



## Leaked: US power companies secretly spending millions to protect profits and fight clean energy

### Description

#### **USA: One industry consulting firm has influenced politics across Florida, Alabama and at least six other states**

The CEO of the biggest power company in the US had a problem. A Democratic state senator was proposing a law that could cut into Florida Power & Light's (FPL) profits. Landlords would be able to [sell cheap rooftop](#) solar power directly to their tenants – bypassing FPL and its monopoly on electricity.

“I want you to make his life a living hell ... seriously,” FPL's CEO Eric Silagy wrote in a 2019 email to two of his vice-presidents about state Senator José Javier Rodríguez, who proposed the legislation.

Within minutes, one of them forwarded the directive to the CEO of Matrix, LLC, a powerful but little-known political consulting firm that has operated behind the scenes in at least eight states.

Rodríguez was ousted from office in the next election. Matrix employees spent heavily on political advertisements for a candidate with the same last name as Rodríguez, who split the vote. That candidate later admitted he was bribed to run.

Hundreds of pages of internal documents – which are only coming to light now because Matrix's founders are locked in an epic feud – detail the firm's secret work to help power companies like FPL protect their profits and fight the transition to cleaner forms of energy.

The Matrix saga illustrates the political obstacles policymakers and experts face as they attempt to cut climate pollution from the power sector, one of the biggest greenhouse gas contributors in the US.

The ongoing clash between Matrix's founder Joe Perkins, 72, and former CEO Jeff Pitts, 51, is exposing the firm's decades of extensive influence peddling on behalf of utility clients.

The issue extends to several states. Records obtained by Floodlight and the Orlando Sentinel show that Matrix consulted for FPL, as well as another Florida company, Gulf Power, and Alabama Power. Matrix affiliated groups have also worked to advance power companies' interests in Arizona, Louisiana,

Mississippi, Georgia, and in front of the Environmental Protection Agency, public records show.

In Florida, Matrix's work touched almost every level of politics, from influencing local mayoral and county commission elections to combating attempts to reshape the state constitution. In each of those cases, Matrix was working against politicians or policies fighting to curb the climate crisis by encouraging renewable power.

Matrix employees had a Jacksonville journalist spied on after he wrote critically about FPL. And in 2020, Matrix even harnessed the power of the press for itself, when its employees acquired control of The Capitolist, a Tallahassee-based political news site which it used for favorable coverage, leaked records show.

"I find this to be horrifying and undemocratic," said Gianna Trocino Bonner, former chief legislative aide for Rodríguez, after reviewing some of the leaked documents. "It's unfortunate that our process allows for something like this to exist without accountability."

Big power companies operate as monopolies with captive customers in much of the south-east US. They are supposed to be closely regulated, but their profits and unchecked political spending makes them some of the most powerful entities in a state.

Howard Crystal, an attorney for the environmental group Center for Biological Diversity, said that US utilities are allowed monopoly power "because they are supposed to expand the public interest.

"[But] now we have this incredible corruption and a reversal of that because they are using their advantage to hang on to power and undermine democracy," he said.

So far, there have been two criminal investigations into the campaign against Rodríguez and another Democratic state senate candidate, leading to charges against five people, though authorities have not accused Matrix or FPL of wrongdoing.



**From:** Silagy, Eric  
**Sent:** Monday, January 07, 2019 10:17 AM  
**To:** Holley, John; Martell, Daniel  
**Subject:** Fwd: Florida Lawmaker Again Files Bill That

JJR at it again. I want you to make his life a liv



Documents shared by an anonymous source show Silagy directing his team to make life hell for Florida senator José Javier Rodríguez. Photograph: Orlando Sentinel/Floodlight

Matrix's principal, Perkins, says he discovered only after Pitts left the firm that he and other now-former employees had been conducting "shadow activities and operations" dating back to 2016. He is suing Pitts in [Alabama](#) for fraud and conspiracy.

"For many years and without my knowledge or approval, Pitts abused his power and position to benefit himself and his cronies," Perkins said in a statement. "Upon realizing the extent of Pitts's shadow operations and abuses of power, we filed our lawsuit against Pitts and those few rogue employees."

Pitts, who left Matrix in December 2020 to start his own firm, Canopy Partners, did not respond to a request for comment by deadline. He is also suing Perkins, alleging defamation and extortion. A spokesperson for FPL said it stopped working with Canopy in late 2021.

It's unfortunate that our process allows for something like this to exist without accountability

*Gianna Trocino Bonner*

FPL's CEO Silagy in a recent interview denied knowing about or participating in the scheme against Rodríguez but said that Matrix had done "good work" for his company. Records show FPL trusted

Matrix operatives with millions, including giving \$14m to a single Matrix-run nonprofit in 2018 alone.

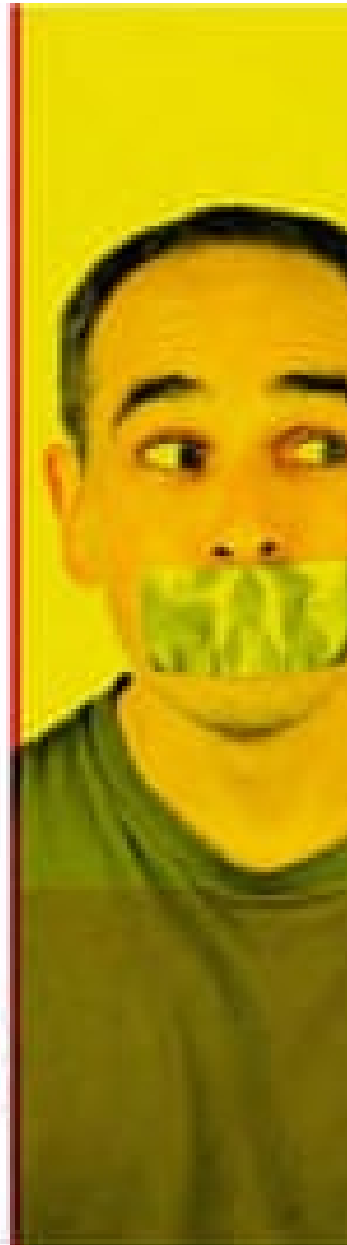
Silagy said the email in which he told his team to make Rodríguez's life "a living hell" was "a poor choice of words".

## Digging for dirt

In [Florida](#), FPL and Matrix demonstrated how a utility and its consultants can work in tandem to resist clean energy reforms. FPL deployed lobbyists to the capital, while Matrix hired private investigators to dig for dirt and had operatives funnel dark money and order attack ads.

Few examples are clearer than the case of South Miami. When the small south Florida city's mayor helped pass an ordinance in 2017 mandating rooftop solar panels on new construction, a network of 10 FPL-aligned operatives mobilized to ensure his ouster.

**MAYOR  
PHILLIP  
STODDARD  
VIOLATED OUR  
TRUST, WASTED  
OUR MONEY  
AND NOW HE'S  
TRYING TO COVER  
HIS TRACKS.**



**Mayor Ph**  
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A dark money group associated with Matrix LLC mailed attack ads against South Miami mayor Philip Stoddard to area residents. Photograph: Orlando Sentinel

The team decided an effort to repeal the ordinance would probably fail. So they opted instead for “Mayor Stoddard’s electoral defeat and changing the makeup of the board”, according to a 2018 memo from Dan Newman, a Matrix contractor who was similarly involved in the campaign against Rodríguez.

Along with a private investigator, the group delved into Stoddard’s past for episodes to weaponize against him, such as a South Miami commissioner’s claim on Facebook that Stoddard had forcibly kissed her. Documents show Matrix operatives arranged for the commissioner to record a robocall in which she called Stoddard “a creep”. Pitts at the time forwarded a draft of the script to two FPL executives. Newman in his memo also took credit for a Miami Herald story about the allegation.

Meanwhile, Matrix-led non-profits funded a blizzard of ads against Stoddard, accusing him of using public money for “vendettas” and placing him alongside infamous sex offenders Bill Cosby and Harvey Weinstein.

The plan ultimately failed, and Stoddard was re-elected. He has denied the allegations.

“An organization that acts like a mafia should be treated like one,” Stoddard said.

In a statement, Newman acknowledged managing the campaign against Stoddard and hiring a private investigator to look into the former mayor’s personal life. He said what he found was “deeply disturbing”.

FPL did not respond to requests for comment by deadline.

Matrix’s influence was felt on matters small and large, from Stoddard’s city of less than 12,000 to statewide fights over the Florida constitution. In 2019, when the electric utility industry was up in arms about a constitutional amendment to open up competition in Florida’s energy market, a Matrix-linked non-profit poured more than \$10m into groups fighting it.

Matrix also exerted political influence through the press, with its operatives acquiring control of a Tallahassee-based politics news site, The Capitolist. That gave Matrix consultants and FPL executives input on Capitolist stories.

The site’s publisher, Brian Burgess, a former top spokesperson for past Florida governor Rick Scott, also suggested in emails that Matrix should lure prominent Florida journalists to a new site or buy local papers owned by media giant Gannett Company and then lay off most of the “clown reporters” to “inject content” into publications without anyone knowing who was “pulling the strings”. That proposal was forwarded to Silagy at FPL but never came to fruition.

Burgess said he “never pitched nor solicited feedback from FPL executives on any story or business venture”, and FPL spokesperson Chris McGrath said acquiring a news organization would not have made sense as a business deal for FPL.

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Headquartered in Montgomery, Matrix has been described there as “the closest thing Alabama politics has to a non-governmental secret agency”.

Perkins and Pitts worked together for more than 25 years, expanding the firm into a national operation with dozens of clients in myriad industries.

But wherever the pair went, indictments often followed.

An Alabama governor the company worked for was convicted of federal felony corruption charges. A Birmingham mayor who employed Matrix got 15 years for bribery, conspiracy and fraud. And a former regional administrator for the EPA who did business with Pitts pleaded guilty to violating state ethics law multiple times.

From the beginning, Matrix showed no aversion to unsavory political tactics. In 1998, the firm [distributed copies of a video](#) in which a sex worker falsely alleged she had been sexually assaulted by a candidate for lieutenant governor. The sex worker later testified the allegations were untrue, and that she had been paid by a Birmingham businessman to make them.

In 2015, Matrix distributed fliers for a suspicious charity in a predominantly Black neighborhood in North Birmingham. The fliers warned residents not to let the Environmental Protection Agency test their soil for the presence of contaminants left by a coal plant.

They work off intimidating. You gotta bow down and kiss the ring

*Terry Dunn*

The charity was a front established by a state representative. A local law firm and the company that owned the coal plant used the charity to pay the representative. Three people were federally convicted for their role in the play. Matrix was never accused of wrongdoing.

One of Matrix's oldest clients is Alabama Power, which employed Perkins' personal consulting firm as early as 1999. In 2018, Perkins Communications received at least \$1.49m from Alabama Power, a leaked contract shows.

Those who provoked the utility's ire suffered a harsh response.

In 2013, Terry Dunn, a Republican electricity regulator at Alabama's Public Service Commission made moves to hold formal hearings on how customers' energy bills were calculated – something that hadn't happened in three decades. Customers at the time were paying some of the highest rates for electricity in the south-east.

Soon, Dunn faced attacks in the rightwing press and online, while Matrix-affiliated groups – some of which received millions from a non-profit run by a contractor for Alabama Power – filed a motion to intervene in the proceedings. Meanwhile, groups aligned with the utility falsely tied Dunn to the Obama administration's efforts to reduce the use of coal.





Terry Dunn wanted to examine why Alabama Power charged some of the highest rates in the country. Photograph: Joe Songer/Floodlight

The tactics worked. Dunn lost his 2014 re-election campaign by a 19-point margin to Chip Beeker, a catfish farmer who is still in office. Months after he was elected, Beeker voted in favor of an energy price hike for consumers. Alabama Power still hasn't had a rate case.

"Southern Company and Alabama Power run the state of Alabama," Dunn said. "They work off intimidating. You gotta bow down and kiss the ring."

A spokesperson for the company declined to comment on the firm's activities. Perkins called Matrix's work for the utility "confidential".

Ari Peskoe, director of the Electricity Law Initiative at Harvard Law School said the "whole purpose" of firms like Matrix "is to conceal that it's the utility doing this. The utility doesn't want to be associated with this campaign."

## Things start going 'sideways'

Matrix grew so large that by 2015 it was operating several private aircraft to whisk Pitts and Perkins to client meetings. Flight data shows Matrix's planes made more than 130 flights to five states in 2020 alone, frequently crisscrossing the south-eastern US but also traveling as far west as New Mexico.

In Perkins' telling, he was getting ready to hand over leadership of Matrix in December 2020 when Pitts surprised him by leaving the firm, taking three employees – as well as most of Matrix's Florida-based clients – with him to launch Canopy.

At the Birmingham office where Pitts and the others had worked, Perkins said he found a backup server that "appeared to have been beaten with something". The firm later recovered more than a million files, according to Perkins, who said they reveal years of hidden, "shadow work" in Florida. Perkins and Pitts sued each other, with Pitts claiming his former mentor had "never followed through" on handing over the company despite years of discussions. Once he left, Pitts said Perkins smeared him to clients in an attempt to extort millions.

As their feud escalated, internal documents started to arrive in reporters' email inboxes from unknown sources. Many of the documents have since been verified by additional reporting, public records or Perkins himself.

Silagy, the FPL CEO, says the pair initially told him they had come to an amicable agreement about parting ways. He says he told them that he was disappointed, but there was enough work for both of them, "based on the good work they had done".

"And then apparently, somewhere along the way, Jeff and Joe got sideways," Silagy said.

featured image: Energy poles by Florida Power and Light from Turkey Point nuclear generating station in Miami, Florida. Photograph: Jeffrey Isaac Greenberg 5+/Alamy

*Jeff Weiner for the Orlando Sentinel contributed reporting*

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