



CASE STUDY:

The JEA Report: *Investigating the attempted sale of Florida's largest community-owned electric utility*

It was a story that made headlines and commanded the attention of the Jacksonville community for months: JEA, the eighth-largest community-owned electric utility company in the United States and the largest in Florida, was under investigation.



On February 4, 2020, the President of the Jacksonville City Council, Scott Wilson, convened the Special Investigatory Committee on JEA Matters. The President's Charge to the Committee was to investigate "the recent pursuit... to potentially privatize JEA" and to determine what problems "could be prevented in the future through legislative action."

The City Council authorized the retention of Smith Hulsey & Busey's chairman, Steve Busey, as Special Counsel to the Committee. He, along with a team of other SHB attorneys, led the investigation into efforts by former JEA CEO Aaron Zahn in 2018 and 2019 to sell the city utility and to implement a compensation program that would enrich JEA's senior executives by potentially hundreds of millions of dollars.

Separating the TRUTH from the noise

The firm's year-long investigation involved a comprehensive fact-finding strategy, which included interfacing with members of the City Council, interviews with dozens of witnesses, the collection and review of over 600,000 documents, and coordination with the City's Office of General Counsel and the United States Department of Justice, which was conducting its own investigation.

Busey's team included Lanny Russell, who conducted many witness interviews and coordinated with the Office of General Counsel; Chris Dix, who managed the search for and collection of electronically stored information; and Kevin Blodgett, who served as the report's principal scrivener.

After reviewing documents for nearly nine months, writing the report was "my waking life for two-and-a-half months," Blodgett said.

The project demonstrated the firm's ability to collect, store and effectively search vast amounts of electronically stored information, to find the truth among conflicting testimonies and to prepare a thorough, detailed finished report.

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The JEA Report *(continued)*

The BOMBSHELL REPORT that swept the Jacksonville community

On January 4, 2021, the Committee's 138-page report (including an [Executive Summary](#)), together with appendices and a 242-page chronology describing supporting documents, was delivered to the City Council and released to the public. The report summarizes what happened, how it happened and recommends legislative action to prevent such an effort in the future.

In addition to delivering printed copies of the report to City leaders, Smith Hulsey & Busey launched a dedicated website (JEAINVESTIGATION.COM) to host the final report and its related findings, making them easily accessible to members of the public and the media, which covered the story extensively.

According to the Report, "The investigation revealed that the Curry administration and JEA engaged in a multi-year effort, from at least 2017 through 2019, to explore selling the City's municipally-owned utility. Knowing that public sentiment disfavored transferring JEA to private ownership, the City's effort to market JEA was conducted with a purposeful lack of transparency."



COMMUNITY REACTION: Upholding governmental transparency

According to Committee Chair Brenda Priestly Jackson, "The Committee found that the efforts to market and sell JEA from 2017 to 2020 were pursued by advancing a false narrative of JEA's financial soundness, conducted with less-than-appropriate transparency, in many instances purposefully, and were further encumbered with an egregious plan by JEA's senior management to personally profit from the sale. The report contains substantial detail supporting these findings, and makes recommendations to improve the City Charter and City ordinances regarding procurement, ethics, transparency and legislative investigations."

"I think it's incredibly important that every citizen read this report," said committee member Randy DeFoor. The [Florida Times-Union, Jacksonville Business Journal](#) and [First Coast News](#) described it as a "scathing report" with significant implications.

“ It's one of the most significant investigations conducted in the history of the City Council. It will be useful for future legislation and for other investigative agencies.

– Richard Mullaney, Director of the Jacksonville University Public Policy Institute

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