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Synagro is back

Company in bribery scheme wants more biz with city

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Detroit -- Sludge deals can mean trouble in Detroit.

Mayor Dave Bing's current chief administrative officer Charlie Beckham spent two years in prison on a felony conviction after he took a bribe on a sludge deal in the 80s. Former council person Monica Conyers will be sentenced in January for taking money from Synagro, a company seeking a billion plus dollar sludge contract from Detroit. Many are still under FBI investigation because of their involvement with Synagro.

Two of the company's employees, including Synagro's Vice President of Michigan James Rosendall, lobbied the city in 2007 and ended up conspiring and bribing at least one public official. Both are going to jail.

Yet, Synagro is set to win another contract.

Detroit Water and Sewage Department officials confirmed that representatives from Synagro attended an Oct. 22 pre-bid meeting, indicating the company's continued interest in a multi-million dollar sludge deal.

DWSD construction contract manager Dan Edwards said that last year Synagro agreed to termination of the contract after the bribery charges surfaced, leaving the company eligible to bid again.

"To our knowledge, there is nothing that precludes anyone from submitting a bid," Edwards said.

Edwards added that DWSD evaluation teams may take the corruption scandal into account when reviewing proposals, which are due Dec. 16.

Edwards, along with DWSD assistant Director for Public Affairs, George Ellenwood, say that the bid proceedings are in the early stages and that RFQs (request for qualifications) have been sent out and a short list of candidates will be formed from after their return.

"Surprise, surprise, surprise, that is all I can say," said Rayford Jackson's attorney Richard Morgan. "It is disappointing that Synagro did not take responsibility for actions involving my client. They were implicitly involved in what Rayford Jackson did, even though they denied any involvement."

Jackson, one of Synagro's two convicted employees, was sentenced to the maximum five years in federal prison Nov. 11. Rosendall will be sentenced Nov. 30.

Morgan maintains that the Synagro sludge deal was a "great deal for the city of Detroit."

In 2007, Synagro won the contract in part because of the company's stated ability to save DWSD \$5 million a year. Sheila Cockrel, Barbara Rose Collins, Alberta Tinsley Talabi and Monica Conyers voted to award the contract to the company.

According to Detroit Water and Sewage Department officials, it's too early to predict who will win the new solid waste disposal contract. They say companies received detailed information pertaining to services required by the waste disposal contract at the Oct. 22 pre-submittal meeting.

Ellenwood and Edwards, from the DWSD, say that the DWSD will be seeking one company which is financially and operationally capable of handling the contract.

"It's going to take a little longer," Ellen says. "But we have a little bit of time."

They add that the contract which will be up for bid next year strongly resembles the one Synagro was forced to relinquish. It involves the hauling and processing of sewage in addition to construction of a plant that would incinerate a portion of the sludge. The remainder would be converted into crop fertilizer.

Ellenwood says that DWSD will be seeking companies that incorporate alternative technologies into their proposals and understand city executive orders mandating local hiring practices.

One representative, who wished to go unnamed, from one of the company's set to bid on the DWSD contract believes the RFQ was written to benefit Synagro. The representative said the RFQ specified a company with at least five years experience and only a few, including Synagro would be included. That representative said Beneficial Use technology—where human waste is repurposed as fertilizer or waste-to-energy—is constantly evolving so to maintain that a company be in business five years would be unfair.

Many, however, do not like the criminal cloud Synagro has left over the city and don't believe the company should be awarded the contract.

Synagro, throughout the bribery scandal, has managed to characterize Jackson and Rosendall's actions as isolated and detached from company policy. However, in 2008, The Michigan Citizen exposed Synagro Vice-President Pamela Racey's role in procuring Detroit and Philadelphia contracts.

Until a direct link to Synagro's top executive's can be established the company remains eligible for the contract, according to David Whitaker of City Council's Research and Development.

"There's nothing that I know of that would prevent Synagro from being involved in the bid process," Whitaker said, citing city ordinance 18-5-13, which regulates the acceptance of bids on city contracts.

It remains unclear if the FBI's investigation implicates more of Synagro's managers.

President of Jordan, New York-based WeCare Organics, Jeff LeBlanc, says that his company is hoping the city considers smaller companies that are ready to handle wastewater and sludge generated by 2.4 million people.

"It all comes down to what the city is going to decide in terms of future needs," LeBlanc told the Michigan Citizen.

City Charter Commissioner Freman Hendrix says the charter commission could outline ways in which the city could deal with companies that have been found to bribe public officials.

"While I do not know the specifics of the details of the Synagro contract," said Hendrix to the Michigan Citizen "I would like to see the Charter Commission address a provision that speaks to this in specific terms."

Hendrix recommends the commission develop an Inspector General's office.

"The Inspector General's office would investigate allegations of corruption and be independent of the executive and legislative branch of government...when you get to the bottom of things like Synagro you don't leave it to any branch of government to investigate...this office would have all of the authority to investigate and bring some kind of prosecution."

As previously reported in the Michigan Citizen, Synagro has carried out similar bribe schemes involving other city governments like Philadelphia.

The Philadelphia Daily News reported Jan. 13, 2009 that a situation reminiscent of Black businessman Rayford Jackson's role in the Detroit Synagro scandal occurred there. Jackson recruited other Black businessmen and community leaders to campaign for the contract, but was fired by Synagro after questions about his role surfaced.

"As part of its Philadelphia project," wrote the Daily News, "Synagro had agreed to pay an Atlanta-based consultant named Hiram Hicks more than \$33,000 a month from their contract funds for a curious combination of services: handling community and government relations, finding minority contractors for insurance, bond counsel and site security, and even providing 'chemical and polymer supply.'"

A "chief integrity officer" hired by Philadelphia Mayor Michael Nutter said taxpayers were paying \$400,000 a year for a broker to bring other vendors to Synagro. Synagro subsequently fired Hicks and eliminated the \$400,000 fee from its charges to the city. However, the city is still on the hook for a \$625 million 23-year contract with the company.

Nutter ran on a "no-corruption" platform after former Mayor John Street, also Black, was found by the FBI to have accepted pay-offs from corporations including \$91,000 from Synagro. However, upon assuming office, Nutter re-introduced the 23-year Synagro contract, which the Council passed.

The Michigan Citizen was unable to reach Andrew Bosinger of Synagro for comment by the time this article went to print.