

---

---

**Thomas P. DiNapoli  
COMPTROLLER**



**Audit Objective..... 2**

**Audit Results - Summary..... 2**

**Background..... 2**

**Audit Findings and  
Recommendations..... 3**

Recycling Program..... 3

*Recommendations..... 6*

Reporting..... 6

*Recommendations..... 7*

**Audit Scope and Methodology..... 7**

**Authority..... 7**

**Reporting Requirements..... 8**

**Contributors to the Report..... 8**

**Appendix A - Auditee Response .... 9**

---

---

**OFFICE OF THE  
NEW YORK STATE COMPTROLLER**

**DIVISION OF STATE  
GOVERNMENT ACCOUNTABILITY**

---

**NEW YORK CONVENTION  
CENTER OPERATING  
CORPORATION**

**RECYCLING PROGRAM**

**Report 2008-S-143**

---

---

## AUDIT OBJECTIVE

Our objective was to determine whether the New York Convention Center Operating Corporation (CCOC) operates a recycling program that is in compliance with State and local laws and Executive Order 4.

## AUDIT RESULTS - SUMMARY

CCOC is responsible for establishing a recycling program as outlined in section 2878-b of the Public Authorities Law as amended by the Solid Waste Management Act of 1988 (Act) and Executive Order 4 (EO 4) issued April 2008 and local law.

However, we concluded that CCOC does not have a recycling program in compliance with applicable governance. Although it assigned an employee to serve as a Sustainability and Green Procurement Coordinator, and has a program to recycle paper and cardboard; it does not have a program for source separating plastic, glass and metals. Also CCOC officials informed us there has been no formal training provided to employees on recycling at CCOC. Furthermore, CCOC does not require the show promoters or trade show participants to recycle.

Our report contains nine recommendations to improve CCOC's compliance with State and local laws and Executive Order 4. CCOC officials generally agree with our recommendations and State actions they have taken or will take to implement them.

This report, dated September 10, 2009, is available on our website at: <http://www.osc.state.ny.us>.

Add or update your mailing list address by contacting us at: (518) 474-3271 or Office of the State Comptroller  
Division of State Government Accountability  
110 State Street, 11<sup>th</sup> Floor  
Albany, NY 12236

## BACKGROUND

New York State has a long history of encouraging the reduction and recycling of solid waste materials. Two decades ago, in 1988, the State enacted the Solid Waste Management Act of 1988 (L1988, Ch70) (Act), which laid out the priorities of the State's solid waste management policy:

- Reducing the amount waste generated;
- Maximizing the amount of waste that is reused or recycled;
- Recovering as much energy as possible from what cannot be reused or recycled; and
- Appropriately disposing of the remaining solid waste.

The Act required State agencies and public authorities, to separate their solid waste at the point where it is discarded (source separation) by putting recyclable paper, metal, glass and plastic into one container and non-recyclable items such as food and soiled items into another container. In addition, municipalities throughout the State were required to pass their own local ordinances or legislation requiring source separation of solid waste, whether it is left out for collection or delivered to a solid waste facility. Consequently, public benefit corporations located within these municipalities are required to comply with their recycling laws.

The Act also requires the same entities to devise and institute a program to source separate all “other wastes” generated within their office facilities. Deadlines were established for agencies, authorities, corporations and community facilities for full implementation by July 1, 1991.

For these “other wastes” the source-separation program only includes materials for which there is an economic benefit from separation. The Act defines this to mean that the full avoided costs of proper collection, transportation, and disposal of separated materials are equal to or greater than the cost of collection, transportation, disposal, and sale of the material, less the amount received from sale.

In January 1991, the Governor issued Executive Order 142 (EO 142) (9 NYCRR 4.142) on *Establishing New Waste Reduction and Recycling Initiatives for State Agencies* thereby reaffirming the State’s commitment to reduce and recycle waste. Under EO 142, State agencies were required to source separate paper and other products from their waste stream. Public authorities, such as CCOC were “urged” to undertake programs consistent with EO 142. Source separation programs were to be enhanced, through employee education and installation of equipment, such as recycling bins.

In April 2008, the Governor issued Executive Order 4 (EO 4) (9 NYCRR 7.4) on *Establishing a State Green Procurement and Agency Sustainability Program*. EO 4 created the Interagency Committee on Sustainability and Green Procurement (Committee), comprised of the heads of 12 State agencies and public authorities. EO 4 requires each State agency and public authority to designate a Sustainability and Green Procurement Coordinator and develop a comprehensive Sustainability and Environmental Stewardship

Program (Program). EO 4 builds upon the requirements of EO 142 (which it superseded) in that each agency’s Program must provide for source separation of its waste to maximize the amount of paper, metal, glass, and plastic that is recycled.

Technical assistance is available from the New York State Office of General Services, the New York State Department of Environmental Conservation, the Environmental Facilities Corporation, and the New York State Energy Research and Development Authority. Beginning August 1, 2009, State agencies and public authorities are required to submit an annual report to the Committee, which will, in turn, provide a summary report to the Governor.

New York City has enacted recycling ordinances beginning with the NYC Recycling Law, Local Law No.19 in 1989 followed by Commercial Recycling Law, Local Law No.87 of 1992, NYC Yard Waste Composting Law, Local Law 40 (2006) and NYC Rechargeable Battery Law: Local Law No.97 of 2005. These laws require businesses within the City, including CCOC, to recycle corrugated cardboard, office paper, magazines, catalogs, phone books, newspapers, and textiles. Food or beverage service establishments must recycle: corrugated cardboard, metal cans, glass bottles and jars, plastic bottles and jugs, and aluminum foil products.

CCOC was established by the New York State Legislature in 1979 as a public benefit corporation through Title 27 of the Public Authorities Law. CCOC was created to operate and maintain the Jacob K. Javits Convention Center (Convention Center). The Convention Center spans from 34th Street to 39th Street between 11th and 12th Avenues in Manhattan.

## AUDIT FINDINGS AND RECOMMENDATIONS

### *Recycling Program*

The Convention Center is a 1.8 million square foot facility which includes 760,000 square feet of exhibition space, 30,000 square feet of meeting space, 665,000 square feet of pre-function, support, and staffing areas; 50 loading docks; 12 city blocks of roadway; and 12 city blocks of sidewalks. The shows at the Convention Center are attended by approximately three million exhibitors and attendees per year.

CCOC's staff performs routine cleaning of CCOC's office space. In addition, during a show event, they remove bulk debris during show set up and breakdown, and empty the waste receptacles within the exhibition space throughout the show. In addition, food vendors empty their own waste receptacles. The waste is then placed in several large containers/compactors located in the loading dock area. The containers are transported to disposal/recycling facilities by a private sanitation company.

The Act requires public authorities to begin source separating waste paper generated within their facilities by September 1, 1989. However, we observed that food vendors do not source separate recyclable waste at CCOC show events. All trash, including recyclable materials, is discarded into the same compactors. CCOC officials told us that the show promoters are asked to ensure source separation of recyclable waste, but the show promoters do not stress this point with the exhibitors. As a result, the receptacles placed on the show floors are filled with mixed waste. We noted that none of the contracts with the show promoters include a recycling clause. We also observed that the food vendors located on the show floors did not

provide receptacles for source separating waste materials. CCOC did place receptacles that were labeled "Paper Only" near the photocopy machines and other select locations in its offices.

We also noted that CCOC did not have any written procedures regarding recycling at its facilities. Sound business practices require management to promulgate policies and procedures for staff to follow. CCOC has not issued any policies or procedures for their recycling program. They have placed signs at their trash compactors to designate two of six compactors for the exclusive use of cardboard only. Management has also stated that its training for cleaning staff is very limited and undocumented. Training focuses on safety issues, and with no instruction about recycling efforts. Part time cleaners receive no recycling training. We concluded that CCOC management needs to be more proactive.

#### **Show Events**

CCOC has two recycling compactors designated "cardboard-only," one on the first floor loading dock and one on the third floor loading dock. CCOC officials indicated that both paper and cardboard could be placed in the "cardboard-only" compactor, with all other trash to be placed in "trash-only" compactors. We conducted a total of 18 observations to determine whether recycling practices and trash disposal in the compactors during show's set up, duration and break down were in compliance with applicable governance, including local ordinances. Out of the 18 observations, we observed CCOC cleaners disposing of trash and recyclable items a total of 12 times. Out of the 12 compactor observations, we identified 7 instances where waste was physically dumped into the wrong compactor and 5 instances where recycling material and waste were disposed into the proper compactor.

Additionally, we conducted 13 observations of the loading docks and compactors to verify whether the appropriate items were being placed in the appropriate containers. We examined the accessible portion of the compactors to estimate the percentage of trash in the trash-only compactors and the percentage of cardboard in the cardboard-only compactors to assess whether the cleaners were complying with New York City recycling ordinances. Out of the 56 compactors checked, we identified 41 instances where waste was placed in the wrong compactor and 15 instances where appropriate waste was placed in the compactors.

The improper disposal practices result in trash being sent to the recycling facility of the sanitation company under contract (IESI), and recyclables being sent to landfills. According to a conversation we had with an IESI representative, the trash that is sorted from the recyclables at the recycling facility must then be hauled to a landfill. Additionally, CCOC is at risk of a fine for non-compliance with the waste disposal rules of New York City.

CCOC contracts do not specifically require recycling efforts from vendors or show hosts, and recycling within booths is only upon request of the exhibitor or show organizer. However, the show organizer's contract with CCOC requires the organizer's compliance with local ordinances. Accordingly, there is a basis to expect compliance with local recycling requirements.

A CCOC cleaning manager informed us that staff training is limited to full-time staff and is geared toward safety training and garbage disposal, not recycling. Full-time staff is provided with a walk-through of the building by supervisor and are verbally informed of the cleaning procedures. According to the cleaning manager, part-time staff is not

provided with any formal recycling training. The cleaning manager indicated that cleaning supervisors are responsible for monitoring the cleaners as they dump their trash and recyclables, but they focus on safety issues, (e.g. how to avoid getting injured by a forklift working the loading docks), more than recycling.

### **Administrative Offices**

We observed activities in the administrative offices, cafeterias, operations departments and various offices throughout the CCOC. We conclude that recycling efforts taking place within CCOC offices are limited and ineffective.

We observed 12 work areas within CCOC offices to examine the recycling effort. We found that only 7 of 51 trash bins were designated for recycling of paper and seven work areas had no trash bins for only recycling paper. There were no bins for other recyclable items.

We also noted that, when cleaning the administrative offices, CCOC cleaning staff dispose of paper, shredded paper and other recyclables into the same trash bin with other trash and subsequently dispose of the trash and recyclables into the wrong compactor. We spoke to the cleaning staff as to how they dispose of the trash and recyclables and they responded that they were directed to dispose of paper products in the cardboard compactor, but they are provided with only one cart to collect both trash and paper and the waste and recyclables can get commingled.

This also happens when CCOC staff cleans the show floor after an event. Cleaning staff are improperly disposing of recycling in the trash compactor.

## Contracts

We judgmentally selected four contracts for review to determine CCOC's level of recycling compliance. We selected these contracts based on our observations at the facility. We selected FedEx and Center Plate (food vendor) because they have permanent booths on the premises. We selected George Little Management because they organized the Gift Show, which is one of the largest Convention Center shows that was held in August 2008. We also selected the Major League Baseball Properties contract because we were informed that they had requested and used recycling bins for a show. Our review revealed that none of the contracts specified any recycling effort. The contracts did specify cleaning responsibilities. The contracts required compliance with any applicable laws. NYC has several ordinances requiring the recycling of various products. Therefore, there is a basis to expect that these vendors and CCOC should comply with NYC local ordinances including those for recycling.

Nevertheless, CCOC management does not require show organizers and clients to recycle.

They stated that the show promoters did not want recycling containers to get in the way of their clients. However, we did research other convention centers and found that most promote recycling efforts on their website.

For example, the Atlantic City Convention Center recycled 56.7 tons last year which included 3.38 tons of glass, plastic, aluminum, bottles, cans and shrink wrap, and over 45,000 pounds of paper and cardboard in 2007. CCOC has yet to embrace recycling in this manner. We were informed that CCOC

provides recycling containers only upon request and did so for the Major League Baseball All-Star event in 2008 at its request. In some instances the shows bring their own recycling bins with their own logos on them.

## Recommendations

1. Develop and implement a formal recycling program which complies with applicable governance and includes not only cardboard and paper but other commodities such as plastic, metal, glass, electronic equipment, and rechargeable batteries.
2. Provide all cleaning staff with proper training and equipment to carry out their role in the recycling program (e.g. color coded bins to separate recyclable commodities, two-bin carts so that cleaners keep trash and recyclables separated for disposal, etc.).
3. Designate a supervisor to monitor and enforce recycling requirements issues on the loading dock.
4. Designate employees to specific tasks, such as cardboard collection duties.
5. Incorporate and enforce recycling clauses in contracts with vendors and event organizers.
6. Promote recycling compliance by show promoters, vendors, exhibitors, employees and guests.
7. Increase the number of recycling bins in the administrative offices and ensure that each area has at least one bin to encourage employees to recycle.

---

## *Reporting*

---

Under Executive Order 4, State agencies and public authorities were to assign an employee to serve as a Sustainability and Green Procurement Coordinator. Coordinators are to be given full management and support, and

be provided with the necessary resources to enable the agency or authority to comply with the Order. CCOC advised us they have assigned a coordinator, as required.

EO 4 requires CCOC to begin submitting annual reports on its recycling efforts starting on March 1, 2009. Data collection can help monitor the success of waste prevention and recycling efforts as well as identify areas for improvement, while fulfilling annual reporting obligations. As with any system, CCOC must develop effective controls and monitoring activities that will ensure the data being collected is accurate, comprehensive and complete. However, CCOC has not established a consistent measurement of waste nor does it track the amounts of other materials which are recycled.

### **Recommendations**

8. Develop a procedure to measure the amount of recycled waste including paper, bottles, cans and glass, and to report this information in the annual report.
9. Develop a system to collect data regarding the amount of recycled materials to ensure that data collected are comprehensive and complete across all CCOC locations, and monitor that all locations report in a timely manner.

### **AUDIT SCOPE AND METHODOLOGY**

We audited CCOC's recycling program for the period January 1, 2006 through August 31, 2008 to determine whether it is in compliance with applicable State and local laws. To accomplish our audit objective, we reviewed the Act; New York City local laws for recycling and EO 4; met with CCOC officials to confirm and enhance our understanding of CCOC's recycling activities; observed recycling efforts during a major

show event, in general work areas and in the administrative areas. We interviewed CCOC employees and the vendor under contract with CCOC to remove waste. We also inspected areas maintained by CCOC cleaners, (i.e. storage rooms) to ascertain what recycling effort was in effect. In addition, we reviewed invoices to determine how much trash and recyclable materials were generated and removed by the vendor.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

### **AUTHORITY**

This audit was performed pursuant to the State Comptroller's authority as set forth in

---

Article X, Section 5, of the State Constitution and Section 2803 of the Public Authorities Law.

### **REPORTING REQUIREMENTS**

A draft copy of this report was provided CCOC officials for their review and comment. Their comments were considered in preparing this final report, and are included as Appendix A.

Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the Chairman of the New York Convention Center Operating Corporation shall report to the Governor, the State Comptroller, the leaders of the

Legislature and the fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons why.

### **CONTRIBUTORS TO THE REPORT**

Major contributors to this report include Carmen Maldonado, Robert C. Mehrhoff, Anthony Carbonelli, Joseph Smith, Lillian Fernandes, and Slamon Sarwari.

---

## APPENDIX A - AUDITEE RESPONSE

---

**Jacob K. Javits**  
Convention Center  
of New York 

655 West 34th Street  
New York, New York 10001-1188  
Tel : (212) 216-2000  
Fax : (212) 216-2588  
[www.javitscenter.com](http://www.javitscenter.com)

**Carl H. Loewenson, Jr.**  
Chairman of the Board

**Gerald T. McQueen**  
President and  
Chief Executive Officer

July 31, 2009

Carmen Maldonado  
Audit Director  
State of New York  
Office of the State Comptroller  
Division of State Government Accountability  
123 William Street - 21<sup>st</sup> Floor  
New York, NY 10038

Re: NYCCOC Recycling Audit  
Report 2008-S-143

Dear Ms. Maldonado:

Enclosed please find the New York Convention Center Operating Corporation's response to Draft Audit Report 2008-S-143 concerning its recycling program.

We appreciate the thoroughness of your review and have already carried out some of your recommendations. These measures, and the others we have promised to implement, are just the first steps in creating a sustainability program that we hope will put us in the forefront of convention centers across the country.

Very truly yours,

  
Gerald T. McQueen  
President & CEO

## RESPONSE TO DRAFT AUDIT REPORT 2008-S-143

The following is the New York Convention Center Operating Corporation's (NYCCOC) response to the Draft Audit Report 2008-S-143 of the Office of the State Comptroller (OSC) with respect to NYCCOC's recycling program.

NYCCOC is the operator of the Jacob K. Javits Convention Center, an exhibition/convention facility whose operations generate over 3,500 tons of solid waste per year. NYCCOC has had a recycling program in effect for several years through its waste carting company, IESI. Recyclables are separated from non-recyclable waste on site, and then further separated into paper and metals, plastics and glass ("MPG") at IESI's recycling facility. In cooperation with a number of the private organizers of shows at the Javits Center, NYCCOC has provided containers for recyclable materials throughout the show floor for their events. In addition, throughout the course of the above referenced audit, NYCCOC implemented many of the suggestions of the Comptroller's auditing team. The following are NYCCOC's responses to the specific recommendations contained in the Draft Audit Report:

**Recommendation No. 1: Develop and implement a formal recycling program which complies with applicable governance and includes not only cardboard and paper but other commodities such as plastic, metal, glass, electronic equipment and rechargeable batteries.**

NYCCOC Response: Under the New York City Commercial Recycling Law, Local Law No. 87 of 1992, NYCCOC is required to source separate only paper, construction waste and metal components of bulk waste. As set forth above, however, NYCCOC's existing recycling program has long included the collection of MPG as well as paper recyclables, and the further separation of the paper from the MPG by IESI. NYCCOC is in the process of expanding its current recycling program to source separate the MPG as well as the recyclable paper generated by its own operations.

With respect to batteries and electronics, NYCCOC has an existing e-waste recycling program through NLR, and will expand the program to include computer electronics.

**Recommendation No. 2: Provide all cleaning staff with proper training and equipment to carry out their role in the recycling program (e.g. color coded bins to separate recyclable commodities, two-bin carts so that cleaners keep trash and recyclables separated for disposal, etc.).**

---

NYCCOC Response: NYCCOC has a staff of 50 full-time cleaners and 250 part-time cleaners. Part-time cleaners work intermittently, some as little as two days per week. IESI has provided training to NYCCOC's full-time cleaning staff. The training will be expanded to include cleaning supervisors on all shifts, who will in turn instruct and monitor part-time cleaning employees.

NYCCOC will take appropriate steps to insure that its cleaning employees have all the equipment they need to avoid commingling materials from different waste streams.

**Recommendation No. 3: Designate a supervisor to monitor and enforce recycling requirement issues on the loading dock.**

NYCCOC Response: NYCCOC will assign one supervisor per shift to be responsible for monitoring and enforcing compliance with NYCCOC's recycling requirements on the loading docks.

**Recommendation No. 4: Designate employees to specific tasks, such as cardboard collection duties.**

NYCCOC Response: NYCCOC currently uses two separate crews to service events that source separate waste on the show floor while the event is open--one crew to empty the recycled waste containers, and one to empty the non-recyclable waste containers. NYCCOC will extend this practice to the waste generated by the set up and break down of shows.

**Recommendation No. 5: Incorporate and enforce recycling clauses in contracts with vendors and event organizers.**

NYCCOC Response: The vendors, show managers and other licensees of NYCCOC are currently under an affirmative duty, through their agreements with NYCCOC, to comply with all applicable state and local laws. NYCCOC agrees to include in its vendor contracts and license agreements, and on its website (see response to Recommendation No. 6), specific reference to recycling requirements.

**Recommendation No. 6: Promote recycling compliance by show promoters, vendors, exhibitors, employees and guests.**

NYCCOC Response: NYCCOC will include on its website a description of its recycling program and a summary of recycling regulations applicable to show organizers, exhibitors, concessionaires and contractors, and will include such a description from time to time in its monthly Show Managers'

---

Bulletin. In addition, NYCCOC will post notices throughout the Center encouraging all occupants of and visitors to the building to recycle.

**Recommendation No. 7: Increase the number of recycling bins in the administrative offices and ensure that each area has at least one bin to encourage employees to recycle.**

NYCCOC Response: In consultation with IESI, NYCCOC has implemented a recycling program that specifically requires all non-recyclable material to be placed in certain designated receptacles within kitchen pantries and all MPG waste to be deposited in separate designated containers. Desk trash receptacles have been marked for paper products only. Employees have been notified that they must comply with these disposal procedures.

**Recommendation No. 8: Develop a procedure to measure the amount of recycled waste including paper, bottles, cans and glass, and to report this information in the annual report.**

NYCCOC Response: IESI provides NYCCOC with this information and it will be included in the Annual Report.

**Recommendation No. 9: Develop a system to collect data regarding the amount of recycled materials to ensure that data collected is comprehensive and complete across all CCOC locations, and monitor that all locations report in a timely manner.**

NYCCOC Response: IESI collects this data in a comprehensive and timely manner. NYCCOC has only one location.