

FORMER FBI DIRECTOR FREEH RELEASES INVESTIGATIVE REPORT ON PAPA JOHN'S FOUNDER

Inaccurate reporting created false narratives about John Schnatter's comments on NFL and race

WILMINGTON, Del., Dec. 8, 2020 /PRNewswire/ -- Following a thorough, year-long investigation of two incidents in 2017 and 2018 involving John Schnatter, the founder of Papa John's International, former FBI Director and former federal judge Louis J. Freeh, a third-party expert, issued a report today. The investigation used techniques similar to those used by the FBI in conducting background investigations and included hundreds of hours of research and interviews with Mr. Schnatter and his former colleagues, as well as prominent African American leaders, businessmen, and other witnesses.

The report concluded that Mr. Schnatter was subjected to damaging and baseless misreporting by some news media that falsely claimed he spoke out against protesting NFL players in 2017, and failed to provide readers with any context of the actual circumstances and intent behind statements Mr. Schnatter made during a diversity training session in 2018.

The investigation addressed comments Mr. Schnatter made about the NFL in an earnings call in 2017, and determined that Mr. Schnatter was "falsely construed as critici[zing] the players' protests" in print and social media, when in fact he was describing "a lack of leadership in failing to resolve the matter to both the players' and owners' satisfaction." The report goes on to say that "Any attempt by some media to characterize Mr. Schnatter's comments as attacking NFL players or the bias for their protest was factually incorrect."

The 2018 training session was the primary focus of the investigation, and Judge Freeh concluded that Mr. Schnatter "stress[ed] his disdain for racism" in the meeting and "at no time... express[ed] any beliefs that could be described as bigoted or intolerant." Although Mr. Schnatter "quoted a third party's alleged use of the n-word" in order to separate himself from another company founder regarding attitudes on race, he did not "use the word as a racial slur nor was it directed at any person or group." Mr. Schnatter was instead making a point to affirm his opposition to racism and frustration with his attitude towards race being misconstrued by some news media following his 2017 remarks about the NFL.

Unfortunately, media reporting on the 2018 comments took his statements "wildly...out of context" and advanced a false narrative by disregarding that Mr. Schnatter made the reference as a commentary against racism and by excluding his immediately following comment that he "never used the word."

"The news media falsely and repeatedly reported allegations of racial bias involving John Schnatter, ignoring and failing to report critical exculpatory facts relating to both incidents," said Judge Freeh. "Our investigation determined that Mr. Schnatter was quoting someone else's use of the word to emphasize that he felt a double standard had been applied against him," he concluded.

Papa John's failed to protect their founder when he became the victim of this misleading reporting – even issuing a poorly worded press statement which further heightened the misreporting. This further damaged the company, the franchisees, the employees, and Mr. Schnatter.

"The disparity between [Mr. Schnatter's] comments" and media reporting, Freeh says, "make it clear that [he] has been unfairly treated, with his good reputation for treating everyone without prejudice unjustly challenged."

Freeh goes on to note that the witness interviews and testimonies "confirm the only reasonable conclusion which a fair person can make...that [Mr. Schnatter] did not intend or harbor any racial bias or prejudice against anyone."

The prominent African American leaders and businessmen interviewed for the report include: Rev. Dr. Sam Tolbert, president of the National Baptist Convention of America; Rev. Dr. Kevin Cosby, president of Simmons College, an HBCU in Louisville, Kentucky; noted civil rights leader Rev. Dr. Charles Elliott, Jr., who marched with Dr. Martin Luther King, Jr. and knew Mr. Schnatter's father as a man who was "courageous" in his kind treatment of African Americans "in the 1950's during a time of heightened racial tension and segregation;" and Simon Smith, former vice president for North American Franchise Operations at Papa John's International, who worked with Mr. Schnatter for more than a dozen years.

Witnesses interviewed for the report affirmed that Mr. Schnatter "never expressed any racial bias, prejudice, or discrimination," and "always appreciated people regardless of their race or ethnicity." They praised Mr. Schnatter's character, integrity, humility, and leadership, noting that "he enjoys a universal reputation for treating African Americans and people of color with respect, care, and generosity."

This reputation was enthusiastically confirmed by Simon Smith, formerly one of Papa John's top African American executives, who described his former Chairman and CEO as "one of the most compassionate and caring persons I have ever met." Smith added, "'It blows my mind' that anyone would say [Mr. Schnatter made] a racist remark."

To view the full report on John Schnatter by former FBI Director, Louis J. Freeh, and to view video testimonials from report witnesses, click here: <https://papajohnschnatter.report/>

REPORT SUMMARY

The investigation by Judge Freeh found that the full transcript of the quarterly earnings call on November 1, 2017 makes it clear that Mr. Schnatter actually criticized the NFL leadership, not the players.

Similarly, the claim, originally made in *Forbes* on July 11, 2018, that Mr. Schnatter intentionally 'used a racial slur' in a 2018 meeting, is completely misleading when the comment is read in its proper and true context.

Any fair reading of the May 22, 2018 full transcript makes it clear that in the diversity training meeting with *Laundry Service*, the Papa John's International creative ad firm at the time, Mr. Schnatter "expressed his rejection of any (racist) behavior" and "stress(ed) his disdain for racism," and "quoted the word to point out a double standard that he thought was being applied to him." He was attempting to contrast media treatment of him versus a third party based on that person's alleged use of the "nword."

The Laundry Service meeting had been secretly recorded by a disgruntled service provider to Papa John's and was used to create a false narrative about Mr. Schnatter's character. Unfortunately, a stream

of media attacks took Mr. Schnatter's May 22, 2018 comments out of context and falsely labeled him as having racial bias.

The African American leaders who provided testimony for the report all read Mr. Schnatter's statement in its entirety and agreed that the context of his speech clearly showed he did not intend to use a racial slur. The report also notes in comparison that under similar circumstances, [New York Governor Andrew Cuomo had received the full support of leaders](#) across his state and beyond when he referenced the "nword" on a live radio broadcast. Media reports broadcast that state leaders, though not condoning it, understood the context in which Governor Cuomo referenced the word.

In contrast, Papa John's International did not "counter the public relations 'feeding frenzy' which produced the false narrative" about Mr. Schnatter following the 2017 earnings call. This failure to "protect the Papa John's brand" and its founder "was either a significant public relations misstep, or some other motivated inaction."

In 2018, the company arguably fueled a false narrative that began in the media both through their actions and inactions following the publishing of the *Forbes* article. Even more damaging was "a poorly drafted statement recommended by Company representatives" which was attributed to Mr. Schnatter and released to the media. The statement failed to "convey the context of the conference call," effectively allowing his comments to be "equated...to racism."

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