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FROM: **CYNDI BROCK**
FAX #: (334) 265-7795

Date: 1/24/95

TO: Beck Russert
Monsanto

FAX #: (314) 694-1585

Number of pages including this one. 9

Message: Beck, we apologize for the delay
in getting this information to you.
I hope the following will be
sufficient. We will continue to
update you if anything further
develops with the new ADEM director.

Cyndi Brock

Business Center of Alabama - 4th Floor • 2 North Jackson Street • Montgomery, AL 36104
Telephone: (334) 265-2154 • FAX: (334) 265-7795

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ADEM

ENVIRONMENTAL UPDATE

Dear Alabamians:

Ensuring the quality of Alabama's air, land, water and coastal resources is the mission of the Alabama Department of Environmental Management. In pursuing this charge, the Department strives to adequately and equitably implement the state and federal laws it enforces while dealing with increasing demands for environmental services precipitated by economic growth, industrial expansion and public awareness of pollution problems.

This edition of ADEM Update is devoted to highlights of the 1993-94 fiscal years, a few of the most notable of which include the following:

- Gov. Jim Folsom appointed five new members of the Alabama Environmental Management Commission (EMC): Richard E. Brown, a retired ophthalmologist, and Ronald W. Wise, an attorney, both of Montgomery, in 1993; Dr. John Lester, an Enterprise veterinarian, Dr. Charlotte Carter, chair of the Mathematics and Science Department at Stillman College in Tuscaloosa, and R.D. Hicks, president of Hicks Enterprises in Stevenson, in 1994;
- In 1993, ADEM's Public Water Supply Branch was selected from among eight state programs in Region IV by the U.S. Environmental Protection Agency, for the second consecutive year, as having the best managed safe drinking water program;
- The EMC voted in 1994 to increase the fish consumption rate, used in setting water quality standards for toxic pollutants, from 6.5 to 30 grams-per-day, based on a study commissioned by ADEM which indicated that the EPA national average of 6.5 grams-per-day was inconsistent with consumption in Alabama. Only New York now has a more restrictive fish consumption rate than Alabama;
- For three successive years, dioxin levels in fish sampled downstream of Alabama's 10 bleach pulp mills have been well below the 7 parts-per-trillion level at which EPA recommends issuance of a fish consumption advisory;
- Alabama was selected by EPA as one of 10 states and two Indian communities to participate in a pilot program for accelerated development of a Comprehensive State Ground Water Protection Program. ADEM's plan was among the first three in the nation approved by EPA;
- 1993 marked the fourth consecutive year in which the Birmingham area (including Shelby County), the state's only nonattainment area, failed to violate the ozone standard. ADEM petitioned EPA in July 1993 to reclassify the area as attainment.

This biennium, however, was not without its challenges:

- Appropriations from the State General Fund remained fairly static, federal funding declined slightly and fees generated through permits and fines, while also declining, provided an increasing percentage of the Department's operating budget;
- For the third straight year, ADEM failed in the 1994 session of the Alabama Legislature to successfully promote passage of a solid waste bill designed to strengthen and provide financial support necessary to manage the state's existing solid waste program, to make it consistent with federal laws and regulations and to provide education on solid waste reduction, recycling and management.

I consider the tasks that this Department performs to be among the most significant in state government. Nothing is more important to the quality of life than the quality of our air, land and water. I look forward to leading what I believe to be one of the finest and most dedicated groups of employees in state government in pursuit of the goal of protecting and preserving Alabama's environment. I encourage the interest and support of all Alabamians in this objective.

Sincerely,

John M. Smith
ADEM Director

DSW 133506

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Commission taps Smith as ADEM chief

STAFF REPORT

John M. Smith was appointed ADEM director by the Alabama Environmental Commission at its Nov. 29 meeting.

Smith is a graduate of Livingston University with a bachelor of science degree and served a four-year stint in the U.S. Air Force.

He served as public relations director for the Alabama Department of the American Legion from 1974 to 1977 and founded a political public relations firm in 1977.

In 1983, Smith founded International Hytec, a computer services firm specializing in providing technological support to both the public and private sectors. Maxwell Laboratories, based in San Diego, acquired Smith's company in 1992. At that time, he was named president of the Strategic Technologies Group of Maxwell Laboratories, where he was responsible for applying the company's high technology base to new opportunities in the high-growth markets of environmental engineering.

In addition to his role at Maxwell Labs, Smith has had a variety of leadership roles in the high technology and educational arenas, the most visible of which has been his participation in the Cambridge Technology Group's seminar series on the strategic use of technology. This series is hosted by Harvard University and the Massachusetts Institute

of Technology in Cambridge, Mass.

Smith also played a key role in the birth of a new research consortium of Historically Black Colleges and Universities (HBCUs) in 1993.

This consortium, supported by the U.S. Environmental Protection Agency, is comprised of colleges and universities from the five states bordering the Gulf of Mexico and is a primary source of support for the EPA's Gulf of Mexico Initiative.

Since 1991, Smith has assisted in proposal development for EPA funding of environmental projects at Florida A&M University, Troy State University, Bishop State Community College, Dillard University and Prairie View A&M University.

He also worked with Auburn University and the U.S. Department of Agriculture in the development of Auburn's Food Institute.

Smith is chairman of the board of trustees for Livingston University. He previously served as the board's treasurer and was a member of its finance and budget committee. He served as a member of Livingston's athletic hall of fame committee and was president of the school's national alumni association from 1980 until 1982.

Smith is a member of the Montgomery Area Chamber of Commerce and the National Association of State Information Resource Executives. Smith was named to the 1994 list of Who's Who Among Outstanding Ameri-

cans.

Smith's appointment makes him the third director since ADEM's creation in 1982. Joe Broadwater served in that capacity from the agency's inception until 1985. Leigh Pegues served as the ADEM chief from 1985 until his retirement in November of last year.

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Honorable Jim Folsom
Governor

John M. Smith
Director

James W. Warr
Deputy Director

Catherine Lamar, Editor
David Granger, Associate Editor
Clark Bruner, Assistant Editor

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Environmental chief's resume raises questions

Document apparently overstated some work while omitting John H. Smith's involvement with a hazardous waste disposal business

Associated Press Writer

MONTGOMERY — The state's new environmental director submitted a resume to state officials that apparently overstated some of his work while leaving off his involvement with a hazardous waste disposal business.

On the recommendation of Gov. Jim Folsom, the state Environmental Management Commission voted 4-3 Tuesday to hire John H. Smith as director of the Alabama Department of Environmental Management. Smith had worked in Folsom's campaigns, including his losing effort for governor.

Smith's resume listed his occupation as president of the Strategic Technologies Group of Maxwell Laboratories, a defense and environmental contractor in San Diego, Calif.

A Maxwell official, who asked not to be identified, told The Anniston Star that Smith had not worked for the company for several months, but was still receiving commissions

for earlier contracts.

Smith wrote in his resume that he played "the key role" in putting together a consortium of black colleges for the Environmental Protection Agency's Gulf of Mexico Program.

The acting director of the Gulf program, Douglas Lipka, told The Montgomery Advertiser that Smith's claim is not true.

"He did not play (the) key role," Lipka said. "We have had no direct communication with him on that project."

Lipka said Smith attended many of the Gulf of Mexico Program's meetings and possibly assisted some of the black colleges.

Another participant said Smith played a significant role in putting the program together, but not the key role.

"He asked some good questions and made a contribution at meetings," said Mack Felton, a biologist at Dillard University in New Orleans.

Smith also helped Dillard officials write a grant proposal for some environmental equipment, but the proposal was rejected, Felton said. He said Smith did not have a scientific background, but was a conscientious worker and "brings very good leadership qualities."

In another entry on Smith's resume, he lists working with the Latin American Management Association in Washington, D.C.

"Nobody here knows anything about Mr. Smith or his company," said Marina Laver-

dy, who was acting executive director in 1993, when Smith claims to have worked with the group.

The topic he says he worked on with the Latin America Association was "goals and objectives for the incoming administration." Mrs. Laverdy said that topic did not sound familiar.

Absent from Smith's resume was his consulting work for Ashvins Inc., a company that wanted to barge hazardous waste down Alabama rivers to Central and South America.

Ashvins was never able to get a permit to ship the hazardous waste. In an interview on Tuesday, Smith described his work for the firm as a "favor for a friend." But after questions arose about his resume, he did not return phone calls seeking comment.

Smith's resume also did not include a contract with the Alcohol Beverage Control Board. His company, International Hytec, received \$500,000 to computerize ABC, but never completed the work, state examiners said.

W. David McGiffert, chairman of the Environmental Management Commission, said he voted against Smith because he had not had time to check out his resume. "I wanted to look into his past."

Commission member Ron Wise said he voted for Smith because he felt he was well qualified for the job.

Enviromentalists protest n w ADEM chief

By Greg Jaffe

ADVERTISER STAFF WRITER

The Alabama Environmental Management Commission, tapped a controversial friend of Gov. Jim Folsom's to head the state's environmental agency.

John M. Smith was named Tuesday as director of the Alabama Department of Environmental Management by a 4-3 vote.

"I am appalled," said Sheila Holbrook-White, the Alabama coordinator for the Sierra Club, shortly after the vote. "I think we've

got to figure out our options and how we can legally challenge this."

Mac Parsons, a former state senator, said he would fight Mr. Smith's appointment on the grounds that he was not qualified for the position.

"Apparently someone has a grudge against the environment," Mr. Parsons said. "Any experience he has dealing with the environment is a bad experience."

Mr. Smith did not attend the meeting, but said Tuesday night that his experience for the position consists of extensive work with the

U.S. Environmental Protection Agency's Gulf of Mexico program.

Environmentalists said that despite his work in the Gulf of Mexico, Mr. Smith's record on the environment has been spotty.

In the early 1980s, according to ADEM records, Mr. Smith was a public relations consultant for Ashvins Inc., a company that sought to transport barges of hazardous waste down the Warrior and Tombigbee rivers. The company planned on dumping the waste in

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ADEM

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Central and South America, but never received a permit.

In a news release at the time, Ashvins Inc. promised to remove hazardous waste and dump it in foreign countries without revealing the names of the companies that generated the waste.

"Once the foreign company takes the waste material, it assumes complete responsibility," the news release states. "... While it is known what substances are handled, it is not known where (the hazardous material) was generated. This method holds the generator's name in confidentiality and eliminates any liability."

Mr. Smith said he never worked for the company, but provided advice to a friend who was involved. "My advice to them was to fold up and get out of Jefferson County," where the company had planned to store waste temporarily, he said.

The man who headed Ashvins Inc., Everett O. Harwell, was sentenced in 1987 to three years in federal prison for illegally dumping hazardous chemicals in Dalton, Ga. He also lied to federal officials about the hazardous waste, according to court records.

The dumping occurred in the early 1980s, about the same time Mr. Smith was associated with Ashvins Inc., according to ADEM records.

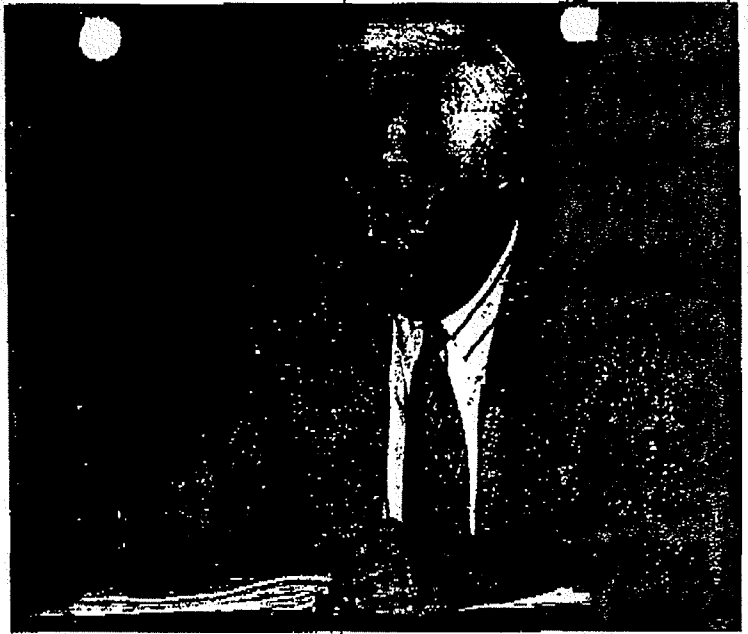
Mr. Harwell's company now operates the landfill in Haleyville, which is regulated by ADEM.

The three commission members who voted against Mr. Smith complained that no other candidates were considered.

"I believe it would be a serious mistake to (name John Smith director) and not look at anyone else," said Stanley Graves, the only commission member not appointed by Gov. Folsom.

But Mr. Smith's supporters said it would be unfair to put off voting on Mr. Smith after stories about his candidacy appeared in Alabama newspapers.

"John Smith's name has been thrown out in the papers as a Folsom crony," said Ron Wise, a Montgomery lawyer who serves on the commission. "It's unfair to



JULIE HUNTER-COBB/STAFF

Dr. John Lester, a member of the Environmental Management Commission, nominates John Smith to lead ADEM.

throw his name out today and not vote on it."

Mr. Wise said the commission had tapped the best man for the job and that environmentalists who were complaining about the selection would be upset regardless of who was selected.

"For what this position pays, it will be very difficult to get anyone any better," Mr. Wise said.

Mr. Smith will replace acting director Jim Warr and will be paid \$71,000 a year. Mr. Warr was named acting director in December 1993, when then-director Leigh Pegues resigned.

Gov. Folsom's office distributed Mr. Smith's resume to Environmental Management Commission members several months ago and encouraged his selection.

Mr. Smith's work for the hazardous waste company Ashvins Inc. does not appear on the resume, but is documented in ADEM records.

Ms. Holbrook-White, pointing to Mr. Smith's lack of experience, said his appointment would "appear to be a political favor."

Mr. Smith responded that he and the governor "have been friends for years and years. I have never asked my friend to influence anything or anyone on my

behalf."

Prior to his appointment, Mr. Smith was best known as the owner and founder of Montgomery-based International Hytec. International Hytec was the recipient of a controversial contract to computerize the Alcoholic Beverage Control Board. State examiners said Mr. Smith accepted \$500,000 in state money for the project but did not complete the work.

But it is Mr. Smith's relationship with Mr. Harwell and Ashvins Inc. that worries environmentalists the most.

Several residents of Haleyville have fought the expansion of Mr. Harwell's landfill, saying that Mr. Harwell's past, which include serving 10 months in federal prison for dumping chemicals, should disqualify him.

Even Gov. Folsom sought to distance himself from Mr. Harwell, when the landfill operator donated \$7,500 to his campaign. Gov. Folsom returned the money, said Peggy Roberts, a spokeswoman for the governor.

"It sounds like it's the fox guarding the henhouse," said Gene Church, a Haleyville lawyer, when he learned of Mr. Smith's appointment.

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GA Monday, November 28, 1994

No Cronies At ADEM

Agency Needs Fair But Tough Chief

THERE WILL BE a great hoopla in coming weeks as the incoming James administration names new directors for many state agencies. But at least one agency — the Alabama Department of Environmental Management — will be getting a new director even though the change is not *directly* tied to the change in governors.

But don't let the fact that the ADEM director will be named by a state board instead of the new governor fool you; this appointment could prove just as political as any change made by the incoming administration.

It is crucial to environmental protection and to industry alike that the new director of ADEM is not someone who will be seen as a political crony or a tool of any special interest. But a crony may well be what the state gets.

ADEM, the state's primary environmental regulatory agency, is overseen by a seven-member panel, the Environmental Management Commission. The commission hires the director of ADEM. The members of the panel are appointed by the governor, with the consent of the Senate.

So while the governor doesn't directly hire the ADEM director, he does name the people who do the hiring. Usually, however, no single governor dominates that process because the terms of commission members are staggered so that no single governor names all of them.

But the staggering process has been undercut by the current Folsom administration. Thanks to stalling tactics in the Senate led by, according to at least one source, Sen. Crum Foshee, several Environmental Management Commission members named by former Gov. Guy Hunt were never confirmed. So Gov. Jim Folsom named replacements for those commission members as well as a couple of others, giving him influence over almost all of the current commissioners.

That sets the stage for Folsom — or someone close to him, perhaps even Foshee — to try in the waning days of the Folsom administration to pressure the Environmental Management Commission to name a crony to be the director of ADEM.

THAT POSSIBILITY IS enhanced by reports that John Smith, a Folsom political backer with no expertise in environmental management, is in the running for the director's post.

Smith was the recipient of several controversial contracts with the state Alcohol Beverage Control Board and served as spokesman for a business that wanted to set up a hazardous waste storage facility several years ago in Jefferson County.

The Environmental Management Commission has had a year now to choose a new director for ADEM. It has a career agency employee serving as acting director, so there is no harm in the commission taking a few months more to conduct a full search for a qualified director.

After the search has narrowed the choices to a few finalists, their names should be made public so that the citizens of Alabama can judge whether the best candidate is ultimately chosen.

The Environmental Management Commission will be doing the public a grave disservice if it chooses a political crony for this all-important post. ADEM desperately needs as its director someone with professional credentials who can earn the respect of environmentalists and developers alike.

DSW 133511

STLCOPCB4033469

Environmental Management Commission Names John Smith Director of ADEM Sierra Club Sues

At its November 29 meeting, the Alabama Environmental Management Commission by a 4 to 3 vote, named John Smith as the new director of ADEM.

The appointment was sure to be controversial. In fact, the Sierra Club has sued the seven-member Commission over the appointment. The suit claims Mr. Smith lacks the needed experience to manage the environmental agency. The Sierra Club also claims that Mr. Smith is a crony of outgoing Governor Jim Folsom. Sierra Club Alabama chapter coordinator Sheila Holbrook-White said, "The Sierra Club opposes political cronyism that thwarts the will of the people and hurts the environment and the public health in the process".

In the weeks before the Commission meeting, it appeared that the panel would not consider a director appointment, instead waiting for Governor-elect Fob James to take office. However, days before the meeting, the possibility of the appointment of Smith, a friend of Folsom, began to be considered a reality. News that the appointment may be made received a great deal of media criticism across the state with cries of cronyism. Governor Folsom has circulated Mr. Smith's resume to several commission members last summer and has been lobbying for the appointment. ADEM has been without a director since the resignation of Leigh Pegues last December. At that time, the commission said that it would not name a director for the agency until after the November elections. Six of the seven commission members were appointed by Folsom, three of whom were sitting on their first commission meeting.

Mr. Smith's nomination was made by Dr. John Lester, a veterinarian from Enterprise and one of the newest commission members. The Commission had made no search to fill the director position which pays approximately \$71,000. Mr. Smith was never formally interviewed by the Commission and the nomination did not appear on the commission meeting agenda.

Mr. Smith worked briefly as a consultant for a company attempting to transport hazardous waste to South America. He also played a role in organizing a consortium of black colleges for the EPA. His company, International Hytex, received a contract to computerize the ABE Board. State examiners claim that he accepted payment from the state for the job but did not complete the work.

*AlaChem Newsletter
December, 94*

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SCAN SYSTEM

Tuesday, November 29, 1994 4:24 PM

Subj: New ADEM Director

The Alabama Environmental Management Commission today, by a vote of 4-3, approved the nomination of John Smith as the director of ADEM.

This appointment is surely to be controversial. During the last few days, the possibility of the appointment has received a great deal of media criticism across the state claiming Mr. Smith is a Folsom crony. Governor Folsom circulated Mr. Smith's resume to several commission members last summer and has been lobbying for the appointment. ADEM has been without a director since the resignation of Leigh Pegues last December. At that time, the commission said that it would not name a director for the agency until after the November general election. Six of the seven commission members were appointed by Folsom. Three of these assumed their duties with the commission at today's meeting. There could be a legal challenge of these three appointments, possibly by the incoming Attorney General.

The nomination was made by Dr. John Lester, a veterinarian from Enterprise and one of the newest commission members. Voting for the appointment were: Mr. Hicks, Dr. Brown, Mr. Wise, and Dr. Lester. Voting against the appointment was Dr. Carter.

Just before the vote, the commission failed to approve, by a vote of 3-4, a motion by Mr. Graves to table the nomination and establish a national search.

According to an article in today's Montgomery Advertiser, notes of the opposition to Mr. Smith was from environmental groups claiming that he lacks the necessary experience and that the appointment would simply be a political favor. Mr. Smith's company, International Hytec, received a controversial contract to computerize the ABC Board. State examiners claim that he accepted payment from the state for the job but did not complete the work.

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