

Environmental Health

Chief Denies There Was Any Connection

By Kevin Abell

Donald H. Noren, the state's top environmental health officer, acquired an interest in an Anne Arundel County development tract in 1977 at the same time his office was rewriting sewer regulations that cleared the way for construction of the long-stalled project.

Mr. Noren, who has denied there was any connection between the change in the regulations and the land deal, said he became involved in the venture when he was approached by Maurice R. Wyatt, then patronage chief for convicted Gov. Marvin Mandel.

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"Maurice talked to me and I decided to go into it since it wasn't going to cost me much money," said Mr. Noren, adding that he ultimately withdrew from the deal when he decided he couldn't afford to put up his share of the \$175,000 purchase price.

Besides Mr. Wyatt, the other partners in the land deal were Guido Iozzi Jr., a former Baltimore labor boss convicted of extortion, and James H. Graves.

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Mr. Graves was one of two men who were listed as purchasers of Ray's Point, a 196-acre waterfront tract in Talbot County. A percentage of the Eastern Shore land deal, according to testimony in the Mandel mail fraud-racketeering trial, had earlier been given to the suspended governor by his co-defendants for a nominal fee.

When Mr. Graves became involved in the Ray's Point land purchase it appeared on record that the Mandel co-defendants had given up their ownership in the land, but testimony revealed that they had not.

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The three men and Mr. Noren, head of the state's Environmental Health Admin-

istration, signed a contract to purchase the property on April 29, 1977.

The previous owners of the Charring-

Cross development near Crofton had their

mortgage foreclosed before they were able to get a sewer allocation at the Patuxent treatment plant.

Before Mr. Noren and his partners

agreed to purchase the tract, efforts by the investment firm that had foreclosed

on the mortgage to sell the property were

hampered by the fact that there was no

sewer allocation.

At about the same time Mr. Noren had

signed the contract to purchase the

acres for the 122-unit townhouse develop-

ment, his office was rewriting state sewer

allocation regulations.

As a result of the change in state policy, signed by Mr. Noren on May 23, 1977, Charring Cross and seven other developments were given the sewer allocation. However, Mr. Noren's signature needed to proceed with development. Prior to that date, all eight developments had been on a waiting list for sewer allocation at the Patuxent plant.

He steadfastly denied he had ever signed any papers obligating him to repay the \$140,000 loan.

According to Maurice Wyatt, Mr. Noren signed the change in alloca-

tion policy about a month after he signed

contract to buy the land, and three months

before the property was transferred

to him and his partners.

OCT 23 1978 According to Maurice Wyatt, Mr. Noren did sign the loan agreement, but was unable to come up with the cash for the down payment, and so asked to be released from ownership in the property.

Official word of sewer allocation for

Charring Cross was mailed by the county

to the developers of the property a day

after Mr. Noren and his partners received

title to the land.

Here is the way the land deal developed:

• April 29, 1977—Mr. Noren and his

three partners signed a contract to buy the

Charring Cross development.

• May 23, 1977—Mr. Noren, as chief of

the state's Environmental Health Admin-

istration, signed a change in sewer alloca-

tion policy.

• Aug. 25, 1977—Mr. Noren and his

three partners received title to the land.

The same day, they signed a \$140,000 note

and deed of trust obligating them to repay

the full amount within 13 months. The at-

torney for the land deal was Edward G.

Iozzi, Maurice Wyatt's brother.

• Aug. 26, 1977—The Anne Arundel

County Planning Office sent a letter to the

builder of Charring Cross noting that the

project had gotten sewer allocation as a

result of the change in the state sewer al-

location policy.

Eve. Sun • Sept. 20, 1977—Mr. Noren and Mr.

Iozzi transferred their interests in the

property to Mr. Wyatt and Mr. Graves.

Court documents reflect no financial con-

sideration in the land transfer.

• March 24, 1978—Mr. Graves sold his

half interest in the property for \$250,000.

That policy change permitted counties

to calculate the annual average daily

flow of a treatment plant to determine if

any new sewer allocations could be made.

Prior to the change, the state used two dif-

ferent standards to figure out if any new

sewer allocations could be made. Those

standards were based upon either the

monthly or quarterly average daily flow

at sewage treatment plants.

According to J. Michael Evans, Anne

Arundel County director of inspections

and permits, "It was common knowledge

that a change [in state regulations] to an-

ual average daily flow would substanti-

ally increase allocations to plants."

Charring Cross was one of the eight subdivisions on a waiting list for sewer allocation at the Patuxent plant affected by the change in the state policy.

The Charring Cross development had received approval from the county's Public Works Department on July 13, 1977. On that day the development went on the sewer allocation waiting list for the Patuxent plant, or about a year before it received allocation.

Mr. Evans added that many developers on that waiting list often approached his office to find out the status of available al-

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He said he did not mention the possible change in state policy to developers prior to May 23, 1977—the date Mr. Noren

signed the change in the policy—because he was unsure when the state would make those changes.

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Instead, he told developers before May 23, 1977, that some limited allocation might be available at the Patuxent plant if the county was successful in performing measures to correct ground water from seeping into the sewerage system.

At the same time he said he also told developers that if the corrective measures were not approved by the state Health Department, other allocations for the Patuxent plant could be years away.

The message that sewer allocations might not be available for several years at the Patuxent plant was conveyed to the Cameron-Brown Co., a North Carolina-based investment firm that owned the property for a year (due to foreclosure) before it was sold to Mr. Noren, Mr. Wyatt, Iozzi and Mr. Graves.

"We tried to get rid of the property for a year," said O.B. Hawkins Jr., head of the real estate division for Cameron-Brown. "It was one of our properties where one of the reasons for [the] foreclosure stemmed from no sewer allocation.

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According to Richard Leonard, general counsel for Cameron-Brown, his company learned that the county could make "no guarantee" as to the availability of sewer allocation in January 1977. He said soon afterward the company revised its selling price.

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"We were out to sell the property, so we told people, 'Listen guys, here's the property. We're selling you what we've got, as is,'" said Mr. Leonard.

"I can remember there was one potential purchaser who backed out after the first-draft stage of writing a contract. I'm not sure why he backed out, but it could have been because of the sewer [allocation] problem or because the purchaser couldn't get his finances together."

Donald Semesky, an official with Monumental Title Co.'s Crofton office, said he learned of the sale of the property, but added, "We found that with no tap [allocation] you couldn't do a damn thing with the property."

Following the Sept. 20, 1977, transfer of interests in the development from Mr. Noren and Iozzi to Mr. Wyatt and Mr. Graves, the plats for the development were recorded in the county courthouse on Nov. 17, 1977.

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Later in the year, on Dec. 27, 1977, Charring Cross Inc., a development company, was established in the state. Joseph Moddero, the builder of another subdivision in the county, was listed as its vice president. Edward G. Wyatt, the attorney for the Aug. 25, 1977, land deal, was the attorney for Charring Cross Inc.

Mr. Graves eventually sold his half interest in the development to Charring

Cross Inc. for \$250,000 on March 24, 1978

At that time, Mr. Wyatt and Charring

Cross Inc. each owned a half interest in

the property. Edward G. Wyatt was the at-

torney for the sale of Mr. Graves' half in-

terest in the development to Charring

Cross Inc. on April 19, 1978.

On the same date, March 24, 1978, Mr.

Wyatt and Charring Cross Inc. obtained a

\$2.025 million construction loan from Na-

tional Mortgage Corp. of America of An-

napolis.

The \$140,000 loan made by Cameron-

Brown to the four original partners on

Aug. 25, 1977, was paid in full by Mr.

Wyatt and Charring Cross Inc. on April 19,

1978.

At this point, Mr. Wyatt and Charring

Cross still needed to enter into a public

works agreement and get building permits

before construction on the project could

begin.

On July 12, 1978, the public works

agreement was signed, and on July 25,

1978, 30 building permits were issued for

the first development of the 122-unit Charr-

ing Cross.