reporting obligations.</p>	
Class 1 Registrant (Self-Hauler)	A business that removes its own trade waste (not including construction and demolition debris) using its own vehicles and disposes of it at a private transfer station.	The business must register with BIC, use a vehicle with trade license plates, to show it is a registered self-hauler. BIC regulates these self-haulers to ensure compliance with waste removal rules.	441
Class 2 Registrant (Broker)	A person or business that, for a fee, brokers agreements between trade establishments that generate waste and companies licensed to remove waste.	These brokers are required to register with BIC, which involves a background investigation and potentially photographs of the principals. Brokers must adhere to BIC rules regarding their contracts with customers and the rate schedules they use.	99

Type	Description	Legal Requirements	# Issued by BIC as of September 2025
Class 2 Registrant (Construction and Demolition [C&D])	Businesses that exclusively handle waste generated from building demolition, construction, alterations, or excavations.	The business is exempt from the full licensing requirement because its operations are limited to C&D debris removal. Instead, it applies for this exemption and is issued a Class 2 registration. ⁴	1,026
Class 3 Registrant (Union)	A labor union or organization in New York City that represents employees in the carting industry.	The union or organization must complete a registration application, as well as an individual disclosure form. This allows BIC to investigate the integrity of the unions operating within the carting industry.	0⁵

Compliance and Enforcement Operations

BIC’s compliance functions are fulfilled through field inspections conducted by its Investigations Unit. Inspections are conducted by BIC investigators through daily patrols and can also be triggered by public complaints. BIC’s compliance functions are also fulfilled by BIC’s Audit, Legal, and Policy units.

Agency data suggests investigations stemming from field inspections are the principal driver of violation issuances; 88% of the 7,641 charges issued between January 2021 and December 2024 originated from investigations—the remaining 12% were charges that originated from the Audit, Legal, and Policy units. Each violation listed in BIC’s database may contain multiple underlying charges which are included in a single enforcement action. For example, a violation for “unsafe operations” may include several specific infractions recorded under a single violation number, such as failure to complete inspections, operating with defective equipment, or overloading a vehicle.⁶

⁴ A business can apply for exemption from the full licensing requirements under §16-505(a) of the Administrative Code if it meets certain conditions. In that scenario, the applicant applies for both the exemption (CL-2 Exempt) and for a Class 2 registration. All CL-2 Exempt entities are Class 2 Registrants, but not all Class 2 Registrants are CL-2 Exempt, unless they specifically applied for and received the exemption from licensing.

⁵ There were no active Class-3 Union registrants during the audit scope period; although BIC approved five such registrations as of September 8, 2025, those approvals occurred after the audit period and therefore do not affect the audit’s findings.

⁶ The total number of charges exceeds the total number of violations.

Field Inspections

The majority of BIC's enforcement actions are the result of patrols conducted by its investigators. According to BIC, this strategy allows the agency to identify and address violations directly in the field. The most commonly issued violations include operating an unlicensed business, failure to have required safety equipment (e.g., mirrors, side guards), and improper disposal practices. The field inspection process consists of the following steps:

1. **Patrol and Observation:** Investigators patrol designated areas to monitor the activities of carting industry companies and wholesale market businesses.
2. **Documentation:** Upon observing a potential violation, the investigator inputs all relevant information—including photographic evidence and notes—into Salesforce, which generates a Certificate of Inspection (COI).

Violation Issuance and Review

If a violation is warranted, the investigator drafts the citation, which is then electronically transmitted for supervisory review. There are two separate levels of review for a Violation Draft: (1) Investigations Unit Executive Director or Deputy Director approves a violation drafted by an investigator, and (2) it is then sent for review and approval by an attorney in the Violations Unit before being issued by a Violations Analyst.⁷

Complaint-Driven Investigations

BIC maintains a structured process for receiving and processing public complaints.⁸ Complaints are accepted through multiple channels, including 311 calls, the BIC website, direct calls and emails, inter-agency referrals, and in-person reports. The workflow for handling complaints is as follows:

1. **Intake and Triage:** A BIC Complaints Coordinator logs all incoming complaints into its case management system (NIMBUS/Salesforce).⁹
2. **Assignment and Validation:** Within 24 hours, a supervisor assigns the complaint to an investigator. The investigator is responsible for validating the complaint by gathering

⁷ According to BIC officials, companies are required to demonstrate that violations have been corrected to maintain their license or registration and again at the time of renewal.

⁸ Examples of typical complaints include private carters violating traffic laws, improper accumulation of commercial trash, and the illegal mixing of recyclables with general waste.

⁹ Complaints that fall outside BIC's jurisdiction (e.g., noise complaints, illegal dumping on sidewalks) are referred to the appropriate City, State, or federal agency.

sufficient evidence, which may involve contacting the complainant, reviewing internal databases, and consulting external sources like the Department of Motor Vehicles (DMV).

3. **Investigation:** The investigator conducts a full inquiry into the matter.

BIC received 1,607 complaints for the period from January 1, 2021 through November 26, 2024. Of these, 1,225 warranted investigations, 63 of which resulted in charges. The remaining 382 were classified as inquiries (including those that pertained to consumer products).

Audit Unit: Mandate and Procedures

The Audit Unit, comprised of a Director and four staff members, conducts compliance audits in accordance with the provisions of Titles 16-A of the Administrative Code and the rules and regulations set forth in Title 17 of the Rules of the City of New York (RCNY).¹⁰ According to BIC, the unit's primary objective is to perform targeted reviews of a select number of entities, not to audit every regulated company. BIC stated that the audit process follows a structured methodology from initiation to conclusion.

1. **Audit Initiation:** An audit is initiated based on specific triggers. These include referrals from the BIC Legal or Investigations units or discrepancies uncovered by the Audit Unit itself during routine reviews of company financial statements.
2. **Preliminary Review:** Prior to commencing a full audit, the unit conducts a preliminary review. This preparatory phase includes an examination of the company's financial statements and an assessment of all complaints filed against the entity.
3. **Fieldwork:** Following the preliminary review, the process moves to the fieldwork stage, which involves conducting interviews with key employees and officials of the company.
4. **Reporting and Final Review:** At the culmination of the audit, the unit prepares a formal Summary of Findings report, which documents any identified inconsistencies. This report is subject to an internal review by the Director and Deputy Director.
5. **Final Disposition and Notification:** Once approved, the final report is transmitted to the BIC Legal Unit. The Legal Unit is then responsible for formally notifying the company of the findings. If issues uncovered during the audit suggest potential criminal activity, such

¹⁰ RCNY Title 17 consists of the rules and regulations governing BIC and its enforcement of the City's carting industry and trade waste removal laws. This title details the requirements for licensing and registration, the conduct of licensees, and the rules for collecting, removing, and recycling waste within the City. For the full text of these requirements, see RCNY Title 17, Chapter 1: Trade Waste, available at: [Chapter 1: Trade Waste](#)

as fraud, the Legal Unit coordinates with the appropriate law enforcement agencies for further action.

Enhanced Oversight through Independent Monitorships

As part of its oversight of the industries it regulates, BIC can assign an independent monitor to licensees to ensure compliance and integrity.¹¹ According to BIC, this measure is typically employed when BIC identifies a company that has repeatedly demonstrated a history of violations, integrity issues, or poses a potential risk to public safety, such as driving without the proper license, failure to disclose a vehicle collision within ten days, or failure to remove, collect, or dispose of waste in the proper manner.¹² BIC's decision to require a licensee to hire an independent monitor generally follows a pattern of persistent noncompliance or significant integrity failures. According to BIC, key triggers that can lead to the imposition of a monitor include:

- A history of significant or repeated violations of BIC rules and regulations.
- Concerns about the company's integrity, which may stem from criminal investigations, associations with organized crime, or fraudulent activities.
- Safety concerns, particularly within the carting industry, where a poor safety record can pose a direct threat to the public.
- A condition of a settlement agreement to resolve a disciplinary action initiated by BIC.

Before a monitor is imposed, BIC's Legal Unit evaluates the profile and history of the entity concerned and makes a recommendation to the Commissioner. If a monitor is imposed, BIC selects one from an internal list of approved monitors that have also been vetted by BIC and have been determined to have the necessary expertise in areas such as forensic accounting, law enforcement, and/or compliance. The selection process is designed to ensure the monitor's independence and qualifications.¹³

The independent monitor acts as the "eyes and ears" of BIC, providing an objective and detailed assessment of the licensee's operations.¹⁴ A key function of the monitor is to detect and prevent

¹¹ According to BIC officials, monitors are employed as a result of an internal investigation by the Legal Unit, with support from the Audit and Investigations units (when warranted), to achieve compliance for the condition that required a monitor.

¹² Since BIC's authority over safety was not established until 2019 and did not take full effect until 2021, the agency only began developing the rules, procedures, and processes for carrying out its new safety responsibilities after that point.

¹³ The licensee bears the full cost of the monitorship.

¹⁴ A company is assigned to a monitor for a period of up to two years, until the time of the renewal of the company's license, which is every two years.

any recurrence of the conduct that led to the monitorship. The monitor is granted broad access to the company's books, records, facilities, and personnel; the monitor oversees the company's day-to-day operations to ensure adherence to all relevant laws, regulations, and the terms of their license. This can include reviewing financial transactions, observing safety practices, and interviewing employees. The monitor provides regular reports to BIC, detailing their findings and making recommendations for improvements. BIC indicated these reports are a key tool to gauge the licensee's progress and commitment to reform.¹⁵

According to BIC, through the strategic use of independent monitors, BIC can effectively address issues within the industries it oversees without necessarily resorting to license revocation, which can have significant economic impacts. BIC officials also stated that this oversight tool provides a structured path for companies to reform their practices and demonstrate their commitment to operating with integrity and in compliance with the law, ultimately protecting the public and ensuring a fair and competitive business environment.

Revocation as the Agency's Most Severe Enforcement Action

The revocation of a license is BIC's most severe enforcement tool and is reserved for cases involving egregious misconduct, substantial threats to public safety, or repeated noncompliance that cannot be corrected through lesser measures. Revocation terminates a company's ability to operate in the industry and has significant economic consequences for the business and its customers, which is why it is used sparingly and only after formal due-process proceedings.

During the audit period, only one company had its license revoked. The infrequency of revocation underscores BIC's reliance on monitorships and audits as corrective mechanisms, short of removing a company from the industry altogether.

Analysis of Enforcement Data: BIC Issued Nearly 8,000 Charges Between January 2021 and December 2024

Based on data provided by BIC, between January 2021 and December 2024, BIC issued 7,641 charges to 2,039 companies.¹⁶ These violations spanned 39 categories and were identified and issued by the following units: Investigations (6,727 charges), Audit (503 charges) Legal (235

¹⁵ BIC denied the auditors' request for access to the reports, citing confidentiality concerns.

¹⁶ Some of the companies received more than one violation charge, as reflected later in the report. In addition, 2,039 includes companies that were unlicensed. The total number of licensed and registered companies is 1,850. See Scope and Methodology section of this report for a detailed explanation as to the number of violations that were issued.

charges), Policy (163 charges), and Violations (13 charges). An additional 63 charges were issued following complaints from the public.

Of the 39 violation categories, 16 directly relate to safety issues, encompassing vehicle inspections, maintenance standards, loading practices, and operational conduct. Safety-related violations represented a substantial share of total enforcement activity, with the most frequent being unlicensed operations (1,664 charges), missed six-month inspections (1,286 charges), and incomplete Daily Vehicle Inspection Reports (DVIR) (991 charges).¹⁷ Together, these accounted for more than half of all issued charges. Other recurring safety deficiencies included missing convex mirrors (495 charges), improper loading and unloading (279 charges), and unmarked or noncompliant vehicles (211 charges). Of the 7,641 charges, 5,398 (71%) collectively pertained to safety conditions.

In addition, seven violation categories pertain to business integrity issues, including customer intimidation or misinformation, failure to disclose principals or their arrests, failure to disclose employees, provision of false or misleading information to BIC, failure to disclose material information, and overcharging the public. Collectively, these accounted for 638 violation charges. Although smaller in volume, the seriousness of these offenses is significant, as they reflect deliberate acts of nondisclosure or deception that directly compromise the Commission's ability to assess a company's fitness to operate.

Of the 7,641 charges, a total of 6,036 (79%) pertained to safety- and integrity-related conditions. See Appendix I for a full list of violation categories and the breakdown for the number of charges issued.

Objective

The objective of this audit was to assess the effectiveness of BIC's monitoring of the City's carting industry, with a particular focus on its inspection program, issuance of violations, and investigation of complaints.

Discussion of Audit Results with BIC

The matters covered in this report were discussed with BIC officials during and at the conclusion of this audit. An Exit Conference Summary was sent to BIC and discussed with BIC officials at an exit conference held on November 6, 2025. On December 5, 2025, we submitted a Draft Report to BIC with a request for written comments. We received a written response on December 18,

¹⁷ Examples of unlicensed operations include, but are not limited to, instances in which a company is not a licensed or registered carter or used an unlicensed subcontractor.

2025. In its response, BIC partially agreed with three recommendations (#s 3, 4, and 5) and disagreed with the remaining two recommendations.

BIC's written response has been fully considered and, where relevant, changes and comments have been added to the report. The full text of BIC's response is included as an addendum to this report.

Detailed Findings

Although the audit found that BIC has successfully cleared its backlog of violations, reduced processing times, and handled complaints effectively, the audit also found that BIC lacks the enforcement structure or a defined strategy of escalation needed to address chronic violators. BIC's oversight of the carting industry remains hampered by the absence of written policies or measurable standards defining when and how its authority should be exercised to regulate noncompliant companies.

Between January 2021 and December 2024, BIC issued 7,641 charges. Nearly half of these were concentrated among 140 companies, but only five of these companies were subject to further measures, such as audits, imposition of monitors, or license revocation. The remaining companies faced no oversight beyond the imposition of fines and penalties, despite extensive histories denoting high risk.

Although BIC has broad enforcement authority, the audit found no evidence of clear or consistent standards guiding how that authority is applied. Enforcement actions—which include the use of audits and assigning monitors—were applied unevenly and without a clear connection to a company's overall risk profile.¹⁸ For example, companies with extensive crash histories and serious safety and/or integrity violations were allowed to continue operating without additional oversight, while others with fewer and seemingly less severe infractions were subjected to audits or monitors.

In addition, even in cases where monitors were imposed, companies continued to incur violations after the monitorships ended, indicating that BIC's interventions did not achieve lasting compliance. It is not clear at what point continued noncompliance and/or crash histories would trigger a review to determine whether revocation is warranted.

The audit also found that BIC's audit function could be improved. There is no audit manual or mandated minimal coverage of companies, and the selection of licensees for audit does not appear to be based on risk.

During the Exit Conference, BIC disputed the need for policies and procedures or the establishment of violations and/or conduct-based thresholds that would trigger a referral for an audit or a review for possible imposition of a monitor. When asked what action BIC took when carters repeatedly failed to comply with the requirements and incurred significant violation charge and safety histories, officials indicated that compliance is their primary concern and that so long

¹⁸ BIC makes a distinction between ministerial actions (such as the appointment of a monitor), which can be pursued at the discretion of the Commissioner, and legal actions (such as a license revocation) which trigger a due process right, which entails a hearing. The audit focused on ministerial actions rather than revocations.

as violations are cured, this concern is met. BIC seemed untroubled by companies that chronically violate-cure-violate-cure and violate yet again.¹⁹ The auditors found the volume and nature of violations and crash histories troubling and continue to recommend that BIC establish policies and procedures to guide operational decisions and which establish circumstances that trigger consideration of further action.

In its response to the Draft Report, BIC argued that the audit's findings and recommendations were based on incorrect assumptions rather than a full analysis of agency data and documentation. BIC further contended that the Comptroller failed to consider the agency's fiscal performance, noting that in FY2025 BIC generated revenues from fees and fines equal to its operating budget. According to BIC, this revenue parity demonstrates that the agency is operating efficiently and effectively.

The auditors disagree. The findings and recommendations in this report are based on a detailed review and analysis of BIC's own enforcement data, violation histories, crash data, and patterns of actions taken by BIC to oversee companies. The conclusions are grounded in documented disparities between identified risk indicators and the application of enhanced enforcement tools, not on assumptions. Further, the audit did not evaluate BIC's fiscal performance because revenue generation was outside the scope and objective of this audit, which was clearly communicated at the outset. Financial sufficiency does not substitute for an effective, risk-based enforcement framework, and does not address the control weaknesses identified in this report.

In its response, BIC also argues that the audit focused narrowly on the Investigations, Audit, and Violations Units and did not examine the Legal, Licensing, or Background Investigation units, which BIC believes play a central role in enforcement decisions. BIC contends that this limited scope led to inaccurate conclusions and that a broader review would have reflected more favorably on the agency. BIC also asserts that additional documents submitted after the Exit Conference were not fully considered in the final report.

Again, the auditors disagree. The primary objective of this audit was to assess the effectiveness of BIC's monitoring and enforcement activities—specifically, inspections, the issuance of violations, and the handling of complaints. To the extent that the other units were involved in these activities, their roles and responsibilities—as communicated by BIC—were fully considered. Moreover, despite BIC's repeated references in its response to the lack of interaction with the Legal Unit, BIC's Deputy Commissioner for Legal Affairs and General Counsel participated in every audit meeting and was fully engaged throughout the process, ensuring that the unit's

¹⁹ In its response to the Draft Report, BIC argued that “the ‘cure-violate-cure’ process is the definition of the regulatory process working as intended. This is how regulatory agencies generally function for offenses that do not meet the standards of law needed to prompt severe action.” While it's true that corrective enforcement may be appropriate for isolated violations, the audit found no mechanism to distinguish occasional noncompliance from chronic patterns of repeat violations. Treating “cure-violate-cure” as sufficient without escalation raises concerns that companies can continue operating indefinitely despite persistent noncompliance.

perspectives were considered and fully addressed. All information provided by BIC (including materials submitted after the Exit Conference) was fully considered, and where relevant, the report was revised, as confirmed by BIC's response; however, those materials did not alter the audit's findings or conclusions regarding the absence of a consistent, documented enforcement framework.

Lastly, BIC has continually argued, during the audit and in its response to the Draft Report, that "the Commission is obligated by law to pursue its operations within the context of those specifically enumerated regulatory powers." There is, however, nothing in BIC's statutory framework that precludes it from establishing internal, risk-based criteria to guide the use of agency discretion. The audit reiterates the recommendation that BIC establish internal standards to inform enforcement escalation is a management practice that operates within, not outside of, BIC's legal authority. This would improve BIC's consistency, transparency, and effectiveness.

Standardized Enforcement Policies Lacking

As detailed above, BIC's enforcement authority is governed by Title 17 of RCNY and Title 16-A of the New York City Administrative Code, which collectively grant the Commission broad discretion over licensing, enforcement, and compliance oversight.²⁰ Based on this authority, BIC employs three primary enforcement mechanisms to oversee licensed carting companies—the assignment of independent monitors, the revocation or denial of licenses, and the conduct of audits—each designed to ensure compliance with regulatory requirements, uphold business integrity, and protect public safety within the trade waste industry.²¹

However, the governing rules provide little guidance on how or when BIC should exercise its enforcement authority. In their absence, BIC has not created internal policies and procedures to establish needed guidelines. BIC has not adopted written policies that define the specific circumstances under which these actions should be considered, such as the number or type of industry violations, the severity of safety risks, evidence of fraud or misrepresentation, the extent of unpaid fines, or other conduct demonstrating a lack of good character or integrity or that collectively should raise concern. Without such standards, enforcement decisions risk being unduly subjective and inconsistent.²²

²⁰ Members of the Commission include the commissioners or designees of the Department of Sanitation, the Department of Small Business Services, the Police Department, the Department of Investigation, and the Department of Consumer and Worker Protection, with BIC as the Chair that submits recommended actions to the Board for a full vote (including denials, revocations, and adopting new rules).

Companies with Substantial Violation Histories Faced No Consequences Other than Increased Fines

Nearly half of the charges issued by BIC were concentrated among 140 companies; however, other than the issuance of fines, 96% of the companies faced no additional enforcement actions of any kind. The data shows that many of the worst violators repeatedly breached serious safety requirements, yet BIC took little action beyond issuing violations.

The audit found that 140 companies with 10 or more charges each have been issued financial penalties but, with the exception of five companies, faced no further consequences. The concentration of violations among chronic violators without stronger enforcement measures on the part of BIC reflects a deeper structural problem: although BIC possesses broad authority to regulate, penalize, and oversee licensed companies, the absence of clear internal standards or escalation procedures has limited the agency's ability to apply that authority effectively, or consistently, despite the fact that, according to BIC officials, a history of significant or repeated violations of BIC rules and regulations can warrant a monitorship and other potential action.

Between January 2021 and December 2024, these 140 companies accumulated 3,604 charges, representing nearly 50% of all charges issued during this period. Table 2 below shows the range of charges for the 140 companies with 10 or more violations.²³

Table 2: Range of Violation Charges for 140 Companies with 10 or More Violations

# of Companies	Range of Violation Changes	Range of Fleet Size
87	10 to 20	1 to 54
28	21 to 40	2 to 42
17	41 to 60	4 to 96

²³ In its response to the Draft Report, BIC states that the 140 companies that account for nearly half of all violations account for nearly 30% of regulated trade waste trucks. BIC's assertion that the 140 companies represent nearly 30% of regulated trucks underscores, rather than refutes, the audit's finding: a relatively small segment of the industry accounts for a disproportionately large share of violations. This concentration further supports the need for a structured, risk-based enforcement framework to distinguish routine noncompliance from systemic, high-risk behavior that may warrant enhanced oversight.

# of Companies	Range of Violation Charges	Range of Fleet Size
8	61 to 161	17 to 217
140		

As indicated in the table, 140 companies were each issued between 10 and 161 charges. A total of eight companies were each issued between 61 and 161 charges, another 17 companies had between 41 and 60 charges each, and 28 companies had between 21 and 40 charges each.

The audit reviewed charges and subsequent additional enforcement actions for these 140 companies and found that, among them, only five were subject to any form of additional oversight through audit or independent monitoring or revocation proceedings. Although BIC indicated that audits and monitoring should not be commingled because they have different standards, BIC did not provide any written standards for either.

As shown in Table 3 below, one of the five companies was among eight that each received more than 60 charges. Two companies were among the 17 companies with more than 40 charges each; and two companies were among the 87 companies that had between 10 and 20 charges. These numbers are particularly concerning given that a single violation incurred by these companies potentially consists of multiple instances of noncompliance.

Table 3: Chronic Violators with Additional Enforcement Actions

Company Name	Total # of Violation Charges	Fleet Size	Type of License/Registration	Type of Additional Enforcement Action	Reason for Additional Enforcement Action, as per BIC
Cogent Waste Solutions, LLC	75	67	License	Monitor and audit	Integrity issues pertaining to a principal of the prior parent company.
D&A Contracting, LLC	60	65	CL2 - Exempt	Monitor	Public safety/Vehicle safety issues (two fatal collisions within three months).

Viking Sanitation, INC.²⁴	43	8	License	Monitor	Public safety/Vehicle safety issues (two collisions a year apart).
Basin Haulage, INC.	18	18	License	Audit	Normal course of BIC's authority to inspect and audit the business records of any licensee and broker.
SARV Enterprise, Corp.	12	Not Provided	CL2 - Exempt	Revocation of Registration	Allowing individuals to operate trade vehicles without a CDL license and failing to disclose a number of its drivers (including an affiliation with the principal of a company whose registration had been previously denied by BIC).

In its response to the Draft Report, BIC argues that audits, monitorships, and revocations are significant sanctions that require deliberate, individualized legal analysis and cannot be treated as automatic consequences of a violation count alone. BIC also goes on to assert that “the solution is not for BIC to ‘rank’ its rules and corresponding offenses into categories of severity. This would in essence constitute BIC creating a new regulatory power for itself, which is not within our authority.”

However, the audit does not advocate for automatic or mechanical penalties based solely on violation counts. Instead, it calls for a structured framework that evaluates nature, severity, and recurrence of violations and crashes to guide when heightened oversight should be considered, an approach that is currently lacking and leads to inconsistent enforcement outcomes.

²⁴ On November 14, 2025, BIC informed the auditors that Viking was no longer in business.

Inconsistent Enforcement Oversight Lacking Escalation Strategy

Effective enforcement requires clear, risk-based criteria that defines and establishes when repeated safety, integrity, or crash violations should trigger heightened oversight. According to BIC officials, safety concerns, including instances where a poor safety record can pose a threat to the public, constitute a reason to impose a monitor. In addition, according to BIC, two companies were assigned a monitor due to collisions, with one company having two fatal collisions within three months (Basin) and the other with two collisions a year apart (Viking).

The audit compared twelve trade waste companies (see Appendix II) with a high volume of violations to assess whether BIC's enforcement actions aligned with actual risk. These included five companies that received heightened oversight—one whose license was revoked after two fatal crashes and four subjected to audits or monitors—and seven companies with the highest violation counts that received no additional enforcement beyond fines. Collectively, these companies incurred 927 charges spanning 32 regulatory categories. Nearly half of those categories were safety-related under the RCNY, while others reflected recordkeeping, integrity, and operational conduct requirements. When safety, integrity, and crash data are viewed together the results reveal the same pattern: BIC's additional oversight bears little relationship to either the severity or persistence of risk.

At the Exit Conference, BIC strenuously objected to auditors' use of charge counts as an indicator of risk. For this reason, auditors expanded their review by examining the collective histories of 12 companies, evaluating not only total charges, but also violation type, and crash histories. The results are shown in Table 4 below.

Of the 12 companies shown in the table, five were assigned a monitor, and two were audited during the scope period. Seven of the 12 were issued only with violations; collectively these seven appear to have the worst overall records, but the nature of oversight did not change.

Table 4: Comparison of Companies by Safety, and Integrity Charges, and Crash Incidents

	# of Safety and Integrity Violation Charges + Crashes Incurred by Companies Not Subject to Monitors							# of Safety, and Integrity Violation Charges + Crashes Incurred by Companies Subject to Monitors				
Inspection Category	Action Carting	Royal Waste	Century Waste	City Waste	Metro-politan	Logi-tech	Liberty Ashes	Cogent	D&A	Viking	Basin	Sarv
Total # of Charges²⁵	161	142	111	86	80	71	68	75	60	43	18	12
Fleet Size	217	124	45	27	26	17	22	67	65	8	18	Not Provided
Safety	115	111	98	76	63	61	52	54	54	37	11	5
Integrity	13	2	1	1	3	7	5	6	0	0	1	3
Crashes	8	10	6	4	2	4	6	5	5	2	1	0

The seven companies accumulated between 68 and 161 total charges each, far exceeding the totals of those that were monitored or audited. Within that group, 86 percent of charges involved safety lapses—for example, missed six-month inspections, failing to file Daily Vehicle Inspection Reports (DVIR), and improper-loading offenses, as well as crash-related incidents. Another share involved integrity and disclosure failures, including inaccurate employee or ownership information and missing financial statements, which undermine BIC’s ability to evaluate the companies’ fitness and honesty.

When these violations are examined in relation to crash histories, the picture becomes even more concerning. The audit identified seven companies with significantly similar crash histories to the three companies that were assigned monitors, but none were audited or assigned monitors.²⁶ These include:

- **Action Carting** (Licensee, 161 charges) had eight crashes that resulted in injury, the second-highest number overall. Two crashes were within one month of each other in June and July 2024. Three others occurred within six months of each other in February, May, and July 2025. The company’s 36 improper-loading offenses, 23 inspection failures, and

²⁵ The total number of charges encompasses categories beyond those presented in the table, which reflect only safety, integrity, and crash-related violations.

²⁶ BIC indicated that the auditors should not consider audits or assigning monitors in the same way. BIC indicated there were different criteria, however, none has been articulated to auditors, and further, the two have been conflated here to highlight the absence of any escalation of enforcement of any kind, not even an audit.

nine DVIR deficiencies correspond to operational-control gaps that can result in increased crash risks. The company also incurred 13 integrity charges

- **Royal Waste** (Licensee, 142 charges) had nine injury crashes and one tow-away crash, the highest crash total among all seven companies. Four of the crashes took place in December 2023 and five of the crashes took place between January and July 2024. These events align with its extensive safety-related violations—35 missed inspections, 24 DVIR failures, and 31 improper-loading citations—indicating chronic maintenance and operational-safety breakdowns. The company also incurred two integrity violations.
- **Century Waste** (Licensee, 111 charges) reported five injury crashes and one tow-away crash. Four of the crashes took place between March and September 2024. With 34 missed inspections, 28 DVIR deficiencies, and 16 improper-loading violations, its data shows repeated safety lapses consistent with mechanical-failure risk. The company also incurred one integrity violation.
- **City Waste Services of New York, Inc.** (Licensee, 86 charges) recorded four injury crashes. These four crashes took place within a little over one year, between April 2024 and May 2025. Its 28 missed inspections and 14 DVIR deficiencies suggest a weak inspection culture. Combined with nine recycling/organics violations, the pattern shows recurring risk exposures that were never followed by oversight. The company also incurred one integrity violation.
- **Metropolitan Paper Recycling, Inc.** (Licensee, 80 charges) had two injury crashes. These crashes occurred less than a year apart—one was in November 2023 and one in August 2024. Though smaller in scale, its nine inspection violations, nine DVIR deficiencies, and 16 recycling/organics infractions reveal insufficient vehicle oversight and loading discipline. The company also incurred three integrity violations.
- **Logitech Transport LLC** (Licensee, 71 charges) experienced three injury crashes and one tow-away crash.²⁷ Two crashes occurred within six months of each other in April and September 2024. The company's 21 missed inspections and 14 DVIR deficiencies suggest a broad pattern of preventable safety failures. The company also incurred seven integrity violations.
- **Liberty Ashes, Inc.** (Licensee, 68 charges) had one fatal crash and five injury crashes. Three of the crashes occurred within six months, between December 2023 and May 2024. With 14 inspection lapses, eight DVIR failures, 10 recycling violations, and 10 improper-

²⁷ According to Open Data, this company was a licensee. According to data provided by BIC, this company was CL-2 Exempt.

loading citations, its record reflects recurring hazards tied to vehicle and load safety. The company also incurred five integrity violations.

Despite these parallel records of safety and crash risk, and despite the fact that all seven companies had a history of two or more crashes, the above companies were never audited or assigned monitors. BIC provided no evidence that it considered the seven for escalation of oversight activity. BIC indicated that violations and crash histories are reviewed as part of the two-year renewals, but it did not provide the renewal reports for these companies.

The audit also compared the crash histories of the above seven companies to three (out of 140) companies that were referred to monitors and that also had crash-related incidents. The details are described below:

- **Cogent Waste Solutions LLC** (Licensee, 75 charges) recorded one fatal and four injury crashes, along with 17 missed inspections, eight DVIR deficiencies, and 12 recycling and organics-handling violations. Although its record reflected both integrity and safety concerns, BIC cited integrity issues—not the company’s crash or violation history—as the basis for assigning a monitor. In addition, Cogent had one violation for customer conduct, one for overcharging customers, and four for lack of employee disclosure. Five of the seven companies without enforcement oversight also incurred employee disclosure violations.
- **D & A Contracting LLC** (CL-2 Exempt, 60 charges) experienced two fatal collisions occurring three months apart and was cited for nine missed inspections and 38 violations related to convex mirrors and other visibility equipment. These repeated lapses reflect deficiencies in vehicle maintenance and oversight that coincide with severe outcomes. Despite this record, the company’s monitor was imposed only after the fatal collision.
- **Viking Sanitation, Inc.** (Licensee, 43 charges) was involved in two collisions occurring a year apart and was cited for five missed inspections and seven DVIR deficiencies. Following these incidents, BIC imposed a monitor, despite the company having fewer overall safety violations than several unmonitored firms with higher crash counts.

In contrast, Cogent, D&A, and Viking—the only companies assigned monitors—had significantly fewer charges (43 to 75 each) and two of the companies had lower overall risk profiles. D&A’s monitor was imposed only after two fatal collisions had already occurred, and Viking’s monitor followed two collisions a year apart.

Integrity-related violations followed the same inconsistent pattern. Firms such as Action Carting and Logitech, which had extensive integrity lapses—employee and information-disclosure failures—were not audited or assigned monitors, while Cogent, which had fewer such issues, was. Despite repeated requests, BIC provided no discernable standards detailing how comparable violation patterns lead to specific outcomes for the three categories: safety

performance, integrity compliance, and crash history. Instead, BIC provided the auditors with individual decisions as to why specific companies were imposed monitors, not standards for when companies should be reviewed and considered for additional oversight.

Viewed across all three categories—safety performance, integrity compliance, and crash history—the data shows that enforcement was not proportionate to actual risk exposure. Companies posing the highest potential danger to workers and the public continued to operate with little additional scrutiny, while others with primarily administrative deficiencies were placed under enhanced oversight.

This imbalance exists because BIC has no measurable, risk-based standards for deciding when to consider increased enforcement. The agency does not rate violations by their severity or potential to cause harm. Instead, officials said they rely on the dollar value of fines to judge seriousness—a flawed approach, since RCNY fine amounts are fixed by law and increase by how often a violation occurs, not how dangerous it is. In practice, this means a company can receive a \$10,000 fine for repeated paperwork errors, while a firm operating unsafe or uninspected trucks may face much smaller penalties, even though the safety risk is far greater.

BIC officials emphasize that their legal authority to take action on safety grounds—such as denying applications or requiring monitors—was only implemented after 2021, following the passage of Local Law 198 of 2019. To demonstrate the effectiveness of this recent mandate, BIC points to significant safety progress: fatal crashes dropped to one as of November 2025 (down from five in previous years), and overall crashes decreased by nearly 18%. Furthermore, officials point to increased compliance as a key indicator of success, noting that investigators wrote 22.5% fewer violations in 2024 than in 2023 despite maintaining nearly the same number of inspections.

These are positive statistical trends, but they do not eliminate the need for further improvements. BIC's effectiveness would benefit from the establishment of criteria for what should trigger a review for additional enforcement actions. While fewer violations may suggest improved compliance, without defined triggers—such as a specific number of safety violations, and/or a combination of integrity and safety breaches, and/or repeated crashes within a set timeframe—there is no mechanism to ensure that oversight is consistent across the industry. Moreover, a drop in penalties could be a result of how inspections are conducted, not evidence that safety issues have decreased.

Monitorships Did Not Lead to Lasting Compliance

In addition, in each of the four cases involving the appointment of a monitor, the monitorships did not result in sustained improvement. Three of the four companies with repeat violations continued to incur violations even after the monitorships ended—67 violations for Cogent Waste Solutions, 43 for Viking Sanitation, and 51 for D & A Contracting. World Class Contracting Group, which was

also assigned a monitor, incurred a total of nine violations during the audit period, including seven after the monitorship ended.

The recurrence of violations following the conclusion of monitoring demonstrates that BIC's use of this enforcement tool has not resulted in long-term corrective change. This may be due to a lack of structured post-monitoring oversight and evaluation. The agency also did not appear to reassess the continued suitability of the monitored companies to operate and did not evaluate whether additional measures (such as license suspension or revocation) were warranted considering repeated post-monitor violations. As a result, the intended purpose of monitorships—to restore compliance and deter future violations—was only partially achieved.

Lack of Standards, Structure, and Coverage Undermines the Effectiveness of BIC's Audits

BIC's Audit Unit lacks the basic structure needed for effective oversight, such as clear selection criteria, a standardized audit manual, and sufficient audit coverage. Audits are conducted at the Commission's discretion without defined processes, and, it appears, rarely. The unit completed only 11 audits over five years, covering less than 4% of licensees. Combined with lengthy delays and the absence of follow-up reviews, these weaknesses limit the potential impact of BIC's audit function.

Absence of Clear Criteria and Procedures Weakens BIC's Audit Function

Based on Title 17 of RCNY, BIC has the authority to conduct audits of carting industry companies. Specifically, RCNY §17 1-07 authorizes the Commission to “conduct lawful inspections, examinations, or audits to ensure compliance with applicable provisions of the Administrative Code and these rules.” However, this provision specifies no threshold, frequency, or trigger for initiating such audits, and BIC has not established any internal guidelines in their absence.

According to BIC, the Audit Unit selects companies to audit based on referrals from the Legal and Investigations units. BIC officials also stated that the Commission initiates an audit using its discretion based on the facts at hand. There are no policies and procedures or guidelines articulating how to select companies for audit.

One of the companies selected for audit during the scope period was Basin. BIC indicated that Basin was selected for audit based on available resources and in the normal course of business. BIC indicated that it selected companies for audit based on whether they had previously been audited, were of medium size in revenue, had approximately 15–20 trucks, and had an office within the five boroughs. However, this selection process was not risk-based and did not prioritize

companies with the most serious or repeated violations. As a result, other firms with more egregious compliance and crash histories (including the seven profiled above) were not selected for review, raising concerns about whether BIC's audit selection process effectively targets the highest-risk operators.

In addition, the BIC Audit Unit operates without a comprehensive manual that standardizes the procedures for auditing waste removal companies.²⁸ BIC officials explained that each audit progresses differently; nevertheless, an audit manual is necessary to ensure consistency, quality, and adherence to professional standards.

The lack of clear and consistent standards increases the risk of incomplete or misdirected use of BIC's audit authority, and diminishes assurance that audits are conducted in accordance with applicable best practices.

Minimal Audit Coverage Reduces Assurance Over Industry Compliance

BIC officials informed the auditors that they perform three to four audits per year, which for a five-year period (2020 to 2024) would have meant 15 to 20 audits. However, over that five-year period, BIC completed just 11 audits of the 290 licensees that it has authority to audit, covering less than 4%.²⁹

Table 5 below shows the number of audits undertaken by BIC's Audit Unit by year.

Table 5: Number of Audits Conducted by BIC's Audit Unit

Calendar Year	Number of Audits Began in Each Year
2020	5
2021	4
2022	1
2023	0
2024	1

²⁸ While the unit has established procedures for specific, discrete tasks such as reading bank statements, issuing subpoenas, requesting documents, calculating average monthly waste by volume, and conducting interviews, it lacks a guiding framework that outlines the required steps, frequency, and scope for conducting a complete audit.

²⁹ According to BIC, its authority does not apply to all 1,850 trade waste companies, only to the 290 licensees, which were under its purview as of November 2025.

Calendar Year	Number of Audits Began in Each Year
Total	11

The number of audits initiated by the unit was highest in 2020, with five. The number then steadily declined, reaching a low of zero in 2023. Over the entire five-year period, a total of 11 audits were undertaken, averaging 2.2 audits per year.

In addition, there were delays in conducting the audits. While BIC officials claim audits typically take two to three months, the evidence shows the audits took significantly longer. One audit took two years to complete, and six others took between 10 and 15 months. This inefficiency delays the correction of identified issues and reduces the impact of the audit findings.

The Audit Unit's lack of productivity likely stems from the fact that there are only four auditors in the unit, three of whom are assigned to any given audit. According to BIC officials, there were seven audit staff members at the beginning of 2021; three left during that period due to outside job offers and retirement. BIC is currently trying to backfill one position and stated that the agency is working with the Office of Management and Budget for approval to begin hiring.

BIC officials explained that their estimated output was just that—an estimate, not a quota. They attributed the low volume to two main factors: the pandemic slowdown and a subsequent increase in referrals for complex investigative audits. BIC indicated that this shift has prioritized time-consuming investigations over routine compliance audits. BIC officials also stated that investigative audits take longer due to the large volume of records involved and delays in receiving that information, which sometimes requires subpoenas. They also maintained that an audit timeline can be extended if the case expands or involves collaboration with other law enforcement agencies. For example, one audit took 24 months to complete because it evolved into a federal case and had to adhere to federal rules and guidelines. Nevertheless, the Audit Unit's output is insufficient to provide meaningful oversight of the companies under its purview.³⁰

³⁰ In its response to the Draft Report, BIC asserts that its Audit Unit conducts investigative reviews focused on identifying conduct that could warrant license denial under its statutory authority, rather than performing formal, risk-based audits as contemplated by the Comptroller's recommendations. While BIC asserts that it does not conduct risk-based audits, this position is undermined by the agency's own experience and limited audit coverage. Because BIC conducts audits of only a small number of companies, it lacks assurance that integrity risks are being identified consistently across the industry. Notably, integrity issues at Cogent—identified through an audit—ultimately resulted in the imposition of a monitor, demonstrating that audits can and do function as a mechanism for detecting elevated risk. This outcome underscores the audit's conclusion that more systematic, risk-informed audit selection is necessary to ensure that high-risk companies are identified before problems escalate, rather than by chance through limited investigative activity.

BIC Reduced Backlogs and Improved Timeliness in Processing Violations and Complaints

BIC’s inspection and monitoring functions are carried out by a team of 15 investigators and analysts. Most violations between 2021 and 2024—approximately 99%—originate from investigator patrols, while the remainder stem from public complaints. During that same time period, BIC received 1,607 complaints, of which 382 were classified as inquiries. Of the remaining 1,225 complaints: 79% were resolved by BIC staff, 16% were referred to other agencies, and 5% resulted in the issuance of a violation.

An analysis of complaint and violation data over a four-year period (CYs 2021–2024) indicates that BIC reduced its backlog of unprocessed violations and generally met its timeliness standards for handling complaints (with the exception of 2021–2022 due to COVID).³¹

Violation Processing Times Improved

BIC assesses the effectiveness of its enforcement actions primarily through the timeliness of its violation issuance cycle. The audit’s analysis of data from January 2021 to December 2024 shows that average processing times decreased substantially over the four-year period, while the total number of violations entered into BIC’s system increased.

Delays during 2021 and 2022 were largely associated with pandemic-related disruptions, including operational limitations at the Office of Administrative Trials and Hearings (OATH) and internal staffing constraints. However, following the appointment of a new Commissioner in April 2022, BIC initiated organizational changes that included the creation of a Violations Unit in mid-2023. BIC indicated that this change—combined with a revamped pre-OATH early settlement program and strategically scheduling groups of violations issued to the same company—addressed the backlog and streamlined the workflow.

The data in Table 6 below illustrates the trends between CYs 2021 through 2024.

Table 6: Number of Days to Process and Issue Violations

³¹ BIC officials attributed delays in issuing violations during 2021–2022 to COVID-related disruptions, including the suspension of OATH hearings, limited hearing capacity once virtual proceedings began, and internal staffing shortages. Auditors confirmed that productivity increased after these constraints eased.

Calendar Year	Number of Violations Entered Into NIMBUS	Number of Violations Processed After 60 Days	Average Number of Days to Issue Violations (workdays)
2021	1,278	926	148
2022	1,994	951	80
2023	2,814	203	25
2024	2,179	30	20

As indicated above, the number of violations increased from 1,278 during CY2021 to 2,179 violations during CY2024—a 59% rise in enforcement activity over the four-year period. During the same period, there was an 86% reduction in the average issuance time, from 148 workdays in 2021 to just 20 workdays in 2024.

Complaint Response Times Generally Met Standards

BIC policy requires that complaints be assigned to an investigator within one day and resolved within 30 days. The audit’s review of 1,607 complaints received by BIC from January 2021 through November 2024 found the following:³²

- **Assignment Timeliness:** 85% of complaints were assigned within the one-day target. Despite a slight increase in exceptions, the average assignment time has remained below or near one day for the entire four-year period.³³
- **Resolution Timeliness:** 98% of complaints were resolved within the 30-day timeframe. The average time to close a complaint has consistently remained under five days. For the small number of cases (2%) that exceeded 30 days, BIC staff made note of justifications.

³² Four of the 1,607 complaints received did not have dates to indicate when they were assigned to staff, and they were eliminated from the review.

³³ 1,362 (85%) complaints were assigned to staff within one day after the complaint was entered into the computer system. The remaining 241 (15%) complaints were assigned after the 24-hour required timeframe—230 complaints were assigned two to 10 days after they were entered into the computer system, and 11 complaints were assigned between 12 and 38 days later.

For example, investigations were overly complex or required collaboration with other law enforcement agencies.³⁴

Overall, the audit found that BIC's operational changes reduced its violation backlog and improved timeliness in both violation processing and complaint resolution.

³⁴ Of the complains, 1,572 (98%) were resolved within 30 days. The remaining 31 (2%) complaints were resolved/closed 30 days or more from the assignment date—26 complaints were completed within 31 to 60 days after they were assigned, and five complaints were completed within 64 and 109 days after they were assigned. The remaining 22 complaints were resolved beyond the timeframe because they required more rigorous investigations, including surveilling the carting industry companies.

Recommendations

To address the abovementioned findings, the auditors propose that BIC should:

1. Group and analyze violations by risk and severity and set clear risk-based thresholds for when repeated, high-risk, and/or safety or integrity related violations and/or crashes should trigger consideration of enhanced oversight. Ensure consideration and decisions are documented.

BIC Response: BIC disagreed with this recommendation, asserting that it already does what is recommended.

Auditor Comment: The audit found no evidence of a standardized method for aggregating violations by risk or severity, no documented benchmarks that should trigger enhanced oversight, and no consistent link between a company's cumulative risk profile and consideration of taking additional action, such as conducting an audit or imposing a monitorship. The auditors urge BIC to reconsider its position.

2. Develop and implement comprehensive Standard Operating Procedures that define when and how BIC should escalate enforcement. These procedures should establish clear, consistent criteria for all enforcement actions—including audits, monitorships, and license revocations—and include quantitative and qualitative benchmarks (e.g., number of crashes, integrity-related violations, or repeated inspection failures) that trigger review for higher-level sanctions.

BIC Response: BIC disagreed with this recommendation, stating that establishing formal enforcement thresholds or escalation criteria would be incompatible with its quasi-judicial authority, based on case-specific legal determinations rather than on what it calls “formula-based decision-making.”

In its response, BIC also recognized the importance of documenting internal processes and acknowledged that, while the Legal Unit prepares decision memos, it historically lacked formal written SOPs. BIC further asserted that it has recently prioritized developing such documentation and asserts that it provided materials after the Exit Conference that demonstrate a standardized decision-making process.

Auditor Comment: BIC's response mischaracterizes the nature of the recommendation; far from recommending that BIC eliminate a case-by-case legal determination, the audit recommends that BIC establish risk-based factors that should trigger case reviews to consider whether further action is warranted. The recommendation does not seek to substitute for or prevent quasi-judicial decision-making but rather create guidelines to inform it. The current absence of written escalation procedures or benchmarks results in the inconsistent use of audits and monitorships across similarly situated companies, limiting transparency and accountability. BIC did not provide any information or

documentation that constitutes such procedures or benchmarks, and BIC could not indicate what combination of violations or crash histories or how bad the history of any company is before BIC would consider taking further action based on risk. The auditors urge BIC to reconsider its position.

3. Review the 140 companies identified as chronic violators in this audit against the newly established criteria to determine whether additional enforcement actions or post-monitorship follow-up reviews are warranted.

BIC Response: BIC partially disagreed with this recommendation, stating that it would only review the 140 companies identified by the Comptroller as “chronic violators” through its usual two-year renewal and background investigation processes.

Auditor Comment: BIC’s position ignores the concern that the cumulative histories of the 140 companies in question have already demonstrated sustained, high-risk noncompliance, and should be the subject of file reviews to determine whether further oversight action by BIC is warranted. Auditors urge BIC to reconsider its position.

4. Adopt formal, risk-based criteria for selecting companies to audit and develop a written audit procedures manual to standardize audit steps and ensure consistent quality.

BIC Response: BIC partially agreed with this recommendation, acknowledging on the one hand written procedures are necessary, and on the other, asserting that “establishing ‘criteria’ to determine which companies are chosen for an audit is not possible due to the nature of our investigatory process and the case-by-case, quasi-judicial reasoning required for decision-making.”

Auditor Comment: Once again, the recommendation does not call for rigid formulas or automatic audit triggers, but for documented, risk-based criteria and standardized audit procedures to guide how audits are selected and conducted. This is entirely consistent with best practice. BIC should reconsider implementing this recommendation.

5. Set annual audit targets focused on high-risk companies and repeat offenders and seek adequate staffing and resources to support greater coverage and improve timeliness of audit completion.

BIC Response: BIC essentially repeated its response to recommendation 4, above, in relation to setting standards for audit selection, but agreed that adequate staffing and resources are needed across the agency and particularly in the Audit Unit.

Auditor Comment: BIC’s response does not address the recommendation that BIC introduce proactive, risk-focused audit planning rather than ad hoc audit selection. The auditors urge BIC to revisit this recommendation.

Recommendations Follow-up

Follow-up will be conducted periodically to determine the implementation status of each recommendation contained in this report. Agency reported status updates are included in the Audit Recommendations Tracker available here: <https://comptroller.nyc.gov/services/for-the-public/audit/audit-recommendations-tracker/>

Scope and Methodology

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). GAGAS requires that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions within the context of our audit objective(s). This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

The scope of this audit was January 2021 through December 2024.

To obtain an understanding of the Business Integrity Commission's process of issuing violations and processing of the complaint's auditors reviewed:

- NYC Admin Code Title 16-A Ch 1
- RCNY Title 17
- Org Chart Audit Oct 2024
- Org Chart Investigations Oct 2024
- Org Chart IT Oct 2024
- Org Chart Legal Oct 2024
- Org Chart Licensing and Background Investigations Units Oct 2024
- Org Chart Policy Oct 2024
- Org Chart Violations Oct 2024
- 2021 Safety Rules Overview FINAL 5.20.21
- BIC Trade Waste Violations Oct 2022
- BIC-to-OATH-Workflow
- Policy on Processing Complaints and Inquires 01 29 21
- Registrant Violation Charge Changes 08-31-24
- Notice of Warning - NOW-000000 TM
- BIC-COI-000_Redacted
- Investigations Procedures
- Investigations Unit Ch 1 Trade Waste
- Investigations Unit Ch 2 Trade Waste
- NYC Local Law 42
- Investigations Procedures
- Violations Disposition list

To obtain an understanding of the program and its oversight, the auditors interviewed the following officials and staff: BIC Commissioner and Chair, Chief of Staff/Deputy Commissioner of Operations, General Counsel, Chief of Investigations, Director of Investigative Audit, Assistant Director of Investigative Audit, Agency Attorney, Director of Policy, Deputy Director of Investigations, Special Investigator, Associate Fraud Investigator, Deputy Director of IT/Chief Information Security Officer, and the Executive Director of IT/Chief Information Officer.

Auditors analyzed two data sets provided by BIC and conducted data reliability analysis to test for duplicates, consistency (i.e., gaps, missing numbers, etc.) and accuracy of the data prior to performing audit tests.

The data provided by BIC contained 8,388 charges with 6,414 violations, representing the charges that occurred from January 2021 through December 2024.

A review found 122 instances where the charges were missing issue dates. BIC officials explained that these charges should not have been part of the data set as they were not issued, but rather voided drafts. Auditors excluded them from tests and were left with 8,266 charges. BIC later explained that some charges were withdrawn or voided by the supervisor after the final review. Therefore, auditors excluded charges with the following status: N/A, Void, Withdrawn, Withdrawn-Corrected, and Blanks, leaving the data with 7,641 charges.

BIC indicated that the Auditors should not exclude charges with the withdrawn-corrected disposition because this means the company remedied the issue and provided proof of this to BIC; thus, the violation was withdrawn as corrected. However, since these violations were remedied, the audit team decided to exclude them from the analysis. Additionally, the audit team reviewed the Complaints Data and identified 63 complaints that resulted in a violation, for a total of 7,704 charges issued by BIC during this time period.³⁵

Auditors selected a random sample of 200 violation charges and reviewed these charges in Salesforce and in BIC's I:Drive, where the agency stores supporting evidence pertaining to violations, such as violations inspection notes and records of the supporting documentation.³⁶ From the random sample of 200 charges, auditors traced 115 charges from the data spreadsheet to BIC's Salesforce system and I:Drive for presence of inspection records and supporting documentation. The audit team randomly selected the remaining 85 charges on the spot from BIC violations folders on the I:Drive and traced the charges back to the spreadsheet data provided by BIC and to the data in Salesforce. Based on the test results, auditors deemed the data to be reliable for the planned audit tests.³⁷

³⁵ For testing purposes, the audit eliminated 63 charges issued via complaints due to insufficient information in the database and focused on 7,641 charges.

³⁶ From the random sample of 200 violations, auditors traced 115 charges from the data spreadsheet to BIC Salesforce system and I:Drive for presence of inspection records and supporting documentation. The remaining 85 charges were randomly selected on the spot from BIC violations folders on the I:Drive and traced back to the charges data (spreadsheet provided by BIC) and Salesforce.

³⁷ Auditors found that one charge did not have a folder on the agency drive—BIC officials explained that the charge was on an employee's personal drive. A second charge was a stipulation and therefore did not have a designated folder on the agency I:Drive.

To determine whether BIC issues violations in a timely manner, auditors compared the dates of violations that the inspectors entered into its Salesforce system to the dates the charges were issued (approved final by a supervisor).

The data provided by BIC contained 1,607 complaints, representing the complaints that BIC received from January 2021 through November 2024. Four of the complaints were missing the dates the complaints were assigned for review. Auditors excluded these complaints and were left with 1,603 complaints for testing purposes. Auditors selected a random sample of 160 complaints and conducted a test to determine whether:

- The complaints were recorded into the Salesforce or agency I:Drive.
- BIC inspectors followed up on a complaint, made first outreach, or forwarded a complaint to an appropriate city agency.³⁸

Based on the test results, auditors deemed the data to be reliable for the planned audit tests. To determine whether the complaints were resolved in a timely manner, auditors compared the complaint reported date to status date in the computer system, which reflects the last changes made to the complaint.

Auditors conducted a test to determine whether BIC has adequate and consistent oversight of companies, especially when compared to those with large numbers of violations. To conduct this test, auditors used violations data that includes all the violations issued in the period of January 2021 through December 2024. The data showed 2,039 companies received a total of 7,641 charges relating to the carting industry; however, only 1,850 of the companies had a registration or license.

The scope of this analysis included a review of all 7,641 charges recorded in BIC's enforcement database during that period to determine whether repeat offenders—defined by the auditors as companies with 10 or more violations—were subject to proportionate enforcement actions, such as monitorships, audits, or license revocations. Auditors identified 140 repeat offenders from the initial listing of 2,039 companies. For each company, auditors summarized the number of charges, reason for the violation, and any patterns pertaining to these companies.

To determine whether companies with similar safety histories were treated comparably in the enforcement process, the audit evaluated BIC's consistency by comparing enforcement actions applied to these companies against seven companies with the greatest number of charges, selected from the group of 135 repeat violators who did not receive additional oversight. The analysis incorporated cross-referencing of violation categories under Title 17 of the Rules of the City of New York (RCNY) to distinguish safety-related and integrity-related charges. Auditors also

³⁸ All 160 (100%) complaints were entered into Salesforce System, supervisors assigned a complaint to an investigator, and the first outreach was made.

used crash data as of September 26, 2025, obtained from BIC and from the Federal Motor Carrier Safety Administration Safety Measurement System (covering 24 months of crash history) to evaluate whether BIC’s enforcement practices were applied equitably and in accordance with risk.

To assess BIC’s use of enforcement actions, the audit reviewed internal documentation and correspondence describing the rationale for monitorships, audits, and revocations, as well as related enforcement files for each of the five companies that received such actions—Cogent Waste Solutions, D&A Contracting, Basin Haulage, Viking Sanitation, and SARV Enterprise. This review included BIC’s stated reasons for initiating each action, such as integrity concerns, public safety risks, or prior company affiliations.

In addition, auditors reviewed the 11 audit reports that the BIC Audit Unit issued during the scope period of January 2021 through November 2024 to determine BIC’s compliance with sections within RCNY 17 1-07. Auditors reviewed the renewal notices for four companies that had been referred to monitorships for additional oversight and assessed whether their violation records had improved as a result of the monitorship.

The combined results of the test, analyses, and conclusions above, as well as the collection of information during interviews with BIC officials, provide sufficient and reliable evidence to support the audit’s findings and conclusions.

Appendix I

Total Number of Charges Issued

	Description	Total # of Charges	Total # of Companies
1*	Unlicensed	1,664	942
2*	6 Month Inspection	1,286	504
3*	DVIR	991	461
4*	Convex Mirror	495	193
5**	Information Disclosure	488	327
6	Financial Statement	404	174
7	BIC Plates	368	206
8*	Proper Loading and Unloading	279	90
9	Unmarked Vehicle	211	132
10*	Container Issues	181	86
11	Violate BIC Directive	175	164
12*	Recycling and Organics	171	36
13	Cleanliness	143	38
14*	Off-Street Parking	138	33
15**	Employee Disclosure	117	76
16	Customer Register	114	92
17*	Crash Disclosure	77	71
18	General Law Compliance	54	44
19	Registrant Operations Rules	49	37
20*	Decals	47	15
21*	Windshield Obstruction	28	19

	Description	Total # of Charges	Total # of Companies
22*	Pattern of Unsafe Practices	20	10
23	Recordkeeping and Audits	19	17
24	Noise	17	16
25**	Principal Disclosure	17	17
26	Refuse BIC Inquiry	17	17
27	General Prohibitions Business Conduct	15	15
28	Billing and Contracts	14	7
29**	Disclose Principal Arrest	10	10
30*	Clear Sidewalk	9	8
31*	Secure Garage and Yard	6	6
32*	Vehicle Idling	4	4
33**	Overcharge	3	3
34**	False Info to BIC	2	2
35*	Side Guards	2	2
36	Subcontracts and Sales	2	2
37**	Customer Conduct – Intimidation or Misinformation	1	1
38	Unauthorized License Transfer	1	1
39	Worker Rights Info.	1	1
	Total	7,640***	

*Each of these charges depict a safety related category.

**Each of these charges depict an integrity related category.

***BIC issued a total of 7,641 charges; however, one charge within the data is missing the law categorization.

Appendix II

Total Number of Charges for Sampled Companies without Enforcement Oversight Compared to those with Enforcement Oversight

	# of Charges Incurred by Companies Without Enforcement Oversight							# of Charges Incurred by Companies with Enforcement Oversight				
Inspection Category ³⁹	Royal Waste	City Waste	Action Carting	Century	Metro-politan	Logi-tech	Liberty Ashes	Cogent	D&A	Basin	Viking	Sarv
6 Month Inspection	35	28	23	34	9	21	14	17	9	4	5	2
BIC Plates	11		3	3		2		2	3			3
Billing and Contracts			1					3				
Cleanliness	13	6	28	9	8		9	6			6	
Clear Sidewalk		2		1	1							
Container Issues	1	1	7	3	1		3	3			2	
Convex Mirror	2		1	3		26			38	2		
Crash Disclosure	1	1	2	1	1		2			1		
Customer Conduct – Intimidation or Misinformation								1				
Customer Register	3	1						1				
Decals	5	1	1		9						14	
Disclose Principals Arrest	1											
DVIR (inspection reports)	24	14	9	28	9	14	8	8	7	1	7	2

³⁹ The following 14 categories are safety-related charges: six-month inspection, clear sidewalk, container issues, convex mirror, crash disclosure, decals, DVIR, off street parking, patterns of unsafe practices, proper loading and unloading, secure garage and yard, unlicensed, and windshield obstruction.

	# of Charges Incurred by Companies Without Enforcement Oversight							# of Charges Incurred by Companies with Enforcement Oversight				
Inspection Category ³⁹	Royal Waste	City Waste	Action Carting	Century	Metro-politan	Logi-tech	Liberty Ashes	Cogent	D&A	Basin	Viking	Sarv
Employee Disclosure	1	1	8		2		3	4				
Financial Statements					1					4		
General Law Compliance												1
General Prohibitions Business Conduct					1			1				
Information Disclosure			5	1	1	7	2					3
Noise								1				
Off Street Parking		1	10									
Overcharge								1		1		
Pattern of Unsafe Practices		4	1	2	3		4				1	
Proper Loading and Unloading	31	14	36	16	12		10	9		3	4	
Record Keeping and Audits	1	1								2		
Recycling and Organics	10	9	25	8	16		10	12			4	
Refuse BIC Inquiry	1		1			1			1			
Secure Garage & Yard					1							
Subcontracts and Sales								1				
Unlicensed												1
Unmarked Vehicle					2		1		2			

	# of Charges Incurred by Companies Without Enforcement Oversight							# of Charges Incurred by Companies with Enforcement Oversight				
Inspection Category ³⁹	Royal Waste	City Waste	Action Carting	Century	Metro-politan	Logi-tech	Liberty Ashes	Cogent	D&A	Basin	Viking	Sarv
Violate BIC Directives		1			2		1					
Windshield Obstruction	2	1		2	1		1	5				
	142	86	161	111	80	71	68	75	60	18	43	12



The City of New York
BUSINESS INTEGRITY COMMISSION
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Elizabeth Crotty
Commissioner and Chair

December 19, 2025

Mr. Brad Lander
New York City Comptroller
1 Centre Street
New York, NY 10007

Dear Mr. Lander,

The Business Integrity Commission (BIC) is availing itself of the opportunity to provide our formal response to the Office of the Comptroller's draft report, "Audit of the Monitoring of the City's Trade Waste Carting Industry by the Business Integrity Commission." BIC acknowledges the vital role of the Comptroller's Office in bringing transparency and oversight to the work conducted by City agencies.

BIC thanks the audit team for the three sections of the Draft Report before the recommendations, entitled:

- "BIC Reduced Backlogs and Improved Timeliness in Processing Violations and Complaints"
- "Violation Processing Times Improved"
- "Complaint Response Times Generally Met Standards"

These sections cover the topics that were reviewed most thoroughly by the Comptroller's team, and they are the most accurate sections in the report in terms of interpreting BIC datasets and representing the agency's processes. In fact, BIC's summons issuance and complaint investigation processes were the only areas where, during the regular course of the audit, the Comptroller conducted tests of the data, including lengthy meetings scrutinizing BIC's Salesforce database and corresponding records. **Therefore, where the audit focused most of its time, the resulting analysis showed that BIC had made improvements, worked effectively, and met standards.**

The Draft Report goes on to make summary findings and recommendations that are not based on the review and analysis of data and documentation, but rather on erroneous assumptions. The Comptroller also failed to consider the fiscal and revenue-generating aspect of BIC's work, despite the Comptroller's primary mandate of fiscal oversight. Had revenue been examined as part of the audit, the Comptroller

would have found that **BIC had an overall agency budget of 8.8 million dollars for Fiscal Year 2025, and that BIC generated the same amount, 8.8 million dollars in fees and fines, during the same time period, indicating a well performing and highly efficient Agency.**

The Comptroller also misunderstands the nature of BIC's audit function, which falls under the agency's investigatory powers as part of making integrity determinations about applicants. BIC Audit Unit reviews financial and other business data and information generally for the purpose of uncovering regulatory noncompliance as well as noncompliance that may be deemed to involve criminality. In other words, BIC Audit Unit does not engage in typical "risk" audits that are easily guided by a strict framework of steps and quantifiable thresholds.

Further, the validity of the findings and recommendations reached throughout much of the other sections of the Draft Report must be called into question for two key reasons:

1. First major concern: Although the Comptroller's audit focused only on a subset of BIC's internal units (representing 29% of BIC staff), the Comptroller nonetheless characterizes, and proposes recommendations for, the entire agency.
2. Second major concern: the Comptroller and BIC have radically different understandings of the scope of BIC's jurisdiction, the limits of its authority, and the purpose of municipal regulation as a whole. Though these matters were discussed at length at the Exit Conference, they were not resolved.

First Major Concern: Scope of the Audit

The Comptroller audit team focused on the Investigations, Audit, and Violations Units. Based on the documents sought and the questions posed, BIC understood that the Comptroller's team was concerned with two specific agency functions carried out by those units: the issuing of trade waste violations and addressing of complaints. No in-depth analysis or review was requested or made of the Legal, Background Investigations, or Licensing Units. **Had such a review been made, BIC believes that altogether different and more positive conclusions would have been reached.**

BIC acknowledges that the audit team made time for a candid and in-depth discussion during the Exit Conference and that subsequent updates were made to the report. Concerns remain, however, as BIC submitted numerous additional documents following the conference at the request of the Comptroller, which were intended to address numerous factual inaccuracies¹ and erroneous conclusions that had been reached absent a review of all relevant units, documents and facts. The Draft Report does not reflect a thorough analysis of that material.

¹ To offer three concrete examples: (1) Footnote 2 on page 3 of the Draft Report claims that "trade waste" and "commercial waste" can be interchangeable terms, despite the terms having different legal definitions in the NYC Administrative Code with important distinctions for BIC's work as explained by BIC in numerous meetings and in a November 7, 2025 written response; (2); Footnote 3 on page 3 incorrectly states that Local Law 198 of 2019 established the Commercial Waste Zone (CWZ) program (LL199 created CWZ, whereas LL198 expanded BIC's jurisdiction to include safety); and (3) The bottom of Table 1 states that there are zero BIC Class-3 Union registrants, however BIC has approved five such applications to-date, as provided to the Comptroller in a September 8, 2025 email.

BIC also acknowledges the limited time available for the audit team to review the numerous additional documents provided in mid-November 2025 and regrets that clarity about the scope of the Comptroller's audit was not reached earlier in the process, as this would have helped both our teams with the shared goal of ensuring an accurate report².

Second Major Concern: BIC's Role and Authority

Regulatory agencies like BIC that are established pursuant to specific legal mandates are not suited to criteria-dependent enforcement mechanisms, which is the crux of many of the findings and recommendations made by the Comptroller. BIC rejects this interpretation of our mission and regulatory role and can cite case law and precedent, as we have done below under the specific recommendations, to

explain why exercising discretion is imperative to our process, and also why the agency prioritizes compliance to keep licensed and registered companies operating when at all possible rather than putting them out of business.

The role of discretion in decision making by regulators is a well understood and accepted part of the regulatory model³. Standards and consistent practice are essential, and there are agencies for which 'criteria' or quantifiable rubrics to guide regulatory outcomes are appropriate and preferred. That is not the case for agencies like BIC, due to the investigatory nature of our work and oversight function and the quasi-judicial nature of our license and registration review function. By nature and design, BIC is guided by strict and specific legal frameworks, necessitating strategies other than rigid criteria or measurable thresholds. In lieu of those types of guardrails, agency decisions must be rational and based on substantial evidence in the record and are subject to review and appeal to ensure transparent and equitable regulation (Sparrow, 2000, p. 243).

Specifically, in place of measurable criteria, the oversight check on BIC's authority is the Article 78 process, a type of 'special proceeding' within the New York State Civil Court System that allows an affected party to challenge a decision by an administrative agency. BIC's denial and revocation decisions and rules are all subject to Article 78 challenge, and many parties have brought such challenges against the agency in the past. BIC has always prevailed in these matters, because our decisions are made within the bounds of our authority and are well substantiated by BIC's thorough and documented application review process.

² The documents provided following the Conference were not shared by BIC previously as they covered topics that were never a subject of inquiry nor previously requested during the audit, and it was only apparent at the Exit Conference that the audit team needed this information to correct inaccuracies and false assumptions.

³ Sparrow, M. K. (2000). *The Regulatory Craft: Controlling Risks, Solving Problems, and Managing Compliance*. Brookings Institution Press.

Responses to Specific Findings & Analysis

Comptroller Finding: *Nearly half of the BIC violations reviewed by the Comptroller were concentrated among 140 companies, but only five of those companies were subject to further measures, such as audits, imposition of monitors, or license revocation.*

BIC Response: The 140 companies cited by the Comptroller as accounting for nearly half of all violations account for nearly thirty percent of regulated trade waste trucks. This context is crucial as BIC regulates more than 1,800 trade waste licensed or registered companies that vary greatly in size and activity. BIC voiced concern about this at the Exit Conference. Following the conference, the audit team did request fleet data from BIC, which BIC provided. While the fleet size per company was incorporated into Tables 3 and 4 of the Draft Report, the actual analysis was not amended to account for this important factor. Further, two of the Companies listed on Table 3 and identified by the Comptroller as problematic, Viking Sanitation, Inc and Sarv Enterprise Inc., are no longer licensed to operate in NYC.

Audits, monitors and revocations, described by the auditors here as mere “further measures” that should be applied based on violation count, are actually penalties of magnitude that BIC is required, by law, to apply with forethought and care. They do not serve as automated remedies that become applicable once a certain numerical threshold of violations is reached. That framing is a fundamental misunderstanding of BIC’s legal authority and oversimplifies violations to a raw number, which would be a wholly incomplete and disingenuous way of analyzing violations per company.

The solution is not for BIC to “rank” its rules and corresponding offenses into categories of severity. This would in essence constitute BIC creating a new regulatory power for itself, which is not within our authority. BIC General Counsel submitted a memorandum to the Comptroller’s team in November 2025 explaining such legal reasoning, which reads in part:

“Here, the charter and the administrative code give the Commission authority over the trade waste industry and empowers it to exercise that authority in the following specifically enumerated ways: the approval, renewal, denial, revocation and suspension of licenses, the imposition of a monitor, the issuance of notices of violation, the issuance of directives, and auditing. **The Commission is obligated by law to pursue its operations within the context of those specifically enumerated regulatory powers.** See, *Tze Chun Liao v. Banking Dept.*, 74 N.Y. 2d 505 (1989).”

BIC urged the Comptroller many times to ‘divorce’ the concepts of violations from other regulatory remedies (like monitors, audits, or application denial). While patterns of misconduct and violations may play a role in BIC’s decision to seek a more severe regulatory remedy, BIC may only do so on a case-by-case basis as part of a quasi-judicial legal analysis of all the facts involved.

The check on BIC’s regulatory power here is the Article 78 process to challenge BIC’s decisions. The check on each BIC violation issued is the respondent’s right to a hearing for that particular matter at the Office of Administrative Trials and Hearings (OATH), where the tribunal makes an independent determination of the legal sufficiency of both the summons itself and of the evidence presented by the agency in its support.

Comptroller Findings:

- *BIC seemed untroubled by companies that chronically violate-cure-violate-cure and violate yet again.*
- *BIC points to significant safety progress: fatal crashes dropped to one as of November 2025 (down from five in previous years), and overall crashes decreased by nearly 18%. Furthermore, officials point to increased compliance as a key indicator of success, noting that investigators wrote 22.5% fewer [safety related] violations in 2024 than in 2023 despite maintaining nearly the same number of inspections. These are positive statistical trends, but they do not eliminate the need for further improvements.*

BIC Response: When looking at compliance, it is also crucial to note that BIC prioritizes compliance over sanctions wherever possible with the understanding that licensed and regulated carters are job providers, many are small or medium-sized businesses, and many business owners do not speak English as a first language. The most severe forms of action in BIC’s toolbox, denial or revocation of a company’s license or registration to operate in New York City, in practice often means putting a company, often a small business, out of business. BIC sees this as a very last resort⁴. Part of BIC’s mandate as laid out in the City’s Administrative code is to “assist the city in formulating policies to provide for orderly and efficient trade waste removal at a fair and reasonable cost to businesses⁵,” which would be impeded by shrinking the market unnecessarily through overhanded use of regulatory measures to bar businesses from competing within it.

The “cure-violate-cure” process is the definition of the regulatory process working as intended. This is how regulatory agencies generally function for offenses that do not meet the standards of law needed to prompt severe action. Additionally, as discussed above, violations cannot be reduced to a raw number or ranking and for many BIC violations, curing the condition is perfectly sufficient. One common type of misconduct, for instance, is a violation of Title 17-A of the Rules of the City of New York section 5-08(d) for having an overfilled trade waste truck. This is a common occurrence in the day-to-day operation of removing thousands of pounds of waste from New York City streets and this type of quality-of-life offense

is remedied by a violation issued and fine paid. It would be difficult to even contemplate an appropriate threshold for such violations that should trigger BIC’s most severe types of regulatory action.

Additionally, BIC presented data, as described in the Draft Report finding shared in the second bullet above, demonstrating that since BIC gained authority and began robust safety enforcement in 2021, crashes are down and compliance with safety rules is up. The data supports that BIC’s methods are sufficient for improving safety, and the Comptroller’s assertion that they are not is a matter of opinion stemming from the fundamental disagreement about BIC’s quasi-judicial model.

Comptroller Finding: *Three of the four companies with repeat violations continued to incur violations even after the monitorship ended.*

⁴ See Sparrow (2000), the section beginning on page 244, “The Right to Set the Mission.” Regulator discretion can never be fully removed, and this discretion naturally includes setting the tone and tenor of an agency’s regulatory work including when and how the most punitive measures are exercised.

⁵ Title 17-A, NYC Administrative Code, section 16-504(d), Powers and Duties of the Commission.

BIC Response: Again, the concept of the raw number of BIC violations issued to a company, and BIC's requiring a company to retain an independent, third-party monitor to remedy a specific compliance concern cannot and should not be conflated. BIC violations and the imposition of a monitor may, in specific instances, be related depending on the type of violations observed and issued, however they should be considered as different "spheres" within BIC's work with no direct or universal correlation.

Administrative violations are primarily (88% as the Comptroller notes in the Draft Report) a function of investigator enforcement of BIC rules for violations observed in the field that may relate to safety, quality of life, cleanliness, and other operational concerns. Although each scenario is different, generally speaking, monitors are often imposed in cases where legal review of a company's records points to systemic issues within their recordkeeping or business practices that could be remedied by a monitor's oversight. This is a totally unrelated topic to administrative violations the company might receive concurrently for an overly full truck or other operational issues observed in the field.

This is not to say that both factors would not be relevant to the company's integrity and compliance history. A company's full violation history and any monitorships would both be part of the set of facts reviewed by a BIC attorney before the company's next renewal was approved. The two factors are just different functions and processes within BIC that cannot accurately be conflated or made dependent on one another.

Comptroller Finding: *BIC's audit function could be improved. There is no audit manual or mandated minimal coverage of companies, and the selection of licensees for audit does not appear to be based on risk.*

BIC Response: As explained in greater detail below as a response to Recommendations 4 and 5, establishing a universal manual with "criteria" for choosing companies to audit is not possible due to the nature of our investigatory process and the case-by-case, quasi-judicial reasoning required for decisionmaking. The goal of BIC Audit Unit, as discussed during the Exit Conference, is to assist the Legal Unit in making integrity determinations about applicants. They are guided by the factors spelled out in Title 17-A of the NYC Administrative Code under section 16-509, paragraphs (a) through (d), which is more than sufficient to provide investigatory parameters. While BIC refers to these matters as "audits" since they heavily involve review of financial and business records, they are not traditional risk audits in the way thought of by the Comptroller audit team, but rather forensic or investigative audits.

BIC does not engage in the type of risk audits mentioned repeatedly by the Comptroller, leading to some of the misunderstands behind the Recommendations. Rather, investigations conducted by BIC Audit Unit aim to uncover any conduct that may result in BIC declining to issue a license as guided by the authority given to the agency in the Administrative Code, which provides the parameters used by staff, again with all final decisions subject to Article 78 challenge. As BIC explained, the Audit Unit's investigations are carried out through a systematic process. And as acknowledged by the Comptroller team in footnote twenty-three of the Draft Report, BIC does have established procedures that guide the Audit Unit's tasks. BIC will re-examine the existing guidance documents in light of the Comptroller's review and consider developing additional such materials, where possible, for the Unit's processes.

Responses to the Comptroller's Office Recommendations

BIC's response to the recommendations explains that the majority of recommendations proposed by the Comptroller team are either (1) antithetical to BIC's regulatory authority as a 'quasi-judicial' body that applies the law to make fact and case-specific decisions, or (2) suggests something BIC already does as a function of one of the units not examined during the audit.

Comptroller Recommendation 1: *Group and analyze violations by risk and severity and set clear riskbased thresholds for when repeated, high-risk, and/or safety or integrity related violations and/or crashes should trigger consideration of enhanced oversight. Ensure consideration and decisions are documented.*

BIC Response: BIC understands the Comptroller's first recommendation and asserts that the agency already does this work through two separate avenues (1) as part of the rigorous application review process that licensed and registered trade waste companies undergo on a two-year renewal cycle, and (2) through inter-agency policy and enforcement work, especially through the Vision Zero Task Force and Commercial Waste Zones Safety Task Force.

During the application review process, the Background Investigation Unit (BIU) conducts thorough, law enforcement-grade investigations of each applicant. Those reports are then reviewed and analyzed by the Legal Unit as part of the application approval process. This review results in much of the compliance and enforcement activity generated by the Commission, including issuance of notices of violation, imposition of monitors, payment of taxes, fees and penalties, compliance with safety and other rules, restitution to customers, as well as financial and other disclosures, among other actions. Applicants are amenable to such directives since approval and renewal are made contingent upon compliance. The Legal Unit is the only unit within the Commission having this authority. Given the critical role the Legal Unit plays in the Commission, the Legal Unit's exclusion from the audit means that the Comptroller's Summary is flawed and incomplete.

BIC submitted the following list of documents following the Exit Conference to illustrate how consideration is already given through the application review process to factors including safety and integrity; and that BIC already complies with the part of Comptroller Recommendation 1 that states "Ensure consideration and decisions are documented." As none of these documents are included in the list under the "Scope and Methodology" section on page 29 of the Draft Report, it appears they were not considered.

- Side Guard Compliance Reference Documents
- Example Side Guard Violation Correction
- BIU Violations Process (May 2025)
- Standard Operating Procedures BIC Application Review October 2025
- Legal Analyst Training Check List July 2023
- Draft Memos October 2025
- Legal Approvals Directions October 2025
- Example 1 Approval Process Two Renewal Cycles
- Example 2 Approval Process Two Renewals

- Example Renewal Approval CDL Matter Corrected
- Example 2 Revocation CDL Issues
- 10.01.20 Memo re def of slated for denial
- 051823 BIU Discussion Document
- Summary of 2017 and 2018 Denial Grounds 3.14.18

BIC also submitted the list of below documents showing how review of safety-related metrics are incorporated into processes. BIC has engaged in this work since joining Vision Zero in 2016, with safety efforts increasing greatly following the passage of Local Law 198 of 2019, which expanded BIC's legal authority to specifically include regulation of traffic and vehicle safety for the first time.

- Collision SOP 2018
- 2021 Safety Rules OVERVIEW Final 5.20.21
- May 2021 Memo Pattern of Unsafe Practices
- SOP Pattern of Unsafe Practices (NOWs) Violation March 2023
- Sample Interdept Violations Mtg Presentations and Notes 2022-2024
- BIC Interdept Safety Mtg Presentations July and October 2024
- Notice Driver Vehicle Compliance Town Hall on May 16 2023
- Slides BIC Safety Vehicle Town Hall May 16, 2023
- Notice Following Up on the BIC Town Hall 05 24 23
- Violation Data DVIR Charges Only
- Example Corrected Violation Multiple Charges

Comptroller Recommendation 2: *Develop and implement comprehensive Standard Operating Procedures that define when and how BIC should escalate enforcement. These procedures should establish clear, consistent criteria for all enforcement actions—including audits, monitorships, and license revocations—and include quantitative and qualitative benchmarks (e.g., number of crashes, integrity-related violations, or repeated inspection failures) that trigger review for higher-level sanctions.*

BIC Response: BIC respectfully disagrees with recommendation 2 and with the related part of recommendation 1, because establishing a written SOP of “criteria,” “benchmarks,” “thresholds,” or “triggers” for BIC action is incompatible with the type of legal authority BIC exercises, which is not comparable to a rubric or audit, but rather requires ‘quasi-judicial’ decision-making, which must be logical and substantiated as BIC’s Legal Unit reviews the set of facts for each company to reach their decisions. Such decisions cannot consist of any new types of “sanctions” resulting from a standard set of “criteria” or “thresholds,” as BIC’s specific regulatory powers are defined by law.

Put simply, BIC reviews and considers violation and crash history for every original and renewal applicant, as well as DMV records, insurance records, past compliance history, and much more, as part of every application review, after which a BIC attorney makes a case-specific legal determination, with the goal of compliance and not taking away a company’s ability to operate in the industry if at all possible.

The legal analysis prepared by BIC’s General Counsel and provided to the Comptroller team following the Exit Conference reads in part:

“The Comptroller asserts that BIC should be exercising its authority more broadly than within the areas of approval, renewal, denial, revocation and suspension of licenses, because it deems regulation limited to those factors insufficient to ensure that companies comply with the law, and calls for BIC actively to engage in activities beyond those enumerated. However, where the legislature specifically enumerates allowable actions, anything outside that enumeration is ultra vires. Matter of the New York Agency and Other Assets of Bank of Credit and Commerce International, 90 N.Y. 2d 410 (1997).

The Commission may elaborate upon those methods, by, for example, imposing a condition for approval, basing a renewal upon compliance with specific safety rules, settling rather than adjudicating a matter, or directing that a monitor focus its review on detecting/preventing criminality rather than on ensuring the use of standard accounting practices, etc. **The Commission may not, however, create new enforcement mechanism out of whole cloth**, Matter of 47 Ave. B.E. Inc. v. New York State Liq. Auth., 65 A.D. 3d 33 (2009), since it has no authority to create or impose “value judgments directed as resolving a social problem,” Boreali v. Axelrod, 71 N.Y.2d 1 (1987), or to establish “additional goals” for enforcement. Tze Chun Liao v. Banking Dept., 74 N.Y. 2d 505 (1989). **Moreover, should the Commission decide to implement any new punitive or confiscatory measures, it would have to ensure that they are consistent with the provisions of the enabling statute and need to set them forth in duly promulgated rules during which proper notice is given to the public.** Matter of 47 Ave. B.E. Inc. v. New York State Liq. Auth., 65 A.D. 3d 33 (2009).

The separation of powers provides that the “legislature [is tasked with making] critical policy decisions while the executive implements those.” Matter of LeadingAge N.Y., v. Shah, 32 N.Y.3d 249 (2018). “Administrative agencies as creatures of the legislature within the executive, can only act to implement their charter as it is written and as given to them. **An agency cannot create rules through its own interstitial declaration, that were not contemplated or authorized by the Legislature** and thus, in effect, empower themselves [sic] to rewrite or add substantially to the administrative charter itself.” (citations omitted) Tze Chun Liao v. Banking Dept., 74 N.Y. 2d 505 (1989). In other words, an agency may not act or regulate beyond its enabling legislation. Matter of LeadingAge N.Y., v. Shah, 32 N.Y.3d 249 (2018).”

Regarding the suggestion as part of Recommendation 2 on Standard Operating Procedures (SOPs), BIC agrees that documenting internal processes and procedures is important. BIC acknowledges that although the Legal Unit produces memos for each application decision for supervisor and agency leadership review, the Unit has in the past lacked formal written SOPs. Since joining BIC in 2024, the current General Counsel and Deputy Commissioner for Legal Affairs has prioritized the creation of such documents, as mentioned by BIC to the Comptroller team during the Exit Conference.

At the Comptroller’s request, BIC provided numerous SOPs, guidance documents, meeting records, and internal memoranda following the conference (see the lists under BIC response to Recommendation 1). These documents show how BIC uses a uniform and established process to document the analysis and decision-making that is part of every application review, however none of these documents were reviewed by the Comptroller according to the list in the Scope and Methodology of the Draft Report.

Comptroller Recommendation 3: *Review the 140 companies identified as chronic violators in this audit against the newly established criteria to determine whether additional enforcement actions or post monitorship follow-up reviews are warranted.*

BIC Response: BIC understands but partially disagrees with Recommendation 3. The 140 companies identified by the Comptroller as “chronic violators” will be reviewed by BIC, like all licensees, registrants, through the two-year renewal and in-depth background investigation process. As mentioned above, this process takes into account BIC violation history, crash history, driver history, and many other factors. Please see BIC’s response below to Recommendations 4 and 5, which explains why new “criteria” to evaluate companies does not fit into BIC’s legal authority and regulatory scheme.

Comptroller Recommendation 4: *Adopt formal, risk-based criteria for selecting companies to audit and develop a written audit procedures manual to standardize audit steps and ensure consistent quality.*

Comptroller Recommendation 5: *Set annual audit targets focused on high-risk companies and repeat offenders and seek adequate staffing and resources to support greater coverage and improve timeliness of audit completion.*

BIC Response: BIC partially agrees and partially disagrees with Recommendations 4 and 5, which we will discuss together as they both concern the topic of audits conducted by BIC’s Audit Unit.

To first describe where we take issue, BIC asserts that establishing “criteria” to determine which companies are chosen for an audit is not possible due to the nature of our investigatory process and the case-by-case, quasi-judicial reasoning required for decision-making. Although it is the Audit Unit that carries out the process, a new audit is only commenced after inter-departmental internal meetings and discussions wherein BIC leadership, Legal Unit, and Audit Unit staff together examine the facts at issue to make the determination that the type of issues found during the application review thus far (1) warrant additional action before approval of the company can be considered, and (2) that an audit of the financials and business records of the company is the best course of action for further investigating the specific potential compliance or regulatory issues at hand.

Although deciding to audit a company is not as formal of a process for BIC as denying or revoking a license, findings resulting from an audit can become factors considered and enumerated later on in a denial or revocation decision. Therefore, BIC’s assertion that our decision-making must be a function of legal determination rather than a formula or quantifiable threshold laid out in response to Recommendation 2 above is still relevant to the question of audits.

The following also quotes directly from General Counsel Statz’s memo, and while it is primarily speaking about BIC’s authority to impose monitorships upon a carter, it is relevant to the question of criteria for commencing audits:

Further, although monitorships do not require as formal a process, given the great and sometimes confiscatory expense they involve, **the Commission is prohibited from imposing them in an arbitrary fashion, such as by mere numerical equation.** The Commission is required to set forth an individually analyzed and rational basis for such a decision. For example, a challenge to BIC’s

authority to require a monitor as a condition of licensure was upheld in the 2002 decision, *AVF Carting Company v. The Trade Waste Commission of the City of New York*, 2002 WL 34504256 (N.Y. Sup. August 12, 2002). **In that case, based on adverse information obtained during a background investigation that included the taking of depositions and the gathering of information from informants, the Commission exercised its authority** under section 16-511(a) of the Administrative Code to condition the issuance of a license on the appointment of a monitor. Before acting on the recommendation, the Commission afforded AVF an opportunity to respond. The applicant rejected the condition, and BIC therefore denied the application.

The court, noting with approval the steps taken by the Commission, found the agency's decision "rationally based on substantial evidence in the record." The Commission's process was therefore key to this victory. With respect to decisions affecting either licenses or monitorships, the Commission must act in conformity with the applicable law.

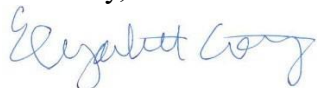
BIC does, however, recognize the necessity of written procedures and will consider whether additional guidance documents or a policy wherein a memo is written at the commencement of an audit to create a more formal record, are a practice to be implemented for the Audit Unit.

Following the Exit Conference, BIC also provided the following list of additional documents related to BIC's process for monitors:

- Monitor Memo to Chief Counsel July 2024
- Application Renewal Approval Collision
- Legal Memos Viking Monitor
- Legal Memos D&A Monitor
- Legal Memos World Class Monitor
- Legal Memos Cogent Monitor

BIC agrees with the Comptroller's team that adequate staffing and resources are needed across the agency and particularly in the Audit Unit. We are currently working to fill one vacancy in the Audit Unit and we look forward to working with the incoming Mayoral Administration at City Hall and OMB to ensure BIC can effectively carry out its regulatory mission.

Sincerely,



Elizabeth Crotty
Commissioner and Chair, Business Integrity Commission

cc: Maura Hayes-Chaffe, Deputy Comptroller for Audit
Allison Stoddart, City Hall Chief Counsel

Doug Giuliano, Mayor's Office of Risk Management
Olga Statz, BIC Deputy Commissioner for Legal Affairs and General Counsel





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