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## News Release

### **Entergy Completes Internal Investigation Regarding New Orleans Power Station Advocacy**

***Investigation Confirms Entergy Employees Did Not Direct or Authorize Payments  
for Council Meeting Attendance or Comments***

***Third-Party Contractor and Unauthorized Subcontractor Admit to Alleged Actions***

NEW ORLEANS – Entergy Corporation today announced that it has completed an internal investigation to determine whether any supporters of Entergy New Orleans’ proposed New Orleans Power Station were paid to appear or speak at certain public meetings sanctioned by the Council of the City of New Orleans. The [Entergy investigation](#) also examined whether anyone at Entergy made such payments, authorized such payments, or had prior knowledge those payments would be made. Upon completing an extensive investigation, Entergy can confirm that it did not pay, nor did it authorize any other person or entity to pay, individuals to attend or speak at Council meetings. Furthermore, Entergy was not aware that any person or entity engaged on its behalf would do so or had done so.

More than 30 public meetings and Council meetings were held in association with the approval of the New Orleans Power Station. ENO contracted with The Hawthorn Group, a national public affairs firm, to assist with organizing local grassroots support for NOPS at two public meetings relating to NOPS on October 16, 2017, and February 21, 2018. The Company has learned from its investigation that Hawthorn, without the Company’s knowledge or approval and contrary to the requirements of our contract, subsequently retained a subcontractor, Crowds on Demand. The Company further learned that Crowds on Demand did pay individuals that it recruited to appear and/or speak at those two meetings. Hawthorn has admitted that their engagement of Crowds on Demand was done without Entergy’s knowledge or approval and in violation of its contract with Entergy.

“These kinds of activities run directly counter to the way we conduct our business,” Entergy General Counsel Marcus Brown said, “and we apologize to the Council, the community, and to the many supporters of the New Orleans Power Station project who took their own time to attend those public hearings and express their support for this important project. We are

extremely grateful for that support, and regret that the poor judgment and unauthorized actions of a few created this situation.”

Crowds on Demand and The Hawthorn Group have acknowledged their roles in this matter.

“This activity was undertaken without our knowledge or approval, and I can say unequivocally that it would not have been approved had we known,” Brown said. “We do, however, recognize that we ultimately are responsible for the actions of those who act on our behalf, and we are taking immediate steps to prevent a similar situation from happening again.”

Entergy has severed its relationship with The Hawthorn Group, and placed that firm and Crowds on Demand on the Company’s “do not hire” list. Entergy also said that all fees paid to Hawthorn for its work in connection with the New Orleans Power Station will be returned to Entergy and donated to charitable organizations.

Entergy began its investigation after a lawsuit was filed on April 19, 2018, that included credible and specific allegations that people had been paid to attend or speak at public meetings.

The internal investigation included interviews of employees who were involved in the NOPS proceeding and Entergy’s grassroots efforts, as well as a review of thousands of pages of documents, including contracts, contract change orders, emails, and other relevant documents using electronic discovery methods. Entergy also spoke with representatives of The Hawthorn Group and Crowds on Demand.

While the contract with Hawthorn called for mobilizing up to 75 grassroots supporters, 10 of whom would speak, for the October 16, 2017, public meeting and up to 30 grassroots supporters, including 10 speakers, for the February 21, 2018, public meeting, the contract with Hawthorn did not contemplate or authorize that any of these supporters would be paid for their attendance.

At the October 16 meeting, the New Orleans City Council Chambers were filled to capacity. A significant portion of the audience was filled with NOPS supporters wearing bright orange t-shirts that read “Clean Energy. Good Jobs. Reliable Power.” Many of the NOPS supporters were employees, retirees, union members and others who attended or spoke to show their genuine support for the proposed facility as a result of community outreach efforts by ENO’s own personnel. No compensation was offered or paid to those supporters. As a result of the investigation, the Company determined that Crowds on Demand did in fact compensate some or all of the individuals it recruited. The investigation further revealed that Crowds on Demand typically reimbursed and otherwise compensated individuals it recruited with gift cards or cash ranging from \$50 to \$200.

Prior to the February 21, 2018 Council Utility Committee meeting, ENO again contracted with Hawthorn to recruit 30 supporters, including 10 speakers to attend that meeting. As at the October meeting, there were many genuine supporters among the many people who attended;

however, the investigation determined Crowds on Demand also recruited and compensated people to attend this meeting.

The investigative report will be provided to the New Orleans City Council, Brown said, and Entergy is prepared to work with councilmembers to answer any questions they might have.

Construction of the new power station was authorized by the New Orleans City Council on a 6-1 vote following numerous public hearings and community meetings, extensive discovery on every aspect of the proposal, thousands of pages of expert testimony and exhibits, and a weeklong evidentiary trial. The power plant is critical for meeting peak electrical demand, ensuring adequate power for the City of New Orleans at all times, and supporting the rapid restoration of power in the event of a blackout or natural disaster, such as a hurricane.

“We believe the New Orleans Power Station is the right project for the City of New Orleans, and will be an important source of reliable, safe and affordable power generation for the citizens of New Orleans,” Brown said.

Other actions taken by Entergy to address this situation include:

- Amending the Company’s mandatory Supplier Code of Conduct to expressly prohibit paying supporters to attend or speak at any meetings before any governmental, regulatory or other agency with oversight over Entergy’s operations;
- Ensuring that all new applicable contracts expressly prohibit the practice of paying supporters to attend or speak at any meeting before any governmental, regulatory or other agency with oversight over Entergy’s operations;
- Training for employees and contractors in order to educate them regarding the Entergy’s prohibition against paying supporters to attend or speak at any meeting before any governmental, regulatory or other agency with oversight over Entergy’s operations;
- Immediately contacting all relevant vendors to ensure that they comply with Entergy’s prohibition of paying individuals to attend or speak at any public meeting or meetings before any governmental, regulatory or other agency or body with oversight over Entergy’s operations;
- Conducting periodic contract performance assessments to verify compliance with the prohibited practice of paying supporters to attend or speak at any meeting before any governmental, regulatory or other agency with oversight over Entergy’s operations.

Entergy Corporation is an integrated energy company engaged primarily in electric power production and retail distribution operations. Entergy owns and operates power plants with approximately 30,000 megawatts of electric generating capacity, including nearly 9,000 megawatts of nuclear power. Entergy delivers electricity to 2.9 million utility customers in Arkansas, Louisiana, Mississippi and Texas. Entergy has annual revenues of approximately \$11 billion and more than 13,000 employees.

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