

Report of Findings of the Investigation
Regarding Daniel Snyder and the Washington Commanders

July 20, 2023

Debevoise & Plimpton LLP

I. BACKGROUND

A. *The Allegations*

On February 3, 2022, Tiffani Johnston, a former Washington Commanders cheerleader and marketing employee, testified on two topics at a roundtable held by the House Oversight Committee investigating allegations related to the “workplace culture” at the Commanders.¹

(1) Ms. Johnston, who was with the Club until 2008, testified that Daniel Snyder, the owner of the Commanders, surreptitiously placed his hand on her thigh during a work-related dinner at a Washington, D.C. restaurant and pushed her towards the back seat of his limousine after the dinner in an unsuccessful effort to have her ride with him.²

(2) Ms. Johnston also described her understanding, from other former Commanders’ employees, of an alleged incident involving a former senior executive who, at the direction of Mr. Snyder, improperly obtained an unedited photo of Ms. Johnston that inadvertently revealed her “personal areas” in order to look at the photo and share it with Mr. Snyder.

On March 14, 2022, the House Oversight Committee also interviewed, on the record, another former Commanders’ employee, Jason Friedman, who worked for the Commanders from 1996 until 2020.³ Mr. Friedman, in addition to submitting a letter corroborating Ms. Johnston’s allegation that Mr. Snyder physically tried to get her to join him in his car following the work-

¹ See *Oversight Committee Releases Final Report on Investigation into the NFL’s Handling of Washington Commanders’ Hostile Workplace Culture*, HOUSE COMM. ON OVERSIGHT & ACCOUNTABILITY (Dec. 8, 2022), <https://oversightdemocrats.house.gov/news/press-releases/oversight-committee-releases-final-report-on-investigation-into-the-nfl-s>.

² Ms. Johnston became a cheerleader at the Commanders in 2000 and continued in that role until she left the Club voluntarily in 2008. In 2002, after graduating from college with a triple degree in economics, political science and public policy, Ms. Johnston was also hired as a Marketing and Events Coordinator working in the offices at FedExField.

³ Mr. Friedman was the Vice President of Ticket Sales and Service when he was terminated by the Commanders on October 26, 2020. Despite the Club’s recent attacks on Mr. Friedman’s professionalism and workplace conduct, he received a \$600,000 severance package, three times his annual salary at the time.

related dinner, also provided the Committee detailed information about two areas of alleged financial wrongdoing by the Club.

(1) Mr. Friedman asserted that the Commanders, for a number of years, ending in approximately 2015–2016, had repeatedly and deliberately omitted NFL ticket sales revenue from reports that were sent to the League, thus keeping revenue that should have been shared with other clubs under the League Constitution and Bylaws.

(2) Mr. Friedman also alleged that the Commanders, for more than a decade (starting in approximately 2009), retained customers' security deposits provided in connection with leases for multi-year club and suite seats, in deliberate violation of contractual obligations to return security deposits upon expiration of the leases. The Commanders, according to Mr. Friedman, also, at times, failed to report and share with the League the revenues from forfeited security deposits.

According to Mr. Friedman, it was Mitch Gershman, the former Chief Marketing Officer (“CMO”) and Chief Operating Officer (“COO”) of the Commanders reporting directly to Mr. Snyder, who pressed this conduct, and along with senior executives in the Finance Department, including former Chief Financial Officers (“CFOs”), instructed Mr. Friedman and other sales, ticket operations, and finance employees how to allocate and record the revenues from various NFL ticket transactions in order to improperly shield those revenues from NFL sharing obligations. *See* Friedman Test. 102:2514–120:2968, Mar. 14, 2022.⁴

In public statements, Mr. Snyder and the Club have strongly denied all of these allegations. As to Ms. Johnston's allegations of sexual harassment and unwanted sexual

⁴ On April 12, 2022, the House Oversight Committee referred Mr. Friedman's financial allegations to the Federal Trade Commission (“FTC”) for possible investigation as unlawful business practices. It has also been publicly reported that the Virginia Attorney General and the U.S. Attorney's Office for the Eastern District of Virginia are investigating these and other financial issues.

advances, Mr. Snyder stated on February 3, 2022 that the allegations were “outright lies” and further stated: “I unequivocally deny having participated in any such conduct, at any time and with respect to any person.”⁵ Mr. Snyder repeated those denials in a sworn House Oversight Committee interview on July 28, 2022, adding that he did not know or know of Ms. Johnston until she testified in Congress and that he did not have a limousine.⁶ In a June 29, 2023 interview with the Investigators, Mr. Snyder denied Ms. Johnston’s allegations and all allegations of sexual harassment.

As to Jason Friedman’s allegations of financial improprieties, the Club has flatly and repeatedly denied them in public statements. On March 31, 2022: “The team categorically denies any suggestion of financial impropriety of any kind at any time.” And on April 4, 2022: “There has been absolutely no withholding of ticket revenue at any time by the Commanders. Anyone who offered testimony suggesting a withholding of revenue has committed perjury, plain and simple.”⁷ The Club also reasserted its denials in an April 18, 2022 letter to the FTC, accompanied by declarations submitted under penalty of perjury by several former Club executives; neither Mr. Snyder nor any former Commanders’ CFO submitted a declaration. In his June 29th interview with the Investigators, Mr. Snyder denied knowledge of any financial improprieties.

⁵ Nicki Jhabvala, *Statement from Dan Snyder, Via his PR Representative*, TWITTER (Feb. 3, 2022 at 1:22 p.m.), <https://twitter.com/NickiJhabvala/status/1489303233910689792>.

⁶ Snyder Congressional Test. 186:4638, 187:4664, July 28, 2022.

⁷ Liz Clark et al., *Congress Investigating Allegations of Financial Impropriety by Commanders*, WASH. POST (Mar. 31, 2022), <https://www.washingtonpost.com/sports/2022/03/31/washington-football-house-oversight-investigation/>; Liz Clark et al., *Commanders Deny Withholding Revenue. Lawyer Claims Evidence Presented.*, WASH. POST (Apr. 4, 2022), <https://www.washingtonpost.com/sports/2022/04/04/washington-commanders-ticket-revenue-allegations/>.

B. *The Investigation*

On February 18, 2022, the League retained Mary Jo White and Debevoise & Plimpton LLP (the “Investigators”) to conduct an investigation of the allegations made by Ms. Johnston at the Congressional roundtable. After the League learned of Mr. Friedman’s allegations of financial improprieties from media reports,⁸ Ms. White was asked to expand her remit to include a review of those matters. The League made clear at the outset of Ms. White’s investigation that her findings would be made public. This document is the public report of Ms. White’s findings and Ms. White and her investigators are the document’s sole authors.

The Commissioner directed the Commanders and Mr. Snyder to fully cooperate and they publicly agreed to do so. On February 18, 2022, the Club stated their “intent on having a full and fair investigation” of the allegations and committed to “cooperate fully with Ms. White.”⁹ Despite that pledge, Mr. Snyder and the Club failed to cooperate. Mr. Snyder, for nearly a year, refused to be interviewed and, when he did finally agree to an interview, he declared that it would be limited to one hour. In the interview, Mr. Snyder reiterated his denials of Ms. Johnston’s allegations of sexual harassment and purported to have little knowledge or recollection of any substantive information relevant to the financial issues.¹⁰ Similarly, the Club refused, for many months, to search for and produce critical documents necessary to understand

⁸ Liz Clark et al., *Congress Investigating Allegations of Financial Impropriety by Commanders*, WASH. POST (Mar. 31, 2022), <https://www.washingtonpost.com/sports/2022/03/31/washington-football-house-oversight-investigation/>.

⁹ Nicki Jhabvala, *Statement from the Washington Commanders on the NFL’s Appointment of Mary Jo White to Lead its Investigation of Recent Allegations Made Against Dan Snyder*, TWITTER (Feb. 18, 2022), <https://twitter.com/NickiJhabvala/status/1494797335498350592>.

¹⁰ Mr. Snyder described himself as a hands-off CEO on the business side who did not receive or review detailed financial information and did not exert pressure to improve the Club’s financial performance. As discussed below, that description did not comport with the evidence from multiple witnesses obtained during the Investigation.

unexplained transfers involving tens of millions of dollars identified by the Investigation from the Club's financial records appearing to reflect the reclassification of a significant amount of potentially shareable NFL revenues to non-shareable accounts. While the Club produced many other documents, answered some of our questions, and made two requested presentations, the Club claimed that it was too burdensome and expensive to provide the specific accounting records and supporting documentation for these transfers, or to otherwise provide legitimate, documented explanations for them, and that it was inappropriate for the Club to bear the burden of justifying them. With full information, this report may have drawn additional or different conclusions. We are nevertheless confident that the findings are supported by the evidence obtained during the Investigation.

In all, we interviewed 44 witnesses, a number of them several times, and the Club agreed to release all former employees from non-disclosure obligations in order to participate in the Investigation. Where appropriate and necessary to gain the cooperation of witnesses, the Investigators agreed to maintain the confidentiality of the identity of such witnesses. A number of former executives, including the former COO/CMO and CFOs, declined to be interviewed. We also reviewed tens of thousands of documents, including emails, text messages, calendars, and such Club contracts and financial records as were made available to us. We retained the services of an expert forensics accounting firm to assist in reviewing the financial allegations. The Club declined our request to speak with its external auditors.

II. FINDINGS OF THE INVESTIGATION

Tiffani Johnston's Work-Dinner Allegations

- Ms. Johnston's allegation that Mr. Snyder, without Ms. Johnston's consent, put his hand on her thigh under a restaurant table at a work-related dinner is sustained.

- Ms. Johnston’s allegation that Mr. Snyder pushed her towards the back seat of his car in an effort to have her join him after the dinner is sustained.

Tiffani Johnston’s Photograph Allegation

- The Investigation also sustains the allegation that a former senior executive of the Club improperly took and viewed an unedited calendar photograph of Ms. Johnston.
- The evidence was insufficient to show that Mr. Snyder was involved in this incident.

Jason Friedman’s Revenue Sharing Allegations

- Mr. Friedman’s allegations that the Club intentionally shielded and withheld an amount of shareable NFL revenues in violation of NFL policies, including forfeited security deposits, are sustained. Certain former senior executives had knowledge of and directed this conduct.
 - The Investigation specifically identified approximately \$11 million in revenues (including those in the Jason Friedman allegations) that the Club appears to have improperly shielded from sharing, to the extent required by NFL policies.
 - The Investigation also identified additional ticket, parking, license, and other revenues that were transferred from an account that held shareable football-related revenues into non-shareable accounts. The total amount of additional improperly shielded revenues that might have occurred through these transfers could not be determined on the basis of the evidence available to the Investigators.
 - On the evidence available, the Investigation neither found, nor ruled out, that Mr. Snyder directed or personally participated in the improper shielding of revenues from sharing to the extent required by NFL policies. At a minimum, he was aware of certain efforts to minimize revenue sharing, at least some of which were later found to be in violation of the NFL rules. He also set a tone at the top that pressured employees to cut costs and improve the financial performance of the Club.
 - The Investigation did not find that Mr. Snyder was aware of or participated in the failure to share revenues from security deposits to the extent required by NFL policies.

Failure to Cooperate

- Both Mr. Snyder and the Club failed to cooperate, which extended the Investigation and contributed to an inability to determine: (i) the total amount of improperly shielded NFL revenues; and (ii) the extent of Mr. Snyder’s knowledge and participation in the Club’s improper revenue shielding practices.

III. BASIS OF THE INVESTIGATION'S FINDINGS

A. *Tiffani Johnston's Work-Dinner Allegation*

We credit Ms. Johnston's account that Mr. Snyder put his hand on her thigh under the restaurant table (which she removed without comment) and pushed her towards his car after a work-related dinner, and that Ms. Johnston did not consent, in any way, to Mr. Snyder's actions. While we could not determine the precise date of the incident and the identities of all dinner attendees, we sustained Ms. Johnston's allegations. We spoke to Ms. Johnston several times and found her to be highly credible. Her account of the incident was also corroborated by other witnesses and evidence, as summarized below:

(1) Four witnesses recalled that Ms. Johnston told them about this incident very shortly after it occurred, describing it consistently with her Congressional testimony and her account to the Investigators. We also note that these, and other witnesses who knew Ms. Johnston, uniformly described her as honest and professional.

(2) Mr. Gershman, who, as COO and CMO, reported directly to Mr. Snyder, was Ms. Johnston's marketing supervisor. As Ms. Johnston told us: One afternoon, likely in the spring of 2005 or spring of 2006, he invited her to attend a networking event and dinner. Ms. Johnston drove herself to the event, which took place in a hotel in downtown Washington, D.C. After the event, Ms. Johnston attended an after-dinner at the Oceanaire Seafood Room at 1201 F St. NW, which, as we independently verified, is a popular D.C. restaurant frequented by Mr. Snyder and others from the Commanders during the relevant time period. Although not reflected in calendars produced by the Commanders, we find that the dinner occurred there and was attended by Mr. Snyder, Mr. Gershman, Mr. Friedman, Ms. Johnston, a former Commanders' Senior Vice President, and one or two other men Ms. Johnston did not know and whom we have not

identified. Ms. Johnston was the only woman present at the dinner. The group sat in a large, semi-circular booth with Ms. Johnston seated (at Mr. Gershman's direction) between Mr. Snyder and the former Commanders' Senior Vice President.¹¹

(3) As recounted by Ms. Johnston: After dinner, the group left the restaurant and Mr. Snyder had a car with a driver waiting outside for him. Once on the sidewalk, Mr. Snyder invited Ms. Johnston to ride with him in his car, saying he would take her home. She declined, saying she was going to get her own car and drive home. Mr. Snyder persisted and said he would drive Ms. Johnston to her car and put his hand on her lower back and began pushing her towards his car. Ms. Johnston again said no to Mr. Snyder and recalls nervously laughing. As this was occurring, Ms. Johnston looked over her shoulder and made eye contact with Mr. Gershman, who did not say or do anything to help her, making her think that he and Mr. Snyder had orchestrated her presence at the dinner. Then, she heard someone who identified himself as Mr. Snyder's attorney say firmly, in words to the effect: "Dan, Dan this is a bad idea. As your attorney, do not do this." At this point, Ms. Johnston managed to get away from Mr. Snyder and left.¹²

¹¹ Mr. Snyder and the Club have argued that the absence of a calendar reference or other document confirming the time and place of the dinner disproves Ms. Johnston's allegations. The record evidence has proven otherwise. Mr. Snyder's calendars are not a complete record of his whereabouts; some days are completely blank and the calendar the Club produced for 2005 was missing all entries before April 1, 2005. The phrase "TBD" appears on these calendars 449 times over seven years—including 36 times in 2005 and 58 times in 2006. Public reports and photographs also show Mr. Snyder's attendance at events not reflected on his calendars (*e.g.*, a January 8, 2008 press conference announcing Coach Joe Gibbs's retirement; a February 5, 2011 pre-Super Bowl party in Dallas, Texas).

¹² While we have not identified the individual who described himself as Mr. Snyder's attorney, we credit the vividness of Ms. Johnston's recollection of both the stern tone and substance of the remark and do not agree with the Club's argument that the individual could only have been either Norm Chirite or David Donovan—the General Counsels of the Club in 2005 and 2006, respectively—both of whom deny being the attorney at the dinner who intervened. The remark could easily have been made by anyone, including by other attorneys employed by the Club or any one of the attorneys Mr. Snyder retained personally or in connection with his other business ventures. The photo of one such attorney, who declined to be interviewed, "looked familiar" to Ms. Johnston as a possible attendee at the dinner.

(4) Mr. Friedman independently recalls that Mr. Gershman was there that night and witnessing Mr. Snyder attempting to pull Ms. Johnston into his limousine. He witnessed Ms. Johnston spin out of Mr. Snyder's grasp and walk away "smiling in agony."¹³ While some details of Mr. Friedman's recollection of the incident are not entirely consistent with Ms. Johnston's, we regard such differences in recollection of a dated event as normal, expected variations in memory and ultimately adding to both witnesses' credibility.¹⁴ Two of Mr. Snyder's drivers, when asked, did not recall the incident described by Ms. Johnston.

(5) Mr. Gershman declined to be interviewed. While we understand from Club counsel that he may now deny that he was at the dinner, he texted Mr. Friedman on the day of Ms. Johnston's Congressional testimony as follows:

¹³ Ms. Johnston also described Mr. Snyder's car as a black "limousine." When asked if he recalled Commanders' legal counsel stopping him from pulling Ms. Johnston into his limousine, Mr. Snyder told Congress: "No. I don't have a limousine." Snyder Congressional Test. 187:4664, July 28, 2022. Putting aside the non-responsiveness of Mr. Snyder's answer, it is irrelevant whether Mr. Snyder's car was technically a limousine or whether it was black, gray or some other color. We note, however, that multiple witnesses reported that Mr. Snyder always rode in a black car with a driver, which many described as a "limo." Some witnesses recalled Mr. Snyder owning and being driven in a black Maybach, a Mercedes luxury car. Mr. Snyder's calendars are also filled with entries referring to limousine rental services, including in 2006 in Washington, D.C, and a witness recalled Mr. Snyder being driven in black limousines in connection with charity events held in Washington.

¹⁴ Counsel for Mr. Snyder and the Club have argued that, for a variety of reasons, Mr. Friedman is not credible on any subject, all arguments we have considered and ultimately rejected. We found Mr. Friedman to be a credible and careful witness about the allegations regarding both this event and the financial improprieties, which, as detailed below, are corroborated separately by extensive independent evidence and the Club's own admissions to the Investigators.



Mr. Gershman’s “I had no idea” statement in his text message to Mr. Friedman, sent on the day Ms. Johnston testified about “the event in question with Tiffany and the owner,” shows that Mr. Gershman, although he “had no idea” Mr. Snyder had put his hand on Ms. Johnston under the table at the restaurant, was not disputing that the incident occurred as Ms. Johnston testified and that Mr. Gershman assumed he could have been there, as we have now found that he was.

(6) The timing of Ms. Johnston’s public disclosure in February 2022 of this incident involving Mr. Snyder does not diminish her credibility. Ms. Johnston did decline to speak with Beth Wilkinson during the 2020–2021 investigation of the Commanders’ workplace and she did not otherwise come forward earlier to talk publicly about what Mr. Snyder had allegedly done. Ms. Johnston explained that she is married with young children and did not want to risk the publicity, invasion of privacy and potential retaliation by Mr. Snyder. What primarily prompted Ms. Johnston to come forward when she did, despite these risks, was the absence of a public report on the Wilkinson investigation and her belief that Mr. Snyder was not held sufficiently

accountable. We find Ms. Johnston's explanation persuasive and note that victims of sexual harassment frequently do not report what happened to them for many years, if ever.

B. *Tiffani Johnston's Photograph Allegation*

We also find that at least one former senior executive at the Commanders, after being told by supervisors of the cheerleading program that he could not look at it, took an enlarged photograph of Ms. Johnston from a Club cheerleader calendar shoot in which she was wearing lingerie, but which had not yet been edited to fully cover inadvertent exposures. At the time, the employees were engaged in the editing process for the 2006 calendar photos at the Club's corporate offices in a conference room near the former senior executive's and Mr. Snyder's offices. The senior executive came into the room and noticed the post-its the employees had put on the photo where it still required editing. He asked to see the photo and was told no. During the employees' lunch break, the senior executive took the photograph. When the employees returned from lunch and saw the photograph was missing, they immediately went to retrieve it and one of the witnesses recalls seeing the senior executive outside of his office and near Mr. Snyder's office, when the photo was retrieved.

The evidence does not demonstrate that Mr. Snyder saw or directed that this photograph be brought to him. The witnesses do believe that Mr. Snyder was present in his office at that location on that day, with one witness recalling seeing his car parked outside. No witness, however, recalls actually seeing or hearing Mr. Snyder. Mr. Snyder denied to Congress and the Investigators his involvement in the incident and the former senior executive declined to be interviewed. Based on the witnesses' demeanor, credibility, and other evidence, we credit their recollections and Ms. Johnston's understanding of these events from what she was told, but

ultimately find that the evidence was inconclusive as to Mr. Snyder's involvement in the incident.

C. *Jason Friedman's Revenue Sharing Allegations*

Documentary evidence, witness interviews, and Club admissions all corroborated Mr. Friedman's allegations that the Club intentionally shielded and withheld shareable NFL revenues.¹⁵ Primarily because of the Club's failures to cooperate in producing requested relevant documents, as well as the unwillingness of certain former senior executives to be interviewed, we were unable to determine the precise amount of underreported revenues, or the extent of Mr. Snyder's knowledge and involvement in the Club's improper revenue shielding schemes.¹⁶ It is clear, however, that the Club intentionally underreported some amount of shareable revenue and did so in deliberate violation of the League's revenue sharing rules, frequently by improperly classifying NFL revenues as non-shareable revenues from special events, such as concerts, college football games, or soccer games.

The Commanders' history of compliance with the NFL's sharing rules reflects an outlier club asserting very aggressive and highly questionable interpretations of the rules, engaging in multiple violations of the rules, and clearly crossing the line into deliberate evasions of the Club's sharing obligations, including those examples identified to Congress and the Investigators

¹⁵ Article XIX of the NFL Constitution and Bylaws, as amended by NFL Resolution 1987 FC-1 and other League policies, require each member club to report and share revenues from all NFL ticket sales, premium charges for club seat tickets ("Club Seat Premiums") and other premium charges connected to the sale of NFL tickets ("Other Premium Pricing"), which includes "ancillary revenues" from, for example, hospitality tents, parking, tailgate clubs, and proceeds from non-NFL special events tickets that customers were required to take to obtain admission to NFL games. These are all "shareable revenues," and clubs are required to calculate and remit 34% of them to the NFL as the "Visiting Team's Share" (or "VTS") under the League Constitution and NFL policies, absent an approved waiver by membership. The Commanders were granted a waiver from the League of their obligation to share Club Seat Premiums in 1992, covering the 1997–2011 seasons, and in 2013 covering certain limited costs to renovate the stadium.

¹⁶ All former CFOs of the Commanders during the relevant time period refused to be interviewed by the Investigators, as did both the former COO/CMO and former Finance Director, though both submitted declarations to the FTC denying any improprieties in reporting NFL shareable revenues.

by Mr. Friedman. The Club’s efforts to reduce its revenue sharing appear to have become more aggressive after its ticket sales began deteriorating in 2008, and with the Club’s waiver of their obligation to share Club Seat Premiums set to expire at the end of the 2011 season.

Although Mr. Snyder denied it, multiple witnesses informed us that Mr. Snyder pressured employees to improve the Club’s financial performance (“every last dollar” matters) and the evidence shows that, as one way of achieving higher revenues and lower costs, the Club, during the 2009–2015 seasons, wrongfully violated the sharing rules in order to retain greater amounts of shareable revenues through “VTS savings.” As Mr. Friedman described it, the Club “always [had] this goal to create as much non-shareable revenue as possible,” but they “start[ed] cheating to do it.” The evidence also shows the direct involvement of certain former senior executives, including a number of former CFOs, in the Club’s deliberate evasion of its sharing obligations.¹⁷

Knowledgeable former employees from sales, ticketing operations, and finance agreed to be interviewed and acknowledged to the Investigators that Club personnel knew at the time that certain of the Club’s various methods of VTS “shielding”—including falsely classifying revenues as something they were not and reporting falsely lowered ticket prices to the NFL—would be wrong and violated the League’s rules.¹⁸ These witnesses’ recollections were corroborated by contemporaneous emails that reflect recognition of wrongdoing. For example,

¹⁷ Mr. Friedman and a number of other former ticketing and finance employees involved in the process of diverting NFL revenues believed that Mr. Snyder, acting through Mr. Gershman and former CFOs, was overseeing and directing these schemes. None of these witnesses, however, directly interacted with Mr. Snyder.

¹⁸ For example, during the 2014 season, Mr. Friedman was instructed by his superiors to maintain the recording of certain bulk sales of NFL club tickets at \$44 per ticket in the Club’s Archtics software ticketing system. The tickets were actually sold for \$55 per ticket, the price that should have been recorded in Archtics, but was not. In one instance, the price difference between the recorded and the actual amount of sales proceeds was \$162,360, which was recorded as “juice” (extra money for the Club) as non-shareable license fees for the Navy-Notre Dame game, which was not part of the sale. Internal emails show that a former Commanders’ executive directed and approved this false recording and reporting of lowered NFL revenues. Mr. Friedman recalls being directed to improperly reclassify shareable NFL revenues, in this particular manner, approximately a dozen times. Friedman Congressional Test. 105:2591–106:2608, Mar. 14, 2022.

in one 2010 email that the Club produced, a former employee, after agreeing to allocate NFL shareable revenue instead to a college football game, jokingly emailed the CFO: “[i]f the NFL had a jail... we would be in it.” Another former employee, who specifically commented on the absence of support for the transfers of revenues from NFL accounts into special event accounts, told us of their contemporaneous discomfort with the Club’s recording and reporting of NFL revenues, commenting that the overall culture was to “maximize revenue, break the rules if you need to,” and “do as much as you can, but don’t get caught.”

Emails also corroborated what Mr. Friedman described as a “a second set of books,” in which Club employees prepared financial records that compared NFL ticket sale revenues reported to the League to actual revenues from NFL ticket sales. Some of these documents were used to report actual ticket sales to Mr. Snyder on an annual basis and, in one instance, explicitly detailed how shareable revenues were improperly diverted to specified non-shareable special events. Among other purposes, these records enabled the Club to pay full commissions to Mr. Friedman and other Commanders’ employees who had sold the NFL season tickets.¹⁹

Contrary to the Club’s unequivocal public denials of Mr. Friedman’s allegations and its public attacks on his character and credibility, the Club has now acknowledged, as alleged by Mr. Friedman, that employees reclassified NFL revenues to non-shareable accounts, causing the Club to apparently underreport NFL revenues for sharing.²⁰ More specifically, according to Club counsel, the Club failed to report \$1.09 million in shareable revenues (\$0.537 million in

¹⁹ As a former Commanders’ executive told Mr. Friedman in a 2012 email, the diverted revenues from Mr. Friedman’s sales were being separately recorded “so that it does not appear that you’re missing your number.”

²⁰ In August 2022, Club counsel, in a presentation to the Investigators, acknowledged that Mr. Friedman and a “small group of employees” were involved in these violations, which the Club says apparently resulted in shielding over a million dollars of shareable revenues during the 2013-2015 seasons. Notably, this “small group of employees” included some of the most senior executives of the Club, including its former COO and several former CFOs, among others, and the evidence obtained during the Investigation suggests a significantly higher amount of improper shielding over a longer period of time.

VTS) in the 2013–2015 seasons, pursuant to the VTS shielding schemes Mr. Friedman disclosed, as well as revenue that was improperly diverted to a non-shareable parking account.²¹ When we pointed out that the Club’s acknowledgment contradicted its public denials and representations to the FTC, counsel responded that some of the Club’s prior statements to [the government] were “stronger than we would like.”²²

Beyond the \$1.09 million acknowledged by the Club, Commanders’ emails and financial documents we have been able to review also suggest that the Club, during the 2009–2015 seasons, may have improperly shielded from League sharing and forfeiture obligations a potentially significant portion of additional revenues in unexplained and unsupported transactions and accounting entries identified by the Investigators.²³ From 2009 until early 2016, for example, employees’ emails frequently discussed “pushing,” “selling on,” “allocating,” or “mov[ing]” revenue in ways to “shield” or “save” VTS and “maximize [the] bottom line.”

²¹ The Club informed the Investigators that it retained a forensic accounting firm to review records associated with special events accounts from 2013 to present, which found that the Club only withheld \$1.09 million of shareable revenues in non-shareable accounts (the Kenny Chesney concert account and accounts called “RedRev,” standing for “Redskins Revenue,” which was a non-shareable designation in the Club’s Archtics system). We were unable to validate the work and findings of the Club’s forensic accountants because the Club only made available a self-selected portion of the underlying records reviewed, and withheld much of the analysis on the grounds of privilege. From what we could determine, the review appeared to be limited to the post-2013 seasons and undervalued the shareable revenues in the accounts it did review by \$0.19 million. Club counsel asserted privilege and instructed Mr. Snyder not to answer questions about what the Club’s review found.

²² Club counsel recently informed us that they subsequently virtually met with the FTC and corrected any such statements. To our knowledge, however, the Club has not retracted its sweeping public denials and attacks on Mr. Friedman’s credibility.

²³ The Investigation reviewed the specific instances of improper shielding of NFL revenues identified by Mr. Friedman, as well as other uses of non-shareable accounts that may have shielded additional NFL revenues from sharing. Based on the documents made available, the potentially improper revenue booking identified by the Investigators appears to have ceased after the 2015 season. The Investigation did not do a comprehensive review of all NFL revenues that may have been improperly withheld by the Commanders (by other means) before, during, or after the 2009–2015 seasons. Compliance reviews, however, were performed by the NFL Internal Audit (“NFLIA”) for the 2005, 2009, 2012, 2016, 2019, and 2020 seasons.

Specifically, records show that from 2009–2015, the Club made inappropriate and/or unexplained accounting entries or adjustments that reduced shareable revenues held in two ways:

- **Sponsor, Broker, and Customer Misclassifications.** Working with forensic accountants, the Investigation identified, for the 2011–2015 seasons, approximately \$9 million, which appears to have been shielded by misclassifying shareable revenues held in accounts related to certain large sales to sponsors and brokers and customers (the “Sponsor, Broker and Customer Misclassifications”). A significant portion, approximately \$7 million, comprises revenues derived from NFL tickets sold or bartered with sponsors at falsely undervalued prices or revenues from amenities connected to NFL games that were diverted to special events. Contemporaneous emails discussing these revenues indicated a clear intent to falsify revenue records in order to avoid sharing. For example, July 2010 communications reveal that the Commanders determined that a “less obvious” way to “avoid the VTS implications” on an NFL hospitality tent sold to a sponsor was to redirect the revenue (\$17,773) to hospitality tents for a Virginia Tech college game, even though “the deal does not reference VT” and they “wont [sic] ship the tickets to them.” When an employee asked if it was “kosher” to “just redirect[] the revenue to a nonshareable [sic] dept,” a senior executive, replied “its [sic] fine.” Other Sponsor, Broker, and Customer Misclassifications appear to have involved: (i) selling NFL tickets through brokers or on internet ticket sales platforms and then classifying the resulting revenue as special event revenue; (ii) reclassifying revenue from NFL tickets as non-shareable revenue in hospitality accounts (for special events); and (iii) recording forfeited security deposits on NFL season tickets, as “miscellaneous income.”²⁴

- **Deferred Income Transfers.** Given the acknowledged use of special events accounts to improperly shield NFL revenues from sharing, a forensic accounting review was performed on certain transfers of revenues from NFL-related accounts to special event accounts. This review identified that, for the 2009–2015 seasons, an additional \$44.49 million of ticket, parking, license and other revenues originally recorded by the Club in an account that was identified as holding NFL-related revenues appears to have been transferred to non-shareable special events accounts (the “Deferred Income Transfers”). The Club recently provided information showing that the Club’s accounting practices involved commingling shareable football-related and non-shareable special event revenues in the original account. Despite this, because of the absence of available accounting documentation to support the appropriateness of the vast majority of these transfers and the inconsistencies and apparent weaknesses in the Club’s historical accounting practices, the Investigation could not conclude how much of the Deferred Income Transfers represent legitimate non-shareable revenues or reflected improper revenue shielding practices, including those identified in the Sponsor, Broker, and Customer Misclassifications.

In order to determine whether, in fact, the Deferred Income Transfers included unreported shareable revenues, we identified for the Club the specific general ledger journal

²⁴ These categories of potentially misclassified revenues occurred in the following seasons: 2011 (\$0.33 million); 2012 (\$3.00 million); 2013 (\$1.79 million); 2014 (\$1.88 million); 2015 (\$2.03 million).

entries reflecting these transfers and repeatedly asked for the underlying contracts, accounts receivable subledgers and other supporting documentation, as well as for an explanation for the transfers.²⁵ The Club has not produced sufficient documents underlying these transactions to demonstrate that the transfers did not include shareable revenues.²⁶

After a long period of not responding, the Club has recently produced documents and offered various arguments for why the transfers and transactions did not include shareable revenue. We have carefully analyzed the documents the Club provided, and, although they did indicate that the Club's accounting practices involved commingling shareable and non-shareable revenues in certain accounts, they did not resolve the open issues and questions around the Deferred Income Transfers that would allow the Investigation to determine the extent to which the Deferred Income Transfers included additional shareable revenues that were improperly reclassified into non-shareable accounts.²⁷

²⁵ As one of their reasons for not providing explanations, the Commanders asserted that they could not interview former knowledgeable employees, as the NFL directed them not to interfere with this Investigation. It is clear, however, that Club counsel had access to such witnesses (and/or their counsel) in connection with their submissions to the FTC, Congress, and the presentations made to the Investigators. Recently, the League also made clear that the Club could speak to witnesses whom they identified about the financial allegations, but they all reportedly declined.

²⁶ It is also not the case, as the Club has argued, that NFLIA reviewed, let alone approved, the Club's adjustments to NFL accounts to transfer revenues to non-shareable events. NFLIA does not conduct an audit of the Club's records, but rather performs compliance reviews pursuant to limited procedures, which do not provide for an audit of the bona fides of accounting adjustments made on the books and records of a club. Further, the Club's recent argument that these Deferred Income Transfers substantially reflected "standalone" sales of special events tickets is reminiscent of an unsuccessful effort made by the Club to defend against an NFLIA finding in its 2007 compliance review of the 2005 season that the Club owed an additional \$0.58 million in VTS revenues resulting from ancillary amenities. Ultimately, because it could "not isolate" only standalone transactions from its "existing records," the Club paid the full amount of the claim.

²⁷ For example, the evidence obtained in the Investigation shows that the Club improperly transferred \$858,000 in shareable revenues (translating to approximately \$291,000 of VTS sharing) from football-related revenues to special events for tickets provided as "free" "incentives" to season ticket renewal purchasers in 2012. Not only do Club documents show the amount being calculated based on allocating football revenues to these "free" or "complimentary" tickets, but other documents indicate that Club employees expressly described the amount as VTS sharing savings and reconciled the transfer in financial summaries prepared for meetings with, discussed with, or shown to Mr. Snyder. Although the Deferred Income Transfers might also include a potentially significant amount of legitimately non-shareable revenues from standalone sales of special events tickets, the Club's apparent lack of accounting records or consistent accounting practices, combined with the

Other evidence discovered during the Investigation supports the finding that the Commanders intentionally misclassified or reclassified some potentially significant amount of season ticket and other shareable revenue to evade their NFL sharing obligations. This evidence has none of the hallmarks of routine, good faith differences about reasonable interpretations of NFL sharing rules, but rather reflects clear indicia of deliberate and knowing efforts to evade the Commanders' sharing obligations. For instance, a knowledgeable former employee informed us there was "always a push" to reclassify NFL revenue as special events revenue without any meaningful backup. Employees knew this was not right, we were told, but senior executives seemed to excuse the Club's deliberately underreported revenue to the League because "it's the NFL" and not the government.

Club documents also demonstrated that special event and football-related revenues reported to the League were different than what was reported to Mr. Snyder.²⁸ One former employee believed that the Club's records were "lies." Emails produced by the Club also reflect, and Club counsel has acknowledged, that former employees, including a former CFO, approved of altering underlying records to present, in the words of Club counsel, "not entirely accurate" information to the Club's external auditors in June 2016, where the unaltered record would have exposed that shareable NFL ticket revenue was recorded as non-shareable parking revenue in the

evidence of intentional misclassification of shareable revenues and other schemes to improperly minimize sharing revenue using similar inappropriate accounting adjustments, strongly suggests that at least some potentially significant portion of the Deferred Income Transfers could involve misclassifications of shareable revenues. The Club's inability to provide adequate documentation, and the unwillingness of former senior Club executives to be interviewed, prevented the Investigation from determining the amount of any such improper revenue shielding.

²⁸ For example, Club employees exchanged periodic "Executive Updates" that appear to have been used to present financial information to Mr. Snyder (some files were titled "Agenda DMS"). These updates listed revenue "upside[s]" including, "Special Event VTS Savings," "VTS Savings," "Reclassified License Fees," and "Revenue Stealing." Of course, under NFL rules, VTS sharing obligations for special events do not apply at all to revenues for standalone sales of special event tickets and any "savings" achieved through the misclassification of NFL revenues as special events revenues would be improper.

2015 season. The Investigators requested to speak to the Club’s outside auditors, but the Club refused.

Accordingly, drawing all reasonable inferences from the evidence available to us and the Club’s failure to provide credible explanations or basic supporting detail for the vast majority of financial entries on these items, we find that approximately \$11 million in NFL revenues appears to have been improperly shielded and some significant portion of the approximately \$44 million of Deferred Income Transfers may also represent shareable revenue received by the Club during the 2009–2015 seasons that was improperly shielded from sharing to the extent required by League policies.

We also find that Mr. Snyder, known for his hands-on management and close monitoring of the Club’s finances, was aware of and supportive of the Club’s efforts to minimize its revenue sharing obligations. While Mr. Snyder, in his June 29, 2023 interview, denied any knowledge of financial improprieties, Mr. Snyder personally engaged in the Club’s efforts to minimize its VTS obligations, including through discussion of strategies (at least some of which were in clear violation of the rules), with witnesses describing his goal in shielding NFL revenues from sharing, and otherwise, as “profit, profit” and “always going to get every last dollar.”²⁹

Mr. Snyder, at a minimum, set a tone at the top that led to and encouraged the Club’s various schemes to shield NFL revenues from sharing. He acknowledged in his interview that he, as CEO and owner, would be responsible for any misconduct by the Club. Without further evidence, including what could be learned from interviews of those who directly interacted with

²⁹ In July 2010, for example, emails indicate that Mr. Snyder and his finance executives discussed a proposed “Revenue Sharing Project” deck identifying additional avenues to effect VTS savings. At the request of the Investigators, the League staff reviewed the deck and reported that all but one of the strategies proposed appeared to be in clear violation of the sharing rules. Mr. Snyder does not recall seeing or discussing this deck and said that he does not have knowledge of specific VTS sharing rules. A number of the proposed strategies in the deck discussed with Mr. Snyder were implemented, and at least some were caught by NFLIA in later compliance reviews.

Mr. Snyder on these issues, however, we cannot determine the extent of Mr. Snyder’s personal knowledge of or participation in the Club’s deliberate evasion of its VTS sharing obligations.³⁰ We thus do not find (nor rule out), on the evidence available to us, that Mr. Snyder personally directed or participated in any of the schemes that have been identified.³¹

D. *Jason Friedman’s Security Deposit Allegations*

The evidence also corroborates Mr. Friedman’s allegations that the Club, while owned by Mr. Snyder, failed, for at least a decade, to timely return all security deposits when owed to club or suite season ticket holders or to timely remit unclaimed security deposits to the states under state escheatment laws. This appears to be an ongoing issue for the Club, which acknowledged to us that, as of July 17, 2023, it still held \$1.9 million in security deposits related to inactive accounts. We understand from Club counsel that external auditors are aware of the issue and that the Club is addressing it. Mr. Snyder denied involvement in the security deposit issues and that he ever said to Mr. Gershman that he “wanted to keep the money [security deposits].” As evidence of his non-participation, Mr. Snyder referred to an email, dated March 26, 2014, reflecting that when the Virginia authorities were investigating the issue, Mr. Snyder directed the return of all security deposits to ticketholders.

Our review specifically addressed the allegation that not all revenues resulting from forfeited security deposits were shared to the extent required by League rules.³² From the

³⁰ Mr. Snyder did not use email during the relevant time period and thus there are no electronic records of conversations he may have had with the employees who directly reported to him.

³¹ We note, in support of Mr. Snyder’s denials of knowledge and participation, that the large unexplained transfers of revenues from NFL shareable accounts to special events ended in 2015–2016, which coincided with Mr. Gershman’s leaving the Club. Another witness proposed by the Club, who serves as Mr. Snyder’s personal CFO, claimed that he was present in briefings for Mr. Snyder beginning in 2012 and said he does not recall the subject of VTS or VTS shielding coming up.

³² We did not address the breach of contract issues as those are the subject of two recent non-admission settlements with the D.C. and Maryland Attorneys General, which addressed the interests of ticketholders.

evidence available to us, we are unable to determine the total amount of unreported shareable NFL revenues resulting from the Club's taking into income some portion of the security deposits. We do not, however, recommend further work. The amounts of unreported shareable football ticket revenue related to security deposits are, at most, relatively modest and at least some of which has already been identified by NFLIA and paid by the Club in additional VTS. The Club was assessed and paid \$0.20 million additional VTS by NFLIA in connection with security deposits following compliance reviews in 2007 and 2011 and the issue did not reappear in subsequent reviews. And, even if the Commanders did not share any revenue from security deposits taken into Club income from 1999 to present, the League would have been deprived of approximately \$1.68 million in VTS spread over 20 years.

E. *The Failure to Cooperate with the Investigation*

As discussed, the Commanders and Mr. Snyder failed to cooperate with the Investigation despite their public commitments to do so and a late effort to persuade the Investigators to reach different conclusions.³³ At every turn, the Club and Mr. Snyder have complained about the burden and cost of searching for and producing materials responsive to our requests and the Club

Nicki Jhabvala et al., *Commanders Fined \$250K, Must Refund Ticket Deposits in Settlement with Md. AG*, WASH. POST (Nov. 18, 2022), <https://www.washingtonpost.com/sports/2022/11/18/maryland-ag-settles-with-commanders-over-ticket-deposit-refunds/>; Nicki Jhabvala & Mark Maske, *Commanders to Pay \$425,000 Fine, Refund Deposits in Settlement with D.C. AG*, WASH. POST (Apr. 10, 2023), <https://www.washingtonpost.com/sports/2023/04/10/washington-commanders-settlement-dc-ticket-deposits/>.

³³ As part of this effort, on June 9, 2023, the Club proposed 27 witnesses that it suggested might have information relevant to our work. When we discussed these individuals with Club counsel, it became clear that: (1) many of these witnesses would not have pertinent information (for example, a Snyder family tutor); (2) a large number were proposed as witnesses who could speak to Mr. Snyder's character; and (3) Club counsel had not confirmed that any of the witnesses would actually speak to the Investigators. When we informed Club counsel that we had not been charged with investigating Mr. Snyder's general character and did not intend to make a finding on that issue, Club counsel said that they did not wish to open up the issue of Mr. Snyder's general character, the only issue on which the vast majority of these witnesses might speak. In addition, some of the individuals on the list had already declined to be interviewed by the Investigators. After further discussions with Club counsel, we interviewed three additional individuals they identified, one of whom was proposed as a character witness for Mr. Snyder. While this witness spoke extensively regarding Mr. Snyder's financial generosity, he did not provide specific information about Mr. Snyder's character as it related to the matters under investigation.

unilaterally decided what documents they would produce and did not ultimately produce the requested documents most critical to determining the bona fides of the vast majority of the transfers and transactions identified by the Investigation as potential efforts by the Club to improperly shield VTS revenues. The Club also declined our request to speak to its external auditors. This conduct by the Club significantly delayed and impeded the Investigation. Evidencing his individual failure to cooperate, Mr. Snyder engaged in months of scheduling, cancelling, and rescheduling of his interview. Ultimately, his interview, agreed to at the last minute, did not alter our substantive findings or the finding that he and the Club failed to cooperate with the Investigation.

CONCLUSION

After extensive investigation, we have sustained both Tiffani Johnston's allegation of sexual harassment by Mr. Snyder and Jason Friedman's allegation of deliberate underreporting of NFL revenues by the Club to avoid its VTS sharing obligations. We found that the evidence was insufficient to demonstrate Mr. Snyder's involvement in the calendar photo incident or in the security deposit issues, and was inconclusive as to his personal participation in the Club's improper shielding of VTS revenues. In the course of the Investigation, we also identified a variety of transactions and accounting entries, left unexplained by the Club, which raised a number of issues as to whether a significant portion of the revenues recorded were NFL-related revenues improperly shielded from VTS sharing.