CHARLESTON, W.Va. -- Freedom Industries, the company responsible for contaminating the water of 300,000 Kanawha Valley residents, was founded by a two-time convicted felon, benefited from the 2009 federal stimulus and at least two of its executives have longstanding ties to the Charleston business community.

On Sunday morning, Charles Ryan Associates, a prominent Charleston public relations firm hired by Freedom, abruptly dropped the chemical distributor as a client.

Freedom Industries was founded in 1992 by Gary Southern and Carl Lemley Kennedy II, according to filings with the West Virginia secretary of state. The company's website, however, says it was founded in 1986.

Kennedy admitted that between 2000 and 2003, while he was the accountant for Freedom Industries, Poca Blending and New River Chemical Co., he withheld more than $1 million from employee paychecks that he never passed on to the federal government, according to court filings. He also owed more than $200,000 in state taxes.

"Carl L. Kennedy II took steps to conceal a large portion of his income from the Internal Revenue Service by, among other things, using his position as an accountant to ensure a W2 form was not filed in his name," the court document reads, "using corporate funds for his personal benefit and writing corporate checks to cash for his personal enrichment."

He was sentenced to more than three years in prison, but had his sentence cut almost in half after he cooperated with authorities by making controlled cocaine buys and wearing a wire in conversations with a former business associate.

It was not Kennedy's first brush with the law.

In 1987 Kennedy pleaded guilty to selling between 10 and 12 ounces of cocaine in connection with a scandal that toppled then-Charleston Mayor Mike Roark.

Kennedy has, in the past, owned extensive property in downtown Charleston, including the building currently housing Bar 101 on Capitol Street and the building at 8 Capitol St.

Charleston Mayor Danny Jones said he has known Kennedy since the '80s and called him an "edgy guy."

"He was just kind of a character and he's gotten in trouble," Jones said. "I liked him, but if he got in trouble twice on felony charges then he's a slow learner."

Kennedy has been a longtime business associate of Dennis P. Farrell seen below.

Farrell is listed as the president of Freedom Industries on the company's website, but was called only an "executive" by a woman who answered the phone at the company.

The two met in college, at West Virginia Institute of Technology in Montgomery, and went on to own at least two restaurants together.

They co-owned The Bank Bar and Grill, in Montgomery, and Tomahawks, in Jefferson.

In 2009 Freedom Industries was at risk of either going out of business or leaving its location on the Elk River, Farrell told the Charleston Daily Mail.

But the river was dredged in 2009 by the U.S. Army Corps of Engineers, thanks to $400,000 from the federal stimulus.

"It could've put us out of business," Farrell told the Daily Mail about the undredged river. "At some point we wouldn't have been economically fit to run the facility. That's our claim to fame: the barges."

Since Friday night's news conference, the only public statement from anyone connected with Freedom came from Kathy Stover-Kennedy, Farrell's fiancé.

On her personal Facebook page, Stover-Kennedy asked for empathy for Freedom executives, and said that she had showered and brushed her teeth with the contaminated water and she was "just fine."

Stover-Kennedy is Carl Kennedy's ex-wife, according to Gazette archives and a business associate of Kennedy's who asked not to be named.

Also associated with Freedom Industries, is J. Clifford Forrest, who is listed as "manager" of Etowah River Terminal and Poca Blinding on the merger document submitted to the secretary of state.

Forrest is the president of Rosebud Mining, a Pennsylvania-based coal company.

In late 2010, Rosebud was sued by the federal Mine Safety and Health Administration because they were allegedly providing advanced notice to miners of coming inspections, violating the Mine Safety and Health Act of 1977.

Forrest also owns The Lodge at Glendorn, a luxury resort in northern Pennsylvania.

Southern, Kennedy, Farrell and Forrest did not return requests for comment.