

REDACTED

Exhibit B

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FPSC-COMMISSION CLERK

COMMISSIONERS:
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STATE OF FLORIDA



DALE MAILHOT, DIRECTOR
 OFFICE OF AUDITING &
 PERFORMANCE ANALYSIS
 (850) 413-6854

Public Service Commission

December 15, 2009

Mr. Paul Lewis, Jr.
 Progress Energy – Florida
 106 E. College Avenue
 Suite 800
 Tallahassee, FL 32301-7740

Dear Mr. Lewis:

Enclosed is a copy of staff's internal report on Progress Energy's investigation and follow-up practices for internal complaints. This review was performed in response to a complaint received by the Commission. It is our hope that the company finds this assessment beneficial.

This copy is provided for the company to identify material which it deems confidential. You have the right to file a request for confidential classification in accordance with *Rule 25-22.006(3), F.A.C.* Additionally, during the next 21 days staff will be available to provide access to workpapers for review of prospective confidential information. The request must be filed with the Office of the Commission Clerk no later than 21 days from the date of receipt, or we retain the right to publish without regard to confidentiality.

Thank you for your cooperation and assistance, and that extended by Progress Energy employees who participated in this review. If you have any questions, please contact Tripp Coston at (850) 413-6814.

Sincerely,



Lisa S. Harvey, Assistant Director
 Office of Auditing and Performance Analysis

Attachments

LSH/tle

cc: Dale Mailhot (w/o attachments)
 Carl Vinson (w/o attachments)

0242 JAN 11 0

FPSC-COMMISSION CLERK

Staff Investigation of Progress Energy Florida's Code of Ethics Complaint

Complaint Overview

In August 2009, the Commission received an anonymous letter alleging that employees of Progress Energy Florida (PEF) had violated the company's ethics policies. The Executive Director requested that the Office of Auditing and Performance Analysis investigate these allegations and the company's internal handling of these matters.

The complaint letter outlined three separate cases of ethics violations. In the first case, it was alleged that manipulation of inventory records occurred. In the second case, it was alleged that an employee received personal gain from vendor contracts. In the last case, it was alleged that employees awarded contracts after receiving "perks" from vendors. Staff's assessments of the allegations are detailed below.

Progress Energy-Florida's Code of Ethics governs each employee. Each employee is required to review and attest on an annual basis that they will adhere to the company's ethics policies. In addition, the company encourages its employees to report violations of ethics policies and provides an ethics hotline that allows employees to do so anonymously. Staff determined that the first two allegations had been initially reported to the company through its EthicsLine.

The company states that it reviews and investigates all ethics complaints. The Ethics & Project Assurance group, which reports to the Vice President of Audit Services, includes a Florida-based investigator who reviews and determines the validity of ethics allegations. Depending on the allegation, this investigation may involve the company's Human Resources, General Counsel, and Security groups. Specific company policies govern investigating Code of Ethics violations. Upon completion, the investigator notifies management of the results and, if necessary, a decision is made concerning disciplinary actions. The company completed such investigations of allegations one and two, and staff reviewed the investigation work papers and interviewed the investigators who handled these allegations. PEF did not conduct a formal investigation of allegation three; instead, senior management discussed and resolved the complaint.

Allegation One – Inventory Records

Alleged Events

The allegation states that the company investigated [REDACTED] for misusing an employee's log-on password to charge materials and report inventory levels. The complainant states that the supervisor logged-in as another employee and force-balanced the inventory records by charging the missing/short inventory counts to Capital or Operations & Maintenance (O&M) accounts.

The letter states that after PEF completed its investigation; the company did not adjust the erroneous losses applied to the Capital and O&M accounts.

Company's Description of Events

In February 2006, PEF's EthicsLine received an allegation that a supervisor at the Wildwood center used another employee's log-on information to enter false inventory counts during a required cycle count. The company initiated an investigation of this allegation, and assigned the case to its Florida-based investigator. FPSC staff interviewed the investigator and also reviewed corresponding investigation work papers.

PEF's investigation substantiated the allegations of misuse of passwords; however, the company determined that there were no associated material losses. PEF's investigation determined that the supervisor obtained a subordinates' log-on identification to enter inventory count data; however the investigation did not conclude that the supervisor was trying to hide inventory shortages. Rather, PEF's investigation determined that the supervisor entered the expected inventory count to catch-up on an overdue inventory cycle. PEF's investigation determined that the supervisor, within days of entering the false information, had his associates complete the actual counts and enter the correct inventory records. This recount occurred prior to the initiation of the EthicsLine investigation. Along with the ethics violation, PEF's internal auditors reviewed the inventory counts and concluded that no Sarbanes-Oxley violations occurred during this event.

PEF management states that the company considered this event to be a serious violation of its policy. In reviewing the discipline options, PEF states that it considered the supervisor's previous record and work history. PEF management states that [REDACTED]

[REDACTED] In addition, PEF states that it increased its emphasis on employee training regarding personal ID and passwords.

Staff's Assessment

Staff interviewed the PEF investigator who handled this investigation, the Senior Manager who was involved in the disciplinary decision in this case, the company's Associate General Counsel involved in the investigation, and the associate who made the PEF EthicsLine complaint (this individual also identified herself as the originator of the FPSC complaint letter). In addition, staff reviewed corresponding investigation work papers for this case. It appears that the PEF followed its internal procedures for investigating an ethics complaint. [REDACTED] was considered by management, FPSC staff believes the discipline taken against the supervisor was reasonable for the offense.

Allegation Two – UniLift Contract

Alleged Events

The allegation states that a [REDACTED] was investigated for personally benefiting from procurement contracts. The allegation states that [REDACTED] had a vested financial interest in UniLift, a company that

**Bureau of Performance Analysis
Interview Summary**

Company: Progress Energy Florida Area: Procurement Complaint Auditor(s): Coston, Vinson	Interview Number: Interview 1 File Name: Interview Summary 1-RG
Name: Rodney Gaddy Former Vice President-Corporate Services Current VP Regulatory	Date of Interview: 10/8/09 Location: PEF CO-phone call to Raleigh, NC Telephone Number:
(1) Purpose of Interview: Discuss the events involving Allegation one of the PSC complaint	
(2) Interview Summary: Currently over Real Estate, Environmental Health, Supply Chain, flight. Previously in Legal (attorney). When an EthicLine complaint comes to Audit Services for investigation. Depending on situation, management and employee may or may not know about complaint. After facts are gathered, the team of attorney, HR, investigator, and management discuss the findings. HR determines if previous, similar incidents have occurred. In the end, the management makes decision based on the advice of support staff and the results of investigation. Discipline can range from counseling to termination (termination requires VP approval). Allegation one: The SOX component of the allegation revolves around the controls issue and inventory counts. [REDACTED] had ultimate responsibilities over the counts—others are required to complete the counts. Gaddy states that [REDACTED] intent was not to manipulate the count, only to enter the counts to meet the deadline. When asked about the re-counts and any changes to inventory, Gaddy states that “surely the would have checked for this, this would be a clear SOX violation if he manipulated inventory” Gaddy does not believe that the investigation found any inventory changes to be material. The discipline debate was to rehab a good employee or terminate. Looked at the employee’s track record and background. The discipline given was the most stringent outside of firing. Did not believe that it was necessary to remove him from a management position, that the incident was a laps in good judgment that the employee would not repeat. Gaddy did not believe the investigation showed intent of deception by [REDACTED] had it—it would have been a game changer in discipline. The investigation did not result in any changes to process/procedures. Management felt the current process was sufficient.	
(3) Conclusions:	
(4) Date Request(s) Generated: No. _____ No. _____ No. _____	
(5) Follow-up Required:	

Project Manager

Bureau of Performance Analysis

Interview Summary

Company: Progress Energy Florida Area: Procurement Complaint Auditor(s): Coston, Vinson	Interview Number: Interview 2 File Name: Interview Summary 1-DS
Name: David Sorrick Vice President-Power Generation (fossil)	Date of Interview: 10/8/09 Location: PEF CO Telephone Number:

(1) Purpose of Interview: Discuss the events involving Allegation one of the PSC complaint

(2) Interview Summary:

As VP Power Generation over all of non-nuclear generation in FL. (64 units over 12-14 sights). Approximately 730 employees, including operations, management, and technical support staff. VP over the individuals involved in Allegation two and Allegation three.

Allegation Three-Hunting Trip

The contract in question involved an [REDACTED]. This is a contractor that has done significant, large scale work with PEF and is on a "preferred" vendor list. The contractor, [REDACTED] and [REDACTED] have done extensive work at the CR site, including plant improvements, outage work. Sorrick has learned that the trip in question has been hosted by the vendor for many years, and in the past included TEC, FPL, & PEF. More recently, the trip has been divided into separate trips per company. It is Sorrick's understanding that quail is hunted during this event.

Sorrick is not sure of the specific date the trip occurred, but it was in late winter/early spring. After the trip, a complaint was logged by the bargaining unit about management going on a hunting trip hosted by the vendor. The verbal complaint was received by manager Douglas Sullivan who notified Sorrick. According to Sullivan 10-14 PEF employees attended the trip.

Code of Ethics/Conflict of Interest allows for both PEF to entertain vendors and for vendors to entertain PEF employees. The entertainment should be reciprocal over time and of modest amounts. Any overnight travel must be approved by management.

The vendor estimated the cost of the trip to be 80-120\$ pp. The trip did involve overnight travel, but was at a "rustic" lodge with no running water or electricity. Sorrick states that the employees did not receive the necessary approval prior to the trip; however, he did say that he probably would have approved it at that time. All employees are required confirm that they have reviewed the code of ethics annually.

The company did not log or document this complaint. Sorrick and Basemore (VP Audit Services) verbally discussed the options. Without documentation, the company does not have a clear record of these events. Specifically, Sorrick's explanations of the events differ from the company's formal response to staff's Data Request 1. When asked, Sorrick stated that the official written response to DR1 was not accurate, that his account was the correct account. PEF will be amending its written response.

Allegation Two—[REDACTED]

This allegation arose from an EEO complaint. During the EEO complaint investigation by HR, the conflict of interest/code of ethics issue came out. Sorrick states that the "employee made several allegations—many disproved" [it was evident to staff that Sorrick took issue with the allegor]. Sorrick states that [REDACTED] was a very hard, very productive worker and that the decision to terminate her was difficult. Final termination decision due to irregularities in stores, untruthful—could no longer trust her. The termination decision relied solely on the ethics complaint.

██████ was investigated in 2005—received counseling. In 2004, ██████ was an officer of Unilift. She resigned her position. PEF contents that ██████ did not have direct oversight of UniLift nor did she have authority to hire/select contractors.

Sorrick states that in recent years, Bartow Plant had increased turnover in staff (plant being re-commissioned), therefore management may not have been aware of ██████ 2005 investigation. Sorrick does not believe that the 2005 incident was a fireable offense. The company did require ██████ to sever ties in 2005, however Sorrick was not sure if plant management verified this event (██████ lied about the timing of her resignation with Unilift)

(3) Conclusions:

(4) Date Request(s) Generated:

No. _____

No. _____

No. _____

(5) Follow-up Required:

Project Manager

**Bureau of Performance Analysis
Interview Summary**

Company: Progress Energy Florida Area: Procurement Complaint Auditor(s): Coston, Vinson	Interview Number: Interview 3 File Name: Interview Summary 3-JH
Name: Jeff Hart Maintenance Supervisor/Manager-Bartow Plant	Date of Interview: 10/8/09 Location: PEF CO Telephone Number:

(1) Purpose of Interview: Discuss the events involving Allegation one of the PSC complaint

(2) Interview Summary:
 During ██████ tenure at Bartow, she reported to Harry Sedaris and Jeff Hart. ██████ was the ██████ at the plant and helped administer/keep track/ verify contract, status of contracts, terms of contracts, dates, and safety ratings. According to Hart, Unilift was first used in 2004/2005. Harry brought them on. Unilift was "sole-sourced" mostly. Unilift worked under a master contract, they completed medium construction work—mostly concrete. They were the contractor of choice for the pipeline work, due to their subcontractor—Gulf Coast Utility (which did not have its own contractor licenses). Hart states that ██████ was not involved in the selection process, was involved in preparing the RFP work.

Hart's understanding is that ██████ logged the 2005 complaint due to loss of work to Unilift. Hart states that ██████ had a poor safety record and therefore PEF stopped using the vendor. Hart states that he was aware of the 2005 investigation and that ██████ had been reprimanded for her involvement with a vendor, however, Hart states he did not know the name of the vendor [staff questions the truthfulness of this statement given Hart's relationship with ██████]. After it was identified that ██████ had previous relationship with Unilift, management continued to use the vendor for additional jobs.

Hart assigned ██████ as DR for Unilift in 2008. States he was unaware of any previous relationship between ██████ and Unilift. Although, he did acknowledge that he was aware that ██████ and ██████ (Unilift's President) had a social/personal relationship. Hart states he thought this relationship would help with communications between company and vendor. He states that ██████ was only the 'middle man' as DR and reported safety related issues, did not have direct payment approval authority. This authority fell on other management.

Hart states that ██████ did know his family, and that she, like other PEF employees, attended his annual Christmas party. Hart did acknowledge that ██████ had pictures on his kid(s) in her office.

Hart was surprised that ██████ was fired "went against how I knew her".

(3) Conclusions:

(4) Date Request(s) Generated:
 No. _____

(5) Follow-up Required:

 Project Manager

Bureau of Performance Analysis Interview Summary

Company: Progress Energy Florida Area: Procurement Complaint Auditor(s): Coston, Vinson	Interview Number: Interview 4 File Name: Interview Summary 4-MS
Name: Melinda Burrows Manager-Audit Services	Date of Interview: 10/9/09 Location: PEF CO Telephone Number: Teleconference

(1) Purpose of Interview: Discuss the events involving Allegation one of the PSC complaint

(2) Interview Summary:

Becm in role since Feb. 2009, previously the employee attorney for PEC. Restructured the Project Assurance Role. PE approaches ethics as a collaborative approach. The ethics area has 2 investigators and a program administrator that monitors the daily case assignments. The company also has other investigators that are involved in security, HR complaints, and audit services. The investigators conduct investigations—gather facts, conclusions, & support line management in determining discipline. However, ethics organization does not make discipline decision. The investigator, Attorney, and HR will make sure all anomalies with the case are reviewed. Also, the team will review similar cases to confirm consistency in discipline options. Process is art, not science. The higher the risk associated with an investigation, the greater role senior management has in the process.

Less than 50% of complaints come in thought the ethicsline, the remaining are reported to managers and such. Currently, all allegations are funneled to the Ethics Administration for logging and assignment. (Since September). Prior to Sept, the company did not have a central point of contact for non-ethicline complaints. The company instituted this change to ensure consistency.

When an allegation is received, it is reviewed by the Program Administrator, and then assigned to the appropriate SME. The core players receive an email outlining the allegation. The investigator assigned will develop and investigation plan, for the Legal dept. to approve. The Program Administrator and HR will assist in arranging interviews with the necessary employees and gather necessary information. Once the investigator completes the investigation, a meeting is scheduled with HR, Legal, and Ethics to discuss findings and determine if similar cases have occurred within the company. After HR and Legal review the results, a meeting with line management is scheduled. Management makes the final decision on discipline.

Trending of cases on a weekly basis.

Recent changes to procedures: created administrative role. Single point of contact for Ethic investigations. Coordinator for obtaining information. More constancy with HR and SMEs. Streamline consistency of EX SM section of the investigation.

For the [redacted] investigation, the Administrator filled in as the investigator (former Police Officer and investigator for PE security section). PEF's ethics investigator, John Griffith, recently retired.

Ethics procedures:

Board of Directors Audit group looks at CEO/Executives

Audit Services Department is first line for inquires and the ethics outreach group.

There is no code of ethics for contractors—supply chain compliance includes onsite workers agree to comply with PEFs code of ethics.

For the Hunting allegation—its Melinda's understanding from Basemore that the trip did not occur based on the recommendation of management. Sorricks states that the trip did occur.

Allegation one—inventory counts did not appear on the ethicsline summary provided in DR1

(3) Conclusions:

(4) Date Request(s) Generated:
No. _____

(5) Follow-up Required:
Melenda will check on the specific details of the hunting trip "perk"
Melenda will determine why Allegation one is not on the company's ethicline summary response.

Project Manager

Bureau of Performance Analysis

Interview Summary

Company: Progress Energy Florida
 Area: Procurement Complaint
 Auditor(s): Coston, Vinson

Interview Number: Interview 5
 File Name: Interview Summary 5-JG

Name: John Griffith
 Investigator (Ret)

Date of Interview: 10/9/09
 Location: PEF CO
 Telephone Number: Teleconference

(1) Purpose of Interview: Discuss the events involving Allegation one of the PSC complaint

(2) Interview Summary:

Former PEF ethics investigator. 30+ years experience CIA, CFE, CPA

Allegation one—Warehouse inventory

Some employees use "buzzwords" SOX, EEOC, etc. John was not involved in the SOX portion of investigation. Ester Bradell, CPA from audit verified the SOX allegation and determined that there was not an issue. Griffith completed the ethics component and password issue. (investigation 2007) The investigator verified the card entry records to determine who was in the facility during the inventory counts. Went to Wildwood and interviewed password holder—denied at first, but admitted given [REDACTED] the password after evidence was presented showing he was not in the building at the time of the counts. He states that [REDACTED] was his boss, and if his boss asked for the password, he must comply. Also interviewed other staff at the site to see if this was a recurring problem. No one else admitted to [REDACTED] asking/using their password. When [REDACTED] was interviewed, he denied--said he could not recall—although he did admit later and responded what the next step would be in the process. The investigation did not show financial impact on the company. Post inventory counts did show discrepancies, but did not show material differences. The investigation showed that [REDACTED] had his staff do the correct counts the following day. The "due" date had already passed. [Staff is unsure why [REDACTED] entered the wrong information, yet had the correct counts entered the following day—the deadline for counts had already passed].

Griffith states that [REDACTED] received the very stiff discipline—just short of termination. The financial impact to [REDACTED] would have been in the [REDACTED]

Griffith was not sure why [REDACTED] would have needed to obtain a subordinates password, rather than using his own. [later interview with Simpson states this was a union job function that management could not perform]

Griffith does not recall ever investigating [REDACTED] for any other ethics violation.

2005 [REDACTED] investigation:

Contractor [REDACTED] called EthicsLine stating that not given Bartow work because of an employee's friendship with another contractor Unilift ([REDACTED])

[REDACTED] called Griffith directly to discuss. [REDACTED] formally worked for [REDACTED] and felt it was in retaliation. Griffith checked with the FL Sec of State and determined that [REDACTED] had been the VP of UniLift.

[REDACTED] resigned in Oct 2004. A connection between [REDACTED] and [REDACTED] (President of Unilift) was established. Griffith determined that [REDACTED] was not in a position to assign/award contracts. Harry Sideris was the manager; he was told by [REDACTED] that the relationship was severed in Jan 2004. According to Griffith, the Unilift contract was canceled and re-bid to make sure PEF policies were followed. When asked if [REDACTED] had the ability to access the current pricing information and provide that insight to Unilift, Griffith states that [REDACTED] job would have allowed her access to contract pricing.

Griffith accessed [REDACTED] emails and they showed a relationship between [REDACTED] and [REDACTED] but no information sharing. Griffith states he does not recall interviewing [REDACTED] in 2005. Griffith does not recall investigating [REDACTED] outside of this investigation. Griffith did have an investigation involving [REDACTED]—she initiated a wrongful termination complaint through the ethicsline, around 2003 (termination around 2001).

(3) Conclusions:

(4) Date Request(s) Generated:

No. _____

(5) Follow-up Required:

Project Manager

Bureau of Performance Analysis Interview Summary

Company: Progress Energy Florida Area: Procurement Complaint Auditor(s): Coston, Vinson	Interview Number: Interview 6 File Name: Interview Summary 6-KS
Name: Karen Simpson Initiated PEF ethicsline complaint Originator of FPSC complaint	Date of Interview: 10/9/09 Location: PEF CO Telephone Number:

(1) Purpose of Interview: Discuss the events involving Allegation one of the PSC complaint

(2) Interview Summary:

Started with PEF in March 2006 as a warehouse coordinator in Windwood. [REDACTED] was her supervisor and she was responsible for cycle count verification. Currently a field Buyer for series of power plants, including Bartow. In June of 2008 started this position.

Allegation 2:

Worked with [REDACTED], [REDACTED] was buyer and they shared office space. [REDACTED] had two Cadillac and realized that she owned four properties. She was same pay rate as Simpson. Simpson noticed lots of emails from [REDACTED] and [REDACTED]. [REDACTED] was terminated from PEF and she was domestic partner with [REDACTED]. However, lots of emails showed that [REDACTED] was Unilift. In Nov. 2008, [REDACTED] became Simpson's supervisor. In December went to Lori Dunstan with ethics concern. Lori said that [REDACTED] wouldn't do that and it was perception of Karen's part. [REDACTED] and Lori had quickly made a tight relationship so knew Lori would tell [REDACTED]. [REDACTED] begin treat Simpson as if she could not do anything correctly. Gave Simpson a bad evaluation (according to Simpson-the evaluation has been removed). Simpson thought about taking the complaint higher but [REDACTED] said all the guys as Bartow would take a bullet for her.

[REDACTED] would send out bids, make appropriate payments up to limit, above limit she got Bartow management approval even though they knew of her Unilift association. Passport triggers inputs to authorize payment. [REDACTED] was the DR for Unilift which was unusual—outside of her expertise. Only other DR Brown was for the rental trailers. Jeff Hart made her the DR ([REDACTED] Supervisor).

Simpson's states Hart and [REDACTED] had a very close relationship (closer than any boss). Simpson insinuates that the relationship may have been personal. Hart would go into trailer and Brown would lock the doors. [REDACTED] had pictures of Hart's kids in her office. Simpson states that Hart lied for [REDACTED] to cover up the fact that [REDACTED] drove her vehicle into the side of the office trailer. Simpson states that Hart immediately came over when this event occurred, and then denied that the events when Simpson brought them to HR's attention. Original complaint by Simpson was an EEOC complaint. This involved [REDACTED] and among other events, included the trailer accident. During this investigation, Simpson provided the details of [REDACTED] Unilift relationship. At that point, Terri Talton from Ethics started an additional investigation.

Simpson states that after the investigation, [REDACTED] was placed on Adm Leave. Simpson states that Dunstan and Lowery tried to find [REDACTED] a job in another facility. Simpson states that Jeff Gaines (HR) told her that [REDACTED] was on leave although Legal wanted her terminated; he did not think management would terminate her. Simpson states that she called Julie Turner (formally from St. Pete, now Director of continuous Business Excellence. Simpson states that Julie called Sorrick, who then directed [REDACTED] to be terminated.

[REDACTED] She does not believe that [REDACTED] was only one involved. Hart and Lowry at least had knowledge. [REDACTED]

Simpson states that [REDACTED] did not mention her Unilift connections, only that she had a relationship with [REDACTED]. Simpson states she never met [REDACTED]. Not sure why [REDACTED] was terminated from PEF, some sort of ethics problem with the vendor WWGay.

Allegation 1:

In 2006, the accuracy rate at Wildwood was 64%. Simpson states that pressure was placed on management to improve this rate or heads would roll. ██████████ worked long hours at the site. ██████████ and Morehouse were neighbors and buddies. And ██████████ got Morehouse's password and would enter counts on weekend to make the amounts balance. If someone showed a discrepancy, ██████████ would adjust records. Simpson states she saw ██████████ doing this. Simpson states that ██████████ told her he was doing this. He asked her to do some variance approvals or material write-offs. Simpson did not agree with doing this, so she filed a complaint with the ethicsline. This was in January 2007. Simpson states this was a routine practice. Simpson states the inventory count went from 64% in 2006 too 100% in 2007.

Allegation 3:

Made aware of this event through talk within the company. Since the trip came to light, the company has limited the types of "gifts" employees can accept from vendors/contractors.

Other:

Major SOX compliance issues throughout. Simpson states that someone else will be forthcoming on SOX issues. May be something we read in the paper. Employees are leery of the EthicsLine process—don't think PEF will be told

(3) Conclusions:

(4) Date Request(s) Generated:
No. _____

(5) Follow-up Required:

Project Manager

Bureau of Performance Analysis
Interview Summary

Company: Progress Energy Florida Area: Procurement Complaint Auditor(s): Coston, Vinson	Interview Number: Interview 7 File Name: Interview Summary 7-SE
Name: Suzanne Ennis Employment Attorney	Date of Interview: 10/9/09 Location: PEF CO Telephone Number:

(1) Purpose of Interview: Discuss the events involving Allegation one of the PSC complaint

(2) Interview Summary:
 The attorney's role in the investigation process in an advisory role. After assignment to investigator and a plan is developed, the attorney will review the plan. The investigator will communicate through the investigation with the attorney. At the end of the investigation, the investigator will have a meeting with the attorney to discuss the findings. Then the attorney and the investigator will have a meeting with management and HR. Managers will seek advice from the attorney before making its discipline decision.

Ennis states that [REDACTED] was terminated for a conflict with her manager, not an ethics issue. Code of ethics violators are not rehired by PEF.

The 2005 investigation was not about [REDACTED]; rather, it was [REDACTED] alleging that contracts were not being awarded because [REDACTED] was a former employee. Ennis does not believe that termination was appropriate discipline for [REDACTED] in 2005. Ennis' understanding is that [REDACTED] did not have any selection authority/ability in 2005.

The 2009 investigation started as an EEOC investigation with Simpson and [REDACTED]. [REDACTED] became supervisor. Simpson complained that [REDACTED] gave her a bad review—the reason was that they were in a personal relationship and it was retribution.

(3) Conclusions:

(4) Date Request(s) Generated:
No. _____

(5) Follow-up Required:

Project Manager

**Bureau of Performance Analysis
 Interview Summary**

Company: Progress Energy Florida Area: Procurement Complaint Auditor(s): Coston, Vinson	Interview Number: Interview 8 File Name: Interview Summary 8-TT
Name: Terri Talton Investigator	Date of Interview: 10/16/09 Location: FPSC Office Telephone Number: Teleconference
(1) Purpose of Interview: Discuss the events involving Allegation one of the PSC complaint	
(2) Interview Summary: Terri was the investigator for the 2009 Ethics Complaint against [REDACTED]. Terri is a former police officer, and has worked for Progress in its corporate security division. She was an interim investigator during this period, and is now the administrator for the Ethics unit. The original complaint was an EEOC issue, and Terri was asked to help with this investigation. During her interviews, the Ethics issues came out. Simpson provided the Ethics (Unilift) issue as well as the EEOC issues. Terri interviewed [REDACTED] originally concerning the incident with the trailer. Then interviewed Simpson when the Unilift issue arose. Terri also looked into the previous ethics complaint with [REDACTED]. Terri did not go back and re-evaluate the previous investigation. During Terri's investigation, it appeared that [REDACTED] had a wide responsibility on contracts and bids for about 24 months. As a senior procurement specialist, she was the right person for construction. [REDACTED] would issue the RFPs; she would also receive the bids. For the plant—she would know who came onsite. Oversight of the contractors and responsible for filing. [REDACTED] would know contractor pricing and the pricing paid by PEF. She would update the records anytime a change occurred with contracts. [REDACTED] would have received logged and open bids. Gulf Coast Utilities was a sub for Unilift. [REDACTED] became the GC for Gulf. In the end, PEF convinced Gulf to peruse its own contractor licenses. Terri states that [REDACTED] cooperated with the investigation, but was not forthcoming with information—less than truthful. [REDACTED] did not believe there was a conflict of interest. Puzzled by whole thing—didn't see problem. Terri felt Jeff Hart was truthful—only answered what he was asked—but truthful. Terri never was able to determine if Jeff knew of the former relationship [REDACTED]/Unilift. There was evidence that Hart and [REDACTED] had a social relationship (pictures on wall, out to lunch, etc.) Interviewed Hart twice. Second interview gave Terri a comfort level with Hart. Terri consulted with Suzanne Ennis several times during the investigation. Terri felt that Simpson was extremely creditable during the investigation. Simpson had lots of information, and was forthright. Does not discount that there may have been more to Simpson's [REDACTED] relationship, but that does not discount the credibility of the information she provided. Simpson did disclose to Terri that a previous relationship occurred. Terri states that she never found any information Simpson provided as wrong—regardless of her motive. Terri was not sure if Simpson had ever been investigated by Ethics/HR. The company held a joint briefing with management on the EEOC and Ethics investigations. Terri stated that Simpson was truthful and [REDACTED] was not truthful. Management's decision was termination.	
(3) Conclusions:	
(4) Date Request(s) Generated: No. _____	
(5) Follow-up Required: DR 2 questions—2006 work papers	

Project Manager