

NEW YORK STATE
DEPARTMENT OF ECONOMIC DEVELOPMENT
655 THIRD AVENUE
NEW YORK, NEW YORK 10017

In the Matter

- of -

the Application of FRAN-CO ELECTRICAL SUPPLY INC.
for ReCertification as a Woman-owned Business Enterprise
pursuant to Executive Law Article 15-A.

NYS DED File ID No. 57370

RECOMMENDED ORDER

-by-



Keely D. Parr
Chief Administrative Law Judge
January 21, 2026

This matter considers the written appeal by Fran-Co Electrical Supply Inc. (“Fran-Co” or “applicant”) pursuant to New York State Executive Law Article 15-A and Title 5 of the Official Compilation of Codes, Rules and Regulations of the State of New York (5 NYCRR) parts 140-144, challenging the determination of the Division of Minority and Women’s Business Development (“Division”) of the New York State Department of Economic Development (“DED”) that the business enterprise does not meet the eligibility criteria for recertification as a woman-owned business enterprise (“WBE”).

PROCEDURAL HISTORY

1. On February 12, 2025, Frances Ann Mangano, as President, applied on behalf of Fran-Co for recertification as a woman-owned business enterprise (“WBE”). (DED Exhibit 1)
2. On June 11, 2025, the Division denied the application on the grounds that:
 - (a) The minority group members or women relied upon for certification must make operational decisions on a day-to-day basis with respect to the critical functions of the business enterprise, pursuant to 5 NYCRR § 144.2(c)(2);
 - (b) The minority group members or women relied upon for certification must devote time on an ongoing basis to the daily operation of the business enterprise, pursuant to 5 NYCRR § 144.2(c)(3);
 - (c) The minority group members or women relied upon for certification must be the highest-ranking officer(s) of the business enterprise, and, where applicable, control the board of directors or serve as a general partner, pursuant to 5 NYCRR § 144.2(d)(1); and
 - (d) The minority group members or women relied upon for certification must negotiate business contracts and represent themselves to clients as the principals of the business

enterprise, as demonstrated by full executed business agreements, pursuant to 5 NYCRR § 144.2(d)(2). (DED Exhibit 2)

3. Applicant submitted a request to appeal via written submission dated July 16, 2025. (DED Exhibit 3)
4. A notice to proceed via written appeal was sent to the applicant on July 22, 2025. (DED Exhibit 4)
5. Fran-Co submitted its written appeal by letter dated November 12, 2025. (APP Exhibit A)
6. The Division filed an Affirmation of Glenn Butler, Associate Certification Director dated December 18, 2025, and a brief of Lisa S. Berk, Esq., counsel for the Division, dated December 18, 2025.

FINDINGS OF FACT

7. The applicant provides electrical supplies to the New York Tri-State area. (DED Exhibits 1 and 2).
8. Frances A. Mangano, the woman relied upon for recertification is the President and 70% owner of the applicant business. Stanley J. Mangano is the CEO and 30% owner of the applicant business. (DED Exhibits 1 and 2).
9. The critical functions of the applicant business, based on the products or services provided and the means by which the applicant business obtains contracts or orders, are to supply and oversee electrical equipment sales via the company warehouse. (DED Exhibit 2)
10. Frances A. Mangano's duties at Fran-Co are as follows: process and execute vendor payables, review and approve ACH payments for processing by the accounting department, oversee accounting payables and receivables with the accounting department and outside salesperson, collaborating with the CEO on the company's strategic direction and goals,

direct contact with company accountants to review profit and loss reports, balance sheets monthly, oversee the recruitment and retention of employees, and decision making regarding executive hiring, promotions, and performance reviews. (DED Exhibit 5)

11. Frances A. Mangano works as a Substitute Paraprofessional for the New York City Department of Education, Monday through Friday from 8:00 a.m. to 2:30 p.m. (DED Exhibits 6 and 11)
12. Frances A. Mangano works at the applicant business from Monday through Sunday, estimated at five (5) hours per day, from 3:45 p.m. to 8:00 p.m. daily. (DED Exhibit 11)
13. Stanley J. Mangano works in the Bronx office of the applicant business from 5:30 a.m. to 5:00 p.m. Monday to Friday. Both Mr. and Ms. Mangano also work remotely on the “off hours”. (DED Exhibit 12)
14. Applicant’s website states that the hours of operation are from 6:00 a.m. to 4:00 p.m. and that the counter opens at 6:00 a.m. “for all your needs”. (DED Exhibit 10).
15. Stanley J. Mangano’s duties are as follows: oversee day-to-day operations of the warehouse, liaison between Local 3 IBEW union and Fran-Co, direct contact with vendor relations on yearly contracts and purchasing price structure for Fran-Co, direct supervisor of sales, purchasing, and warehouse logistics, negotiate day to day purchasing from vendors, work closely with the warehouse manager on vehicle fleet requirements, and report all findings directly to the President. (DED Exhibit 5)
16. Stanley J. Mangano manages the day-to-day operations of the business and oversees the warehouse and the employees. (DED Exhibits 6 and 8)
17. The by-laws in Article II: Directors, Section 1. Number of Directors, state, “The corporation shall be managed by a Board of Directors consisting of 2 directors.” Article II:

Directors, Section 3. Quorum states, “A majority of the directors shall constitute a quorum.” (DED Exhibit 14)

18. Article II: Directors, Section 7. Procedures state, “The vote of a majority of the directors present at a properly called meeting at which a quorum is present shall be the act of the Board of Directors, unless the vote of a greater number is required by law or by these by-laws for a particular resolution.” (DED Exhibit 14)

19. The contracts submitted by applicant as part of the application process, consisting of three agreements with multiple wholesale electrical supply distributors, were all signed by Stanley J. Mangano as CEO. (DED Exhibits 2 and 7).

20. Stanley J. Mangano and Fran-Co’s in-house salesperson handles the bidding and their outside salesperson, who “has connections” visits various contractors. (DED Exhibit 8)

APPLICABLE LAW

5 NYCRR §144.2(c) states in relevant part as follows:

Operation. Minority group members and women relied upon for certification must make day-to-day decisions concerning the operation of the business enterprise for which certification is sought. The division shall evaluate whether minority group members or women operate a business enterprise for which certification is sought based upon the following criteria:

(2) Operational decisions. Minority group members and women relied upon for certification must make operational decisions on a day-to-day basis with respect to the functions of the business enterprise for which certification is sought. The critical functions of a business enterprise shall be determined by the division based upon the following factors, but is not limited to:

- (i) The products or services the business enterprise provides to clients; and
- (ii) The means by which the business enterprise obtains contracts or orders.

(3) Time devoted to operation of the business enterprise. Minority group members and women relied upon for certification must devote time on an ongoing basis to the daily operation of the business enterprise for which certification is sought

5 NYCRR §144.2(d) states as follows:

- (1) Control of business management. A minority group member or woman relied upon for certification must be the highest-ranking officer of the business enterprise for which certification is sought, and, where applicable, control the board of directors or serve as a general partner. Any agreements describing the management of the business enterprise shall be consistent with the foregoing.

- (2) Control of business negotiations. Minority group members and women relied upon for certification must negotiate business contracts and represent themselves to clients as the principals of business entities for which certification is sought, as demonstrated by fully executed business agreements.

STANDARD OF REVIEW

On this administrative appeal, applicant bears the burden of proof to establish that Division staff's determination to deny the application filed by Fran-Co for recertification as a WBE is not supported by substantial evidence (*see* State Administrative Procedure Act § 306[1]). The substantial evidence standard "demands only that a given inference is reasonable and plausible, not necessarily the most probable," and applicant must demonstrate that Division staff's conclusions and factual determinations are not supported by "such relevant proof as a reasonable mind may accept as adequate to support a conclusion or ultimate fact." (*Matter of Ridge Rd. Fire Dist. v Schiano*, 16 NY3d 494, 499 [2011]).

The review is limited to such information that was before the division at the time of the denial determination (5 NYCRR 145.2(b)(1)). Evidence that seeks to clarify and explain previously submitted materials will be considered, however new evidence will not be considered.

(See Scherzi Systems, LLC v. White, 197 A.D.3d 1466 (3d Dept 2021))

DISCUSSION

I. Prior Certification

The Division asserts that it is not bound to recertify a WBE if its prior determinations were made in error. The Division argues that based on the application and supplemental material submitted by applicant, Division staff correctly determined that applicant was not eligible for recertification.

The Division is correct that it is not obligated to certify Fran-Co based on its prior determinations. It is well settled that the doctrine of equitable estoppel cannot, as a general rule, be invoked against a governmental agency in the exercise of its governmental function. See *Matter of Daleview Nursing Home v. Axelrod*, 62 NY2d 30 (1984); *Matter of Atlantic States Legal Found., Inc. v. New York State Dept. of Environmental Conservation*, 119 AD3d 1172 (2014).

With the expiration of its certification, Fran-Co had the burden to demonstrate compliance with the eligibility criteria outlined at 5 NYCRR former §144.2 when it submitted the February 12, 2025 application and supporting materials and cannot rely on the past determinations of the Division.

II. Operation

5 NYCRR § 144.2(c)(2) requires that the woman owner relied upon for certification must make operational decisions on a day-to-day basis with respect to the critical functions of the business enterprise for which certification is sought.

The Division determined that the critical functions of the applicant business based on the products or services provided and the means by which the applicant business obtains contracts or

orders, are to supply and oversee electrical equipment sales via the company warehouse. (DED Exhibit 2)

A narrative provided in the certification application describes Frances A. Mangano's duties as follows: process and execute vendor payables, review and approve ACH payments for processing by the accounting department, oversee accounting payables and receivables with the accounting department and outside salesperson, collaborating with the CEO on the company's strategic direction and goals, direct contact with company accountants to review profit and loss reports, balance sheets monthly, oversee the recruitment and retention of employees, and decision making regarding executive hiring, promotions, and performance reviews. (DED Exhibit 5)

A narrative provided in the certification application states Stanley J. Mangano's duties are as follows: oversee day-to-day operations of the warehouse, liaison between Local 3 IBEW union and Fran-Co, direct contact with vendor relations on yearly contracts and purchasing price structure for Fran-Co, direct supervisor of sales, purchasing, and warehouse logistics, negotiate day to day purchasing from vendors, work closely with the warehouse manager on vehicle fleet requirements, and report all findings directly to the President. (DED Exhibit 5)

Mr. Mangano manages the day-to-day operations of the business and oversees the warehouse and the employees. (DED Exhibits 6 and 8)

It is well settled that where the owner relied upon for certification has no training or experience in the critical functions of the business enterprise and others, with more significant experience, such as an employee or non-qualifying owner, actively engage in the core functions of the business, denial based on lack of operational control is appropriate. (See *Matter of Panko Electrical and Maintenance Corp. v Zapata et. al*, 172 A.D.3d 1682 (3d Dept. 2019), and *In the Matter of Upstate Electrical, LLC v New York State Department of Economic Development*, 179

A.D.3d 1343 (3d Dept. 2020). Here, the evidence presented establishes that Ms. Mangano's role at Fran-Co is administrative/financial while Mr. Mangano, not relied upon for certification, is responsible for the day-to-day operations of the business enterprise. (*See City Restoration and Maintenance, Inc.*, Recommended Order dated December 26, 2023; Final Order 24-01 dated April 1, 2024)

Based upon the above, I find that the Division's determination to deny applicant's recertification as a WBE pursuant to 5 NYCRR § 144.2(c)(2) was based upon substantial evidence.

The application was also denied on the ground that the woman-owner does not devote sufficient time on an ongoing basis to the daily operation of the business, as required by 5 NYCRR§144.2(c)(3). The Division has consistently found that part-time work for a business does not qualify as devoting time to the daily operation of the business. See *Matter of Brandt Equipment*, Recommended Order dated April 28, 2020, Final Order 20-06, dated June 2, 2020.

The Division consistently denies certification where the woman-owner relied upon does not perform full-time duties for the business. See, e.g., *Matter of HVAC Systems Corp.*, Recommended Order dated August 9, 2023, Final Order 23-08 dated August 17, 2023.

Frances A. Mangano works as a Substitute Paraprofessional for the New York City Department of Education, Monday through Friday from 8:00 a.m. to 2:30 p.m. (DED Exhibits 6 and 11) Ms. Mangano states on appeal that this is necessary to offset "high medical insurance premiums". (APP Exhibit A) However, Frances Mangano only works at the applicant business from Monday through Sunday, estimated at five (5) hours per day, from 3:45 p.m. to 8:00 p.m. daily. (DED Exhibit 11) Ms. Mangano stated that she is off in the summer and puts in additional hours at the applicant business during that time. (DED Exhibit 8)

Stanley J. Mangano works in the Bronx office of the applicant business from 5:30 a.m. to 5:00 p.m. Monday to Friday. Both Mr. and Ms. Mangano also work remotely on the “off hours”. (DED Exhibit 12)

Applicant’s website states that the hours of operation for the business are from 6:00 a.m. to 4:00 p.m., which is corroborated by a statement submitted by Ms. Mangano as part of the recertification application. (DED Exhibits 9 and 10)

Ms. Mangano does not work for Fran-Co during most of its operational hours. She begins work at approximately 3:45 p.m., whereas Stanley Mangano begins work at 5:30 a.m. and the business opens at 6:00 a.m. The applicant’s website states that the counter opens at 6:00 a.m. “for all your needs”. However, it is Stanley J. Mangano who is available to fulfill customer needs at that time. Ms. Mangano is not available for a sizable portion of the working hours on a daily basis. (DED Exhibit 9, 10, 11 and 12). *See ItCon Inc.*, Recommended Order dated January 15, 2025, Final Order 25-01, dated February 3, 2025.

Accordingly, the Division’s finding that Ms. Mangano does not devote time on an ongoing basis to the daily operation of the business as required under 5 NYCRR §144.2(c)(3) is supported by substantial evidence.

III. Control

The Division also denied applicant’s recertification as a WBE as the woman relied upon for certification is not the highest-ranking member of the business nor control the Board of Directors as required by 5 NYCRR §144.2(d)(1).

A copy of Fran-Co’s By-Laws were provided in the recertification application. According to these by-laws: Article II: Directors, Section 1. Number of Directors states, “The corporation

shall be managed by a Board of Directors consisting of 2 directors.” Article II: Directors, Section 3. Quorum states, “A majority of the directors shall constitute a quorum.” (DED Exhibit 14)

Article II: Directors, Section 7. Procedures states, “The vote of a majority of the directors present at a properly called meeting at which a is quorum is present shall be the act of the Board of Directors, unless the vote of a greater number is required by law or by these by-laws for a particular resolution.” (DED Exhibit 14)

Since Ms. Mangano cannot make decisions on behalf of the Board without Mr. Mangano, she does not control the board. Additionally, Frances A. Mangano is the President and Stanley J. Mangano is the CEO of the business and applicant has not established that she is the highest-ranking officer. (DED Exhibit 2).

Accordingly, the Division’s finding that Ms. Mangano is not the highest-ranking member of the business nor control the Board of Directors as required by 5 NYCRR §144.2(d)(1), is supported by substantial evidence.

The Division also denied Fran-Co’s application for recertification as Ms. Mangano did not negotiate business contracts and represent themselves to clients as the principal of business entities for which certification is sought, as demonstrated by fully executed business agreements. 5 NYCRR §144.2(d)(2).

The contracts submitted by applicant as part of the application process were all signed by Stanley J. Mangano as CEO of Fran-Co and consist of three agreements with multiple wholesale electrical supply distributors. (DED Exhibits 2 and 7) Additionally, applicant stated during the site videoconference interview that Stanley J. Mangano and their in-house salesperson handles the bidding and their outside salesperson, who “has connections” visits various contractors. (DED

Exhibits 2 and 8) Applicant did not address this denial ground in the appeal submission. (APP Exhibit A)

Accordingly, the evidence establishes that Ms. Mangano did not negotiate business contracts and represent themselves to clients as the principal of business entities for which certification is sought, as demonstrated by fully executed business agreements. 5 NYCRR §144.2(d)(2).

Based upon the above, I find that the Division's determination to deny the application for recertification as a WBE pursuant to 5 NYCRR §144.2(d)(1) and 5 NYCRR § 144.2(d)(2) was based upon substantial evidence.

CONCLUSION

Fran-Co did not meet its burden to demonstrate that the Division's determination to deny its application for recertification as a woman-owned business enterprise with respect to the eligibility criteria at 5 NYCRR §§144.2(c)(2), 144.2(c)(3), 144.2(d)(1) and 144.2(d)(2), was not based on substantial evidence.

RECOMMENDATION

The Division's determination to deny Fran-Co's application for recertification as a woman-owned business enterprise should be affirmed.

In the Matter of Fran-Co Electrical Supply Inc.
DED File ID No. 57370
Exhibit Chart

Exhibit #:	Description of the Exhibits	Offered (Yes/No)	Admitted (Yes/No)
APP A	Applicant's Written Appeal Submission	Y	Y
DED 1	Application for ReCertification	Y	Y
DED 2	Denial Letter	Y	Y
DED 3	Appellant's Request to Appeal Form	Y	Y
DED 4	Notice to Proceed Via Written Appeal	Y	Y
DED 5	Narrative on Duties of Officers	Y	Y
DED 6	Frances Mangano and Stanley Mangano Resumes	Y	Y
DED 7	(3) Vendor Contracts	Y	Y
DED 8	Zoom Interview with Appellant	Y	Y
DED 9	Narrative on Company's hours of operation	Y	Y
DED 10	Screenshot of company website depicting store hours	Y	Y
DED 11	Narrative on Frances Mangano's work hours	Y	Y
DED 12	Narrative on Stanley Mangano's work hours	Y	Y
DED 13	Meeting Minutes	Y	Y
DED 14	Company By-laws	Y	Y
DED 15	Frances & Stanley Mangano's Individual 2023 Tax Return	Y	Y