

OFFICE OF INSPECTOR GENERAL CITY OF JACKSONVILLE



REPORT OF INVESTIGATION 2020-0005

JEA'S INVITATION TO NEGOTIATE #127-19
RELEASE OF MANAGEMENT PRESENTATION

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INSPECTOR GENERAL

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DATE ISSUED

"Enhancing Public Trust in Government Through Independent and Responsible Oversight"



EXECUTIVE SUMMARY

Report of Investigation 2020-0005

On December 6, 2019, the Office of Inspector General (OIG) received a complaint from JEA's Senior Leadership Legal Counsel regarding the unauthorized release of a PowerPoint presentation titled "*Management Presentation, Project Scampi, December 2019*," which JEA Senior Leadership prepared in conjunction with the *Intent to Negotiate (ITN) # 127-19 For Strategic Alternatives* issued in August of 2019. The presentation was considered by JEA Senior Leadership to be confidential and/or sensitive information. The PowerPoint presentation was distributed during a publically noticed meeting on December 6, 2019, during which two Council Members were discussing an emergency resolution requesting that the JEA Board take formal action to withdraw the ITN. JEA employees, other individuals, and media attended this meeting.

In December of 2019, pursuant to §602.303(j), *Ordinance Code*, the OIG referred the matter to the Office of the State Attorney for the Fourth Judicial Circuit (SAO) for criminal investigation, based on possible violation of Florida Statute §119.071 (b)(1) and (2) *General exemptions from inspection or copying of public records*. In January of 2020, the SAO advised the OIG could continue with an administrative investigation.

The OIG investigation concluded that former JEA Senior Leadership, who considered the document to be confidential and/or sensitive information, did not take all the "*necessary steps to prevent unauthorized access to information*" in violation of the JEA *Acceptable Use Policy*, effective October 2, 2018, section 8.0 *Confidential and Sensitive Information*. Specifically, the *Project Scampi Management Presentation* (version 2019.11.21) prepared as part of an ongoing ITN process – a competitive solicitation which might be exempt from release under §286.0113 *General exemptions from public meetings* – had been saved on an unsecured shared drive (T Drive), and the file had not been password protected.

The OIG investigation did not address and *makes no conclusions* regarding whether the *Project Scampi Management Presentation* (version 2019.11.21) was exempt or confidential under State of Florida Public Records Law.

Based on records reviewed and testimony during the investigation, the OIG **substantiated** that in November of 2019, a JEA employee accessed and downloaded the *Project Scampi Management Presentation* (version 2019.11.21). The OIG also **substantiated** that the JEA employee provided the *Project Scampi Management Presentation* (version 2019.11.21) to a Council Member.

The OIG concludes that the JEA *Acceptable Use Policy*, effective October 2, 2018, lacks any articulated prohibition against JEA employees accessing JEA internal network drives for the purpose of downloading (i.e. USB drive) and providing confidential and/or sensitive information to external parties without a clear business need, justification, and without prior management approval.

As a result of this investigation, JEA will be eliminating the unsecured shared drive (T Drive). In addition, JEA advised that the employee was verbally counseled, in part, regarding exercising caution with the handling and the distribution of documents. JEA declined to update policies as outlined in the recommendations.

The OIG recommendations regarding policy updates were intended to strengthen internal controls and be broad in scope rather than specific to the document at the center of this disclosure. Additionally, the recommendations were to ensure that any of JEA's proprietary and/or confidential/sensitive information is protected and that any release of information does not circumvent JEA's Public Records Request policies and procedures.

INVESTIGATIVE REPORT

ALLEGATION

On December 6, 2019, the Office of Inspector General (OIG) received a complaint from JEA's Senior Leadership Legal Counsel regarding the unauthorized release of a PowerPoint presentation titled "Management Presentation, Project Scampi, December 2019," which JEA Senior Leadership prepared in conjunction with the Intent to Negotiate (ITN) process and was considered to contain confidential and/or sensitive information. This PowerPoint presentation was distributed during a publically noticed meeting on December 6, 2019, between two Council Members discussing an emergency resolution requesting that the JEA Board take formal action to withdraw the ITN. JEA employees, other individuals, and media attended this meeting.

GOVERNING DIRECTIVES

Florida Statutes

Chapter 286, Public Business: Miscellaneous Provisions

- §286.0113 (2) (a) (2) (b) (1) General exemptions from public meetings

JEA Policies and Procedures

- JEA Acceptable Use Policy, effective October 2, 2018

BACKGROUND

In August of 2019, JEA issued *Intent to Negotiate (ITN) # 127-19 For Strategic Alternatives*. The ITN invited "interested parties to submit Replies detailing strategic alternatives that are aligned with JEA's goal of maximizing customer, community, environmental and financial value over the long term ... Potential alternative can include but are not limited to, operational changes, structural changes, joint ventures, development partnerships, community ownership, corporate ownership, an initial public offering, private placement, technology conversion, oil and gas conversion, utility conversion, or another recapitalization of the business."¹

During the ITN process, the JEA Senior Leadership Team (SLT) and other subject matter experts compiled operational and financial information into a PowerPoint presentation titled "Management Presentation, Project Scampi December 2019" (hereafter referred to as *Project Scampi Management Presentation*). Operational and financial information within the *Project*

¹ *Intent to Negotiate # 127-19 For Strategic Alternatives*, p.19

Scampi Management Presentation was updated during the SLT's review process and drafts were saved with different file names. The final version of the *Project Scampi Management Presentation* was presented to responsive bidders during negotiation sessions held in Atlanta, Georgia, in December of 2019.

After receiving the complaint, and pursuant to §602.303(j), *Ordinance Code*, the OIG referred the matter to the Office of the State Attorney for the Fourth Judicial Circuit (SAO) in December of 2019 for criminal investigation, based on possible violation of Florida Statute §119.071 (b)(1) and (2), *General exemptions from inspection or copying of public records*.

In January of 2020, the SAO advised the OIG could continue with an administrative investigation. The OIG investigation did not address and *makes no conclusions* regarding whether the *Project Scampi Management Presentation* (version 2019.11.21) was exempt or confidential under State of Florida Public Records Law.

INVESTIGATIVE FINDINGS

OIG RECORDS REVIEW

The OIG reviewed various records, including applicable Florida Statutes, JEA policies and procedures, and other records, as highlighted below:

Florida Statutes

Chapter 286, Public Business: Miscellaneous Provisions

§286.0113 *General exemptions from public meetings, (2) (a) (2) (b) (1) states in part:*

Any portion of a meeting at which a negotiation with a vendor is conducted pursuant to a competitive solicitation, at which a vendor makes an oral presentation as part of a competitive solicitation, or at which a vendor answers questions as part of a competitive solicitation is exempt...

JEA Policies and Procedures

JEA Acceptable Use Policy, effective October 2, 2018, states verbatim and in part:

2.0 Purpose

This policy outlines what constitutes acceptable use of the Information and Communications Technology (ICT) resources of JEA and establishes rules to protect both users and JEA. Inappropriate use of information and communications technology equipment exposes JEA to unacceptable risks ...

3.0 Scope

This policy relates to all ICT and services provided by JEA including, but not limited to, computers, laptops ... databases, operating systems ... All JEA employees, contractors, consultants ... including all personnel affiliated with third parties are required to adhere to this policy.

4.0 Definitions

Confidential Information – *Data for which there is a legal obligation not to disclose. The data elements require the highest levels of restriction due to the risk or harm that will result from disclosure or inappropriate use. Release of such information will be harmful to JEA's interests ...*

Sensitive Information – *Data that is not legally protected, but should not be made public and should only be disclosed under limited circumstances. Users must be granted specific authorization to access since the data's unauthorized disclosure ... may cause perceivable damage to the company.*

6.0 Policy, 6.4 Electronic Messaging

6.4.10 Sensitive information must not be forwarded to any party outside JEA without the prior approval of a local department manager. Unauthorized disclosure of sensitive information may result in disciplinary action, including but not limited to the loss of email privileges and/or termination.

8.0 Confidential and Sensitive information

Users must take all necessary steps to prevent unauthorized access to information.

9.0 Unacceptable Use

The list below is an attempt to provide a framework for activities which fall into the category of unacceptable use ... 9.1.10 Effecting security breaches ... Security breaches include, but are not limited to, accessing data of which the user is not an intended recipient ...

10.0 Exceptions

Any exceptions to this policy will require written authorization. Exceptions granted will be issued a policy waiver for a defined period of time. Requests for exceptions to this policy will be addressed to the Director Information Security.

Based on a review of the current policy, the policy lacks any articulated prohibition against JEA employees accessing JEA internal network drives for the purpose of downloading (e.g. via USB drive) and providing proprietary, confidential, and/or sensitive information to external parties without a clear business need, justification, and without prior management approval.

There is, however, a prohibition against revealing or publicizing sensitive information via e-mail (6.3 Internet) and a prohibition against forwarding sensitive information via e-mail to any party outside of JEA without the prior approval of a manager (6.4 Electronic Messaging). Neither prohibition is applicable to this investigation.

Review of Management Presentation, Project Scampi December 2019

During the investigation the OIG received several printed copies of the *Project Scampi Management Presentation* provided to attendees on December 6, 2019, at a publically noticed meeting between two Council Members regarding an emergency resolution to request the JEA Board take formal action and withdraw JEA ITN # 127-19.

As part of the records review, the OIG obtained an electronic version of a PowerPoint titled “*Project Scampi Management Presentation, 2019.11.21.pptx*” from a COJ e-mail account. The OIG compared the printed copies and the electronic version of these management presentations and determined that the versions were the same.

The printed copies and *Project Scampi Management Presentation, 2019.11.21.pptx* (electronic version) had 169 slides, which contained JEA operational information, financial information, and various notes. Multiple slides in both the printed and the electronic presentations were blank but had comments regarding information that was to be added by various JEA departments. The printed copies and *Project Scampi Management Presentation, 2019.11.21.pptx* appeared to be in draft form.

Immediately after the cover page, on slide two, on both the printed copies and *Project Scampi Management Presentation, 2019.11.21.pptx* (electronic version), a legal disclaimer stated the following: “*This Confidential Information Presentation (the “CIP”) is intended solely for the use of perspective respondents (the “Respondents”) in determining whether or not to pursue the Invitation to Negotiate # 127-19 for Strategic Alternatives (the “ITN”) by JEA (also referred to as the “Company”). This CIP is of a proprietary and confidential nature, and is only being furnished to those Respondents who have agreed to be bound by the terms and conditions of the Non-Disclosure Agreement...*”

JEA Information Technology (IT)

The Director of Information Technology (IT) Infrastructure & Compliance Assurance, JEA, worked closely with the OIG during the investigation and, in addition to explaining JEA’s

internal processes, explained various JEA IT internal records regarding *Project Scampi*, which were provided to the OIG.

On December 6, 2019, the Vice President and Chief Information Officer instructed IT staff to investigate a “*Sensitive document located in public location T:Allyssa\ for potential user access.*” JEA IT staff performed an audit log search and identified nineteen² employees who attempted access to files named “*scampi*” between November 21, 2019 and December 6, 2019.

JEA IT further reviewed the computer logs for the 19 employees who accessed the electronic version in order to determine the identity of any employee who saved an electronic copy of *Project Scampi-Management Presentation-2019.11.21.pptx* to a USB flash drive. Based on the review of the computer logs, JEA IT identified Anthony J. Smith (Smith), Manager, Energy Distribution Service Operations, as the JEA employee who downloaded the electronic version to a USB flash drive.

JEA IT conducted a review of Smith’s JEA laptop computer and determined the following, in part:

- On November 26, 2019, at 9:08 A.M. Smith accessed the *Project Scampi- Management Presentation-2019.11.21.pptx* that was located in a folder named “*Allyssa*”³ on one of JEA’s internal drives commonly referred to as the “*T Drive*.”⁴
- On November 26, 2019, at 9:08 A.M., Smith saved a shortcut to the file (*T:\Allyssa\ Project Scampi-Management Presentation-2019.11.21.pptx*) on a USB drive (*E:\Project Scampi-Management Presentation-2019.11.21.pptx*).
- Additionally, on November 26, 2019, at 9:09 A.M., Smith copied the *Project Scampi-Management Presentation-2019.11.21.pptx* file on the T Drive to his “F Drive” [a unique drive on the JEA computer which is accessible only by the employee to which the F Drive is assigned].
- On December 5, 2019 at 1:50 P.M., Smith accessed two versions of the electronic presentation located on the T Drive within the Allyssa folder [*Project Scampi-Management Presentation-2019.11.21.pptx* and *Project Scampi-Management Presentation-2019.11.20-PM.pptx*.]
- On December 5, 2019 at 1:51 P.M. Smith accessed the *Project Scampi- Management Presentation-2019.11.21.pptx* that Smith had saved to his F Drive.

² Based on IT records, JEA identified 24 employee names; however, several were duplicates, which resulted in identifying only 19 JEA employees who attempted to access files named *scampi* within the JEA network(s).

³ The Financial Analyst, Capital Budget Planning, JEA, created this folder on the T Drive.

⁴ JEA’s T Drive is a shared unsecured drive accessible to all JEA employees.

Financial Analyst, Capital Budget Planning, JEA, E-mail Account Review

The Financial Analyst sent two e-mails to Aaron Zahn, former Managing Director and Chief Executive Officer, JEA. The first e-mail dated November 21, 2019, at 8:19 A.M. contained a hyperlink to the *Project Scampi- Management Presentation-2019.11.20.pptx* on the T Drive and contained the following verbiage:

Last night's draft of the presentation can be found here.⁵ A new draft will be saved down tonight, I will send that to you for your review when it is saved down!

A second e-mail dated November 21, 2019, at 10:40 P.M. contained a hyperlink to the *Project Scampi- Management Presentation-2019.11.21.pptx* on the T Drive and contained the following verbiage:

Hi Aaron, The most recent draft of the presentation can be viewed here.⁶ A more complete draft will be uploaded this weekend. I will send you an update when that is ready for your review.

Please let me know if you have any questions, corrections, or additions that you would like addressed ahead of the next draft turn!

TESTIMONY**Statement of Financial Analyst, Capital Budget Planning, JEA**

The Financial Analyst's role during ITN was to assist the JEA Senior Leadership Team (SLT) with compiling information for the *Project Scampi Management Presentation*. The Financial Analyst recalled this began the week or two before Thanksgiving (November 28, 2019).

The Financial Analyst stated she assisted the SLT and the JP Morgan financial team with the *Project Scampi Management Presentation* slides. In essence, after she received information from the various SLT members she made the PowerPoint slides "*prettier*." The Financial Analyst explained the *Project Scampi Management Presentation* was shared with the JP Morgan team for their input and for the JP Morgan team to add the financial information into the management presentation.

In November of 2019, she saved two draft electronic versions of the *Project Scampi Management Presentation* (2019.11.20 and 2019.11.21) to a shared network drive (T Drive). She explained the T Drive was a shared network drive in which JEA employees could collaborate on projects. She saved the electronic versions on the T Drive because Aaron Zahn,

⁵ The word "here" had been hyperlinked to the *Project Scampi- Management Presentation-2019.11.20.pptx* located on the T Drive.

⁶ The word "here" had been hyperlinked to the *Project Scampi- Management Presentation-2019.11.21.pptx* located on the T Drive.

former Managing Director and Chief Executive Officer, needed to review and update the presentation. The T Drive was the only shared drive to which both she and Zahn had access.

She saved the two draft electronic versions of the *Project Scampi Management Presentation* in a folder named “Allyssa” on the T Drive. After she saved each version, she sent an e-mail (could not recall dates) to Zahn letting him know that the draft version of the management presentation was on the T Drive in order for him to review and update the management presentation.

She further advised the “Allyssa” folder on the T Drive did not contain any other documents or records other than the two PowerPoint versions of the *Project Scampi Management Presentation* (versions 2019.11.20 and 2019.11.21).

At some point, the former Chief Financial Officer⁷ told her that the *Project Scampi Management Presentation* (version 2019.11.21) had been leaked to the public and the information had been provided during a publically noticed meeting between Council Members on December 6, 2019.

After learning that the *Project Scampi Management Presentation* (version 2019.11.21) had been leaked to the public, she removed the two drafts of the *Project Scampi Management Presentation* from the unsecured shared T Drive to the secured ITN Data Room.⁸ In addition, she manually deleted the two draft *Project Scampi Management Presentations* from the “Allyssa” folder on the T Drive.

The Financial Analyst stated she did not receive any clear guidance from the SLT (or anyone) that the management presentation was confidential, should be in a password-protected file, or should be stored in the Data Room, prior to the leak of information. After the leak, she was advised (could not recall who advised her) that the management presentation should not have been placed on the unsecured T Drive.

She advised most of the information in the *Project Scampi Management Presentation* was from previous JEA Board of Directors packets. However, the financial forecast information would not have been available for public release until the ITN had been completed.

The Financial Analyst advised that the leaked version (*Project Scampi Management Presentation 2019.11.21*) was not the current version that was actually being worked on at the time of the leak, on December 6, 2019, as the management presentation had evolved due to various updates and revisions by the SLT.

⁷ Ryan Wannemacher.

⁸ A Data Room was used during the ITN process to store confidential data.

Statement of Anthony “AJ” Smith, Manager, Energy Distribution Service Operations, Distribution Construction and Maintenance, JEA⁹

Smith began employment at JEA in March of 2005 and was promoted to his current job in June of 2015. Smith stated he wanted to be informed about what was happening at JEA and would read everything he could find, including JEA Board of Directors meeting agendas, minutes, and presentations, etc. Smith learned of *Project Scampi* through both social media and news reports. Smith never worked on *Project Scampi* as part of his job duties.

Smith explained JEA had an unsecured shared network drive accessible to all JEA employees, commonly referred to as the T Drive. In either November or December of 2019, Smith searched for “scampi” within the JEA computer networks and found two files on the T Drive based on his search term. He explained these two files were different versions of the *Project Scampi Management Presentation* (version 2019.11.20 and 2019.11.21).

He advised the *Project Scampi Management Presentation* contained a lot of information previously presented during different JEA forums (e.g. JEA Internet site, JEA Board Meeting agendas and presentations, etc.).

Smith advised the two *Project Scampi Management Presentations* were in a folder marked “Allyssa.” He accessed the files because he believed the files were not confidential. He advised the *Project Scampi Management Presentations* were neither password protected nor marked confidential. He opined if the files were confidential, then the files should have been password protected.

After Smith reviewed the JEA IT computer log (provided by the OIG), he stated that on November 26, 2019, he accessed the T Drive and found the files regarding *Project Scampi*. Smith stated he copied *Project Scampi Management Presentation 2019.11.21* from the “Allyssa” folder on the T Drive to his JEA computer’s F Drive and also saved a copy of *Project Scampi Management Presentation (version 2019.11.21)* to a thumb drive (USB drive). According to Smith, he saved the *Project Scampi Management Presentation (version 2019.11.21)* to a thumb drive (USB drive) because he was afraid the information would disappear on the shared drive.

Smith stated he did not read the legal disclaimer [regarding confidentiality] located on slide two of the *Project Scampi Management Presentation (version 2019.11.21)*. He stated a lot of the information contained in the presentation was also contained in the July 23, 2019, JEA Board of Directors packet. Only later, after several employees were talking about the Atlanta meetings (related to the ITN), did he think this PowerPoint presentation had been created for those presentations.

Smith denied giving the *Project Scampi Management Presentation* to Council Member (CM) Dennis but acknowledged that he had met with CM Dennis in December of 2019. He explained CM Dennis met with him at his residence and they discussed the paving of the road Smith lived

⁹ The OIG interviewed Smith under oath on January 9, 2020 and January 10, 2020.

on. Smith explained he had been trying to get in contact with CM Dennis for a very long time regarding the paving of the road. Smith reiterated he never gave the *Project Scampi Management Presentation* to anyone, including CM Dennis.

Note: Subsequent to the interview conducted under oath on January 9, 2020, the OIG contacted Smith, and left a message for Smith because his testimony was inconsistent with the facts known to the OIG. On the morning of January 10, 2020, Smith contacted the OIG and advised he had not been truthful about his testimony during the sworn interview the prior day and wanted to come in and tell the truth regarding what had actually occurred. A subsequent interview on January 10, 2020, was also conducted under oath.

On January 10, 2020, Smith stated that during his OIG interview on January 9, 2020, he omitted some information because he did not want CM Dennis to get in trouble. Smith opined it was his duty to report something he believed was fraudulent, so he provided the *Project Scampi Management Presentation* to CM Dennis. He stated he was concerned because he believed there was “*huge waste being done and fraud being perpetrated to the people that we [JEA] were in some sort of death spiral and that they had to do something or they would have to lay off 670 people.*” Smith based this belief on information he had read on JEA’s public website (JEA.com).

Smith stated in December of 2019 (could not recall date), he was contacted by CM Dennis’ Executive Council Assistant, who knows Smith’s daughter, and inquired about whether he knew anything about *Project Scampi*. He advised that he had a copy of *Project Scampi* which he had found on a JEA shared drive. He was subsequently contacted by CM Dennis and asked if he could provide a copy of the document to him (CM Dennis). Subsequently, CM Dennis came by Smith’s residence and he handed CM Dennis the thumb drive which contained the *Project Scampi Management Presentation (version 2019.11.21)*. CM Dennis copied the *Project Scampi Management Presentation* to a small tablet or small laptop computer and handed the thumb drive back to Smith.

Smith advised he told CM Dennis that if anyone asked why CM Dennis and Smith met, Smith would say they had talked about paving the road near his residence.

Smith stated that after his initial OIG interview he thought about the testimony he had provided on January 9, 2020 and knew he had omitted information and had been untruthful. He decided he needed to tell the truth.

Smith stated he did not give *Project Scampi Management Presentation* to anyone other than CM Dennis. He understood the ITN process was confidential. However, he did not believe he was providing confidential information to CM Dennis. It was his opinion that the *Project Scampi Management Presentation* found on the T Drive would be available to the public through a Public Records Request, if someone had contacted JEA.

Smith stated he was familiar with and had participated in annual online training regarding the *JEA Acceptable Use Policy*. He understood that the *JEA Acceptable Use Policy* outlined what was and was not appropriate use in regards to JEA computer usage. Smith confirmed he did not have permission from a supervisor to release the information regarding *Project Scampi* to CM Dennis. However, Smith believed the City Council was entitled to the information.

Statement of Garrett Dennis, Council Member, City Council, COJ

On December 5, 2019, in the early evening, Council Member (CM) Dennis drove to the Smith's residence, for the sole purpose of picking up the *Project Scampi Management Presentation*. CM Dennis stated Smith provided him with a thumb drive (USB drive) which he in turn inserted into a tablet and subsequently downloaded the *Project Scampi Management Presentation* directly onto the tablet. He stated he handed the thumb drive (USB drive) back to Smith.

While meeting with Smith, Smith also mentioned to him (CM Dennis) that his road needed to be paved. CM Dennis advised the meeting took place at the end of Smith's driveway and lasted approximately 5 to 10 minutes.

CM Dennis stated he instructed his Executive Council Assistant to provide copies of the *Project Scampi Management Presentation* to everyone in attendance at a noticed public meeting between several council members on December 6, 2019. He stated he wanted to get the information out.

CM Dennis advised that over the years, on regular basis, citizens and employees of the Consolidated Government would contact him and provide him with various information. He considered any information brought to his attention to be a public record. As such, he would distribute the information provided to him to other individuals.

CM Dennis expressed concern for Smith's job, stating that he did not believe Smith should lose his job over this disclosure. CM Dennis did not know how Smith obtained the *Project Scampi Management Presentation* but believed Smith was trying to do the right thing by passing on the information to him. CM Dennis stated that he suggested to Smith that he bring the document to the Office of Inspector General if he had concerns related to fraud.

CONCLUSION

The OIG investigation concluded that former JEA Senior Leadership, who considered the document to be confidential and/or sensitive information, did not take all the "*necessary steps to prevent unauthorized access to information*" in violation of the *JEA Acceptable Use Policy*, effective October 2, 2018, section 8.0 *Confidential and Sensitive Information*. Specifically, the *Project Scampi Management Presentation* (version 2019.11.21) prepared as part of an ongoing ITN process – a competitive solicitation which might be exempt from release under §286.0113 *General exemptions from public meetings* – had been saved on an unsecured shared drive (T Drive), and the file had not been password protected.

The OIG investigation did not address and makes no conclusions regarding whether the *Project Scampi Management Presentation* (version 2019.11.21) was exempt or confidential under State of Florida Public Records Law.

Based on records reviewed and testimony during the investigation, the OIG **substantiated** that in November of 2019, Anthony J. Smith (Smith), Manager, Energy Distribution Service Operations, JEA, accessed and downloaded the *Project Scampi Management Presentation* (version 2019.11.21). The OIG also **substantiated** that Smith provided *Project Scampi Management Presentation* (version 2019.11.21) to CM Dennis without supervisor approval.

The OIG also concluded that the JEA *Acceptable Use Policy*, effective October 2, 2018, lacks any articulated prohibition against JEA employees accessing JEA internal network drives for the purpose of downloading (e.g. via USB drive) and providing confidential and/or sensitive information to external parties without a clear business need, justification, and without prior management approval.

RECOMMENDED CORRECTIVE ACTIONS

The OIG recommends the following corrective actions:

1. Establish a written policy and/or procedure to ensure JEA employees working with confidential and/or sensitive information know to save the information in a secure location and ensure that the work product is password protected, as appropriate. Provide OIG with a copy of any newly established policy or procedure.
2. Review and update the JEA *Acceptable Use Policy* to include prohibitions against the release of proprietary, confidential, and/or sensitive information to external parties by JEA employees without a clear business need, justification, and without prior management approval. In addition, outline any disciplinary action that could result in violation of the policy. Provide the OIG with a copy of the updated JEA Acceptable Use Policy.
3. Review and determine if the T Drive (shared drive) should remain accessible to all JEA employees.
4. Please advise the OIG if any personnel action(s) (including all outcomes) is taken as a result of this investigation.

IDENTIFIED, QUESTIONED, AND AVOIDABLE COSTS

Identified Costs: N/A **Questioned Costs:** N/A **Avoidable Costs:** N/A

SMITH'S RESPONSE

On June 3, 2020 the OIG mailed a copy of the draft Report of Investigation to Smith's residential address. Smith was provided the opportunity to submit a written explanation or rebuttal to the findings in the draft Report of Investigation, due on or before June 15, 2020. On June 15, 2020, Smith submitted a written response. Smith's response is attached in its entirety to this report.

OIG'S REVIEW OF SMITH'S RESPONSE

On September 1, 2020, the OIG interviewed Smith under oath to gain clarity related to his response, specifically relating to his understanding of JEA's public records policy. Smith advised he is aware that JEA has a process for handling public records requests; however, he did not consider CM Dennis' request to be a "*formal*" public records request. During the interview, Smith stated, "... *I know there are processes in place, and I should have followed them, but I didn't.*"

MANAGEMENT COMMENTS AND CORRECTIVE ACTIONS

On June 3, 2020, the Interim Managing Director and Chief Executive Officer, JEA, was provided the opportunity to submit a written explanation or rebuttal to the findings in the draft Report of Investigation within twenty-one (21) calendar days, due on or before June 24, 2020.

On June 24, 2020, a written response was received from the Interim Chief Compliance Officer, JEA. The response is attached in its entirety to this report. Additionally, JEA provided a follow up response dated September 18, 2020, attached in its entirety to this report, which provided an update to the initial response.

Initially, JEA advised that Technology Services is executing a plan to migrate all users to SharePoint and eliminate the T Drive before September 30, 2020. The updated response advised that this will be accomplished towards the end of the 2020 calendar year. JEA also advised that Smith was verbally counseled, which the OIG subsequently confirmed occurred in July of 2020. However, JEA did not agree to review or update policies related to Recommended Corrective Actions #1 and #2.

OIG'S COMMENTS RELATED TO MANAGEMENT RESPONSE

Based on a review of JEA's Management Responses, OIG continues to maintain the recommendation that JEA should update the *Acceptable Use Policy* to include prohibitions against the release of proprietary, confidential, and/or sensitive information to external parties by JEA employees without a clear business need, justification, and without prior management approval. In addition, the OIG continues to recommend outlining any disciplinary action that could result in violation of the policy.

The OIG recommendations regarding policy updates were intended to strengthen internal controls and be broad in scope rather than specific to the document at the center of this disclosure. Additionally, the recommendations were to ensure that any of JEA's proprietary and/or confidential/sensitive information is protected and that any release of information does not circumvent JEA's Public Records Request policies and procedures.

Attachments:

- 1 – Smith's Response, dated June 15, 2020
- 2 - JEA Management Response, dated June 24, 2020 and September 18, 2020

cc: IG Distribution 2020-0005

This investigation has been conducted in accordance with the ASSOCIATION OF INSPECTORS GENERAL Principles & Quality Standards for Investigations.

Anthony "AJ" Smith - Response to Office of Inspector General
Report of Investigation #2020-0005

On January 9th and 10th, 2020, I was interrogated by the Inspector General and one additional investigator for more than 5 hours. Contained in the Office of Inspector General's (OIG) report are 14 paragraphs that summarize those hours. In that summary, I felt that key information was omitted or minimized, and I decided that it was necessary to file this response to provide important information and context.

I will go through the OIG's report and respond to it in the order that it was written. I will also be including a 38 Page Document titled *JEA Code of Conduct*, as I will be making references to that document in my response.

The first thing, and possibly most important, was the statement in the third paragraph of Page 2 of the OIG's report that stated, "The OIG investigation concluded that JEA *did not take all the necessary steps to prevent unauthorized access to information* in violation of the JEA Acceptable use policy...". In addition, the end of that paragraph states that the *Scampi* file "...had been saved on an unsecured shared drive (T Drive) and the file had not been password protected".

Two significant things that I want to point out are:

1. That the OIG concluded that JEA Violated their own *Acceptable Use Policy* by not securing the *Scampi* document.
2. The file was saved on an unsecured, shared drive (T drive), however, the way that the "T Drive" is displayed on any computer that accesses the JEA network is actually "Shared Everyone – Delete After 30 Days (\\corp.jea.com\\root) (T:)". It is always abundantly clear that this was never intended to be a location to save "confidential" information, as it was a drive that was shared with everyone, which is clearly stated in its title. In the OIG's report, the drive is only referred to as the "T drive", which is technically accurate, but certainly does not convey the clarity that the full drive name describes.

When I first seen the name "Shrimp Scampi", it was from a twitter post that was on my feed about some new information regarding the pending JEA sale. I wanted to find out more about the document, since I am a 15-year employee with plans to retire and I would have been greatly affected if the JEA were sold.

I went to my computer and opened up Windows explorer and typed in the search window "scampi". Instantly, a file folder that was titled "Alyssa" opened up in the *Shared Everyone (T-Drive)* that contained two files with the name - "Project Scampi". When I clicked on the files, they opened up. There was no need for a password, nor was there any type of encryption. They were both unsecured files on an unsecured, shared drive that was open to anyone with access to the JEA network to see.

The *Project Scampi* document was a Power Point presentation with 169 slides. Of those 169 slides, 54 slides were blank or just had the header and/or some notes, 12 slides were Section Title Slides with no other information, and 96 slides were of Senior Leadership Team (SLT) bios as content presenters, Table of content slides, Organizational Charts, slides containing previously

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released Public documents from the July 23rd, 2020 board meeting information packet, or slides from public information sources.

Not only was the *Project Scampi* document populated with nearly 100% of its content from previously released public information, The JEA Financial Analyst that updated the file on a regular basis stated in her testimony on Page #10 of the OIG report that, ***"...she did not receive any clear guidance from the SLT (or anyone) that the management presentation was confidential, should be in a password-protected file, or should be stored in the Data Room, prior to the leak of information"*** This *Data Room* was a secured, access restricted, hard drive location that was created specifically for the ITN related information that needed to be kept confidential – it was available for her to use, but instead, she placed it in the *Shared Everyone (T-Drive)* because she had never been told the file was confidential.

In addition, the JEA Financial Analyst testified also on Page 10 of the OIG report that, ***"...most of the information in the Project Scampi Management Presentation was from previous JEA Board of Director Packets..."***. She later testified that, ***"the leaked version (Project Scampi Management Presentation 2019.11.21) was not the current version that was actually being worked on at the time of the leak, on December 6, 2019, as the management presentation had evolved due to various updates and revisions by the SLT"***.

In the third paragraph on Page #11 of the OIG's report, I testified that I downloaded the *Project Scampi* document from the *Shared Everyone (T-Drive)* and saved it to my computer and to a USB thumb drive. I did this because I wanted to read the presentation in its entirety, as it was important to me, since the sale of JEA would have affected me and my family and I didn't want it to be deleted before I could go through it.

Initially, The Inspector General and her Investigator had indicated that I had violated the *JEAs Acceptable Use Policy* by copying this file and saving it without my supervisors permission, but in the OIG's report on Page #6 on the third paragraph down it states, ***"Based on a review of the current policy, the policy lacks any articulated prohibition against JEA employees accessing JEA internal network drives for the purpose of downloading (e.g. via USB drive) and providing proprietary, confidential, and/or sensitive information to external parties without a clear business need, justification, and without prior management approval"***.

The report later states, ***"there is, however, a prohibition against revealing or publicizing sensitive information via email (6.3 Internet) and a prohibition against forwarding sensitive information via email to any party outside of JEA without the prior approval of a manager (6.4 Electronic Messaging). Neither prohibition is applicable to this investigation"***.

When I downloaded the *Project Scampi* document, I had no intention of doing anything other than reading it for myself to get as much information as I could about the potential sale of JEA. However, I was later contacted by the councilman's office and asked if I might have a copy of the *Project Scampi* document. I told them that I did, and I would be glad to share it as it was on a shared drive that was open to everyone at JEA and would have been available for a public records request.

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When I shared the file, I did not know that the Councilman was going to release it in a public meeting, I just figured that he was looking at it for his own research. I also didn't feel that I was doing anything wrong, as I knew the file had not been in a secured location and it did not contain any additional information, that I had seen, than what had already been released on the July 23rd, 2020 board of directors information packet.

Also, I was comfortable sharing the file with a City Councilman because JEA is an agency of the city, and the City Council is not only our legislative body, they also hold JEA's purse strings by approving their operating budgets every year.

I wanted Councilman Dennis to have the information because he was one of a few council people that were looking into the possible sale of JEA, and more importantly, looking into the integrity and honesty of the Senior Leadership Team's effort to sell the company. I felt that the whole process to sell the company was based on misleading information and a desire by the senior leadership team and the CEO to profit from the sale of the company, which is explicitly forbidden in the city ethics code and the JEA ethics code. In addition, every employee of JEA, including management, has an obligation to report any suspected ethics violations up the chain to their management. If they were aware of it, they were supposed to report it. Several of them didn't and are still there today.

I felt that, had I reported it through the normal channels, it would have been ignored or retaliation would have been taken against me. I thought that Councilman Dennis provided a good alternative to using the normal ethics reporting channels, as he was essentially at the top of our company structure by being a Councilman of the city of Jacksonville, which is our owners.

During my January 9th, 2020 interrogation, I was not truthful with the Inspector General as to my reason for meeting with Councilman Dennis. I was concerned that had I told them that I shared the file with the Councilman, it may have hindered him from being able to affectively investigate the JEA sale. However, after speaking with him later that night, he told me that I should be truthful about it not to worry about anything happening to him.

On the next morning I called Inspector General and told her that I wanted to correct some of my testimony from the previous day that was not accurate. I came back to her office later that afternoon and corrected my testimony regarding what had actually occurred with my meeting with the Councilman.

I am glad that I gave the file to the Councilman and I am thankful for his, and his fellow council people's efforts to expose the fraud, the waste, and the greed that surrounded and motivated the SLT and CEO to try to sell the company.

In the past couple months, we have seen JEA's entire Senior Leadership Team, including the CEO, ousted in disgrace, City Council investigations, States Attorney investigations, and now federal investigations into the sale efforts and the fraud surrounding those efforts.

The cost to the city of Jacksonville for this sale effort is still unknown, but the last reported that I saw was in excess of \$12 Million.

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No previous CEO or Senior Leadership Team that I have worked for has ever had such a disregard for their responsibilities to their positions and to the citizens of Jacksonville. We are all servants of the city. Our purpose is to serve the city and the citizens and provide safe utilities at a reasonable cost. We're not in business to make a profit, our function is to serve our ratepayers.

The effort to sell JEA was conducted in secret, from not only the public, but also the rank and file and frontline managers of JEA. The information that we were receiving from our senior leadership was essentially the same talking points that were being given to the media. When we asked questions to get specific information, they would either go unanswered or we would get a canned response that wasn't entirely accurate. I, as well as most of the JEA employees, had to rely on media reports to get most, if not all, of our meaningful information regarding the sale.

I have included a copy of JEA's Code of conduct to this document. It contains information that all JEA employees are required to read, understand, and follow. It applies to everyone, including senior leadership - all the way up to the CEO.

Here are some items that I want to point out from the JEA code of conduct document,

- On page #8 of the JEA code of conduct it speaks about conflicts of interest. One of the definitions of a conflict of interest that directly relates to the recent effort sell JEA is listed on #4. It says, *"having a personal interest, financial interest or potential gain in any JEA transaction"*. Had the Performance Unit Plan (PUP) been in place and the sale of JEA went through, the financial windfall to the senior leadership team and the CEO would have been substantial. This was a clear conflict of interest and should have been reported as such.
- On page #14 of the JEA code of conduct it speaks about ethical behavior. It states, *"If an employee suspects an employee, vendor, or customer of fraud, the employee must report it..."*. This clearly shows that everyone involved in the sale of JEA should have been reporting any fraudulent activity that they knew about. Clearly, this was not the case.
- On page #15 of the JEA code of conduct it speaks about the expectations for everyone at JEA. One of the items states, *"All JEA employees shall: ...promptly report any suspected illegal or unethical conduct by employees or vendors to management or other appropriate authorities"*. I chose to not send my report to management, instead I gave information to the City Councilman, who, I felt, was the appropriate authority to take the necessary action.
- On page #17 of the JEA code of conduct it discuss is additional responsibilities for company management. It states, *"Employees in management positions are considered our ethical leaders. As such, these leaders have additional responsibilities that go beyond those we all share. If you are a manager or supervisor, you were expected to lead by example and serve as an ethical role model for others"*.

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In closing, I would like to say that all of us at JEA embrace our responsibilities to conduct business in an ethical fashion. I would comfortably say that 99% of the workforce does that every single day. We all have a vested interest in the success of JEA and in providing great service to our customers and to the City of Jacksonville. Throughout the years we have proven this. Our ethical stance has been clear and resolute and will continue to do so. The past senior leadership team and CEO does not reflect our values or commitments of the rest of the JEA team.

Respectfully,

A.J. Smith - Signed June 15, 2020



15 JUNE 2020

Delivered via email to InspectorGeneral@coj.net

And via Hand Delivery to Office of Inspector General, 231 E. Forsyth Street, Suite 470,
Jacksonville, Florida 32202



ATTACHMENT DOCUMENT TO BE INCLUDED WITH THE
A.J. SMITH – RESPONSE TO THE O.I.G. REPORT #2020-0005
DOCUMENT IS 39 PAGES IN TOTAL



CODE OF CONDUCT





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WELCOME

A LETTER FROM OUR ETHICS OFFICER



Building and maintaining trust in our business relationships and pursuing the highest standards of ethical behavior are fundamental aspects of JEA's cultural values. JEA is committed to acting in a manner consistent with these values and conducting business with honesty and integrity.

JEA must know and abide by all applicable laws, regulations, rules and ordinances of City government. Responsibility for the company's commitment to integrity rests with each employee. All employees are expected to adhere to the standards of ethical business conduct and to know and comply with JEA policies and procedures while performing company responsibilities. Employees must be sensitive to situations that could lead to illegal or unethical actions or the appearance of impropriety, and avoid such situations. All employees should feel comfortable taking appropriate action against illegal, improper, or unethical behavior of others. If an employee is unsure of a specific action, it is their responsibility to ask questions and seek guidance.

The Code of Conduct publication covers a variety of topics which help equip employees with skills necessary to make the right decisions. When we take the time to do what is right, we act with integrity, build trust, and make JEA even stronger.

Please familiarize yourself with this information and join with me in making the commitment to uphold it in all we do at JEA.

Walette Stanford

Walette Stanford
Ethics Officer



JEA'S CODE OF CONDUCT

STATEMENT OF OUR CULTURAL VALUES

In every action, system and communication, JEA and its employees strive to abide by our Cultural Values; how we act when no one is looking



Safety



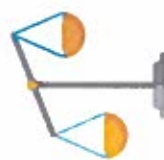
Growth²



Service



Accountability



Integrity



Ideas



SAFETY

The health and well-being of our employees and community is paramount to the success of JEA. The work we do at JEA is dangerous and we are committed to habitually protecting our employees and community. Beyond the moral obligation, JEA's value is increased by delivering safety excellence. Measures and strategies designed to prevent, control, reduce or eliminate hazards and risks should be developed and applied continuously to keep pace with technological and economic changes.

SERVICE

We obsessively believe that JEA and our employees' service to our customer and each other is critical to JEA's success. Commit to fostering a service-first culture. Serving with excellence is a choice. We are determined to establish a clear plan to ensure customers feel JEA is committed to the best possible service. We are also committed to fostering a collaborative "How can I help?" culture internally. Value and measure the service we provide customers and each are essential. We volunteer with a spirit of service to build community because it is the one we live in.

INTEGRITY

Trust is built in truth and transparency. Employees must realize that they have nothing to fear from telling or knowing the truth. We must all have integrity and demand it from others. You should never say anything about someone that you would not say to them directly and give people the benefit of the doubt. Do not let loyalty to people stand in the way of telling the truth and preserving the well-being of the organization. Be open, honest, fair, respectful and ethical at all times.

GROWTH²

Be committed to elevating yourself and JEA. In order to continue to serve our customers and community with excellence our business must grow. Now more than ever we need to be flexible and adapt to the changing utility industry and our customers' changing needs and expectations to improve service to our customers and community while growing as our industry evolves. We also expect our employees to be life-long learners so we provide the training and individual development programs to aid in this accomplishment. Growth means an increase in knowledge, value, wellbeing, or sustainability. Growth is continuous and not always linear. Growth only occurs at JEA when knowledge, value, wellbeing, or sustainability are committed to writing, a process or an institutional system.

ACCOUNTABILITY

Each employee should operate as an owner of JEA who is responsible for delivering outcomes and results. Hold yourself and others accountable and appreciate them for holding you accountable. If you've agreed with someone that something is supposed to go a certain way, make sure it goes that way—unless you get in sync about doing it differently. Create a culture in which it is "okay" to make mistakes and unacceptable not to learn from them. Be loyal to the common mission and not to anyone who is not operating consistently with it. Get over "blame" and "credit" and get on with "accurate" and "inaccurate." Create an environment in which everyone has the right to understand what makes sense and no one has the right to hold a critical opinion without speaking up.

IDEAS

Every one of us has a voice. JEA should have a culture of an "Idea Meritocracy." We should all recognize that having an effective idea meritocracy requires that ideas be encouraged and brought forward constructively. We understand content and merit of each person's ideas before agreeing or disagreeing. Disagreeing must be done efficiently and respectfully. We must recognize and learn how to get beyond disagreements. Once a decision is made for the benefit of the organization, everyone should get behind it even though individuals may still disagree.



COMPANY VISION

Why we exist and who we want to be in the future

Improve lives by accelerating innovation

COMPANY MISSION

How we are going to pursue our vision and what we need to do today to get there

Provide the best service by becoming the center of our customers' energy and water experience

CORPORATE MEASURES

CUSTOMER VALUE:

What customers expect to get in exchange for the price they pay

COMMUNITY IMPACT VALUE:

Improving the quality of life through innovative and cost-effective service offerings, employee volunteerism and ambassadorship, relevant and timely communications, and support of economic development and job growth throughout JEA's service territory; foster a collaborative and respectful corporate culture that provides exceptional employee value to equip the JEA team to deliver outstanding service and value to its community

ENVIRONMENTAL VALUE:

Ensuring a sustainable environment for future generations

FINANCIAL VALUE:

The monetary value and risk profile, both today and tomorrow, of JEA as it relates to the City

CORE COMPETENCIES

The things we need to be exceptionally and uniquely good at in order to yield better and better results of our Corporate Measures which drive our Mission to demonstrate our Vision

Deliver an unparalleled positive customer experience

Work together to elevate the entire team

Innovate and evolve to match our customers' needs with market trends



BUILD TRUST AND CREDIBILITY

The success of our business is dependent on the trust and confidence we earn from our employees, customers and shareholders.

We gain credibility by adhering to our commitments, displaying honesty and integrity and reaching company goals solely through honorable conduct. It is easy to say what we must do, but the proof is in our actions. Ultimately, we will be judged on what we do.

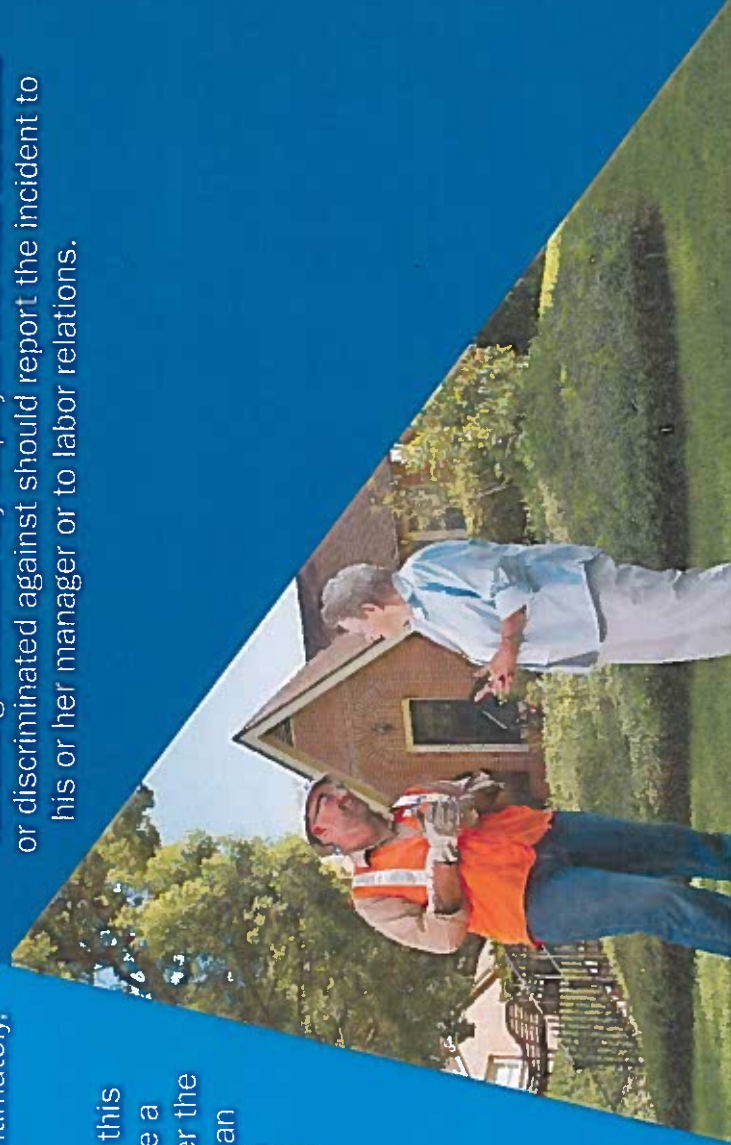
When considering any action, it is wise to ask: will this build trust and credibility for JEA? Will it help create a working environment in which JEA can succeed over the long term? Is the commitment I am making one I can follow through with? The only way we will maximize trust and credibility is by answering "yes" to those questions and by working every day to build our trust and credibility.

RESPECT FOR THE INDIVIDUAL

We all deserve to work in an environment where we are treated with dignity and respect.

JEA is committed to creating such an environment because it brings out the full potential in each of us, which, in turn, contributes directly to our business success. We cannot afford to let anyone's talents go to waste.

JEA is an equal employment employer and is committed to providing a workplace that is free of discrimination of all types from abusive, offensive or harassing behavior. Any employee who feels harassed or discriminated against should report the incident to his or her manager or to labor relations.



CREATE A CULTURE OF OPEN AND HONEST COMMUNICATION

At JEA everyone should feel comfortable to speak his or her mind, particularly with respect to ethics concerns.

Managers have a responsibility to create an open and supportive environment where employees feel comfortable raising such questions. We all benefit tremendously when employees exercise their power to prevent mistakes or wrongdoing by asking the right questions at the right times.

JEA will investigate all reported instances of questionable or unethical behavior. In every instance where improper behavior is found to have occurred, the company will take appropriate action. We will not tolerate retaliation against employees who raise genuine ethics concerns in good faith. Employees are encouraged, in the first instance, to address such issues with their managers or labor relations, as most problems can be resolved swiftly. If for any reason that is not possible or if an employee is not comfortable raising the issue with his or her manager or HR, then contact the JEA Ethics Officer or the JEA Ethics Hotline at **1-800-805-3569**, which is anonymous and accessible 24 hours a day.



Contact the JEA Ethics Hotline at **1-800-805-3569**, which is anonymous and accessible 24 hours a day.



SET TONE AT THE TOP

Management has the added responsibility for demonstrating, through their actions, the importance of this Code.

In any business, ethical behavior does not simply happen; it is the product of clear and direct communication of behavioral expectations, modeled from the top and demonstrated by example. Again, ultimately our actions are what matters.

To make our Code work, managers must be responsible for promptly addressing ethical questions or concerns raised by employees and for taking the appropriate steps to deal with such issues. Managers should not consider employees' ethics concerns as threats or challenges to their authority, but rather as another encouraged form of business communication. At JEA, we want the ethics dialogue to become a natural part of daily work.



UPHOLD THE LAW

JEA's commitment to integrity begins with complying with laws, rules and regulations which govern business.

Further, each of us must have an understanding of the company policies, laws, rules and regulations that apply to our specific roles. If we are unsure of whether a contemplated action is permitted by law or JEA policy, we should seek the advice from the resource expert. We are responsible for preventing violations of law and for speaking up if we see possible violations.

JEA's Code of Conduct is designed to help foster an ethical environment, deter unethical behavior, and cope with problems and ethical dilemmas. The Code of Conduct is defined as standards that are reasonably necessary to promote and establish ground rules within which the organization operates. This includes: 1) honest and ethical conduct, as well as the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; 2) full, fair, accurate, timely, and understandable disclosure of ethics issues; 3) compliance with applicable governmental rules and regulations; and 4) proper financial reporting. Please note that in addition to JEA requirements and policies, all of its officers and employees are subject to both the City of Jacksonville's Ethics Code as set forth in Chapter 602, Ordinance Code, and the State of Florida's Ethics Code as set forth in Chapter 112, Part III, and Florida Statutes.

AVOID CONFLICTS OF INTEREST

Conflicts of Interest

We must avoid any relationship or activity that might impair, or even appear to impair, our ability to make objective and fair decisions when performing our jobs. At times, we may be faced with situations where the business actions we take on behalf of JEA may conflict with our own personal or family interests. We owe a duty to JEA to advance its legitimate interests when the opportunity to do so arises. We must never use JEA property or information for personal gain or personally take for ourselves any opportunity that is discovered through our position with JEA.

Here are some other ways in which conflicts of interest could arise:

- 1** Being employed (you or a close family member) by, or acting as a consultant to, a competitor or potential competitor, supplier or contractor, regardless of the nature of the employment, while you are employed with JEA.
- 2** Hiring or supervising family members.
- 3** Owning or having a substantial interest in a competitor, supplier or contractor.
- 4** Having a personal interest, financial interest or potential gain in any JEA transaction.
- 5** Placing company business with a firm owned or controlled by a JEA employee or his or her family.
- 6** Accepting gifts, discounts, favors or services from a customer/potential customer, competitor or supplier, unless equally available to all JEA employees.



Determining whether a conflict of interest exists is not always easy to do. Employees with a conflict of interest question should seek advice from management. Before engaging in any business transaction or relationship that might give rise to a conflict of interest, employees should seek advice from their managers or the Ethics Officer.

GIFTS, GRATUITIES AND BUSINESS COURTESIES

We should avoid any actions that create a perception that favorable treatment of outside entities by JEA was sought, received or given in exchange for personal business courtesies.

Business courtesies include gifts, gratuities, meals, refreshments, entertainment or other benefits from persons or companies with whom JEA does or may do business. We will neither give nor accept business courtesies that constitute, or could reasonably be perceived as constituting, unfair business inducements that would violate law, regulation or policies of JEA or customers, or would cause embarrassment or reflect negatively on JEA's reputation.

ACCEPTING BUSINESS COURTESIES

Most business courtesies extended to us in the course of our employment are offered because of our positions at JEA.

We should not feel any entitlement to accept and keep a business courtesy. Although we may not use our position at JEA to obtain business courtesies, and we must never ask for them, we may accept unsolicited business courtesies that promote successful working relationships and good, will with the firms that JEA maintains or may establish a business relationship with.

Employees who award contracts or who can influence the allocation of business, who create specifications that result in the placement of business or who participate in negotiation of contracts must be particularly careful to avoid actions that create the appearance of favoritism or that may adversely affect the company's reputation for impartiality and fair dealing. The prudent course is to refuse a courtesy from a supplier when JEA is involved in choosing or reconfirming a supplier or under circumstances that would create an impression that offering courtesies is the way to obtain JEA business.



MEALS, REFRESHMENTS AND ENTERTAINMENT

We may accept occasional meals, refreshments, entertainment and similar business courtesies that are shared with the person who has offered them, provided that:

- They are not lavish or excessive.
- The courtesies are not frequent and do not reflect a pattern of frequent acceptance of courtesies from the same person or entity.
- The courtesy does not create the appearance of an attempt to influence business decisions, such as accepting courtesies or entertainment from a supplier whose contract is expiring in the near future.
- The employee accepting the business courtesy would not feel uncomfortable discussing the courtesy with his or her manager or co-worker or having the courtesies known by the public.

GIFTS

Employees may accept unsolicited gifts (other than money) valued under \$100, that conform to reasonable ethical practices. Examples of this type of gift include:

- Flowers, fruit baskets and other modest presents that commemorate a special occasion.
- Gifts of nominal value, such as calendars, pens, mugs, caps and t-shirts (or other novelty, advertising or promotional items).

Generally, employees may not accept compensation, honoraria or money of any amount from entities with whom JEA does or may do business. Tangible gifts (including tickets to a sporting or entertainment event) that have a market value greater than \$100 may not be accepted. Employees with questions about accepting business courtesies should speak to their managers or the Ethics Officer.





SET METRICS AND REPORT RESULTS ACCURATELY

Accurate Public Disclosures

We will make certain that all disclosures made in financial reports and public documents are full, fair, accurate, timely and understandable. This obligation applies to all employees, including all financial executives, with any responsibility for the preparation of such reports, including drafting, reviewing and signing or certifying the information contained therein. No business goal of any kind is ever an excuse for misrepresenting facts or falsifying records.

CORPORATE RECORDKEEPING

We create, retain and dispose of our company records as part of our normal course of business in compliance with all JEA policies and guidelines, as well as all regulatory and legal requirements.

All corporate records must be true, accurate and complete, and company data must be promptly and accurately entered in our books in accordance with JEA's and other applicable accounting principles. We must not improperly influence, manipulate or mislead any unauthorized audit, nor interfere with any auditor engaged to perform an internal independent audit of JEA books, records, processes or internal controls.

ACCOUNTABILITY

Each of us is responsible for knowing and adhering to the values and standards set forth in this Code and for raising questions if we are uncertain about company policy. If we are concerned whether the standards are being met or are aware of violations of the Code, we must contact Labor Relations.

JEA takes seriously the standards set forth in the Code, and violations are cause for disciplinary action up to and including termination of employment.





USE OF COMPANY RESOURCES

Company resources, including time, material, equipment and information, are provided for company business use.

Nonetheless, occasional personal use is permissible as long as it does not affect job performance or cause a disruption to the workplace. Employees and those who represent JEA are trusted to behave responsibly and use good judgment to conserve company resources. Managers are responsible for the resources assigned to their departments and are empowered to resolve issues concerning their proper use.

We will not use company equipment such as computers, copiers and fax machines in the conduct of an outside business or in support of any religious, political or other outside daily activity, except for company-requested support to nonprofit organizations. We will not solicit contributions nor distribute non-work related materials during work hours.

In order to protect the interests of JEA network and our fellow employees, JEA reserves the right to monitor or review all data and information contained on an employee's company-issued computer or electronic device, the use of the Internet or JEA's intranet. We will not tolerate the use of company resources to create, access, store, print, solicit or send any materials that are harassing, threatening, abusive, sexually explicit or otherwise offensive or inappropriate

Questions about the proper use of company resources should be directed to your manager.



MEDIA INQUIRIES

JEA is a high-profile company in our community, and from time to time, reporters and other members of the media may approach employees.

In order to ensure that we speak with one voice and provide accurate information about the company, we should direct all media inquiries to Media Relations. No one may issue a press release without first consulting with the Media Relations or Customer & Community Engagement Director.



INFORMATION AND RESOURCES

JEA Ethics Officer
Walette Stanford
ethicsofficer@jea.com
(904) 665-4282

DO THE RIGHT THING

Several key questions can help identify situations that may be unethical, inappropriate or illegal. Ask yourself:

- Does what I am doing comply with the JEA guiding principles, Code of Conduct and company policies?
- Have I been asked to misrepresent information or deviate from normal procedure?
- Would I feel comfortable describing my decision at a staff meeting?
- How would it look if it made the headlines?
- Am I being loyal to my family, my company and myself?
- What would I tell my child to do?
- Is this the right thing to do?

A. POLICY STATEMENT

JEA is committed to ethical behavior and to reducing the risk of fraud; working together, all employees can mitigate this risk.

If an employee suspects an employee, vendor, or customer of fraud, the employee must report it. JEA is committed to investigating all suspected fraud and implementing corrective actions, up to and including termination of employment, cancellation of vendor contracts, and seeking legal recourse against anyone found guilty of fraud.

All employees and others who support the work of JEA are expected to ask questions, seek guidance, express concerns, and report any suspected violations of the established standards of business conduct.

JEA will not tolerate retaliation against employees who use the resources of the Ethics Program for reporting ethical concerns.

Successful execution of JEA's business plan cannot occur without integrity. JEA asks each person to execute their piece of the business with attention to every detail—especially the ethical implications of their own and their work group's actions. If an employee thinks certain activity is unethical, the employee must report it either to their manager, the Ethics Officer, or the Ethics Hotline. JEA commits to each person that JEA will respect the courage of people who point out existing or potential ethical problems, and that JEA will not tolerate retaliation against people who raise sincere ethical concerns.

JEA's Code of Conduct is designed to help foster an ethical environment, discourage unethical behavior, and cope with problems and ethical dilemmas. The Code of Conduct is defined as standards that are

reasonably necessary to promote and establish ground rules within which the organization operates. This includes: 1) honest and ethical conduct, as well as the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; 2) full, fair, accurate, timely, and understandable disclosure of ethics issues; 3) compliance with applicable governmental rules and regulations; and 4) proper financial reporting. Please note that in addition to JEA requirements and policies, all of its officers and employees are subject to both the City of Jacksonville's Ethics Code as set forth in Chapter 602, Ordinance Code, and the State of Florida's Ethics Code as set forth in Chapter 112, Part III, and Florida Statutes.

ASSIGNMENT OF RESPONSIBILITY:

The Ethics Officer is responsible for the maintenance of these guidelines and the Code of Conduct.

All employees shall comply with the Code of Conduct and these guidelines, including assisting in reducing the risk of fraud. All employees shall take Ethics training annually.



B. OUR SHARED EXPECTATIONS

The Code of Conduct

These guidelines are designed to help employees recognize and deal with ethical issues in their work. It is a guide to help employees whenever they have a question about ethics or if they are faced with an ethical dilemma.

The Code of Conduct shows us how to navigate those confusing situations and respond with the utmost integrity when dealing with fellow employees, customers, shareholders, vendors, contractors, and other business partners. By following our Code when interacting with these valued stakeholders, we maintain our reputation for integrity.

In addition, our Code serves as a guide to ethical business conduct. It sets forth the behaviors expected of us, helps us to make ethical decisions and shows us how we can identify potential misconduct. In the event that we do witness misconduct, our Code shows us where to go with our questions and concerns. It is important that we each read and follow our Code. In doing so, we do our part to ensure the success of our Company.

The business of JEA shall be conducted fairly, impartially, in an ethical and proper manner, and in full compliance with all applicable laws and regulations.

Integrity must underlie all relationships, including those with customers, vendors, communities and among employees. The highest standards of ethical conduct are required of JEA employees in the performance of their company responsibilities. Employees will not engage in conduct or activities that may raise questions as to the company's honesty, impartiality, and reputation, or cause embarrassment to the company.

The JEA Code of Conduct, as well as the City of Jacksonville's Ethics Code and the State of Florida is Ethics Code, outlines expected behaviors for all JEA employees. Failure to comply with JEA's Code of Conduct may result in disciplinary action, up to and including dismissal. JEA's management has the responsibility to establish processes, policies, and procedures that encourage and support ethical behavior within the organization.

All JEA employees shall:

- Observe that fair dealing is the foundation for all of our transactions and interactions.
- Do not engage in any activity that might create a conflict of interest for the company or for you as an individual.
- Do not take advantage of your JEA position to seek personal gain through the inappropriate use of JEA information or by abuse of your position.
- Protect all company, customer, and vendor assets and use them only for appropriate, company-approved activities.
- Protect all customer and employee confidential information.
- Comply with, without exception, all applicable laws, rules, regulations, policies/procedures, and the JEA Charter.

- Comply with the State of Florida's Ethics Code as set forth in Chapter 112, Part III, and Florida Statutes.
- Comply with the City of Jacksonville's Ethics Code as set forth in Chapter 602, Ordinance Code.
- Seek guidance from the Ethics Officer if you are not sure if a contemplated action is ethical.
- Report behavior believed to be fraudulent, knowing that JEA will not tolerate retaliation against employees who raise sincere concerns.
- Promptly report any suspected illegal or unethical conduct by employees or vendors to management or other appropriate authorities,

or:

- If confidentiality is a concern, promptly report such conduct to the JEA Ethics Hotline: 800-805-3569.
- Promptly report any suspected illegal or unethical conduct by customers to Customer Relationship "Risk Assurance," by calling 904-665-6000.

WHO MUST FOLLOW OUR CODE?

Our Code applies and will be circulated to the Board of Directors, all officers and employees. In addition, we expect our contractors, vendors and other business partners to share our values and uphold similar standards.

This means that each of us must follow our Code as well as Company policies and the law. In some cases, upholding our Code means performing our jobs at a higher standard than the law requires. If you have any doubts about whether a business decision or action is lawful or appropriate, you should seek guidance by following the steps set out in the section titled "[Where Can I Go to Ask a Question?](#)"



JEA ETHICS OFFICER

JEA's Ethics Officer is a JEA employee who serves as the agency's ethics resource.

This officer has access to top management and is versed in JEA values and the JEA Ethical Conduct Policy. This officer is responsible for advising JEA employees on matters of ethical concern and for helping them to resolve ethical dilemmas. This designated officer's telephone number is listed on the JEA Business Ethics page on The Grid.

THE JEA ETHICS HOTLINE

Employees may also report concerns about possible misconduct to the JEA Ethics Hotline.

The hotline provides employees with a confidential means to report any ethics/policy violations, and other acts of misconduct to an independent source. An independent vendor who will record and track all calls made to the Ethics Hotline manages the Ethics Hotline. If requested, the confidentiality of the caller will be protected by the vendor. All calls will be assigned a case number, which can be used by the caller to assess the status of the case. Contact the JEA Ethics Hotline at 1-800-805-3569.

THE JEA BUSINESS ETHICS HOME PAGE

The Ethics home page has useful information about JEA Ethics Program, and other related policies and procedures.

Included are the JEA Ethics Program documents, a listing of the Ethics Representatives, and the Ethics Hotline number.

WILL I BE RETALIATED AGAINST FOR MAKING A REPORT?

As part of our commitment to promoting a positive and ethical workplace, we do not tolerate retaliation against someone for reporting a concern in good faith or for participating in an investigation of a report.

If you suspect that you have experienced or witnessed an act of retaliation, you should report your concern promptly to any of the resources listed in the ["Where Can I Go to Make a Report?"](#) section of this Code. Making a report in "good faith" means that you provide all the information you have and you report honestly, regardless of whether the report turns out to be true. Those who make a report that is not in good faith will be subject to disciplinary action. We cannot maintain a positive environment when others are being treated contrarily to our Code.

WHAT ARE THE ADDITIONAL RESPONSIBILITIES FOR COMPANY MANAGEMENT?

Employees in management positions are considered our ethical leaders.

As such, these leaders have additional responsibilities that go beyond those we all share. If you are a manager or supervisor, you are expected to lead by example and serve as an ethical role model for others. You must be familiar with our Code so that you can effectively communicate its guidelines to those who report to you. In addition, you have an obligation to create a positive work environment in which employees feel comfortable coming to you with questions or concerns.

Part of being an ethical leader means never ignoring unethical behavior or misconduct. If an employee comes to you with a concern, you have a responsibility to address the issue appropriately and report the incident if required by the Reporting of Improprieties Policy. Never retaliate against anyone who reports in good faith a concern about actual or suspected misconduct. Managers and supervisors who retaliate or allow retaliation to occur will be subject to disciplinary action.

C. TRAINING

Employees are required to complete online Employee Business Ethics Training annually.

As part of this training, each employee shall affirm that he/she will comply with the JEA Code of Conduct. Results from the training shall become part of the employee's official record, and may be subject to audit.

Each manager is responsible for ensuring that all employees under their supervision receive ethics training annually.

WHERE CAN I GO TO ASK A QUESTION?

At times, we may face situations in which the right choice is unclear.

If you are ever unsure about a business action or decision, you should ask yourself the following questions:

- Does it comply with the Code and Company policy?
- Is it the right thing to do?
- Would it uphold the Company's reputation?
- Would I feel comfortable if it was reported in the news or to someone I respect?

If the answer to any of these questions is "no," do not proceed. If the answer is not clear, seek guidance from your manager and/or Ethics Officer or Legal Department on how to properly proceed. It is never okay to ignore our Code or Company policy for a business need.

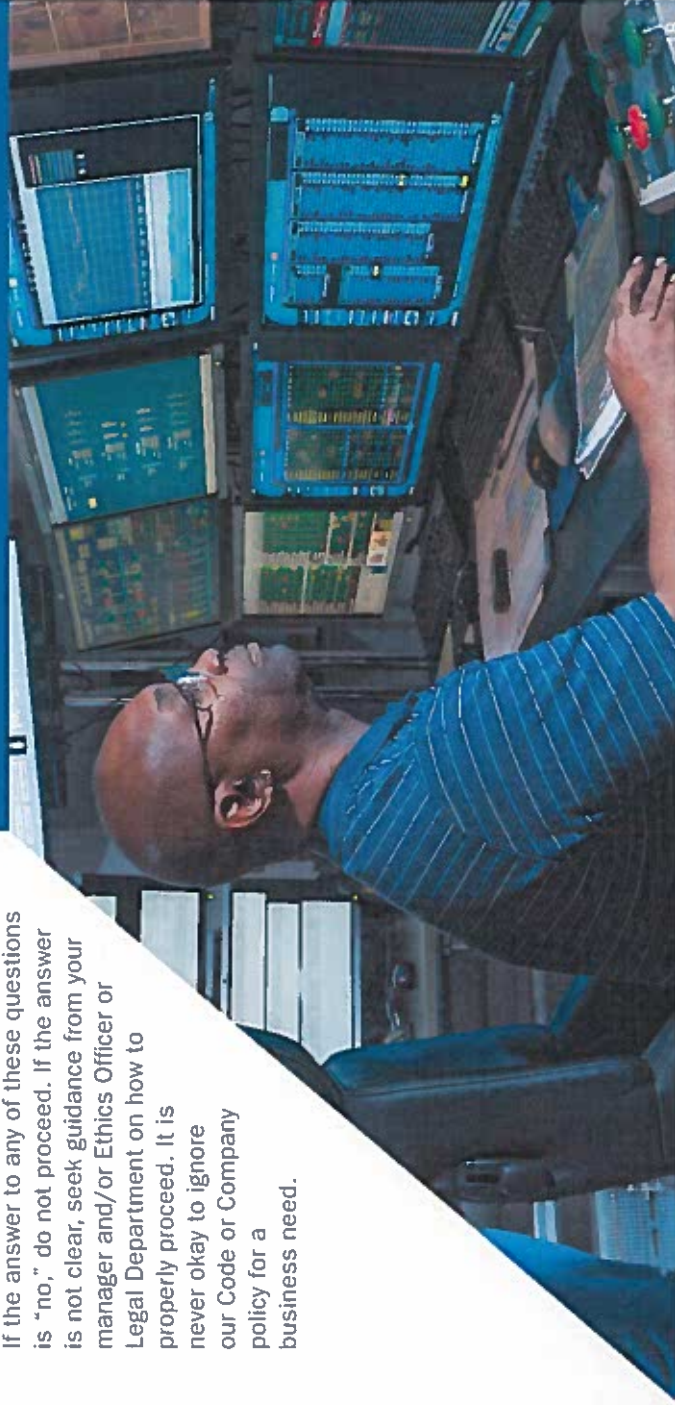
WHERE CAN I GO TO MAKE A REPORT?

Concerns or questionable behavior must be reported to either:

- Your Manager, Director or Department Head
- Ethics Officer
- Our Ethics Hotline



Our hotline is monitored by a third party provider and is available 24/7. You can reach the hotline by calling 1-800-805-3569. The toll free line is anonymous.



HOW DOES OUR COMPANY INVESTIGATE REPORTS?

The Audit Services Department will review reports received via the hotline, those made directly to the Legal Department, and those forwarded by management.

Prompt and thorough investigations will be conducted when appropriate. Any information you provide will be considered confidential to the maximum extent possible while allowing for adequate resolution of the issue. If asked to participate in an investigation of a report, it is your responsibility to cooperate.

WHAT ARE THE CONSEQUENCES FOR CODE VIOLATIONS?

Violations of our Code, Company policies, regulations and the law are taken very seriously.

Such violations may have consequences not only for the individuals in question, but also for our Company. On an individual level, this may lead to disciplinary action, up to and including termination. Violations by an individual may also subject our Company to civil or criminal liability.



D. FINANCIAL REPORTING

Financial reporting is the principal means by which companies communicate their performance.

JEA's customers, rating agencies, board members, and other users of financial reports rightly expect that the information they receive will be accurate, timely, complete, and accessible. JEA expects all of its personnel to take this responsibility seriously and to provide prompt and accurate answers to requests related to the Company's public disclosure requirements.

The responsibility for the accuracy of financial reporting applies to all levels of management at JEA. It is therefore critical that the members of JEA's management team, including the Chief Executive Officer (CEO), all members of the Senior Leadership Team (SLT), and JEA's Financial Officers (Chief Financial Officer (CFO), Directors of Accounting and Treasury Services), or other JEA officers serving in a finance, accounting, treasury, tax, or investment role, understand their obligations and responsibilities under the Code of Conduct.

The purpose of this Code of Conduct is to deter wrongdoing and promote honest, ethical conduct, compliance with all pertinent regulations, and accurate financial reporting.

Accordingly, JEA's management team, and any staff engaged in any respect with financial reporting, is required to:

- Engage in and promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest in personal and professional relationships.
- Avoid conflicts of interest, and the appearance of conflicts of interest, as well as disclose any material transaction or relationship that reasonably could be expected to give rise to such a conflict.
- Produce full, fair, accurate, timely and understandable disclosure in reports and documents that JEA files with, or submits to regulators, and in other public communications made by the Company.
- Comply with applicable governmental laws, rules and regulations, as well as the rules and regulations of self-regulatory organizations.
- Promptly report any possible violation of this Code of Conduct. If you wish to maintain anonymity, you may call **JEA's Ethics Hotline 800-805-3569**.

JEA's management team and staff is strictly prohibited from directly or indirectly taking any action to fraudulently influence, coerce, manipulate, or mislead JEA's independent auditors for the purpose of rendering the Company's financial statements misleading or inaccurate.



E. CREATING POSITIVE WORK ENVIRONMENTS

**To maintain harmony
in our diverse
workplace, we must
make sure it is free
from unlawful acts of
discrimination.**

This means that each of our employment decisions must be based solely on merit, not on any legally protected traits. Such traits include—but are not limited to—age, gender, race, ethnicity, sexual orientation, veteran status and disability. We must never make any business-related decisions with regard to these or other factors protected by law.

We must also work to ensure that our workplace is free from harassment. "Harassment" generally includes any form of unwelcome conduct towards another person that has the purpose or effect of creating an intimidating, hostile or offensive work environment for that person. Keep in mind that, while the definition of harassment may vary in the locations where we do business, our Company will not tolerate any form of harassing behavior.

Maintaining a diverse workforce promotes an open, tolerant, and positive work environment where

everyone's different talents and strengths are utilized. Our Company encourages such diversity and expects that we treat each other in a respectful, professional, and friendly manner.

You are encouraged to report any harassment or discrimination concerns immediately.

Reports will be investigated and corrective actions issued as appropriate. You will not face retaliation for making a report in good faith.

MAINTAINING SAFE, HEALTHY WORKPLACES

It is important that we work together to create a safe and healthy work environment.

Doing so enables us to protect each other and provide safe, quality services to our guests. As part of our responsibility to conduct our work in the safest possible manner, we comply with all health and safety laws and regulations relevant to our jobs. We also follow all safety instructions and procedures put in place by our Company. If you know of or suspect any unsafe situations or conditions, alert your supervisor immediately.

To ensure the safety of our workplace, we must all be free from the influence of alcohol, drugs and improperly used prescription medicine when conducting business on our Company's behalf. In addition, the possession, use, sale, offering or distribution of illegal drugs or other controlled substances on Company premises or while conducting Company business is prohibited. The only exception occurs when you consume alcohol in moderation at business dinners or authorized Company events. Violations of this policy can pose safety hazards and will be regarded as serious misconduct.

Our commitment to workplace safety also means that we do not want any of our employees to witness a violent or potentially violent situation. If you do, report the situation to your supervisor or local authorities.

F. ENVIRONMENTAL COMPLIANCE

JEA must comply with various environmental laws, regulations, and ordinances at the federal, state, and local level government rules to ensure safe, efficient, and environmentally sound management, twenty-four hours a day, and seven days a week.

JEA has in place an environmental management system and a strategy to ensure compliance with all existing and emerging environmental requirements.

JEA complies with numerous stringent environmental requirements, which govern its operations to ensure the protection of air quality, groundwater, surface waters, soils, wildlife, human health, land usage, wetlands, and other natural resources. JEA has the necessary environmental permits and approvals to construct, operate and maintain all of its facilities and infrastructure. JEA is regulated by agencies such as the Environmental Protection Agency, Florida Department of Environmental Protection, St. Johns River Water Management District, City of Jacksonville Environmental and Compliance Department, US Army Corps of Engineers, and US Fish and Wildlife Services.

As such, it is the responsibility of all JEA employees and contractors to protect the environmental and to comply with all applicable environmental laws and regulations. It is JEA's goal to fully comply with all environmental laws and regulations. Should a non-compliant event occur, it is JEA's responsibility to report such an event to the appropriate agency using the required reporting procedures. JEA, along with its employees and contractors, should never knowingly violate any environmental permit requirement, law, or regulation.

If an employee suspects any type of activity that may not comply with environmental regulations, the employee should call the **JEA's Ethics Hotline** anytime at **800-805-3569** to make an anonymous report.

JEA has an environmental policy, which states:

"JEA is committed to meeting our customers' energy, water and sewer needs in a manner that is environmentally, socially and economically sustainable. We remain committed to comply with all applicable environmental laws and regulations and dedicated to continually improving the environmental performance of our facilities and operations. JEA will continue to demonstrate environmental leadership by promoting conservation and pollution prevention programs while undertaking specific initiatives that exceed the requirements of targeted environmental laws and regulations. It is our corporate responsibility to protect and sustain the natural resources of the communities we serve."



Identifying and Resolving Conflicts of Interest

It is our responsibility to avoid situations where our personal interests may make it difficult to perform our work objectively on behalf of our Company. These situations are sometimes referred to as “conflicts of interest.”

If you know or suspect that you are involved in a conflict of interest situation, you should immediately disclose the situation to your manager or Ethics Officer. Remember, we must be sure to avoid even the appearance of bias.

H. ETHICAL BUSINESS CONDUCT

The Ethics Program applies to all employees of JEA.

An employee is defined as anyone who receives a JEA paycheck/direct deposit, or is an Officer of the Organization.

All other people associated with JEA will be governed by the JEA Purchasing Code, which states that bidders "shall comply with all JEA and City of Jacksonville ordinances, policies and procedures regarding business ethics". Accordingly, individual vendors or contractors shall ensure their staff that is assigned to work at JEA, (e.g., Robert Half, Randstad, contractors,) is aware of JEA's ethics guidelines.

JEA will conduct its business fairly, impartially, in an ethical and proper manner, in accordance with JEA's Values and Code of Conduct, and in full compliance with all laws and regulations. In the course of conducting company business, integrity must underlie all company relationships, including those with customers, suppliers, communities, and among employees. The highest standards of ethical business conduct and compliance are required of JEA employees and contractors in performance of their company responsibilities. Employees must not engage in conduct or activities that may raise questions about the company's honesty, impartiality, reputation or otherwise cause embarrassment to the company. Conduct that is prohibited under JEA policy or does not comply with laws and regulations may not be accomplished on an employee's behalf by anyone outside the company.

All employees shall abide by the JEA Code of Conduct and the Ethical Conduct Guidelines.

JEA will administer ethics and compliance programs to promote its commitment to integrity and values as set forth in the JEA's Values and Code of Conduct and to ensure compliance with laws, rules, and regulations. Managers are responsible for supporting implementation of ethics and business conduct programs, and monitoring compliance of the company's values and ethical business conduct guidelines through such programs. Managers are responsible for creating an open and honest environment in which employees feel comfortable bringing issues forward. Retaliation against employees who raise sincere concerns will not be tolerated.



Questions to Ask

To determine if they are supporting the JEA's Ethics Program, employees should ask themselves:

- Have I contacted my manager or the Ethics Officer regarding concerns about ethical issues?
- Have I completed the ethics training programs that are required as part of my employment or affiliation with JEA?
- As a manager, do I provide an environment where employees feel they can discuss issues openly and without fear of retaliation?



I. GIVING AND RECEIVING GIFTS

Florida Statute:

112.313 Standards of conduct for public officers, employees of agencies, and local government attorneys.—
(1) DEFINITION.—As used in this section, unless the context otherwise requires, the term “public officer” includes any person elected or appointed to hold office in any agency, including any person serving on an advisory body.

(2) SOLICITATION OR ACCEPTANCE OF GIFTS.—No public officer, employee of an agency, local government attorney, or candidate for nomination or election shall solicit or accept anything of value to the recipient, including a gift, loan, reward, promise of future employment, favor, or service, based upon any understanding that the vote, official action, or judgment of the public officer, employee, local government attorney, or candidate would be influenced thereby.

Gifts to or from anyone doing or seeking to do business with our Company may be offered or accepted as long as they are:

- Infrequent occurrences between the giver and recipient;
- Not solicited;
- Valued at no more than \$100 USD in any given year between those involved; and
- Not in the form of cash or checks.

If you receive a gift from anyone doing or seeking to do business with our Company that does not meet these guidelines, you must notify your Department Head promptly.
In general, gifts that exceed these guidelines must be returned to the sender. If you feel it would be impractical to do so, or that doing so would harm your relationship with the gift giver, the situation may be resolved as follows:

- The gift may be handed over to the Ethics Officer so that it can be donated to charity; or
- The employee may retain the gift so long as the employee makes a donation to a charity supported by the Company in an amount equal to the value of the gift less \$100 USD.

What if I need to return a gift?



When returning inappropriate or unacceptable gifts to the sender, it is important to explain our Company's position. Doing so helps us maintain a good business relationship with the sender, and helps prevent similar instances from occurring in the future. Here are some common answers you can provide when declining a gift that exceeds our threshold:

- “I appreciate the gesture, but our Company doesn't allow us to accept such expensive gifts.”
- “This is a wonderful gift, but unfortunately, it's against Company policy for me to accept it.”
- “Thank you for the lovely gift, but I have to tell you that it's against Company policy for me to accept. Something like this could give the impression that we're biased, and that could hurt us both.”

Note: A sample return letter can be obtained from the Ethics officer or on the Ethics page of The Grid.

J. SECONDARY EMPLOYMENT

We should avoid any outside employment that may hinder our ability to do our best work for our Company.

This includes doing work for an organization that competes with our Company or any employment that would imply sponsorship or support by our Company.

You should also be careful not to engage in any form of outside employment that could affect our Company's reputation. Any outside job activity that may involve a business that competes, does business with, or seeks to do business with our Company requires the prior written approval of our Company's Ethics Officer.

In the event that you are involved in outside employment, you must be sure never to use Company resources, property or time to conduct any outside work. For example, you should not use any Company logo or letterhead for purposes unrelated to our Company's business. Likewise, you should not ask other employees to conduct non-Company business for you. During business hours, you are expected to devote your time to Company-related work.

All employees shall disclose their secondary employment to their manager and the Ethics officer, review the policy, and complete a secondary employment form for required approval.

It is also forbidden to wear a JEA uniform or clothing with the JEA logo while working for another employer, while self-employed, or at political rallies or events.

It is unlawful for any JEA employee who ends their employment, through either termination or retirement, to be hired by a vendor under contract to JEA to work on an existing project in which they participated personally & substantially during the time of their employment at JEA.

Specific details regarding other employment can be found in the City of Jacksonville Ethics Code as set forth in Chapter 602, Ordinance Code.



K. PROPER USE OF COMPANY, CUSTOMER, AND SUPPLIER RESOURCES

Company resources, including JEA time, material, equipment, and information, are provided for company business use.

Employees are trusted to behave responsibly and use good judgment to conserve company resources.

Employees will only use JEA equipment for the direct performance of JEA business, duties, or functions. We are accountable for the careful use of our Company's property. It is our job and personal responsibility to protect all physical assets from theft, damage, loss and misuse. Such assets include Company facilities, equipment, vehicles, funds and network and computer systems. In addition, personal use of our Company's telephones, computers and other equipment must comply with Company policies.

Occasional, limited personal use of these systems is permitted. However, our Company reserves the right to monitor our use of anything we create, store, send or receive on Company computer systems, consistent with applicable law. This includes all data and communications transmitted by, received by or contained in Company email accounts, as well as all electronic documents maintained on Company computers, laptops and other mobile devices. It may also include any information created, received or sent through personal email accounts accessed on Company equipment, voice messages, text messages or SMS messages sent or received on Company equipment.

We must never use the Company's computer systems for unauthorized, unprofessional, illegal or unethical purposes. This means, in part, that we must not:

- Download or transmit materials that are illegal or abusive, or that are offensive, profane, sexually suggestive or explicit;
- Use our Company's computer systems to solicit for outside purposes, such as religious causes, political campaigns or outside organizations; or
- Send or download copyrighted materials, trade secrets, proprietary financial information or similar materials without proper authorization.

It is the responsibility of each of us to keep Company computer systems secure. In addition, we must always take care when drafting emails. Remember that electronic messages can be altered and forwarded without your permission or knowledge. Exercise caution when discussing confidential information in public places or open spaces.

The use of social networking sites may serve a legitimate business purpose; however, proper authorization from a Department Head is required before business-related information may be posted to a social networking site. Proprietary or confidential information, as described in the "Safeguarding Company Property and Information" section above, must never be posted to a social networking site.



L. DOCUMENT RETENTION

Each of us has a responsibility to know and follow our records management policies, procedures, and retention schedule.

These policies are in place to govern how to manage and how long we should retain Company documents, as well as how and when to discard them.

We must also know and follow the guidelines set forth in our policy, procedures, and retention schedule before destroying any Company documents. If you are unsure whether you should maintain or destroy a particular document, you should consult with your supervisor or Legal Department.

You may be notified that documents in your control may be required in connection with a lawsuit or

government investigation (sometimes referred to as a "legal hold"). If you receive such notice, you must preserve (and never alter, conceal or destroy) all documents that could possibly be relevant as stipulated in the legal hold. Those documents must be retained until your Legal Department advises that the legal hold have been lifted. If you are unsure whether a document is relevant, contact your Legal Department immediately.





JEA
21 West Church Street
Jacksonville, FL 32202
ethicsofficer@jea.com
Ethics Office: 904-665-4282
Hotline: 1-800-805-3569



21 West Church Street
Jacksonville, Florida 32202-3139

June 24, 2020



ELECTRIC

WATER

SEWER

Ms. Lisa A. Green
Inspector General
Office of Inspector General, City of Jacksonville
231 E. Forsyth Street, Suite 470
Jacksonville, FL 32202

Subject: JEA's Management Response Pursuant to OIG General Investigation
Number 2020-0005

Dear Ms. Green:

We are herein providing our management response to your DRAFT Report of Investigation dated June 3, 2020, which includes a summary of our corrective action plan, and its status.

Recommended Corrective Actions

1. Establish a written policy or procedure to ensure JEA employees working with confidential and/or sensitive information know to save the information in a secure location and ensure that the work product is password protected, as appropriate. Provide OIG with a copy of any newly established policy or procedure.

Management's Response

As the OIG's report cites with several excerpts from JEA's *Acceptable Use Policy*, said policy includes guidelines that address the proper handling of confidential and/or sensitive information.

However, it is management's position that the document, and its content, as described in this report, which the employee shared with the elected official, would be considered part of a matter of public dispute, and not of a confidential nature. Furthermore, the elected official is a member of the City of Jacksonville's City Council, which has primary oversight of JEA's activities.

Accordingly, we do not plan to draft a new written policy or procedure specific to this recommendation.

2. Review and update the JEA *Acceptable Use Policy* to include prohibitions against the release of proprietary, confidential and/or sensitive information to external parties by JEA employees without a clear business need, justification, and without prior management approval. In addition, outline any disciplinary action that could result in violation of the policy. Provide the OIG with a copy of the updated JEA *Acceptable Use Policy*.

Management's Response

As noted in our response to recommendation #1 above, it is management's position that the document and its content, which the JEA employee shared with the elected official, would be considered part of a matter of public dispute, and not as one of a confidential nature.

Accordingly, we do not plan to update the Acceptable Use Policy specific to this report's recommendations.

3. Review and determine if the T drive (shared drive) should remain accessible to all JEA employees.

Management's Response

For several months, Technology Services has been executing a plan to set up or migrate all users that have active credentials from a network-shared file storage system F: drive mapping to an Intranet instance of SharePoint (*mydrive*).

The purpose of this work is to provide seamless integration between Office products and a dedicated mydrive space for each user. This will allow Technology Services to update the Office default save location from the T: drive to the F: drive as a matter of improving operations and security.

We are in the final stages of this work and expect to eliminate the T: drive before September 30, 2020.

4. Please advise the OIG if any personnel actions(s) (including all outcomes) is taken as a result of this investigation.

Management's Response

No personnel action is being taken as a result of this investigation. However, the employee will be advised of the importance of being truthful with investigation officials, as well as exercising caution with the handling and distribution of documents.

Please contact me if you need additional information regarding our corrective action plan.

Sincerely,



Steven V. Tuten
Interim Chief Compliance Officer
JEA
21 W. Church Street, T16
Jacksonville, 32202
(904) 665-5206; tutesv@jea.com

Cc: Mr. Paul McElroy, Interim Chief Executive Officer & Managing Director
Ms. Jodi Brooks, Chief Legal Officer

21 West Church Street
Jacksonville, Florida 32202-3139

September 18, 2020



Ms. Lisa A. Green
Inspector General
Office of Inspector General, City of Jacksonville
231 E. Forsyth Street, Suite 470
Jacksonville, FL 32202

Subject: JEA's Management Response Pursuant to OIG General Investigation
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The purpose of this work is to provide seamless integration between Office products and a dedicated mydrive space for each user. This will allow Technology Services to update the Office default save location from the T: drive to the F: drive as a matter of improving operations and security.

Although we are in the final stages of this work, the risks associated with a global enterprise setting require that we plan the actual implementation to occur before the end of the calendar year (December 31, 2020) to ensure it does not impact activity associated with the end/beginning of the fiscal year.

4. Please advise the OIG if any personnel actions(s) (including all outcomes) is taken as a result of this investigation.

Management's Response

No personnel action is being taken as a result of this investigation. However, the employee was advised of the importance of being truthful with investigation officials, as well as exercising caution with the handling and distribution of documents.

Please contact me if you need additional information regarding our corrective action plan.

Sincerely,



Steven V. Tuten
Interim Chief Compliance Officer
JEA
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