

# Secret Science

*John Beale and an EPA story of fraud and deceit.*

*By Michael S. Coffman, Ph.D.*

**P**rior to being hired by the Environmental Protection Agency in 1988, John Beale drifted from job to job in a small town, working in a law firm, on a political campaign, and even on an apple farm. He had no legislative or environmental policy experience. Yet, when he was hired by his best friend Robert Brenner (who happened to be deputy director of the powerful Office of Air and Radiation at the EPA), Beale was employed at the highest pay scale for general service employees, a post that typically is earned by those with significant experience.

That is merely the opening salvo of a riveting, very well-documented 67-page Senate

down or forcing horrendously expensive modifications to factories and businesses, as well as adding thousands of dollars to new cars. Beale created this monster based mostly on lies, just as he failed to tell the truth to his fellow co-workers about his working for the CIA and a host of other felonies. Beale represents the poster child of corruption in the EPA, and probably many other federal agencies as well.

## **Anatomy of Corruption**

Along with most land management-based federal agencies, progressive green ideology permeates the EPA like cancer. Yet another

activists, the job of the EPA (as well as other agencies) is to stop perceived destruction at all costs, which has resulted in the lust for power that we are presently witnessing.

In a deposition before the House Committee on Oversight and Government Reform on Dec. 19, 2013, Beale claimed he was not a radical environmentalist but only had an “interest in environmental issues.” However, in conflicting testimony before another House oversight panel, Brenner said he recommended Beale for a spot in the EPA because of his “deep knowledge of and interest in environmental issues.” According to the Senate report, Beale’s genius lay in his “charisma” and his amoral belief that “the end justifies the means.” When current EPA administrator Gina McCarthy was Beale’s boss in the Office of Air and Radiation, she swooned, “John Beale walked on water at EPA.”

How Beale essentially controlled EPA policy was diabolical and dazzling. He used his charm to quickly work himself into the position of absolute gatekeeper of the data used by the EPA to justify its endless air quality regulations. Although EPA’s leaders had excused the use of pseudoscience for years, Beale took it to stratospheric levels. He used data from nonpeer reviewed studies often done by *radical groups* to justify new regulations, and then blocked any and all efforts by others to review the data. He led the effort to create the 1997 NAAQS for ozone and particulate matter (PM), which became the sledgehammer that allowed “the exponential growth of the agency’s power over the American economy,” according to the Senate report.

## **Sue and Settle**

Beale’s brilliance did not stop there. Both Beale and Brenner were first to use the sue-and-settle method in 1997 of imposing massive regulatory changes with little scientific justification. In sue and settle, the EPA allows environmental groups to sue the agency over some perceived environmental malfeasance and the agency immediately settles out of court by paying the environmental group huge settlement costs and then crafting new rules demanded by the group.

Sue and settle is quite lucrative. The *National Law Journal* reports various environmental groups received \$4 million and \$3 million in legal settlements in 2012 and 2013, respectively. The environmental groups then use the settlements to sue the EPA on another



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Former EPA executive John Beale is now serving hard time in federal prison for fraud. He bilked the EPA out of nearly a million dollars in unmerited salary and business expenses while claiming he was an undercover CIA agent. OPPOSITE: Robert Brenner—testifying before Congress with Beale on Oct. 1, 2013—was deputy director of EPA’s Office of Air and Radiation when he hired his best friend, John Beale, in 1988 at an exorbitant salary.

Minority Report of the U.S. Senate Committee on Environment and Public Works. The Senate report, “EPA’s Playbook Unveiled: A Story of Fraud, Deceit, and Secret Science,” shows that “the same mind that concocted a myriad of ways to abuse the trust of his EPA supervisors while committing fraud is the same mind that abused the deference afforded to public servants when he led EPA’s effort on the 1997 NAAQS.”

If that acronym sounds evil, that’s because it is. NAAQS stands for National Ambient Air Quality Standards, the constantly changing standards that keep shutting

Senate report (see “Green Billionaires,” p. 23) proves that most senior EPA positions are staffed with radical environmentalists: “The green revolving door at EPA has become a valuable asset for the far left and their wealthy donors. In addition to providing insider access to important policy decisions, it appears activists now at EPA also funnel government money through grants to their former employers and colleagues.”

The EPA is driven by a nihilistic green ideology that holds that humans are destroying the earth. (See “Agenda 21: Swallowing America,” *RANGE*, Winter 2014.) To these

er issue. That, however, pales in significance to the impact of sue-and-settle sweetheart deals on the U.S. economy which are in the tens of billions annually. In just one EPA Utility MACT (Maximum Achievable Control Technology) Rule that was rammed through following a sue-and-settle arrangement with a coalition of environmental groups in 2009, the rule now costs utilities \$9.6 billion a year. (Also see “The Economy-Wrecking EPA,” *RANGE*, Spring 2012.)

Meanwhile the affected states are not told about this cozy deal until they see the new rule in the Federal Register. Because they have no input into the process, states’ rights are literally replaced by environmental demands of groups that get richer for their advocacy to “save the earth.” When states do find out about the sue-and-settle cases and try to intervene, the EPA can usually block them.

The Senate report details how Beale avoided any criticism to new standards: “In the case of the 1997 NAAQS, [Beale] started with a sue-and-settle agreement with the American Lung Association, which established a compressed timeline to draft and issue PM standards. This timeline was further compressed when EPA made the unprecedented decision to simultaneously issue new standards for both PM and ozone. Issuing these standards in tandem and under pressure of the sue-and-settle deadline, Beale had the mechanism he needed to ignore opposition to the standards and *all* dissenting opinions.”

Simultaneously, the EPA (i.e., Beale) issued a “policy call” to regulate PM2.5, which are ubiquitous, invisible tiny particles in the atmosphere that the EPA claims can cause cancer and a host of health problems. While most are natural background, the EPA claims that pollutants increase the PM2.5 to unhealthy levels for humans and its PM2.5 level was justified using two highly questionable data sets: the Harvard “Six Cities” and American Cancer Society “ACS II” studies. Both studies “rely on primary research that was conducted more than 15 years prior to their selection by EPA—well before advancements in air quality,” according to the Senate report. Yet the use of such weak studies reveals the importance of Beale shielding the underlying data from scrutiny.

### **Corruption Breeds Absolute Corruption**

By controlling the data and results of analysis of that data, and not allowing verification, Beale could control EPA’s economic analysis,

**For nearly 20 years and without any environmental experience, John Beale rode roughshod over every air quality standard set by the EPA, using unscientific secret data that he denied anyone else access to, while shutting down any criticism from anyone. His actions are costing the nation hundreds of billions, even trillions of dollars. Worse, he is costing families their jobs and a dramatically reduced standard of living.**

overstate the benefits and underrepresent the costs of federal regulations. The Senate report found that “evidence suggests *EPA inflated its original benefits estimates 40 fold!*” (Italics added) This technique has been applied over the years and burdens the American people today. Up to 80 percent of the alleged benefits associated with all NAAQS regulations are attributed to supposed PM2.5 reductions.

Ron Arnold, executive vice president of the Center for the Defense of Free Enterprise, has studied eco-corruption in our government for decades. When learning of Beale’s shenanigans, Arnold used this analogy to better understand the magnitude of the fraud he and the EPA perpetrated against American citizens and businesses: “EPA begins with a bucket of dust (particulate matter), and promulgates a rule that’s supposed to empty the bucket. No more dust. Then another rule comes along with a [brand new] bigger bucket of dust that the new rule won’t empty, but adding on the old rule’s ‘co-benefit’ will. Over time, this happens with 33 buckets of dust that magically vanish and reappear as bigger buckets of dust.”

In short, the EPA’s progressively constraining NAAQS standards are nothing more than a magical self-perpetuating black box that keeps spewing out the fraudulent justification needed to further destroy the U.S. economy and harm its citizens. Using EPA data, Sen. Kris Jordan (R-OH) claimed

in a statement during a July 6, 2011, House Subcommittee on Oversight and Government Reform hearing that the EPA’s Utility MACT Rule alone was “projected to cost \$10.9 billion in 2016, and the Cooling Water Intake Rule could cost as much as \$4.8 billion a year. NAAQS for ozone is projected to cost a staggering \$1 trillion in costs to manufacturers and, according to the National Association of Manufacturers, lead to 7.3 million jobs lost between 2020 and 2030.” Another study, claimed Jordan, shows 1.44 million jobs lost from 2013 to 2020. John Beale’s fingerprints were all over these rules.

### **The Big Mistake**

In his first major error, Beale wrote the now infamous “Beale Memo,” a confidential document that was leaked to Congress during the controversy. The Senate report reveals: “[Beale] pressured the Office of Information and Regulatory Affairs to back off its criticism of the NAAQS and forced them to alter their response to Congress in 1997. EPA also brushed aside objections raised by Congress, the Office of Management & Budget, the Department of Energy, the White House Council of Economic Advisors, the White House Office of Science and Technology Policy, the National Academy of Sciences, and EPA’s own scientific advisers—the Clean Air Science Advisory Committee.”



EPA’s own scientific advisers warned EPA that the “Six Cities” study was “not in the peer-reviewed literature” and emphasized that there were significant uncertainties with the data. Worse, according to the Senate report: “Since the 1997 stan-

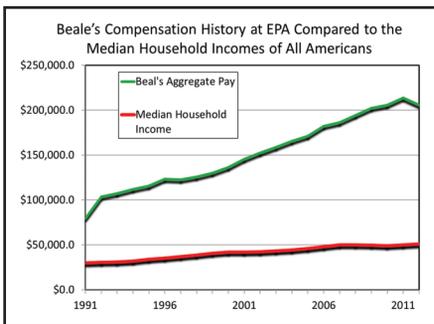
dards were issued, *EPA has steadfastly refused to facilitate independent analysis of the studies upon which the benefits claimed were based.* While this is alarming in and of itself, this report also reveals that the EPA has continued to rely upon the secret science within the same two studies to justify the vast majority of all Clean Air Act regulations issued to this day. In manipulating the scientific process, *Beale effectively closed the door to open scientific enquiry, a practice the agency has followed ever since.*” (Italics added)

The health impacts attributable to PM2.5 and NAAQS enforcement have never been independently verified because the EPA has refused to allow anyone to review the data. This seems to be true for every other federal

agency as well, especially those dealing with global warming—notably National Oceanic & Atmospheric Administration (NOAA) and National Aeronautics & Space Administration. This is *not* science because science must have independent verification.

### An Outside Challenge

With no way to get EPA's data, Charles River Associates, a nonpartisan global consulting group, did its own expensive independent study of health impacts by various levels of ozone. Dr. Anne Smith testified to Congress



on Oct. 9, 2007, saying, “We reproduced EPA’s risk estimates and found that *very little of EPA’s estimated mortality and morbidity risk is attributable to days when the maximum eight-hour average level of ozone is more than 70 ppb.*” (Italics added) NAAQS standards currently cannot exceed 75 ppb in an eight-hour period. Yet, in spite of the now exposed fraudulent data the EPA bases its justification upon, the agency is replacing 75 ppb with a new rule, now out for public comment, to lower the standard again to 60, 65 or 70 ppb.

Smith continued to decimate EPA’s justification: “We also emphasize that EPA’s city-specific mortality risk estimates are statistically insignificant for most of the cities considered.... We find that the small mortality risk estimates for ozone days with a maximum eight-hour average above 70 ppb are dwarfed by a range of uncertainty that is centered around zero, making these risk estimates indistinguishable from there being no effect at all.”

The Charles Rivers Associates’ analysis is just one study, but at least it can be verified. If it survives further analysis, its findings will totally destroy the EPA’s claim that there is any benefit to the NAAQS standard for ozone. *None.* In other words, EPA is not using science to justify its regulations but rather politically driven secret analyses that give it the predetermined results it needs to fraudulently justify its new regulations.

In November 2012, an EPA Human

Relations employee noticed Beale was still drawing a salary after supposedly retiring in 2011. HR brought the issue to the attention of Gina McCarthy, then Beale’s boss at the EPA’s Office of Air and Radiation, who then questioned Beale. Beale said he needed the EPA cover for his CIA work, but the CIA has no record of Beale as an employee of any intelligence agency. It would later be revealed that Beale was vacationing at home or elsewhere in the world and had no intention of darkening the doors of the EPA to actually work.

Mark Kaminsky, an investigator for the Office of the Inspector General, notes that Beale was atypical in that “he lied across all aspects of his life.” Kaminsky eventually proved the continuous lying, forcing Beale to enter a guilty plea on Sept. 27, 2013, to felony theft of government property. Three days earlier, he had given the federal government a certified check for \$886,186 to repay his theft. Gina McCarthy, who apparently never once questioned Beale’s in-your-face double life, is now the head of the entire EPA.

Beale is now serving a 32-month sentence for fraud at Maryland’s medium security Federal Correctional Institution in Cumberland and two years of supervised release. The conviction was not based on his mind-bending trillion-dollar fraud against the American people by using nonscientific secret data to justify his regulations, but on “government theft of nearly \$900,000, pursuant to a plea agreement covering Beale’s crimes from 2000 to 2013.” He is still idolized by many within the EPA, which further highlights the *despicable* culture within that rogue agency.

On July 9, 2014, the negative political fallout caused by the Beale prosecution and imprisonment caused the EPA to finally agree to turn over the “secret” raw data driving the NAAQS’ fraud. Nine days later Gina McCarthy was sworn in as EPA’s new administrator. The hope of finally getting the EPA’s secret data was short-lived. The EPA again stonewalled and, like all the other Obama “scandals,” the agency’s excuses were endless and the stories kept changing. Finally it was learned that there is apparently massive data-related misconduct in which primary data was not preserved, bad data storage made retrieval nearly impossible, and the final excuse that only qualified scientists can have access. Not surprisingly, these are the same excuses used by NOAA to not allow even qualified scientists to have access to raw glob-

al temperature data.

In spite of the exposure of Beale’s fraud, it’s business as usual at the EPA. The secret data remains in hiding and the sue-and-settle strategy continues to be used to ram new regulations down Americans’ throats without review. Simply stated, corruption is the norm in the EPA, some of it likely criminal in nature. Based on what is happening in other federal agencies, this bad and often illegal behavior seems to have spread throughout our government and citizens’ lives and livelihoods are suffering because of it.

The damage that has been done is the inevitable result of unconstrained “big government.” With this kind of cancer so deeply embedded throughout the agency, the EPA cannot be fixed. It must be completely dismantled, firing most of the staff and letting states regulate their own environment. If a federal EPA is really needed as the result of political pressure, it must be done by creating two agencies and separating rule making from enforcement, both with very strong congressional oversight. The revolving door between EPA and leftist green groups must be shut down. The same is true for many other federal and state agencies.

Another intriguing idea comes from Dr. Jay Lehr, who is science director for the Heartland Institute. Lehr played a major role in creating the EPA in 1971 and helped write some of the legislation passed by Congress in the 1970s. He agrees the agency has become so corrupt that it must be disbanded and replaced with what he calls the Committee of the Whole, comprised of representatives from the 50 state environmental protection agencies. The changeover would occur over a five-year period. While worth considering, there will be concern that extreme green ideology has permeated state environmental agencies as well. ■

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