IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO

STATE OF OHIO *ex rel.* Dave Yost, Ohio Attorney General, Plaintiff, v. **FIRSTENERGY CORP., et al.,** Defendants,	:	Case No. 20 CV 006281 JUDGE CHRIS BROWN
CITY OF CINCINNATI and **CITY OF COLUMBUS,** Plaintiffs, v. **FIRSTENERGY CORP., et al.,** Defendants,	:	Case No. 20 CV 007005[1] JUDGE CHRIS BROWN
STATE OF OHIO *ex rel.* Dave Yost, Ohio Attorney General, Plaintiff, v. **ENERGY HARBOR CORP., et al.,** Defendants.	:	Case No. 20 CV 007386[2] JUDGE CHRIS BROWN

MOTION OF PLAINTIFF STATE OF OHIO *ex rel.* DAVE YOST, OHIO ATTORNEY GENERAL FOR LEAVE TO AMEND COMPLAINT

[1] *City of Cincinnati, et al. v. FirstEnergy Corp., et al.*, consolidated by order filed Dec. 14, 2020.
[2] *State of Ohio ex rel. Dave Yost v. Energy Harbor Corp., et al.*, consolidated by order filed Dec. 14, 2020.

Plaintiff, the State of Ohio, by and through its Attorney General, Dave Yost, (hereinafter "Ohio" or "the State") hereby moves for leave to file a Second Amended Complaint (Attached hereto as Exhibit A) to add additional parties and assert additional claims.

In late September 2020, Plaintiff filed a civil action against numerous parties alleging violations of the Ohio Corrupt Practices Act relating to the passage of HB 6 of the 133rd General Assembly. Shortly thereafter, Plaintiff filed, as of right, a First Amended Complaint to add additional parties and request injunctive relief. Since then, new revelations and new events show the corruption was more cancerous than previously thought—necessitating adding additional defendants and giving rise to additional claims.

Plaintiff is mindful that this matter is currently stayed. However, as further delineated in the attached memorandum, the Court's stay order recognized that events were still unfolding that may require additional activity even while the stay is pending. Waiting to add additional defendants to this action may prejudice plaintiff. Therefore, the Attorney General requests leave to file his Second Amended Complaint now. No defendant will be prejudiced by this amendment, as many have not yet answered the First Amended Complaint and discovery has not yet begun.

Respectfully submitted,

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MEMORANDUM IN SUPPORT

Just over a year ago, a federal criminal RICO indictment shed light on a significant multi-year conspiracy to introduce into law, and keep from referendum, H.B. 6 of the 133rd General Assembly. *United States of America v. Larry Householder, et al.*, Case No. 1:20CR077 (S.D. Ohio). In short, an energy conglomerate used vast sums of money to purchase the loyalty of the Speaker of the Ohio House of Representatives, enact legislation that would bailout its nuclear power plants and secure an inflated guaranteed income stream for its distribution companies. The evidence and admission that have come to light are damning and overwhelming, showing a scheme to fleece Ohioans out of billions of dollars.

I. Newly Revealed Facts Support Amending the Complaint

Since the filing of the First Amended Complaint, three of the defendants to this state civil racketeering complaint, namely, Longstreth, Cespedes, and Generation Now, have plead guilty to the Federal Indictment. In doing so, each has affirmed the existence of the conspiracy, the acts committed in furtherance of that conspiracy, and the culpability of others who are defendants to this state action.

Last month, Defendant FirstEnergy Corp., entered into a Deferred Prosecution Agreement ("DPA") with the U.S. Attorney, in which FirstEnergy admits many of the facts of the First Amended Complaint, and also details the direct relationship and coordination between (then) FirstEnergy CEO Jones, (then) FirstEnergy Director of External Affairs Michael Dowling and

Householder in the conspiracy alleged in the state's First Amended Complaint. Based on these new facts, Jones and Dowling should be made additional defendants to the State's existing corrupt practices act complaint.

The DPA also confirmed a new player in the corruption—the (then) Chair of the Public Utilities of Ohio Commission Samuel Randazzo.

Randazzo received in excess of $4.3 million, fraudulently structured as a buyout of an existing multiyear contract, in exchange for his favorable corrupt treatment of matters before the PUCO upon his appointment. As FirstEnergy admitted in the DPA, Chairman Randazzo did, in fact, coordinate with the H.B. 6 conspiracy—taking official public action to benefit FirstEnergy. Based on these new facts, Randazzo, and the corporate entities through which he acted, are being made additional defendants to this case.

The State also seeks to clarify the full nature of the damages it seeks and to add claims for civil liability for criminal acts under R.C. 2307.60. The Second Amended Complaint should be granted to include these new claims.

II. This Court Should Grant the State's Motion for Leave to Amend

In very plain and uncomplicated language, Civ.R. 15(A) provides that upon a request to amend "The court shall freely give leave when justice so requires." Only where there is a showing of bad faith, undue delay, or undue prejudice to the opposing party should a motion to amend be denied. *Turner v. Cent. Local School Dist.*, 85 Ohio St.3d 95, 99, 1999-Ohio-207, 706 N.E.2d 1261 citing *Hoover v. Sumlin*, 12 Ohio St.3d 1, 465 N.E.2d 377 (1984) at paragraph two of the syllabus.

> Although the grant or denial of leave to amend a pleading is discretionary, where it is possible that the plaintiff, by an amended complaint, may set forth a claim upon which relief can be granted, and it is tendered timely and in good faith and no reason

> is apparent or disclosed for denying leave, the denial of leave to file such amended complaint is an abuse of discretion.

Peterson v. Teodosio, 34 Ohio St.2d 161, 175, 297 N.E.2d 113 (1973)

The revelations following the First Amended Complaint, which are directly related to the claims raised, provide ample grounds for the addition of new parties and new claims sought in the Second Amended Complaint. Moreover, amendment now is in the best interest of the parties.

Recall that this Court granted several motions to stay discovery in its Entry and Order of December 22, 2020. Thereafter the proceedings of the case were stayed pending final resolution of all criminal proceedings in *USA v. Householder et al.*, Case No. 1:20-cr-00077-TSB (S.D. Ohio). Therefore, no one will be prejudiced by this amendment. Most defendants have not even answered the existing complaint; and no discovery has occurred.

The proposed new defendants can easily be added to this litigation with no disruption to any pending matter here. Moreover, by including them now, rather than having the State wait until after final resolution of the criminal proceedings, the proposed new defendants would be in a better position to collect and preserve evidence, formulate defenses, and otherwise be positioned to defend against the Second Amended Complaint.

III. Conclusion

The Court should grant this Motion for Leave to Amend and direct the Clerk to accept the Second Amended Complaint for filing and service.

Respectfully submitted,

DATED: August 5, 2021

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing was submitted to the Clerk's electronic filing system for distribution to all parties registered as users with that system and served by electronic mail or US Mail, postage prepaid, this 5th day of August, 2021, to:

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EXHIBIT A
TO MOTION

IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO

STATE OF OHIO *ex rel.* Dave Yost, Ohio Attorney General,

Plaintiff,

V.

FIRSTENERGY CORP.,
C/O CT Corporation System
4400 Easton Commons Way, Suite 125
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FRIENDS OF LARRY HOUSEHOLDER
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Case No. 20 CV 006281

JUDGE CHRIS BROWN

SECOND AMENDED COMPLAINT

JURY TRIAL DEMANDED

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And

Other Enterprise Members, Named And Unnamed,

Defendants.

Plaintiff, the State of Ohio, by and through its Attorney General, Dave Yost, (hereinafter "Ohio" or "the State"), upon personal knowledge as to its own acts and beliefs, and upon information and belief as to all matters based upon the investigation of counsel and matters within the public sphere, alleges as follows as its Second Amended Complaint. This amendment is being filed contemporaneously with a Motion for Leave to File Second Amended Complaint pursuant to Civil Rule 15(A).

INTRODUCTION:

In late 2016, FirstEnergy Corp. had a problem. The nuclear power generation plants it owned and operated through its subsidiaries FirstEnergy Solutions Corp., FirstEnergy Nuclear Generation LLC and FirstEnergy Nuclear Operating Company ("FirstEnergy Nuclear Assets" or "Nuclear Assets") had turned from assets to liabilities.

The high-cost nuclear plants had survived for most of their existence because government regulation limited competition, and because of a lack of lower cost alternatives. That all changed when inexpensive, plentiful natural gas arrived in what had become a deregulated marketplace in 2001.

With FirstEnergy Corp. and its Nuclear Assets having no way to make their nuclear-generated power less expensive, the market would inevitably move away from nuclear power and toward natural gas. Accustomed to operating in the regulatory world of government, FirstEnergy Corp. turned there to find help from the ravages of the market.

Beginning in 2008, FirstEnergy Corp., using its power distribution subsidiaries, was able pass the extra cost of nuclear power on to its customers under a waiver of a federal government rule that would normally have prohibited it from buying and then re-selling energy from its

subsidiary Nuclear Assets. But on April 27, 2016, the federal government rescinded that waiver — and effectively ended FirstEnergy Corp.'s ability to charge the costs of its expensive nuclear plants back to ratepayers.

When help from the federal government vanished, FirstEnergy Corp. then turned to state regulators for assistance. The utility ultimately won approval for a resurrected single supplier deal by providing assurances that excess profits would be used to modernize its facilities. Customers would continue to pay higher rates to prop up the FirstEnergy Nuclear Assets' operations. FirstEnergy Corp.'s competitors, and groups representing consumers, businesses and the environment successfully challenged the surcharge in the Supreme Court of Ohio, again eliminating government assistance for the utility.

FirstEnergy Corp. recognized that the future looked bleak for FirstEnergy Solutions and its Nuclear Assets. FirstEnergy Corp. voluntarily took more than $6 billion in "write downs" on the value of its nuclear generation plants, reporting the write down to its shareholders in November 2016.

FirstEnergy Corp. developed an idea for a third government-created refuge for its uncompetitive nuclear plants: a new state law, or in the words of its CEO, a "Legislative Solution." Its first attempts to win passage of a Legislative Solution went nowhere in 2017 and 2018, but the once and future ruler of the Ohio House of Representatives would change that in 2019.

Larry Householder, the powerful Speaker of the Ohio House from almost two decades earlier, had won back his seat representing Perry County in November 2016. As he took office in January 2017, he was already plotting his path back to the Speaker's dais.

To do so, he would need to fund a slate of primary election challengers for state representative elections. "Team Householder," as these candidates would become known, would be counted on to support Householder's eventual selection as Speaker. To get Team Householder elected, Householder and his political operatives needed cash — a lot of cash. FirstEnergy Corp. and its Nuclear Assets had it, and were willing to spend it to gain a third government lifeline for their nuclear operations.

So was formed what one of the Defendants would call "The Unholy Alliance," a scheme that would to the highest reaches of FirstEnergy Corp's leadership and implicate the actions of a senior regulatory appointee. In some ways, this was not so very different from how other Speakers have come to power. What set the Unholy Alliance apart was how the money was routed to disguise its source — and the expected Legislative Solution as a reward.

The Unholy Alliance moved ever-larger amounts of money around in a shell game using 501(c)(4) entities and other co-conspirators designed to conceal the source of funds and to circumvent Ohio's campaign finance laws and IRS requirements for 501(c)(4) nonprofits. The vast majority of the money came from FirstEnergy Corp. and its subsidiaries.

By 2019, Householder, using the proceeds of the 501(c)(4) nonprofit as a virtually unlimited source of campaign cash, recruited and funded challengers to the then-incumbent speaker's supporters. Unable to elicit enough support within his own caucus to unseat the incumbent, Householder turned to members of the minority party who ultimately provided him with the votes necessary to regain the Speaker's gavel. With the power of the Speakership his, and the continued financial backing of FirstEnergy Corp. and its subsidiaries, Householder began efforts to deliver the utility's Legislative Solution.

In addition to its money, FirstEnergy Corp. provided the brains and technical expertise through another one of its subsidiaries, FirstEnergy Service Company ("FirstEnergy Service"). Until June of 2020 — long after the Legislative Solution was passed into law — FirstEnergy Service would provide FirstEnergy's Nuclear Assets with legal, "ethical," financial and "external affairs" support.

Three months after taking control of the legislative agenda, Speaker Householder was in a position to put House Bill 6 (H.B. 6) — the Legislative Solution that went nowhere in the previous session — on the House floor for a vote. This bill would provide more than a billion dollars in bailout protection to FirstEnergy's Nuclear Assets, which had since declared bankruptcy to protect it from creditors, including costs associated with environmental cleanup requirements.

A public bailout of this magnitude would surely face criticism, meaning H.B. 6 needed public support if it was going to pass. Within days of the bailout bill's introduction, Generation Now, Inc. ("Generation Now") — one of the entities first created to bring Householder to power — pumped $10 million into advertising and media services to put pressure on members of the House of Representatives to support the bailout bill. Behind the scenes, legislators were being pressured to support H.B. 6 or face future consequences from the Speaker. Aside from the normal exertion of political pressure a speaker can apply, Householder also enjoyed absolute control over the millions of dollars in the 501(c)(4). Team Householder candidates who received this largess from Householder during their primary could certainly expect those resources to be cut off, should they not decide to support the Legislative Solution. Once the "House" was in order, attention — and pressure — shifted to the Senate.

Generation Now would use an infusion of over $7 million in new money to fund advertising and media services, applying pressure on members of the Senate to support the bailout bill. But perhaps just as important, while the debate was raging over H.B. 6, the House and Senate were in the middle of negotiating the state's biennial budget, House Bill 166.

The House, which begins the appropriations process, had passed its version of the budget on May 9, 2019. The Senate had passed its version on June 20, 2019 — and it needed House concurrence on its amendments, or a conference committee to iron out the differences. While the biennial budget is typically completed by June 30th in odd numbered years, the Speaker slammed the brakes on the entire state's operating budget, exerting maximum pressure on the Senate to take up H.B. 6.

The House and Senate both agreed to the conference committee report for the budget and passed it on the same day, July 17, 2019. Notably, July 17, 2019 was the same day the Senate passed H.B. 6 and sent it back to the House with amendments. The House passed the Senate's version of H.B. 6 on July 23, 2019 and it was promptly signed into law by the Governor.

While the bailout was law, it was not yet secured. Almost immediately, forces mobilized to put H.B. 6 to a statewide vote, called a referendum. However, a statewide vote would first require challengers to get tens of thousands of voter signatures on a referendum petition.

The financial vehicle to defeat the petition process would be the same one used before: Generation Now. Another $40 million would go toward sidelining signature collection companies, and direct voter appeals opposing repealing H.B. 6. Ultimately, the Unholy Alliance succeeded: challengers to the bailout bill failed to collect enough signatures and H.B. 6 became law.

The nuclear bailout was not the only item in H.B. 6 to benefit FirstEnergy. The bill also contained a decoupling mechanism that was written to allow FirstEnergy-owned utilities—alone—to collect 2018-level revenues until their next rate cases in 2024. In doing so, H.B. 6 effectively eliminated the return on equity ("ROE") limits typically enforced by PUCO. This move was worth hundreds of millions of dollars to FirstEnergy over its lifetime.

After H.B. 6 was enacted, PUCO Chairman Samuel C. Randazzo, a FirstEnergy associate who has since been revealed as a key architect of the structure of H.B. 6, caused the PUCO to extend the rate-case deadline to 2029. This action extended the benefit of the H.B. 6 decoupling mechanism for FirstEnergy to last for nearly a decade. Randazzo was paid $4.3 million by FirstEnergy to advance its interests when he chaired the PUCO.

The wrongful acts described below — especially the rampant money laundering and blatant conspiracy to undermine Ohio's political process through bribery and graft — are predicates establishing a corrupt enterprise under §2921.34 of the Ohio Revised Code, referred to in this Complaint as the Unholy Alliance.

At the request of the Attorney General, this court enjoined the nuclear bailout. After the Attorney General requested this court also enjoin the FirstEnergy decoupling program, the Attorney General and FirstEnergy entered an agreement that halted the decoupling program. FirstEnergy later announced a refund of approximately $26 million in decoupling revenues already received, plus interest.

Following the actions in this case, the offending portions of 133 H.B. 6 were repealed through 134 H.B. 128.

Despite the repeal, Ohio has been wounded by these wrongful acts.

- $1.3 billion would have been taken from Ohio's rate-paying residential consumers, businesses, and governments as the result of corrupt legislation.

- An additional $700 million to $1 billion would have been paid, some of which has already been paid, by FirstEnergy ratepayers.

- Ohio's ability to govern itself has been harmed. The former speaker of the Ohio House was dethroned as Speaker and later ejected from the House. Distrust between officials, elected and appointed, is high. Ohio's citizens' trust in their government to act with an ethical and honest conscience has eroded.

- Ohio's reputation among the states as a stable, fair place to compete in business and make investments has been damaged.

- Ohio's environmental future has been damaged, because the costs for the ultimate decommissioning of the nuclear plants are now secured by Energy Harbor Corp. and its wholly-owned subsidiaries, Energy Harbor LLC, Energy Harbor Nuclear Generation LLC and Energy Harbor Nuclear Corp., (collectively "Energy Harbor") companies with far smaller capitalization than FirstEnergy Corp. To the extent that decommissioning and environmental repair costs exceed Energy Harbor's ability to pay, those costs will be borne by Ohio through its ratepayers or taxpayers — a scenario that already played out once in the FirstEnergy Nuclear Assets' bankruptcy plan that created Energy Harbor Corp. and its nuclear subsidiaries.

The criminal indictment handed up by the federal grand jury may provide a certain degree of justice and recompense. Longstreth, Cespedes, and Generation Now have pleaded guilty. FirstEnergy has entered into a deferred prosecution agreement, admitting to the underlying facts and to criminal conduct. However, the federal prosecution cannot address the harm Ohio utility ratepayers still face as they pay into a corporate bailout fund that was secured through fraud, deceit and intimidation.

Equally as important, the United States Attorney cannot undo the harm wrought upon Ohio's legislative process or prevent the recurrence of similar acts by members and associates of the enterprise who have not yet been, and may never be charged with a criminal offense.

It is for these reasons that the Attorney General brings this lawsuit on behalf of the State of Ohio and its people.

I. PARTIES

A. PLAINTIFF:

1. Ohio Attorney General Dave Yost brings this action for and on behalf of the sovereign State of Ohio in his capacity as chief law officer for the State and on behalf of its citizens in *parens patriae* to remedy a generalized harm to the people of the State of Ohio.

B. DEFENDANTS:

2. **FIRSTENERGY CORP.** is an Akron, Ohio-based public utility holding company. FirstEnergy Corp. is the parent company of FirstEnergy Service Company and former parent company of FirstEnergy Solutions Corp., FirstEnergy Nuclear Generation LLC and FirstEnergy Nuclear Operating Company. FirstEnergy Corp. senior management, including its then-President and CEO Charles Jones, also served as senior officers of FirstEnergy Service Company. FirstEnergy Corp. directed and controlled the operation of FirstEnergy Service Company through this shared leadership. FirstEnergy Corp. also played an integral role in establishing and funding Partners for Progress, Inc., which is described below.

3. **FIRSTENERGY SERVICE COMPANY ("FIRSTENERGY SERVICE")** is an Ohio corporation with its principal place of business in Akron, Ohio, and is a wholly-owned subsidiary of FirstEnergy Corp. At all times relevant to this Complaint, FirstEnergy Service provided administrative, management, financial, compliance, ethical, external affairs, and political and regulatory advocacy services to FirstEnergy Solutions Corp. In re: FIRSTENERGY SOLUTIONS CORP., et al., 18-50757(AMK), US District Court, NDOH ED, 18-50757amk Doc 2721-1 at 50-51. Because of this relationship, FirstEnergy

Service is inextricably intertwined with FirstEnergy Solutions Corp. and the affairs of a corrupt enterprise, which is referred to herein as "The Unholy Alliance."

4. **FIRSTENERGY SOLUTIONS CORP., FIRSTENERGY NUCLEAR GENERATION LLC AND FIRSTENERGY NUCLEAR OPERATING COMPANY ("FIRSTENERGY NUCLEAR ASSETS")** were Akron, Ohio-based owners and operators of two financially troubled nuclear power generation stations located in the State of Ohio. The FirstEnergy Nuclear Assets operated as wholly-owned subsidiaries of FirstEnergy Corp. On March 31, 2018, the FirstEnergy Nuclear Assets filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Ohio. The FirstEnergy Nuclear Assets continued to own and operate the two Ohio nuclear plants throughout 2018 and 2019. On February 27, 2020, the FirstEnergy Entities emerged from these bankruptcy proceedings as wholly-owned subsidiaries of Energy Harbor Corp.

5. **ENERGY HARBOR CORP.** is a Delaware corporation with its principal place of business in Akron, Ohio. Energy Harbor Corp. is the parent company of Energy Harbor LLC, Energy Harbor Nuclear Generation LLC, Energy Harbor Nuclear Corp. and multiple other subsidiaries (collectively "Energy Harbor") . Energy Harbor would have been the direct beneficiary of House Bill 6 and the resulting subsidies. Energy Harbor stood to receive benefits in excess of $$1.3 billion as the result of statutory changes contained in House Bill 6 of the 133rd Ohio General Assembly. Prior to the FirstEnergy Nuclear Assets' emergence from bankruptcy as subsidiaries of Energy Harbor, a number of key executives now within Energy Harbor held similar positions within FirstEnergy Solutions.

6. **LARRY HOUSEHOLDER ("HOUSEHOLDER")** is the elected representative for Ohio's 72nd House District. Householder served as Speaker of the Ohio House of Representatives from January 7, 2019 until his removal from that position on July 30, 2020.

7. **FRIENDS OF LARRY HOUSEHOLDER** is an Ohio Candidate Committee which exists to further the political interests and aspirations of Larry Householder. As of June 5, 2020, Friends of Householder reported having $1,367,788.35 in available cash.

8. **GENERATION NOW, INC. ("GENERATION NOW")** is a 501(c)(4) non-profit entity organized under the laws of the State of Delaware. Generation Now is registered with the Ohio Secretary of State to do business as Generation Now Ohio, Inc. Generation Now served as the clearinghouse for receiving and distributing money used in furtherance of the affairs of the enterprise. Jeff Longstreth, dba JPL & Associates LLC, served as the President and Secretary of Generation Now.

9. **JEFF LONGSTRETH ("LONGSTRETH")** is Larry Householder's campaign and political strategist and a resident of Franklin County, Ohio. Longstreth facilitated the flow of funds between FirstEnergy Solutions, FirstEnergy Service, Partners for Progress, Inc. and Generation Now, coordinated enterprise activities and strategies and acted as a conduit for the flow of money between enterprise members and instrumentalities used to further the affairs of the enterprise.

10. **JPL & ASSOCIATES LLC ("JPL & ASSOCIATES")** is an Ohio Limited Liability Company located in Franklin County, Ohio. Jeff Longstreth is the statutory agent for JPL & Associates. JPL & Associates received and disbursed funds used in furtherance of the affairs of the enterprise.

11. **CONSTANT CONTENT CO. ("CONSTANT CONTENT")** is an Ohio Company that received and disbursed funds used in furtherance of the affairs of the enterprise. Jeff Longstreth directs and controls the business activities of Constant Content.

12. **NEIL CLARK ("CLARK")** is a career lobbyist who owns and operates Grant Street Consultants, which is located in Columbus, Ohio. Clark served as a proxy for enterprise member Larry Householder, made decisions impacting the affairs of the enterprise in Householder's absence and served as an emissary for the enterprise in its dealings with legislators, candidates and signature collectors. Clark committed suicide after authoring a book. Both acts were apparently in reaction to the facts underlying this complaint. The State has moved to substitute the representative of Mr. Clark's estate.

13. **MATT BORGES ("BORGES")** is a registered Ohio lobbyist. Borges was contracted to perform lobbying services on behalf of FirstEnergy Corp. and FirstEnergy Solutions.

Through strategy development and lobbying, Borges furthered the affairs of the enterprise. Borges also acted as a conduit for the flow of money between enterprise members and instrumentalities.

14. **17 CONSULTING GROUP LLC ("17 CONSULTING GROUP")** is an Ohio Limited Liability Company that received and disbursed funds used in furtherance of the affairs of the enterprise. Matt Borges directs and controls the business activities of 17 Consulting Group.

15. **JUAN CESPEDES ("CESPEDES")** is a registered Ohio lobbyist affiliated with The Oxley Group, LLC. Throughout the course of the enterprise, Cespedes was contracted to perform lobbying services on behalf of FirstEnergy Solutions and later, its successor in interest, Energy Harbor. In his role, Cespedes facilitated the flow of funds between FirstEnergy Solutions, FirstEnergy Service, Partners for Progress, Inc. and Generation Now. Also, in furtherance of enterprise affairs, Cespedes coordinated enterprise activities and strategies and acted as a conduit for the flow of money between enterprise members and instrumentalities.

16. **FIRSTENERGY CORP. POLITICAL ACTION COMMITTEE ("FIRSTENERGY CORP. PAC")** is a federally registered political action committee based in Akron, Ohio. FirstEnergy Corp. PAC shares its address (76 South Main Street, Akron, Ohio 44308) with Defendant FirstEnergy Corp. Steven Staub, Vice President and Treasurer at FirstEnergy Corp., serves as Treasurer of FirstEnergy Corp. PAC.

17. **FIRSTENERGY PAC FSL ("FIRSTENERGY PAC")** is an Ohio registered political action committee funded by, and operated to further the interests of, FirstEnergy Corp. and its subsidiaries. FirstEnergy PAC shares its address (76 South Main Street, Akron, Ohio 44308) with Defendant FirstEnergy Corp. FirstEnergy PAC donated over $290,000 to candidates for the Ohio legislature between January 1, 2017 and June 4, 2020.

18. **ENERGY HARBOR CORP. POLITICAL ACTION COMMITTEE ("ENERGY HARBOR PAC")** is a federally registered political action committee based in Akron, Ohio. Energy Harbor PAC shares its address (168 East Market Street, Akron, Ohio 44308)

with Defendant Energy Harbor Corp. Jason Petrik, Executive Vice President and Chief Financial Officer at Energy Harbor Corp., serves as Treasurer of Energy Harbor PAC.

19. **ENERGY HARBOR NUCLEAR GENERATION LLC** is a Delaware limited liability company that does business in the State of Ohio and is a wholly-owned subsidiary of Energy Harbor Corp. Energy Harbor Nuclear Generation LLC was formerly known as FirstEnergy Nuclear Generation LLC.

20. **ENERGY HARBOR NUCLEAR CORP.** is a Delaware corporation that does business in the State of Ohio and is a wholly-owned subsidiary of Energy Harbor Corp. Energy Harbor Nuclear Corp. was formerly known as FirstEnergy Nuclear Operating Company. Energy Harbor Nuclear Corp. is the operator of the Beaver Valley Units 1 and 2, Davis-Besse and Perry nuclear power plants and associated spent fuel storage installation facilities.

21. **ENERGY HARBOR LLC** is a Delaware limited liability company that does business in the State of Ohio and a wholly-owned subsidiary of Energy Harbor Corp. Through bankruptcy proceedings, Energy Harbor LLC is successor in interest to FirstEnergy Solutions Corp.

22. **CHARLES E. JONES ("JONES")** is the former President and Chief Executive Officer of FirstEnergy Corp., having served in that position from January 2015, until October 2020.

23. **MICHAEL J. DOWLING ("DOWLING")** is the former Senior Vice President of External Affairs of FirstEnergy Corp., having served in that position from 2011 until October 2020.

24. **SAMUEL C. RANDAZZO ("RANDAZZO")** is a long-time registered energy lobbyist, consultant for FirstEnergy and the former Public Utilities of Ohio ("PUCO") Chair from April 2019, until November 2020.

25. **SUSTAINABILITY FUNDING ALLIANCE OF OHIO, INC. ("SFAO")** is an Ohio Company located in Columbus, Ohio, solely owned by Randazzo, which entered into a contract and later a consulting services agreement with FirstEnergy.

26. **IEU-OHIO ADMINISTRATION COMPANY, LLC. ("IEU-OHIO")** is a recently dissolved Ohio Company located in Columbus, Ohio, and solely owned by Randazzo, which entered into a contract with FirstEnergy.

C. NON-DEFENDANT ENTITIES:

27. **PARTNERS FOR PROGRESS, INC. ("PARTNERS FOR PROGRESS")** is a nonprofit corporation organized under the laws of the State of Delaware. Partners for Progress, which was led by a lobbyist for FirstEnergy entities, was established to further the policy and political interests of FirstEnergy Corp. and FirstEnergy Solutions. FirstEnergy Corp. provided Partners for Progress with $5 million in seed money on its establishment in 2017. For the next three years, Partners for Progress received and disbursed tens of millions of dollars used to further the affairs of the enterprise.

28. **COALITION FOR GROWTH & OPPORTUNITY, INC. ("COALITION FOR GROWTH & OPPORTUNITY")** is a 501(c)(4) non-profit entity organized under the laws of the State of Delaware. Coalition for Growth & Opportunity, which operates in Ohio, received and disbursed funds used in furtherance of the affairs of the enterprise.

29. **HARDWORKING OHIOANS, INC. ("HARDWORKING OHIOANS")** is an Ohio corporation that received and disbursed funds used in furtherance of the affairs of the enterprise.

30. **GROWTH & OPPORTUNITY PAC, INC. ("GROWTH & OPPORTUNITY PAC")** is a federally registered political action committee based in Lexington, Kentucky. Growth & Opportunity PAC received and disbursed funds used in furtherance of the affairs of the enterprise. Eric Lycan, an attorney practicing in Lexington, Kentucky, is identified in regulatory filings as the treasurer of Growth & Opportunity PAC and Coalition for Growth and Opportunity.

31. **OHIOANS FOR ENERGY SECURITY, LLC ("OHIOANS FOR ENERGY SECURITY")** is an Ohio corporation that received and disbursed funds used in furtherance of the affairs of the enterprise.

III. VENUE AND JURISDICTION

32. This Court has jurisdiction over this matter pursuant to R.C. Section 2305.01, as the amount in controversy exceeds $15,000.

33. This Court has personal jurisdiction over Defendants as they conduct business in Ohio, purposefully direct or directed their actions toward Ohio, and/or have the requisite minimum contacts with Ohio necessary to constitutionally permit the Court to exercise jurisdiction.

34. Venue is proper in Franklin County pursuant to Civ. R. 3(B)(2), Civ. R. 3(B)(3) and Civ. R. 3(B)(6).

IV. FACTUAL ALLEGATIONS

35. Much of the conduct at issue here has previously been made public through documents filed in the United States District Court for the Southern District of Ohio. While it is true that an Affidavit in Support of Criminal Complaint[1] and subsequent Indictment[2] filed in the United States District Court for the Southern District of Ohio (the "Federal Charging Documents"), three guilty pleas and a deferred prosecution agreement, described below and attached, set forth allegations of significant pervasive criminal conduct relating to the introduction and passage of House Bill 6 of the 133rd Ohio General Assembly, the remedies available to the District Court cannot remedy the harms sought to be addressed through this action.

36. The corrupt acts at issue in this case are rooted in financial distress, political ambition and greed.

[1] Affidavit in Support of Criminal Complaint filed July 17, 2020, in *United States of America v Larry Householder et al*, Case No. 1:20-MJ-00526, in the United States District Court for the Southern District of Ohio ("Charging Affidavit").
[2] Indictment filed July 30, 2020, in *United States of America v. Larry Householder et al*, Case No. 1120CR077, in the United States District Court for the Southern District of Ohio ("Indictment").

37. On August 4, 2014, FirstEnergy Corp., through its Ohio-regulated distribution companies,[3] filed its fourth Electric Security Plan ("ESP") with the Public Utilities Commission of Ohio ("PUCO"). Under the terms of the ESP, FirstEnergy Corp.'s Ohio-regulated distribution companies would buy power directly from FirstEnergy Corp.'s wholly-owned subsidiary Nuclear Assets and sell that power to their customers, bypassing the PJM Interconnection auction system. These all-too-close corporate relationships are referred to as affiliate power sales agreements. Affiliate power sales agreements are generally prohibited under federal regulations because they encourage self-dealing and limit competition and customer choice. The FirstEnergy Nuclear Assets and FirstEnergy Corp.'s Ohio-regulated distribution companies were operating under a waiver of that prohibition from the Federal Energy Regulatory Commission ("FERC"). On January 27, 2016, a group of FirstEnergy's competitors filed a complaint asking FERC to rescind that earlier waiver.

38. PUCO approved FirstEnergy Corp.'s ESP on March 31, 2016. That plan incorporated a Retail Rate Stability Rider ("RRSR"), a generation surcharge FirstEnergy Corp. included in an effort to subsidize its coal and nuclear plants. Less than one month later, FERC terminated FirstEnergy Corp.'s waiver. FirstEnergy's competitors immediately asked PUCO to revisit the ESP, arguing that FERC's decision prohibited FirstEnergy Corp. from implementing the RRSR.

39. On October 12, 2016, PUCO issued its fifth rehearing entry relating to FirstEnergy Corp.'s ESP. That entry removed the RRSR from the ESP but added a Distribution Modernization Rider ("DMR") in its place, claiming that any extra revenue would serve as an incentive for the companies to modernize their distribution systems. The DMR, which was not part of FirstEnergy Corp.'s original ESP application, had the potential to bring between $168 and $204 million in extra revenue to FirstEnergy Corp. every year, revenue that could be used to shore up its Nuclear Assets' failing nuclear power plants. Not surprisingly, the change from RRSR to DMR faced continuing objections from FirstEnergy's competitors, resulting in four additional hearings before the PUCO. PUCO

[3] FirstEnergy Corporation's Ohio regulated distribution companies include Cleveland Electric Illuminating Company, Ohio Edison Company and Toledo Edison Company.

issued its final appealable order approving the DMR on October 11, 2017. Objectors filed their appeal in the Supreme Court of Ohio a mere five days later. The Supreme Court would eventually strike the plan's DMR provision in a June 2019 decision,[4] but FirstEnergy Corp. could not wait for the Court to act. It needed action fast.

40. FirstEnergy Corp.'s economic problems were compounding. In its November 2016 Annual Report to Shareholders, FirstEnergy Corp. and its affiliates reported a weak energy market, poor demand forecasts and hundreds of millions of dollars in losses. Much of those losses could be traced back to failing nuclear power plants operated by FirstEnergy Solutions, a then-subsidiary of FirstEnergy Corp. Worse yet, FirstEnergy Corp. was forced to "write down" the value of the coal and nuclear power plants owned and operated by the FirstEnergy Nuclear Assets by $6.2 billion. There were limited options available to stop FirstEnergy Corp.'s financial bleeding: a government funded or facilitated bailout (couched as "legislative and regulatory solutions for generation assets"); closing plants and selling assets; restructuring debt — or seeking protection under U.S. bankruptcy laws for its affiliates involved in nuclear generation.

41. During FirstEnergy Corp.'s fourth-quarter 2016 earnings conference call, FirstEnergy Corp.'s President and CEO, Charles E. "Chuck" Jones, stated:

> In Ohio, we have had meaningful dialogue with our fellow utilities and with legislators on solutions that can help ensure Ohio's future energy security. Our top priority is the preservation of our two nuclear plants in the state and legislation for a zero emission nuclear ("ZEN") program is expected to be introduced soon. The ZEN program is intended to give state lawmakers greater control and flexibility to preserve valuable nuclear generation. We believe this legislation would preserve not only zero emission assets but jobs, economic growth, fuel diversity, price stability, and reliability and grid security for the region.

[4] *See In re Application of Ohio Edison Co.*, 157 Ohio St.3d 73, 2019-Ohio-2401.

> We are advocating for Ohio's support for its two nuclear plants, even though the likely outcome is that [FirstEnergy Corp.] won't be the long-term owner of these assets. We are optimistic, given these discussions we have had so far and we will keep you posted as this process unfolds.

42. FirstEnergy Corp's "top priority" legislation, this zero emission nuclear ("ZEN") program, would be introduced in the Ohio General Assembly in 2017, but it would die without reaching any Chamber floor.

43. FirstEnergy Corp. and its affiliates knew getting legislation establishing a ZEN-type program in Ohio passed would not be easy. It would require a special combination of political experience, name identification and the willingness to play rough. FirstEnergy Corp. and its affiliates needed a legislative general to lead the charge. They found Larry Householder.

44. Householder was no stranger to Capital Square, having previously served as a House member representing Ohio's 72nd District from 1997 to 2004. For four of those years (2001-2004), Householder served as Speaker of the Ohio House of Representatives, the chamber's most influential position. In 2016, Householder successfully sought reelection to his former seat as a representative and began working to regain the Speaker's chair.

45. FirstEnergy connected with Householder almost immediately following his 2016 election, flying Householder and a family member to Washington, D.C. on one of its corporate jets to attend President Donald J. Trump's January 2017 inauguration.

46. Shortly after that flight, the "Unholy Alliance" began to take form. Using millions of dollars routed through FirstEnergy Service and Partners for Progress, FirstEnergy Corp. and the FirstEnergy Nuclear Assets, in partnership with Householder, built and engaged a team of lobbyists, political strategists, 501(c)(4) entities, attorneys, consulting firms and media companies to create a machine that would allow the combined FirstEnergy entities to covertly put over $60 million into introducing, passing and protecting from

referendum what would become known in 2019 as House Bill 6 ("H.B. 6"), the "Ohio Clean Air Program."

47. The "Unholy Alliance" was headed by Defendants Jones and Dowling at FirstEnergy. Jones and Dowling have since been terminated.

48. The first step was creating a mechanism that would allow FirstEnergy Corp. and its Nuclear Assets to contribute money to the effort outside the public's eye. To that end, on January 26, 2017, Partners for Progress was incorporated in the State of Delaware. Partners for Progress described itself as engaging in activities consistent with Section 501(c)(4) of the Internal Revenue Code. Instead, as Ohio Secretary of State Frank LaRose pointed out in his August 27, 2019 complaint to the Ohio Elections Commission, Partners for Progress turned out to be a Political Action Committee in disguise.

49. FirstEnergy Corp. transferred $5 million to Partners for Progress shortly after its formation. The 2017 IRS Form 990 return filed by Partners for Progress, which designates a longtime lobbyist for FirstEnergy Corp. as its principal officer, lists that deposit as Partners for Progress's sole source of revenue for 2017. Partners for Progress would go on to serve as a key intermediary for financial transactions between FirstEnergy Corp., FirstEnergy Service, the FirstEnergy Nuclear Assets and other members of the Unholy Alliance.

50. On February 6, 2017, another 501(c)(4) entity, Generation Now, was incorporated under the laws of the State of Delaware. Like Partners for Progress, Generation Now describes itself as being "organized exclusively for the promotion of social welfare and economic development purposes within the meaning of Section 501(c)(4) of the Internal Revenue Code." Generation Now is registered with the Ohio Secretary of State to do business as Generation Now Ohio, Inc. It, too, is a subject of Secretary of State LaRose's complaint to the Elections Commission.

51. Within days of its formation, Generation Now opened two accounts at Fifth Third Bank. Longstreth, a resident of Franklin County, Ohio, and Householder's longtime political strategist and advisor, was listed as a signatory on both accounts. A property owned by

Longstreth would later serve as Generation Now's Ohio base of operations. Generation Now's 2017 IRS Form 990, which bears Longstreth's signature, lists JPL & Associates as Generation Now's president and secretary. JPL & Associates was paid over $580,000 by Generation Now for those services in 2017 alone.

52. On March 16, 2017, FirstEnergy Service, a wholly-owned subsidiary of FirstEnergy Corp., transferred $250,000 into Generation Now's newly opened account. Identical transfers of $250,000 from FirstEnergy Service to Generation Now took place on May 17, October 10 and December 8, 2017.

53. 501(c)(4) entities have a unique advantage over traditional Political Action Committees for those seeking to shield the source of their income from discovery. Unlike Political Action Committees, Federal law does not require 501(c)(4) entities to disclose to the public the names or addresses of the sources of their donations. This veil of secrecy has led to 501(c)(4)'s often being referred to as "dark money groups."

54. During 2017, the Ohio legislature considered three pieces of legislation that would have established a program consistent with the zero emissions nuclear (ZEN) program mentioned by FirstEnergy Corp.'s CEO Chuck Jones in the fourth-quarter 2016 earnings conference call:

- On April 6, 2017, Senators LaRose and Eklund introduced S.B. 128.
- On April 10, 2017, Representative Anthony DeVitis introduced H.B. 178.
- On October 17, 2017, Representative Anthony DeVitis introduced H.B. 381, a near mirror of S.B. 128 and H.B. 178.

55. Unlike S.B. 128 and H.B. 178, which received virtually no support from legislators, DeVitis' H.B. 381 was cosponsored by fifteen House members, including Householder. None of the three pieces of legislation received sufficient support in their respective Committees to be presented for a floor vote — but FirstEnergy Corp. did not yet have a Machiavellian ally in the Speaker chair. That would change when it joined forces with Householder.

56. In early 2018, the Unholy Alliance assembled a slate of candidates which would come to be referred to as "Team Householder." Candidates were selected to run against incumbent representatives who were not supporters of Householder, with the understanding that, if elected, they would support his quest for the Speakership. Candidates identified to be part of Team Householder were interviewed by a number of individuals, including Clark, a Columbus-based political consultant and lobbyist who referred to himself as one of Householder's "closest advisors" and "proxy." Clark would later serve as the direct go-between for the Unholy Alliance in its dealings with legislators. In that role, Clark bullied, intimidated and coerced legislators into supporting Larry Householder and H.B. 6.

57. Candidates selected to be members of Team Householder received direct, public support from some members of the Unholy Alliance. Other members of the Unholy Alliance sought to exert their influence through indirect means. The Unholy Alliance used Longstreth, Longstreth's company JPL & Associates, Generation Now, Partners for Progress, Hardworking Ohioans and others to route millions of dollars in money, media, consulting and campaign services to support Team Householder candidates in ways that would not require disclosure to the public or to elections officials.

58. Between April 2, 2018 and May 16, 2018, members of the Unholy Alliance used Generation Now to transfer $1 million to Growth & Opportunity PAC. Growth & Opportunity PAC then used a portion of those funds to purchase over $600,000 in radio, television and digital ads, direct mail services and campaign consulting to benefit Team Householder's preferred candidates in the 2018 Ohio Primary Election.

59. The Unholy Alliance used the anonymity provided by Generation Now's status as an IRS 501(c)(4) and the routing of the money through Growth & Opportunity PAC to prevent the public and regulators from discovering their efforts to influence the outcome of the 2018 Ohio Primary Election, to make contributions to candidates in excess of allowable limits and to avoid reporting political activity, all in violation of RC 1315.55, Ohio's Money Laundering statute. Federal Election Commission records reveal expenditures by Growth & Opportunity PAC in OH HD 06, OH HD 19, OH HD 21, OH HD 37, OH HD

42, OH HD 43, OH HD 47, OH HD 50, OH HD 61, OH HD 65, OH HD 67, OH HD 72, OH HD 80, OH HD 81, OH HD 83, OH HD 84, OH HD 86, OH HD 90 and OH HD 91 during the 2018 Primary season. Not coincidentally, Team Householder candidates were seeking the Republican nomination in Ohio House Districts 06, 19, 21, 37, 42, 43, 47, 50, 61, 67, 72, 80, 83, 86, 90 and 91 at the time those expenditures were made. Eleven of those sixteen candidates, including Householder himself, were successful. Ten would later vote to pass H.B. 6. These contributions and efforts were over and above all monetary contributions made directly to candidate committees through FirstEnergy Corp. PAC and FirstEnergy PAC.

60. The Unholy Alliance continued its efforts to seize control of the Ohio legislature during the 2018 General Election.

61. Between September 25, 2018 and November 2, 2018, the Unholy Alliance used Generation Now and a yet-undetermined FirstEnergy entity to funnel $1.17 million to Hardworking Ohioans. Hardworking Ohioans then contracted with a media placement company to place over $1 million in media buys targeting opponents of Team Householder in the 2018 General Election, the goal being to influence voters to choose Team Householder candidates. These contributions and efforts were over and above all monetary contributions made directly to candidate committees through FirstEnergy Corp. PAC and FirstEnergy PAC.

62. The Unholy Alliance used the anonymity provided by Generation Now's status as an IRS 501(c)(4) and the routing of the money through Hardworking Ohioans to prevent the public and regulators from discovering their efforts to influence the outcome of the election, to make contributions to candidates in excess of allowable limits and to avoid reporting political activity. This pattern of obfuscation and deceit, which is detailed in the federal indictment and Secretary LaRose's complaint with the Elections Commission, as well as in this Complaint, constitutes multiple violations of RC 1315.55, Ohio's Money Laundering statute.

63. Householder did his part as well, sending over $335,000 in donations directly from Friends of Larry Householder, Householder's own campaign committee, to his favored candidates in 2018 alone.

64. Many Team Householder candidates were victorious. These victorious candidates, in turn, helped elect Householder as Speaker of the House in January 2019.

65. On April 12, 2019, two House members who had been backed by Householder and the Unholy Alliance introduced H.B. 6. The Bill, described by Clark as a "nuclear power plant bailout," established a program under which the two Ohio nuclear power plants owned and operated by FirstEnergy Nuclear Assets would become eligible for ratepayer-funded subsidies of $9 per megawatt hour produced. The changes made by H.B. 6 , and vetted by Randazzo, had the potential to send over $1 billion to FirstEnergy Corp. and its Nuclear Assets.

66. In a press conference held the day H.B. 6 was introduced, Householder stated that he had "crafted" the legislation with the two representatives who had introduced it. When asked where the amount of the subsidy contained in the proposed legislation came from, Householder responded with the following; *"It's based on our brains. For me, I look back, for two years I've had this in my head, and I've had various versions on that white board over the last several months."*

67. Once H.B. 6 was introduced, the real work began. FirstEnergy Service wired $1.5 million for the FirstEnergy Entities to Generation Now on April 19, 2019, seven days after H.B. 6 was introduced. Generation Now received another $8 million in transfers from FirstEnergy Service in May 2019. Generation Now used that money for mailers and media meant to pressure members of the Ohio House of Representatives to support the legislation, many of which suggested that voters "Call Representative ____ and tell him (or her) to have the courage to support House Bill 6…"

68. Crossing the Speaker of the Ohio House of Representatives can be a dangerous proposition, politically and economically. The Speaker leads the majority caucus. Defying the Speaker's wishes can lead to legislation being killed outright or left to die a

slow death in committee. The Speaker also has complete control over the appointment of committee members and chairs, positions that bring anywhere from $3,250 to $13,500 per year in additional pay. In addition to these levers, Speaker Householder's complete control over the largess from FirstEnergy, and the prospect of future contributions both legitimate and illegitimate from that source, gave him maximum leverage over his caucus.

69. The Unholy Alliance used that dynamic to secure support for Householder and H.B. 6. For example, Clark threatened legislators with loss of committee assignments and having their legislation stalled or killed outright if they did not vote the right way. Householder himself became involved in these intimidation tactics on at least one occasion, telling an individual referred to in the Federal Charging Documents as Rep. 7, *"I just want you to remember - when I needed you - you weren't there. Twice."*

70. Because these threats to "kill" legislation and terminate committee appointments and chairpersonships were made with a single purpose – securing the votes needed for H.B. 6 to pass - each act constitutes a violation or attempted violation of RC 2905.12, Extortion, and RC 2921.02, Bribery.

71. Knowing that discovery of their efforts would prove disastrous both politically and legally, members of the Unholy Alliance instructed at least one witness to delete text messages received from Householder relating to H.B. 6. This, and any other attempt to conceal or destroy evidence of their misconduct, constitutes a violation of RC 2921.12, Tampering with Evidence.

72. On May 29, 2019, H.B. 6 passed the House. The Unholy Alliance then turned its attention to the Ohio Senate. Over the next two months, the Unholy Alliance unleashed a $7 million barrage of television ads, postcards, mailers and digital media with the goal of pressuring Senators to vote in favor of passing H.B. 6. When that did not work, Householder, with the authority purchased for him by FirstEnergy, dramatically upped the stakes.

73. H.B. 6 was not the only important piece of legislation pending that spring. House Bill 166 ("H.B. 166"), Ohio's Fiscal Year 2020-2021 biennial budget, was also in play. By law, Ohio must have its biennial general fund budget in place by July 1 of each odd-numbered year. Failing to have a biennial budget in place by July 1 leads to one of the following two things: (1) an agreed temporary budget or (2) a total government shutdown. That would prove to be a key tool in the efforts to get H.B. 6 over the finish line.

74. It quickly became apparent to those around Capital Square that H.B. 6 and H.B. 166 were joined at the hip. The Senate passed its amended version of H.B. 166 on June 20, 2019. The House rejected the Senate's proposed amendments that same day. The Conference Committee assigned to H.B. 166 met on June 25, 2019, but the process immediately ground to a halt. The June 30th deadline for the operating budget came and went, and several weeks passed with no end to the impasse in sight. Then everything changed.

75. On July 16, 2019, the conference committee working on the voluminous budget bill finally agreed to a single version of that legislation, and both chambers passed it on July 17, 2019. It was signed into law the next day. On the same day that the budget impasse ended, the Senate also passed H.B. 6 and sent it back to the House for concurrence. The House soon concurred, and the bill was swiftly signed into law. In a few short months, the Unholy Alliance had taken an idea that received no serious consideration during the previous General Assembly and transformed it into a top legislative priority on par with the state operating budget. The reasons for this are clear: with a billion-dollar corporate bailout at stake for FirstEnergy, and millions of dollars of political influence at stake for Speaker Householder and his cohorts, H.B. 6 was the was the gasoline in the engine of corruption driving the Unholy Alliance's efforts.

76. Immediately after passage of H.B. 6, an effort was mobilized to repeal H.B. 6 through a ballot referendum. Under Ohio law, in order to place a referendum on the ballot, a group must collect 1,000 certified signatures and submit proposed ballot language to the Ohio Attorney General for approval. The approval ensures that the description of the referendum meets the "fair and truthful" standard outlined in the Ohio Revised Code. If

the Ohio Attorney General approves the language, and the Ohio Secretary of State certifies the signatures collected, the proponents of the ballot referendum must then collect signatures from registered voters totaling six percent of the voters who participated in the last gubernatorial election. In this case, six percent equaled about 265,000 signatures. Those signatures, too, must be validated by the Ohio Secretary of State. If the requisite number of signatures are collected and validated, the referendum appears on the ballot for a popular vote by the residents of Ohio.

77. Between June 19, 2019 and November 30, 2019, the Unholy Alliance transferred over $40 million into Generation Now to fund their efforts to derail the proposed referendum.

78. Throughout late summer and fall of 2019, Generation Now, Longstreth, Householder, Clark, Borges and Cespedes, along with other members of the Unholy Alliance, using money sourced from FirstEnergy Corp. and the FirstEnergy Nuclear Assets, engaged in a continuous, well-funded and coordinated effort aimed at defeating the referendum, including, but not limited to: directing and funding massive, inflammatory direct mail campaigns and extensive media outreach through third parties, causing individuals to engage in patterns of harassing and intimidating individuals hired to collect signatures supporting placing the referendum on the ballot, bribing individual signature collectors to leave their employment and abandon efforts aimed toward placing the anti-H.B. 6 referendum on the ballot, seeking to bribe individuals working for companies hired to collect signatures on behalf of H.B. 6 opponents and paying consultants and Unholy Alliance members for their participation in anti-referendum efforts.

79. As early as June 23, 2019, the Unholy Alliance began taking affirmative steps to impede the collection of signatures by paying signature collection companies tens of thousands of dollars to stay on the sidelines.

80. Clark and Cespedes led the efforts to hire signature collection companies away from referendum backers, together arranging for over $500,000 in payments from Generation Now toward such efforts by end of July 2019.

81. Between August 1, 2019 and November 30, 2019, Generation Now paid Ohioans for Energy Security nearly $23 million to embark on an expansive, inflammatory direct mail and media campaign designed to keep voters from signing onto efforts to put the referendum repealing H.B. 6 on the ballot.

82. Generation Now engaged Borges to facilitate other efforts to defeat the proposed referendum. Borges and his company, 17 Consulting Group, served as a conduit through which the Unholy Alliance spent an additional $1.62 million in its efforts to defeat the proposed referendum. In that capacity, Borges used accounts under his control to pass $600,000 from Generation Now to Cespedes. Cespedes used that money to disrupt signature collection efforts, to engage others in anti-referendum efforts and to pay himself.

83. Borges personally engaged in a scheme to interfere with the signature collection efforts by paying a bribe to a senior executive working for the signature collection agency hired by supporters of the referendum.

84. Borges used portions of the remaining dollars received from Generation Now to promote anti-referendum efforts, to impede signature collection efforts and to pay himself. In 2019 alone, Borges received over $380,000 in financial benefit from his membership in the Unholy Alliance.

85. As described above, the Unholy Alliance used the anonymity provided by Generation Now's claimed IRS 501(c)(4) status, coupled with the routing of the money through shell companies, Unholy Alliance members and private businesses to evade statutory requirements relating to the reporting of political activities surrounding their attempts to block a referendum seeking to repeal H.B. 6. This pattern of obfuscation and deceit, which is detailed in the federal indictment and Secretary LaRose's complaint with the Elections Commission, as well as in this Complaint, constitutes multiple violations of RC 1315.55, Ohio's Money Laundering statute.

86. The passage of H.B. 6 and the defeat of the referendum did not signal the end of the Unholy Alliance. They had to secure their position of dominance in the Ohio House.

Between January 1, 2020 and April 28, 2020, the Unholy Alliance pumped nearly $1 million into primary elections involving Team Householder candidates, routing money from Generation Now through Coalition for Growth & Opportunity to Growth & Opportunity PAC. Growth & Opportunity PAC then purchased $900,000 in direct mail, radio, digital and television advertising and production services for the benefit of Team Householder's preferred candidates in the 2020 Ohio Primary Election. These contributions and efforts were over and above all monetary contributions made directly to candidate committees through FirstEnergy Corp. PAC and FirstEnergy PAC.

87. The benefit of passing the money through Coalition for Growth & Opportunity first was that Growth & Opportunity PAC listed Coalition for Growth & Opportunity as the source of the $1,010,000 million in FEC filings, not Generation Now, which multiple media sources had linked to the Alliance's multimillion-dollar effort to pressure legislators into voting in favor of H.B. 6.[5]

88. Householder continued to do his part as well, with his campaign committee, Friends of Larry Householder, doling out almost $80,000 in donations directly to favored candidates.

89. Throughout the 2020 Ohio Primary Election, Unholy Alliance members used the anonymity provided by Generation Now's status as an IRS 501(c)(4), coupled with the anonymity provided by Coalition For Growth & Opportunity's status as an IRS 501(c)(4) entity and the routing of the money through Growth & Opportunity PAC to prevent the public and regulators from discovering their efforts to influence the outcome of the election, to make contributions to candidates in excess of allowable limits and to avoid reporting political activity, all in violation of RC 1315.55, Ohio's Money Laundering statute. Records are not yet available for the 2020 Ohio General Election. However, Plaintiffs expect FirstEnergy Corp. PAC and FirstEnergy PAC, along with the newly

[5] *See, e.g.*, Laura A. Bischoff, *Big Money Pushes for Energy Bill; Consumer Groups Oppose It*, DAYTON DAILY NEWS, May 8, 2019, https://www.daytondailynews.com/news/local/big-money-pushes-for-energy-bill-consumer-groups-oppose/ciWTL5gLpNVxpt3b03dxLP/; Josh Goad, *Who Paid All That Money to Buy All Those Nuclear Bailout Ads Raining on Ohio?*, CINCINNATI ENQUIRER, July 12, 2019, https://www.cincinnati.com/story/news/2019/07/02/who-paid-all-money-buy-all-those-nuclear-bailout-ads-ohio-house-bill-6/1443145001/.

formed Energy Harbor PAC, will continue to coordinate efforts with other enterprise members to influence candidates for election and the deliberations associated with the proposed repeal of H.B. 6.

90. The benefits of being a member of the Unholy Alliance were more than political, they were personal and monetary.

91. Between February 6, 2017 through July 21, 2020, the Unholy Alliance caused over $400,000 in benefits to be transferred to Householder. Moneys transferred through Generation Now to JPL & Associates and other accounts controlled by Longstreth were used to pay attorneys working on a private legal matter for Householder, to satisfy a civil judgment that was levied against Householder in his personal capacity, to pay Householder's campaign expenses, to pay the taxes on and improve a residence owned by Householder in the State of Florida and to pay credit card bills on Householder's behalf. All of this was done in a manner designed to conceal the source and amount of the benefits to Householder and to shield his acceptance of the proceeds of his unlawful acts from discovery, all in violation of RC 1315.55, Ohio's Money Laundering statute.

92. During the course of the Unholy Alliance, Generation Now transferred a total of $10.5 million to JPL & Associates, Longstreth's political consulting company. Additionally, Generation Now transferred over $4.4 million to Ohioans for Energy Security, which was subsequently passed on by Ohioans for Energy Security to Constant Content, another business owned by Longstreth. Together, those businesses paid Longstreth over $5 million, including $1 million that was placed in a brokerage account for Longstreth's benefit in January 2020, for his service to the Unholy Alliance, all in violation of RC 1315.55, Ohio's Money Laundering statute

93. Other Unholy Alliance members benefitted directly, as well. Clark, Householder's self-proclaimed proxy and emissary, received over $290,000 from his work for the Unholy Alliance. Borges' company, 17 Consulting Group, received $1.62 million from the Unholy Alliance between August 1, 2019 and October 21, 2019. $350,000 of that was paid directly to Borges for his efforts to derail the proposed referendum. Another $600,000 was passed on to Cespedes to support his efforts to derail the referendum.

Cespedes separately received another $277,000 in "consulting fees" for serving as the intermediary between FirstEnergy Solutions, legislators and the Unholy Alliance on matters relating to H.B. 6.

94. The acts set forth above are only the beginning. The full breadth of the Unholy Alliance has yet to be revealed. What has come to light thus far reveals a long running scheme that co-opted Ohio's legislative and referendum processes through coercion, intimidation, bribery and collusion.

ADDITIONAL ALLEGATIONS SINCE FIRST AMENDED COMPLAINT

THE LONGSTRETH PLEA

95. On October 29, 2020, Longstreth appeared in open court via video conference before U.S. District Court Judge Timothy S. Black and pleaded guilty to violating 18 § U.S.C. 1962(d), i.e., participating in a RICO conspiracy as charged in Count One of the respective Indictment filed July 30, 2020, in *United States of America v. Larry Householder, et al.*, Case No. 1:20-cr-00077-TSB, in the United States District Court for the Southern District of Ohio ("Indictment") describing facts contained in the Affidavit in Support of Criminal Complaint filed July 17, 2020, in *United States of America v Larry Householder, et al.*, Case No. 1:20-cr-00077-TSB, in the United States District Court for the Southern District of Ohio ("Affidavit"). (See, attached EXHIBIT A)

96. As described in EXHIBIT A, by pleading guilty Longstreth admitted, beyond a reasonable doubt, to conspiring to violate federal criminal law, engage in a pattern of racketeering activity, including acts of bribery and money laundering.

97. As described in EXHIBIT A, by pleading guilty Longstreth admitted, beyond a reasonable doubt, to participating in an enterprise which would receive undisclosed donations to benefit Householder and to advance Householder's efforts to become Speaker of the Ohio House of Representatives.

98. As described in EXHIBIT A, by pleading guilty Longstreth admitted, beyond a reasonable doubt, to managing bank accounts with funds from FirstEnergy that were used

to benefit enterprise members in return for specific official action by Householder relating to the passage and preservation of legislation that would go into effect and save the operation of two nuclear power plants in Ohio.

THE CESPEDES PLEA

99. On October 29, 2020, Cespedes appeared in open court via video conference before U.S. District Court Judge Timothy S. Black and pleaded guilty to violating 18 U.S.C. § 1962(d), i.e., participating in a RICO conspiracy as charged in Count One of the respective Indictment filed July 30, 2020, in *United States of America v. Larry Householder, et al.*, Case No. 1:20-cr-00077-TSB, in the United States District Court for the Southern District of Ohio ("Indictment") describing facts contained in the Affidavit in Support of Criminal Complaint filed July 17, 2020, in *United States of America v Larry Householder, et al.*, Case No. 1:20-cr-00077-TSB, in the United States District Court for the Southern District of Ohio ("Affidavit"). (See, attached EXHIBIT B)

100. As described in EXHIBIT B, by pleading guilty Cespedes admitted, beyond a reasonable doubt, to conspiring to violate federal criminal law, engage in a pattern of racketeering activity, including acts of bribery and money laundering.

101. As described in EXHIBIT B, by pleading guilty Cespedes admitted, beyond a reasonable doubt, to managing bank accounts with funds from FirstEnergy that were used to benefit enterprise members in return for specific official action by Householder relating to the passage and preservation of legislation that would go into effect and save the operation of two nuclear power plants in Ohio.

FIRSTENERGY CHANGES LEADERSHIP

102. On October 29, 2020, the Independent Review Committee of the Board of Directors of FirstEnergy terminated Jones for violating FirstEnergy's policies and its code of conduct.

103. On October 29, 2020, the Independent Review Committee of the Board of Directors of FirstEnergy terminated Dowling for violating FirstEnergy policies and its code of conduct.

THE GENERATION NOW PLEA

104. On February 19, 2021, Generation Now, through its representative Longstreth, appeared in open court via video conference before U.S. District Court Judge Timothy S. Black and pleaded guilty to violating 18 U.S.C. § 1962(d), i.e., participating in a RICO conspiracy as charged in Count One of the respective Indictment filed July 30, 2020, in *United States of America v. Larry Householder, et al.*, Case No. 1:20-cr-00077-TSB, in the United States District Court for the Southern District of Ohio ("Indictment") describing facts contained in the Affidavit in Support of Criminal Complaint filed July 17, 2020, in *United States of America v Larry Householder, et al.*, Case No. 1:20-cr-00077-TSB, in the United States District Court for the Southern District of Ohio ("Affidavit") (See, attached EXHIBIT C)

105. As described in EXHIBIT C, by pleading guilty Generation Now admitted, beyond a reasonable doubt, to conspiring to violate federal criminal law, engage in a pattern of racketeering activity, including acts of bribery and money laundering.

106. As described in EXHIBIT C, by pleading guilty Generation Now admitted, beyond a reasonable doubt, to participating in an enterprise which would receive undisclosed donations to benefit Householder and to advance Householder's efforts to become Speaker of the Ohio House of Representatives.

107. As described in EXHIBIT C, by pleading guilty Generation Now admitted, beyond a reasonable doubt, to receiving money from FirstEnergy that was used to benefit enterprise members in return for specific official action by Householder relating to the passage and preservation of legislation that would go into effect and save the operation of two nuclear power plants in Ohio.

THE FIRSTENERGY DEFERRED PROSECUTION AGREEMENT

108. On July 20, 2021, FirstEnergy entered into a Deferred Prosecution Agreement with the United States of America in *United States of America v. FirstEnergy Corp.*, Case No. 1:21-cr-00086-TSB, in the United States District Court for the Southern District of Ohio, wherein FirstEnergy was charged with conspiracy to commit honest services wire fraud in violation of Title 18, United States Code, Sections 1343, 1346, 1349. (See, attached EXHIBIT D) (the "DPA")

109. FirstEnergy Service funneled more than $59 million (allocated as approximately $17 million from FirstEnergy and $43 million from FirstEnergy Solutions) between 2017 and 2020 to Generation Now using Partners for Progress, as directed by Jones and Dowling, to advance the purposes of the enterprise, including Householder's efforts to become Speaker of the Ohio House of Representatives, and in his official capacity as a public official cause the passage and preservation of legislation that would go into effect and save the operation of two nuclear power plants in Ohio.

110. In an effort to get Householder to become Speaker of the Ohio House of Representatives, on October 20, 2018, Jones and Dowling texted about a $400,000 payment coming from FirstEnergy Solutions to Generation Now. Jones texted Dowling that Householder was meeting with FirstEnergy Solutions that day. Dowling replied that Householder would learn about the $400,000 at the meeting. Householder was then hand delivered the $400,000 payment in person. After the meeting Householder texted Jones "$400k… thank you."

111. On the day of the general election in 2018, Jones texted Householder to see how candidates that would support Householder's run for Speaker had fared in their respective elections. Householder responded that he was short one vote for Speaker. Jones indicated that he would make sure additional support would happen. Householder later asked Jones about "getting this Spkrs race worked out so the way we want it." Jones responded "On it."

112. After Householder became Speaker and H.B. 6 was introduced, opposition testimony occurred on April 23, 2019. Householder communicated with Jones and later shared with Dowling that Householder had commissioned advertising related to H.B. 6. Jones then texted Dowling that FirstEnergy Solutions needed to pay for the ads. Jones texted Householder about having FirstEnergy Solutions pay for the ads and queried Householder for a budget amount. Householder then responded that he'd find out but wanted to "blister Columbus and eastern Ohio where the shale play is." The next day Jones texted that he had lined up the payment for the ads, to which Householder replied that he first wanted to make sure they weren't being overcharged for the ads.

113. As H.B. 6 was being debated, Householder texted Jones that Householder needed Jones's help in shaping the argument to gain support for H.B. 6. Later as the House and Senate negotiations were ongoing, Jones texted Householder that he needed to "Negotiate hard. 10 years and decoupling back in!" Householder queried the number of years, stating "[an executive at FirstEnergy Solutions] told me $148M for 6yrs was what was necessary." Jones then responded that there was a mistake and that they needed more years so that Householder wouldn't have to "deal with this twice as Speaker." Two weeks later, Jones texted Dowling that Jones had explained "why 10 years is a must" and that Householder was "on board with pushing H.B. 6 to 10 if he can."

114. On the day that H.B. 6 was signed into law, Jones texted Dowling that "We made a bbiiiiiiiig bet and it paid off. Actually 2 big bets. Congrats to you and the entire team!" Dowling responded "Huge bet and we played it all right on the budget and HB 6 – so we can go back for more!"

115. With the passage of H.B. 6, efforts next turned to preserving the law from referendum by the voters. Dowling communicated about the referendum with an executive at FES/Energy Harbor, who asked if they were "supposed to go against what [Householder] is telling us to do?" Dowling later responded in reference to Householder, "I think you're in excellent hands...We should all be following his lead. I know you/fes are and we will as well."

116. The concern of a referendum was so great that Dowling told Jones about convincing a public official to publicly state that H.B. 6 was a tax, which would not be subject to ballot referendum. Jones then texted Dowling "We should check with [Householder] to make sure he's on board with this before we step in."

117. FirstEnergy continued to fund efforts to defeat the referendum. In October 2019, FirstEnergy wired $10 million to Partners for Progress to pay to Generation Now so that Householder could defeat the collection of signatures on the referendum effort and/or for alternate legislation if the referendum made it to the ballot. At the time of sending these funds, Jones texted an executive at FES, "Just got word the $ is being wired today. $10M."

CONTINUED CORRUPTION AFTER H.B. 6

118. After the success of electing Householder as Speaker, the passage of H.B. 6, and the preservation of H.B. 6 from referendum, Jones, Dowling and Householder sought to craft a legislative mechanism for Householder to potentially remain in power for up to sixteen additional years.

119. Currently, Legislators are limited to eight years in either the House or the Senate, but they can switch back and forth. Under Householder's term limit initiative, there would be a sixteen-year lifetime maximum, and for existing members it would reset at the law's passage.

120. In early 2020, Householder and Jones spoke about Householder's term limit initiative, and Jones indicated that he would get Dowling to work on funding it. Within a day, Dowling texted that there would be a $2 million contribution through Partners for Progress to Generation Now because the term limit initiative "extends and stabilizes existing leadership – good for the home team." On March 2, 2020, Partners for Progress did indeed wire $2 million to Generation Now.

RANDAZZO

121. For almost a decade, Randazzo's companies, Sustainability Funding Alliance of Ohio, Inc. and IEU-Ohio Administration Company, LLC, worked under contracts or agreements with FirstEnergy for Randazzo's benefit.

122. In December 2018, Randazzo, Jones and Dowling met in person to discuss the remaining payments to Sustainability Funding Alliance from FirstEnergy, as well as Randazzo's candidacy for an open Public Utilities Commission of Ohio chair position.

123. As a public utility, FirstEnergy is subject to oversight by the PUCO. As Chair of PUCO, Randazzo would be prohibited from accepting monies from FirstEnergy under the consulting agreement.

124. The day after the meeting, Randazzo texted Jones and Dowling, informing them that the payments under the agreement from 2019 to 2024 would be $4,333,333. Jones responded that "we're gonna get this handled this year, paid in full, no discount. Don't forget about us or Hurricane [Jones] may show up on your doorstep!" Randazzo then asked about structuring the invoices and stated that "if asked by the administration to go for the Chair spot, I would say yes."

125. On January 2, 2019, FirstEnergy Service wired Sustainability Funding Alliance $4,333,333. Randazzo then texted Dowling that he had arranged a meeting with the office of the Governor-elect for later that week.

126. FirstEnergy has subsequently admitted that there was no justifiable basis for it to pay Randazzo or his entity this amount, and that the payment was made so that Randazzo would advance FirstEnergy's interests in his role at the PUCO.

127. On January 17, 2019, Randazzo applied to be a Commissioner of the PUCO. FirstEnergy then pushed to have Randazzo appointed PUCO Chair. On February 4, 2019, it was announced that Randazzo was selected Chair of the PUCO.

128. Shortly after Randazzo became Chair of the PUCO, Dowling told Randazzo that Jones was meeting with Householder and asked if there was anything that Jones should raise

with Householder. Randazzo responded "We need coordination between executive and legislative branches to get sensible stuff over the goal line. Absent that, the current polarization will pull everything under."

129. While Chair of PUCO, Randazzo also worked on the language of H.B. 6 to favor FirstEnergy, and worked to increase the number of years that decoupling would be available to benefit FirstEnergy, as well as pushing to include the decoupling provision in the final draft.

130. At FirstEnergy's request in the fall of 2019, Randazzo sought to eliminate a requirement for FirstEnergy's electric distribution subsidiaries to file a new base rate in 2024. Dowling texted Jones that he had spoken with Randazzo and that the "2024 issue will be handled" on November 21st. On that day, the PUCO did indeed issue a ruling that no new rate case would be required in 2024.

131. Shortly thereafter, Jones texted Randazzo "Thank you!!" accompanied by an image of the FirstEnergy stock price increase. After a response from Randazzo, Jones replied "Those guys are good but it wouldn't have happened without you."

V. CAUSES OF ACTION

COUNT ONE:
ENGAGING IN A PATTERN OF CORRUPT ACTIVITY
(R.C. 2923.34)

132. The Attorney General realleges the proceeding allegations as if fully restated herein.

133. From on or about January 1, 2017, the exact date being unknown, and continuing thereafter up to and including the date on which this Complaint was filed, Defendants **FIRSTENERGY CORP., FIRSTENERGY SERVICE COMPANY**, **FIRSTENERGY SOLUTIONS CORP.**, **FIRSTENERGY CORP. POLITICAL ACTION COMMITTEE, FIRSTENERGY PAC FSL, ENERGY HARBOR CORP.** as successor in interest and benefit to **FIRSTENERGY SOLUTIONS CORP. and the FIRSTENERGY NUCLEAR ASSETS, ENERGY HARBOR NUCLEAR**

GENERATION LLC, ENERGY HARBOR NUCLEAR CORP., ENERGY HARBOR LLC, ENERGY HARBOR CORP. POLITICAL ACTION COMMITTEE, LARRY HOUSEHOLDER, FRIENDS OF LARRY HOUSEHOLDER, GENERATION NOW, INC., JEFF LONGSTRETH, JPL & ASSOCIATES LLC, CONSTANT CONTENT CO., NEIL CLARK, MATT BORGES, 17 CONSULTING GROUP LLC, JUAN CESPEDES, CHARLES E. JONES, MICHAEL J. DOWLING, SAMUEL C. RANDAZZO, SUSTAINABILITY FUNDING ALLIANCE OF OHIO, INC., IEU-OHIO ADMINISTRATION COMPANY, LLC. and others named and unnamed whom the undersigned believes shall be identified through Discovery, engaged in conduct and relationships which, together, constituted an enterprise in fact as that term is defined in R.C. Section 2923.31. The Unholy Alliance and enterprise are an interchangeable way to describe the corruption of FirstEnergy Corp. and its subsidiaries and affiliates including Defendants FirstEnergy Corp., FirstEnergy Service Company, FirstEnergy Solutions Corp., FirstEnergy Corp. Political Action Committee and FirstEnergy PAC FSL (collectively "FirstEnergy"), and individuals like Larry Householder and others; a pattern of corruption that continues to threaten the State of Ohio to this day.

134. From on or about January 1, 2017, the exact date being unknown, and continuing thereafter up to and including the date on which this Complaint was filed, the enterprise and its associates engaged in multiple acts of Corrupt Activity as defined in R.C. 2923.31, to wit: Engaging in, attempting to engage in, conspiring to engage in, or soliciting, coercing, or intimidating another person to engage in conduct defined as "racketeering activity" under the "Organized Crime Control Act of 1970," 84 Stat. 941, 18 U.S.C. 1961 (1)(B), (1)(C), (1)(D), and (1)(E), as amended, those acts together constituting Corrupt Activity in violation of R.C. 2923.24(E) & (I); Engaging in, attempting to engage in, conspiring to engage in, or soliciting, coercing, or intimidating another person to engage in financial transactions involving the proceeds of or in furtherance of unlawful or corrupt activity, more commonly referred to as Money Laundering, violations of R.C. 1315.55; Engaging in, attempting to engage in, conspiring to engage in, or soliciting, coercing, or intimidating another person to engage in multiple instances of Extortion, violations of R.C. 2905.11; Engaging in, attempting to engage in, conspiring to engage

in, or soliciting, coercing, or intimidating another person to engage in multiple instances of Bribery, violations of R.C. 2921.02; and, Engaging in, attempting to engage in, conspiring to engage in, or soliciting, coercing, or intimidating another person to engage in instances of Tampering with Evidence, violations of R.C. 2921.12;

135. From on or about January 1, 2017, the exact date being unknown and continuing thereafter up to and including the date on which this Complaint was filed, in Franklin County, Ohio and elsewhere in a manner invoking the jurisdiction and venue of Franklin County, Ohio, in accordance with Rule of Civil Procedure 3(C) of the Ohio Rules of Civil Procedure, **FIRSTENERGY CORP., FIRSTENERGY SERVICE COMPANY, FIRSTENERGY SOLUTIONS CORP., FIRSTENERGY CORP. POLITICAL ACTION COMMITTEE, FIRSTENERGY PAC FSL, ENERGY HARBOR CORP**. as successor in benefit and interest to **FIRSTENERGY SOLUTIONS CORP. and the FIRSTENERGY NUCLEAR ASSETS, ENERGY HARBOR NUCLEAR GENERATION LLC, ENERGY HARBOR NUCLEAR CORP., ENERGY HARBOR LLC, ENERGY HARBOR CORP. POLITICAL ACTION COMMITTEE, LARRY HOUSEHOLDER, FRIENDS OF LARRY HOUSEHOLDER, GENERATION NOW, INC., JEFF LONGSTRETH, JPL & ASSOCIATES LLC, CONSTANT CONTENT CO., NEIL CLARK, MATT BORGES, 17 CONSULTING GROUP LLC, JUAN CESPEDES, CHARLES E. JONES, MICHAEL J. DOWLING, SAMUEL C. RANDAZZO, SUSTAINABILITY FUNDING ALLIANCE OF OHIO, INC., IEU-OHIO ADMINISTRATION COMPANY, LLC.** and others named and unnamed did, knowingly, conduct and participate directly and indirectly in conduct of such enterprise's affairs in a pattern of corrupt activity, as defined in Ohio Revised Code Section 2923.31(A), in violation of Ohio Revised Code Section 2923.34.

136. Over three years, corporate interests with more than a billion dollars to gain spent tens of millions of dollars disguised as independent expenditures by so-called “Social Interest Organizations” buying influence, aggregating power and deceiving voters. An aspiring House Speaker used political influence, campaign contributions, threats to remove committee assignments and a team of henchmen to reach the dais and pass a sweetheart

deal for his sponsors. And a gang of political operatives and corporate insiders used a web of dark money groups, political action committees and for-profit corporations to buy their way out of facing a referendum that threatened the legislation that lay at the heart of all of these efforts. Together, these corporations, entities and individuals formed an enterprise that engaged in a pervasive pattern of Corrupt Activity to the detriment of all Ohioans, in violation of RC 2923.32 and RC 2923.34, Engaging in a Pattern of Corrupt Activity that continues to this day.

137. In the DPA, FirstEnergy admitted to acts indictable under 18 U.S.C. 1343.

138. Per 18 U.S.C. 1961(1)(B), "racketeering activity" includes any act indictable under 18 U.S.C. 1343.

139. In connection with the DPA, FirstEnergy admitted to employing "a mechanism to conceal payments for the benefit of public officials and in return for official action."

140. FirstEnergy's statement quoted in the preceding paragraph admits to acts indictable under R.C. 2921.02(A), which criminalizes as bribery the "promise, offer, or giv[ing of] any valuable thing or valuable benefit" to a public servant to "corrupt" or "improperly to influence" the official acts and duties of the public servant.

141. FirstEnergy has admitted to bribery per R.C. 2921.02.

142. Violations of 18 U.S.C. 1961(1)(B) and R.C. 2921.02 are each defined as "corrupt activity" under R.C. 2923.31(I).

143. As the result the admissions contained in the DPA and Federal plea to violations of 18 U.S.C. 1961(1)(B), FirstEnergy has admitted to engaging in a pattern of corrupt activities under R.C. 2923.31.

144. FirstEnergy's plea and admissions implicate the members of the enterprise, including Jones, Randazzo, and Dowling, in its conspiracy to undermine Ohio's political and legislative process and its Pattern of Corrupt Activities.

145. FirstEnergy received additional value and benefit from the nuclear bailout through its impact on the value of various assets and liabilities implicated in the FES bankruptcy.

146. The final joint plan in the bankruptcy court was based, in part, on a valuation of the FES nuclear assets, which was weighted based upon the likelihood that the H.B. 6 nuclear bailout would be in place.

147. Without the H.B. 6 factor in valuing the FES nuclear assets, the plan would have assumed those assets would be decommissioned, significantly reducing the value of those assets to the debtor's estate.

148. Without H.B. 6, FirstEnergy would have had to contribute additional dollars or assets into the bankruptcy estate, or retained the nuclear assets, for the plan to have succeeded.

149. H.B. 6 reduced the contribution that FirstEnergy would otherwise have had to make into the debtor's estate.

150. Defendants' violations of law and their pattern of racketeering activity have directly and proximately caused damage to Ohio's residential, governmental, commercial and large industrial electric utility customers, all of whom will be subject to a new monthly-fixed charge due to the passage of H.B. 6 which, in the aggregate, is expected to approach $1.3 billion.

151. Defendants' violations of law and their pattern of racketeering activity have directly and proximately caused damage to Ohio's residential, governmental, commercial and large industrial electric utility customers of FirstEnergy utilities, who were subjected to a decoupling surcharge, and the corresponding removal of ROE limits, from January 2020 through February 2021, and would have been subjected to the surcharge, and unlimited ROE, through 2029.

152. Defendants' violations of law and their pattern of racketeering activity have directly and proximately caused damage to Ohio's reputation for good government and fair dealings with business interests, harm which will impede Ohio's ability to attract business opportunities.

153. Defendants' violations of law and their pattern of racketeering activity have directly and proximately caused damage to the State of Ohio directly through the State's agreement to settle and compromise in bankruptcy certain claims held by State agencies against FirstEnergy Solutions.

154. By virtue of these violations of R.C. 2923.34, Defendants are liable to ratepayers in this State for three times the damages Plaintiff has sustained, which are in excess of $25,000, plus the cost of this suit, including reasonable attorneys' fees.

155. In R.C. 2923.34(B), the OCPA affords the Court broad powers to "grant relief by entering any appropriate orders to ensure that the violation will not continue or be repeated."

156. R.C. 2923.34(B) also delineates forms of equitable relief that only the Attorney General may seek.

157. The Attorney General seeks the full panoply of relief available under R.C. 2923.34(B), including the equitable forfeiture of ill-gotten gains, received by each defendant (directly or indirectly), to the State in order to ensure that such a scheme will not be repeated.

158. The Attorney General also seeks the forfeiture of the public salaries paid to Householder and Randazzo during each's participation in the scheme.

COUNT TWO:
CIVIL LIABILITY FOR DAMAGES FOR CRIMINAL ACTS
(R.C. 2307.60)

159. The Attorney General realleges the proceeding allegations as if fully restated herein.

160. Per R.C. 2307.60, "Anyone injured in person or property by a criminal act has, and may recover full damages in, a civil action unless specifically excepted by law, may recover the costs of maintaining the civil action and attorney's fees if authorized by any provision of the Rules of Civil Procedure or another section of the Revised Code or under the common law of this state, and may recover punitive or exemplary damages…"

161. The State of Ohio has been injured by the Defendants' criminal acts.

162. The State of Ohio, through its agencies, universities, and subdivisions, is a rate payer that has been harmed by the act of bribery and violations of the Ohio Corrupt Practices Act.

163. As parens patriae, the State of Ohio seeks damages on behalf of Ohio rate payers in Ohio, both governmental and private.

164. The State is entitled to forfeiture of moneys received by the public servants, Householder and Randazzo, in connection with the scheme.

165. The State is entitled to return of salaries paid to Householder and Randazzo from the beginning of each's participation in the scheme to the time of his respective resignation and/or removal from office.

166. The State of Ohio seeks punitive damages for all awards under this count.

COUNT THREE:
CIVIL LIABILITY FOR DAMAGES FOR REPUTATIONAL HARM
(R.C.2307.60 & R.C. 2923.34)

167. The Attorney General realleges the proceeding allegations as if fully restated herein.

168. The acts perpetrated by the Defendants have been called the largest public corruption scandal in the history of Ohio.

169. News organizations and others have labeled Ohio the most corrupt state as a result of the acts of Defendants.

170. The former heads of both the Ohio House and the Public Utilities Commission of Ohio are both Defendants in this action. FirstEnergy has admitted to bribing both of them.

171. There have also been allegations regarding the level of influence FirstEnergy may have had over the appointment of Defendant Randazzo to the PUCO. These allegations have further harmed the State.

172. Accordingly, the criminal actions of defendants have harmed the reputation of the State of Ohio, the highest levels of its government, and have undermined the foundation of its representative-democracy.

173. These harms to the State of Ohio are compensable under OCPA and as personal injury under R.C. 2307.60.

174. The reputational harm to the State of Ohio equals or exceeds the value of the crimes to the Defendants, should they not have been halted. The value of the nuclear bailout was to be $1.1 billion. The value of the decoupling provision, as extended by Defendant Randazzo when chair of PUCO, was expected to exceed $700 million. The value of the bribes paid exceeded $65 million. Accordingly, the value of the reputational harm suffered by the State of Ohio exceeds $1,865,000,000.

175. Injuries compensated under OCPA are subject to trebling.

176. Injuries compensated under R.C. 2307.60, are subject to punitive damages.

VI. PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully prays this Court grant relief as follows:

A. That this Court issue orders that the acts alleged herein be adjudged and decreed to be unlawful in violation of R.C. 2923.34 and that the Court enters a judgment declaring them to be so;

B. That, pursuant to RC. 2923.34(B)(4) this Court enters an order revoking and nullifying the Ohio Air Quality Development Authority's approval of any application filed by any Defendant in this case to receive the proceeds of funds collected pursuant to the utility surcharge provided for in House Bill 6;

C. That, pursuant to R.C. 2923.34(B)(2), each and every Defendant named herein, along with its predecessors, parents, associates, subsidiaries, successors and assigns be enjoined from receiving any monetary benefit, supplement, credit or offset created by or through H.B. 6 of the 133rd Ohio General Assembly;

D. That, pursuant to R.C. 2923.34(B)(3), each Defendant business entity and nonprofit entity named in this Complaint be dissolved or reorganized such that no agent, officer or representative found to have engaged in acts in furtherance of retains a position within the defendant business or nonprofit entity;

E. That, pursuant to R.C. 2923.34(B)(2), each Defendant be enjoined from holding any position or office with any government entity, campaign committee, candidate committee, political party organization, Political Action Committee, regulatory board, government agency or any entity formed pursuant to Section 501(c)(4) of the Internal Revenue Code for a period of eight (8) years;

F. That, pursuant to R.C. 2923.34(B)(2), each Defendant be enjoined from engaging in any and all lobbying activities in the State of Ohio for a period of eight (8) years;

G. That Defendants be ordered to pay compensatory, punitive and treble damages as provided by law;

H. That Defendants be ordered to pay Plaintiff reasonable attorneys' fees and costs and expenses of litigation as provided by law;

I. That Plaintiff recover all measures of damages allowable under the State statutes identified herein, and that judgment be entered against Defendants in favor of Plaintiff; and,

J. That the Court order such other and further relief as the Court deems just, necessary and appropriate.

VII. JURY DEMAND

Plaintiff, the State of Ohio, by and through its Attorney General, Dave Yost, demands a trial by jury on all claims to the maximum number of jurors permitted by law.

DATED: August 5, 2021

Respectfully submitted,

DAVE YOST
Ohio Attorney General (0056290)

/s/ Jonathan D. Blanton
JONATHAN D. BLANTON (0070035)
Deputy Attorney General for Major Litigation

/s/ Charles M. Miller
CHARLES M. MILLER* (0073844)
Counsel to the Attorney General
*Counsel of Record

/s/ L. Martin Cordero
L. MARTIN CORDERO (0065509)
Assistant Attorney General

MARGARET O'SHEA (0098868)
Assistant Attorney General

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Counsel for the State of Ohio

EXHIBIT A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

UNITED STATES OF AMERICA, **Plaintiff,** **vs.** **JEFF LONGSTRETH,** **Defendant.**	**CASE NO. 1:20-CR-77** **JUDGE BLACK** **PLEA AGREEMENT**

The United States Attorney's Office for the Southern District of Ohio (USAO) and the Defendant, **JEFF LONGSTRETH**, individually and through counsel, pursuant to Rule 11(c)(1)(A) of the Federal Rules of Criminal Procedure, agree as follows:

1. **Offense of Conviction**: The Defendant agrees to plead guilty to Count One of the Indictment in this case, which charges the Defendant with Racketeer Influenced and Corrupt Organizations ("RICO") Conspiracy, in violation of 18 U.S.C. § 1962(d) and will not withdraw or attempt to withdraw the plea. The Defendant admits that the Defendant is, in fact, guilty of this offense and will so advise the Court.

2. **Elements of the Offense**: The elements of the offense to which the Defendant has agreed to plead guilty are as follows:

Count One, RICO Conspiracy

a) First, that an enterprise existed as charged in the Indictment;

b) Second, that the enterprise affected interstate or foreign commerce;

c) Third, the defendant was associated with or employed by the enterprise; and

d) Fourth, the defendant knowingly conspired to participate in the affairs of the enterprise through a pattern of racketeering activity.

3. **Penalties**: The statutory penalties for Count One are as follows:

a) Not more than 20 years' imprisonment, a term of supervised release of not longer than 3 years, a fine not to exceed $250,000.00 or, more than the greater of twice the gross gain by the defendant or twice the gross loss to another.

b) Restitution;

c) Forfeiture; and

d) A mandatory special assessment of $100.00 due prior to sentencing.

4. **Waiver of Rights**: The Defendant understands that he has the following rights:

a) To plead not guilty;

b) To have a trial by jury;

c) To be assisted by counsel during such trial;

d) To confront and cross-examine adverse witnesses;

e) To testify, if so desired, and to present evidence and compel the attendance of witnesses;

f) To not be compelled to testify or present evidence, and to not have these decisions held against the Defendant; and

g) To be presumed innocent throughout trial and until a jury finds proof of guilt beyond a reasonable doubt.

The Defendant further understands that if the Court accepts the Defendant's plea pursuant to this plea agreement, there will be no trial and the Defendant waives these rights.

5. **Immigration Consequences:** The Defendant understands that if he is not a United States citizen or is a naturalized citizen, a guilty plea and conviction may have consequences for the Defendant's immigration status, including removal from the United States, denial of citizenship, denaturalization, and denial of admission to the United States in the future. No one involved in this proceeding, including the defense attorney or district court, can predict the immigration consequences of the Defendant's guilty plea and conviction. Nevertheless, the Defendant affirms that he wants to plead guilty, regardless of any immigration consequences that a guilty plea may entail, even if this guilty plea means that removal from the United States and/or denaturalization will be a virtual certainty under immigration law.

6. **Applicability of Advisory Sentencing Guidelines:** The Defendant understands that in determining a sentence, the Court has an obligation to calculate the applicable sentencing guideline range and to consider that range, possible departures under the United States Sentencing Guidelines ("U.S.S.G."), and other sentencing factors under 18 U.S.C. § 3553(a).

7. **Factual and Sentencing Stipulation**: The parties agree to the Statement of Facts set forth in Attachment A, and incorporate it here by reference. The parties further agree that the Statement of Facts provide the factual basis for the Defendant's plea.

Count One: 18 U.S.C. § 1962(d)

a) The United States Sentencing Guidelines Manual ("U.S.S.G"), effective November 1, 2018, applies to this conduct.

b) Pursuant to U.S.S.G. § 2E1.1, the base offense level is either 19, or the offense level applicable to the underlying racketeering activity, whichever is higher.

c) The parties have not reached an agreement on all possible offense level adjustments.

d) The USAO does not oppose a 2-level reduction in offense level pursuant to U.S.S.G. § 3E1.1 based upon the Defendant's acceptance of responsibility, provided that the Defendant's conduct continues to demonstrate compliance with the terms of § 3E1.1. The Defendant may be entitled to an additional 1-level decrease pursuant to U.S.S.G. § 3E1.1(b) in recognition of the Defendant's timely notification of his intention to plead guilty.

8. **Obligations of the USAO**: The USAO will not further prosecute the Defendant for conduct prior to the date of this Plea Agreement that was part of the same course of criminal conduct described in the Indictment and that was known by the USAO at the time of the execution of this Plea Agreement. This agreement does not bind any other local, state, or federal prosecutions.

9. **Waiver of Appeal**: In exchange for the concessions made by the USAO in this plea agreement, the Defendant waives the right to appeal the conviction and sentence imposed, except if the sentence imposed exceeds the statutory maximum. Defendant also waives the right to attack his conviction or sentence collaterally, such as by way of a motion brought under 28 U.S.C. § 2255 and 18 U.S.C. § 3582. However, this waiver shall not be construed to bar a claim by the Defendant of ineffective assistance of counsel or prosecutorial misconduct.

10. **Hyde Amendment**: The Defendant agrees that he is not a "prevailing party" as these terms are used in the Hyde Amendment (set forth as a statutory note under 18 U.S.C. § 3006A) and waives any and all rights that he may have under that statute.

11. **Freedom of Information Act**: The Defendant waives all rights under the Freedom of Information Act relating to his investigation and prosecution and agrees not to file any request for documents. The Defendant also waives all rights he may have under the Privacy Act of 1974, which prohibits the disclosure of records contained in a system of records without his written request or consent.

12. **Acceptance of Plea Agreement:** The Defendant understands that the Court is not bound by the sentencing recommendations or stipulations of the parties and that it is within the sole discretion of the Court to impose the sentence in this case.

13. **Violation of Plea Agreement**: The Defendant agrees to abide by the terms of this agreement, including all of the conditions listed in U.S.S.G. § 3E1.1. The Defendant

understands that in the event he violates this agreement, the USAO will be relieved of all of its obligations under this agreement and may institute any charges or sentencing recommendations that would otherwise be prohibited by this agreement, and the Defendant will not be relieved of any of his obligations under the plea agreement. Further, the Defendant understands and agrees that if he violates this agreement or it is voided for any reason, the Defendant waives all defenses based upon the statute of limitations and the Speedy Trial Act as to any charges that are part of the same course of criminal conduct described in the Indictment. And the Defendant understands that if the Defendant violates this agreement, the Defendant waives protection afforded by Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, and § 1B1.8(a) of the United States Sentencing Guidelines. Any statements made by the Defendant in the course of plea discussions, in any proceeding pursuant to Fed. R. Crim. P. Rule 11, and to law enforcement authorities will be admissible against the Defendant without limitation in any civil or criminal proceeding.

14. **Defendant's Acknowledgment:** The Defendant has read and understands this plea agreement; the Defendant accepts this plea agreement knowingly and voluntarily and not as a result of any force, threats, or promises, other than the promises in this plea agreement. The Defendant has conferred with counsel regarding this plea agreement and the facts and circumstances of the case, including the applicable law and potential defenses, and the Defendant is fully satisfied with the representation, advice, and other assistance of counsel in this case.

15. **Entire Agreement.** This agreement, along with any attachment(s), is the complete agreement between the parties. It supersedes all other promises, representations, understandings, and agreements between the parties.

DAVID M. DEVILLERS
United States Attorney

Emily N. Glatfelter

EMILY N. GLATFELTER
MATTHEW C. SINGER
Assistant United States Attorneys

I have read this agreement and carefully reviewed every part of it with my attorney. I understand it, I voluntarily agree to it, and I do not wish to change any part of it. I am completely satisfied with the representation of my attorney.

10/23/2020
Date

JEFF LONGSTRETH
Defendant

I am the Defendant's attorney. I have carefully reviewed every part of this agreement with the Defendant, who advises me that he understands and accepts its terms. To my knowledge, the Defendant's decision to enter into this agreement is an informed and voluntary one.

10/23/2020
Date

Robert F. Krapenc, Esq.
Attorney for **JEFF LONGSTRETH**

ATTACHMENT A:
STATEMENT OF FACTS

The United States and Defendant **JEFF LONGSTRETH** *stipulate and agree that if this case proceeded to trial, the United States would prove the facts set forth below beyond a reasonable doubt. They further stipulate and agree that these are not all of the facts that the United States would prove if this case had proceeded to trial.*

Beginning in at least 2016 and continuing through July 21, 2020, in the Southern District of Ohio and elsewhere, the Defendant, **JEFF LONGSTRETH**, along with **LARRY HOUSEHOLDER, NEIL CLARK, MATTHEW BORGES, JUAN CESPEDES,** and **GENERATION NOW** ("the Defendants"), and others, being persons employed by and associated with **HOUSEHOLDER's Enterprise** (as defined in the Indictment) an enterprise, engaged in, and the activities of which affected interstate commerce, did knowingly and intentionally conspire with each other and others known and unknown to the Grand Jury to violate Title 18 United States Code, Section 1962(c), that is, to conduct and participate directly and indirectly, in the conduct of the affairs of the enterprise through a pattern of racketeering activity, as that term is defined in 18 U.S.C. §§ 1961(1) and 1961(5), consisting of multiple acts indictable under 18 U.S.C. §§ 1343, 1346 (relating to honest services wire fraud); 18 U.S.C. § 1951 (relating to interference with commerce, robbery, or extortion); 18 U.S.C. § 1952 (relating to racketeering, including multiple acts of bribery under Ohio Revised Code § 3517.22(a)(2)); 18 U.S.C. § 1956 (relating to the laundering of monetary instruments); 18 U.S.C. § 1957 (relating to engaging in monetary transactions in property derived from specified unlawful activity); and multiple acts involving bribery, chargeable under Ohio Revised Code § 2921.02. It was part of the conspiracy that Defendant **JEFF LONGSTRETH**, and along with the Defendants and others, agreed that a conspirator would commit at least two acts of racketeering activity in the conduct of the affairs of the enterprise.

LONGSTRETH participated directly and indirectly in the conduct of the affairs of the Enterprise, and conspired with the Defendants and others to do the same, by:

- Organizing **GENERATION NOW** at **HOUSEHOLDER's** direction for the benefit of **HOUSEHOLDER** and the **HOUSEHOLDER Enterprise**, knowing that the purpose of **GENERATION NOW** was for it to be used as a mechanism to receive undisclosed donations to benefit **HOUSEHOLDER** and to advance **HOUSEHOLDER's** efforts to become Speaker of the Ohio House of Representatives;

- Managing the **GENERATION NOW** bank accounts, knowing that payments received by **GENERATION NOW** from Company A were for the benefit of the Defendants and others in return for specific official action by **HOUSEHOLDER** relating to the passage and preservation of legislation that would go into effect and save the operation of two nuclear power plants in Ohio;

- Engaging in financial transactions that were designed to conceal the nature, source, ownership, and control of the payments made by Company A to **GENERATION NOW**; and

- Engaging in monetary transactions of over $10,000 involving the above-mentioned payments after the payments were passed through accounts controlled by **LONGSTRETH** and others for the benefit of the Defendants and others.

I have read the Statement of Facts and have carefully reviewed it with my attorney. I acknowledge that it is true and correct.

10/23/2020
Date

JEFF LONGSTRETH
Defendant

I am **JEFF LONGSTRETH**'s attorney. I have carefully reviewed the Statement of Facts with the Defendant.

10/23/2020
Date

Robert F. Krapenc, Esq.
Attorney for **JEFF LONGSTRETH**

EXHIBIT B

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

UNITED STATES OF AMERICA, **Plaintiff,** **vs.** **JUAN CESPEDES,** **Defendant.**	**CASE NO. 1:20-CR-77** **JUDGE BLACK** **PLEA AGREEMENT**

The United States Attorney's Office for the Southern District of Ohio (USAO) and the Defendant, **JUAN CESPEDES**, individually and through counsel, pursuant to Rule 11(c)(1)(A) of the Federal Rules of Criminal Procedure, agree as follows:

1. **Offense of Conviction**: The Defendant agrees to plead guilty to Count One of the Indictment in this case, which charges the Defendant with Racketeer Influenced and Corrupt Organizations ("RICO") Conspiracy, in violation of 18 U.S.C. § 1962(d) and will not withdraw or attempt to withdraw the plea. The Defendant admits that the Defendant is, in fact, guilty of this offense and will so advise the Court.

2. **Elements of the Offense**: The elements of the offense to which the Defendant has agreed to plead guilty are as follows:

Count One, RICO Conspiracy

a) First, that an enterprise existed as charged in the Indictment;

b) Second, that the enterprise affected interstate or foreign commerce;

c) Third, the defendant was associated with or employed by the enterprise; and

d) Fourth, the defendant knowingly conspired to participate in the affairs of the enterprise through a pattern of racketeering activity.

3. **Penalties**: The statutory penalties for Count One are as follows:

a) Not more than 20 years' imprisonment, a term of supervised release of not longer than 3 years, a fine not to exceed $250,000.00 or, more than the greater of twice the gross gain by the defendant or twice the gross loss to another.

b) Restitution;

c) Forfeiture; and

d) A mandatory special assessment of $100.00 due prior to sentencing.

4. **Waiver of Rights**: The Defendant understands that he has the following rights:

a) To plead not guilty;

b) To have a trial by jury;

c) To be assisted by counsel during such trial;

d) To confront and cross-examine adverse witnesses;

e) To testify, if so desired, and to present evidence and compel the attendance of witnesses;

f) To not be compelled to testify or present evidence, and to not have these decisions held against the Defendant; and

g) To be presumed innocent throughout trial and until a jury finds proof of guilt beyond a reasonable doubt.

The Defendant further understands that if the Court accepts the Defendant's plea pursuant to this plea agreement, there will be no trial and the Defendant waives these rights.

5. **Immigration Consequences:** The Defendant understands that if he is not a United States citizen or is a naturalized citizen, a guilty plea and conviction may have consequences for the Defendant's immigration status, including removal from the United States, denial of citizenship, denaturalization, and denial of admission to the United States in the future. No one involved in this proceeding, including the defense attorney or district court, can predict the immigration consequences of the Defendant's guilty plea and conviction. Nevertheless, the Defendant affirms that he wants to plead guilty, regardless of any immigration consequences that a guilty plea may entail, even if this guilty plea means that removal from the United States and/or denaturalization will be a virtual certainty under immigration law.

6. **Applicability of Advisory Sentencing Guidelines:** The Defendant understands that in determining a sentence, the Court has an obligation to calculate the applicable sentencing guideline range and to consider that range, possible departures under the United States Sentencing Guidelines ("U.S.S.G."), and other sentencing factors under 18 U.S.C. § 3553(a).

7. **Factual and Sentencing Stipulation**: The parties agree to the Statement of Facts set forth in Attachment A, and incorporate it here by reference. The parties further agree that the Statement of Facts provide the factual basis for the Defendant's plea.

Count One: 18 U.S.C. § 1962(d)

a) The United States Sentencing Guidelines Manual ("U.S.S.G"), effective November 1, 2018, applies to this conduct.

b) Pursuant to U.S.S.G. § 2E1.1, the base offense level is either 19, or the offense level applicable to the underlying racketeering activity, whichever is higher.

c) The parties have not reached an agreement on all possible offense level adjustments.

d) The USAO does not oppose a 2-level reduction in offense level pursuant to U.S.S.G. § 3E1.1 based upon the Defendant's acceptance of responsibility, provided that the Defendant's conduct continues to demonstrate compliance with the terms of § 3E1.1. The Defendant may be entitled to an additional 1-level decrease pursuant to U.S.S.G. § 3E1.1(b) in recognition of the Defendant's timely notification of his intention to plead guilty.

8. **Obligations of the USAO**: The USAO will not further prosecute the Defendant for conduct prior to the date of this Plea Agreement that was part of the same course of criminal conduct described in the Indictment and that was known by the USAO at the time of the execution of this Plea Agreement. This agreement does not bind any other local, state, or federal prosecutions.

9. **Waiver of Appeal**: In exchange for the concessions made by the USAO in this plea agreement, the Defendant waives the right to appeal the conviction and sentence imposed, except if the sentence imposed exceeds the statutory maximum. Defendant also waives the right to attack his conviction or sentence collaterally, such as by way of a motion brought under 28 U.S.C. § 2255 and 18 U.S.C. § 3582. However, this waiver shall not be construed to bar a claim by the Defendant of ineffective assistance of counsel or prosecutorial misconduct.

10. **Hyde Amendment**: The Defendant agrees that he is not a "prevailing party" as these terms are used in the Hyde Amendment (set forth as a statutory note under 18 U.S.C. § 3006A) and waives any and all rights that he may have under that statute.

11. **Freedom of Information Act**: The Defendant waives all rights under the Freedom of Information Act relating to his investigation and prosecution and agrees not to file any request for documents. The Defendant also waives all rights he may have under the Privacy Act of 1974, which prohibits the disclosure of records contained in a system of records without his written request or consent.

12. **Acceptance of Plea Agreement**: The Defendant understands that the Court is not bound by the sentencing recommendations or stipulations of the parties and that it is within the sole discretion of the Court to impose the sentence in this case.

13. **Violation of Plea Agreement**: The Defendant agrees to abide by the terms of this agreement, including all of the conditions listed in U.S.S.G. § 3E1.1. The Defendant

understands that in the event he violates this agreement, the USAO will be relieved of all of its obligations under this agreement and may institute any charges or sentencing recommendations that would otherwise be prohibited by this agreement, and the Defendant will not be relieved of any of his obligations under the plea agreement. Further, the Defendant understands and agrees that if he violates this agreement or it is voided for any reason, the Defendant waives all defenses based upon the statute of limitations and the Speedy Trial Act as to any charges that are part of the same course of criminal conduct described in the Indictment. And the Defendant understands that if the Defendant violates this agreement, the Defendant waives protection afforded by Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, and § 1B1.8(a) of the United States Sentencing Guidelines. Any statements made by the Defendant in the course of plea discussions, in any proceeding pursuant to Fed. R. Crim. P. Rule 11, and to law enforcement authorities will be admissible against the Defendant without limitation in any civil or criminal proceeding.

14. **Defendant's Acknowledgment:** The Defendant has read and understands this plea agreement; the Defendant accepts this plea agreement knowingly and voluntarily and not as a result of any force, threats, or promises, other than the promises in this plea agreement. The Defendant has conferred with counsel regarding this plea agreement and the facts and circumstances of the case, including the applicable law and potential defenses, and the Defendant is fully satisfied with the representation, advice, and other assistance of counsel in this case.

15. **Entire Agreement.** This agreement, along with any attachment(s), is the complete agreement between the parties. It supersedes all other promises, representations, understandings, and agreements between the parties.

DAVID M. DEVILLERS
United States Attorney

Emily N. Glatfelter

EMILY N. GLATFELTER
MATTHEW C. SINGER
Assistant United States Attorneys

I have read this agreement and carefully reviewed every part of it with my attorney. I understand it, I voluntarily agree to it, and I do not wish to change any part of it. I am completely satisfied with the representation of my attorney.

10/6/2020
Date

JUAN CESPEDES
Defendant

I am the Defendant's attorney. I have carefully reviewed every part of this agreement with the Defendant, who advises me that he understands and accepts its terms. To my knowledge, the Defendant's decision to enter into this agreement is an informed and voluntary one.

10/6/2020
Date

Mark C. Collins, Esq.
Attorney for **JUAN CESPEDES**

ATTACHMENT A:
STATEMENT OF FACTS

The United States and Defendant **JUAN CESPEDES** *stipulate and agree that if this case proceeded to trial, the United States would prove the facts set forth below beyond a reasonable doubt. They further stipulate and agree that these are not all of the facts that the United States would prove if this case had proceeded to trial.*

Beginning in at least 2016 and continuing through July 21, 2020, in the Southern District of Ohio and elsewhere, the Defendant, **JUAN CESPEDES**, along with **LARRY HOUSEHOLDER, JEFFREY LONGSTRETH, NEIL CLARK, MATTHEW BORGES, JUAN CESPEDES,** and **GENERATION NOW** ("the Defendants"), and others, being persons employed by and associated with **Householder's Enterprise** (as defined in the Indictment) an enterprise, engaged in, and the activities of which affected interstate commerce, did knowingly and intentionally conspire with each other and others known and unknown to the Grand Jury to violate Title 18 United States Code, Section 1962(c), that is, to conduct and participate directly and indirectly, in the conduct of the affairs of the enterprise through a pattern of racketeering activity, as that term is defined in 18 U.S.C. §§ 1961(1) and 1961(5), consisting of multiple acts indictable under 18 U.S.C. §§ 1343, 1346 (relating to honest services wire fraud); 18 U.S.C. § 1951 (relating to interference with commerce, robbery, or extortion); 18 U.S.C. § 1952 (relating to racketeering, including multiple acts of bribery under Ohio Revised Code § 3517.22(a)(2)); 18 U.S.C. § 1956 (relating to the laundering of monetary instruments); 18 U.S.C. § 1957 (relating to engaging in monetary transactions in property derived from specified unlawful activity); and multiple acts involving bribery, chargeable under Ohio Revised Code § 2921.02. It was part of the conspiracy that Defendant **JUAN CESPEDES**, and along with the Defendants and others, agreed that a conspirator would commit at least two acts of racketeering activity in the conduct of the affairs of the enterprise.

For example, beginning in or around 2018, **CESPEDES** participated directly and indirectly in the conduct of the affairs of the Enterprise, and conspired with the Defendants and others to do the same, by:

- orchestrating payments on multiple occasions to **GENERATION NOW** for the benefit of the Defendants and others in return for specific official action by **HOUSEHOLDER** relating to the passage and preservation of legislation that would go into effect and save the operation of two nuclear power plants in Ohio;

- orchestrating the above-mentioned payments knowing that Defendants and others would engage in financial transactions involving the payments that were designed to conceal the nature, source, ownership, and control of the payments;

- engaging in monetary transactions of over $10,000 involving the above-mentioned payments after the payments were passed through accounts controlled by Defendants and others; and

- agreeing that conspirators would make payments and attempt to make payments to employees and agents of the Ballot Campaign (as defined in the Indictment) to improperly

discharge their campaign duties and to obtain inside information about the Ballot Campaign's organization that was material to the Ballot Campaign and conspirators' efforts to defeat the Ballot Campaign.

I have read the Statement of Facts and have carefully reviewed it with my attorney. I acknowledge that it is true and correct.

10/6/2020
Date

JUAN CESPEDES
Defendant

I am **JUAN CESPEDES**'s attorney. I have carefully reviewed the Statement of Facts with the Defendant.

10/6/20
Date

Mark C. Collins, Esq.
Attorney for **JUAN CESPEDES**

EXHIBIT C

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

UNITED STATES OF AMERICA, **Plaintiff,** **vs.** **GENERATION NOW,** **Defendant.**	**CASE NO. 1:20-CR-077** **JUDGE BLACK** **PLEA AGREEMENT**

The United States Attorney's Office for the Southern District of Ohio (USAO) and the Defendant, **GENERATION NOW**, individually and through counsel, pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, agree as follows:

1. **Offense of Conviction**: The Defendant agrees to plead guilty to Count One of the Indictment in this case, which charges the Defendant with Racketeer Influenced and Corrupt Organizations ("RICO") Conspiracy, in violation of 18 U.S.C. § 1962(d) and will not withdraw or attempt to withdraw the plea. The Defendant admits that the Defendant is, in fact, guilty of this offense and will so advise the Court.

2. **Elements of the Offense**: The elements of the offense to which the Defendant has agreed to plead guilty are as follows:

Count One, RICO Conspiracy

a) First, that an enterprise existed as charged in the Indictment;

b) Second, that the enterprise affected interstate or foreign commerce;

c) Third, the defendant was associated with or employed by the enterprise; and

d) Fourth, the defendant knowingly conspired to participate in the affairs of the enterprise through a pattern of racketeering activity.

3. **Penalties**: The statutory, maximum penalties for Count One are as follows:

a) A term of probation, and if imposed, a term of at least one year, but not more than five years' probation pursuant to 18 U.S.C. § 3551(c);

b) A fine of (pursuant to 18 U.S.C. §§ 1963, 3551(c), and 3571(c)):

- Not more than $500,000;

- Twice the gross pecuniary gain the conspirators derived from the crime; or
- Twice the gross pecuniary loss caused to victims of the crime by the conspirators; and

c) Restitution;

d) Forfeiture; and

e) A mandatory special assessment of $ 400 due prior to sentencing.

4. **Waiver of Rights**: The Defendant understands that it has the following rights:

a) To plead not guilty;

b) To have a trial by jury;

c) To be assisted by counsel during such trial;

d) To confront and cross-examine adverse witnesses;

e) To testify, if so desired, and to present evidence and compel the attendance of witnesses;

f) To not be compelled to testify or present evidence, and to not have these decisions held against the Defendant; and

g) To be presumed innocent throughout trial and until a jury finds proof of guilt beyond a reasonable doubt.

The Defendant further understands that if the Court accepts the Defendant's plea pursuant to this plea agreement, there will be no trial and the Defendant waives these rights.

5. **Use of Statements:** The Defendant waives any protection afforded by Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, and § 1B1.8(a) of the United States Sentencing Guidelines Manual. Any statements made by the Defendant in the course of plea discussions, in any proceeding under Rule 11 of the Federal Rules of Criminal Procedure, and to any law enforcement authorities will be admissible against the Defendant without limitation in any civil or criminal proceeding.

6. **Applicability of Advisory Sentencing Guidelines:** The Defendant understands that in determining a sentence, the Court has an obligation to calculate the applicable sentencing guideline range and to consider that range, possible departures under the United States Sentencing Guidelines ("U.S.S.G."), and other sentencing factors under 18 U.S.C. § 3553(a).

7. **Factual and Agreed Sentence Stipulation**: The parties agree to the Statement of Facts set forth in Attachment A, and incorporate it here by reference. The parties also agree that

the following sentence ("Agreed Sentencing Disposition") is the appropriate disposition in this case:

Agreed Sentencing Disposition: Given that the United States has seized the assets of **GENERATION NOW** and charged individuals associated with it, the parties agree to the following sentencing disposition:

a) A term of probation not to exceed five years pending dissolution of **GENERATION NOW** under Ohio and Delaware law, including whatever terms the Court may impose (upon proof of dissolution provided to the probation officer such terms of probation may terminate);

b) Forfeiture, as described below;

c) No fine given the agreed upon forfeiture of Generation Now's assets; and

d) A $400 for special assessment.

8. **Additional Obligations of the Defendant**:

Forfeiture:

a) The Defendant agrees to the immediate forfeiture, pursuant to 18 U.S.C. § 1963, of:

- Any interest acquired or maintained in violation of 18 U.S.C. § 1962;
- Any interest in, security of, claim against, or property or contractual right of any kind affording a source of influence over, any enterprise which the Defendant established, operated, controlled, conducted, or participated in the conduct of, in violation of 18 U.S.C. § 1962;
- Any property constituting, or derived from, any proceeds obtained, directly or indirectly, from racketeering activity in violation of 18 U.S.C. § 1962;
- Including but not limited to the following specific property (the "subject property"):
    - Contents of Fifth Third Bank Account No. x3310 in the name of Generation Now Inc. in the approximate amount of $1,456,998.96; and
    - Contents of Fifth Third Bank Account No. x6847 in the name of Generation Now Inc. in the approximate amount of $15,363.48.

b) The Defendant agrees that the forfeiture may be accomplished through administrative, civil, or criminal proceedings in the USAO's sole discretion.

c) The Defendant waives all requirements related to forfeiture contained in Rules 11, 32.2, and 43(a) of the Federal Rules of Criminal Procedure.

d) The Defendant waives all constitutional and statutory challenges (including direct appeal, collateral attack, or any other means) to the forfeiture.

e) The Defendant acknowledges that forfeited assets may not be used to satisfy any fine, restitution, costs of imprisonment, or any other penalty imposed by the Court.

f) The Defendant agrees to take all steps deemed necessary by the USAO in connection with the forfeiture and disposal of the subject property, including testifying truthfully in any judicial proceeding.

g) The Defendant releases any and all claims whatsoever the Defendant may have against the United States, its agencies, and their employees, arising out of the facts giving rise to the seizure, forfeiture, and disposal of the subject property.

h) The Defendant acknowledges that all property covered by this agreement is subject to forfeiture under 18 U.S.C. § 1963(a)(1)-(3), and such property is connected to the offense set forth in Count 1 of the Indictment.

9. **Obligations of the USAO**: The USAO will not further prosecute the Defendant for conduct prior to the date of this Plea Agreement that was part of the same course of criminal conduct described in the Indictment and that was known by the USAO at the time of the execution of this Plea Agreement. This agreement does not bind any other local, state, or federal prosecutions.

10. **Waiver of Appeal**: In exchange for the concessions made by the USAO in this plea agreement, the Defendant waives the right to appeal the conviction and sentence imposed, except if the sentence imposed exceeds the statutory maximum. Defendant also waives the right to attack his conviction or sentence collaterally, such as by way of a motion brought under 28 U.S.C. § 2255 and 18 U.S.C. § 3582. However, this waiver shall not be construed to bar a claim by the Defendant of ineffective assistance of counsel or prosecutorial misconduct.

11. **Freedom of Information Act**: The Defendant waives all rights under the Freedom of Information Act relating to its investigation and prosecution and agrees not to file any request for documents. The Defendant also waives all rights **it** may have under the Privacy Act of 1974, which prohibits the disclosure of records contained in a system of records without its written request or consent.

12. **Acceptance of Plea Agreement:** The Defendant understands that the Court may accept this Plea Agreement, reject it, or defer a decision until the Court has reviewed the presentence investigation report. If the Court accepts this Plea Agreement, it will be bound by the sentencing disposition agreed by the parties herein, which will be included in the judgment of conviction. If the Court rejects this Plea Agreement, the Defendant will have an opportunity to withdraw its guilty plea. If the Court rejects this plea agreement, and if the Defendant's guilty plea is not withdrawn, the Court may dispose of this case less

favorably toward the Defendant than this Plea Agreement contemplates, including by imposing up to the maximum statutory penalties.

13. **Violation of Plea Agreement**: The Defendant agrees to abide by the terms of this agreement, including all of the conditions listed in U.S.S.G. § 3E1.1. The Defendant understands that in the event **it** violates this agreement, the USAO will be relieved of all of its obligations under this agreement and may institute any charges or sentencing recommendations that would otherwise be prohibited by this agreement, and the Defendant will not be relieved of any of its obligations under the plea agreement. Further, the Defendant understands and agrees that if the Defendant violates this agreement or it is voided for any reason, the Defendant waives all defenses based upon the statute of limitations and the Speedy Trial Act as to any charges that are part of the same course of criminal conduct described in the Indictment.

14. **Defendant's Acknowledgment:** The Defendant has read and understands this plea agreement; the Defendant accepts this plea agreement knowingly and voluntarily and not as a result of any force, threats, or promises, other than the promises in this plea agreement. The Defendant has conferred with counsel regarding this plea agreement and the facts and circumstances of the case, including the applicable law and potential defenses, and the Defendant is fully satisfied with the representation, advice, and other assistance of counsel in this case.

15. **Officer Authorization:** The undersigned is authorized to enter this Plea Agreement on behalf of defendant **GENERATION NOW**, as the remaining officer of the organization. The parties agree that the undersigned is so authorized because after the Grand Jury indicted **GENERATION NOW**, the Government attempted to serve a summons to the entity's statutory agent and treasurer. Both refused service. On July 22, 2020, the statutory agent resigned. Six days later, the treasurer resigned. On October 28, 2020, the Ohio Secretary of State cancelled **GENERATION NOW's** business registration for failure to maintain a statutory agent. Jeffrey Longstreth agreed to accept service on behalf of **GENERATION NOW**, based on his position as the sole principal of JPL & Associates, which served as the President/Secretary of **GENERATION NOW**.

16. **Entire Agreement.** This agreement, along with any attachment(s), is the complete agreement between the parties. It supersedes all other promises, representations, understandings, and agreements between the parties.

DAVID M. DEVILLERS
UNITED STATES ATTORNEY

Emily N. Glatfelter

EMILY N. GLATFELTER
MATTHEW C. SINGER
Assistant United States Attorneys

I am an authorized representative of **GENERATION NOW**. I have read this agreement and carefully reviewed every part of it with counsel for **GENERATION NOW**. On behalf of **GENERATION NOW**, I hereby accept the terms and conditions of the plea agreement.

01/29/2021
Date

Jeffrey Longstreth
Representative of **GENERATION NOW**

I am the Defendant's attorney. I have carefully reviewed every part of this agreement with the Defendant, through its representative, who advises me that it understands and accepts its terms. To my knowledge, the Defendant's decision to enter into this agreement is an informed and voluntary one.

1-29-2021
Date

Robert Krapenc 0040645
Robert Krapenc, Esq.
Attorney for **GENERATION NOW**

ATTACHMENT A:

STATEMENT OF FACTS

The United States and Defendant **GENERATION NOW** *stipulate and agree that if this case proceeded to trial, the United States would prove the facts set forth below beyond a reasonable doubt. They further stipulate and agree that these are not all of the facts that the United States would prove if this case had proceeded to trial.*

Beginning in at least 2016 and continuing through July 21, 2020, in the Southern District of Ohio and elsewhere, the Defendant, **GENERATION NOW**, along with **JEFF LONGSTRETH**, **LARRY HOUSEHOLDER**, **NEIL CLARK**, **MATTHEW BORGES,** and **JUAN CESPEDES,** (collectively, "the Defendants"), and others, being persons employed by and associated with **HOUSEHOLDER's Enterprise** (as defined in the Indictment) engaged in and the activities of which affected interstate commerce, did knowingly and intentionally conspire with each other and others to violate Title 18, United States Code, Section 1962(c), that is, to conduct and participate directly and indirectly, in the conduct of the affairs of the enterprise through a pattern of racketeering activity, as that term is defined in 18 U.S.C. §§ 1961(1) and 1961(5), consisting of multiple acts indictable under 18 U.S.C. §§ 1343, 1346 (relating to honest services wire fraud); 18 U.S.C. § 1951 (relating to interference with commerce, robbery, or extortion); 18 U.S.C. § 1952 (relating to racketeering, including multiple acts of bribery under Ohio Revised Code § 3517.22(a)(2)); 18 U.S.C. § 1956 (relating to the laundering of monetary instruments); 18 U.S.C. § 1957 (relating to engaging in monetary transactions in property derived from specified unlawful activity); and multiple acts involving bribery, chargeable under Ohio Revised Code § 2921.02.

It was part of the conspiracy that Defendant **GENERATION NOW**, operating through its officers and **HOUSEHOLDER Enterprise** members who controlled the actions of **GENERATION NOW**, along with the Defendants and others, agreed that a conspirator would commit at least two acts of racketeering activity in the conduct of the affairs of the enterprise. As part of the conspiracy, **GENERATION NOW** was organized at **HOUSEHOLDER's** direction for the benefit of **HOUSEHOLDER** and the **HOUSEHOLDER Enterprise**, knowing that the purpose of **GENERATION NOW** was for it to be used as a mechanism to receive undisclosed donations to benefit **HOUSEHOLDER** and to advance **HOUSEHOLDER's** efforts to become Speaker of the Ohio House of Representatives. As part of the conspiracy, **GENERATION NOW** received money from Company A (as defined in the Indictment) for the benefit of the Defendants and others in return for specific official action by **HOUSEHOLDER** relating to the passage and preservation of legislation that would go into effect and save the operation of two nuclear power plants in Ohio; and **GENERATION NOW** engaged in financial transactions that were designed to conceal the nature, source, ownership, and control of the payments made by Company A to **GENERATION NOW**.

I am the representative of **GENERATION NOW**. I have read the statement of facts and have carefully reviewed it with **GENERATION NOW's** attorney. I acknowledge that it is true and correct.

1/29/2021
Date

Jeffrey Longsteth
Representative of **GENERATION NOW**

I am **GENERATION NOW**'s attorney. I have carefully reviewed the Statement of Facts with the Defendant, through its representative.

1/29/2021
Date

Robert Krapenc, Esq.
Attorney for **GENERATION NOW**

EXHIBIT D

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

UNITED STATES OF AMERICA, **Plaintiff,** **vs.** **FIRSTENERGY CORP.,** **Defendant.**	**CASE NO.** 1:21-cr-86 **JUDGE BLACK** **DEFERRED PROSECUTION AGREEMENT**

The United States Attorney's Office for the Southern District of Ohio ("USAO-SDOH" or "government") and the Defendant, FirstEnergy Corp., by its undersigned representative and counsel, pursuant to the authority granted by the Board of Directors, agree as follows:

1. **Criminal Information and Acceptance of Responsibility:** FirstEnergy Corp. acknowledges and agrees that the government will file the accompanying Information in the United States District Court for the Southern District of Ohio charging FirstEnergy Corp. with conspiracy to commit honest services wire fraud in violation of Title 18, United States Code, Sections 1343, 1346, 1349. FirstEnergy Corp. knowingly waives any right to indictment on this charge, as well as all rights to a speedy trial pursuant to the Sixth Amendment to the United States Constitution, Title 18, United States Code, Section 3161, and Federal Rule of Criminal Procedure 48(b), and agrees to the filing of a joint motion to toll Section 3161 upon the filing of this Agreement.

   FirstEnergy Corp. admits, accepts, and acknowledges that it is responsible under United States law for the acts of its current and former officers, employees, and agents. FirstEnergy Corp. admits, accepts, and acknowledges that it is responsible under United States law for the acts as charged in the Information and as set forth in the Statement of Facts, attached as Attachment A and incorporated by reference into this Agreement, and that the facts alleged in the Information and described in the Statement of Facts are true and accurate.

   Should the USAO-SDOH pursue the prosecution that is deferred by this Agreement, FirstEnergy Corp. agrees that it will neither contest the admissibility of nor contradict the Statement of Facts in any such proceeding, including any trial, guilty plea, or sentencing proceeding. Neither this Agreement nor the criminal Information is a final adjudication of the matters addressed in such documents.

2. **Elements of the Offense:** The elements of the offense set forth in the Information, to which the Defendant agrees are established by the Statement of Facts, attached as Attachment A, are as follows:

Count One, Conspiracy to Commit Honest Services Wire Fraud

A. That two or more persons conspired or agreed to devise a scheme:

1. to defraud the public of its right to the honest services of a public official through bribery or kickbacks;

2. that included a material misrepresentation or concealment of a material fact;

3. with the intent to defraud;

4. that used wire communications in interstate commerce in furtherance of the scheme;

B. That the Defendant knowingly and voluntarily joined the conspiracy to defraud;

C. That the Defendant intentionally participated in the conspiracy to defraud;

D. That some or all of the acts alleged in the Information occurred in the Southern District of Ohio, on or about the dates alleged in the Information.

3. **Term of the Agreement:** This Agreement shall have a term of three (3) years from the date on which the fully-executed Agreement is filed with the Court (the "Term"), except for specific provisions that specify a longer period as described below. FirstEnergy Corp. agrees, however, that in the event the government determines, in its sole discretion, that FirstEnergy Corp. has knowingly violated any provision of this Agreement or has failed to completely perform or fulfill each of its obligations under this Agreement, an extension or extensions of the Term may be imposed by the government, in its sole discretion, for up to a total additional time period of one year, without prejudice to the government's right to proceed as provided in the breach provisions of this Agreement below. Any extension of the Agreement extends all terms of this Agreement, including the terms of the reporting requirement in Attachment C, for an equivalent period. Conversely, in the event the government finds, in its sole discretion, that there exists a change in circumstances sufficient to eliminate the need for the reporting requirement in Attachment C, the Agreement may be terminated early. In such event, FirstEnergy Corp.'s cooperation obligations described below shall survive until the date upon which all such investigations and prosecutions are concluded, as determined by the USAO-SDOH.

4. **Relevant Considerations:** The government enters into this Agreement based on the individual facts and circumstances presented by this case, including, FirstEnergy Corp.'s acceptance of responsibility; early self-reporting in the investigation of the conduct of the company and its former officers, directors, employees, agents, lobbyists, and consultants, described more fully below; its implementation of remedial measures, described more fully below; the payment of a monetary penalty; and the collateral consequences of prosecution, among others.

5. **Defendant's Obligations:** Pursuant to this Agreement, FirstEnergy Corp. shall do the following:

A. **Cooperation.** To date, FirstEnergy Corp. has provided substantial cooperation, including: conducting a thorough internal investigation; proactively identifying issues and facts that would likely be of interest to the government; making regular factual presentations to the government; sharing information that would not have been otherwise available to the government; and making such material available to the government on an expedited basis.

This agreement is contingent upon FirstEnergy Corp.'s continued, full cooperation with the USAO-SDOH in all matters relating to the conduct described in this Agreement and other conduct under investigation by the government, until the later of the date the Term ends or the date upon which all investigations and prosecutions arising out of such conduct are concluded, as determined by the government.

FirstEnergy Corp. agrees that its cooperation shall include, but not be limited to, the following:

1) Continued full, complete, and truthful cooperation in any matter in which it is called upon to cooperate by a representative of the USAO-SDOH;

2) Timely disclosure of all factual information with respect to its activities, those of its subsidiaries and affiliates, and those of its present and former directors, officers, employees, agents, lobbyists and consultants, including any evidence or allegations and internal or external investigations, about which the government may inquire;

3) Disclosure of any information, items, records, databases, or data in FirstEnergy Corp.'s possession, custody, or control or in the possession or control of any subsidiary or affiliate, wherever located, requested by the government in connection with the investigation or prosecution relating to any current or former officers, directors, employees, agents, lobbyists, and consultants;

4) Use of good faith efforts to make available, at FirstEnergy Corp.'s cost, current and former officers, directors, employees, agents, lobbyists, and consultants, when requested by the government, to provide additional information and materials concerning any and all investigations; to testify, including providing sworn testimony before a grand jury or in a judicial proceeding; and to be interviewed by law enforcement authorities. Cooperation under this paragraph includes identification of witnesses who, to the knowledge of FirstEnergy Corp., may have material information regarding these matters;

5) Disclosure of information, materials, and testimony, at FirstEnergy Corp.'s cost, as necessary or as requested by the USAO-SDOH to

establish authenticity, or other basis for the admission into evidence in any criminal or judicial proceeding;

6) With respect to any information, testimony, documents, records or other tangible evidence provided to the government pursuant to this Agreement, FirstEnergy Corp. consents to any and all disclosures to other governmental authorities of such materials as the government, in its sole discretion, shall deem appropriate.

7) Promptly report any evidence or allegation of a violation of U.S. criminal law by FirstEnergy Corp. to the USAO-SDOH. On the date that the Term expires, FirstEnergy Corp., by its Chief Executive Officer and Chief Financial Officer, will certify to the government that FirstEnergy Corp. has met its disclosure obligations pursuant to this Agreement. Each certification will be deemed a material statement and representation by FirstEnergy Corp. to the executive branch of the United States for purposes of 18 U.S.C. § 1001.

FirstEnergy Corp.'s cooperation pursuant to this paragraph is subject to applicable law and regulations, as well as valid claims of attorney-client privilege, settlement privilege, or attorney work product doctrine; however, FirstEnergy Corp. must provide to the government a log of any information or cooperation that is not provided based on an assertion of law, regulation, privilege, or attorney work product, and FirstEnergy Corp. bears the burden of establishing the validity of any such assertion.

Failure to provide full, complete, and truthful cooperation as described above will constitute a violation of this Agreement. The parties agree that the USAO-SDOH, in its sole discretion, will determine if FirstEnergy Corp. has violated this Agreement by failing to provide full, complete, and truthful cooperation.

B. **Payment of a Monetary Penalty.** FirstEnergy Corp. agrees to pay a criminal monetary penalty totaling $230,000,000. This amount reflects 1) a discount for FirstEnergy Corp.'s substantial remediation, self-reporting, and cooperation as set forth in this Agreement; 2) the collateral consequences of imposition of a greater penalty; 3) and the difficulty of quantifying with precision the benefits resulting from some official action.

Within sixty (60) days of the filing of this Agreement, FirstEnergy Corp. shall pay $115,000,000 to the United States Treasury.

Within sixty (60) days of the filing of this Agreement, FirstEnergy Corp. shall pay $115,000,000 to the Ohio Development Service Agency's Percentage of Income Payment Plan Plus program for the benefit of Ohio electric-utility customers. If the Ohio Development Service Agency's Percentage of Income Payment Plan Plus program is unable or unwilling to accept the funds, FirstEnergy Corp. shall pay the

$115,000,000 to the United States Treasury after consultation with the USAO-SDOH.

Nothing in the Agreement shall be deemed an agreement regarding a maximum penalty that may be imposed in any future prosecution, and the government is not precluded from arguing in any future prosecution that the Court should impose a higher fine, disgorgement, or civil or criminal forfeiture, although the government agrees that under those circumstances, it will recommend to the Court that any amount paid under this Agreement should be offset against any fine imposed as part of a future judgment. FirstEnergy Corp. agrees that no tax deduction may be sought in connection with the payment of any part of the monetary penalty, and FirstEnergy Corp. may not seek to recover any portion of the monetary penalty from customers, directly or indirectly. Without the prior approval of the USAO-SDOH, FirstEnergy Corp. shall not seek or accept directly or indirectly reimbursement or indemnification from any source with regard to the monetary penalty amount or any other amount it pays pursuant to any other agreement entered into with an enforcement authority or regulator concerning the facts set forth in the Statement of Facts.

The USAO-SDOH agrees, except as provided in this Agreement, that it will not bring any criminal or civil case (except for tax cases, as to which the government does not make any agreement) against FirstEnergy Corp. or any of its present subsidiaries or affiliates relating to any of the conduct described in the attached Statement of Facts, or to conduct self-reported to the USAO-SDOH by FirstEnergy Corp. in the investigation. The government, however, may use any information related to the conduct described in the attached Statement of Facts against FirstEnergy Corp.: (a) in a prosecution for perjury or obstruction of justice; (b) in a prosecution for making a false statement; or (c) in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code. This Agreement does not provide any protection against prosecution for any future conduct by FirstEnergy Corp. or any of its present or former parents or subsidiaries. In addition, this Agreement does not provide any protection against prosecution of any individuals, regardless of their affiliation with FirstEnergy Corp. or with any of its present or former parents or subsidiaries.

C. Forfeiture. The USAO-SDOH has determined that it could institute a criminal or civil forfeiture proceeding against the following funds that passed through accounts controlled by FirstEnergy Corp. (the "subject property"):

- Contents of PNC Bank, Account No. ending in 5348, in the name of Partners for Progress Inc. in the amount of $6,366,476.29; and

- Contents of PNC Bank, Account No. ending in 3639, in the name of Partners for Progress Inc. in the amount of $108,960.32.

FirstEnergy Corp. hereby acknowledges that the subject property constitutes or is derived from proceeds traceable to conspiracy to commit honest services wire fraud, in violation of Title 18, United States Code, Sections 1343, 1346, and 1349, as charged in the Information and set forth in the Statement of Facts; therefore, the subject property is forfeitable to the United States pursuant to Title 18, United States Code, Section 981. FirstEnergy Corp. hereby agrees to settle and does settle all civil and criminal forfeiture claims presently held by the USAO-SDOH against the subject property. FirstEnergy Corp. agrees that the subject property shall be forfeited to the United States pursuant to Title 18, United States Code, Section 981; releases all claims it may have to such property; waives any right to notice of forfeiture it may have under the law; and waives any right it may have to seek remission or mitigation of the forfeiture.

D. **Transparency in Corporate Contributions.** Within 30 days of the execution of this Agreement, FirstEnergy Corp. shall publish a list of (1) all payments, if any, made in 2021 to entities incorporated under 26 U.S.C. § 501(c)(4) ("501(c)(4)" entities) and (2) all payments, if any, made in 2021 to entities known by FirstEnergy Corp. to be operating for the benefit of a public official, either directly or indirectly. FirstEnergy Corp. shall update the list on a quarterly basis for the Term of this Agreement. The list shall include the following information: the entity's name and address, date of contribution, amount of contribution, and purpose of contribution. The list shall be labeled "Corporate Contributions" and accessible on FirstEnergy's webpage (www.firstenergycorp.com). The accessibility of the list is subject to the prior approval of undersigned government counsel.

E. **Issuance of Public Statement.** FirstEnergy Corp. shall publish a press release for broad public distribution and posting on FirstEnergy Corp.'s website, which includes the following statement:

> *Central to FirstEnergy's Corp.'s effort to influence the legislative process in Ohio was the use of 501(c)(4) corporate entities. FirstEnergy Corp. used the 501(c)(4) corporate form as a mechanism to conceal payments for the benefit of public officials and in return for official action. FirstEnergy Corp. used 501(c)(4) entities in this way because the law does not require disclosure of donors to a 501(c)(4) and there is no ceiling that limits the amount of expenditures that can be paid to a 501(c)(4) entity for the purpose of influencing the legislative process. This effort would not have been possible, both in the nature and volume of money provided, without the use of a 501(c)(4) entity.*

F. **Remediation, Corporate Compliance Program, and Reporting.** FirstEnergy Corp. represents that it has implemented and will continue to implement a compliance and ethics program designed, implemented, and enforced to prevent and detect violations of the U.S. laws throughout its operations, including those of its subsidiaries, affiliates, agents, and joint ventures, and those of its contractors and subcontractors whose responsibilities include accounting, financial reporting,

lobbying, government relations, consulting, and interactions with candidates for public office, public officials, and governmental agencies including, but not limited to, the minimum elements set forth in Attachment B.

FirstEnergy Corp. further represents that it has implemented four broad categories of remedial measures, including: (1) employment consequences for executives and employees who engaged in misconduct, (2) enhancements to Company's compliance program, (3) improvements to the Company's policies and procedures, and (4) monetary remediation to ratepayers. The specific changes implemented include, but are not limited to, the following:

- Establishing an Executive Director role for the Board of Directors, whichsupports the development of enhanced controls and governance policies and procedures;

- Hiring a new Chief Legal Officer, who oversees the Company's Legal and Internal Audit departments;

- Separating the Chief Legal Officer and Chief Ethics/Compliance Officer functions, and hiring a new Chief Ethics and Compliance Officer, who reports directly to the Audit Committee of the Board and administratively to the Chief Legal Officer;

- Working to establishing a culture of ethics, integrity, and accountability at every level of the organization;

- Creating a Compliance Oversight Subcommittee of the Audit Committeeto implement compliance recommendations received from outside counseland enhanced compliance trainings; and

- Reviewing and revising political activity and lobbying/consulting policies, including requiring robust disclosures about lobbying activities.

In order to address any deficiencies in its internal controls, policies, and procedures, FirstEnergy Corp. represents that it will continue to undertake in the future, in a manner consistent with all of its obligations under this Agreement, a review of its internal controls, policies, and procedures regarding compliance with U.S. law. Where necessary and appropriate, FirstEnergy Corp. agrees to adopt a new compliance program, or to modify its existing one, to ensure that it maintains a system of internal controls designed to effectively detect and deter violations of U.S. law. The compliance program will include, but not be limited to, the minimum elements set forth in Attachment B.

G. Public Statements by the Company. FirstEnergy Corp. agrees that if it or any of its affiliates or subsidiaries issues a press release or holds any press conference in

connection with this Agreement, FirstEnergy Corp. shall first consult the government to determine (1) whether the text of the release or proposed statements at the press conference are true and accurate with respect to matters relating to this Agreement; and (2) whether the government has any objection to the release on those grounds.

FirstEnergy Corp. expressly agrees that it shall not, through present or future attorneys, officers, directors, employees, agents or any other person authorized to speak for FirstEnergy Corp., make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by FirstEnergy Corp. set forth above or the facts described in the attached Statement of Facts. Any such contradictory statement shall, subject to cure rights described below, constitute a violation of this Agreement, and FirstEnergy Corp. thereafter shall be subject to prosecution as set forth below in paragraph 7.

The decision as to whether any public statement contradicting a fact contained in the Statement of Facts will be imputed to FirstEnergy Corp. for the purpose of determining whether it has violated this Agreement shall be at the sole discretion of the USAO-SDOH. If USAO-SDOH determines that a public statement contradicted in whole or in part a statement contained in the Statement of Facts, USAO-SDOH shall so notify FirstEnergy Corp., and FirstEnergy Corp. may avoid a breach of this Agreement by publicly repudiating such statement(s) within five (5) business after notification.

This Agreement does not prohibit FirstEnergy Corp. from raising defenses or asserting affirmative claims in civil litigation or regulatory proceedings relating to the matters set forth in the Statement of Facts, provided that such defenses and claims do not contradict in whole or in part, a statement contained in the Statement of Facts.

This Agreement does not apply to any statement made by any present or former officer, director, employee, or agent of FirstEnergy Corp. in the course of any criminal, regulatory, or civil case initiated against such individual, unless such individual is speaking on behalf of FirstEnergy Corp.

H. **Changes in Corporate Form.** Except as may otherwise be agreed by the USAO-SDOH and FirstEnergy Corp. in connection with a particular transaction, FirstEnergy Corp. agrees that in the event that, during the term of any of its obligations under this Agreement, it undertakes any change in corporate form, including applying for bankruptcy protection or if it sells, merges, or transfers business operations that are material to FirstEnergy Corp. as they exist as of the date of this Agreement, whether such transaction is structured as a sale, asset sale, merger, transfer, or other change in corporate form, it shall include in any contract for sale, merger, transfer, or other change in corporate form a provision binding the purchaser, or any successor in interest thereto, to the obligations described in this Agreement. The purchaser or successor in interest must also agree in writing that the USAO-SDOH's ability to determine there has been a breach under this

Agreement is applicable in full force to that entity. FirstEnergy Corp. agrees that the failure to include this Agreement's violation provisions in the transaction will make any such transaction null and void.

FirstEnergy Corp. shall provide notice to the USAO-SDOH at least sixty (60) days prior to the consummation of any such sale, merger, transfer, or other change in corporate form. The USAO-SDOH shall notify FirstEnergy Corp. at least fifteen (15) days prior to the consummation of such transaction (or series of transactions) if it determines that the transaction(s) will have the effect of circumventing or frustrating the enforcement purposes of this Agreement. If at any time during the Term FirstEnergy Corp. engages in a transaction(s) that has the effect of circumventing or frustrating the enforcement purposes of this Agreement, the USAO-SDOH may deem it a violation of this Agreement pursuant to the violation provisions of this Agreement. Nothing herein shall restrict FirstEnergy Corp. from indemnifying (or otherwise holding harmless) the purchaser or successor in interest for penalties or other costs arising from any conduct that may have occurred prior to the date of the transaction, so long as such indemnification does not have the effect of circumventing or frustrating the enforcement purposes of this Agreement, as determined by the USAO-SDOH.

6. **Obligations of the USAO (Deferred Prosecution):** In consideration of: (a) FirstEnergy Corp.'s past and future cooperation as described above; (b) FirstEnergy Corp.'s payment of a monetary penalty of $230,000,000; (c) FirstEnergy Corp.'s adoption and maintenance of remedial measures, and review and audit of such measures, including the compliance undertakings described in Attachment B; and (d) other obligations specified in this Agreement, the USAO-SDOH agrees to request that the United States District Court for the Southern District of Ohio defer proceedings on the charge in the Information pursuant to Title 18, United States Code, Section 3161(h)(2), for the Term of this Agreement.

The USAO-SDOH further agrees that if FirstEnergy Corp. fully complies with all of its obligations under this Agreement, the government will not continue the criminal prosecution against FirstEnergy Corp. described in Paragraph 1. Within thirty (30) days of the successful completion of the Term, FirstEnergy's obligations pursuant to paragraphs 5 (B), (C) (E) and (F) will end. FirstEnergy's remaining obligations under paragraph 5 will continue until the completion of any investigation, criminal prosecution, or civil proceeding brought by the USAO-SDOH related to any conduct set forth in the Statement of Facts. Within 30 days of the completion of any related investigation, criminal prosecution, and civil proceeding, the USAO-SDOH shall seek dismissal of the Information filed against FirstEnergy Corp., which will terminate the remainder of FirstEnergy Corp.'s obligations under this Agreement.

The USAO-SDOH further agrees, if requested to do so, to bring to the attention of governmental and other authorities the facts and circumstances relating to the nature of the conduct underlying this Agreement, and the nature and quality of FirstEnergy's cooperation and remediation. By agreeing to the provide this information, if requested to do so, the USAO-SDOH is not agreeing to advocate on behalf of the FirstEnergy Corp., but rather is agreeing to provide facts to be evaluated independently by other authorities.

7. **Violation of the Agreement:** If the USAO-SDOH determines that FirstEnergy Corp. (a) committed any crime under U.S. law during the Term of this Agreement; (b) at any time, provided in connection with this Agreement deliberately false, incomplete, or misleading information, including in connection with a disclosure of information about individual culpability – even if the USAO-SDOH becomes aware of such conduct after the Term of this Agreement; or (c) otherwise violated its obligations under this Agreement – even if the USAO-SDOH becomes aware of the violation after the Term of this Agreement, at the USAO-SDOH's discretion, FirstEnergy Corp. shall thereafter be subject to prosecution for any federal criminal violation of which the USAO-SDOH has knowledge, including the charges in the Information described in Paragraph 1. Any such prosecution may be premised on information provided by FirstEnergy Corp. prior or subsequent to the signing of this Agreement. In addition, the parties agree as follows:

   A. **Determination of Violation.** The parties agree that the USAO-SDOH has the sole discretion to determine whether FirstEnergy Corp. has violated this Agreement.

   B. **Statute of Limitations.** Any such prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against FirstEnergy Corp. notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the expiration of the period described above in Paragraph 3 plus one year. Thus, by signing this Agreement, FirstEnergy Corp. agrees that the statute of limitations with respect to any such prosecution that is not time-barred on the date of the signing of this Agreement shall be tolled for the period described in Paragraph 3 plus one year.

      In addition, FirstEnergy Corp. agrees that the statute of limitations as to any violation of U.S. law that occurs during the Term will be tolled from the date upon which the violation occurs until the earlier of the date upon which the government is made aware of the violation or the duration of the Term plus five years, and that this period shall be excluded from any calculation of time for purposes of the application of the statute of limitations.

   C. **Written Notice.** In the event the government determines that FirstEnergy Corp. has breached this Agreement, the government agrees to provide FirstEnergy Corp. with written notice of such breach prior to instituting any prosecution resulting from such breach. Within thirty (30) days of receipt of such notice, FirstEnergy Corp. shall have the opportunity to respond to the government in writing to explain the nature and circumstances of such breach, as well as the actions FirstEnergy Corp. has taken to address and remediate the situation, which explanation the government shall consider in determining whether to pursue prosecution of FirstEnergy Corp.

   D. **Admissibility of Statements.** In the event that the government determines that FirstEnergy Corp. has breached this Agreement: (1) all statements made by or on behalf of FirstEnergy Corp. or its affiliates or subsidiaries to the government or to the Court, including the attached Statement of Facts, and any testimony given before a grand jury, a court, or any tribunal, or at any legislative hearings, and any leads or evidence derived from such statements or testimony, shall be admissible in evidence in

any criminal proceeding brought by the government against FirstEnergy Corp. or its affiliates or subsidiaries; and (b) FirstEnergy Corp. or its affiliates or subsidiaries shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that any such statements or testimony made by or on behalf of FirstEnergy Corp. or its affiliates or subsidiaries prior or subsequent to this Agreement, or any leads or evidence derived therefrom, should be suppressed or are otherwise inadmissible. The decision whether conduct or statements of any current director, officer or employee, or any person acting on behalf of, or at the direction of, FirstEnergy Corp. or its affiliates or subsidiaries, will be imputed to FirstEnergy Corp. for the purpose of determining whether FirstEnergy Corp. has violated any provision of this Agreement shall be in the sole discretion of the government.

8. **Limitations of Agreement:** This agreement is binding upon FirstEnergy Corp. and the USAO-SDOH and does not bind (a) other components of the Department of Justice, (b) other federal agencies, (c) any state or local law enforcement or regulatory agency. However, the USAO-SDOH will bring the cooperation of FirstEnergy Corp. and its compliance with its obligations under this Agreement to the attention of any such authorities or agencies if requested to do so by FirstEnergy Corp.

9. **Notice:** Any notice to the government under this Agreement shall be given by personal delivery, overnight delivery by a recognized delivery service, addressed to the United States Attorney's Office for the Southern District of Ohio, 221 East Fourth Street, Suite 400, Cincinnati, OH 45213. Any notice to FirstEnergy Corp. shall be given by personal delivery, overnight delivery by a recognized delivery service, addressed to Chief Executive Officer, FirstEnergy Corp., 76 South Main Street, Akron, OH 44308, with Copy to the Chief Legal Officer, FirstEnergy Corp., 76 South Main Street, Akron, OH 44308.

10. **Entire Agreement:** This agreement, along with any attachment(s), is the complete agreement between the parties. It supersedes all other promises, representations, understandings, and agreements between the parties. No amendments, modifications, or additions to this Agreement shall be valid unless they are in writing and signed by the government, the attorneys for FirstEnergy Corp., and a duly authorized representative of FirstEnergy Corp.

VIPAL J. PATEL
Acting United States Attorney

Emily N. Glatfelter / Matthew C. Singer
EMILY N. GLATFELTER
MATTHEW C. SINGER
Assistant United States Attorneys

CORPORATE OFFICER'S CERTIFICATE

I have read this Agreement and carefully reviewed every part of it with outside counsel for FirstEnergy Corp. I understand it, I voluntarily agree to it, on behalf of FirstEnergy Corp. Before signing this Agreement, I consulted outside counsel for FirstEnergy Corp. Counsel fully advised me of the rights of FirstEnergy Corp., of possible defenses, of the applicable Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement.

I also carefully reviewed the terms of this Agreement with the FirstEnergy Corp. Board of Directors. I have advised and caused outside counsel for FirstEnergy Corp. to advise the Board of Directors fully of the rights of FirstEnergy Corp., of possible defenses, of the applicable Sentencing Guidelines' provisions, and of the consequences of entering into the Agreement. I acknowledge, on behalf of FirstEnergy Corp., that I am completely satisfied with the representation of counsel.

By signing below, I certify that no promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me, or any other person authorized this Agreement on behalf of FirstEnergy Corp., in any way to enter into this Agreement. I also certify that I am an officer of FirstEnergy Corp. and that I have been duly authorized by FirstEnergy Corp. to execute this Agreement on behalf.

July 20, 2021
Date

Steven E. Strah, President & CEO
FIRSTENERGY CORP.

CERTIFICATE OF COUNSEL

We are counsel for FirstEnergy Corp. in the matter covered by this Agreement. In connection with such representation, we have examined carefully the relevant FirstEnergy Corp. records and have discussed the terms of this Agreement with Steven E. Strah, President & Chief Executive Officer, and the FirstEnergy Corp. Board of Directors. Based upon our review of the foregoing matters and discussions with FirstEnergy Corp. and its Board of Directors, we are of the opinion that the representative of FirstEnergy Corp. has been duly authorized to enter into this Agreement on behalf of FirstEnergy Corp. and that this Agreement has been duly and validly authorized, executed, and delivered on behalf of FirstEnergy Corp. and is a valid and binding obligation of FirstEnergy Corp.. Further, we have carefully reviewed the terms of this Agreement with the FirstEnergy Corp. Board of Directors and the Chief Executive Officer of FirstEnergy Corp. We have fully advised them of the rights of FirstEnergy Corp., of possible defenses, of the Sentencing Guidelines' provisions and of the consequences of entering into this Agreement. To our knowledge, the decision of FirstEnergy Corp. to enter into this Agreement, based on the authorization of its Board of Directors, is an informed and voluntary one.

July 20, 2021
Date

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Attorneys for FirstEnergy Corp.

ATTACHMENT A:
STATEMENT OF FACTS

The United States and FirstEnergy Corp. stipulate and agree that if this case proceeded to trial, the United States would prove the facts set forth below beyond a reasonable doubt. They further stipulate and agree that these are not all of the facts that the United States would prove if this case had proceeded to trial.

The following Statement of Facts is incorporated by reference as part of the Deferred Prosecution Agreement (the "Agreement") between the United States Attorney's Office for the Southern District of Ohio and FirstEnergy Corp. FirstEnergy Corp. hereby agrees and stipulates that the following information is true and accurate. FirstEnergy Corp. admits, accepts, and acknowledges that it is responsible for the acts of its current and former officers, directors, employees, and agents. FirstEnergy Corp. admits, accepts, and acknowledges that it is responsible for the conduct set forth below.

FirstEnergy Corp. is an Akron, Ohio–based public utility holding company. During the relevant period (2016 until in or about February 2020), FirstEnergy Corp. was the parent company to entities involved in energy generation, including the entity formerly known as FirstEnergy Solutions ("FES"). As of November 16, 2016, FES had a separate and independent Board of Directors from FirstEnergy Corp., and on March 31, 2018, FES filed for Chapter 11 bankruptcy protections. FirstEnergy Corp. also serves as the parent company for FirstEnergy Service Company ("FirstEnergy Service"), which provided financial and other corporate support services to FirstEnergy Corp. and its subsidiaries.

FirstEnergy Corp. and its subsidiaries are subject to civil enforcement by the Securities and Exchange Commission ("SEC"), and are regulated directly by the Federal Energy Regulatory Commission ("FERC"), which is an independent agency within the United States Department of Energy ("DOE"). FirstEnergy Corp.'s Ohio utility subsidiaries are regulated directly by the Public Utilities Commission of Ohio ("PUCO").

I. Relevant Entities and Individuals

Executive 1 served in senior executive positions for FirstEnergy Corp. and FirstEnergy Service from approximately 2015 to October 2020.

Executive 2 served in a senior executive position from approximately 2011 until October 2020.

Partners for Progress, Inc. was incorporated in Delaware on or about February 6, 2017, weeks after certain FirstEnergy Corp. senior executives traveled with Public Official A on the FirstEnergy Corp. jet to the presidential inauguration in January 2017. On or about February 8, 2017, Partners for Progress registered as a foreign nonprofit corporation in Ohio, specifically as a 501(c)(4) entity "to engage in activities consistent with those permitted of an organization exempt from tax under Section 501(c)(4) of the Internal Revenue Code.…"

Although Partners for Progress appeared to be an independent 501(c)(4) on paper, in reality, it was controlled in part by certain former FirstEnergy Corp. executives, who funded it and directed its payments to entities associated with public officials. For example, FirstEnergy Corp. executives directed the formation of Partners for Progress and decided to incorporate the entity in Delaware, rather than Ohio, because Delaware law made it more difficult for third parties to learn background information about the entity. Certain FirstEnergy Corp. executives were also involved in choosing the three directors of Partners for Progress, two of whom were FirstEnergy Corp. lobbyists. Before Partners for Progress was formally organized, Executive 2 directed that $5 million be designated for an unnamed 501(c)(4) in December 2016.

FirstEnergy Corp. exclusively funded Partners for Progress through payments from FirstEnergy Service, which totaled approximately $25 million between 2017 and 2019, approximately $15 million of which was paid to Generation Now. Certain former FirstEnergy

Corp. executives directed Partners for Progress to make payments in 2018, 2019, and 2020, including payments to Generation Now, which helped conceal FirstEnergy Corp. as the source of the payments from the public.

Public Official A represented the State of Ohio's 72 District in the Ohio House of Representatives since January 2017. Public Official A served as the Speaker of the Ohio House of Representatives from January 7, 2019 to July 30, 2020.

Between 2017 and March 2020, FirstEnergy Service paid more than $59 million ($16,904,330.86 attributed to FirstEnergy Corp. and $43,092,505 attributed to FES) to Generation Now – a purported 501(c)(4), which FirstEnergy Corp. knew was operated for the benefit of and controlled by Public Official A, upon its inception in early 2017. For example, on March 7, 2017, Individual A emailed wiring instructions for Generation Now to Executive 2, noting that "*[t]his is the organization that [Executive 1] and [Public Official A] discussed.*" In response, Executive 2 forwarded the email internally, and carbon copied Individual A, stating, "*Let's do $250,000 asap and we will do $1M by year-end 2017*." Similarly, on August 1, 2017, Executive 2 asked, "*Are we at $500k for the c(4) now?*" to which Individual A replied, "*Yes*."

Public Official B was the Chairman of the Public Utilities Commission of Ohio ("PUCO") from April 2019 until November 21, 2020, when he resigned. PUCO regulates FirstEnergy Corp.'s Ohio utility subsidiaries. Prior to serving as the Chairman of PUCO, Public Official B worked for a private law firm and served as the general counsel for an industrial group of energy users whose interests often conflicted with FirstEnergy Corp.'s interests. Public Official B also was the sole owner of Company 1 and Company 2, both of which entered a contract with FirstEnergy Corp. in 2010. Public Official B, through Company 1, also entered into a consulting services agreement with FirstEnergy Corp., through FirstEnergy Service, in 2013. Between 2010 and January 2, 2019,

FirstEnergy Corp. paid the Company 1 and Company 2 over $22 million, including $4,333,333, which was wired on or about January 2, 2019, through FirstEnergy Service to Company 1 for Public Official B's benefit.

II. Conduct

FirstEnergy Corp., through the acts of its officers, employees, and agents, conspired with public officials and other individuals and entities to pay millions of dollars to and for the benefit of public officials in exchange for specific official action for FirstEnergy Corp.'s benefit.

FirstEnergy Corp. paid millions of dollars to Public Official A through his 501(c)(4), Generation Now, in return for Public Official A pursuing nuclear legislation for FirstEnergy Corp.'s benefit in his capacity as a public official. Use of 501(c)(4) entities was central to the scheme because it allowed certain FirstEnergy Corp. executives and co-conspirators to conceal from the public the nature, source, and control of payments to and for the benefit of Public Official A.

FirstEnergy Corp. paid $4.3 million dollars to Public Official B through his consulting company in return for Public Official B performing official action in his capacity as PUCO Chairman to further FirstEnergy Corp.'s interests relating to passage of nuclear legislation and other specific FirstEnergy Corp. legislative and regulatory priorities, as requested and as opportunities arose.

Primary among FirstEnergy Corp.'s priorities was the passage of nuclear legislation. FirstEnergy Corp. sought official action from Public Official A and Public Official B in the form of helping draft nuclear legislation that would further the interests of FirstEnergy Corp. and FES and by pressuring and advising public officials to support nuclear legislation for FirstEnergy Corp.'s and FES's benefit. FirstEnergy Corp. prioritized nuclear legislation in part because of the

"decoupling" provision in House Bill 6 that was pursued by FirstEnergy Corp., along with FirstEnergy Corp.'s interest in bailing out the Ohio nuclear plants. The decoupling provision allowed FirstEnergy Corp.'s Ohio electric distribution subsidiaries to receive a fixed amount of distribution-related revenue from residential and commercial customers based on the 2018 collection period, which was a year of high electricity sales for FirstEnergy Corp. In addition, the decoupling provision enacted by House Bill 6 allowed FirstEnergy Corp. to continue to recover lost distribution revenue ("LDR") in a fixed amount based on its 2018 LDR recovery, despite the elimination of energy efficiency programs in House Bill 6. Decoupling therefore would guarantee FirstEnergy Corp.'s Ohio electric distribution subsidiaries a fixed amount of revenue by tying its distribution revenue to the 2018 level and continued collection of LDR.

FirstEnergy Corp. also relied on Public Official B to help FirstEnergy Corp. address its concern that the future earning power of its Ohio utility subsidiaries would be negatively impacted by the rate distribution case scheduled for 2024. The electric security plan ("ESP") that FirstEnergy Corp. and its relevant entities were operating under—ESP IV—was set to terminate in 2024, at which time FirstEnergy Corp. would be required to file a new rate case. FirstEnergy Corp. believed that the expiration of ESP IV and filing of the new rate case in 2024 would result in decreased revenue and negatively impact FirstEnergy Corp.'s financial outlook, and therefore, sought a "*fix for the Ohio hole*." In November 2019, under Public Official B's leadership, PUCO terminated the requirement of FirstEnergy Corp.'s Ohio electric distribution subsidiaries to file a new rate case in 2024.

A. Relevant Background

In 2016, FirstEnergy Corp. reported a bleak outlook with respect to its energy generation business. In its November 2016 Form 10-Q, FirstEnergy Corp. reported a weak energy market,

poor forecast demands, and hundreds of millions of dollars in losses, particularly from its nuclear energy affiliate, FES. FirstEnergy Corp. announced future options for its generation portfolio as follows: legislative and regulatory solutions for generation assets; asset sales and plant deactivations; restructuring debt; and/or seeking protection under U.S. bankruptcy laws for its affiliates involved in nuclear generation. FirstEnergy Corp. repeated these options in its 10-K filed on February 21, 2017 and reported a "*substantial uncertainty as to FES' ability to continue as a going concern and substantial risk that it may be necessary for FES, and possibly FENOC, to seek protection under U.S. bankruptcy laws, which would have a material adverse impact on FirstEnergy's and FES' business, financial condition, results of operations and cash flows*." FirstEnergy Corp. further noted that,

> *[b]ased upon continued depressed prices in the wholesale energy and capacity markets, weak demand for electricity and anemic demand forecasts, FES' cash flow from operations may be insufficient to repay its indebtedness or trade payables in the long- term. Although management is exploring capital and other cost reductions, asset sales, and other options to improve cash flow as well as continuing with legislative efforts to explore a regulatory type solution, the obligations and their impact to liquidity raise substantial doubt about FES' ability to meet its obligations as they come due over the next twelve months and, as such, its ability to continue as a going concern*.

During FirstEnergy Corp.'s fourth-quarter 2016 earnings conference call on February 22, 2017, Executive 1 focused on legislative and regulatory efforts:

> *In Ohio, we have had meaningful dialogue with our fellow utilities and with legislators on solutions that can help ensure Ohio's future energy security. Our top priority is the preservation of our two nuclear plants in the state and legislation for a zero emission nuclear program is expected to be introduced soon. The ZEN program is intended to give state lawmakers greater control and flexibility to preserve valuable nuclear generation. We believe this legislation would preserve not only zero emission assets but jobs, economic growth, fuel diversity, price stability, and reliability and grid security for the region.*

> *We are advocating for Ohio's support for its two nuclear plants, even though the likely outcome is that FirstEnergy won't be the long- term owner of these assets. We are optimistic, given these discussions we have had so far and we will keep you posted as this process unfolds*.

In 2017 and 2018, FirstEnergy Corp. attempted to seek relief for its nuclear power generation facilities through a federal solution for its energy generation business. To further a federal solution, certain FirstEnergy Corp. executives met with federal officials and hired consultants with close connections to federal officials to lobby and assist in securing official action to subsidize the nuclear and coal plants through DOE action and the FERC rulemaking process. FirstEnergy Service also approved a $5,000,000 wire to a 501(c)(4) entity connected to federal official(s), on or about May 1, 2017, shortly after hiring a consultant with close connections to those federal official(s).

By the fall of 2018, FirstEnergy Corp. believed the federal government may not take FirstEnergy Corp.'s requested action. Accordingly, while FirstEnergy Corp. continued conversations about a potential federal solution, they focused on a state solution to save the Ohio nuclear power plants.

B. Public Official A

The State Solution for the Nuclear Plants

At the same time FirstEnergy Corp. had been pursuing a federal solution for its Ohio nuclear power plants, FirstEnergy Corp. was pursing state legislation in Ohio to save the power plants through help from Public Official A, including the ZEN (Zero-Emissions Nuclear Resource Program) energy proposals outlined in House Bill 178, Senate Bill 128, and House Bill 381 in 2017, which failed to gain the support necessary for passage before Public Official A became Speaker in 2019. For example, on or about November 5, 2016, Executive 1 told Individual B,

"*Pass on to [Public Official A]. When we were talking on Weds I told him there was gonna be a sense of urgency but couldn't tell him all the details. If we don't move on some type of supplant in first half of 2017 it will be too late. These plants will be shut, sold, or bankrupt. I don't have any contact info for him*."

Central to FirstEnergy Corp.'s state solution strategy was payments for Public Official A's benefit to Generation Now, which was Public Official A's 501(c)(4), as Public Official A pursued the Ohio House Speakership. The FirstEnergy Corp. payments began in 2017, as Public Official A began executing his strategy to regain the Speakership. This was consistent with the strategy that Executive 2 had outlined in an internal presentation, explaining that 2017 political contributions are "*strictly money spent to influence issues of key importance to FirstEnergy in 2017, such as saving our baseload generation*" and that FirstEnergy Corp.'s "*preferred manner of giving is through section 501(c) groups, as these are considered 'dark money' because they are not required to disclose where the donations come from*." The presentation noted that *"the bulk of our contribution decisions are to c(4)s*."

In furtherance of its strategy, in 2017, FirstEnergy Corp., through FirstEnergy Service, wired $1,000,000 to Generation Now consisting of four quarterly payments for Public Official A's benefit, following Public Official A's trip to Washington D.C. with certain FirstEnergy Corp. executives for the inauguration. These payments were intended to contribute to Public Official A's power and visibility for the speakership and allowed him to support other candidates who would in turn support his speakership.

In return, FirstEnergy Corp. expected and intended that Public Official A and his team would further FirstEnergy Corp.'s efforts to save the power plants. Throughout 2017, FirstEnergy Corp. executives discussed with members of the Public Official A team ways in which Public

Official A could assist with FirstEnergy Corp.'s efforts to save the nuclear power plants.

FirstEnergy Corp. continued to contribute to Generation Now to assist Public Official A in winning the speakership but changed its method of payment in 2018. Rather than send the money directly from FirstEnergy Service to Generation Now, the FirstEnergy Corp. payments came from Partners for Progress, which had been fully funded by FirstEnergy Corp. On or about March 15, 2018 – two weeks before FirstEnergy Corp. subsidiaries filed for bankruptcy protection and FirstEnergy Corp. requested emergency action from the Department of Energy – FirstEnergy Corp. wired $300,000 from Partners for Progress to Generation Now for Public Official A's benefit. Four days before the payment, Executive 1 met with Public Official A to "*[d]iscuss Speaker race and votes needed*." Likewise, certain FirstEnergy Corp. executives wired $100,000 from Partners for Progress to Generation Now on or about May 4, 2018, four days before the Ohio primary election.

FirstEnergy Corp. also sent approximately $400,000 for Public Official A's benefit, at Public Official A's request, through another 501(c)(4) in late April 2018, which through a series of transactions ultimately paid approximately $400,000 for media benefiting Public Official A before the May 2018 primary.

FirstEnergy Corp. continued to fund Public Official A's campaign for Speaker leading up to the fall 2018 election. On August 5, 2018, Executive 1 asked Executive 2, "*[Is] [Public Official A] looking for more money*?" to which Executive 2 responded, "*You know the answer to the [Public Official A] question, but I don't know for how much he'll ask. I'll get a list from [Ohio Director of State Affairs] as to the House races he's most interested in winning and I'll have something for you as to what fepac is doing in those races. He'll want hard money first and then C(4) money for sure. I'll be back to you today*." Later that day, Executive 2 followed up and said, "*[Public Official A] wants to hear about us – status of company, what's important to us this year*

and next year. Money will come up – help with key races and C(4)." Following a meeting involving Executive 1 and Public Official A, on or about August 16, 2018, FirstEnergy Corp. wired $500,000 from Partners for Progress to Generation Now for Public Official A's benefit.

A few weeks later, on or about August 24, 2018, Executive 1 and Executive 2 arranged for Public Official A to attend a presidential roundtable, during which Public Official A would ask whether Federal Official 1 intended to fix FirstEnergy Corp.'s issues at the federal level. Public Official A told Ohio Director of State Affairs, "*I simply said [Federal Official 1], I'm [Public Official A] former Ohio Speaker and I was planning on discussing this in the Roundtable but the acoustics were horrible. He said yes they were – I couldn't really hear much of anything – I then stated that his support in replacing the CPP was beneficial to Ohio but we need more in order for our zero emissions nuclear plants and coal fired facilities to remain an important part of our overall energy solution. He then stated that he had put a plug in it and now plans to fix it*." Public Official A reported the same information to Executive 1, explaining that "*I opted to talk to him during the photo opt one on one*" and that "*He said they plan on fixing it*." The following exchange then occurred:

Executive 1: "*Got it. Thanks for the help*!"

Public Official A: "*Thank you for your help*."

Executive 1: "*We are rooting for you and your team!*"

Public Official A: "*I'm rooting for you as well . . . we are on the same team*"

In October 2018, FES paid Generation Now another $500,000 for Public Official A's benefit – $400,000 of which was hand-delivered to Public Official A during an in-person meeting on or about October 10, 2018. On October 2, 2018, about a week before the payment, Executive 2 told Executive 1, "*I know you know this, but this is where companies and people get in political*

trouble – everyone is in a rush and they all need a ton of hel$p. Let me gather everything. I'll bring it to you and you/we can decide." On October 10, 2018, the day of the meeting, Executive 1 texted Executive 2, "*FES meeting with Public Official A today. I told him to be nice but listen to us*." Executive 2 replied, "*He'll learn about the $400k at this mtg*." Executive 1 then responded, "*They better get it done quick or he won't be able to spend it*." Following the meeting, Public Official A thanked Executive 1 via text for the money from FES, stating, "*$400k… thank you*."

In addition to the $500,000 directly from FES to Generation Now in October 2018, FirstEnergy Corp. made a $500,000 electronic transfer of funds to Dark Money Group 1 for Public Official A's benefit on October 29, 2018, a few days before the November election. This funds transfer occurred after Public Official A traveled to Akron to meet with Executive 1 on October 23, 2018.

Following the October 23, 2018 meeting, FirstEnergy Corp., through Executive 1 and Executive 2, also persuaded other energy-interested companies to send payments to Dark Money Group 1 to support Public Official A. For example, following the meeting with Public Official A, Executive 2 texted Executive 1, "*I talked to [Company Executive C]. He's going to contribute $100k to our effort with [Dark Money Group 1]. As for your [ ] Friday morning message to [CEO of Company B]: . . . I met with [Public Official A] a few days ago. We believe in [Public Official A] and think he can and will be Ohio's next Speaker. That's important to all of us. He has a need for a final push. We've committed $700k to the effort and I'd like to ask for your help with $100k*." A few days later, on October 26, 2018, Executive 2 asked Executive 1 if he could call CEO of Company B "*on the [Public Official A] $100k matter*?" Executive 1 responded, "*I'm on it*." Executive 2 texted Executive 1 later the same day indicating that Company B is going to do "$100k." Executive 1 responded that "[*Company B Executive*]" should "*take credit with Public*

Official A too" and later that day indicated that "*the money has already been wired*." In total, following Public Official A's October 23, 2018 trip to Akron to meet with Executive 1, the following payments were made to Dark Money Group 1:

October 26, 2018	$100,000	wire	Company B
October 29, 2018	$500,000	EFT	FirstEnergy Service
October 29, 2018	$100,000	check	CEO of Company C

The day before the November 2018 general election, Executive 1 texted Public Official A, asking, "*24 hours left. How's it looking*?" Public Official A responded, "*I am encouraged by the House races. Unless this blue wave shows up in the some races – I think we look great*."

On November 7, 2018, the day after the election, Executive 1 texted Public Official A and asked, "*How did your candidates do*?" Public Official A responded that "*we were a net -4*." Public Official A told Executive 1 that "*I literally need 1 more vote for Speaker*." Executive 1 asked if Public Official A was "*counting [Representative 11] or not*?" and stated that, "*I'll make sure it happens*." Later that day, Public Official A asked Executive 1 "*if you would just ask [Individual C] to set up a meeting w me and engage in getting this Spkrs race worked out [sic] so the way we want it. That would be perfect. Need him to focus*." Executive 1 responded, "*On it*."

FirstEnergy Corp.'s plan to fund Public Official A-approved House races through payments to Generation Now to help get Public Official A elected Speaker in return for introducing nuclear legislation was successful. On January 7, 2019, the Ohio House of Representatives selected Public Official A as Speaker. The day of his election, Public Official A texted Executive 1: "*[t]hank you for everything it was historical*." In a separate text exchange that day, Individual C texted Executive 1, Executive 2, and two FE lobbyists, "*Congrats [Executive 1] and [Executive 2]. Big win in Ohio Speaker vote*," and then, "*2019 could be FE's year*." Executive 1 responded,

"*Hate to say this but we still need to get DOE help for plants so we can use Ohio to help the parent*."

Passage of House Bill 6

Following Public Official A's election as Speaker, FirstEnergy Corp. executives and representatives worked directly with Public Official A in drafting the nuclear legislation leading up to House Bill 6's introduction in the House. FirstEnergy Corp. sought the nuclear legislation both for the interests of its subsidiaries, including FES, and to further the interests of the FirstEnergy Corp. parent company.

From when House Bill 6 was introduced in April 2019 to October 2019, FirstEnergy Corp. worked directly with FES to support Public Official A through payments to Generation Now with the intent and for the purpose that, in return, Public Official A would take specific official action relating to the passage of House Bill 6 and the defeat of the ballot referendum initiative to overturn House Bill 6. FirstEnergy Corp. paid the money to Public Official A through Generation Now intending to influence and reward Public Official A in connection with passage of House Bill 6 and defeating the ballot referendum.

During that period, FES paid over $40 million through wire transfers to Generation Now for Public Official A's benefit, while FES was involved in bankruptcy proceedings. In addition, FirstEnergy Corp. paid over $13 million through wire transfers from Partners for Progress to Generation Now during this period.

Money paid from FirstEnergy Corp. to Generation Now in April 2019 through October 2019 was intended to benefit Public Official A; was intended to help Public Official A in his campaign to pressure and advise public officials to support passage of House Bill 6; and was intended to help Public Official A's efforts to defeat the ballot referendum, which included a plan

to pass alternate legislation if the proponents of the ballot referendum gained enough signatures to put the repeal of House Bill 6 on the ballot for a referendum. Certain FirstEnergy Corp. executives knew that the money paid to Generation Now was controlled by Public Official A and was for Public Official A's benefit to use as he directed. Public Official A and his team instructed how much money to pay into Generation Now to further their efforts to pass House Bill 6 and to defeat the ballot referendum. A purpose of the Generation Now ads was to provide legislators with the necessary cover to support House Bill 6.

For example, following opponent testimony in a House subcommittee that challenged House Bill 6 on April 23, 2019, Executive 2 told Executive 1, "*Today was opponent testimony. Went long. Expected stuff. Tell [Public Official A] to put his big boy pants on. Ha*." Later that day, Executive 1 forwarded Executive 2 the content of a message from Public Official A that read, "*I hope FES is ready for a fight because the first shot was fired at us tonight. Nobody screws with my members … my name ain't [Representative 10] or [Representative 1]. I asked [Individual D] to make ads this morning*." Executive 1 then texted Executive 2, "*FES Needs [sic] to pay for these ads*," explaining, "*they can spend some money on the real fight*." Executive 1 later texted Public Official A, "*I will be pushing FES to engage*," and then followed up, "*I'll talk to FES tomorrow about paying for [the ads.] What kind of budget*." Public Official A responded, "*I'll find out – I'd like to blister Columbus and eastern Ohio where the shale play is*."

The next day, Executive 1 texted Public Official A, "*Spoke to FES creditor rep. They will step in and help*." Public Official A responded that he is having breakfast with Individual A to discuss and will call Executive 1 after they meet. Public Official A responded to Executive 1, "*I may want to run things past [Individual A] to make sure [Individual D] doesn't overcharge. I'm cheap*." Executive 1 replied to Public Official A, "*OK. I would say you are a bargain – not cheap*."

On May 1, 2019, FES Executive A texted Executive 2, "*Can someone change the Generation Now website so it looks more like our positive commercial? Less conventional power plants, more blue skies, fields and some wind turbines*." Executive 2 responded, "*[FES Executive A] – don't disagree, but remember, you're just the bank for these spots. They're not yours if you know what I mean. You change them, and they're yours – along with the criticism and results*."

Specific official action by Public Official A relating to the passage of House Bill 6 included helping draft the nuclear bailout legislation at FirstEnergy Corp.'s and FES's direction and pressuring and advising other public officials to take official action to support the nuclear legislation. While House Bill 6 was pending, FirstEnergy Corp. sought from Public Official A specific official action in the form of pressuring and advising other officials to support the "decoupling" provision supported by FirstEnergy Corp. and to support an extension of the term of the nuclear subsidy duration to ten years.

For example, on April 15, 2019, three days after Public Official A introduced House Bill 6, Executive 2 emailed Executive 1 and several other FirstEnergy Corp. executives and employees about "*talking points*" for "*educating legislators*" relating to the "*decoupling language which we proposed be included in the recently-introduced Ohio Clean Energy Bill (House Bill 6)*." In the same email chain, Executive 2 made clear that the decoupling language in House Bill 6 was the result of coordination with the Speaker's office.

In a May 4, 2019 text message, Public Official A told Executive 1 he needed information about FirstEnergy Corp. "*[a]s I begin to enter into the 'all out war' part of the HB 6 debate*," so that Executive 1 could help Public Official A "*shap[e] an argument*" in gaining support for House Bill 6.

On June 27, 2019, while House Bill 6 was pending in the Senate, Public Official A texted Executive 1 that "*House / Senate negotiations are occurring."* Executive 1 responded, "*Negotiate hard. 10 years and decoupling back in*!" Public Official A then replied, "*10 years*?"; "*[FES Executive B] told me $148M for 6yrs was what was necessary*." Executive 1 then responded, "*I was told you knew about it. They fucked up. You'll be fighting this same issue in 5 years because they will not be able to take it public without more years*." Executive 1 later told Public Official A, "*You don't want to have to deal with this twice as Speaker*."

On July 13, 2019, Executive 1 texted Executive 2 and FES Executive A that he told Public Official A "*why 10 years is a must*" and Public Official A is "*on board with pushing HB6 to 10 if he can*."

On July 16, 2019, FES Executive A texted Executive 1 and Executive 2, "*Speaker is saying he needs at least a little help from Governor to get our years increased*." The next day, FES Executive A again texted Executive 1, "*House doesn't have quite enough votes*," to which Executive 1 responded, "*[Public Official A] is negotiating. I'm in the loop*." Later that day, Executive 1 texted Executive 2, "*Some big concessions by the speaker on the budget. Hopefully he did a little horse trading along the way*." That day, Executive 2 texted Executive 1 and FES Executive A, "*HB 6 passed Committee (with decoupling). 9-4 vote. No additional years for FES – 7 years*." HB 6 then went back to the House for a vote on the Senate's amendments to the bill, and Executive 2 texted Executive 1, "*Now I'm hearing the Speaker is scrambling for one vote*."

On July 17, 2019, FES Executive A pleaded to Executive 1 that, "*If we only end up w the 7 years I will do exactly as you say, which is say thank you and go back to my nose on the grindstone*," but, FES Executive A continued, "*[t]hat said, is there anything we can do to get another year or 2? If that is not feasible and all hope is lost, can we get a 2 or 3 year extension*

option at year 7? We could base it on some type of test of whether FERC has given subsidies etc." Executive 1 responded FES Executive A: "*[State Official 2], [Public Official B], [Company C Executive] and [Official Aide 1] are fighting to the end and we've been talking to them all day. Conference on budget is ongoing and Speakers [sic] delegation is gonna try to negotiate budget movement for tenure on HB6. Everything that can be done is being done. If we don't get it, we work to pass an addendum as soon as [Senator 3] is out*."

On July 23, 2019, the day that House Bill 6 was signed into law with the decoupling provision included, Executive 2 texted Executive 1 a screenshot showing House Bill 6 passing with 51-38 votes, and the following conversation occurred:

> Executive 2: *Boom! Congrats. This doesn't happen without ceo leadership.*
>
> Executive 2: [Image of House vote]
>
> Executive 1: *We made a bbiiiiiiiig bet and it paid off. Actually, 2 big bets. Congrats to you and the entire team! See if [name] has any Pappy and we'll all head to Columbus tonight.*
>
> Executive 2: *Huge bet and we played it all right on the budget and HB 6 – so we can go back for more!*
>
> Executive 2: *No party tonight. We are going to plan one with the Speaker later.*
>
> Executive 2: *You should call the Speaker today.*
>
> Executive 1: *Already texted him…*

Defeating the Ballot Referendum

FirstEnergy Corp. and FES agreed to pay millions of dollars to Public Official A through payments to Generation Now in return for and in connection with Public Official A's efforts to defeat the ballot referendum, which included specific official action by Public Official A. Specific official action agreed to included efforts by Public Official A to have House Bill 6 interpreted as a "tax" such that it could not be challenged through a ballot referendum under law; and, if the ballot initiative gained enough signatures to put the referendum of House Bill 6 on the ballot, to

advance alternate legislation by Public Official A, to include making clear that House Bill 6 was a tax and thus could not be challenged through a ballot referendum.

For example, on July 16, 2019, prior to passage of House Bill 6, Executive 2 texted Official Aide 1 that he "*[j]ust remembered some language added late to House version to help make it harder to challenge via referendum. Speaker worked with fes on it. Senate probably took it out and now folks want it back in*."

On July 24, 2019, FES Executive A texted to Executive 2: "*[Individual H], [FES Executive C] and myself are point on referendum. He has a mtg w [sic] Speaker on it tomorrow. I am talking to Speaker later today . . .*" Executive 2 later responded, "*I'm very concerned about the referendum*." FES Executive A replied, "*We are taking [Public Official A's] lead on fighting the referendum*." FES Executive A replied further, "*Am I supposed to go against what [Public Official A] is telling us to do*?" Two days later, Executive 2 texted FES Executive A, "*I had a good conversation with [Public Official A] today re: the referendum issue. I think you're in excellent hands. I know more about his personal involvement and engagement. We should all be following his lead. I know you/fes are and we will as well*."

On September 4, 2019, Executive 2 told Executive 1 he intended to take steps to convince another Ohio public official to publicly state that House Bill 6 was a tax because, under Ohio law, a tax would not be subject to a ballot referendum. In response, Executive 1 texted Executive 2, "*We should check with [Public Official A] to make sure he's on board with this before we step in. He seemed pretty confident in his referendum strategy and plans to pass it as a tax in a new bill if they get enough signatures. Just want to make sure he agrees*."

To further the scheme, FirstEnergy Corp. used Partners for Progress, a 501(c)(4) controlled

by and operating for the benefit of FirstEnergy Corp., to conceal payments to Public Official A. In October 2019, FirstEnergy Corp. paid $10 million (October 10, 2019) and $3 million (October 22, 2019) to Generation Now for Public Official A's benefit by first wiring the money through Partners for Progress rather than paying the money to Generation Now directly. FirstEnergy Corp. paid the $13 million at Public Official A's and FES's request, knowing and with the intent that the money was in return for Public Official A's efforts to defeat the ballot referendum and ensure House Bill 6 became law, to include specific official action for alternate legislation if the ballot referendum received enough signatures to get on the ballot.

For example, on October 9, 2019, Executive 1 texted FES Executive A, "*Just got word the $ is being wired today. $10M*." Executive 1 told Executive 2, "*I did speak with Public Official A and he says they need it and will spend it. Talked to him about future and he says the future is now. He understands it's not our issue and truly appreciates the support*." In exchange for Executive 1's agreement to wire the $10 million to Public Official A, FES Executive A promised Executive 1 that FES would pay additional funds in connection with the transfer of real estate to FirstEnergy Corp. after FES's bankruptcy.

On October 19, 2019, a few days before the ballot referendum's signatures were due, Executive 1 texted Executive 2 and FES Executive B, "*Just spoke to the big guy. He's got the 'tax' bill ready to go and believes he's got [Senator 3] on board*…." FES Executive B responded, "*That is good news. Having both [Public Official A and Senator 3] on board and ready is critical for us next week to be ready to deal with the outcome of the signatures and the court*." Executive 2 also texted Executive 1, "*I wish we had this state and federal team in place when we first started our generation push. Darn it.*"

On October 23, 2019, Executive 1 texted FES Executive A: "*You are a worrier but then*

it's a pretty big deal. For what it's worth [State Official 3] and [Public Official A] think it's game over. But that's private conversation unless they've told you the same thing. And [Public Official A] has a 'quick fix' anyway." Executive 1 went on, "*he and I have been chatting too. More about raising him $$$$.*"

Public Official A's Term Limit Ballot Initiative

In February 2020, Public Official A and his team approached FirstEnergy Corp. about funding a ballot initiative championed by Public Official A, which would change Ohio law to increase term limits for Ohio public officials. The term limit initiative would allow Public Official A to potentially remain in power as Speaker for up to sixteen additional years, which would give Public Official A additional time as Speaker to further FirstEnergy Corp.'s interests through official action.

For example, on February 28, 2020, Executive 1 and Individual B had the following conversation:

> Executive 1: . . . . *Talked to Speaker today. He's an expensive friend* 
>
> Individual B: *I did not know what he wanted to talk to you about.* 
>
> Executive 1: *His term limit initiative. 16 years lifetime max in legislature starting when it passes. No need to switch houses. But after 16 your [sic] done for good.*
>
> Individual B: *I think it's a great idea especially if he stays there*
>
> Executive 1: *He told me he'll retire from there but get [sic] a lot done in 16 more years.*
>
> Individual B: *Probably more than five previous Speakers combined*
>
> Individual B: *He will make Ohio great again*
>
> Executive 1: *Yep*

The next day, Executive 1 texted Public Official A, "*Work with [Individual A] on ballot initiative? You coming up for Home Opener*?" Public Official A responded, "*Yes. I haven't thought much about Opening Day yet*." Executive 1 later texted Public Official A, "*[Executive 2] is contacting [Individual A] to do 2 early next week*," to which Public Official A responded, "*Very much appreciated*." In text message exchanges the next day, Executive 2 stated, "*On Monday/Tuesday of next week, we are hoping to do a $2M contribution from our C(4) to Generation Now*"; and "*[w]e are going to make a significant contribution to Generation Now from Partners for Progress next Monday/Tuesday*." Executive 2 stated in a subsequent message that Public Official A's term limit initiative "*extends and stabilizes existing leadership – good for the home team*."

On March 2, 2020, FirstEnergy Corp. paid $2 million to Public Official A by wiring the money from FirstEnergy Corp.'s 501(c)(4), Partners for Progress, to Public Official A's 501(c)(4), Generation Now, to advance Public Official A's term limits initiative.

C. Public Official B

FirstEnergy Corp.'s Consulting Agreement with Public Official B

Prior to December 2018, FirstEnergy Corp. made payments to Public Official B pursuant to agreements with Public Official B through Company 1. The payments were made from FirstEnergy Service to Company 1's bank account, in part, for Public Official B's benefit.

A 2013 consulting agreement was subsequently amended in 2015. The 2015 amendment coincided with and was made in exchange for Public Official B's industrial group withdrawing its opposition to a 2014 PUCO Electric Security Plan settlement package involving FirstEnergy Corp.'s Ohio electric distribution subsidiaries. The amended agreement called for an increase in

Public Official B's retainer and supplemental payments through 2024. Although the amended agreement does not appear to have been executed, from 2015 through June 2018, FirstEnergy Corp. paid into the Company 1 account pursuant to the terms of the agreement with Public Official B. Invoices from Company 1 were structured to bypass FirstEnergy Corp.'s Level of Signature Authority levels for purposes of internal approval of the payments.

In January 2019, Public Official B received a payment of $4,333,333, which represented the remaining payment amounts designated in the amended consulting agreement from 2019 through 2024. FirstEnergy Corp. was under no legal obligation to make the payment at that time.

Public Official B as PUCO Chairman

FirstEnergy Corp. paid the entire $4,333,333 to Company 1 for Public Official B's benefit with the intent and for the purpose that, in return, Public Official B would perform official action in his capacity as PUCO Chairman to further FirstEnergy Corp.'s interests relating to passage of nuclear legislation and other specific FirstEnergy Corp. legislative and regulatory priorities, as requested and as opportunities arose.

In December 2018, Public Official B discussed the $4,333,333 payment with Executive 1 and Executive 2. For example, on December 17, 2018, Public Official B emailed Executive 2 and others the announcement stating that PUCO was seeking applications for a commissioner. The next day, on December 18, 2018, Executive 1 and Executive 2 met with Public Official B at Public Official B's condominium. During the meeting at Public Official B's condominium, Executive 1, Executive 2, and Public Official B discussed the remaining payments under the consulting agreement and Public Official B's candidacy for the open PUCO chair position.

The next day, Public Official B texted Executive 1 and Executive 2 detailing the remaining payments under his consulting agreement with FirstEnergy Corp. from 2019 to 2024. The

payments totaled $4,333,333. Public Official B added, "*Thanks for the visit. Good to see both of you*," to which Executive 2 responded immediately, " *Got it, [Public Official B]. Good to see you as well. Thanks for the hospitality. Cool condo*."

Later that day, Executive 1 texted Public Official B and Executive 2, "*We're gonna get this handled this year, paid in full, no discount. Don't forget about us or Hurricane [Executive 1] may show up on your doorstep! Of course, no guarantee he won't show up anyway*." Executive 1 then attached an image of a venomous snake protruding from a hurricane. Public Official B replied, "*Made me laugh – you guys are welcome anytime and any whereI [sic] can open the door. Let me know how you want me to structure the invoices. Thanks*." Public Official B then added, "*I think I said this last night but just in case – if asked by the administration to go for the Chair spot, I would say yes*."

After meeting with Public Official B in December 2018 to discuss the payout and Public Official B's candidacy for PUCO Chairman, certain FirstEnergy Corp. executives pushed to have Public Official B appointed as the PUCO Chairman. Under Ohio law, PUCO consists of five public utilities commissioners appointed by the governor with the advice and consent of the senate. The governor must designate one commissioner to be chairperson of PUCO, who serves at the governor's pleasure. PUCO commissioners are selected from a list of individuals submitted to the governor by the public utilities commission nominating council. FirstEnergy Corp. executives' efforts to have Public Official B appointed as PUCO Chairman included working directly to advance the appointment of Public Official B as PUCO Chairman so that Public Official B could further FirstEnergy Corp.'s interests in that role through official action. FirstEnergy Corp.'s plan was for Public Official B to be appointed to the open seat as PUCO Chair and another individual appointed to a second projected opening on PUCO.

On January 2, 2019, FirstEnergy Service wired the $4,333,333 to Public Official B's Company 1 bank account. That same day, Executive 2 texted Executive 1:

> *[Executive 1] - this text came to me this morning from [Public Official B]. His mtg with Gov.-elect is this Friday and I suspect, absent any problem, things will go down as we've discussed, with [Individual E] getting [PUCO Official 1]'s seat as soon as [PUCO Official 1] leaves. In any event, pls see [Public Official B]'s mssg re: meeting with us soon in Akron.*
>
> *[Executive 2], I would like to come to Akron on 1/10, 1 /11, 1/14 or 1/15 to get a better understanding of the "hole" (size, shape, life expectancy and so on). Also, I would like to discuss a couple concepts that I landed on after our recent meeting. If [Executive 1] is available to discuss concepts, that would be a plus. If none of the above days work, get me a couple that do, please.*

Executive 1 responded with a date and time for meeting Public Official B, then stated: "*So you're saying [Public Official B] as Chair and [Individual E] on later*?" Executive 2 replied, "*That's their plan, but nothing certain until [Public Official B]'s meeting. Four people in [State Official 1] world, you, [Public Official B] and I know about this*."

Later that day, Executive 2 and Executive 1 discussed the upcoming meeting between Executive 1, Executive 2, and Public Official B further. Executive 2 asked Executive 1, "*Is there anyone internally you'd like to include? I'll ask him about his location preference. My guess is that he's on point to figure out what we need and to report back as to how it should be/could be fixed*." Executive 1 replied, "*I think just you and me. Don't want too many on the inside right now. That's probably his preference also*." Executive 2 then forwarded a text from Public Official B: "*From [Public Official B]. Probably best if it is you and [Executive 1]. If more is required, I can follow up. I don't think that we will get into the weeds. That can come once we get comfortable with a conceptual framework*."

On January 14, 2019, Executive 2 texted Executive 1 about the "*Ohio hole*," "*extending*

our ESP," among other things. Executive 2 then texted Executive 1 about the timing of what would become House Bill 6: "*[Public Official B] was talking about the number of weeks needed for him to coalesce parties on the broad construct of an energy bill. Before introduction*." According to Executive 2, Public Official B estimated "*the 6 to 8 week time frame to pull together (not necessarily pass) the legislative component assumes that the new administration makes the appointment ASAP and runs from the date of the appointment*."

On January 18, 2019, Executive 1 texted Executive 2, "…*Once [Public Official B] is announced, we need him to help with [Individual E]. Sounds like he already did but will need more*." Executive 2 responded, "*[Individual F] told me that once [Public Official B] is in, [State Official 1] will lean on him on everything including who should be the next commissioner*."

On January 28, 2019, at the same time certain FirstEnergy Corp. executives were lobbying to have Public Official B appointed PUCO Chair, Executive 2 texted Executive 1 about a solution to the Ohio "hole" and an update on Public Official B's nomination: "*[Executive 1] – [Individual G] and I just finished a good meeting with [Public Official B] on the way to solve the 2024 issue. No one internal knows we met with him*." Executive 1 responded, "*Any word on his status*?" Executive 2's reply indicated he spoke with State Official 2 and, "*no decision but that he had a great conversation with Gov this morning*."

Days later, Executive 2 and Executive 1 became concerned that Public Official B would need to pull out of the PUCO selection process because a disclosure in connection with an FES bankruptcy filing indicated that Company 1 had received payments from FES. In response to the news, Executive 1 lamented in a text message to Executive 2 on January 31, 2019, "*Great. Now we have none on the list*." Executive 2 responded, "*This is awful*." Executive 1 then texted, "*Back to legislative fix for Ohio hole*."

Later that day, however, their concern dissipated as Public Official B cleared the selection process. Executive 2 texted Executive 1, "*Nominating Council has been delayed and is now in Executive Session.*" Executive 2 later texted Executive 1, "*That bullet grazed the temple*." Executive 1 responded, "*Forced [State Official 1]/[State Official 2] to perform battlefield triage. It's a rough game*." Minutes later, Executive 2 forwarded an email that read, "*[Public Official B] got the most votes*." Executive 1 texted Public Official B the next day, "*Most of the media coverage is very fair. There will be some shots take but that's inevitable. Hang in there til it's done and it will quiet quickly*."

The plan to get Public Official B appointed PUCO chairman was successful. On February 4, 2019, Public Official B's selection as the Chairman of PUCO was announced. That day Executive 1 texted Company C Executive, "*Now work on the [Public Official B]/[Individual E] parlay. Once [Public Official B] is in he'll help with [Individual E] and my Speaker friend will too*." The next day, Executive 1 texted Public Official B, "*Congratulations*!" Public Official B responded, "*Thanks, [Executive 1] – the last four days have been tuff*." Public Official B went on, "*Thanks goes to some great good friends*."

The day Public Official B's confirmation as PUCO became public, Company C Executive texted Executive 1: "*Let's try not to fuck this up*," while attaching an article announcing Public Official B was selected as the next PUCO Chair.

On or about February 13, 2019, Executive 2 told Public Official B, "*[Executive 1] is meeting with [Public Official A] today*" and asked him, "*Anything you think [Executive 1] should raise?"* Public Official B responded that "*We need coordination between executive and legislative branches to get sensible stuff over the goal line. Absent that, the current polarization will pull everything under*."

Official Action by Public Official B

After his appointment as PUCO Chairman, Public Official B performed official action, including acts related to House Bill 6 and the elimination of FirstEnergy Corp.'s requirement to file a new base rate case in 2024, furthering FirstEnergy Corp.'s specific legislative and regulatory interests at the direction of and in coordination with certain FirstEnergy Corp. executives, as FirstEnergy Corp. requested and as opportunities arose.

For example, with respect to House Bill 6, on June 28, 2019, Executive 2 texted Executive 1, "*Just heard from [Public Official B].. [sic] decoupling looks good*." Executive 2 explained to FES Executive A on July 10, 2019, that Public Official B told Executive 2 regarding the "*audit issue*": "*I am engaged and hope I can help*." Executive 2 went on, "*Having [Public Official B] engaged is key. He doesn't use the word lightly*."

On July 11, 2019, Executive 2 texted Executive 1: "*[Executive 1] – I had a long talk with [Public Official B] last night about audit language. He is mtg today with [Senator 4] and Senate Counsel. We have a good plan to help. Just wanted u to know your team is engaged and helping – and we will get it if we can keep fes from negotiating against themselves*."

On July 13, 2019, Executive 2 texted Executive 1 that he heard from Public Official B regarding "*the audit*" language, explaining, "*[Public Official B] thinks he has it nailed and the language works. Confidentially, [FES Executive B] agrees."*

On July 16, 2019, Executive 2 and Executive 1 texted relating to the status of House Bill 6 and the budget. The conversation went as follows:

> Executive 2: *Budget conferees are meeting now - so the budget looks to be good to go (or they wouldn't be meeting). Our SEET language is in the bill. Still awaiting word on HB6 but our intel is that [Official Aide 1], [State Official 2] and [Public Official B]*

> *are still trying to get fes some more years.*
>
> Executive 1: *Decoupling*?
>
> Executive 2: *Will be offered tomorrow by [Senator 5] with help from [Senator 6]. Stupid they're making her offer it, but we are convinced there's no monkey business. It's greased*.

About a week later, on July 23, 2019, House Bill 6 passed the legislature with the decoupling provision advocated by FirstEnergy Corp. That day, Executive 1 sent to Public Official B a photo-shopped image of Mount Rushmore with the face of Public Official B, alongside Executive 2, Ohio Director of State Affairs, and Company C Executive, imposed over the four presidential faces with the caption, "*HB 6 FUCK ANYBODY WHO AINT US*." Public Official B commented that his picture was smaller than the others and then responded, "*funny*."

In addition, at FirstEnergy Corp.'s request and direction, Public Official B performed official action to fix FirstEnergy Corp.'s "Ohio hole" through a PUCO opinion eliminating the requirement that FirstEnergy Corp.'s Ohio electric distribution subsidiaries file a new base rate case when ESP IV ended in 2024.

For example, on November 5, 2019, Executive 1 texted to Executive 2 an article published that day, in which Morgan Stanley projected low growth for FirstEnergy Corp. because of "*a rate case review in 2024*." In his note accompanying the article, Executive 1 told Executive 2, "*Here's the MS down grade due to the 'Ohio hole*.'"

On November 10, 2019, Executive 1 texted Company C Executive, "*And, the FE rescue project is not over. At EEI financial conference. Stock is gonna get hit with Ohio 2024. Need [Public Official B] to get rid of the 'Ohio 2024' hole*." A few days later, on November 15, 2019, Executive 2 texted Executive 1, "*I spoke with [Public Official B] today. Told me 2024 issue will be handled next Thursday (November 21)*." Executive 2 later texted, "*he's going to make the*

requirement to file go away, but I do not know specifically how he plans to do it."

On November 21, 2019, Executive 2 texted Executive 1, "*Today is our day for action on the 2024 issue*." Executive 1 suggested that Public Official B make a "*public statement*" about the ruling, to which Executive 2 responded, "*On it*." Later that day, PUCO issued a ruling that FirstEnergy Corp.'s Ohio electric distribution subsidiaries were no longer required to file a new rate distribution case in 2024. Executive 2 later texted Executive 1 the PUCO decision, which highlighted the following language from the Opinion and Order: "*we find that it is no longer necessary or appropriate for the Companies to be required to file a new distribution rate case at the conclusion of the Companies' current ESP*."

Pursuant to House Bill 6, part of FirstEnergy Corp.'s revenue would have been decoupled at least until its next base distribution rate case, which was scheduled for 2024. The November 21, 2019 decision by PUCO eliminated FirstEnergy Corp.'s Ohio electric distribution subsidiaries' requirement to file its new rate distribution case at the conclusion of ESP IV in 2024. The November 21, 2019 PUCO decision addressed the 2024 "Ohio hole" by extending the time before the FirstEnergy Ohio utility subsidiaries were required to file a base rate case.

On November 22, 2019, approximately a day after PUCO's rate case policy change benefitting the energy company, and the day after news of the decoupling rider application became public, Executive 1 thanked Public Official B via text message. Specifically, Executive 1 texted Public Official B an image showing FirstEnergy Corp.'s stock increase with a note that stated, "*Thank you*!!" Public Official B responded, "*Ha – as you know, what goes up may come down. [Name] helped. Thanks for the note. Spoke to [name]last night*." Executive 1 replied, "*Every little bit helps. Those guys are good but it wouldn't happen without you. My Mom taught me to say Thank you*," to which Public Official B replied, "*Thanks*."

On January 15, 2020, a few months later, it appeared that another commissioner would be appointed to PUCO in 2020. Public Official A texted Executive 1, "*Who do you like for this PUCO board appointment*." That evening, Executive 1 texted Public Official A's message to Executive 2: "*Who do you like for this PUCO board appointment*"; Executive 1 followed up, "*Got this from [Public Official A] a little while ago*." Executive 1 then texted, "*But I think [Public Official B] wants the incumbent D re-upped because he's very cooperative with [Public Official B]*." Executive 1 later told Executive 2, "*Tell [Public Official B] [Public Official A] asked me I [sic] my response was whoever [Public Official B] wants*."

Executive 1 then texted Public Official A back as follows: "*[PUCO Official 2] is the commissioner who's up this April. [Public Official B] likes [PUCO Official 2]. [Public Official B] has been outstanding. Approved our decoupling filing today and got a 5-0 vote including [PUCO Official 2], even though Staff bureaucrats wanted to modify HB 6 language*." Public Official A responded, "*Very good*." Public Official A then stated, "*I need to have my appointee to make recommendation for Gov. I will take care of it tomorrow*."

In a March 4, 2020 text message exchange about possible future favorable action by Public Official B, Executive 1 summarized official action already performed by Public Official B at the request of FirstEnergy and stated: "*He will get it done for us but cannot just jettison all process*." After describing certain acts taken by Public Official B, Executive 1 explained that there is "*a lot of talk going on in the halls of PUCO about does he work there or for us? He'll move it as fast as he can. Better come up with a short term work around*."

As set forth in the Corporate Officer's Certificate, I am duly authorized to execute this Agreement on behalf of FirstEnergy Corp. I have read the Statement of Facts and have carefully reviewed it with counsel for FirstEnergy Corp. and FirstEnergy Corp.'s Board of Directors. On behalf of FirstEnergy Corp., I acknowledge that the Statement of Facts is true and correct.

July 20, 2021
Date

Steven E. Strah, President & CEO
FIRSTENERGY CORP.

July 20, 2021
Date

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Attorneys for FirstEnergy Corp.

ATTACHMENT B:
CORPORATE COMPLIANCE PROGRAM

Recognizing the remedial measures undertaken by FirstEnergy Corp. set forth in the Deferred-Prosecution Agreement, FirstEnergy Corp. agrees to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal controls, policies, and procedures and to address any deficiencies in its internal controls, compliance code, policies, and procedures regarding compliance with U.S. law.

Where necessary and appropriate, FirstEnergy Corp. agrees to modify its compliance program, including internal controls, compliance policies, and procedures to ensure that it maintains an effective system of internal accounting controls designed to ensure the making and keeping of fair and accurate books, records, and accounts, as well as policies and procedures designed to effectively detect and deter violations of U.S. law. At a minimum, this should include, but not be limited to, the following elements to the extent they are not already part of FirstEnergy Corp.'s existing internal controls, compliance code, policies, and procedures:

High-Level Commitment

1. FirstEnergy Corp. will ensure that its directors and senior management provide strong, explicit, and visible support and commitment to its corporate policy against violations of U.S. law and its compliance code.

Policies and Procedures

2. FirstEnergy Corp. will develop and promulgate a clearly articulated and visible corporate policy against violations of U.S. law, which policy shall be memorialized in a written compliance code.

3. FirstEnergy Corp. will develop and promulgate compliance policies and procedures designed to reduce the prospect of violations of U.S. law and FirstEnergy Corp.'s compliance code, and FirstEnergy Corp. will take appropriate measures to encourage and support the observance of ethics and compliance policies and procedures against violation of U.S. law by personnel at all levels of FirstEnergy Corp. These policies and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties including consultants and lobbyists acting on behalf of FirstEnergy Corp. FirstEnergy Corp. shall notify all employees that compliance with the policies and procedures is the duty of individuals at all levels of the company.

4. FirstEnergy Corp. will ensure that it has a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the maintenance of fair and accurate books, records, and accounts. This system should be designed to provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets.

5. FirstEnergy Corp. will ensure that all contributions made to entities incorporated under 26 U.S.C. § 501(c)(4) ("501(c)(4)" entities) and all payments to entities operating for the benefit of a public official, either directly or indirectly, are reviewed and approved by a compliance officer trained to ensure such payments comport with company policy and U.S. law. In addition, the amount, beneficiary, and purpose of all such contributions and payments must be reported to the Board on a quarterly basis.

6. FirstEnergy Corp. will ensure that lobbying and consultant contracts are reviewed and approved by a compliance officer trained to evaluate whether the purpose of the contracts and payments made pursuant to the contracts comport with company policy and U.S. law.

7. FirstEnergy Corp. will ensure that its written compliance code prohibits billing and payment practices used to subvert internal controls.

Periodic Risk-Based Review

8. FirstEnergy Corp. will develop these compliance policies and procedures on the basis of a periodic risk assessment addressing the individual circumstances of FirstEnergy Corp. FirstEnergy Corp. shall review these policies and procedures no less than annually and update them as appropriate to ensure their continued effectiveness, taking into account relevant developments in the field and evolving international and industry standards.

Proper Oversight and Independence

9. FirstEnergy Corp. will assign responsibility to one or more senior corporate executives of FirstEnergy Corp. for the implementation and oversight of FirstEnergy Corp. compliance code, policies, and procedures. Such corporate official(s) shall have the authority to report directly to independent monitoring bodies, including internal audit, FirstEnergy Corp.'s Board of Directors, or any appropriate committee of the Board of Directors, and shall have an adequate level of autonomy from management as well as sufficient resources and authority to maintain such autonomy.

Training and Guidance

10. FirstEnergy Corp. will implement mechanisms designed to ensure that its compliance code, policies, and procedures are effectively communicated to all directors, officers, employees, and, where appropriate, agents and business partners including consultants and lobbyists. These mechanisms shall include: (a) periodic training for all directors and officers, all employees in positions of leadership or trust, positions that require such training (e.g., internal audit, sales, legal, compliance, finance, and government relations), and, where appropriate, agents and business partners including consultants and lobbyists; and (b) corresponding certifications by all such directors, officers, employees, agents, and business partners certifying compliance with the training requirements.

11. FirstEnergy Corp. will maintain, or where necessary establish, an effective

system for providing guidance and advice to directors, officers, employees, and, where necessary and appropriate, agents and business partners including consultants and lobbyists, on complying with FirstEnergy Corp.'s compliance code, policies, and procedures, including when they need advice on an urgent basis.

Internal Reporting and Investigation

12. FirstEnergy Corp. will maintain, or where necessary establish, an effective system for internal and, where possible, confidential reporting by, and protection of, directors, officers, employees, and, where appropriate, agents and business partners including consultants and lobbyists concerning violations of U.S. law or FirstEnergy Corp.'s compliance code, policies, and procedures.

13. FirstEnergy Corp. will maintain, or where necessary establish, an effective and reliable process with sufficient resources for responding to, investigating, and documenting allegations of violations of U.S. law or FirstEnergy Corp.'s compliance code, policies, and procedures.

Enforcement and Discipline

14. FirstEnergy Corp. will implement mechanisms designed to effectively enforce its compliance code, policies, and procedures, including appropriately incentivizing compliance and disciplining violations.

15. FirstEnergy Corp. will institute appropriate disciplinary procedures to address, among other things, violations of U.S. law and FirstEnergy Corp. compliance code, policies, and procedures by FirstEnergy Corp.'s directors, officers, and employees. Such procedures should be applied consistently and fairly, regardless of the position held by, or perceived importance of, the director, officer, or employee. FirstEnergy Corp. shall implement procedures to ensure that where misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal controls, compliance code, policies, and procedures and making modifications necessary to ensure the overall compliance program is effective.

Mergers and Acquisitions

16. FirstEnergy Corp. will develop and implement policies and procedures for mergers and acquisitions requiring that FirstEnergy Corp. conduct appropriate risk-based due diligence on potential new business entities.

17. FirstEnergy Corp. will ensure that FirstEnergy Corp. compliance code, policies, and procedures regarding U.S. law apply as quickly as is practicable to newly acquired businesses or entities merged with FirstEnergy Corp. and will promptly train the directors, officers, employees, agents, and business partners consistent with Paragraph 5 of the Deferred Prosecution Agreement on FirstEnergy Corp.'s compliance code, policies, and procedures.

Periodic Reviews and Testing

18. FirstEnergy Corp. will conduct periodic reviews and testing of its compliance code, policies, and procedures designed to evaluate and improve their effectiveness in preventing and detecting violations of U.S. law and FirstEnergy Corp.'s code, policies, and procedures, taking into account relevant developments in the field and evolving industry standards.

ATTACHMENT C:
REPORTING REQUIREMENTS

FirstEnergy Corp. agrees that it will report to the U.S. Attorney's Office for the Southern District of Ohio (the "government") periodically, at no less than twelve-month intervals during a three-year term, regarding remediation and implementation of the compliance program and internal controls, policies, and procedures described in Attachment B. During this three-year period, FirstEnergy Corp. shall: (1) conduct an initial review and submit an initial report, and (2) conduct and prepare at least two follow-up reviews and reports, as described below:

a. By no later than one year from the date this Agreement is executed, FirstEnergy Corp. shall submit to the government a written report setting forth a complete description of its remediation efforts to date, its proposals reasonably designed to improve its internal controls, policies, and procedures for ensuring compliance with U.S. law, and the proposed scope of the subsequent reviews. The report shall be transmitted to the following representatives of the government, unless other instructions are provided by the government:

Assistant U.S. Attorneys Emily N. Glatfelter and Matthew C. Singer
U.S. Attorney's Office for the Southern District of Ohio
221 East Fourth Street, Suite 400
Cincinnati, OH 45213

FirstEnergy Corp. may extend the time period for issuance of the report with prior written approval of the government.

b. FirstEnergy Corp. shall undertake at least two follow-up reviews and reports, incorporating the views of the government on its prior reviews and reports, to further monitor and assess whether its policies and procedures are reasonably designed to detect and prevent violations of U.S. law.

c. The first follow-up review and report shall be completed by no later than one year after the initial report is submitted to the government. The second follow-up review and report shall be completed and delivered to the government no later than thirty days before the end of the Term.

d. The reports will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the reports could discourage cooperation, impede pending or potential government investigations and thus undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except as otherwise agreed to by the parties in writing, or except to the extent that the government determines in its sole discretion that disclosure would be in furtherance of the government's discharge of its duties and responsibilities or is otherwise required by law.

e. FirstEnergy Corp. may extend the time period for submission of any of the follow-up reports with prior written approval of the government.