



Entergy New Orleans, Inc.
1600 Perdido Street
P.O. Box 61000
New Orleans, LA 70161

Roderick K. West
Executive Vice President and
Group President
Utility Operations

October 31, 2018

Via Electronic Mail

Council President Jason Williams
Councilmember-At-Large
1300 Perdido Street, Room 2W50
New Orleans, LA 70112

Council Vice-President Helena Moreno
Councilmember-At-Large
1300 Perdido Street, Room 2W40
New Orleans, LA 70112

Councilmember Joseph Giarrusso
District "A"
1300 Perdido Street, Room 2W80
New Orleans, LA 70112

Councilmember Jay Banks
District "B"
1300 Perdido Street, Room 2W10
New Orleans, LA 70112

Councilmember Kristin Gisleson Palmer
District "C"
1300 Perdido Street, Room 2W70
New Orleans, LA 70112

Councilmember Jared Brossett
District "D"
1300 Perdido Street, Room 2W20
New Orleans, LA 70112

Councilmember Cyndi Nguyen
District "E"
1300 Perdido Street, Room 2W60
New Orleans, LA 70112

Re: Entergy New Orleans, LLC Investigation Final Report

Dear Councilmembers:

We have received the report completed by the independent legal team you retained to review grassroots advocacy practices related to the New Orleans Power Station (NOPS). We would like to acknowledge the effort undertaken by the City Council to thoroughly review this

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matter. We also wish to acknowledge the seriousness of this issue. We understand that public discourse about important projects such as the New Orleans Power Station must be rooted in integrity and transparency, and we believe that the City Council was right to be concerned and ask necessary questions.

Furthermore, even though there are no facts in either our investigation or the one performed by the independent legal team to support the conclusion that Entergy employees “knew” about the hiring of Crowds On Demand (“COD”) or their payments to individuals to show support for the NOPS, we do agree that by providing sufficient oversight and asking the right questions, we could have either prevented the actions of The Hawthorne Group and COD or discovered them and stopped them. In essence, we should have been more diligent and we “should have known.”

As we have noted before, we recognize that we are ultimately responsible for the actions of people working on our behalf. We have outlined and continue to implement steps to ensure a situation like this does not happen again. These steps include significant changes in leadership, additional training for employees and vendors, specific contract provisions with all our vendors to prohibit this type of behavior and conducting periodic contract assessments to verify compliance.

That said, we have serious concerns about characterizations in the report and the omission of key facts which confirm Entergy did not know about or authorize any payments to individuals to attend or speak at the City Council meetings. We would like to emphasize, though, these concerns are specifically about the report itself and certain characterizations and omissions within it, and not the overall process the Council has undertaken to address the question of paid speakers at City Council meetings. In addition, we recognize the report’s mischaracterizations and omissions do not diminish the underlying importance of protecting the integrity of public meetings nor our responsibility as a corporate citizen to ensure our business protocols are structured to both detect and prevent the activity in question.

Specifically, our concerns are about email communications that Entergy provided to the independent legal team, dated March 2018, which confirm that when Entergy heard about claims regarding payments made to Council meeting attendees and speakers, we twice contacted Hawthorn Group to inquire about those claims. The evidence Entergy provided to the independent legal team, which was omitted from the final report, clearly shows Entergy was assured by Hawthorn that no payments were made. Those emails are attached to this letter for your reference.

Without any reason to doubt the veracity or integrity of Hawthorn at the time, we accepted their assurances at face value with no further inquiry. On that basis, certain statements by Entergy executives in emails and text messages that are highlighted in the third-party report were made on the belief that Hawthorn was prolific in recruiting *legitimate* grassroots supporters. Had we known about any type of payments at that time, we would have immediately ended the engagement.

As we noted in our May 2018 investigative report, Entergy began an internal 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. We learned through that investigation that, in fact, without our knowledge or consent and in violation of our contract, Hawthorn hired the firm COD which in turn paid individuals to attend and speak at Council meetings. We immediately severed our relationship with Hawthorn and placed both firms on Entergy's "do not hire" list. We acknowledged all of this in the investigative report we released to the public on May 10, 2018.

Hawthorn also acknowledged and took accountability for its actions in a letter to Entergy dated May 9, 2018. We provided this letter to the third-party legal team, but it was also omitted from the final report. A copy is attached to this letter.

For these reasons, we take strong exception to characterizations in the third-party report that Entergy "knew" about payments made by Hawthorn and COD to individuals who attended or spoke at the City Council meetings.

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In closing, we again apologize to the City Council, the community, the many authentic supporters of the New Orleans Power Station and our employees. We recognize that we have distracted this Council from doing its important work for the citizens of New Orleans and we want to focus on constructive efforts to address challenges in our City. We thank you in advance for your consideration of the above. We will continue in earnest our effort to regain the trust and confidence of the citizens of New Orleans and this Council.

Sincerely,

A handwritten signature in dark ink, appearing to read 'R. West', with a long horizontal flourish extending to the right.

Roderick K. West
Executive Vice President and
Group President
Utility Operations
Entergy Corporation

cc: Council Utilities Regulatory Office: Attention Ms. Erin Spears
City Attorney: Sunni LeBeouf, Esq.
Clint A. Vince, Esq.
Marcus V. Brown, Esq.
Karen H. Freese, Esq.
Cory Cahn, Esq.
Brian L. Guillot, Esq.

May 9, 2018 Letter From Hawthorn To Entergy**HAWTHORN**

THE HAWTHORN GROUP, L.C. SUITE 100, 625 SLATERS LANE ALEXANDRIA, VIRGINIA 22314

phone 703.299.4499 fax 703.299.4488 WWW.HAWTHORNGROUP.COM

May 9, 2018

Marcus V. Brown, Esq.
Executive Vice President and General Counsel
Entergy Corporation
639 Loyola Ave., Suite 2600
New Orleans, LA 70113

Dear Marcus:

Following is a summary of The Hawthorn Group's engagement to provide public affairs support for Entergy's proposed power plant in New Orleans East.

Specifically, Hawthorn was retained by Entergy to turn out supporters for public hearings on October 16, 2017 and February 21, 2018. Hawthorn was not retained to support any other hearings, proceedings or meetings on this project.

For those two hearings, Hawthorn retained Crowds on Demand, a subcontractor with experience and contacts in New Orleans, to provide supporters for the proposed new power plant. Hawthorn did not inform anyone at Entergy that Hawthorn had engaged Crowds on Demand as a vendor to work on the project, and Entergy did not authorize the engagement of Crowds on Demand.

Hawthorn's order to Crowds on Demand was to provide supporters who would understand and be able to communicate their support for the proposed new power plant in New Orleans East. Hawthorn did not authorize Crowds on Demand to make any payments to participants, and Entergy did not authorize or direct any payments to participants recruited by Crowds on Demand.

At no time did Hawthorn inform anyone at Entergy that Crowds on Demand was retained on this project, and Hawthorn neither sought nor received authorization from anyone at Entergy for Crowds on Demand to make any payments to supporters.

Thank you for the opportunity to respond, and please let us know if you need additional information.

Sincerely,



John Ashford
Chairman & CEO

March 5-6, 2018 Email Communications From Hawthorn To Entergy

From: "POLLARD, YOLANDA Y" <EXCHANGELABS/EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/RECIPIENTS/48C98C8423624AAFBA82674B27F1A931-POLLARD, YO>
Sent: 3/6/2018 3:09:18 AM +0000
To: Suzanne Hammelman <shammelman@hawthorngroup.com>
Subject: Re: Re: request for key points
 Thanks. We'll talk tomorrow.

On Mar 5, 2018, at 8:53 PM, Suzanne Hammelman <shammelman@hawthorngroup.com> wrote:

EXTERNAL SENDER. DO NOT click links, or open attachments, if sender is unknown, or the message seems suspicious in any way. DO NOT provide your user ID or password.

See if this helps – you should also call me in the morning and I can provide a bit more background on a couple of these points. You are welcome to call me before your 9AM meeting.

Question	Response	For your background
We have heard that Entergy pays supporters \$120 to come to City Council meetings and say they support Entergy's request for rate increases and plant approvals.	Entergy provides employees and other stakeholders – like union members – with information about some hearings and encourages them to participate if they support the company on the issue. They are provided with talking points and we have also provided	Some groups DO pay for “volunteer” supporters to do things. For instance – see this link: http://www.washingtonexaminer.com/craigslisad-offers-protesters-15-to-crash-trump-rally/article/2587047 Entergy did not pay anyone for their support.

March 5-6, 2018 Email Communications From Hawthorn To Entergy

colored t-shirts in some instances so Council members can recognize supporters in the audience.

We also inform our customers through social media about hearings and ask them to participate if they support us.

We recruit support the same way other organizations do. For instance, the Green Army recruits hearing supporters actively on social media and blast emails, providing their them with talking points.

Back in October we heard one gentleman – who I would describe as an “avid activist”

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	<p>- Tweeted that we paid \$60 for support, and it seems the latest rumor is \$120. This is, perhaps, one man's way of stirring up controversy and create an illusion that we have to pay for support. That's simply not true. There is strong support for the plant in the community as I think we have demonstrated. There is also the expected opposition.</p>	
<p>People met up at Dave n' Busters after a hearing in October to get paid.</p>	<p>I don't know anything about a meeting at Dave n' Busters.</p>	<p>There was no meeting at Dave n' Busters. It is possible that some people gathered after the hearing but there was certainly no meeting. =</p>
<p>People were asked to sign non-disclosure agreements.</p>	<p>I don't know anything about this. Entergy did not ask anyone to sign a non-disclosure agreement for any reason</p>	

March 5-6, 2018 Email Communications From Hawthorn To Entergy

	related to any of these hearings.	
A man with one of your orange t-shirts is saying he knows about non-disclosure agreements and payments.	Supporters at one of the hearings, including employees and union members, were provided with orange t-shirts so Council members would recognize supporters in the crowd. These were also passed out to other supporters who showed up. We had about 500 (?) t-shirts and, frankly, they were very popular. People wanted them and our team passed them out. So I don't know who may have gotten their hands on a t-shirt and I sure don't know what happens to the t-shirts after the hearings. People keep them and	

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wear them. Some people give them to Goodwill. Lots of people may have those orange t-shirts by now. They weren't hard to come by.
--

From: POLLARD, YOLANDA Y [mailto:YPOLLAR@entergy.com]
Sent: Monday, March 5, 2018 8:14 PM
To: Suzanne Hammelman <shammelman@hawthorngroup.com>
Subject: Re: request for key points

Yes, very. We'll actually discuss it on an internal call tomorrow (TUES) at 9 a.m. CST. Any points you can share before then would be helpful.

On Mar 5, 2018, at 6:30 PM, Suzanne Hammelman <shammelman@hawthorngroup.com> wrote:

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Interesting

From: POLLARD, YOLANDA Y <ypollar@entergy.com>
Sent: Monday, March 5, 2018 6:57 PM
Subject: request for key points
To: Suzanne Hammelman <shammelman@hawthorngroup.com>

Hi Suzanne,

This statement below is circulating in an e-mail distributed by

March 5-6, 2018 Email Communications From Hawthorn To Entergy

some opponents of New Orleans Power Station. We're finally heading into the full City Council vote on Thursday morning, March 8. Could you share with me by Wednesday some key points that our leadership could have on hand for this issue? The response points would be used to address questions from city council members or others only if asked. For background, one of the opponents wore a marked-up orange shirt to the Feb. 21 utility committee vote. He also referenced signed non-disclosure agreements and a meeting at Dave & Busters to pay people (I think \$60) as part of his comments.

Thanks,
Yolanda

Entergy pays \$120 to people to come to City Council meetings and say that they support Entergy's request for rate increases and plant approvals. We have proof of this that will be presented at the City Council meeting March 8 if community people are allowed to speak.

March 7, 2018 Email Communications From Entergy To Hawthorn

From: Suzanne Hammelman <shammelman@hawthorngroup.com>
Sent: 3/7/2018 11:04:36 PM +0000
To: "POLLARD, YOLANDA Y" <YPOLLAR@entergy.com>
Subject: Re: Re: information

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Hired as an actor?

Apparently their evidence is one person who is dilusional or just lying

From: POLLARD, YOLANDA Y <YPOLLAR@entergy.com>
Sent: Wednesday, March 7, 2018 5:05:00 PM
To: Suzanne Hammelman
Subject: information

Just received these questions via email from "DeSmog Blog" writer:

Has Energy paid anyone to speak in favor of the company's proposed new project in New Orleans East at any of the public meetings/hearings- including any past council meetings , the meeting tomorrow on the 8 or at the DEQ permit hearing last night?

There is a man who has gone on the record to say he was hired and paid \$120 as an actor to speak on behalf of Entergy about his support for the new proposed plant at a previous city council meeting.