

AEP pays multimillion-dollar fine for role in Ohio HB6 scandal

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Columbus Dispatch

American Electric Power has reached a multimillion-dollar settlement regarding a federal investigation into its role in the state's House Bill 6 scandal.

AEP helped bankroll former Ohio House Speaker Larry Householder's return to power and donated \$500,000 toward a plan to give him another 16 years with the speaker's gavel. AEP's then-CEO met with Householder over lunch to hash out the plan, according to a settlement filing with the U.S. Securities and Exchange Commission.

The Columbus-based power company announced on Friday it will pay a fine of \$19 million to the SEC. This follows a November announcement to investors it had set aside that sum for potential claims tied to the investigation.

"AEP fully cooperated with the SEC throughout this process and previously implemented additional safeguards in this area," the company said in its Friday release. "Resolving this issue is an important step for AEP. We look forward to putting this matter behind us and fully focusing on making needed investments to enhance the service we provide to our customers."

AEP previously acknowledged that it received two sets of subpoenas from the SEC, one in May 2021 and the second in August 2022, tied to the legislation. The bill was meant to provide a \$1.3 billion bailout of the state's two nuclear power plants and continue subsidies on two coal-fired power plants, including one in Indiana, the Dispatch previously reported.

The bailout of the nuclear plants was later repealed, but the subsequent criminal investigation led to charges being filed against several people, including Householder. AEP has not been charged criminally in the case. Householder was sentenced to 20 years in prison, while former Ohio Republican Party Chairman Matt Borges was sentenced to five years.

AEP's donations to Empowering Ohio's Economy Inc.

A Dispatch investigation found that AEP contributed \$350,000 to a group called Empowering Ohio's Economy Inc. that became part of the criminal case.

Empowering Ohio's Economy gave \$150,000 to a group called Generation Now, which also received \$60 million from interests related to Akron-based FirstEnergy to get the legislation passed. FirstEnergy is the former owner of the plants.

According to the SEC's order, AEP controlled Empowering Ohio's spending and did so to "further American Electric Power's own interest." It said Empowering Ohio contributed a total of \$1.2 million to organizations associated with Householder.

The order also noted that in March 2020 an AEP employee and the company's then-CEO Nicholas Akins met with Householder for lunch at AEP headquarters. At that meeting, Householder discussed an initiative to revise Ohio political term limits that would have allowed Householder to remain speaker for an additional 16 years.

After the meeting, Akins suggested the company consider whether Empowering Ohio should support the initiative.

"A few weeks later, at the direction of the American Electric Power Employee, Empowering Ohio contributed \$500,000 to a newly-created 501(c)(4) organization associated with Householder to support the term-limit initiative," the order stated.

In its Friday release, AEP stated that the SEC found the company violated federal securities laws in connection with its relationship with a "social welfare organization."