



Elliot Kolkovich

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Shell Company in HB 6 Scandal Pleads Guilty, Agrees to Forfeit Over \$2.1 Million

AKRON, Ohio (Tuesday, December 3, 2024) – Summit County Prosecutor Elliot Kolkovich announced today that Sustainability Funding Alliance of Ohio (“SFA-Ohio”) pleaded guilty to 11 counts relating to its role in the HB 6 Scandal. The late Sam Randazzo, former chairman of the Public Utilities Commission of Ohio (“PUCO”), established SFA-Ohio as a shell company to conceal and further his criminal activities. Randazzo was SFA-Ohio’s sole “employee.”

SFA-Ohio pleaded guilty to the following offenses, which occurred between January 2010 and January 2021:

- One count of Engaging in a Pattern of Corrupt Activity, a Felony of the 1st Degree;
- Two counts of Telecommunications Fraud, Felonies of the 1st Degree;
- Two counts of Aggravated Theft, Felonies of the 2nd Degree; and
- Six counts of Money Laundering, Felonies of the 3rd Degree.

“By holding Sam Randazzo’s shell company accountable for its role in the HB 6 scandal, we send a clear message to those who would hold Ohio’s government hostage to their private interests—you will not escape justice,” said Prosecutor Kolkovich. “It is time for those in the backrooms of this state to realize that the days of rigging government for their own ends are over.”

The Background of the Offenses: Randazzo Used SFA-Ohio to Do His Dirty Work.

Several of the offenses relate to Randazzo’s use of SFA-Ohio to steal funds from one of his clients, Industrial Energy Users of Ohio (“IEU-Ohio”). IEU-Ohio, now known as the Ohio Energy Leadership Council, is a nonprofit trade association focused on obtaining reliable, cost-effective energy for its members. As part of his representation of IEU-Ohio, Randazzo negotiated legal settlements with FirstEnergy to purportedly benefit IEU-Ohio’s members.

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While those negotiations occurred, Randazzo received millions in payments from FirstEnergy for “consulting,” which he did not disclose to IEU-Ohio. Randazzo funneled legal settlements between FirstEnergy and IEU-Ohio through his shell company, while skimming a large portion of those proceeds. As a result of Randazzo’s and SFA-Ohio’s criminal activities, IEU-Ohio sustained a loss in excess of \$1.2 million.

The remaining offenses relate to Randazzo’s use of SFA-Ohio to receive bribe money to advance the private interests of FirstEnergy as PUCO chair. On January 2, 2019, shortly before Randazzo was nominated to become the new Chairman of the PUCO, FirstEnergy’s then-top executives, Mike Dowling and Chuck Jones, bribed Randazzo with \$4.3 million sent to SFA-Ohio’s accounts. Randazzo never disclosed the bribe money on his financial disclosure forms. After officially taking the position in April 2019, Randazzo was improperly influenced by FirstEnergy’s \$4.3 million bribe and used his position to help advance FirstEnergy’s business interests.

The Court Imposes Maximum Fines and Orders a Historic Forfeiture Amount.

Pursuant to SFA-Ohio’s plea agreement, Judge Susan Baker Ross of the Summit County Court of Common Pleas issued the maximum fines allowed under Ohio law for the offenses, which total \$95,000. She also ordered SFA-Ohio to forfeit \$1,420,000 to the Ohio Organized Crime Investigation Commission (“OCIC”), as well as \$191,642 in cash to IEU-Ohio. Judge Ross further ordered that SFA-Ohio sell real estate that it owns in Franklin County, valued at approximately \$550,000, and provide the sale proceeds to IEU-Ohio.

SFA-Ohio’s Guilty Plea and Forfeiture Results from State-County Collaboration.

The Indictment against SFA-Ohio and its co-defendants was a result from an investigation conducted by an OCIC task force, which is organized within the Office of the Ohio Attorney General. The task force is led by Deputy Attorney General for Law Enforcement Carol O’Brien and includes Assistant Attorneys General and agents, analysts, accountants, and a paralegal from the Bureau of Criminal Investigation, as well as members of the Summit County Sheriff’s Office. Summit County Prosecutor’s Office Chief Counsel, Brad Gessner, also serves on the Task Force.

“I am proud that my Office has worked closely with the Ohio Attorney General’s Office, the Summit County Sheriff’s Office, and so many other partners in the law-enforcement community to bring about this result in the prosecution against Randazzo’s shell company,” said Prosecutor Kolkovich. “We look forward to continuing our collaboration with a successful prosecution against the remaining co-defendants.”

Added Deputy Attorney General O’Brien, “When Sam Randazzo committed suicide, many people thought the cases against him and his companies, along with his victims’ hope for gaining some recovery, died with him. Our team, in partnership with the Summit County Prosecuting Attorney, didn’t let that happen. Instead, we’ve secured over \$2 million in recoveries for the State and Randazzo’s victims. More importantly, we’ve secured admissions through pleas of guilty that the companies were part of a criminal enterprise that engaged in a pattern of corrupt activity and were used to facilitate crimes that included aggravated theft, telecommunications fraud, bribery, and money laundering.”

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Charges Remain Pending Against Dowling and Jones.

The Indictment charges Jones on 10 felony counts and Dowling on 12 felony counts. Those charges remain pending. Randazzo was also charged in this matter, but his death by suicide resulted in the dismissal of those charges.

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