

THE HUDSON FALLS BURN PLANT; A Case Study Of Tyranny In Action

The Tyranny Response Team of the We The People Foundation for Constitutional Education believes the Hudson Falls trash plant project is the cardinal example of tyranny in action in our region in contemporary times. A bill, signed into law on August 23, 2000, is the latest chapter in a sordid history of governmental abuse of power for personal interest and private gain at public expense. The bill is an attempt to seal over past illegal misdeeds and save the skins of culpable officials, including those still in office. In doing so, it makes even more officials culpable.

The full story needs to be told. It's important for people to know what is being done to them. Two sides are involved: unliquely qualified citizen-challengers (us), and the government bullies (with their wheeler-dealer friends). The following

HISTORY OF THE TRASH PLANT

FACT: In 1984, a local lawyer, a local businessman/ town councilman and a Wall Street Investment Banker (the “wheeler-dealers”) initiated a plan to develop and finance a garbage burning plant in Hudson Falls. However, they did not want Washington and Warren counties to have to abide by certain laws that govern all counties in the State — laws that protect citizens from financial corruption. The wheeler-dealers wanted the Counties and their IDA to contract with a local developer for a \$100 million, 400 ton-per-day garbage burning plant without competitive bidding and without any audit of the developer’s actual construction cost. (Similar plants were being built elsewhere in the country for \$35 to \$40 million.) The wheeler-dealers wanted their friends in the governments of the Counties to borrow the \$100 million (which, with interest, would require \$250 million be paid to the money lenders). Naturally there was no control over how much of the bond proceeds would be distributed to the promoters for developer’s fees, legal fees, consultant’s fees, and other “costs of issuance.” The wheeler-dealers wanted the Counties to pay all of the developer’s operating costs (seen and unforeseen), including their profits, without concern about potential mismanagement. The wheeler-dealers wanted to have the Boards of Supervisors authorized to tax the Counties’ property owners in order to come up with 100% of the money needed to pay for all of this, even though 70% of the trash would come to the plant from counties other than Warren and Washington. Finally, the wheeler-dealers wanted the Counties to hand the plant over to the local developer (at no cost to the developer), after the Counties’ taxpayers had paid off the bonded indebtedness.

FACT: In 1984, a local citizen, who was a nationally recognized expert in the field of solid waste management programs (see “BACKGROUND” below) appeared before the Warren County Board of Supervisors to comment on the project’s Environmental Impact Statement and to tell the Board that they were giving the developers a blank check, that they were seriously underestimating costs and overestimating revenues, that 30% of the garbage entering the front door of the burn plant would have to leave the back door and be landfilled, that the counties generated 100 tons of trash a day (not 400), that less-costly and more environmentally sound alternatives were available, and that the Counties were prohibited by General Municipal Law Section 870 from using the property tax to pay off the IDA bonds.

The Board showed no interest in what the local citizen, now a challenger, had to say. In fact, the Chairman of the Finance Committee, a man who traded municipal bonds for a living, personally ridiculed the citizen-challenger.

FACT: The Counties and the IDA were prevented under existing law from doing what the wheeler-dealers wanted them to do. A Special Act of the state legislature would be required. However, such a Special Act which would be repugnant to the state constitution unless the Washington County Board of Supervisors first asked the State Legislature to pass such a bill, or unless the Governor asked the Legislature to pass it because of some emergency. [See insert of NY Constitution, Article IX Section 2(b)].

FACT: The wheeler-dealers had a problem. They knew the Washington County Board of Supervisors could never pass a home rule message asking the State Legislature to pass such a law — it would require a public hearing and the people would never tolerate what the wheeler-dealers and their friends in government had in mind. The wheeler-dealers approached State Senator Ronald Stafford who said, in effect, “No problem, draw up the bill, I’ll get it passed. And I’ll get Assemblyman Kelleher to do the same in the Assembly.” And, he did.

FACT: In 1985, without the required Home Rule message by the Washington County Board of Supervisors, the State Legislature passed, and the Governor signed, Stafford’s bill which became Chapter 682 of the laws of 1985. It reads in relevant part: “Notwithstanding the provisions of any other law, general, special or local, relating to the length, duration and terms of contracts, the county of Washington may enter into a contract or contracts with the counties of Warren and Washington Industrial Development Agency, upon such terms and conditions as may be agreed upon for the operation, financing or maintenance of a solid waste management resource recovery facility for the processing or disposal of solid waste, or for a system of collection and disposal of municipal solid waste, for a period not to exceed twenty-five years. The share of the cost to be paid by the county of Washington shall be determined in any manner which may be agreed upon, and such share shall be included in the annual budget of such county as an expense and levied against the taxable real property in such county.”

FACT: This was a deceitful, illegal, and fraudulent maneuver, and it was done secretly so that virtually no one knew about it for several years. Its deliberate intent was to deprive property owners of Warren and Washington Counties of their constitutional and fundamental right not to have their real property taxed to pay any part of any liability of the IDA (see Article X, Section 5 and Article VIII, Section 1 of the NY Constitution), based on the local developer’s desire for a risk free, taxpayers-pay-all project (the guy that packs the parachute would NOT jump with it). The local, private developers of the project, together with Joseph Rota the Chairman of the Washington County Board of Supervisors, induced Senator Stafford and Assemblyman Kelleher to trick the Senate and Assembly into adopting such a bill as a special law — a Home Rule Bill — as if the Washington County Board of Supervisors had adopted the requisite Home Rule Resolution, when in fact the Washington County Board of Supervisors had never adopted such a Resolution. In fact, the idea of putting the “deep pockets” of the taxpayers behind the debt was never officially before the Board!

FACT: On June 28, 1985, after the Legislature passed the bill, Joseph Rota, the Chairman of the Board of Supervisors of Washington County, wrote a letter on the stationery of the Washington County Board of Supervisors to Governor Cuomo recommending that the Governor sign the Stafford/Kelleher bill into law. He signed the letter “Chairman of the Board.” In the letter, Mr. Rota wrote: “Regarding Bill A937-b and S755-b this Board of Supervisors unananimously approved the concept and is in full support. The governor’s executive approval will directly benefit over

paragraphs tell that story. Much of the factual data, though known to the press, has never appeared in print. We begin with the history of the project, which will lead up to a discussion of the current and recent situation describing the ongoing tyranny. People will be able to understand that what is occurring now is a continuation of the whole pattern of official corruption, illegality and misconduct. We then discuss what could have been — what other people have been doing and proposing elsewhere in the country. All of this material is factual and, we trust, educational. That is our objective here.

Much of what you’ll read may be disturbing and distressing, but we’d offer a reminder that one should place the blame where it belongs— please don’t shoot the messenger. Remember, the price of freedom is eternal vigilance.

125,000 people in the Essex, Warren and Washington County area.”

FACT: This was a lie and the entire trash plant project was built on that lie! It constitutes fraud. Everything that flows from fraud is invalid, null and void.

FACT: On the basis of that lie and that fraud, Governor Cuomo signed the bill and it became Chapter 682 of the Laws of 1985. Its adoption was a best-kept secret by local officials for years.

FACT: With Chapter 682 in hand Washington County then signed a so-called Waste Disposal Contract with the IDA, Warren County signed a mirror-image contract with Washington County, and the IDA (with numerous County Supervisors in control of its Board) signed a contract with the developer and issued the bonds. In 1984, Essex County, like Warren County, was expected to sign waste disposal contracts with Washington County. However, Essex County, seeing the danger in the caper, pulled out of the deal.

FACT: On December 10, 1986, Washington County Supreme Court Justice Thomas Mercure (an elected governmental official whose designation of a place on the ballot depended entirely on the party of Senator Stafford, Assemblyman Kelleher, Joseph Rota and 100% of the County Supervisors), issued the decision in the first case filed against the burn plant by the challengers. He ruled that the counties could use their property tax revenue to pay for a service they were receiving, even if the service fee included the cost of servicing the bonds of the IDA. This ruling was in direct and obvious conflict with the NYS Constitution — the peoples’ constitution. According to information on Judge Mercure’s financial disclosure statement, his wife runs Senator Stafford’s office at the Washington County Municipal Center.

FACT: In 1988, the challenger and 352 other citizens sued the counties for going ahead with the project without a new environmental review after Essex County pulled out of the project and amended contracts were signed calling for the transportation of over 50,000 tons of incinerator ash and garbage to Niagara County every year. The suit was eventually dismissed by Judge Dier on a technicality. The technicality was “lack of standing,” that is, none of the 353 citizens lived on property adjacent to the trash plant property and, thus, had no standing to sue. This decision was not overturned by the appeals courts.

FACT: Warren and Washington Counties courtensured the citizens for millions of dollars in an attempt to silence the voices of the people. The suit was thrown out. Warren County was then taken to federal court for violating the citizens’ civil rights. The citizens won the case and a monetary judgment.

FACT: In 1992, after the plant opened and it was demonstrated that Warren and Washington Counties were using their property tax to service the IDA’s bonds, the challenger and other Washington and Warren county citizens went to court to argue that the counties were prohibited not only by General Municipal Law Section 870 but also by Article VIII Section 1 and Article X Section 5 of the New York Constitution from using the counties’ property tax to pay any part of any liability of the IDA. [See NY Constitution insert]. The case was assigned to Judge Dier.

FACT: At the time the 1992 case was filed the citizens had not yet discovered the existence of Chapter 682 and its fraudulent, unconstitutional adoption in 1985. However, during the course of the 1992 proceeding the Chairman of the Washington County Board of Supervisors (Harry Booth) submitted an affidavit to Judge Dier in support of a county motion to dismiss. In his affidavit, Mr. Booth introduced the subject of Chapter 682 and said, “Pursuant to the aforesaid [Chapter 682 of the Laws of 1985] legislative authority, Washington County entered into a contract with the IDA ... that the waste disposal fee is being paid out of taxpayer funds is completely in keeping with the express authority of Chapter 682 of the Laws of 1985. Chapter 682 authorized Washington County to enter into a long-term waste disposal contract and to pay its share of the cost out of the real property taxes.”

FACT: The citizens responded to Mr. Booth’s affidavit by submitting an affidavit to Judge Dier, in which plaintiffs argued that Chapter 682 was a nullity because it was not only in conflict with Article VIII, Section 1 and Article X, Section 5 of the N.Y. Constitution, it was fraudulently adopted without the requisite Home Rule message by the Washington County Board of Supervisors.

FACT: Judge Dier then granted the counties’ motion to dismiss. He dismissed the case without issuing any sort of written memorandum, thereby sidestepping his duty to apply the law to the facts of the case, i.e., the constitutional challenge to Chapter 682. Note: Judge Dier was a member of the same political party as Senator Stafford, Judge Mercure, 100% of the members of the Washington County Board of Supervisors and nearly 100% of the members of the Warren County Board of Supervisors, and he was up for re-election the following year — 1993. He also enjoyed a long-time personal friendship with the principals of the Glens Falls law firm that helped put the deal together and that was representing the wheeler-dealers.

FACT: On appeal, the challengers argued that Chapter 682 — the trash plant’s “enabling legislation” — was unconstitutional and fraudulently adopted. However, the Appellate Division, in a decision written by Judge Crew (another elected governmental official who was up for re-election in 1996 and whose designation of a place on the ballot depended entirely on the party of Senator Stafford, Assemblyman Kelleher, Joseph Rota, Judge Mercure, Judge Dier and all the Washington County Supervisors), totally ignored the appellants’ claim and arguments relating to Chapter 682. Judge Crew didn’t even consider the issue. Instead, he said he didn’t see anything wrong with the deal because the Counties had the statutory power to use their property tax to pay for a service they were receiving.

Note: The failure of the State Appeals Courts (the Appellate Division and The Court of Appeals) to uphold the state constitution, and their failure to overturn the illegal bonds, has raised the obvious question of whether our high-level judges have personal investments in these and/or other illegal municipal bonds in New York State. We will have some alarming information to report on this subject in an upcoming message.

THE CURRENT TRASH PLANT SITUATION

FACT: By 1998, the drain on the Counties’ treasuries approached \$10 million per year. In 1998, the Counties took three actions, purportedly to lower the amount of money they had to come up with every year to service the project’s debt. They passed a home rule resolution to request state legislation authorizing the IDA to issue \$100 million in new (refinancing bonds) and authorizing the State Comptroller to intercept the Counties’ sales tax revenue and to use that revenue to service the project’s new bonds. Also, Warren County passed two resolutions in 1998 to borrow \$3.5 million to meet its “obligation” to the IDA bond holders under its waste disposal contract, borrowing more money to pay a debt.

FACT: In 1998, the challenger and another local citizen returned to court with a lawsuit addressing the fraudulent adoption of Chapter 682, the enabling legislation for the trash plant, based on violation of the state constitution’s requirement of a home rule message, and two other violations of state constitution provisions that prohibit the use of public money and credit in aid of public corporations such as the IDA (see insert), and which therefore, preclude the sales tax intercept plan.

FACT: In their answers to the court, the Counties finally admitted that Chapter 682 had been fraudulently adopted, i.e., adopted without a home rule message. The citizens also provided conclusive evidence that 70% of the waste going to the plant was coming from outside the two counties, meaning that the taxpayers of the two counties were paying debt service for a waste disposal service that was being provided to others.

FACT: In 1999, both counties passed revised home rule resolutions requesting state legislation: 1) to authorize the IDA to issue up to \$100 million in new (refinancing) bonds to pay off the original bonds and to spread out the period of debt to lower the annual payment; and 2) to authorize the State Comptroller to intercept the Counties’ sales tax revenue and to use that revenue to pay off the new bonds.

FACT: By passing these home rule resolutions for the refinancing of the burn plant bonds, the current supervisors have effectively approved all the misconduct that went on before, and they will share the blame for it, if and when they take the final step to issue the new bonds.

FACT: In choosing to force the taxpayers to continue to bear the burden of the outrageous and illegal terms of the deal and to protect Senator Stafford by passing these home rule resolutions for the refinancing of the burn plant bonds, the Counties have acted retroactively “legitimize” Chapter 682 but have decided not to tell the court that they agree with the citizens that Chapter 682 is unconstitutional and was fraudulently adopted, which would pave the way for a court order directing the counties to stop using their property taxes to pay the liability of the IDA. Why? Such an order would trigger an SEC investigation of the illegal and corrupt financing of the burn plant deal. However, it would protect the counties from any

BACKGROUND

Between 1969 and 1971, a local citizen, then Manager of Environmental Management Programs at General Electric’s Corporate R&D Center in Schenectady, led an interdisciplinary team of engineers, public administrators, economists, political and behavioral scientists, and financiers in an analysis of the country’s solid waste problem and alternative solutions. Their preferred solution was a mass-recycling based waste utility which would include the construction of mills and plants to convert recovered materials into marketable products. It placed the traditional burn and bury solutions in a fall-back, only-as-necessary mode. The national waste disposal (burn and bury) industry was not happy.

In 1971, Connecticut Governor Meskill asked, and the local citizen agreed, to establish and direct a State Office of Solid Waste Management Program and to develop a statewide plan for maximizing the recovery and reuse of the materials in solid waste, while minimizing burning and burying.

Between 1971 and 1973 the local citizen coordinated an interdisciplinary team of planners in Connecticut. This effort produced a statewide solid waste management plan — the nation’s first. They also wrote the law that, in 1973, created the Connecticut Resource Recovery Authority, to finance the construction of the planned facilities. The law also required competitive bidding on all facilities. The absence of municipal waste disposal contracts and no taxpayer guarantee of the bonds — that is, “the guy that packed the parachute had to jump with

CONCLUSION

If ‘tyranny’ means the government is running amok, doing whatever it wants to do, including loading the people up with debt and oppressive taxation to pay for unnecessary projects that benefit private aims and agendas, rather than the public good, in violation of constitutional restrictions and prohibitions placed upon the government by the people, then tyranny has become the modus operandi of Washington and Warren counties.

Unfortunately, it is in the natural order of things, given human nature and the love of power and money, that those wielding

liability associated with the cessation of their payments to the IDA and any default by the IDA.

FACT: By choosing to roll over the burn plant bonds and to protect their political party (and all its members who were responsible for the burn plant deal) from an SEC investigation — the party which is responsible for their designation of a place on the ballot — the current crop of county supervisors have effectively agreed to pile more tax supported debt on their citizens and have shifted the burden from the Counties’ property tax to the Counties’ sales tax. The revenues from the sales tax would then have to be made up by an increase in the property tax, so it is of no advantage to the citizens.

FACT: On September 8, 1999, Judge Malone (another elected governmental official whose place on the ballot is designated by the same political party as Senator Stafford, Assemblyman Kelleher, Joseph Rota and 100% of the members of the Washington County Board of Supervisors, Judge Mercure, Judge Dier and Judge Crew), became a party to the constructive conspiracy by issuing a contradictory Decision and Order in which he first declares, in effect, that, “It is beyond cavil [i.e., without a doubt] that L1985 Ch. 682 was challenged by petitioner Schulz in 1992,” but then goes on in the same paragraph to declare, “Plaintiffs/petitioners herein are trying to challenge the constitutionality of L1985 Ch. 682 based on, inter alia, an alleged violation of the Home Rule provisions of the N.Y. Constitution. Although such a claim was viable in 1992 when the previous action was litigated, it was not raised and, therefore, is barred from litigation herein because the transactions at issue have a unity of identity with the transactions at issue in the 1992 litigation before Mr. Justice Hughes.”

FACT: The case is now before the Appellate Division. The Court will hear oral arguments on October 16, 2000 at 1:00 pm. If the two counties go along with this friendly lawsuit, they can seek the protection of the state constitution and walk away from the trash plant contracts. Their cooperation would be especially powerful and effective. Many of us recall the mistake made several years ago when Hudson Falls had two promising cases against the trash plant that had already been argued in court. A new mayor — a bank employee — was elected who withdrew the cases before any decision was issued, thereby scuttling the cases and wasting all the money that had been spent on legal fees. The counties can act to settle the current case or simply tell the court that they agree with the citizens and lend their weight to the argument.

The plan being proposed by the counties is a complicated one that would at best, if all its parts worked to the optimum (an unlikely scenario), save only about 10% of the excessive costs that are now burdening the taxpayers. A victory in the current lawsuit would eliminate those costs altogether.

it,” meaning the private corporation that landed the right to build and operate a facility got lower cost financing, that’s all. The rest was up to him. The local citizen also designed Connecticut’s solid waste regulatory program, which was designed to facilitate the development of the statewide, mass-recycling-based waste utility industry. The national waste disposal (burn and bury) industry was not happy.

In 1976, at the request of DEC Commissioner Ogden Reid, the local citizen’s consulting company developed a comprehensive statewide plan for New York, based on regional, mass-recycling Waste Utilities, which placed the traditional “burn and bury” approach for managing solid wastes in a fall-back, only-as-necessary role, and which called for the same management principles adopted in the Connecticut plan. The national waste management (burn and bury) industry was not happy; neither were the bureaucrats at DEC who insisted that the problem could be solved by government on a county by county basis.

In 1977, the local citizen offered to develop a plan for a regional mass-recycling-based Waste Utility for the greater Glens Falls area. The Warren County Board of Supervisors showed no interest in this proposal. In 1978, New York Governor Hugh Carey asked the local citizen to spend a year in the Carey administration to help the Governor establish a “Governor’s Resource Recovery Task Force” and to write the key provisions of a bill that went on to become today’s Resource Recovery Policy Act.

governmental power will seek to acquire more power from the people by illegally seizing it — i.e., acting without constitutional authority and doing what the people have forbidden them from doing. All governments are wont to become tyrannical and despotic in this way.

This is what happened here in the mid 1980s to saddle the citizens of Warren and Washington Counties with the most expensive solid waste disposal system in the country and the oppressive burden of taxes that goes with it. And the situation is not getting better as the perpetrators scramble to paint tyranny a different color than black.

Support your TRT: The Eye of Vigilance Should Never Be Closed.

WE THE PEOPLE FOUNDATION FOR CONSTITUTIONAL EDUCATION, INC.

2458 Ridge Road, Queensbury, NY 12804
Telephone: (518) 656-3578 Fax: (518) 656-9724
act@capital.net www.givemeliberty.org

PERSONAL COMMITMENT TO PARTICIPATE IN NEW YORK’S TYRANNY RESPONSE TEAM

I, _____, in view of my interest in constitutional government carried out in decency and good order, and in protecting, preserving and enhancing my individual liberty, rights and freedoms, especially as expressed in the New York State Constitution, declare and make my personal commitment as follows:

- I am at least 18 years of age.
- It is my understanding that the Foundation intends to establish an Institute headquartered in Albany with field offices located in counties throughout the state, and with staff attorneys and support personnel, for the purpose of educating government officials and the general public about the meaning, effect and significance of each provision of the New York and U.S. Constitutions and the Declaration of Independence.
- It is my understanding that the Foundation is in the process of developing a statewide “Tyranny Response Team.” to be comprised of ordinary, non-aligned citizen taxpayers by the thousands to fund the Institute and its programs.
- I desire and intend to be counted as a member of that “Tyranny Response Team.”
- I hereby pledge to send the Foundation \$_____ on the 1st of every month, for three years.
- If, for any reason, I am unable to fulfill this obligation, I will simply notify the Foundation as soon as possible and my membership will not be affected.
- It is my understanding that any contribution I make to the Foundation will be deductible from federal and state income taxes.

Signature: _____
Address: _____
Telephone: _____ Fax: _____
E-Mail: _____