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In Rural New York, Windmills Can Bring Whiff of Corruption

By NICHOLAS CONFESSORE

BURKE, N.Y. — Everywhere that Janet and Ken Tacy looked, the wind companies had been there first.

Dozens of people in their small town had already signed lease options that would allow wind towers on their properties. Two Burke Town Board members had signed private leases even as they negotiated with the companies to establish a zoning law to permit the towers. A third board member, the Tacys said, bragged about the commissions he would earn by selling concrete to build tower bases. And, the Tacys said, when they showed up at a Town Board meeting to complain, they were told to get lost.

“There were a couple of times when they told us to just shut up,” recalled Mr. Tacy, sitting in his kitchen on a recent evening.

Lured by state subsidies and buoyed by high oil prices, the wind industry has arrived in force in upstate New York, promising to bring jobs, tax revenue and cutting-edge energy to the long-struggling region. But in town after town, some residents say, the companies have delivered something else: an epidemic of corruption and intimidation, as they rush to acquire enough land to make the wind farms a reality.

“It really is renewable energy gone wrong,” said the Franklin County district attorney, Derek P. Champagne, who began a criminal inquiry into the Burke Town Board last spring and was quickly inundated with complaints from all over the state about the wind companies. Attorney General Andrew M. Cuomo agreed this year to take over the investigation.

“It’s a modern-day gold rush,” Mr. Champagne said.

Mr. Cuomo is investigating whether wind companies improperly influenced local officials to get permission to build wind towers, as well as whether different companies colluded to divide up territory and avoid bidding against one another for the same land.

The industry appears to be shying away from trying to erect the wind farms in more affluent areas downstate, even where the wind is plentiful, like Long Island.

But in the small towns near the Canadian border, families and friendships have been riven by feuds over the lease options, which can be worth tens of thousands of dollars a year in towns where the median household income may hover around \$30,000. Rumors circulate about neighbors who can suddenly afford new tractors or trucks. Opponents of the wind towers even say they have received threats; one local activist said that on two occasions, she had found her windshield bashed in.

“My sisters and brothers won’t even talk to me anymore,” said Mr. Tacy, who with his wife has become active in recent years in a network of people who oppose the wind companies. “They tear communities apart.” Opponents of the farms say their scenic views are being marred by the hundreds of wind towers

already in place, some of which stand nearly 400 feet tall. They also complain of the irritating hum of spinning turbines and what they say are wasteful public subsidies to wind companies.

But corruption is a major concern. In at least 12 counties, Mr. Champagne said, evidence has surfaced about possible conflicts of interest or improper influence.

In Prattsburgh, N.Y., a Finger Lakes community, the town supervisor cast the deciding vote allowing private land to be condemned to make way for a wind farm there, even after acknowledging that he had accepted real estate commissions on at least one land deal involving the farm's developer.

A town official in Bellmont, near Burke, took a job with a wind company after helping shepherd through a zoning law to permit and regulate the towers, according to local residents. And in Brandon, N.Y., nearby, the town supervisor told Mr. Champagne that after a meeting during which he proposed a moratorium on wind towers, he had been invited to pick up a gift from the back seat of a wind company representative's car.

When the supervisor, Michael R. Lawrence, looked inside, according to his complaint to Mr. Champagne, he saw two company polo shirts and a leather pouch that he suspected contained cash.

When Mr. Lawrence asked whether the pouch was part of the gift, the representative replied, "That's up to you," according to the complaint.

Last month, Mr. Cuomo subpoenaed two wind companies, Noble Environmental Power, based in Connecticut, and First Wind, based in Massachusetts, seeking a broad range of documents. Both companies say they are cooperating with the attorney general.

"We have no comment on specifics, but we want to be clear: Noble supports open and transparent development of wind projects in accordance with the highest ethical standards," said Walt Howard, Noble's chief executive.

The industry's interest in New York's North Country is driven by several factors. The area is mostly rural, with thousands of acres of farmland near existing energy transmission lines. Moreover, under a program begun in 2004, the state is entering into contracts to buy renewable energy credits, effectively subsidizing wind power until it can compete against power produced more cheaply from coal or natural gas.

Nine large-scale wind farms housing 451 towers, each with a turbine, are in operation in New York, with at least 840 more towers slated for construction, according to state officials. And in June, Iberdrola S.A., which is based in Spain and is one of the world's largest energy producers, announced its proposal to invest \$2 billion to build hundreds more towers here.

Every day in the North Country during the warm months, trucks pulling giant flatbed trailers rumble down the highways, carrying tower sections and turbine blades. Some residents see the trucks not as a disturbance, but as an omen of jobs, money and cleaner air.

"I feel as a mother, as a grandmother, that the country needs it — not just here," said Susan Gerow, a Burke resident who has signed easements with Noble worth about \$3,000 a year. Like others who have signed deals with the companies, Ms. Gerow and her family will also earn a portion of the revenue from the windmills if they are ever built.

The North Country is a chronically distressed region, and farming is increasingly a profitless enterprise here. The General Motors plant in Massena, for years a reliable source of good jobs, is closing in mid-2009. One of the few bright spots in the local economy in recent decades has been the construction of state prisons, of which there are now five in Franklin County alone.

"You're talking about a poor farming community out here," said Brent A. Trombly, a former town supervisor of Ellenburg, which approved a law to allow and establish regulations for the wind towers in 2003. "Our only natural resources are stone and wind."

For some farmers, he said, the wind leases were their last chance to hold onto land that had been in the family for generations. Supporters also say that the wind towers bring in badly needed tax revenue.

"We see this industry coming, we see the payments coming in," said William K. Wood, a former Burke Town Board member who also signed a lease option. The school board of Chateaugay, he pointed out, received \$332,800 this year from Noble for payments in lieu of taxes, money that the district used to lower school taxes, upgrade its computers and provide a prekindergarten class for the first time.

The local debates over wind power are driven in a part by a vacuum at the state level. There is no state law governing where wind turbines can be built or how big they can be. That leaves it up to town officials, working part time and on advice from outside lawyers, some of whom may have conflicts of their own.

Two Franklin County towns, Brandon and Malone, have passed laws banning the wind turbines. But the issue remains unresolved in Burke, population 1,451, where two Town Board members recused themselves from the issue this year because they had leases with wind companies, leaving the board deadlocked.

At a meeting last month at Burke's Town Hall, opponents and supporters sat on opposite sides of the aisle, arms crossed. The mood, as it has often been at such meetings, was quietly bitter.

"I'd like to hear what people think," said Darrel Bushey, the town supervisor and a wind-tower opponent.

"We've listened to the people for two years," responded Timothy Crippen, who sits on the town's zoning board, which favors permitting the turbines. "It's time to make a move."

Some hands shot into the air from the audience, but were ignored.

"There is no decision you are going to make that is going to make everyone happy," said Craig Dumas, another zoning board member, almost pleading for action.

But the meeting soon broke up, still with no decision made.

"This is a problem for these communities," Mr. Dumas said as the room emptied. "There's a lot of emotion on both sides."

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