THE WALL STREET JOURNAL.

Former Ohio House Speaker Sentenced to 20 Years After Bribery Conviction Judge gives Larry Householder maximum sentence in massive scheme

Former Ohio House Speaker Sentenced to 20 Years After Bribery Conviction - WSJ

By Kris Maher Updated June 29, 2023 2:52 pm ET

Former Ohio House speaker Larry Householder was sentenced to 20 years in prison on Thursday for orchestrating what prosecutors have called the <u>worst corruption</u> <u>scandal in state history</u>, a massive pay-to-play bribery scheme to bail out an energy company.

Prosecutors with the U.S. Attorney for the Southern District of Ohio had asked a federal judge to sentence Householder, 64 years old, to 16 to 20 years because he "acted as the quintessential mob boss, directing the criminal enterprise from the shadows and using his casket carriers to execute the scheme." His attorneys had sought a sentence of 12 to 18 months, saying he is a disgraced and "broken man," and that a longer term could amount to a life sentence.

Steven Bradley, a lawyer for Householder, said before the sentencing that he plans to appeal the conviction. "While we respect the jury's verdict, we nevertheless disagree and intend to vigorously pursue an appeal with the hope of winning a new trial," he said.

Householder was convicted in federal court in March on racketeering conspiracy charges in connection with more than \$60 million paid by <u>FirstEnergy</u> in a scheme to pass House Bill 6, a \$1.3 billion bailout of nuclear and coal power plants.

Beginning in 2018, the company secretly funneled the money into Generation Now and other <u>Householder-connected nonprofits</u> that were organized under section 501(c)(4) of the tax code and aren't required to disclose their donors, according to prosecutors. The scheme included helping him elect friendly GOP lawmakers who then made him House speaker, prosecutors said. The bailout legislation was signed into law by Republican Gov. Mike DeWine in 2019.

A spokesman for DeWine said the governor supported the repeal of the law in 2020 because the bill was adopted in a corrupt fashion but that he still believes in supporting nuclear power in the state to meet green-energy goals.

The case has highlighted the risks for both companies and elected officials of undisclosed spending through nonprofits and reverberated through the utility industry and other sectors, according to groups that push for greater transparency in political spending.

"The whole issue of dark money and soliciting dark money presents a real crisis in our political system today and poses a real risk to companies," said Bruce Freed, president of the Center for Political Accountability, a Washington, D.C., group that pushes companies to disclose more about their financing of political efforts. "At this point, strong messages have to be sent that it is unacceptable."

FirstEnergy entered into a deferred-prosecution agreement in 2021 and said at the time that it used nonprofits "to conceal payments for the benefit of public officials and in return for official action." It paid <u>a \$230 million fine</u> and agreed to work with investigators.

"FirstEnergy has accepted responsibility for its actions related to House Bill 6 and has taken significant steps to put past issues behind us," Jennifer Young, a FirstEnergy spokeswoman, said this week. "Today we are a different, stronger company with a sound strategy and focused on a bright future."

Former GOP state chairman Matt Borges, 51, who was also convicted in March on racketeering conspiracy charges, is scheduled to be sentenced Friday. Prosecutors have recommended a sentence of 5 to 8 years, while his lawyer has argued he should serve a year and a day in prison.

Karl Schneider, an attorney for Borges, declined to comment. He wrote in a court filing this week that Borges is "substantially less culpable" than Householder and others.

After the investigation was revealed in July 2020, the Ohio legislature voted to expel Householder and repealed FirstEnergy's bailout.

<u>FirstEnergy fired</u> then-Chief Executive Chuck Jones and two other executives. Jones has said he didn't violate any laws or FirstEnergy policies.

"Mr. Jones did not make or authorize any payment of any money to any public official in exchange for any official act," Carole Rendon, an attorney for Jones, said in March following Householder's conviction.

Attorneys for Jones have said in court filings that the government's investigation into him and other former FirstEnergy officials continues. Rendon couldn't be reached to comment.

Young, the FirstEnergy spokeswoman, declined to comment on the scheduled Householder sentencing or any additional actions that prosecutors may take.

Write to Kris Maher at <u>Kris.Maher@wsj.com</u>