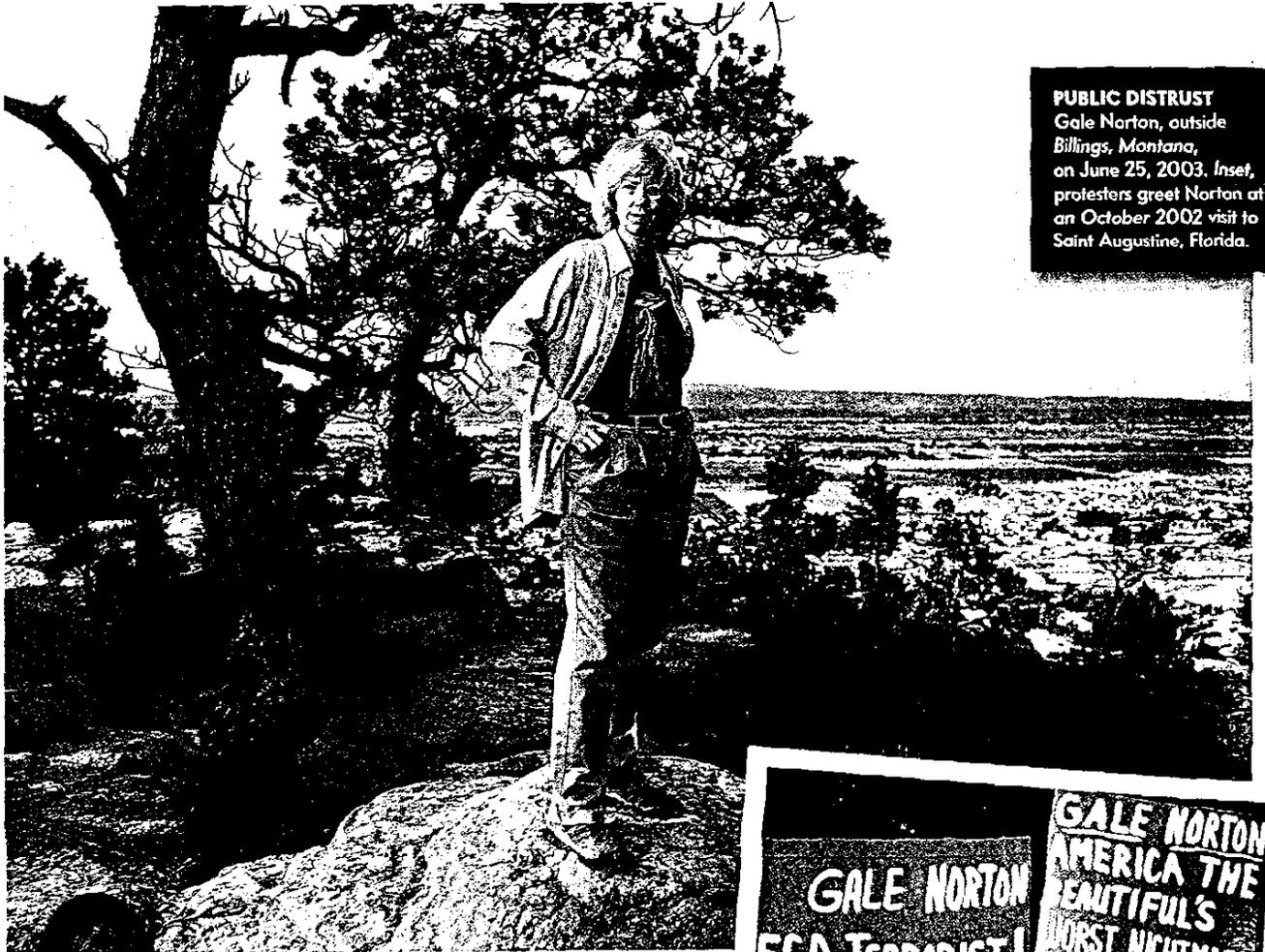


SALE OF THE WILD

Department of the Interior employees are horrified by how Secretary Gale Norton and her powerful deputy, J. Steven Griles, have allowed industry to exploit America's wilderness. Probing stealthy bureaucratic maneuvers and Griles's ties to coal, oil, and gas, the author finds a massive, irreversible landgrab

BY MICHAEL SHNAYERSON



PUBLIC DISTRUST
Gale Norton, outside Billings, Montana, on June 25, 2003. Inset, protesters greet Norton at an October 2002 visit to Saint Augustine, Florida.

Gale Norton smiles a lot—pretty much all the time. She likes to wear jeans and work shirts, and make press appearances in the great outdoors, against backdrops of natural beauty.

Today's setting is a farm in North Carolina. Trailed by a few local reporters, the secretary of the interior inspects a wetland restored by a feisty widow with help from the U.S. Fish and Wildlife Service, one of Interior's eight agencies. "Projects like this one are the future of conservation," Norton, 49, says from a lectern, brought down for the occasion. Citizens and the government, working together.

Rigid rules—which is to say the body of environmental regulations adopted in the U.S. over the last 33 years, starting with the Clean Air Act of 1970—are out of fashion.

Partnership is in. It's an appealing approach when applied to landowners restoring wetlands. Less so, perhaps, when extended to the extractive industries—coal, oil, gas, and timber—that want to exploit the natural riches of public lands and build power plants that pollute national parks.

When President Bush nominated her to



his Cabinet, two and a half years ago, Norton stirred widespread outrage among environmental activists—the "enviros" or, as Bush once called them, the "green, green lima beans." She was, after all, a protégée of James Watt, the gleefully anti-

environmental secretary of the interior under President Ronald Reagan. Before joining Watt in Washington, she had worked as lead attorney for his Mountain States Legal Foundation, trying to weaken environmental laws that hindered landowners. As Colorado's attorney general, she argued before the U.S. Supreme Court that the Endangered Species Act should not prevent landowners from destroying habitat, even if species went extinct as a result.

Despite this, Norton was confirmed to run the department, which oversees more public land than any other: 20 percent of the U.S. in all. Then an odd thing happened. To the enviros' surprise, no Watt-like battle cries emanated from the secretary's corner office at 18th and C Streets. Norton just ... smiled and invoked her new catchphrase—"the four C's": "consul-

MONUMENTAL JOB
Below, the Interior Department building in Washington, D.C., around 1940; bottom, President Roosevelt with Harold Ickes, then interior secretary, 1933.



est Service), the Environmental Protection Agency (E.P.A.), and less obvious enclaves, such as the Justice Department and the Office of Management and Budget, which affect environmental policy, too—controversial cases are dropped, environmental programs deemed uneconomical. The "politicals," as they're known in Washington, were named to these jobs with the enthusiastic approval of their industries, as payback for campaign contributions: \$48.3 million in all to the G.O.P. during the 1999–2000 election season from mining, timber, chemical, and manufac-

sonal life after two grueling years in Washington. Was she, in fact, unwilling to accept the White House's doctoring of an about-to-be-released "report card" on the environment she'd commissioned in 2001? A section linking global warming to smokestack and tailpipe emissions was cut to a few paragraphs by White House officials, *The New York Times* determined. The final version declared global warming a "scientific challenge."

If so, the report was but the latest in a long line of defeats for Whitman, starting with Bush's abrupt dismissal of the Kyoto Protocol on greenhouse-gas emissions. Instead of being allowed to prepare her own plans for domestic policy and present them to the White House, one E.P.A. insider explains, Whitman was summoned to the White House, time and again, to have plans presented to her. "She was sitting across the table from people at the White House who know these industries, starting with [Vice President] Cheney," says the insider. "She was powerless."

At least the E.P.A.'s new, lower standards for pollutants may be reversed by a

"THE ONLY BODY THAT STOPS US IS CONGRESS. BUT NOW IT'S ALL IN THE SAME PARTY. THEY'RE JUST GETTING AWAY WITH IT ALL."

tation, cooperation, and communication, all in the name of conservation." She repeated it so often that it began to madden even her own staffers. Yet, as she did, the great ship of Interior began to turn.

The change in course is part of a larger shift throughout the Bush administration. The president has made future energy needs a top priority. Unfortunately, massive drilling on public lands is deemed necessary to meet them. Inside his agencies, "preservation" has become a dirty word—a word that gets you transferred if you insist on it in a land-use plan instead of proposing to auction mineral rights to the highest bidder.

Overseeing the shift are several dozen top Bush appointees who, like Norton, once worked as lawyers or lobbyists for the extractive industries, hammering away at environmental laws. Now they hold high posts in the agencies they once attacked: not just at Interior but also at Agriculture (which includes the U.S. For-

oversee. The results have seemed staggering, and not just to groups such as the Sierra Club. The mainstream Republicans for Environmental Protection recently rated the Bush administration in eight areas of environmental concern. Six of the eight grades were D's. A seventh—on energy policy—was an F. Farm policy got the highest grade: B-

Happily for Bush, most voters of both parties, distracted by 9/11, Afghanistan, and Iraq, remain oblivious to the story. Environmental news comes and goes, and no one connects the gathering dots to see the big picture. One of the few aspects to resonate of late is the resignation in June of E.P.A. administrator Christie Whitman. People are more colorful than policies, and Whitman was seen as the only environmental moderate of any influence in the Bush administration. In her resignation statement, she played the loyal soldier, pleading the need for a per-

turing interests, oil and gas, and coal. Every administration rewards its friends, but never has there been such a wholesale giveaway of government agencies to the very industries they're meant to

future administration, and air and water may improve. When unspoiled land is opened to development, however, it's changed—forever. That's why what's happening at Interior is so distressing to many of the department's own employees. "Every time you turn around here," says one insider with a sigh, "there's a decision that makes you wince. The only body that stops us is Congress. But now it's all in the same party, so there's no check there. So they're just getting away with it all."

Because public lands stir such strong feelings, the politics at Interior are more complex than at the E.P.A., and more subtle. Norton is the department's public face, upbeat and reassuring. Behind her is the deputy secretary, said by many to be the department's real head, running it day to day. Like all of her top officials, J. Steven Griles pays earnest lip service to Norton's "four C's." But coming from him, the mantra sounds like a lullaby crooned by a salivating bear.

Griles, 54, is a big, broad-shouldered former lobbyist for coal, oil, and gas who now wields extraordinary power behind the scenes. He's charming and gregarious, tough, canny, hot-tempered, and sometimes bullying. He's also very smart, though

not quite smart enough to have kept from getting enmeshed in several seeming conflicts of interest. His story is his own, and yet, at the same time, it's something larger.

It's the story that connects the dots.

The Interior Department building stands like a fortress not far from the Washington Monument, overlooking the forested hills that rise unexpectedly south of the Mall. Inside, the main corridors are as wide as tennis courts and two blocks long. W.P.A. murals depict scenes from the department's disparate realms: engineers building a dam, cowboys and Indians on the plains. Along with Fish and Wildlife, Interior's eight agencies include the National Park Service and the Bureau of Land Management (B.L.M.); the latter manages 262 million acres of public land, mostly in the West, that have been designated for "multiple use," a term encompassing both conservation and development. In all, Interior employs 70,000 people, overseen by fewer than 50 "politicals," most of whom are on the sixth floor.

Norton's office is immense: a vast oak-paneled realm with chandeliers and facing sofas, ornately framed oil paintings, and brass doorknobs with a buffalo motif. The décor, to be sure, pre-dates the current secretary, and Harold Ickes, secretary of the interior under F.D.R. and Harry S. Truman, is responsible for the room's dimensions: the story has it that he measured all of Roosevelt's other Cabinet secretaries' offices, then called for his own to be a foot longer and wider than the largest of them.

Griles's office is at the opposite end of the same wing. He can reach it only through adjoining offices, however, because poised in front of his closed door is a stuffed, full-grown Alaskan grizzly bear, standing upright with its long teeth bared and front claws extended, ready to pounce. Griles heard that it was gathering dust in a Fish and Wildlife archive building and had it brought up. "He's great, isn't he?" Griles says with a grin. "Children love him."

Covering the walls inside are framed pictures of Griles with various top Repub-

licans, including President Reagan: this is not the former lobbyist's first tour at Interior. On this day in early June, his career in public service hangs on an investigation under way by the department's inspector general, but if Griles is worried he gives no sign of it. He has a politician's penchant for touching your arm, or clapping a hand on your shoulder, as he makes a point, and leaning in close to create an instant bond. Mention golf and you're

Just as upsetting to the enviros was the arrangement the deputy secretary made upon his confirmation to distance himself from the lobbying firm he'd created. Griles sold the client base of J. Steven Griles & Associates for \$1.1 million to another firm, National Environmental Strategies (N.E.S.), in which he had had a principal interest. N.E.S. also happens to do business in the same Washington office suite that J. Steven Griles & Associates

"I HAD A MEETING WITH GRILES," SAYS JACK SPADARO. "HIS FACE GOT RED, HE WAS ALMOST SPITTING. THIS WAS A DIFFERENT KIND OF ANIMAL."



CHAMPING AT THE BIT
J. Steven Griles in Rock Creek Park, Washington, D.C., on July 3, 2003. He put a stuffed grizzly bear outside his office.

friends for life. Staffers pride themselves on how much golf they play with the deputy secretary, who seems happy for any excuse to get away from meetings at the Interior Department.

Meetings are what got Griles in hot water: dozens of them, beginning within days of his confirmation, in July 2001, with clients and associates linked to issues from which he'd recused himself because of his former lobbying activities. "Griles doesn't seem to understand how bad it looks," says Kristen Sykes, the Interior Department watchdog for Friends of the Earth, who got the calendars through the Freedom of Information Act, "when he continues to keep company with these special interests."

did. N.E.S.'s founder, Marc Himmelstein, one of Griles's best friends, committed to buy the client base in four annual payments of \$284,000, beginning in 2001. So the deputy secretary is receiving a major outside income from his former business colleague, who continues to represent Griles's former clients. Those clients are principally coal, oil, and gas companies.

One might reasonably ask what the value of a lobbyist's client base is without ongoing representation of those clients' interests, and ongoing payments by those clients for same. But as Griles testily observes when asked, the arrangement was fully disclosed at the start of his tenure and approved by Interior Department lawyers. And the subsequent meetings with ex-clients, he says, were of a general nature, not on the "particular matters" from which he'd recused himself. All this is

what the inspector general is reviewing. As deputy secretary, Griles oversees Interior's whole range of red-hot issues—excluding, ostensibly, the ones from which he's recused himself—and so he's quick to react to two that have stirred deep dismay of late, not only among enviros but also in the Bureau of Land Management's ranks. Last April, Interior's lawyers chose to settle with the state of Utah in a suit involving wilderness designation of 250,000 acres of B.L.M. land. Basically, they agreed to abandon Clinton-era efforts to afford the land ultimate protection—no development. It's a complex story that most Americans chose to ignore, but it's extraordinarily important.

Utah, like all western states, where most

of Interior's public lands lie, bridles at federal oversight of any kind. It particularly resented the Clinton administration's decision to keep recommending more areas of B.L.M. land in Utah for wilderness designation, after the expiration of a congressionally mandated period in which the B.L.M. was ordered to consider all its lands for such protection. The period had begun in 1980 and ended in 1993. Clinton's B.L.M. felt that two Republican administrations, loath to alienate their western political base, had dragged their feet on the matter. So the Democrats earmarked about 2.6 million Utah acres as wilderness. These were only recommendations; Congress retained the power to make the actual designations.

An earlier court challenge by Utah of the Clinton administration's policy had

thousands of miles of old "roads," many of them overgrown trails on federal lands, to thwart even the agreed-upon wilderness recommendations. "It was done entirely in the secretary's office," says a congressional staffer. Which makes sense, the staffer adds dryly. "If the word gets out, you'll generate controversy and lose control."

These moves are all too typical. Whenever possible, agency rules are "streamlined" and "modernized" without fanfare. Time passes. Public-comment periods end. Unnoticed, policies shift. The soothing euphemisms are taken directly from the playbook of Republican political consultant Frank Luntz. So are the names of multi-agency programs too big to slip under the radar. "Healthy Forests" is the administration's dubious new campaign to

the agency, claims she was one casualty. When Hahn took a hard line on grazing rights, she says, she ran afoul of powerful Idaho senator Larry Craig—the same Senator Craig who distinguished himself recently by holding up some 850 military promotions in order to get a few promised planes for an Idaho military base. Craig turned to Griles, says Hahn. Craig's office denies any role in the situation. By letter, Griles informed Hahn that she was being transferred—to New York Harbor, as executive director of the National Park Service. "There hadn't been one before," Hahn says, "and there isn't one now. It was just a position to threaten people into. I had no verbal communications with him, which is what the rules require. The letter just said, 'You accept this or you resign.'" Hahn resigned.

"That's a very distorted story," Griles says with a pained look. "I've known Martha—I knew her when she was a B.L.M. ranger in Moab." The transfer, he says, was not punitive. "It's what the Senior Executive Service [or S.E.S., a B.L.M. corps of elite civil-service employees] is intended to allow to occur. The purpose of the S.E.S., when it was set up, was to have this layer of qualified people who were the best managers. They could go from one department to the next and take the understanding and influence. . . . After a point, you need new blood, new ideas. That's what I try to do with the S.E.S. Reinvigorate it. Give them new challenges."

Hahn's former supervisor, Nina Hatfield, confirms that S.E.S.-ers do get transferred with each new administration. But transfer by letter, she admits, "just doesn't happen." She calls Hahn "smart and professional." Since her resignation, Hahn has become a lightning rod for discontent. "People are feeling helpless, and very scared," she says. "I get lots of phone calls from colleagues. What they ask is: How can I survive this?"

By "this," what the insiders mean is not just the secrecy, or the centralization—field officers now have to route even the smallest decisions, such as whether to close a road in elk-hunting season, to Washington for approval—but the raw push to give industry and western states whatever they want.

In Utah, for example, oil and gas exploration has been proposed for the Dome Plateau, a 36-square-mile swath of red-rock canyon, as well as for the much larger and more remote Book Cliffs, which overlaps with seven areas on the list for wilderness designation. The latter was approved despite 25,000 public comments opposing the decision—and objections from the E.P.A. In Montana, the B.L.M.

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failed. But with the new case, Norton's Interior chose to cave. As a result, the 2.6 million acres in Utah that might have qualified for designation cannot be considered. "They're more vulnerable," says one B.L.M. insider. And that's the catch. "Once they're developed, they can't be protected as wilderness." Worse, Norton declared that the Utah case sets a national precedent. With that one decision, more than 220 million acres of B.L.M. land across the West and Alaska can no longer be considered for wilderness designation by this process. Only the 23 million acres proposed to Congress before October 1993 are still eligible.

"What occurred," says Griles of the Clinton-era B.L.M. officials, "was they continued a process that was not authorized by the statute. That's what the settlement says, that's what the judge authorized, and that's what we agreed with." Other top politicals at Interior are quick to add that three million acres in Utah were set aside before 1993 and Congress has yet to take action on them. Also, they say, any of the department's lands can still be "managed" as wilderness within standard land-use plans. But these are the same politicals who are calling for more energy development in those plans.

This decision was kept quiet by Norton, Griles, and a tight circle of top politicals until it was issued, with little publicity. "The wilderness decision was a huge shock to all of us," says one department insider. So was the related revival by Interior of RS2477, an 1866 mining-road law; now western states are claiming ownership of

fight forest fires by engaging large timber companies as "partners." The companies will clear decades of undergrowth that does act as kindling for fires; as compensation for this unprofitable work, however, they get to punch roads into pristine wilderness in order to take out very profitable—and irreplaceable—old-growth trees. "Clear Skies" states stirring goals for reducing smokestack emissions; left unstated is that these goals are lower than those the administration inherited.

Control and the secrecy needed to exercise it are seen as the hallmarks of Norton and Griles's Interior Department, according to many of their civil-service employees. "It's a culture," says one, "of mistrust." "There are a lot of policy changes and decisions being made by a select few, very carefully," says another, "without any input or data from career professionals."

"They came in being critical right away: 'This is what we're going to do; this is what you're not doing,'" explains one high-ranking Fish and Wildlife official. "And because of the lack of trust, there was a disconnect between politicals and field people."

At the B.L.M., where the balance between conservation and development is most delicate, the politics have been nastiest. "The only career people at B.L.M. the politicals trusted were a few who had come in as Republicans," says one insider. As a result, "the morale at B.L.M. is probably the poorest it's been in 20 years."

Martha Hahn, the B.L.M. state director for Idaho, with 24 years' experience in

has approved plans for natural-gas drilling in Missouri River Breaks National Monument. In Texas, oil drilling has been stepped up at Padre Island National Park; the heavy trucks that daily service this project's 156-foot drilling derrick roll across beaches that serve as the main nesting grounds for the imperiled Kemp's-ridley sea turtle.

These are the small projects.

Most Americans know that last April the Bush administration came within four votes of opening the 19-million-acre Arctic National Wildlife Refuge (ANWR) to drilling after two decades of bitter debate. Because it's a refuge, ANWR is governed by Fish and Wildlife at Interior, so it's within Griles's domain. Fewer know that Alaska also contains the nearly untouched 23.5-

a private elevator that goes from the sixth floor down to the parking garage, where a car and driver are waiting.

Griles is a short distance and a long way from the town of Clover in Southside, Virginia, where his father worked as a small-time tobacco farmer. But this outing reminds him that his father took an interest in children with disabilities—"took them fishing, put them in boats, things like that"—during the six months of the year when he wasn't working. Griles did a lot of fishing with his father, too, and a lot of hunting and horseback riding, until his father's untimely death at 51 from emphysema. He still rides whenever he can, and rafts canyon rivers.

Griles started working for the state right after college, monitoring the coal industry.

"I was the guy who kept insisting that the laws of the state of Virginia be changed to increase the environmental

Griles was nominated, reportedly with a good word from Virginia senator John Warner, to join the Reagan administration as deputy director at the newly formed Office of Surface Mining (O.S.M.) in James Watt's Interior Department. Griles says he came with a mission to make "cookie-cutter rules" more flexible. But several ex-colleagues say his mission was to do whatever he could to defang the O.S.M. on behalf of his home state.

The Supreme Court ruling on the surface-mining act came not long after Griles's arrival in Washington, while a number of Carter-era appointees were still packing their bags. "One of my staff attorneys came down yelling, 'We won!'" recalls a Carter-appointed Interior lawyer who had worked to get the surface-mining act passed. The vote to strike down Virginia's challenge was unanimous. The lawyer recalls hearing the news while fielding a phone call from Griles. "'Steve, we just heard we won!'" the



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million-acre National Petroleum Reserve—Alaska (N.P.R.—A.), which was set aside by Congress in 1923 for future emergency use only. When ANWR was established by President Jimmy Carter in 1980, a compromise allowed Congress to review its status in the future; that's why it's stirred high-profile brawls ever since. But the N.P.R.—A. is B.L.M. land, so no such fight is needed. And because it's B.L.M. land, it, too, is within Griles's domain.

All told, the B.L.M. is proposing to lease more than nine million acres for oil exploration in Alaska in the next few years—all of it outside ANWR. "Industry's top request is for us to keep sales on a predictable schedule and provide them ample time for planning," Griles told an Alaskan audience last fall. "We are committed to do this."

As Mr. Inside, Griles does far fewer press events than Norton, but this morning he's scheduled to paddle a canoe with inner-city kids on Washington, D.C.'s Anacostia River and look in on a new-park ceremony. Like Norton, he uses



GONE TODAY . . .
Top, President Bush introduces Christie Whitman as E.P.A. administrator, December 2000; above, Norton testifies on Capitol Hill about drilling in Alaska, March 2003.

controls," he says, but that's not how some others remember him.

"I found Steve to be extremely pro-industry," recalls Frank Kilgore, a

lawyer who worked in the 1970s for mining reform. "No matter what evidence you showed him about people having their houses blown apart, or rocks through the roof, or private cemeteries or water supplies destroyed by stripping, it didn't seem to make any impression on him. . . . He was always pretty up-front that he was an industry man—and get out of the way."

When reform came with a federal surface-mining act in 1977, which finally set pollution standards and forced companies to restore ravaged land, Virginia fought it up to the Supreme Court. A decision was still pending in 1981 when

lawyer recalls telling him. "There was this silence, then a very cold voice. 'What do you mean, we won? We lost.'" (Griles denies having said this.)

Griles soon alienated the O.S.M.'s inspectors by slashing their ranks, though, in fairness, he had no choice. New laws called for a gradual transfer of federal oversight to the states, which meant letting go federal inspectors so that states could hire their own. But according to an ex-colleague, he tended to cut or transfer especially those inspectors

who acted with the most vigilance. "He'd say, 'What the hell are you doing writing this up?'" recalls one inspector. "We were scared to death. He was going to protect the coal companies; that's the sense we've always had."

One manager, Jack Spadaro, incurred Griles's wrath by having inspectors close a mining company called Dal-Tex for flagrant environmental violations. Spadaro says that Griles, through an intermediary, directed him to reverse the order. Spadaro refused. "Griles then had two people in his human-resource division . . . figure out a way to get me fired," he recalls. Spadaro, who until recently worked as a superintendent at the Mine Safety and Health Administration's National Mine Academy in Beckley, West Virginia, says he was charged with "insubordina-

TOP, BY LARRY DOWNING; BOTTOM, BY TERRY ASHIE

tion" and with making an improper phone call that cost the government 82 cents.

"I had a meeting with him face-to-face, when I was first charged with insubordination," Spadaro recalls. "I went through the violations that had been written at Dal-Tex and explained why I would not vacate them. He became enraged, his face got red, he was almost spitting. I've never seen anything like it. I knew then that this was a different kind of animal." Spadaro was merely suspended for 30 days, not fired. He says he spent \$23,000 over the next two years appealing the suspension. "But I won."

By the early 1980s much of the easy coal had been taken, so companies were motivated to try a new method: blasting off the tops of mountains to get to the coal seams deep within. The only problem was what to do with the obliterated mountaintop. The Clean Water Act set strict rules for what mining companies could dump as "fill" into valley streambeds, and how they could do it. "In the Carter administration, we required them to truck it down and put it in four-foot compacted lifts," explains one inspector. With Griles's promotion in 1983 to deputy assistant secretary of the interior for lands and minerals management, says the inspector, the rules were basically ignored. "Mining operators could push or shove fill from the top of a hollow and let it flow right down to the streambed, transported essentially by gravity."

"Griles more than anyone is the person who was responsible for the relaxation of enforcement efforts that allowed mountaintop removal to proliferate in the 1980s and 1990s," says Spadaro. "More than anyone else in the country. And I'm an expert. I know what I'm talking about, and I know how the rules were weakened dramatically under Griles."

As Reagan's second term wound down, Griles took a job at United, an energy company that happened to have, among other holdings, the Dal-Tex operation. By then he had met Marc Himmelstein, a voluble lobbyist who was about to form his own firm, the previously mentioned National Environmental Strategies, or N.E.S. In 1995, Griles formed J. Steven Griles & Associates and began sharing Himmelstein's office space in downtown Washington. The two firms also shared clients and focused on two of the same issues: coal mining and a new method of producing natural gas called coal-bed methane.

By the mid-1990s producers of natural gas had sensed a bonanza just waiting to be prized from the Powder River Basin in Wyoming and Montana. They had known that huge reserves of methane could be drawn from the coal-rich basin. But new

technology had made the process economically feasible, and the demand for natural gas had soared. Wyoming began leasing state-owned land, and many private landowners joined in. Much of the mineral reserves, however, lay in B.L.M.-controlled lands, and the B.L.M. was getting nervous.

Natural gas might be "clean fuel," but getting it out of the ground in this way is dirty business. Putting in a well brings new roads, tractor-trailer rigs, heavy power lines and pipes, noisy well pumps, and compressor stations across open rangeland. Worse, the process brings huge quantities of underground water to the surface. Much of the water in the Powder River Basin is salty enough to harden the clay soil, kill crops it flows over, and contaminate streambeds. (A top political at Interior questions that: "I've never heard of a situation where you can contaminate the environment with water," he says.) By January 2000 the B.L.M. decided it needed thorough studies of coal-bed methane before allowing the drilling of a projected 39,000 wells in the basin on either side of the Wyoming-Montana line. The lobbyist who helped persuade Congress to free up \$3.5 million for the Montana study was one Steve Griles. (Part of that money, he says, was to fund inspectors on the ground.) For the Wyoming study, industry paid. Clinton-era B.L.M. director Tom Fry sanctioned the arrangement when no other monies seemed forthcoming.

"I've struggled with that," Fry admits, "because you can move to the front of the line if you want to pay for it. I've always thought the government should pay. But in-

Gas gave \$16,000, and Yates Petroleum \$50,000. More would flow in after Bush was elected. Did the donors have some reason to hope that with a Bush victory their lobbyist would go to Interior, just in time to shepherd the environmental-impact statement through and steer them leases worth billions of dollars? Griles calls that "a conspiracy theory that has no basis, and paranoia with no foundation." He says he had no idea how much each of his former clients gave to the G.O.P. "I never asked them to give to anybody. ... I never was consulted, and never was involved."

In his confirmation hearings of May 2001, Griles fielded tough questions from Senator Ron Wyden (Democrat, Oregon), among others. But the rest of the Energy and Natural Resources Committee seemed distracted, and Griles was approved by an 18-to-4 vote. He signed a letter of recusal on August 1, 2001, pledging to sell his interest in his lobbying firm to N.E.S. within 90 days of his appointment and to recuse himself for a year from "any particular matter" involving his former clients. Over the next month Griles would seem to take rather a broad view of what the word "particular" meant.

Numerous meetings with former clients followed. One visitor was Hal Quinn, senior vice president of the National Mining Association, a former lobbying client of Griles's. Griles says that the talk was strictly social. Undeniably, though, Quinn had a problem. On August 21, a Kentucky citizens group, claiming violations of the Clean Water Act, filed suit in federal court to block the Army

"COAL-BED-METHANE WELLS WOULD DUMP BILLIONS OF GALLONS OF SALINE WATER. IT WAS RIDICULOUS TO THINK THAT THE ENVIRONMENT WOULD BE THE SAME."

Corps of Engineers from issuing permits to coal operators who were burying streams with mountaintop fill. "I didn't have anything to do with Greystone," Griles says. "The oil and gas companies chose to do that. I was not representing them on that. They made their own independent judgments."

During the 2000 election, a number of Griles's coal-bed-methane clients were moved to make significant contributions to the G.O.P. Devon Energy gave \$45,000 during the campaign season, and its principals gave some \$25,000 more. Western

Corps of Engineers from issuing permits to coal operators who were burying streams with mountaintop fill.

In the 20 years since Griles first involved himself with the practice, mountaintop mining had turned once forested hills into barren moonscapes across much of coal country. According to figures the government itself would soon produce, from 1992 to 2002 more than 1,200 miles of streams had been damaged in the four-state area of Kentucky, Tennessee, West Virginia, and Virginia, and more than 700 miles of streams had been buried. From 1985 to 2001 some 6,700 valley fills for mountaintop mining were approved, allowing the shearing off of some 380,500 acres of forest cover. "This devastation is unprece-

dented in this country," declares Joe Lovett, a lawyer who handled the citizens' lawsuit that stopped the industry in its tracks. "It's the kind of thing you can't imagine ever happening." The coal companies wanted to keep up the practice as long as it was profitable, but to do so they felt the E.P.A. would have to broaden its definition of the word "fill."

The decision was the E.P.A.'s, as part of the environmental-impact statement the agency began readying on the issue. But Interior's Office of Surface Mining had a say, and so did Fish and Wildlife, because of aquatic life in the streambeds. "We sent up 18 pages outlining why we felt the rule was flawed, why we felt it was violating the Clean Water Act and it would have a profound effect on the environment in Appalachia," reports one Fish and Wildlife career official in the field. "Those comments were basically excised when they arrived in D.C."

Griles says with a laugh that he never saw the Fish and Wildlife comments. "The thing you need to know is that N.E.S. never represented the National Mining Association on anything to do with those issues . . . never represented a single company on mountaintop mining." But in Octo-

DIRTY BUSINESS

A truck at a mountaintop mine in West Virginia, 2001. Fill from such mines has buried more than 700 miles of streams in the region.

ber 2001, Griles sent a letter to four federal agencies, calling for E.P.A.'s environmental-impact statement to "focus on centralizing and streamlining coal mine permitting," even as it dealt with "minimizing or mitigating environmental impacts." The next month, he met with representatives of Beech Fork Processing, the very company that figured in the citizens' suit over mountaintop mining. Between September and December 2001, he had at least eight meetings with government officials from other agencies on the issue.

Since then, about 100 permit applications for mountaintop mining have piled up, according to one federal official.

The E.P.A. has the power to block those permits, as defined by Congress in the Clean Water Act. But in the draft environmental-impact statement finally

Set as it is in Kentucky coal country, Mammoth Cave already has the worst visibility of any national park in America. But the 1,500-megawatt Thoroughbred Generating Station proposed by Peabody seemed certain to worsen the white, sulfurous haze that settles over the park on even the sunniest days. According to initial estimates submitted by Peabody to park officials, Thoroughbred would generate some 20,000 tons of sulfur dioxide a year—a significant amount. According to park officials, no emission-reducing scrubbers



"WE SENT UP 18 PAGES OUTLINING WHY WE FELT THE RULE WAS VIOLATING THE CLEAN WATER ACT. THOSE COMMENTS WERE BASICALLY EXCISED."

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On May 3, 2002, the E.P.A. and the Army Corps of Engineers announced a new definition, right along the lines of what the National Mining Association had advocated. Within days, U.S. District Court judge Charles H. Haden II, who had ruled against the industry before, struck down the new definition. "Fill" was waste, he reiterated, prohibited by the Clean Water Act.

For Lovett and the coal-country residents he represented, this was a triumph, but a short-lived one. The government and

published last May, the E.P.A. grants Interior's Office of Surface Mining a greater role in the decision-making process. "It appears the primary goal of the . . . draft E.I.S. was streamlining the permitting process, rather than minimizing environmental impacts," declares a bitter June letter from 19 members of Congress to outgoing E.P.A. secretary Whitman and other federal officials. The Office of Surface Mining is, as it happens, run by Jeffrey Jarrett, a Griles crony from the Reagan years.

Another victory for coal happened more quietly, with a bit of help from Griles but more from two other top Interior officials. Peabody Energy, the world's largest coal company, had proposed not long after Bush's election to build the biggest coal-fired electrical plant in America in a generation. Unfortunately, the site it had in mind was roughly 50 miles west of Kentucky's Mammoth Cave National Park, a UNESCO World Heritage Site and international biosphere reserve.

were proposed for its stacks. (A Peabody spokesman says scrubbers were planned from the beginning.) Thoroughbred was to be a "merchant" plant, selling much of its electricity outside the state.

E-mails over the next 17 months between the park's staff and the National Park Service's Air Resources Division in Denver tell a disturbing story. (The E-mails were F.O.I.A.'d by the Natural Resources Defense Council.) There was concern not only about sulfur dioxide but also about mercury and acid depositions from the facility that might contaminate park streams and soil, endangering fish and plants. But the National Park Service staffers could wrangle hardly any concessions from Peabody. By September 2001 the two sides were at a standoff.

That month, a meeting was held in Washington to move things along. Present were National Park Service director Fran Mainella and Griles. Griles's presence was unusual in itself. But Mammoth Cave's Bob Carson, participating by speakerphone, was more surprised to learn that Peabody representatives were at the meeting, too. He'd been at the National Park Service for more than 20 years and had never heard of a "source"—i.e., a potential source of pollution—sitting in on a meeting in Washington about

CARLOS WAMANN

its own project. Clearly, Peabody had a lot of political clout, Carson thought.

Despite the meeting, months of tussling followed. By late January 2002 a Denver staffer wrote to a colleague in exasperation, "It seems to me that we should not be making concessions (another 'C' word?) to an applicant that has been uncooperative. . . . Instead, I suggest that we be willing to take a tough stand based upon our 'core values.'"

Other park staffers agreed—and back at Interior in Washington their superiors appeared to support them. In February 2002, Fish and Wildlife issued an adverse-impact finding on *Thoroughbred*.

Just as the adverse-impact letter was going out, a National Park Service staffer found a computer glitch in Peabody's weather data. (A Peabody spokeswoman says her side found the error.) Set right, the model showed the plant would not affect visibility at the park as much as feared. Yet, for the staffers, deep concerns remained about the mercury and acid deposition. Unfortunately, no critical threshold had been established for them, so staffers backed off, fearing a battle they might not win. This was frustrating because park scientist Mark DePoy was convinced that several endangered species unique to the park, including certain mussels in the Green River and two kinds of bats in the caves, might be pushed to local extinction by the plant's emissions. So he sent a formal "may affect" report to Fish and Wildlife, because Fish and Wildlife was in charge of endangered species.

Fish and Wildlife was focused on concerns of its own. By April 2002, Peabody had decided to apply for a permit to build a barge-unloading dock and huge water-supply and discharge structures on the Green River hard by the site of the proposed plant. Fish and Wildlife wanted a formal environmental-impact study done.

Because of Peabody's aggressive stance to date, nobody was surprised when the company's lobbyist Dan Scherder set up a meeting for himself and Peabody executives with Fran Mainella in Washington on August 8. As a result, Carson and the other National Park Service staffers were directed to settle with Peabody. Not long after, Fish and Wildlife's call for a study was rejected by the Army Corps of Engineers. On August 22, 2002, Fish and Wildlife assistant secretary Craig Manson sent the Kentucky Division of Air Quality a letter withdrawing the adverse-impact finding.

What none of the staffers knew was that at critical junctures in these weeks Peabody and a subsidiary had begun making

a series of soft-money contributions to the G.O.P.

On July 22, 2002, as Scherder was about to set up his meeting with Mainella, Peabody sent \$50,000 to the G.O.P.

As Manson's letter went out, Peabody sent in another \$50,000.

On August 28, 2002, after the Army Corps of Engineers rejected Fish and Wildlife's call for a major impact study, Peabody gave \$100,000. That same day, Peabody subsidiary Black Beauty, a coal company in Indiana, sent in \$100,000.

On September 23, 2002, as Kentucky was processing its air-permit application for the plant, Peabody gave \$50,000. The permit was issued by the state of Kentucky on October 12, 2002, contingent on a 45-day E.P.A. review. Two weeks after that, Peabody made another \$100,000 contribution. On November 18, 2002, the E.P.A. weighed in with two extremely minor comments on the permit. Peabody had won. (A Peabody spokesman says the contributions were pledged months earlier and were in no way related to *Thoroughbred*.)

"I don't know anything about that," Manson says when asked about the contributions. Neither does Griles. "And

environment would be the same. Everyone knows that." (Greystone failed to respond to calls from *Vanity Fair*.)

At Interior, coal-bed methane had become a holy cause. "You hear what Alan Greenspan is saying about natural-gas needs in this country," says one top political. "So where's it going to come from? The critics can't just say, 'We'll conserve.'"

But then came a nasty surprise. Because coal-bed methane had an impact on water and air, the E.P.A. had a right to review Greystone's study. Without warning, Jack McGraw of the E.P.A.'s Denver office gave the report its lowest rating: an E.U.-3—Environmentally Unsatisfactory. Griles wrote a memo to E.P.A. deputy administrator Linda Fisher, complaining that McGraw, a career official, was about to be replaced by a Bush appointee and as such should not have taken "this significant action." He added, "I hope you will consider the best means of addressing EPA's concerns together versus sending a letter that will create, at best, misimpressions and possibly impede the ability to move forward in a constructive manner."

Griles grimaces with annoyance when

"THERE ARE A LOT OF POLICY CHANGES BEING MADE BY A SELECT FEW, WITHOUT ANY INPUT FROM CAREER PROFESSIONALS," SAYS AN INTERIOR EMPLOYEE.

I will tell you there's not a single political appointee that can tell you whether Peabody even contributed," Griles adds heatedly. "I never knew it."

If coal is king in the Bush administration, coal-bed methane is crown prince. Here, too, Interior has chosen energy over the environment. Here, too, are the fingerprints of Griles.

By the winter of 2002 the Colorado consulting firm Greystone had turned in its draft of the environmental-impact statement on coal-bed-methane drilling on the Wyoming side of the Powder River Basin. "You have to be kidding me," one B.L.M. staffer recalls as the general reaction. "Greystone analyzed what industry wanted: 51,000 wells. And then analyzed the alternative of no wells. It didn't look at anything in between." Nor did Greystone pay more than passing heed to the water and air pollution that coal-bed-methane extraction would cause. "They didn't even analyze things you could do to mitigate the problems," says the staffer. "Coal-bed-methane wells would dump billions of gallons of saline water on the surface of the land. It was ridiculous to think that the

the memo is mentioned. At the time, he explains, no bureau heads had yet been confirmed. So the president had asked him to serve not only as deputy secretary but also as acting assistant secretary for lands and minerals, overseeing the B.L.M., among other bureaus.

"That morning," Griles recalls of the genesis of his memo to the E.P.A., "[Land and Minerals Management deputy assistant administrator] Tom Fulton said, 'I can't get E.P.A. to call me back.'" Griles says he called E.P.A. deputy administrator Fisher, who wasn't in. So he had Fulton draft a memo, then he modified and signed it and sent it over, with the express purpose of having the agencies communicate better. "It's not a particular matter," he says. "Nobody benefits by the environmental-impact statement." But in any event, he says, "I never got involved."

Three days after the memo, Griles went to a cookout at the Washington home of his old friend Marc Himmelstein. Also at the cookout were Kathleen Clarke, the new B.L.M. chief, and Rebecca Watson, the new assistant secretary for land and minerals, among other Interior politicals. "Marc's been a friend of mine for 25

years," Griles says in an aggrieved tone. "There was no business discussed."

Griles must have been aware that he was skirting a line, however, because he insisted, he says, on reimbursing Himmelstein for the costs of the dinner. "Look, I've done this too long. O.K.? I know that you can trip yourself up by not being cautious. I gave him a check."

But the deputy secretary did get tripped up by his memo to Fisher. It provoked 55 pages of in-house documents not released to F.O.I.A. applicants. Around the same time, Griles signed a second letter, in which he specifically recused himself from any matters having to do with environmental-impact statements on coal-bed-methane drilling in Wyoming and Montana. Griles avowed that any questions about matters covered by the recusal agreement would be handled by James Cason, his top assistant, whose office is next to his own.

The murkiness of all these arrangements—Griles's two recusals, the continuing meetings plus growing rumbles from the press and enviros, was what provoked Senator Joe Lieberman (Democrat, Connecticut) in April to ask Interior's inspector general to conduct his own inquiry not just of Griles but also of how the department deals with conflicts of interest.

Griles is unperturbed. "It's the facts, you know?"

he says with feeling, back in his office after the Anacostia River canoe outing with children, "and the facts will come out."

And then, as if to show he has nothing to hide—and because he has to change from his canoe-paddling casual clothes into a suit for a formal ceremony—Griles closes the door to his office and rather disarmingly disrobes down to his underwear.

Who has overseen coal-bed methane since Griles's second recusal? Not the new assistant secretary for lands and minerals, Rebecca Watson, an owl-like lawyer from Montana, also had to recuse herself from the issue. Before coming to Washington, she represented the one coal-bed-methane company that managed to sink wells on the Montana side of the basin before a lawsuit slapped a moratorium on drilling in the state. Redstone Gas Partners (now called Fidelity) has also been, as it happens, a client of National Environmental Strategies.

So the mantle has fallen, ostensibly, to Kathleen Clarke, the new B.L.M. director,

who says she started the job in January 2002—three months before Griles's memo to Fisher. A cheerful Utahan with a firm handshake and an open manner, Clarke found herself in the middle of a cross-fire between B.L.M. and E.P.A. staffers, appalled by the handling of coal-bed methane, and western constituents pushing for leases. Some of the latter were represented by Marc Himmelstein, who asked for, and received, a meeting with Clarke, as well as one with her chief of staff. She says she wasn't at all bothered by meeting with her boss's former lobbying colleague.

say that, in effect, we can get away with doing it."

By late fall of 2002, many ranchers in the Powder River Basin were upset. These were the unlucky ones whose land had been purchased through the Stock Raising Homestead Act of 1916. The government had sold surface rights to that land, but retained the mineral reserves beneath. In Wyoming, permits to drill have been granted for more than 14,000 wells, many on these ranchers' properties. Miles of cables and access roads now crisscross their grazing land. Noisy compressors whine all

"PEOPLE ARE FEELING VERY SCARED," SAYS EX-B.L.M. STAFFER MARTHA HAHN. "I GET PHONE CALLS FROM COLLEAGUES [ASKING], HOW CAN I SURVIVE THIS?"



BUDDY SYSTEM
Wayne Murdy, chairman and C.E.O. of Newmont Mining Corporation of Denver (right), talks with Griles in Denver in February.

"Steve has never put one iota of pressure on me about this issue," she says. "He won't even talk to me about this."

The devastating E.P.A. review might well have triggered a supplemental environmental-impact statement, which would have taken up to a year to complete. "We looked at all our options ... and chose not to take that course," says Clarke. Instead, more modeling was done, and B.L.M. staffers were told to meet with the E.P.A. "We did meet with E.P.A.," says one B.L.M. staffer. "But we didn't change anything."

"If you read the Montana and Wyoming environmental-impact statements," adds the staffer, "and you envision one picture from those thousands of pages, you see a changed landscape, and a changed way of life. From a rural area of ranchlands to an industrial zone. And all we're required to do is say that. We can disclose that you won't be able to ranch. We're going to totally change your life and you have no power at all. As long as we

night long: one rancher reportedly was so unghinged by the noise that he shot a compressor into silence. Most of the ranchers had been rock-ribbed Republicans and voted for Bush. Now they found themselves filing lawsuits with the enviros. Where, they had to wonder, did they fit into Gale Norton's vision of partnership and the four C's? "If it takes bringing 200 environmentalists into town and having them live in tents on my creek, I'll do it," said one rancher in *High Country News*. "I've never been one for siding with the wackos, but things change when

you're protecting your home."

As part of due process, the B.L.M. invited public comment on its plans to allow the drilling of approximately 39,000 new wells for coal-bed methane in Wyoming. At the same time, it pushed ahead with plans for about 18,000 more in Montana. Many of the comments were more than 20 pages long. Some ranchers hired soil scientists and hydrologists to do in-depth studies of what extraction of coal-bed methane would do to the land and water. "We responded with equally long letters," says a B.L.M. staffer. "But we ignored the complaints." The only concessions, says the staffer, were to the oil companies. Mike Mottice, Interior's overseer of the project, says, "I think that's a completely inaccurate and unfair representation of what happened. ... We, at a

minimum, responded to all the concerns.”

This spring, after the public-comment period had ended, the B.L.M. announced its decision on coal-bed methane: roughly 57,000 wells were approved in principle, pending actual permits to drill.

In her speeches, Gale Norton often ticks off a dizzying list of new moneys being spent on conservation, and the figures are impressive. She got an increase in funding for the national refuge system, for example, and another infusion to take on the staggering backlog of maintenance problems in national parks. “We’re getting a computer system set up that keeps track of all of the maintenance needs,” Norton says. “We’re trying to make sure that where we’re putting our resources is where the projects really need to be done, as opposed to just the place where the superintendent yells loudest about it.” But Destry Jarvis, a former assistant director at the National Parks Service, says this system was initiated in the Clinton administration, and in any event won’t come close to wiping out the backlog, which, he observes, candidate Bush vowed to do.

Interior press secretary Mark Pfeifle feels Norton’s conservation initiatives have been ignored in the angry rhetoric of such groups as the Sierra Club and the Natural Resources Defense Council. He may be right, though the list he proffers of more centrist organizations for a balanced view is not an entirely successful gambit—they, too, have plenty of criticisms. “At best, the secretary’s record has

been mixed,” says Paul Hansen, executive director of the Izaak Walton League, half of whose members are hunters. “There is an anti-public-land bias in this administration. The attitude is: we can’t manage what we have so we shouldn’t get any more. . . . Our members are becoming increasingly concerned and upset.” Scott Sutherland of Ducks Unlimited applauds Norton’s new emphasis on private-public incentive programs for conservation—the partnership theme. “At the same time,” he cautions, “we don’t want them to think that those . . . are the only solutions needed.” Michael Bean of Environmental Defense faults the administration for using “an accounting trick” to fund the incentive programs with money that Congress intended for land acquisition.

Especially troubling is Interior’s seeming desire to please off-road-vehicle owners—a relatively small but vocal bunch. Snowmobiles in Yellowstone and Grand Teton National Parks are the most dramatic example: Griles makes an earnest case that new four-cycle machines are much quieter, but why have them at all? Now Jet Skis are being sanctioned in such coastal refuges as Washington State’s Nisqually, according to one Fish and Wildlife official. “If off-road vehicles can access a wildlife refuge without harming the ecological value,” says Assistant Secretary Manson, “then why not?”

little to help species. “Habitat is essential to the conservation of species,” he clarifies. But “critical” habitat often means arbitrary boundaries on private land. Better to work with landowners.

“You have to look close,” retorts Jamie Clark, Fish and Wildlife director in the Clinton administration and a wildlife biologist herself. “Is it partnership? Or is it abrogation of their responsibilities?”

Wetlands are another interagency issue: here Interior weighs in, mostly through comments submitted by Fish and Wildlife, but the E.P.A. decides. In 2001, the Supreme Court ruled that certain isolat-

“IF OFF-ROAD VEHICLES CAN ACCESS A WILDLIFE REFUGE WITHOUT HARMING THE ECOLOGICAL VALUE, THEN WHY NOT?” SAYS FISH AND WILDLIFE’S CRAIG MANSON.



LAND MINE
Kathleen Clarke, the Bureau of Land Management’s director, at Red Rock Canyon, Nevada, in May 2002.

To the extent that Gale Norton’s Interior does engage in conservation, it tends to do so with other agencies, which is how the department connects to

some of the more distant dots in the Bush administration’s environmental picture.

Endangered species, for example, don’t live only on Interior lands. They live on U.S. Forest Service land, too. The head of the service is Mark Rey, a former lobbyist for the American Forest and Paper Association. For endangered species, Rey espouses the virtues of “partnership programs” with landowners, be they farmers or timber companies. So does Craig Manson, who caused a stir last May by declaring that the department had run out of legal funds to wrangle in court with environmental groups pressing to secure protection and critical habitat for one endangered species after another. But he doesn’t appear to be too upset about that. He feels strongly that critical habitat does

ed wetlands were not protected by the Clean Water Act. This year the E.P.A. and the Army Corps of Engineers interpreted the ruling to mean that many more isolated wetlands were no longer protected, either. As a result, about 20 percent of the country’s remaining wetlands—or roughly 20 million acres—have become vulnerable to developers. Astonishingly, the E.P.A. is pondering ways to go further, with a “proposed rulemaking” of more wetlands rollbacks; this has drawn, to date, 137,000 comments. Even Ducks Un-

limited’s “conservationist hunters” recently went on record opposing these changes. Julie Sibbing of the National Wildlife Federation says that Interior and Agriculture are strong influences on the E.P.A. in regard to wetlands, especially now, with Whitman gone. “They’re the real philosophical pushers behind the rollbacks,” she claims.

With both issues—endangered species and wetlands—the phrase “sound science” is often heard these days in the halls of Interior. “Sound science” means getting second opinions, usually from outside government. To government scientists, it often seems a way of ignoring the advice of career civil servants and finding industry-friendly scientists to justify changes that Interior’s new, private “partners” want.

“Trying to reach consensus with disparate factions—that isn’t science,” says Howard Wilshire, a former official with the U.S. Geological Survey, yet another

DENISE TROUSCELLO

THE WAR AT HOME

Interior agency. "In science, you don't go for consensus, you go for the truth."

The next frontier in conservation for Norton is water—long-term management of water in the West to deal with drought and it is here, in a new Interior report called "Water 2025," that nearly all of the themes of her tenure get braided together: development, partnerships, interagency work, sound science, and much talk of the four C's.

Along with general drought in the West, a local drama last year forced Norton to focus on how Interior might deal with water in the future. In the Klamath River basin, which cuts across the Oregon-California border, farmers demanded the right to draw off more water than ever before for irrigation. The U.S. Bureau of Reclamation, yet another agency within Interior, gave the farmers what they wanted, over the objections of career scientists who feared the dangers of a too shallow river for spawning salmon. Last fall, 33,000 salmon died—the largest-ever fishkill in the West. California's Department of Fish and Game concluded the low water flow caused the kill. In mid-July a federal judge agreed, ordering that the administration's ruling must be revised because it violates the Endangered Species Act.

Klamath showed just how fierce and complex the politics of water are, and Nor-

ton deserves credit for wading into them. Whatever she decides, one or more factions—ranchers, farmers, fishermen, lawn-watering suburbanites—will be furious. For enviros, a key issue is how much water Interior will fight to reserve for public lands, and here a recent decision seems ominous. Last April, Interior agreed with Colorado's attorney general to reserve a much smaller amount of water than it typically asks for for the Gunnison River, which flows through Black Canyon national park. Rebecca Wod-

ly gave ranchers unlimited grazing rights on public lands. His intent was to keep those lands from being overgrazed. An angry National Cattlemen's Beef Association and other livestock groups sued the government, and the case worked its way to the Supreme Court, only to lose in a 9-0 decision. The association's lawyer was William Myers.

William Myers is now chief solicitor of the Interior Department.

Now on the government side, Myers has proposed new regulations that give

"PEOPLE JUST DON'T WANT TO BELIEVE THAT THIS ADMINISTRATION IS SO ANTI-ENVIRONMENT," SAYS FORMER FISH AND WILDLIFE DIRECTOR JAMIE CLARK.

der, president of American Rivers, says the agreed-upon flow is devastating. "The needs of the park and endangered fish downstream are being jeopardized. This outcome ... is a step towards opening the doors for trans-basin water diversion to Colorado's Front Range."

As yet, "Water 2025" is only an outline. So is the inextricably linked issue of grazing rights, but the direction seems clear. In the Clinton years, Interior Secretary Bruce Babbitt revised old regulations that basical-

cattlemen much of what they tried to win in court, including ownership of any improvements they make, such as fences, water wells, and pipelines.

One frustrated B.L.M. insider listened to a speech by B.L.M. director Kathleen Clarke on how she hopes to adapt these changes for her agency, and posted an annotated version on-line. "Once the permittee [rancher] has ownership of these improvements," the critic wrote, "they will have a legal argument that any change in their way

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THE WAR AT HOME

of doing business is causing them harm and they therefore have a right to be compensated for that change or loss. Remember, these are public lands!"

Public lands. Threading its way through all these issues is a question that few at Interior appear to have asked. Whose lands are public lands? Do they belong to the states in which they lie, to be cared for or despoiled as those states see fit? Do they belong to the politicals at Interior, to be portioned off in accordance with the desires of an energy-minded White House? Or do public lands belong to all of us?

And if they do, are these the ways that a majority of us want them used?

For all the raw politics that appear to guide so many decisions at Interior, a reporter cannot spend two days at the department, going from one top political's office to the next, without realizing that more is involved here than paybacks and a desire to please western Republicans. The politicals really believe in what they're doing.

They believe in paring federal government and giving more power to states. They believe in doing whatever they can to tap energy reserves on public lands for future needs. They believe that environmental regulations are too restrictive for the country's own good. Most disconcerting, they convey these

beliefs with keen intelligence. Every last one of them is, like Norton, well spoken, warm and engaging, considerate and earnest.

The most openly philosophical of the bunch is Lynn Scarlett, assistant secretary of policy, management, and budget. Next to Norton, she's the political most responsible for Big Picture thinking. In her office at the end of a long day, she muses about the National Environmental Policy Act—the cornerstone of environmental law—which requires impact statements and public participation before the building of a power plant, say, or drilling in the Powder River Basin. "You look at that statute, and you read Section 101, the kind of opening salvo, and, by golly, it sounds like the four C's!... And yet somehow that grand vision has translated over the years into these hundreds of pages." So, she asks, with more power to answer the question than most, "where are we going to go with the National Environmental Policy Act?"

Increasingly, the consequences of that kind of thinking drive moderates to extremes. "What I can't get over," says former Fish and Wildlife director Jamie Clark, "is their total disregard for legacy. They're making irrevocable, irresponsible decisions. The costs of cleanup will be enormous." And yet, as she says, "the vast majority of the public, when you try to communicate

this to them, cannot believe it can be this bad. Poll after poll shows that people just don't want to believe that this administration is so anti-environment."

One day in May, Gale Norton makes another appearance against a backdrop of natural beauty. This time she's come to the East End of Long Island, New York, to celebrate another private partnership, this one with the Nature Conservancy to help preserve an endangered beach bird, the piping plover.

On a walkway above the Atlantic dunes in Westhampton, Norton smiles warmly and extols the \$9.5 million recently allocated for private partnerships to help conserve threatened and endangered species around the country. This is all part, she says to local reporters, of what she's come to refer to as the New Environmentalism. "At the heart of New Environmentalism," she says earnestly, "is a recognition that... we have in many ways reached the limits of what we can do through government regulation and mandates."

A local reporter, lulled by Norton's opening paragraphs, looks up suddenly at that last sentence. Has she heard what she thinks she heard?

Frowning, she puts pen to paper and begins to write. □



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Probe: Feds fabricated documents in Navajo trust case

By Jim Snyder

The Daily Times

WINDOW ROCK, Ariz. The Navajo Nation was told June 5 that the federal agency which oversees Navajo oil and gas leases had fabricated lost or destroyed documents for their own internal audit, said Perry Shirley, assistant director for the tribe's minerals department.

The Department of the Interior's Inspector General probe of the U.S. Minerals Management Service audit offices nationwide, including Farmington. The MMS is responsible for collecting \$6 billion each year in oil, gas and mineral royalty fees from companies mining federal land off-shore drilling.

"We concluded that the (MMS audit offices) system was not sufficient that some MMS's audits did not meet standards," said Anne Richa regional audit manager in Denver, in a written statement.

"We're not surprised," said Navajo tribal member Calvert Garcia. Garcia, a member of Navajo President Joe Shirley Jr.'s inner-circle Window Rock and president of the Nageezi Chapter, has long contended serious management problems exist within the U.S. government in supervising those leases for the Navajo people resulting in lost or reduced royalty payments.

The IG's conclusions could have implications in the Cobell v. Norton lawsuit because the lawsuit alleges a breach of trust between Native American tribes and the Department of the Interior.

Elouise Cobell contends the DOI has mismanaged royalty trust payments known as Individual Indian Money accounts to Native Americans since the late 19th century and continues to mismanage payments to this day. She alleged mismanagement of royalty fees from oil and gas leases as well as many as 40,000 Native Americans in six western states.

At the heart of the March DOI report is an accusation by the IG that in at least one instance MMS auditors recreated missing or destroyed documents they could not find for the MMS internal audit.

The IG report states "MMS delivered the newly created working papers to us without any mention of the reconstruction. MMS only admitted they had reconstructed the working papers after we confronted them with our questions."

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The reports adds "One of the employees who created false documents given a monetary award for creativity."

The MMS responded in the report that "There was no intent on the part of the auditor and audit supervisor involved to mislead the OIG."

The IG's report also concluded the MMS internal audit was "ineffective because it lacked accountability ... and was incomplete." It also said MMS auditors were "deficient in their training and therefore should have been conducting audits."

The report further stated that in 10 out of 14 audits, "MMS auditors did not follow professional care."

The Navajo Nation said they were aware of the DOI audit of the MMS but were unaware the MMS had fabricated documents for their internal audits until a June 5 meeting of the state and tribal Royalty Audit Commission.

"Ms. Debbie Gibbs-Tschudy, assistant program director, Onshore Compliance and Asset Management, MMS, informed me that the leases involved were Navajo allotted oil and gas leases," Perry said. "Furthermore, the MMS' Dallas Compliance Office was the one most involved in the incident," he added.

Garcia said he thought the MMS is overworked and understaffed.

"It was very complicated for the MMS service in Denver to keep track of thousands and thousands of federal trust lands ... there was no way we could," Garcia said.

"We knew there were oil companies that were not up to date (with royalty payments)," he added. "The excuse was oil prices were low, or there wasn't enough production. But people knew darn well there was oil production being shipped out by truck."

Garcia also said Tuesday that the MMS office in Denver made a scandal out of Kevin Gambrell, director of the Farmington Indian Minerals. Gambrell was put on paid-administrative leave without being given a reason after the DOI report was published.

"Kevin is a whistle blower, that's all he is," Garcia said, adding that Gambrell is a real Navajo. He's always worked with the Navajo people. His problem is here. It is typical retaliation by the Department of the Interior."

U.S. Sen. Jeff Bingaman, D-N.M., tried to get to the heart of the matter during a June 2002 meeting in Bloomfield about royalty payment.

Instead he was given a rundown of the U.S. government's bureaucratic maze from the time it takes when an oil and gas company makes a royalty payment to the MMS to the time a Navajo allottee actually receives a check.

"There's two bottlenecks, the Mineral Management Services and the Department of Indian Affairs," Bingaman said at the time.

Garcia added Tuesday that "Too long have we sat here quiet, to be silent around, directed around. Why should we be subject to something

8/25/04

is not going to be to our advantage? Even with the (BIA) reforms still would not work."

Jim Snyder: jims@daily-times.com

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*226 F. Supp. 2d 1, *; 2002 U.S. Dist. LEXIS 17564, ***

Cobell v. Norton

Civil Action Number 96-1285 (RCL)

UNITED STATES DISTRICT COURT FOR THE **DISTRICT OF COLUMBIA**

226 F. Supp. 2d 1; 2002 U.S. Dist. LEXIS 17564

September 17, 2002, Decided

September 17, 2002, Filed

SUBSEQUENT HISTORY: Vacated by, in part, Remanded by *Cobell v. Norton*, 2003 U.S. App. LEXIS 14433 (D.C. Cir., July 18, 2003)

DISPOSITION: [****1**] Court found defendants in contempt of court.

CASE SUMMARY

PROCEDURAL POSTURE: Plaintiffs, class representatives for Individual Indian Money account beneficiaries, filed suit against the Secretary of the Interior and other federal officials to compel performance of trust obligations. The matter was before the court after a 29 day bench trial to determine whether defendants, the Secretary of the Interior, and the Assistant Secretary of Interior for Indian Affairs, should be held in civil contempt of court.

OVERVIEW: The court ordered the government officials to show cause why they should not be held in civil contempt for, inter alia,; (1) failing to comply with the court's prior order to initiate a Historical Accounting Project; (2) committing a fraud on the court by concealing the Department of the Interior's true actions regarding the Historical Accounting Project during the period from March 2000, until January 2001; and (3) committing a fraud on the court by failing to disclose the true status of the Trust Asset and Accounting Management System (TAAMS) project. The court held that the officials were in civil contempt of court. The court reasoned that the Department of Interior did not take any substantive measures (except publishing a **sham** notice in the Federal Register) during the 18 month period following the court's Phase I trial decision to provide the beneficiaries with the accounting that they were legally entitled to receive. The court also held that the officials committed a fraud on the court by concealing the Department's true actions regarding the Historical Accounting Project and by failing to disclose the true status of the TAAMS project.

OUTCOME: As a result of their fraudulent conduct, the court held that the officials were in civil contempt of court.

CORE TERMS: contempt, accounting, phase, secretary, subproject, special master, sampling, statistical, memorandum, receiver ...

JUDGES: [...**1] Royce C. **Lamberth**, United States District Judge.

OPINIONBY: [...**1] Royce C. Lamberth

OPINION:

----- Footnotes -----

... [*34] [****71**] albeit not officially--to use statistical sampling as the method of performing the historical accounting no later than June of 2000. This finding is important because it supports the plaintiffs' contention that the publication of the notice in the Federal Register was a **sham**. That is, if the Department selected a specific method to perform the historical accounting before the comments to the notice in the Federal Register were collected and evaluated, then the plaintiffs would be well on their way to proving that the Federal Register process was a farce and that the ...

... [*113] [****312**] a historical accounting project as required by the Order of December 21, 1999. The findings of fact presented above clearly establish that the Department of Interior did not take any substantive measures (except publishing a **sham** notice in the Federal Register) during the eighteen month period following the Court's Phase I trial decision to provide the plaintiffs with the accounting that they are legally entitled to receive. The Court is both saddened and disgusted by the ...

... [*114] [****314**] historical accounting of the IIM trust accounts. Instead, as the Court discussed at great length above, for more than a year after the Court's Phase I trial ruling the Department engaged in a **sham** Federal Register process that greatly misled this Court. In particular, that process caused this Court to believe that the agency was utilizing a valid administrative approach to determine which accounting method it would use to perform the required historical ...

... [*161] [****464**] Gover in the pantheon of unfit trustee-delegates.

A separate order shall issue this date detailing the legal conclusions and relief granted by the Court.

Date: 9-17-02

Royce C. Lamberth

United States District Judge

Source: Legal > Cases - U.S. > Federal Court Cases, Combined .i

Terms: date(aft 1999) and sham and lamberth and court(district w/2 columbia) (Edit Search)

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Date/Time: Monday, August 25, 2003 - 11:27 AM EDT

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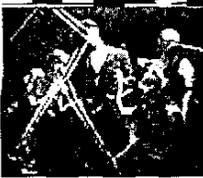
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This Week

May 27 - May 30, 2003

Transcript 

ANNOUNCER: Tonight on NOW WITH BILL MOYERS: who is J. Steven Griles, and why should you care?

SYKES: Steven Griles is just the poster child of the corporate influence on this administration.

ANNOUNCER: Conflicts of interest at the Department of the Interior. A NOW investigation. *And is the government too involved in regulating the environment?*

SMITH: Political institutions are not always the best way to protect things we care about.

ANNOUNCER: Fred Smith, champion of free enterprise; a Bill Moyers interview. *And the notebooks of Leonardo da Vinci.*

ZIMMERMAN: Everyone loves Leonardo da Vinci, and particularly I think children. He's the figure of such inventiveness, such vitality, such endless curiosity.

ANNOUNCER: Dramatist and director Mary Zimmerman on the mind of a genius. *And a Bill Moyers Journal.*

All that tonight on NOW WITH BILL MOYERS, the weekly newsmagazine from PBS.

ANNOUNCER: From our studios in New York, Bill Moyers.

MOYERS: Welcome to NOW.

On the campaign trail in the year 2000, George W. Bush promised, among other things, to reduce carbon dioxide emissions from domestic power plants. Then once he got into office, he broke that promise.

He also withdrew the United States from the Kyoto Treaty on global warming, he suspended clean-up regulations for mining companies, and he canceled the regulations on arsenic in drinking water.

What industry wanted, industry got from a President who, according to his former speechwriter David Frum, often refers to environmentalists as "green, green lima bean

Just this week, the Knight-Ridder newspapers reported that our national parks are in a state of receiving only 15 cents for every dollar needed to repair long overdue maintenance problems.

And the United States Fish and Wildlife Service announced it will temporarily stop designating land as critical habitat for threatened and endangered species because, they say, they're running out of money.

Both the Park Service and Fish and Wildlife are overseen by the United States Department of the Interior.

And what's happening at Interior is part of a pattern, a familiar story.

Follow the trail, and it leads through the revolving door to industry lawyers, lobbyists, executives now holding key positions — foxes guarding the henhouse.

Here's a report on one of them from producer Katie Pitra and our senior Washington correspondent, Roberta Baskin.

BASKIN: You've probably never heard of him. But you are looking at one of the most powerful public officials in Washington. And one of the most controversial.

GRILES: When the President asked me to be the Deputy Secretary of the Interior, I really didn't understand what he had in mind.

BASKIN: His name is J. Steven Griles and regardless of what the President had in mind, the effect was to take someone who has deep corporate ties, move him through the revolving door, and put him in charge of America's mineral resources and land holdings. Listed as number two in the department, Griles, in effect, is interior's chief operating officer. He runs the place.

GRILES: We're the implementers.

BASKIN: What he's implementing worries environmental groups so much that one of the most powerful Friends of the Earth, has assigned Kristen Sykes the job of Interior Department Watchdog, dedicated to tracking Griles.

SYKES: Steven Griles is just the poster child of the corporate influence on this administration.

BASKIN: Sykes and others are alarmed that the Interior Department has been steadily reversing one environmental safeguard after another, favoring business and industry, allowing them to exploit public resources for profit. For example, the Interior Department recently decided to eliminate wilderness protection eligibility for millions of acres of public lands. Immediately two and a half million acres in Utah, including Red Rock Canyon National Monument, are now open to potential commercial development. The decision abandons three decades of Interior Department policy designed to protect public lands under consideration as wilderness areas.

Before his nomination to Interior, Griles was known as one of the energy industry's most powerful lobbyists... a fact that made some members of Congress uneasy about his appointment to such a high ranking position in the federal government.

WYDEN: The record indicate that the J. Steven Griles of the past is going to be back in action after the Senate confirms him.

BASKIN: Prior to his confirmation as Deputy Secretary, Griles promised that if he got the job, he would take steps, quote, "to avoid any actual or apparent conflicts of interest" quote "recuse myself for one year from my appointment...from any particular matter involving my former clients... unless the Department of the Interior determines...that the interests of the government outweigh any appearance issue that may be present."

That was good enough for the Senate. They confirmed him in July of 2001.

Concerned that an industry insider was now in charge of the nation's natural resources, Sykes read and researched everything she could get her hands on about Griles. She also filed Freedom of Information Act requests, which eventually turned up Griles' appointment calendars for the first 17 months he was on the job. It proved to be a revealing paper.

SYKES: This is over ten pages of energy meetings that he has had since he's been at the Interior Department...

You don't see meetings on what are we gonna do about our visitor centers that are crumbling in our national parks. You see meetings with Alaska officials about drilling in the arctic. You see meetings about oil and gas development in Wyoming. This is not an agenda that is created just to implement the President's energy plan. It's to protect our lands for future generations.

BASKIN: Take just one area of concern to Sykes and other environmentalists. Industry wants to drill for methane gas in the coalbed landscape of Montana and Wyoming's Powder River Basin. The Department of Interior has approved the drilling of 77,000 methane wells and the laying of 30,000 miles of pipeline. The estimated impact on the environment includes not just wells and pipes, but also a trillion gallons of high-sodium water pumped out from underneath which would destroy the land for agriculture. It will be the largest natural gas project on federal land ever.

Griles favors the plan.

GRILES: One of the biggest resources discovered in the last 10 years in the West is coalbed natural gas. It's quickly producible, drilling in coalbed doesn't take that long, and much capital. And it is a good resource that's being brought to the market. We're doing a number of things in the department to try to expedite drilling.

BASKIN: As a lobbyist for private industry, Griles was a major strategist pushing for the project. Once he entered government, says Sykes, Griles was helping to make it happen.

SYKES: He represented a number of coalbed methane companies in Wyoming and Montana and actively was involved in the coalbed methane project at the Interior Department. It's kind of like he greased the skids and then made sure that things kept rolling when he got to the Interior Department.

BASKIN: What makes her believe that? Sykes' investigation produced appointment records showing that in his first year — the year in which he promised to avoid even the appearance of a conflict of interest — Griles was present at two meetings attended by former clients involved in the project.

The records don't show what was discussed in these meetings. But consider this: last year the Interior's Bureau of Land Management prepared an Environmental Impact Statement on the coalbed methane project. In a draft letter, the Environmental Protection Agency gave it the worst possible rating. That could have thrown a roadblock in front of the Powder River Basin drilling. Griles intervened and took the EPA to task. He wrote to the Deputy Administrator suggesting they work together instead of the EPA issuing a letter that quote: "will create the worst, misimpressions, and possibly impede the ability to move forward in a constructive manner."

SYKES: So the fact that he was involved in this issue that had clients that he used to represent is a clear conflict of interest and is one of the greatest examples that we've seen that he has actually, in fact, violated his ethics agreement.

BASKIN: Interior's lawyers decided otherwise. They looked at Griles' letter to the EPA and concluded it did not violate ethics rules. They nonetheless reminded him, quote, "as we have discussed, you have prior association with several of the coalbed methane companies. . . . we agreed that you would not participate in the Department's decisions..."

Griles was then asked to sign another recusal.

HEARING: We got several questions here about your Deputy Secretary Steven Griles. He has been charged by several environmental groups and Senator Lieberman with some conflict of interest problems.

BASKIN: Recently Gale Norton, Griles' boss at Interior, was asked to respond to questions about apparent conflicts of interest involving her deputy. She defended him.

NORTON: Steve is a very conscientious and very hard working person. He has striven to meet the highest standards of ethics. We are working within our department to see that all of us do that.

BASKIN: This isn't the first time Griles' activities have raised questions about conflicts of interest. He was in charge of Lands and Mineral Management at Interior during the Reagan administration.

Back then Griles' department produced some controversial decisions, including a reduction in coal royalties just prior to Griles leaving office to work as a coal industry executive and lobbyist. His department's action cost taxpayers more than 33 million dollars before the Bush administration reversed it.

Nevertheless, with the election of George W. Bush, Steven Griles was invited to leave his work as a corporate lobbyist and welcomed back through Washington's revolving door.

ALBERSWERTH: Steve is a classic example of a person who has gone from government to business where he then lobbies the government and then back into government where he helps out the businesses that he used to lobby for and probably will go back and lobby for them with the government at some point in the future.

BASKIN: Dave Alberswerth, a former Interior Department official himself, is now with the Wilderness Society.

BASKIN: Don't conservationists do the same thing?

ALBERSWERTH: *They certainly do and I'm an example of that. The difference is that conservation organizations are not interested in exploiting the natural resources of our public lands in order to make a profit. They are more interested in making sure those lands are conserved and the environment is protected for future generations.*

BASKIN: Those trips through the revolving door are why some Senators tried to block Griles' confirmation as Deputy Secretary.

WYDEN: I rise tonight to discuss my opposition to the nomination of J. Steven Griles as Deputy Secretary of the Department of Interior.

BASKIN: Democrat Ron Wyden of Oregon was one of four Senators on the Energy and Natural Resources Committee who voted not to confirm Griles.

WYDEN: I was worried that given his horrendous record before this appointment that he would get more of the same when he came to the Bush administration and so I met with him on several occasions, and each time I asked him one question, and that is, "what would h

now to bring a more balanced approach to carrying out the duties of his office?" And he couldn't give any examples. I was forced to conclude that really nothing had changed.

BASKIN: Griles' opponents in the Senate note that when he was confirmed he agreed to close down his lobbying firm and sell his interest and client base in another lobbying firm, National Environmental Strategies — which could potentially benefit from Interior Department decisions. Griles sold it to his former business partner, Marc Himmelstein. The agreement, disclosed to Interior's ethics office, provides Griles with payments of \$284,000 per year for four years. It's all perfectly legal. Still, Kristen Sykes questions that arrangement.

SYKES: I would say that if you asked any person on the street and you said, "Here's an official at the Interior Department. He's getting over a million dollars from his former lobbying firm." that they would be concerned about that.

BASKIN: As Sykes continued her search of Griles' calendars for appointments he may have had with former clients, she turned up meetings with one listed here as NMA, which is the National Mining Association. At the time, the organization was lobbying to relax mountaintop mining standards. The Bush administration favors allowing mountaintop mining by the industry, a process which decapitates mountains and can dump millions of tons of rock and mineral waste into waterways and valleys.

SYKES: I would say it's definitely an appearance of a conflict of interest if the National Mining Association and some West Virginia coal companies are actively trying to change laws so that they can dump this waste into waterways and meanwhile Steven Griles is having meetings with them.

BASKIN: Kristen Sykes kept digging. When she compared Griles' calendar to that of another Interior official, she turned up an interesting omission. The other calendar shows a private dinner including Griles and other top Interior officials. It was at the home of Griles' former business partner, Mark Himmelstein, who's still lobbying the department.

Griles' calendar also shows the dinner, and includes the names of the Interior Department officials. But it says nothing about Himmelstein.

BASKIN: Did this show up on Griles' calendar?

SYKES: Dinner with Cason, Watson, Burton, Clark and Jerret. But it doesn't say Mark Himmelstein on there.

BASKIN: Why would that be?

SYKES: Well, maybe he was worried that he was violating his ethics agreement and didn't want to get caught.

BASKIN: Sykes doesn't know if Griles intentionally left Himmelstein off his calendar, or does she know what was talked about that evening. But she does know that Himmelstein is a lobbyist for the Electric Power Research Institute. It represents utilities which would directly benefit from the Bush administration's top environmental initiative. The initiative, environmentalists say, would delay tighter standards on mercury emissions, a major pollutant of the coal industry. So Griles' former business partner has a stake in the plan.

GRILES: In the short term the President has asked Congress to pass what we call the Clear Skies Initiative.

BASKIN: Griles, it turns out, sits on the President's senior policy group for Clear Skies. He has participated in at least 11 of its meetings on the issue. According to the WASHINGTON POST, at one of those meetings, former Griles' client, Edison Electric Institute made its case for its interests on clear skies.

SYKES: I would say that because he, Steven Griles represented Edison Electric Institute on clean air issues and was discussing the Clear Skies Policy Initiative with them that that

clearly a conflict of interest and would violate his ethics agreement.

WYDEN: He does seem to be out campaigning for a proposal that doesn't even lie with agency's jurisdiction. It's a program that's supposed to be administered by the Environmental Protection Agency, and yet he is out doing something that could well be his former clients.

BASKIN: And finally there's Griles' involvement in off-shore oil and gas drilling.

In 2001, the Bush administration decided not to pursue drilling off the coast of Florida. Chevron, a client of one of Griles' old firms, was holding oil and gas leases to drill there. In compensation, the Interior Department paid Chevron 46 million dollars to buy back the leases. Griles participated in at least four meetings on that subject. But according to a department spokesman quote 'made no final decisions'. More recently Griles has attended at least 10 meetings concerning oil and gas leases off the coast of California where a federal appeals court is delaying extending drilling leases.

Two of the leaseholders in California — Devon Energy and Aera Energy, partly owned by Shell — want \$780 million in compensation. Devon and Shell are also former clients of Griles.

We repeatedly asked for an interview with Griles, and were turned down. We wanted to hear his side of the story. So at a recent public event where the press was invited, we showed up, hoping Griles would talk with us. He would not. But the questions about conflicts of interest remain.

WYDEN: These are troubling issues that concern a number of us in the United States Senate and I hope that Mr. Griles will finally be forthcoming and answer them.

BASKIN: As for Kristen Sykes, she'll continue tracking Steven Griles day to day. In the latest batch of calendars, something new caught her eye. As recently as late last year, she was receiving an "ethics briefing" inside the Department of Interior.

MOYERS: Under pressure from some members of Congress, the Interior Department's Inspector General is now investigating Mr. Griles' behavior in these matters.

But will those findings make any difference in a department filled with so many people who came to government from — you guessed it — industry?

Look at the record: Interior Secretary Gale Norton, Griles' boss, is a protegee of James Watt, the controversial Secretary of the Interior who resigned under fire in 1983.

James Watt was the founding President of the Mountain States Legal Foundation, which defends mining, timber, and oil interests from environmental regulations. Its funding has come from wealthy conservatives and corporations such as Chevron, Texaco, Exxon, and U.S. Steel, among others.

Gale Norton was a senior attorney there before she came to Interior, and a lobbyist for NL Industries, the "L" stands for lead.

NL Industries has been a defendant in lawsuits involving 75 toxic waste sites. Two other officials at Interior came out of that same pro-corporate school.

Bennett William Raley, the Assistant Secretary for Water and Science, was on the group's board of litigation.

So was Rebecca Watson, who became Assistant Secretary for Land and Minerals Management after spending most of her legal career defending the mining and logging industries.