



**PROPOSAL OF AFFILIATED MONITORS, INC.
IN RESPONSE TO THE REQUEST FOR APPLICATIONS TO SERVE AS
THE INDEPENDENT COMPLIANCE AUDITOR FOR HERBALIFE**

INTRODUCTION

Affiliated Monitors, Inc. submits this Application for consideration to serve as the Independent Compliance Auditor for Herbalife as detailed in the Stipulated Order for Permanent Injunction and Monetary Judgment in the United States Central District of California, Case No. 2:16-cv-0 (“the Order”).

We have reviewed the Order and understand that an Independent Compliance Auditor (“ICA”) will assess certain reforms, controls and auditing processes related to Herbalife’s interactions with its participants and customers. The ICA’s oversight includes, but is not limited to, Herbalife’s calculation of sales revenue, commissions and product consumption; its policies and practices related to sales refunds; and its communication about benefits of participation in its marketing program.

Affiliated Monitors has the necessary independence, monitoring and auditing experience, and qualified team members to fulfill the requirements of the ICA and to achieve a successful outcome for all parties.

GENERAL BACKGROUND INFORMATION

Affiliated Monitors, Inc. was founded in 2004 to meet the needs of regulated industries and their oversight agencies. The company founders recognized that government agencies expect regulated businesses to operate within federal and state laws, and abide by professional ethical standards, but often have limited ability to monitor compliance. Affiliated Monitors, Inc. fills that gap by providing independent integrity monitoring, compliance/best practice programs, auditing, assessments, and other services across a wide range of regulated industries. The company has provided independent monitoring on behalf of both federal and state agencies, including:

- the Federal Communications Commission;
- the U.S. Office of the Inspector General for Health and Human Services;
- the Federal Highway Administration;
- the U.S. Department of Justice;
- the U.S. Department of Labor;
- state Attorneys General;
- the Federal Railroad Administration;
- the U.S. Customs and Border Patrol Agency;
- the U.S. Army Corps of Engineers;
- the U.S. Air Force;
- the U.S. Navy;
- state licensing agencies and other oversight authorities.

Monitoring engagements have involved industries as diverse as public construction, telecommunications, energy, government consulting, retail sales, pharmaceutical, healthcare, manufacturing, higher education, financial services, and public utilities.

The individual team members Affiliated Monitors proposes for this matter have significant experience as government and private practice attorneys, government auditors, federal Inspectors General, project managers, and data analytics experts, as well as in other roles we believe will inform and enhance our oversight activities. In this independent compliance engagement, as in all others we have undertaken, Affiliated Monitors would leverage additional experts in areas in which we might lack specific subject matter expertise.

There have been a variety of titles for Affiliated Monitors' oversight assignments, including Independent Compliance Officer, Independent Monitor, Auditor, Special Auditor, Special Ombudsmen, Integrity Monitor, and Ethics and Compliance Expert. Despite the various titles, our role has been consistent: to independently and objectively assess the compliance activities of a regulated business, and report our findings and recommendations to a government agency. One distinguishing characteristic of Affiliated Monitors is that monitoring is our business; it is not a sideline to legal or consulting services. We are confident that the experience we have gained over the course of more than 400 independent compliance engagements will serve both the Federal Trade Commission and Herbalife well.

A. EXECUTIVE SUMMARY

Affiliated Monitors, Inc. understands that the Independent Compliance Auditor in this matter is responsible for assessing and reporting on implementation of reforms in Herbalife's U.S. business. Broadly, those reforms involve tracking of retail sales; distinguishing between Business Opportunity Participants and Preferred Customers; observing limitations on compensation based on consumption of products by Business Opportunity Participants; calculating and paying multi-level compensation; and meeting certain training requirements.

Affiliated Monitors Team Leadership, including Donald Stern and Eric Feldman, would launch the independent compliance engagement by meeting with Herbalife's Compliance Team/Senior Leadership, as well as with the FTC staff assigned to this matter. If it is practical and acceptable to the FTC and Herbalife, Affiliated Monitors would arrange for a joint meeting to give the respective teams an opportunity to introduce their key people, explain their approach to their responsibilities, describe any steps they have initiated, and articulate their goals. It is possible that, even at a very early stage, there may be areas of confusion or disagreement, and Affiliated Monitors will strive to set a tone of transparency and cooperation.

Based on the Order and any information gleaned from the early meetings, Affiliated Monitors would draft a Work Plan. We would ask the FTC and Herbalife for input on the Work Plan, aiming to build consensus about the specifics of the monitoring process. If we identify a need for

specialists (e.g., a retail sales analyst or a programming expert), we will propose appropriate individuals to assist the Affiliated Monitors team. We are willing to make the addition of our team members subject to the approval of both the FTC and Herbalife.

The next several months of the independent compliance engagement would be dedicated to requesting, collecting, digesting, sorting and analyzing information from and about Herbalife. Our Los Angeles staff will work closely with Herbalife counterparts to make the sharing of information effective without being unduly burdensome. The result of this “deep dive” would be a baseline assessment of the company’s current processes, compliance initiatives, and overall plan for meeting the terms of the Order. We expect this phase will reveal strengths and weaknesses in Herbalife’s current and planned data-collection and reporting systems, and point to whether and how Affiliated Monitors can use Herbalife’s existing or planned business processes to track the company’s compliance with the Order.

In the period before the first semi-annual report is submitted, Affiliated Monitors will work with the FTC and Herbalife to determine what the measure of each requirement will be. The measures may evolve over time, as all parties become more knowledgeable and their respective data-collection and data-analysis systems become more sophisticated.

All Affiliated Monitors’ reports to the FTC will indicate whether and how Herbalife is complying with each requirement set forth in the Order. We will assess the effectiveness of reforms that have been implemented, and describe the company’s plans for further improvements. We will comment on the level of cooperation we receive, and whether the current and planned changes appear to be structured in such a way as to promote transparency and long-term compliance.

At every stage of the independent compliance engagement, Affiliated Monitors will maintain close communication with the FTC and Herbalife. In our experience, regular communication helps the parties to surface and resolve issues before they become problems.

B and C. PERSONNEL AND QUALIFICATIONS

Affiliated Monitors proposes to staff a Core Team that will provide the basic auditing services required of the ICA, with a program manager to coordinate the overall independent compliance engagement. In addition, we propose to augment those services with a focused team of experienced forensic auditors, accountants, and data analysis specialists; any subcontractors would be used on an as-needed basis.

The resumes of the proposed Core Team members are included as Attachment A. In addition to these staff, AMI proposes to hire an experienced, dedicated Project Manager with deep experience in independent audits and assessments of this type who is physically located in Los Angeles. If selected, we will provide this additional biography to the FTC and Herbalife.

Brief biographies of the other proposed Core Team members are included below.

Donald K. Stern is the Managing Director of Corporate Monitoring & Consulting Services for Affiliated Monitors. Mr. Stern is the former U.S. Attorney for the District of Massachusetts (1993-2001), former chair of the U.S. Attorney General's Advisory Committee (1996-1998), and former advisor to President Barack Obama's Justice Department Transition Team. He currently co-chairs the American Bar Association/ DOJ White Collar Liaison Committee, and is previous President of the National Association of Former U.S. Attorneys. He served as liaison to the American Bar Association Task Force on Corporate Monitors. In state government, Mr. Stern served as the chief legal counsel to Massachusetts Governor Michael Dukakis (1987-1990) and as Massachusetts Assistant Attorney General (1975-1982). In private practice, Mr. Stern has been a partner at three large law firms, Cooley; Bingham McCutchen; and Hale and Dorr (now WilmerHale), where he focused on internal investigations, white collar defense and business litigation. Mr. Stern leads the Affiliated Monitors' team as the Independent Compliance Officer under the Federal Communications' Order approving the merger between AT&T and DirecTV. He would lead the Herbalife ICA team from the Boston Office and serve as senior liaison to the FTC.

Eric Feldman is the Senior Vice President and Managing Director, Corporate Ethics and Compliance Programs for Affiliated Monitors, Inc. He has more than 32 years of experience in government contract oversight and auditing, having served in executive positions with Offices of Inspector General at the Department of Defense, Central Intelligence Agency, Defense Intelligence Agency, and the National Reconnaissance Office (NRO). As the NRO Inspector General for 6 years, he managed the Agency's staff of independent financial and program auditors. He also conducted in-depth assessments of corporate ethics and compliance programs at more than 40 government contractors in the aerospace and defense industries. These assessments involved reviews of corporate codes of conduct; development or enhancement of ethics training approaches; analyses of corporate compensation incentives; improvement of corporate communications techniques; and discussions/briefings with company executives and boards of directors.

A former Senior Intelligence Service Officer, Mr. Feldman is a 1995 graduate of the Federal Executive Institute, and is both a Certified Fraud Examiner (CFE) and Certified Inspector General (CIG). He is a member of the Executive Committee of the Board of Directors of the Association of Inspectors General. Mr. Feldman is physically located in Los Angeles, and would serve as the senior liaison to Herbalife's executive management team.

Vincent L. DiCianni is a founder, as well as the President, of Affiliated Monitors. Mr. DiCianni formerly served as Massachusetts Assistant Attorney General before commencing a career as a litigator in the private practice of law. In creating Affiliated Monitors, Mr. DiCianni recognized the opportunity for the private sector to assist the government in tracking compliance with regulations, professional and ethical standards. Mr. DiCianni has served as lead monitor in domestic and international cases involving, among other issues, Foreign Corrupt Practices Act and ethical violations, co-mingling of public and private funds, money laundering, and alleged health care fraud. He has worked closely with clients to establish, test, and refine internal audit functions, and to align corporate incentives with outcomes that meet or exceed regulatory standards.

Catherine Keyes is Vice President of Operations for Affiliated Monitors, Inc. An attorney by training, Ms. Keyes formerly served as Deputy Registrar for the Massachusetts Registry of Motor

Vehicles during the implementation and roll-out of its computerized facial recognition processes. She was Executive Director of six licensing boards for the Massachusetts Division of Professional Licensure and is well-versed in administrative law. During her eight years with Affiliated Monitors, Ms. Keyes has written hundreds of deadline-driven reports involving data analysis and interpretation. For example, her recent monitoring of two hospital conversions from non-profit to for-profit status in Rhode Island has required line-item tracking of more than \$7.5M of dollars in healthcare system expenditures, and in-depth reporting to the RI Office of the Attorney General. In another matter, the former Financial Aid Director of Merrimack College pleaded guilty to mail and wire fraud. The college agreed to make restitution to approximately 1,100 affected individuals, and retained Affiliated Monitors to oversee the payments. Ms. Keyes managed the operational and communication aspects of that independent engagement, and Affiliated Monitors completed the distribution of funds within a 10-month window.

Steve Nemmers, PhD, is Director of Monitoring Operations for Affiliated Monitors, Inc. with three decades of experience dealing with regulatory organizations and healthcare professionals. Dr. Nemmers spent 12 years with the Massachusetts Division of Professional Licensure where, as Deputy Director, he oversaw 35 Boards of Registration. His work included establishment of licensure oversight for several new boards; the State Racing Commission was brought under Professional Licensure during his tenure, for example, and it comprised four racing locations, a clinical laboratory, as well as all inspection and veterinary personnel. Dr. Nemmers previously served as Commander and CEO of a tertiary-level Air Force hospital, clinic, and public health organization with a staff of 1,000 and catchment-area population of 150,000. During his 30-year military career, he was a dual-rated aviator, aviation safety officer, local test navigator and test pilot, as well as a practicing provider, facility inspector, and director of family violence services for a population of 400,000. Dr. Nemmers has conducted independent monitoring in fields such as healthcare, energy and government contracting.

Jason Watkins is the Executive Director of Corporate Monitoring and Consulting Services for Affiliated Monitors, Inc. Mr. Watkins is an attorney with significant trial experience, particularly with large-volume document discovery projects. He currently manages the Affiliated Monitors team overseeing AT&T's compliance with FCC conditions pertaining to the AT&T/DirecTV merger. Before joining Affiliated Monitors, he was the principal for corporate governance initiatives at a boutique consulting firm, where he worked closely with board directors at some of America's biggest companies in addressing topics such as compliance, risk management, strategy, and financial reporting. Mr. Watkins also served in the U.S. Navy for four years, including a deployment to the Persian Gulf as gunnery and missiles officer on a guided missile destroyer. Mr. Watkins is a graduate of Harvard College and Harvard Law School.

Lois Keithly, PhD is a Compliance Analyst for Affiliated Monitors, Inc. As a psychologist (PhD) with both a Master of Science degree in Management Information Systems (MIS) and a Master of Business Administration (MBA), Dr. Keithly's work focuses on managing and analyzing data sets. In the previous decade, Dr. Keithly distinguished herself as a local and national expert in tobacco cessation and prevention programs; she authored/co-authored ten papers published on the subject and presented the landmark work of Massachusetts' public health teams to national audiences. In her role as Director of Surveillance and Evaluation for the Massachusetts

Department of Public Health, Dr. Keithly coordinated collection of surveillance data related to tobacco use, forming the basis for the calculation of tobacco tax revenue and the healthcare cost savings associated with tobacco cessation policies. Dr. Keithly also revised the sampling methodology for the state's report to the U.S. Department of Health and Human Services on illegal tobacco sales to minors. Later, as Director of Massachusetts' Tobacco Cessation and Prevention Program, Dr. Keithly was responsible for designing meaningful measures of program effectiveness, maximizing program expenditures, and succinctly reporting program outcomes in the annual report of the state's Department of Public Health. Dr. Keithly served on advisory committees to the Center for Disease Prevention and Control, University of North Carolina, University of Illinois at Chicago, and Stanford University.



Affiliated Monitors, Inc. also proposes to use the services of subcontractors for their abilities and subject matter expertise. Brief descriptions of the subcontractors who are part of the Affiliated Monitors, Inc. team for this proposal follow:

Cynthia Owens, MA, CCRC, Director of Compliance Training, conducts and evaluates training programs on behalf of Affiliated Monitors. She also serves as a team member on AMI independent compliance engagements involving data collection techniques such as interviews, focus groups, and Internet-based surveys. In addition to her work with Affiliated Monitors, Ms. Owens is the co-founder and Vice President of Asentral, Inc. Institutional Review Board. She is a nationally recognized expert on Good Clinical Practice (GCP), an international ethical and scientific quality standard for the design, conduct, performance, monitoring, auditing, recording, analyses and reporting of clinical trials. She has developed Standard Operating Procedures, subject recruitment plans, training manuals and Quality Assurance guidelines in her roles with both Affiliated Monitors and Asentral, Inc. IRB.

Robert Vignola is retired from a 30+ year career in auditing and oversight for Federal Offices of Inspector General. He most recently served as Deputy Inspector General for the National Recognizance Office (NRO), where he worked with the Inspector General to lead a staff of nearly 100 auditors, inspectors and investigators, in overseeing NRO programs, finances and contractor activities. He focused on enhancing collaboration among IG staff in order to more effectively examine and address NRO-wide processes, to improve their integrity, accuracy and reveal potential irregular activities. Mr. Vignola has worked on several large-scale monitorships for Affiliated Monitors in the fields of construction, telecommunication, and consultancy. We propose to use Mr. Vignola on the Audit and Data Analytics team for the Herbalife independent compliance engagement.

D. PRIOR EXPERIENCE AND REFERENCES

Since its inception in 2004, Affiliated Monitors has served as the independent monitor on hundreds of federal, state and municipal matters. Below is a representative list of engagements.

- **AES/ CDIT, LLC**, Agreement with US Navy for ethics assessment and compliance monitoring.
- **Ahntech, Inc.**, Agreement with US Air Force for Ethics Program assessment and monitoring.
- **AT&T/ DirecTV**, Order by the Federal Communications Commission for monitoring of merger conditions.
- **Booz Allen Hamilton Inc.**, Agreement with US Air Force for ethics assessment and compliance monitoring relative to procurement violations.
- **Calloway Labs**, Agreements with the OIG for US Dept. of Health and Human Services; US Attorney; US Dept. of Justice; and Commonwealth of Massachusetts for assessment and monitoring of compliance with terms of settlement agreements.
- **CDIT (formerly Applied Enterprise Solutions, LLC)**, Agreement with US Navy for Ethics Program assessment and monitoring.
- **Corrections Corporation of America (CCA)**, Proactive engagement for evaluation and monitoring of company ethics and Contractor Responsibility Program.
- **Federal Government Contractor** – Name withheld by agreement – for assessment of Ethics Program and Special Independent Integrity Officer Services.
- **William Garrity, DO**, Agreements with the OIG for US Dept. of Health and Human Services for compliance monitoring.
- **Inchcape Shipping Services Holdings Ltd.**, Agreement with US Navy for evaluation and monitoring of Contractor Responsibility Program, ethics, and compliance.
- **International Relief & Development (IRD)**, Agreement with US Agency for International Development (USAID) for evaluation and monitoring of Contractor Responsibility Program.
- **Just Energy, Inc.**, Assurance of Discontinuance entered into with Massachusetts Attorney General for monitoring of consumer protection standards.
- **Manson Construction Co.**, Agreement with US Air Force and US Army Corps of Engineers for Ethics Program assessment and compliance monitoring.
- **McCourt Construction Co.**, Agreement with Federal Highway Administration and MA Dept. of Transportation for financial and forensic monitoring.
- **Merrimack College**, Agreement with the US Department of Justice to make payments to individuals affected by criminal actions of the college's former Director of Financial Aid.

- **Metalor USA Refining Co.**, Agreement with US Immigration and Customs Enforcement and US Attorney for Anti Money Laundering Oversight.
- **Joseph Y. Ng, DMD, PC**, Agreements with the Massachusetts Attorney General and the MA EOHHS for compliance monitoring.
- **Pibbs Industries**, Agreement with NY Attorney General for civil rights and equal opportunity monitoring.
- **Prime Healthcare Services/ Landmark Medical Center**, Agreement with the RI Attorney General for monitoring of terms of hospital conversion.
- **Prospect CharterCARE, LLC/Roger Williams Medical Center**, Agreement with the RI Attorney General for monitoring of terms of hospital conversion.
- **Universal Mobile Services**, Agreements with the OIG for US Dept. of Health and Human Services for compliance monitoring.
- **Vector Planning & Services Inc. (VPSI)**, Agreement with US Navy for ethics assessment and compliance monitoring.
- **Wal-Mart Stores, Inc.**, Assurance of Discontinuance entered into with New York Attorney General for consumer protection monitoring per Agreement of Discontinuance.
- **J.F. White Construction Co.**, Agreement with the Federal Railroad Administration for financial and forensic monitoring.
- **Willow Laboratories**, Agreements with the MA Attorney General and MA Exec. Office of Health/ Human Services for compliance monitoring.

The following individuals may be contacted as references for Affiliated Monitors, Inc.:

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E. PROPOSED ACTIVITIES

Affiliated Monitors, Inc. has extensive experience in gathering and analyzing large quantities of data in order to determine whether companies are in compliance with requirements set forth in non-prosecution or deferred prosecution agreements, consent orders, judicial orders, and other vehicles calling for independent oversight. In the Herbalife matter, the requirements in the Order are similar in scope to those seen in other engagements where we have developed efficient methodologies for data-gathering, analysis and reporting. In fact, the Herbalife Order provides an unusually clear delineation of the role of the Independent Compliance Auditor (ICA) in specific categories: Retail Sales; Preferred Customers; Personal Consumption by Business Opportunity Participants; Payment and Calculation of Multi-Level Compensation; and Limitations on Leased or Purchased Business Locations. Below we describe our proposed approach for performing the duties of the ICA for each stage of the independent auditing process.

Proposed ICA Organization and Structure

Affiliated Monitors' proposed structure includes a day-to-day project manager resident in Los Angeles. Overall management of the ICA engagement from the Boston Office will be led by Donald Stern, Affiliated Monitors' Managing Director of Corporate Monitoring and Consulting Services, and overseen by Eric Feldman, AMI's Senior Vice President and Managing Director, who lives and works in Los Angeles. It is our experience that regular in-person coordination with the company's senior leadership and the oversight agency's staff provides encourages early follow-up on outstanding questions and data-gathering requirements, and reduces the potential for misunderstandings.

Other members of the AMI team have data mining, data analysis, forensic accounting, and other skills needed to accurately assess and report on Herbalife's compliance with the requirements set forth in the Order. They will be assigned roles based on the ICA Work Plan (see below).

Approach and Frequency of Proposed Activities

Initial ICA activities will be designed to gain an understanding of:

- Herbalife's structure;
- how the company currently collects and maintains data on Sales, Preferred Customers, and Business Opportunity Participants;
- the capability of Herbalife's information system and financial system to provide the data necessary for appropriate oversight activities;
- the senior leaders and responsible individuals to be interviewed;
- the sampling universe of data to be surveyed and other people to be interviewed; and
- Herbalife's internal approach and structure for implementing the requirements of the Order, including its current, proposed, or anticipated policies, procedures and controls.

The goal of the initial activities will be to develop and refine a comprehensive ICA Work Plan, which will provide a roadmap for the full assessment and monitoring process.

This initial effort is likely to require 60 – 90 days of dedicated work by 3 – 4 ICA team members, working at the Herbalife facilities and the AMI office in Los Angeles. Following this baseline assessment effort will be the preparation of the first 6-month report, requiring extensive data mining and analysis, as well as interviews with Herbalife senior leadership, staff, and Business Opportunity Participants. Mr. Feldman and the Project Manager will communicate with both the FCC and Herbalife regularly to build consensus around the data-gathering and analysis processes, share initial findings, and discuss possible remediation steps.

After the baseline assessment and first report are accomplished, we expect the ICA's "on the ground" presence will be episodic, and largely focused on coordinated requests for information and data by the Los Angeles team in preparation for the next reporting period. We predict there will be intensive on-site interviewing and data collection work in the period 6 – 8 weeks prior to each semi-annual reporting date. Although at Year Four of the independent compliance engagement reports are required on an annual basis, Affiliated Monitors would continue regular site visits and communication with the company to stay abreast of the policies, procedures and controls Herbalife implements to maintain compliance with the Order.

Coordination with Herbalife

Because of Affiliated Monitors' Los Angeles presence, we expect regular communication with Herbalife. Affiliated Monitors' philosophy is that independence and cooperation are not mutually exclusive. We believe the most efficient and effective way to produce an accurate, meaningful, independent assessment of compliance with a government order or agreement is to:

- 1) agree on the methodology to be used early in the process;
- 2) provide written, well-thought-out requests for information that can be discussed and modified to obtain the necessary data in the least disruptive way possible;

- 3) obtain company input on the work plan, sampling plan, interview, and survey approaches, and other data-gathering techniques in order to minimize business disruption;
- 4) create trust between the team and the company so issues are raised and resolved promptly, as they are identified; and
- 5) discuss compliance issues that arise with all parties early and often to provide opportunities for remediation and eliminate surprises in the reporting process.

The proposed Project Manager will be Herbalife's primary point of contact for day-to-day execution of the ICA's responsibilities regarding data collection, interview schedules, etc. Eric Feldman will be regularly present and will be the point of contact for Herbalife's leadership. Donald Stern, the ICA team leader in Boston, will be the point of contact with the FTC.

Methods of Obtaining and Analyzing Information

As noted above, a key aspect of the data collection process will be understanding Herbalife's current and planned methods of data collection, systems, and controls. This understanding will provide Affiliated Monitors an opportunity to assess at the outset whether the company has the data needed to demonstrate compliance with the Order, or if additional processes are feasible and/or necessary. Positioning this consultative process early in the independent compliance engagement will allow all parties to evaluate the strengths and weaknesses of current data collection and analysis tools and to agree on satisfactory measurement processes. Affiliated Monitors anticipates a fair amount of process-mapping will take place to identify the "as is" and "to be" configurations of the company's planned policy changes to comply with the Order.

A principal objective of the baseline assessment and data-gathering process for each required report will be to evaluate the sufficiency of Herbalife's own processes and internal controls. This perspective will facilitate a determination of whether compensation, sales, business locations, and other elements are appropriately accounted for, reported, and managed in accordance with the requirements of the Order. While the ICA is responsible for independently assessing this, a significant part of the process will be testing the company's own data and processes.

Affiliated Monitors will work closely with the team Herbalife tasks with implementing the Order. We expect to map Affiliated Monitors' team and audit steps to the company's effort, in order to prevent duplication and leverage existing work that has been done. As noted above, this process will involve testing of company data for accuracy to determine whether and to what extent Affiliated Monitors can rely on Herbalife's systems and data. We may also collect, and to the extent possible, rely on other studies, external or internal audits, or other analyses conducted.

Affiliated Monitors will submit a written request for information, and work with Herbalife to establish an electronic data repository, such as a secure extranet site, for company data provided to the ICA. To prevent "scope creep," Affiliated Monitors' data-gathering and analyses will be structured around the specific matters set forth in the Order. We expect this structure will allow the ICA and Herbalife to remain focused on the compliance requirements.

Some preliminary thoughts on data-gathering and analysis in the specific areas of the Order follow:

Multi-Level Compensation. Analysis will need to classify types of sales, and categories of sellers and buyers (Business Opportunity Participants, Preferred Customers, and Retail Customers). In addition to using data to analyze classifications, the ICA should look for written verification from Preferred Customers, as well as confirmation of the date of assignment to Preferred Customer status. Affiliated Monitors may convene panels of Business Opportunity Participants to discuss their process and identify who they have respectively recruited. Such information should be linked to existing and subsequently-recruited Preferred Customers, and the sales among each of these groups. Because compensation is limited by: (1) date, (2) Rewardable Personal Consumption transactions (no more than 1/3 total value), (3) non-renewable transactions, (4) and Wholesale Commissions, all of this information must be categorized, input into a data system, and analyzed for monitoring purposes. It is yet to be determined whether these classifications are available from Herbalife and whether they are inherently reliable for purposes of the ICA.

Collection of Retail Sales Information. This is a transactional database with tables of the purchasers, products, payment information, signature data, and figures needed to determine if the sales are profitable. Affiliated Monitors will review Herbalife's internal audit processes and findings to determine the integrity of the source data, as well as the accuracy and veracity of reported sales data. It may be fruitful for the ICA to conduct an in-depth review of a subsection of retail sales for accuracy and compliance with the Order.

Personal Consumption Data. Purchases for Personal Consumption need to be coded as such. Purchase dates will need to be captured, and formulas for calculating allowable percentages should be transparent and subject to verification. Preferred Customers' Personal Consumption purchases should be analyzed according to the Order and cross-checked with data from the universe of other customers.

Business Locations Leased or Purchased. For Business Opportunity Participants who have rented or leased business locations for their Herbalife work, Affiliated Monitors will need to confirm when they were classified as Business Opportunity Participants, whether they completed Herbalife training on business management, and whether they have written business plans. It may be helpful to conduct a qualitative review of the contents of a select number of business plans, and to review the business management training protocol.

Methods of Reporting Information

One of AMI's strengths is the quality of our detailed, written reports, which accurately represent our independent auditing activities, findings and recommendations. Although the Order is silent on this matter, our preference would be to fully coordinate a draft of our semi-annual (and annual, as of Year Four) report with Herbalife to ensure accuracy and completeness. Our reports typically describe the methodology of our auditing activities; the details of our findings; any steps already taken by the company to remedy issues previously identified; the extent of cooperation provided

by the company; and, when appropriate and helpful, recommendations to the company to strengthen their processes and facilitate compliance with the Order.

Subsequent ICA work and data-gathering/analysis will be conducted to follow up on previous findings, assess company progress in implementing required remedial activities, and determine whether recommendations made have been successfully implemented.

In addition to sending regular reports, Affiliated Monitors will remain in contact with the FTC to ascertain whether our independent auditing and assessment services are addressing the issues as intended by the Order, and addressing any new issues which may have arisen subsequent to the execution of the Order.

F. POTENTIAL CONFLICTS OF INTEREST OR BIAS

No one on the Affiliated Monitors' team has a conflict of interest in this matter. No one was employed by or has had any contracts with the FTC or Herbalife.

ESTIMATED COSTS





IV. CONCLUSION

Affiliated Monitors, Inc. is pleased to submit this Application. We would be happy to meet to discuss in greater depth how the AMI team can support the goals of both the FTC and Herbalife. We look forward to the opportunity to work with all parties to measure and enhance compliance with the requirements set forth in the Order.

DONALD K. STERN
Boston, MA

AFFILIATED MONITORS, INC.
Boston, MA
2013 - Present

MANAGING DIRECTOR, CORPORATE MONITORING AND CONSULTING SERVICES

Provide independent monitoring to ensure corporate and organizational compliance with judicial orders, administrative agreements, deferred and non-prosecution agreements. Assess corporate ethical culture and ethics and compliance activities, advise clients on industry best practices.

YURKO, SALVESEN & REMZ, P.C.
BOSTON, MA
2013 - Present

OF COUNSEL

Focus on white collar defense, internal investigations, and business litigation.

COOLEY LLP
Boston, MA
2008 - 2013

PARTNER (until Dec. 2011), SENIOR COUNSEL (until May 2013)

Represented companies and individuals being investigated by government agencies for potential criminal and/or civil violations. Conducted internal investigations for companies, reporting findings to their general counsel and governing board. Worked with companies to review and improve their compliance policies and practices. Represented clients in business and regulatory matters.

BINGHAM MCCUTCHEM LLP
Boston, MA
2001 - 2008

PARTNER

Handled matters involving primarily white collar defense, internal investigations, compliance, and business litigation.

HARVARD LAW SCHOOL
Cambridge, MA
2003 - 2007

LECTURER

Taught The Government Lawyer, an elective course for second and third year law students.

U.S. DEPARTMENT OF JUSTICE
Washington, DC
1993 - 2001

UNITED STATES ATTORNEY FOR THE DISTRICT OF MASSACHUSETTS

Responsible for federal criminal investigations and prosecutions, as well as civil enforcement actions. Managed three offices comprising more than 100 attorneys. From 1996 – 1998, chaired the U.S. Attorney General's Advisory Committee.

HALE AND DORR LLP
Boston, MA
1990 – 1993
1982 - 1987

PARTNER

Represented companies in business litigation matters and government enforcement actions. Started with the firm as an associate in 1982. Firm subsequently became WilmerHale.

GOVERNOR OF MASSACHUSETTS
Boston, MA
1987 – 1990

CHIEF LEGAL COUNSEL

Advised the Governor and his senior staff on legal and policy issues, criminal justice issues and the appointment of judges.

**MASSACHUSETTS ATTORNEY
GENERAL**
Boston, MA
1975 - 1982

ASSISTANT ATTORNEY GENERAL

Represented state agencies and officials in litigation on behalf of the Office of the Attorney General. In several positions, including Chief of the Government Bureau, handled cases involving regulatory, constitutional and other legal issues for state agencies.

**BOSTON COLLEGE LAW
SCHOOL**
Boston, MA
1971 - 1975

ASSISTANT PROFESSOR OF LAW

Supervised a clinical law program in which second and third year law students represented indigent clients in criminal and civil matters. Taught courses in criminal procedure and administrative law.

**PHILADELPHIA COUNTY
PUBLIC DEFENDERS' OFFICE**
Philadelphia, PA
1969 - 1971

PUBLIC DEFENDER

Handled criminal cases for indigent clients as part of a graduate law program at the University of Pennsylvania Law School.

EDUCATION

University of Pennsylvania Law School

Master of Laws (LLM), criminal and civil litigation

Georgetown University Law Center

Doctor of Law (JD)

Hobart and William Smith Colleges

Bachelor of Arts (BA), Political Science

**PROFESSIONAL
AFFILIATIONS**

National Association of Former U.S. Attorneys

Current member; Past President

American Bar Association - Monitor Standards Task Force

2013 – Present, Liaison on task force formed to draft and propose standards to the ABA on the appointment, use of, and reporting by independent monitors.

**American Bar Association – Department of Justice Liaison
Committee**

2012 – Present, Committee Co-Chairman

ERIC R. FELDMAN, CFE, CIG
Redondo Beach, CA

AFFILIATED MONITORS, INC.
Los Angeles, CA
2011 - Present

SENIOR VICE PRESIDENT, MANAGING DIRECTOR
CORPORATE ETHICS & COMPLIANCE PROGRAMS

Develop and implement methodologies for assessing corporate ethical culture and ethics and compliance activities, advise client on industry best practices. Provide independent oversight on behalf of government agencies to ensure compliance with administrative agreements, deferred and non-prosecution agreements. Serve as Special Independent Integrity Officer for some clients.

ASSOCIATION OF CERTIFIED
FRAUD EXAMINERS
2011 - PRESENT

FACULTY MEMBER

Instruct professionals in matters of procurement fraud detection and prevention, corporate business ethics and compliance.

NATIONAL RECONNAISSANCE
OFFICE
Washington, DC
2009 - 2011

SENIOR ADVISOR TO THE DIRECTOR FOR PROCUREMENT
INTEGRITY

Developed and executed proactive, targeted assessments of corporate business ethics and compliance programs of major NRO contractors. Offered business acumen as a recognized expert in promoting an ethical corporate culture, and recommended innovative tools and approaches for compliance programs, staff training, and corporate communications. Championed values-based ethics programs, initiated comprehensive enhancements to improve government/industry collaboration on fraud prevention and risk management.

NATIONAL RECONNAISSANCE
OFFICE
Washington, DC
2003 - 2009

INSPECTOR GENERAL

Directed a top-performing staff of 90+ investigators, auditors, and inspectors in Washington, D.C. and field locations. Designed "Best in Class" efforts to prevent and detect procurement fraud in a multibillion-dollar acquisition program, and collaborated with LE and federal prosecutors to pursue violations of federal criminal law. Interfaced with intelligence community, DoD, and congressional committees re problem areas and management challenges facing NRO operations. Developed and coordinated audit and inspection findings and recommendations that supported the transformation and reorganization of critical business processes of the NRO.

CENTRAL INTELLIGENCE
AGENCY
Washington, DC
2001 - 2002

ACTING DEPUTY INSPECTOR GENERAL

Pending nomination of a new Inspector General, supported an Acting Inspector General in leading a 100+ member team of investigators, auditors, and inspectors in overseeing worldwide CIA programs, activities, and finances. Served as a key member of the CIA Director's leadership team on September 11th and in aftermath of terrorist attacks.

CENTRAL INTELLIGENCE
AGENCY
Washington, DC
1999 - 2001

ASSISTANT INSPECTOR GENERAL FOR AUDITS

Strategically steered 90+member auditor team in performance and financial audits of CIA programs and operations worldwide. Created advanced IT audit capability, and launched a comprehensive program of auditing CIA field activities worldwide.

CENTRAL INTELLIGENCE AGENCY Washington, DC 1998 - 1999	CHIEF - POLICY & PLANNING, OFFICE OF INSPECTOR GENERAL Spearheaded first-time efforts to develop and execute a centralized IG planning process which was instrumental in successfully producing a coordinated plan for oversight projects that reflected both Agency and congressional priorities. Ensured consistency and quality control of all OIG investigations, audits, and inspection reports by initiating reviews.
DEFENSE INTELLIGENCE AGENCY Washington, DC 1991 - 1997	ASSISTANT INSPECTOR GENERAL FOR AUDITS Drove DIA efficiency by recruiting, training, and leading a professional cadre of auditors and analysts from government and private industries that convinced initially skeptical senior military leaders of the value of internal IG audit functions. Achieved worldwide DIA performance improvements and cost savings by developing the first internal program of independent performance and financial audits.
DEPARTMENT OF DEFENSE INSPECTOR GENERAL Washington, DC 1991 - 1997	PROGRAM OFFICER – AUDIT POLICY & OVERSIGHT Coordinated 400+ reviews conducted by the Government Accountability Office (GAO) throughout the DoD, including providing early warning to senior DoD leadership on critical GAO findings with potential impact on DoD operations.

EDUCATION	Bachelor of Science in Political Science / Public Administration The American University
PROFESSIONAL AFFILIATIONS	National Board of Directors Association of Inspectors General Founding President – California Chapter Association of Inspectors General Co-Chair, Private Sector Outreach Committee National Procurement Fraud Task Force (DoJ) Member Society of Corporate Compliance & Ethics
CERTIFICATIONS	Certified Fraud Examiner (CFE) Certified Inspector General (CIG) Certificate in Intelligence & Policy - Harvard University (JFK School of Government)
RECENT PUBLICATIONS	<i>Nine Steps to Avoid an Ethical Disaster During Sequestration, Contract Management</i> , July 2013. <i>Ethics and Compliance</i> , SHEQ Media, July 7, 2013. <i>Conducting Due Diligence in Mergers and Acquisitions, Beyond the Numbers</i> , Compliance and Ethics Professional, July/August 2013. <i>Addressing Ethical Risks of Sequestration</i> , Federal Times, June 23, 2013.

**VINCENT L. DICIANNI
AFFILIATED MONITORS, INC.**

CORPORATE EXPERIENCE

AFFILIATED MONITORS, INC. - President **2004 - Present**

Service Areas: Public Construction, Ethics and Compliance, Healthcare, Public Utilities White Collar Fraud, Government Contracting, Education, Anti-Money Laundering, Anti-Corruption, Financial Services.

Services include: Monitoring, Third Party Ethics Assessments, Compliance Programs and Educational Seminars.

Monitoring Clients: AT&T/DirecTV, Louis Berger International, Booz Allen Hamilton Co., Wal-Mart, Just Energy, Willow Labs, J. F. White Construction Co., Manson Construction Co., Calloway Laboratories, Metalor USA, McCourt Construction Co., Brandeis University, Chicago Public Schools,

Have served as lead monitor in public construction, healthcare, white collar, money laundering, Suspension and Debarment, and regulatory matters.

LEGAL EXPERIENCE

RUBIN AND RUDMAN LLP - Partner **2000 - 2004**

Litigated and appealed on behalf of clients in all courts in the Commonwealth of Massachusetts as well as United States District Court in Massachusetts and the First Circuit Court of Appeals. Tort matters involved professional licensure, malpractice, personal injury, wrongful death and property damage. Other cases involved construction law, civil rights, criminal, contract, administrative agency law, employment, retirement and government law.

FERRITER, SCOBBO, CARUSO & RODOPHELE, P.C. - Principal **1986 - 1999**

**MASSACHUSETTS OFFICE OF THE ATTORNEY GENERAL -
Assistant Attorney General** **1981 - 1986**

Handled litigation and appeals on behalf of state agencies, officials and employees in tort, contract, civil rights, eminent domain, administrative agency and industrial accident matters.

TEACHING EXPERIENCE

Anna Maria College, School of Graduate Studies **1985 - 1997**

Instructor in Criminal Justice. Courses: Ethics; Criminal Law; Evidence; Investigative Practices, Management and Research.

Massachusetts Continuing Legal Education, Inc. **1993 - 1995**
Governmental Tort Claims

VINCENT L. DICIANNI
AFFILIATED MONITORS, INC.

MEMBERSHIPS

- Massachusetts Bar: Admitted 1981
- First Circuit Court of Appeal
- United States District Court for the District of Massachusetts

EDUCATION

Suffolk University Law School - Boston, Massachusetts
Juris Doctor Degree, June, 1981

Suffolk University - Boston, Massachusetts
Bachelor of Arts Degree, June, 1978
Summa Cum Laude Graduate
Delta Alpha Pi, Honor Society Award

PUBLICATIONS

New Principles Can Help Advance Independent Corporate Monitoring, Compliance Today (published by the Health Care Compliance Association), October, 2008.

Governmental Tort Claims; An Overview and Recent Developments, Massachusetts Continuing Legal Education course and publication. 1993 - 1994 Co-Author.

Governmental Tort Claims; An Overview and Recent Developments, Massachusetts Continuing Legal Education course and publication. 1994 - 1995 - Co-Author.

SPEAKING ENGAGEMENTS

Association of Inspectors General, *Compliance from the Eyes of the Independent Monitor*, Anaheim, CA.

Society of Corporate Compliance and Ethics, Northeast Regional Program, *Foreign Corrupt Practices Act Monitoring*, NY, NY.

Health Care Compliance Association Annual Meeting: *Compliance from the Eyes of the Independent Monitor*, Dallas, TX.

American Association of Osteopathic Examiners Annual Meeting: *But How Do We Get Them to Change, Making Remedial Discipline Work*, San Antonio, TX.

American Urologists Assoc. Annual Meeting: *Where Interests Become Conflicts*, Chicago, IL.

ASSOCIATIONS

Association of Inspectors General
American Health Lawyers Association
American Bar Association

CATHERINE A. KEYES
Waltham, MA 02453

PROFESSIONAL EXPERIENCE:

AFFILIATED MONITORS, INC.

2008 – PRESENT

Vice President of Operations

Develop and implement assessment and monitoring programs to meet the requirements of state and federal laws, consent agreements, and professional standards. Enroll new monitors, conduct training in procedural and ethical responsibilities, ensure timely completion of client assessments and quality control in reports to oversight agencies.

MASSACHUSETTS REGISTRY OF MOTOR VEHICLES

2006 –2008

Chief Deputy Registrar

Maintained responsibility for the \$60 million agency in the Registrar's absence. Regularly managed departments with legal, medical and enforcement-related responsibilities, including Suspensions, Medical Affairs, and Enforcement Services, and was liaison to Executive Office of Transportation Legal and Audit Departments and Massachusetts State Police (MSP). Accomplishments include:

- Collaborated with Inspector General and State Police in initiative to publicize, prosecute and reduce handicap placard abuse;
- Drafted and implemented regulations for repeat OUI offenders; oversaw installation of Ignition Interlock Devices in vehicles of more than 3,200 drivers in MA, preventing further re-offenses;
- Drafted and implemented first Junior Operator Law regulations, raising standards for driver education programs and teen drivers. Teen deaths in MA decreased by 75% from 2007 to 2010;
- Implemented RMV/ MSP Facial Recognition Program to identify individuals with multiple MA IDs. Extended the service to local law enforcement, leading to identification/arrest of criminals;
- Referred cases of employee fraud and theft to the District Attorney for successful prosecution;
- Facilitated data access for state and federal agencies including the Office of Inspector General, U.S. Attorney, Federal Bureau of Investigation, Turnpike Authority, Department of Public Health, and Division of Insurance.

MASSACHUSETTS DIVISION OF PROFESSIONAL LICENSURE

2004 – 2006

Executive Director, Allied Health and Public Accountancy Boards

Directed the licensing, disciplinary and regulatory functions of six professional Boards: Chiropractic, Optometry, Podiatry, Speech Language Pathology & Audiology, Allied Health Professions, and Public Accountancy. Enacted anti-fraud measures, including licensure of chiropractic and physical therapy facilities; drafted comprehensive new regulations; collaborated with industry and professional associations on setting professional standards; and educated community groups on regulatory changes.

KEYES CONSULTING SERVICES, NEEDHAM, MA

2000 – 2004

Advised clients on healthcare compliance, HIPAA, and risk management strategies; drafted and reviewed policies and contracts; created and delivered educational programs.

SAFE CARE SYSTEMS, HINGHAM, MA

2001 – 2002

Vice President, General Counsel

Initiated and oversaw compliance functions for software start-up, managed human resources, reviewed and negotiated multiparty contracts, and participated in product development.

TEACHING EXPERIENCE:

Bentley College, Waltham, MA **1998 – 2003**
Adjunct Professor of Health Law and Torts in an ABA-approved paralegal certificate program.

Risk Management Foundation, Harvard Medical Institutions, Cambridge, MA **1995 – 2000**
Senior Loss Prevention Consultant
For Harvard's medical malpractice insurance company, developed strategies to combine legal compliance with high-quality medical care and taught healthcare professionals about laws relevant to their work. Researched and wrote about medical-legal matters for local and international publications. Created and presented 15 educational programs per year for Harvard physicians and nurses.

EDUCATION:

Case Western Reserve University School of Law, Cleveland, OH **Juris Doctor** **1994**
Admitted to the Massachusetts Bar, December 1994

Boston College, Boston, MA **Bachelor of Arts** **1984**

PUBLICATIONS:

Nakajima K, Keyes C, Kuroyanagi T, Tataru K: Medical Malpractice and Legal Resolution Systems in Japan. *JAMA*. Vol. 285, No. 12:1632-40, 2001.

Risk Management Issues for Clinicians Who Treat Suicidal Patients in Managed Systems, in *Treatment of Suicidal Patients in Managed Care*. Ellison J. ed. Washington, DC, American Psychiatric Press, 2001.

Every Defect is a Treasure. *International Journal for Quality in Health Care*. (series 1996 - 2000)

Sederer LI, Ellison J, Keyes C: Guidelines for Prescribing Psychiatrists in Consultative, Collaborative, and Supervisory Relationships. *Psychiatric Services*. Vol. 49, No. 9:1197-1202, 1998.

Forum, Harvard Risk Management Foundation. Where the Public Can Find Information About Physicians, May 1998. The Evolution of Informed Consent for Health Care Treatment, 1997. Responding to Adverse Events, 1997. Delayed Diagnosis of Breast Cancer, 1996. Communicating Medical Information via E-mail, 1996. Delayed Cancer Diagnosis, 1995.

PRESENTATIONS (partial list):

Compliance Through the Eyes of an Independent Monitor, American Association of Dental Board Administrators, October 2014.

How Do We Get Them to Change: Making Remedial Discipline Work, Federation of State Boards of Physical Therapy, October 2010.

The Junior Operator Law and Other Registry Issues, Judicial Institute Seminars, March 2008.

Massachusetts Drunk Driving Laws, NH Association of Criminal Defense Lawyers, October 2007.

Facial Recognition in Licensing, Insurance Fraud Bureau Seminar, November 2006.

The Registry's Role in Preventing Licensing Fraud, CAR Cost Containment Seminar, May 2006.

Licensure for Speech Language Pathologists and Audiologists in the Public Schools, MSHA Convention, September 2005.

10 Easy Ways to Lose Your Professional License, Springfield College Allied Health Forum, March 2005.

Chapter 464 of the Acts of 2004, Mass. Chiropractic Society annual conference, March 2005.

Computer-Based Testing, a report to Mass. CPA Faculty, Bentley College, November 2004.

STEPHEN J. NEMMERS, Ph.D.
Milton, MA 02186-5308

PROFESSIONAL EXPERIENCE

AFFILIATED MONITORS, INC.

2011 – PRESENT

Director of Monitoring Operations

Provision of independent integrity monitoring, comprehensive ethics evaluations, compliance auditing and planning, and training to a variety of clients. Day-to-day duties include interaction with state and federal regulatory officials, analysis of consent orders and other legal documents, recruitment and selection of professional monitors, management of ongoing monitoring, and oversight and creation of reports for regulated businesses and professionals in a wide range of industries, including healthcare, architecture, land surveying, engineering, alcohol sales, and government contracting. Additionally, leadership of focus group, executive interviews, design and interpretation of survey data.

MASSACHUSETTS DIVISION OF PROFESSIONAL LICENSURE

Deputy Director

Oversight of 32 Boards and Commissions regulating over 60 professions, licensing 350,000 individuals, business, schools, and race tracks, and generating annual revenue of \$20 million. Direct oversight of 9 Executive Directors, 50 staff, 200 “special employee” board members, and over 30 vendors. Responsible for administration of licensure operations, programs, contracts, and personnel of the Boards and the Division. Exercised independent professional judgment on regulatory decisions, provided substantive policy direction to enforcement and legal staff, and interacted with State and National elected officials.

MASSACHUSETTS DIVISION OF PROFESSIONAL LICENSURE

Executive Director, Boards of Registration

Chief state executive for fourteen specific licensure boards encompassing the majority of Massachusetts healthcare and nearly 75,000 licensees. Responsible for administration of all day-to-day licensure and enforcement operations and other activities of the Boards; exercise of independent professional judgment on regulatory decisions, and provision of substantive policy direction to investigative and legal staff.

SHEPPARD HOSPITAL, WICHITA FALLS, TEXAS

Chief Executive Officer

CEO of regional medical facility. Director of a 95-bed acute care psychiatric and general medicine hospital with outpatient clinics totaling 250,000 annual patient visits. Oversight of approximately 1,000 personnel, annual budget authority of \$47 million, and resources of \$100 million. Facility training programs include clinical preparation of medical and dental residents, baccalaureate and advanced practice nurses, physician assistants, social workers, optometrists, and numerous ancillary and support medical staff.

SEMBACH CLINIC, FEDERAL REPUBLIC OF GERMANY

Chief Executive Officer

CEO of an acute care medical and dental clinic. Oversight over approximately 150 personnel, annual budget authority of \$10 million, and resources of \$15 million. Directed health care at 34 geographically separated units. Liaison between American medicine and host nation medical community; active ambassador to numerous German community and State representatives.

EXPERIENCE SUMMARY

Compliance Analyst
Deputy Director, Division of Professional Licensure
Executive Director: Boards of Allied Mental Health, Dietitians, Health Officers, Nursing Home Administrators, Psychologists, Social Workers, Veterinarians
Executive Director: Boards of Allied Health, Chiropractors, Optometrists, Physician Assistants, Podiatrists, Speech-Hearing & Audiology, Respiratory Care
CEO, Regional Hospital and HMO
CEO, Ambulatory Clinic
Director 25 Facilities' Ancillary Care: Training; Programming; Budgeting;
Inspection of Physical Therapy, Occupational Therapy, Nutritional Medicine, Substance Abuse, Mental Health, Radiology, Clinical Laboratory, Optometry
Clinical Program Director for Cross-State Satellite-linked Teleradiology
Director Family Violence Services for 25 Communities/Population of 400,000
Director Mental Health Services for Catchment Area of 40,000
Graduate Faculty: Organizational Behavior, Physiology, Aviation Psychology
Clinical Psychologist with Post-Doctoral Residency
Substance Abuse Counselor

EDUCATION

University of Iowa

Doctor of Philosophy in Clinical and Experimental Psychology

University of Northern Colorado

Master of Arts in Psychology

Iowa State University

Bachelor of Science in Mathematics

MILITARY SERVICE

Colonel, United States Air Force

Rated Navigator & Rated Pilot - 289 Combat Missions

JASON L. WATKINS
Weston, MA

PROFESSIONAL EXPERIENCE

TAPESTRY NETWORKS, INC., Waltham, MA 2012 – 2015
Principal, Corporate Governance Initiatives

- Led multimillion-dollar board governance practice focused on improving public-company oversight through multi-sector director dialogues.
- Directed six invitation-only networks composed of directors and audit committee chairs of Fortune 200 public companies, sponsored by national law firm and Big Four accounting firm.
- Designed, convened and led meetings of 15-20 directors (about 20 meetings per year) on topics such as risk management, special investigations, cybersecurity, international business risks, tax strategy, board relationships with the finance organization and general counsel, executive compensation, compliance and regulatory pressures, succession planning, disclosure of financial information, and oversight of the external auditor.
- Supervised drafting and publication of network program content and thought leadership.
- Managed network staff and provided advice on company operations, strategy, business development and legal matters.

BINGHAM MCCUTCHEM LLP, Boston, MA 2004 – 2012
Counsel, Financial Restructuring Group and Financial Institutions Litigation Group

- Tried all manner of disputes in Chapter 11 cases, including adversary proceedings, contested plans, motions to dismiss, cash collateral disputes, claims objections and disputed settlements.
- Managed all phases of pretrial activity and trial preparation in bankruptcy courts.
- Managed large-volume document discovery projects, both in-house and outsourced, including use of multilingual teams on different continents.
- Negotiated final settlements and interim pretrial resolutions.
- Responded to regulatory inquiries on behalf of public and private companies.
- Obtained defense verdict in eight-day jury trial of defamation case in federal court.

WILMER CUTLER PICKERING HALE AND DORR LLP, Boston, MA 2003 – 2004
Associate, Bankruptcy and Commercial Department

- Prepared first-day pleadings and filings throughout Chapter 11 case of large national retail chain.
- Conducted negotiations and drafted settlements with licensors, landlords and suppliers.
- Maintained daily contact with client regarding bankruptcy implications of operations, including civil and criminal claims, real estate and tax matters, and vendor demands.

SIMPSON THACHER & BARTLETT, New York and London Summer 2002
Summer Associate (permanent offer received)

ARENT FOX KINTNER PLOTKIN & KAHN PLLC, New York, NY Summer 2001
Summer Associate (permanent offer received)

JASON L. WATKINS
Weston, MA

UNITED STATES NAVY

ASSAULT CRAFT UNIT FIVE, Camp Pendleton, CA 1999-2000
Officer-in-Charge and Boat Group Commander

- Commanded 70 enlisted personnel in operation and maintenance of six \$23 million hovercraft.

USS STETHEM (DDG 63), San Diego, CA 1997-1999
Ordnance Officer and Public Affairs Officer

- Deployed to Persian Gulf to enforce sanctions against Iraq.
- Led and supervised 25 enlisted personnel in operation and maintenance of high-tech weaponry.
- Coordinated high-level public relations visits, drafted command press releases, corresponded with media and senior public affairs offices.

EDUCATION

HARVARD LAW SCHOOL, J.D., June 2003

- Associate Editor, *International Law Journal*
- President, Harvard Law School Veterans Association
- Director and Head Writer, Harvard Law School Parody

HARVARD COLLEGE, A.B. in Government, *cum laude*, June 1996

- Naval Reserve Officer Training Corps, four-year full scholarship
- Harvard College Scholarship
- Hasty Pudding Theatricals, cast member 1995 and 1996

BAR ADMISSIONS

- Commonwealth of Massachusetts
- United States Court of Appeals for the First Circuit
- United States District Court for the District of Massachusetts

OTHER

- Recognized as a *Massachusetts Super Lawyers* “Rising Star” in 2009, 2010, 2011 and 2012.
- Interests include distance running, cross-country skiing, acting, writing humor.

Co-founded **Asentral, Inc, Institutional Review Board**, (2002 – Present).

Developed and executed on business plan to bring this independent IRB into the national marketplace as an ethical mid-size review board emphasizing outstanding personal service.

Director of Compliance Training and Monitoring for **Affiliated Monitors, Inc.**, (2005 – Present).

A private company which provides independent third party monitoring services and designs internal regulatory compliance and business ethics programs for licensed professionals and regulated businesses. Principal responsibilities include assessing the compliance activities of clients, monitoring the implementation of compliance and ethics programs, and developing and implementing training programs. Current projects include:

- ◆ Team member of the Ethics Evaluation of Booz Allen Hamilton pursuant to the Settlement Agreement between the United States Department of the Air Force (“USAF”) and Booz Allen.
- ◆ Independent Compliance Officer and monitor for Calloway Laboratories pursuant to the terms of the Settlement Agreement between Calloway Laboratories and the MA Office of the Attorney General.
- ◆ Lead Trainer for Healthcare covering such topics as Best Practices, Best Standards, State and Federal Regulations and Statutes, and integrating compliance plans into daily functions.

Director of Clinical Trials for **East Coast Clinical Research**, a multi-therapy clinical research site and lead their growth initiative. (1997 – 2004)

- ◆ Increased number of annual clinical trials by a factor of 5 (to over 50) within first 3 years.
- ◆ Expanded network of physicians from 12 to over 75.
- ◆ Tripled therapeutic areas of clinical trials including pediatric and psychiatric.
- ◆ Lead coordinator for over 28 studies in various indications. (Top 5% recruiter.)
- ◆ Wrote and implemented standard operating procedures, recruitment plans, staff training manuals, quality assurance guidelines, marketing plan and directed all aspects of public relations.

Professional Consultant for **Community education and development**, (1998-Present) Conducted in-service education for hospitals and medical practices by working with their education and training departments as both organizer and speaker. Also developed and conducted community education programs regarding all aspects of clinical research in a wide variety of therapeutic areas and have organized medically related lecture series.

ADDITIONAL EXPERIENCE:

- 1999 – 2012 **Anna Jaques Hospital**, Newburyport, MA
Support Staff, Specialty Care Services – Section of Surgery, Clinical Research
- 2004 – 2010 **Pharmsight**, Salisbury, MA
Created and co-founded Pharmsight, a national research efficiency service designed to integrate patient recruitment and clinical operations to improve the overall performance within each research site’s unique culture.

- 1992 – 1995 **Harvard Community Health Plan**, Somerville, MA
Phlebotomist, EKG Technician
Responsibilities included the training of lab staff at the Somerville and Medford Centers, the writing of procedures (SOPS), and continuity of all lab manuals. Also served as a member of the Implementation of EKG Procedures Committee for all of HCHP.
- 1989 – 1990 **C.E.U. Inc.**, Newburyport, MA
Developed and produced continuing education programs and seminars, including training, for health care professionals and produced health related Public Service Announcements for cable television.

EDUCATION:

- 2000 Association of Clinical Research Professionals – Certified Clinical Research Coordinator
1991 Northern Essex Community College, Haverhill, MA – Medical Assistant, Class President
1991 Siemens-Burdick, Inc. – Electrocardiograph Technicians Certificate
1975 Emerson College, Boston, MA – Mass Communications, Drama

RESEARCH:	Company	Therapeutic Area(s)
	Amylin	Diabetes
	Astra Zeneca	CRP
	Berlex	HRT/Hypertension
	Biopure	Hemodynamic Study
	Boehringer Ingelheim	BPH
	Boston Health Care	Diabetes
	Eli Lilly	Sinusitis, Bipolar, Depression, Osteoporosis, PTSD, Schizophrenia, Treatment Resistant Depression
	Glaxo Wellcome	IBS
	GlaxoSmithKline	Pemphigus Vulgarus, Prevention of Prostrate Cancer
	MedImmune Vaccines	Pediatric Influenza
	Merck	Osteoporosis, RA/OA
	Novartis	Cardiovascular
	Parke-Davis	Diabetes
	Pfizer	Female Sexual Dysfunction, Vaginal Atrophy
	Pharmacia and Upjohn	Pneumonia
	Phoenix International	Hemodynamic Study
	Proctor & Gamble	Female Sexual Dysfunction
	Quintiles	Hormone Replacement Therapy
	R.W. Johnson	New Method Contraceptive, Oral Contraceptive

TRAINED

SCALES: HAM-A, HAM-D, Y-MRS, SIMPSON-ANGUS, AIMS, MADRS, BPRS, BARNES AKATHISIA, UKU, MINI, SCID-P, PANS

ADDITIONAL TRAININGS:

CPR-BLS, IATA, DOT (All current)

ROBERT VIGNOLA
Manassas, VA

AFFILIATED MONITORS, INC.

Washington, DC

2012 - Present

ETHICS AND COMPLIANCE SPECIALIST

Conduct interviews and focus groups to assess the quality and breadth of client Ethics and Compliance Programs and effectiveness of business processes. Recommend improvements based on industry best practices.

**NATIONAL RECONNAISSANCE
OFFICE**

Washington, DC

2009 - 2011

DEPUTY INSPECTOR GENERAL

Supported the Inspector General in leading a staff of nearly 100 auditors, inspectors and investigators, in overseeing NRO programs, finances and contractor activities.

Enhanced collaboration across the IG staff in order to more effectively examine and address NRO-wide processes, to improve their integrity, accuracy and reveal potential irregular activities.

Recognized within the Intelligence Community with the Inspector General Leadership Award for establishing effective oversight of NRO programs, improvements in financial reporting and internal management activities.

**NATIONAL RECONNAISSANCE
OFFICE**

Washington, DC

2000 - 2009

ASSISTANT INSPECTOR GENERAL FOR AUDIT

First AIG for Audit at the NRO. Established audit staff organization; recruiting and developing a highly capable staff at multiple field locations. Set the strategic direction for a full range of performance, financial and information technology audits directed at core business activities.

Brought attention to the integrity of contractor systems and reporting to the government customer, a non-traditional internal inspector general area, utilizing extensive contract audit experience.

Successfully completed the first financial statement audit within the intelligence community with sustainable results.

**DEPARTMENT OF DEFENSE
INSPECTOR GENERAL**

Washington, DC

1996 - 2000

DEPUTY DIRECTOR, OFFICE OF INTELLIGENCE REVIEW

First Deputy Director for the newly established organization responsible for developing and executing a comprehensive program of evaluations and audits of DoD-wide intelligence community activities and related military activities.

Recruited and led a staff of 30 intelligence specialists and auditors in examining issues and concerns of Congress, the Secretary of Defense, DoD senior management and the Intelligence Community in general.

ROBERT VIGNOLA
Manassas, VA

DEPARTMENT OF DEFENSE
INSPECTOR GENERAL
Washington, DC
1985 - 1996

PROGRAM DIRECTOR, AUDIT POLICY AND OVERSIGHT

Responsible for planning and conducting oversight reviews of contract and external auditors engaged in audits of defense contractor activities and contracts.

Assessed adequacy of oversight of contractor management controls intended to prevent or detect fraud or wasteful activities.

Conducted industry-wide evaluations of fraud trends within the defense community and examined contractor internal management practices intended to prevent abuse.

Also authored improvements to acquisition regulations to strengthen the integrity of contractor activities as well as the auditors' role in support of criminal or civil investigations.

DEFENSE CONTRACT
AUDIT AGENCY
NY, NJ, PA and DC
1973 - 1985

SUPERVISORY AUDITOR

Conducted and managed a staff of auditors, at multiple major and smaller contractor locations, in audits of contractor operations, systems and contract proposals to the government.

Served on regional special audit teams that focused on the efficiency of contractor operations.

EDUCATION

Bachelor of Business Administration in Accounting and System Design
Pace University

PROFESSIONAL DEVELOPMENT

US Office of Personnel Management Executive Development Program
Air Force Institute of Technology, Government Contract Law

CERTIFICATIONS

Certified Inspector General