

The Householder Bribery Story Is Part Of A Much Larger Public Scandal

(By Bill Woods For Streetvibes)

Last week's headlines announcing the arrest of Ohio House Speaker Larry Householder for bribery came as no major surprise to political reformers in this State. This new scandal is directly related to the dark money saga of the General Assembly's bailout of two failing nuclear power plants and several coal operations in Ohio. The story of how this 1.1-billion dollar boondoggle was politically planned and executed stands as a poster child of how huge amounts of corporate money for campaigns and lobbying currently warp politics and government. StreetVibes alone published two articles last fall that depicted how the nuclear power plant bailout came about.

The latest revelation of bribery is just additional evidence of why reforms are needed to prevent this type of major misuse of the legislative process to make public policy. Speaker



Householder and four others were arrested by federal agents on July 21st. They face bribery charges described by federal prosecutors as criminal activities linked to securing the government bailout of two Ohio nuclear power plants. U.S. Attorney David DeVillers declared: "This is likely the largest bribery, money laundering scheme ever perpetrated against the people of the state of Ohio." The total amount of money involved

in this scheme adds up to \$60-million.

Householder is charged with setting up Generation Now, a non-profit corporation, as the vehicle for receiving the \$60-million from First Energy Solutions over a three year period. This huge, secret fund bought Householder's support in planning and working to secure the nuclear power plant bailout that finally emerged as House Bill 6. Some of Householder's personal expenses that have been linked to Generation Now include major payments related to his vacation home in Naples, Florida, coverage of credit card debts, and \$300,000 for legal fees. Although Generation Now was established as a social welfare non-profit, which gave it immunity from disclosing its donors, it never spent a dime on social welfare programs. Besides serving as a personal slush fund for Householder, the entity was used by the Speaker to fund political campaigns, and other activities supporting and then protecting the nuclear power plant bailout.

The purchase of Householder's services to support the bailout can be seen as part of a well planned and financed longterm strategy by First Energy and its spinoff First Energy Solutions to

bring about the legislation that emerged as House Bill 6. This effort began after First Energy failed to convince the Ohio House and Senate to pass bailout legislation in 2017 and 2018. The plan put in place called for running pro-bailout candidates in the Republican primaries in order to replace those House



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members who had opposed bailout legislation. Achieving this goal required finding candidates and bankrolling their campaigns, and Householder and Generation Now have now been linked to this process in evidence compiled in the bribery case. Already on the public record were thousands of dollars contributed by First Energy to the campaigns of these replacement legislators. The First Energy PAC spent approximately a million dollars on these races, while other allied-PACs doled out another \$700,000.

The strategy succeeded. Bailout candidates defeated fifteen Republican incumbents in the primaries, and twelve of them were then elected to the Ohio House in 2018. The next step was to replace the House Speaker, and when the House convened in 2019, Householder, who had sponsored earlier bailout legislation, won this position. Prior to the revelation about the bribery, Householder had received \$67,000 in campaign contributions from the First Energy PAC. It should also be noted the new Governor, Mike DeWine, had also received a \$25,000 campaign contribution from First Energy.

During the winter and spring bailout legislation was crafted, and a considerable amount of money was spent on ads touting the benefits of rescuing Ohio's nuclear power plants. The result was House Bill 6, legislation that provides \$1.1- billion over a seven year period to two nuclear power plants and several coal operations. Part of this allocation was to be paid for with an added monthly fee to residential rate payers in the state. Passed by both Houses of the General Assembly, the Bill was signed into law by Governor DeWine in July, 2019.

When a grassroots campaign was launched that summer to collect signatures to place an initiative on the ballot to repeal House Bill 6 before it went into effect, a multi-million dollar counter campaign quickly emerged to squash the signature gathering. Both a mail campaign and TV-ads told Ohioans not to sign the petitions, because the repeal was part of a plot by China to control Ohio's energy grid. Generation Now was heavily involved in bankrolling this successful effort to derail the repeal.

This brief review of the long term use of dark money by First Energy, First Energy Solutions, Generation Now, and other allies to buy enough General Assembly votes to eventually get an enormous corporate bailout passed puts the bribery case in perspective and reveals the

enormity of this government scandal. Not to downplay the crimes of Householder and the others arrested for bribery, but clearly First Energy and First Energy Solutions were the initial masterminds of this scheme, and the biggest winners with the passage of House Bill 6. If all their activities are deemed to be legal within the framework of Ohio and federal law, then something is terribly wrong with our current system.

At the very least, the Ohio General Assembly needs to pass reform legislation that publicly reveals any large corporate and individual contributions to support political campaigns, public initiative campaigns, and lobbying efforts. Catherine Turcer, Executive Director of Common Cause Ohio, condemned the current existence of major legal loopholes that allow "dark money" to warp public policy making. "It's past time," she said, "for the Ohio legislature to take action to increase transparency of political spending and stop allowing dark money to distort the democratic process."