



# Guidepost

Donna A. Bucella  
Guidepost Solutions LLC  
1130 Connecticut Avenue NW, Suite 520  
Washington, DC 20036  
202.499.4327 (o)  
202-604-3002 (m)  
dbucella@guidepostsolutions.com  
www.guidepostsolutions.com

## Application to Serve as Independent Compliance Auditor for Herbalife

---

August 29, 2016

**PROPOSED TO:**

Janet Ammerman  
Federal Trade Commission  
Bureau of Consumer Protection  
Division of Marketing  
600 Pennsylvania Avenue NW  
CC-8528  
Washington, DC 20580  
ICA-application@ftc.gov

Brad Winter  
Federal Trade Commission  
Bureau of Consumer Protection  
Division of Enforcement  
600 Pennsylvania Avenue NW  
CC-9528  
Washington, DC 20580  
ICA-application@ftc.gov

*Experience guides us. Solutions define us.*

# TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
PERSONNEL	3
QUALIFICATIONS	8
PRIOR EXPERIENCE AND REFERENCES	12
PROPOSED ACTIVITIES	19
POTENTIAL CONFLICTS OF INTEREST OR BIAS	22
ESTIMATED COSTS	23
APPENDIX	24

## A. Executive Summary

Guidepost Solutions LLC ("Guidepost") is pleased to provide this Application to Serve as Independent Compliance Auditor ("ICA") to assess and report on Herbalife International of America, Inc.; Herbalife International, Inc.; and Herbalife LTD. ("Herbalife"), compliance with and the implementation of a judicially-enforceable Stipulated Order for Permanent Injunction and Monetary Judgement ("Order"). While we recognize that no company ever wishes to have an independent compliance auditor as a condition of a resolution with a government regulator, we believe that the appointment of the ICA can present an opportunity for the company. With the right mindset and experience, the independent compliance auditor can make a constructive contribution to the company while minimizing disruptions to the company's ongoing business operations. It is essential that the ICA recognize that its role is not to run the company or to conduct an investigation. At the same time, the ICA does the company no favor if it fails to conduct a careful review designed to help the company ensure that it never faces a repeat of the issues that led to the Stipulated Order for Permanent Injunction. In short, the goal of the company, the Federal Trade Commission ("FTC"), and the ICA should be to help the company put its regulatory issues behind it once and for all.

We have provided our overall approach to the project. If chosen for this engagement, we would of course continue to refine the work plan as we learn more about Herbalife's operations and the expectations of both the company and the FTC.

Guidepost is a regulatory compliance, investigation, and security consulting firm. We routinely assist clients in designing, developing, reviewing, implementing and testing compliance and audit programs, provide oversight, conduct internal and due diligence investigations, and perform fraud and forensic accounting examinations.

Guidepost has offices in key markets across the United States, including a location in Los Angeles, California, as well as offices in London and Singapore. Our staff of 135 professionals worldwide includes former federal and state prosecutors with extensive compliance investigative experience; forensic accountants with both public and private sector experience in the investigation of corruption and fraud; compliance professionals; and research analysts. Members of the Guidepost team have been providing independent compliance consulting, auditing and compliance monitoring services for companies across a broad spectrum of industries as mandated by government authorities. We have been appointed to monitor and audit the conduct of organizations in connection with cases brought by the U.S. Department of Justice, the U.S. Securities and Exchange Commission, the Commodity Futures Trading Commission, the United States District Court for the Southern District of New York, the Attorney General of the State of New York, the New York State Department of Financial Services, the Department of Investigation of the City of New York, and the New York State Metropolitan Transportation Authority, among others.

As indicated in the Prior Experience section below, Guidepost has conducted numerous independent, agency and court-ordered engagements. We are known for serving as "tough, yet fair" consultants. Our overall philosophy is to have a constructive partnership consistent with the terms and conditions established between the regulator and the entity. To the extent that it is permissible, feasible, and consistent with our obligations, our approach is to maintain an

## A. Executive Summary

independent posture and ensure accountability but to always aim for cooperation and collaboration with the entity.

Our objective as the ICA is to conduct the audit in accordance with the terms articulated in the Order and to provide an independent, neutral, and impartial audit.

Guidepost will begin the engagement with an initial meeting with the FTC and Herbalife to introduce our personnel and review the reforms required by the Order. From that point, we will devote particular attention to the implementation of reforms falling into the following principal categories:

- Tracking of retail sales;
- Distinguishing between business opportunity participants and discount buyers (also known as “preferred customers”);
- Observing limitations on compensation that is based on consumption of products by business opportunity participants;
- Calculation and payment of multi-level compensation; and
- Certain training requirements.

## B. PERSONNEL

Guidepost proposes the following team to carry out the role of ICA. The team has extensive experience providing compliance, auditing and monitoring services, as well as in-house experience.

The following are brief profiles of the key members assigned to this team and their areas of responsibility for this engagement. Full resumes are available in the Appendix. We anticipate that all team members, based on their area of responsibility, will be able to fulfill the expected time commitment for this ICA engagement.

### **Bart M. Schwartz, Chairman**

Bart M. Schwartz has had numerous court and other appointments to monitor the conduct of corporations in the finance, automobile, energy, and construction industries, among others. He recently received approval by the U.S. Securities and Exchange Commission to serve as the Independent Oversight Advisor for Platinum Management to assist with the development and implementation of a plan for the orderly liquidation of funds, as well as to monitor compliance. He is currently serving as the appointed Independent Monitor by the U.S. Department of Justice to oversee General Motors' compliance with its deferred prosecution agreement from its recall of defective ignition switches. In recent years, Mr. Schwartz's assignments have included serving as the approved Compliance Consultant by the Southern District of New York's U.S. Attorney's Office to evaluate and report on the insider trading compliance procedures of Point72 Asset Management (formerly SAC Capital Advisors), as well as serving as the independent compliance expert to a special committee of the Board of Directors of Science Applications International Corporation. His previous compliance and monitoring assignments have included Deutsche Bank, BP, Hewlett-Packard, and DHL, among others. Mr. Schwartz previously served as the Chief of the Criminal Division of the United States Attorney's Office in the Southern District of New York, where he had direct responsibility for overseeing prosecutions related to financial and business fraud and other types of white collar crime.

Mr. Schwartz will serve as an advisor to the project on an as-needed basis.

### **Julie Myers Wood, Chief Executive Officer**

Julie Myers Wood focuses on regulatory compliance and investigative work. Most recently, she supervised a comprehensive technology review and assessment of the Office of Foreign Assets Control ("OFAC") and anti-money laundering ("AML") capabilities for a global bank, overseeing the implementation of data analytics capabilities to detect anomalies in AML and OFAC screening, as well as USD clearing for correspondent banks. Ms. Wood also has significant experience as a monitor. She led the monitoring team on behalf of Guidepost for DHL relating to OFAC issues. She is working with New York regulators as deputy to the monitor for a foreign financial institution and serves as the appointed monitor for a certification lab. Finally, Ms. Wood is the DOJ appointed Independent Consultant for a global energy services firm relating to OFAC issues.

Prior to joining the private sector, Ms. Wood served as Head of Immigration and Customs Enforcement ("ICE") for the U.S. Department of Homeland Security leading its largest investigative component and the second largest investigative agency in the federal government. In supervising ICE's investigative activity, she oversaw the agency's AML and trade compliance investigations and private sector compliance programs; testified about best practices and investigations; and enforced the Export Administration Act and related export control regulations.

## B. PERSONNEL

Ms. Wood's previous federal leadership positions include Assistant Secretary for Export Enforcement at the Department of Commerce; Chief of Staff for the Criminal Division at the Department of Justice; Deputy Assistant Secretary (Money Laundering and Financial Crimes) at the Treasury Department, where she helped draft regulations relating to Title III of the Patriot Act, coordinated the U.S. government's national report/strategy on money laundering, and oversaw Treasury Enforcement activities relating to OFAC; and Assistant U.S. Attorney for the Eastern District of New York.

Ms. Wood will serve as an advisor to the project on an as-needed basis for all compliance-related activities.

### **Donna A. Bucella, President, Compliance**

Donna A. Bucella has experience counseling and training corporate employees on compliance matters. Previously, she served as senior vice president of risk and compliance and chief compliance officer for the Education Management Corporation, a \$1.9 billion provider of post-secondary education with 110 campuses, more than 90,000 students and approximately 20,000 employees. Ms. Bucella is credited with creating an independent compliance department, vastly improving and expanding its corporate compliance and internal investigations programs, and developing industry leading ethics and compliance training. She practiced law with Foley & Lardner LLP and Steel, Hector and Davis LLP in the areas of complex business litigation, internal corporate investigations, and compliance. Ms. Bucella also previously served as senior vice president at Perot Systems Government Services and as senior vice president at Bank of America, where she led business continuity and crisis management globally. She was the United States Attorney for the Middle District of Florida and an Assistant United States Attorney in Miami, and has extensive senior leadership experience at high-level positions with the U.S. government in the Departments of Justice, Homeland Security, and Defense.

Ms. Bucella will serve as the Independent Compliance Auditor and primary point-of-contact for Herbalife and the FTC, with ultimate authority for the performance of Guidepost. She will be responsible for coordinating and directing all activities related to the engagement and will be on-site at Herbalife as dictated by the needs of the engagement.

### **Steven Sokolow, Senior Managing Director**

Steven Sokolow has a 24-year background as an in-house counsel working on matters related to internal investigations, litigation, the Foreign Corrupt Practices Act, False Claims Act, and corporate governance. Most recently, he was vice president and general counsel of Novartis Services Inc. where he oversaw litigation and investigations for its U.S. operating companies including Novartis Pharmaceuticals, Sandoz, and Alcon. Mr. Sokolow managed internal and government investigations and is credited with transforming the company's approach to investigations by developing streamlined processes and protocols with the agreement of government agencies that significantly reduced cost and resolution time. He began his legal career with the New York County District Attorney's Office as an Assistant District Attorney serving under District Attorney Robert M. Morgenthau.

## B. PERSONNEL

Mr. Sokolow will serve as the Deputy Independent Compliance Auditor and will work closely with Ms. Bucella. He will oversee the day-to-day activities of the team assigned to the engagement and will be on site as dictated by the needs of the engagement.

### **Thomas J. Cowley, Sub-contractor**

Thomas J. Cowley has more than 35 years of specialized experience in the intelligence business. He works closely with public and private companies developing reliable facts and evidence in support of assignments involving compliance monitoring and internal investigations. He has provided compliance and monitoring oversight pursuant to prosecutorial and regulatory enforcement actions. Mr. Cowley is trained as an accountant. He worked as a Certified Public Accountant for an international public accounting firm and also spent ten years as a Special Agent for the Federal Bureau of Investigation where he conducted and directed cases targeting white-collar crime and money laundering.

Mr. Cowley, a resident of Los Angeles, will serve as the senior forensic auditor and will be responsible for all forensic accounting functions. He will oversee the forensic accountants and assign their responsibilities. He will report directly to Ms. Bucella and will be on site as dictated by the needs of the engagement.

### **Ryan Merryman, CPA, CFF, CITP, CFE, Sub-contractor**

Ryan Merryman is a senior manager in the Forensic and Valuation Services practice at CliftonLarsonAllen LLP in California. He has 13 years of experience, primarily focusing in the areas of fraud investigations, forensic data analysis, and fraud risk management. He is a Certified Public Accountant in California, Certified in Financial Forensics, Certified Information Technology Professional and a Certified Fraud Examiner. Mr. Merryman has experience assisting companies with designing and performing data analytics in a multitude of different engagements including investigative, accounting reconstruction, internal and external audits, consulting, and under appointment by United States District Judges. His background also includes implementing anti-fraud policies, designing internal controls, authoring codes of conduct and other internal policies, performing accounting and business analysis, preparing timely filings, and complying with audit requirements. Mr. Merryman currently serves the AICPA as a member of the Certified in Financial Forensics Credential Committee. Additionally, he has taught full day courses for the California Society of CPAs on the topics of Forensic Auditing, Forensic Data Analytics, and Forensic Investigation Methodology. Prior to joining CliftonLarsonAllen, Mr. Merryman was a forensic accountant and auditor with KPMG LLP.

Mr. Merryman will serve as the senior data analyst and will be responsible for all data analysis and information technology functions. He will oversee all the data analysts on the team and assign their responsibilities. He will report directly to Ms. Bucella and will be on site as dictated by the needs of the engagement.

### **Mathew W. Anderson, CPA/CFF, CFE, ASA, Sub-contractor**

Mathew W. Anderson is a principal in CliftonLarsonAllen's Greenwood Village office. He has 18 years of experience in complex financial and accounting analysis, accounting reconstruction, forensic accounting, valuation, financial consulting, and financial statement assurance. Mr. Anderson has provided financial and accounting advisory services to attorneys, corporations, non-profits, and government entities. Mr. Anderson has been involved with forensic accounting

## B. PERSONNEL

assignments including financial statement fraud, embezzlement, misappropriation of assets, and various types of fund tracking. Mr. Anderson has also provided commercial litigation dispute analysis and litigation support, including calculation of economic damages, complex electronic data analysis, royalty audit, and earn-out dispute analysis. Mr. Anderson has testified as an expert witness.

Prior to joining CliftonLarsonAllen (fka Clifton Gunderson LLP), Mr. Anderson was a forensic accountant with Ernst & Young LLP performing complex forensic accounting consulting across the country and internationally involving clients in a broad range of industries, including financial services, healthcare, manufacturing and distribution, construction, and logistics.

Mr. Anderson will provide data analytics expertise that will be used for the development of the action plan for the engagement and provide specific expertise regarding results of analytics, forensic evidence, and accounting results including retail sales and profitability. He will report directly to Mr. Merryman and will be on site as dictated by the needs of the engagement.

### **John M. Sboto, CPA, CFF, CFE, CGMA, Sub-contractor**

John M. Sboto has more than 35 years of accounting, auditing, and investigative experience. He assists clients with accounting and financial issues and disputes, and conducts fraud, financial, and corporate internal investigations. Mr. Sboto's experience includes a vast variety of complex engagements working for legal firms, and public and private companies providing forensic accounting, analysis, intelligence gathering, internal control evaluations, litigation support, and expert testimony. He began his career in public accounting with the Audit Department at PriceWaterhouseCoopers.

Mr. Sboto, a resident of Los Angeles, California, will serve as a forensic accountant and will be responsible for reviewing financial records and providing technical assistance. He will report to Mr. Cowley and will be on site as dictated by the needs of the engagement.

### **James Hughes, CPA, Sub-contractor**

James Hughes has over ten years of experience in auditing, forensic accounting, due diligence, and financial analysis with an expertise in internal controls assessments and implementation. His responsibilities have included monitoring and compliance, as well as litigation support. Mr. Hughes' experience also includes financial reporting, financial and budget analysis, and compliance audits. He has worked for both private and public companies in the consumer products and services, financial services, staffing, and travel industries.

Mr. Hughes, a resident of Los Angeles, California, will serve as a forensic accountant and will be responsible for reviewing financial records and providing technical assistance. He will report to Mr. Cowley and will be on site as dictated by the needs of the engagement.

### **Nicole Moss, JD, Director of Research**

Nicole Moss is a director of research for Guidepost Solutions based in Los Angeles, California. She has acquired significant research experience at top southern California and Chicago law firms with a focus on litigation support in the areas of antitrust, contracts, and employment law. Ms. Moss previously has worked as an investigator in conjunction with the U.S. Department of Justice

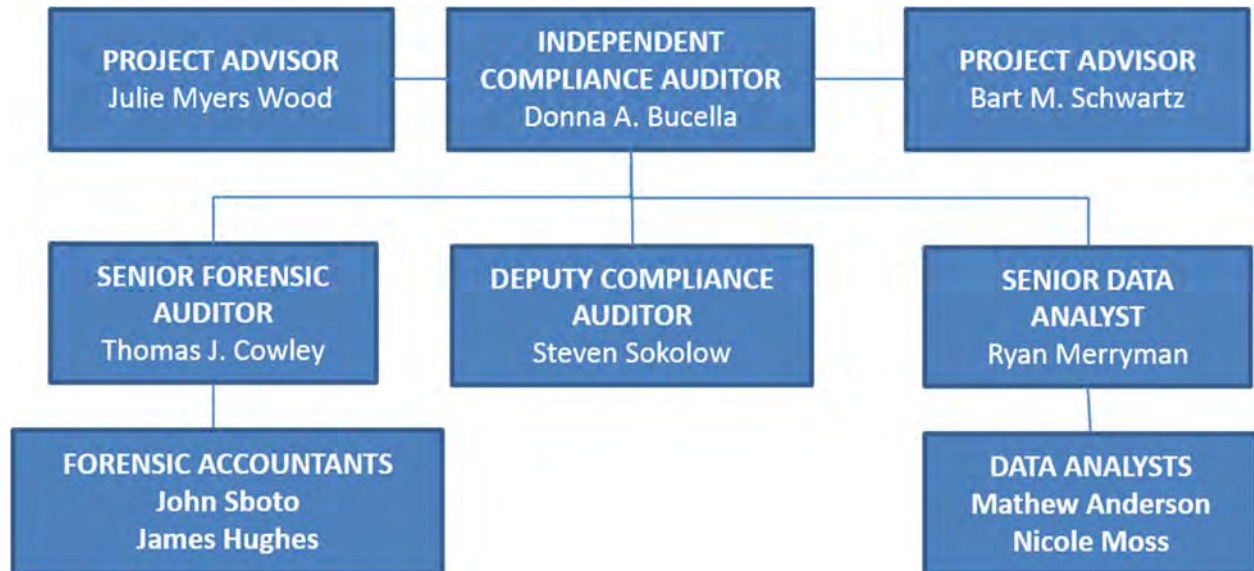


## B. PERSONNEL

examining discrimination claims and monitoring corporate compliance with judicial determinations.

Ms. Moss, a resident of Los Angeles, California, will serve as an analyst providing research, fact gathering, and interviewing support. She will report to Mr. Merryman and will be on site as dictated by the needs of the engagement.

### INTERNAL ORGANIZATION OF THE PROPOSED TEAM



## C. QUALIFICATIONS

Below are additional details pertaining to each team member's specific qualifications.

### **Bart M. Schwartz, Chairman**

#### **Specific Qualifications**

- Numerous court and other appointments to monitor the conduct of or serve as a compliance consultant for corporations in numerous industries including Platinum Management, General Motors, Point72 Asset Management, Deutsche Bank AG, BP, United Arab Emirates, DHL, Milberg Weiss, Hedge Fund (confidential), and Smith Barney.
- Provided several independent reviews, audits, and internal investigations including the State of New York, Board of Directors of Science Applications International Corporation, Hewlett-Packard, Utility Company (confidential), Bear Sterns, Texaco, New York City Department of Buildings, Metropolitan Transportation Authority, and a Pharmaceutical Company (confidential).
- Serves on the board of HMS Holdings Corp. (NASDAQ:HMSY) where he is Chairman of the Compliance Committee and a member of its Audit Committee.
- As Chief of the Criminal Division in the Southern District of New York, responsible for overseeing prosecutions related to financial and business fraud.
- While serving as a partner in a New York law firm, he specialized in federal, civil, and white-collar litigation.
- Selected by the New York City Department of Investigation as a 24 month IPSIG for Simpson & Brown, a marine construction firm; established a compliance program and monitored activities.

### **Julie Myers Wood, Chief Executive Officer**

- Supervised a comprehensive technology review and assessment of the Office of Foreign Assets Control (OFAC) and anti-money laundering (AML) capabilities for a global bank, overseeing the implementation of data analytics capabilities to detect anomalies in AML and OFAC screening, as well as USD clearing for correspondent banks; managed a team reviewing the AML and sanctions rules/wraps, internal software platform, investigator training and alert closure, and procedures/policies; and worked closely with New York regulators.
- Currently serving as the anti-money laundering auditor for a residential mortgage loan originator at a large corporation.
- Currently serving as the independent consultant for a global oil and gas company on sanctions issues.
- Conducted trade compliance reviews for several consulting/technology companies with a global footprint.
- Developing an operational compliance program for a large technology company.
- Led the monitoring team on behalf of Guidepost Solutions for a large technology company.
- She is the Independent Monitor for a certification lab on conflict of interest issues.

### **Donna A. Bucella, President, Compliance**

#### **Specific Qualifications**

- Previously served as the chief compliance officer for a publicly-traded company. As a result, she has the knowledge and skillset required to operate an effective and comprehensive in-house compliance program and conduct internal investigations.

## C. QUALIFICATIONS

- Joined Education Management Corporation, a \$1.9 billion business, to settle Qui Tam and False Claims Act cases with the U.S. Department of Justice and 42 State Attorney Generals. As a result, created an independent compliance department, vastly improving and expanding the compliance and internal investigations program. Monitored and provided oversight in Colorado State Attorney General Consent Decree involving Argosy University; City of San Francisco Assurance of Voluntary Compliance with the California Art Institutes; and the Consent Decree with 42 State Attorney Generals.
- As the former United States Attorney for the Middle District of Florida, oversaw a number of investigations and prosecutions involving financial and corporate fraud. Drove numerous settlements of large white collar cases in the healthcare, banking and securities sectors.
- As a JAG, former prosecutor and United States Attorney, tried over 35 cases.
- As a private practice attorney, led a number of internal investigations in the defense and medical supply industries which did not result in charges.
- As a chief compliance officer, responsible for compliance budget.
- Responsible for overseeing and writing deadline-driven reports provided for private practice clients, regulators, and as required by court-ordered proceedings.

### Steven Sokolow, Senior Managing Director

#### Specific Qualifications:

- Throughout a 24-year tenure with Novartis as an in-house attorney and general counsel, led numerous internal investigations and defenses of government investigations.
- In-house counsel in the matter *U.S. v. Novartis Pharmaceuticals Corp.* in the Eastern District of Pennsylvania in which the company resolved civil and criminal allegations relating to off-label marketing and kickbacks.
- Worked closely with the company's compliance function on negotiations with the Office of Inspector General U.S. Department of Health and Human Services, which led to a corporate integrity agreement.
- In-house counsel in *re: Matter of Novartis AG*, in which SEC's investigation of alleged FCPA violations was resolved. Negotiated self-monitoring and reporting requirement.
- As general counsel and previously head of litigation, responsible for major product liability litigation and substantial government investigations which required creating and managing budgets for outside counsel for these matters as well as internal investigations; responsible for managing numerous internal deadlines and those imposed by the courts and the government.
- During his time with the New York County District Attorney's Office, tried approximately 35 cases.
- Led numerous product liability matters and oversaw trials on behalf of Novartis.
- Responsible for overseeing and writing deadline-driven reports provided for management, regulators, and as required by court-ordered proceedings.

### Thomas J. Cowley, Sub-contractor

#### Specific Qualifications:

- Trained as an accountant and is an inactive Certified Public Accountant.
- Provided compliance and monitoring oversight pursuant to prosecutorial and regulatory enforcement actions.
- Specific expertise auditing sales and training procedures for a multi-level marketing company.

## C. QUALIFICATIONS

- Additional expertise with research analysis, conducting interviews for investigations, and reviewing financial and procedural records.
- Experience managing forensic accounting teams.
- Responsible for overseeing and writing deadline-driven reports provided for management, regulators, and as required by court-ordered proceedings.

### Ryan Merryman, CPA, CFF, CITP, CFE, Sub-contractor

#### Specific Qualifications:

- Certified Public Accountant; Certified in Financial Forensics, Certified Information Technology Professional, and Certified Fraud Examiner.
- Experience designing and performing data analytics to mitigate audit risk.
- Specific experience analyzing disbursed payments to identify bribery, kickbacks, duplicate payments, unfounded payments, ghost payees, and multiple payments.
- Performed a forensic audit for a large energy cooperative; reviewed revenue, expenditure, and other significant transactions over a ten-year period. Procedures included extensive performance of specific and extensive custom data analytics over many different data sets. Conducted in-depth investigative interviews of key individuals. Coordinated strategic review of unstructured data including email and expenditure supporting documentation. Reported results to counsel and Board of Directors.
- Conducted a forensic audit for a multi-state and international not-for-profit organization. The forensic audit included review and analysis of revenue and expenditure for an eight-plus year time span; performing extensive accounting records reconstruction procedures through review and identification of historical evidence; interviewing key players and identifying previously unknown information sources; performing data analytics to understand historical events and finding red-flag transactions; and reporting results to executive committee and counsel.
- Expertise includes forensic data analysis of retail sales, multi-level compensation structures, multiple accounting systems, bank accounts, and proprietary inventory management systems.
- As an experienced auditor, responsible for preparing and ensuring the timely filings of financial statements for public companies.

### Mathew W. Anderson, CPA/CFF, CFE, ASA

#### Specific Qualifications

- Certified Public Accountant, Certified in Financial Forensics, Certified Fraud Examiner, and Accredited Senior Appraiser.
- Extensive experience with financial and accounting analysis, forensic accounting, and valuation.
- Experience providing Expert Witness testimony.
- Performed purchase price allocation valuation analysis for companies in numerous industries.
- Performed valuations on various operating business entities for the purpose of sales and compensation arrangements.
- Provided data analytics for financial and non-financial data.
- Assisted with financial and accounting due diligence with a focus on data analytics.

## C. QUALIFICATIONS

### John M. Sboto, CPA, CEE, CFE, CGMA, Sub-contractor

#### Specific Qualifications

- Certified Public Accountant, Certified in Financial Forensics, Certified Fraud Examiner, and a designated Chartered Global Management Accountant.
- Experience evaluating internal controls on a pro-active basis and investigating policies and procedures.
- Provided testimony in cases involving embezzlement of employers' funds, project costs, and management improprieties.
- Served in the internal audit department for a major public company.
- Provided numerous forensic accounting and analysis reports involving embezzlements, financial irregularities, insurance claims, and royalty disputes.
- Managed computer forensics and electronic discovery activities.

### James Hughes, CPA, Sub-contractor

#### Specific Qualifications

- Certified Public Accountant.
- Specific expertise working with companies in the consumer products and services industry.
- Strong project management skills.
- Responsible for the preparation and the timely filing of financial statements and preparation of cash flow analyses and budgets.
- Experience performing control reviews; financial, operational, and compliance audits; and collateral reviews.

### Nicole Moss, JD, Analyst

#### Specific Qualifications

- Experience working high-profile monitoring cases in highly charged settings with demanding outside pressures.
- Background includes interviewing hundreds of claimants and witnesses while investigating discrimination claims in conjunction with a U.S. Department of Justice consent decree.
- Worked on a monitoring team for a large national corporation to ensure its compliance with a court's injunction to revise and adopt a non-discrimination policy designed to avoid employee discrimination against customers.

## D. PRIOR EXPERIENCE AND REFERENCES

### General Motors

Guidepost was approved to serve as the Independent Monitor, on behalf of the U.S. Department of Justice, to review and assess the effectiveness of GM's policies, practices, and procedures relating to the ignition switch issue.

*Guidepost Solutions Contact:* Bart M. Schwartz, Independent Monitor

#### *Reference:*

Sarah K. Eddy, Assistant U.S. Attorney  
Southern District of New York  
One St. Andrew's Plaza, New York, NY 10007  
T: (212) 637-1033  
sarah.eddy@usdoj.gov

### BNP Paribas (in support of SN Compliance LLC)

Pursuant to an appointment by the New York State Department of Financial Services (DFS), Guidepost Solutions worked under Independent Consultant Shirah Neiman to monitor and address BNP issues related to anti-money laundering and potential sanctions violations. Guidepost personnel reviewed the Bank's OFAC and anti-money laundering procedures and software programs and provided recommendations for software improvements and procedures. Guidepost personnel utilized data analytics to improve OFAC filter rates and to identify potential money-laundering issues. Guidepost has also supported Ms. Neiman in overseeing the DFS's suspension of U.S. dollar clearing for certain BNP locations and products. Both portions of the assignment have involved extensive work relating to resolving cross-border banking violations and bank secrecy issues.

*Guidepost Solutions Contact:* Julie Myers Wood, Deputy to the Independent Consultant

#### *References:*

Megan Prendergast  
Assistant Counsel  
New York State Department of Financial Services  
One State Street New York, NY 10004  
T: (212) 709-1674  
Megan.Prendergast@dfs.ny.gov

Shirah Neiman  
Independent Consultant during engagement  
SN Compliance LLC  
2 Charlton Street #9, New York, NY 10014  
T: (917) 589-0823  
shirahneiman@gmail.com

### Curtis-Straus

Curtis-Straus, an OSHA Nationally Recognized Testing Laboratory tests, reviews, and certifies high-end goods, electronics, medical devices, and other consumer products. In 2014, OSHA

## D. PRIOR EXPERIENCE AND REFERENCES

appointed Julie Myers Wood of Guidepost Solutions as an independent monitor with respect to potential conflicts of interest regarding Curtis-Straus's certifications. Under the monitorship, Guidepost conducts a separate independent review for each certification by Curtis-Straus by researching each critical component of a given good to ensure the products being tested and reviewed by the lab were not manufactured by the lab, its parent company, Bureau Veritas, a global certification company, or any of its global subsidiaries. Additionally, Guidepost monitors all acquisitions and sales in order to keep the conflict list current and accurate. Guidepost provides an annual report to OSHA regarding its review results.

*Key Guidepost Solutions Personnel:* Julie Myers Wood, Independent Monitor

*References:*

Michael Buchholz, P.E., NCE

Bureau Veritas/Curtis-Straus, President & General Manager

One Distribution Center Circle, Suite #1, Littleton, MA 01460

T: (508) 517-8108

michael.buchholz@gmail.com

Scott Lambert

Curtis-Straus, Certification Manager

One Distribution Center Circle, Suite #1, Littleton, MA 01460

T: (978) 486-8880

scott.lambert@us.bureauveritas.com

### DHL Express

Pursuant to an agreement between DHL Express, the Bureau of Industry and Security (BIS), and OFAC, Guidepost Solutions was appointed as an Independent Monitor. Guidepost professionals reviewed and monitored DHL's export compliance program, with a focus on preventing and detecting transactions to embargoed and sanctioned countries, including Iran. The review involved an assessment of DHL's denied party screening procedures, training program, and all other components contained in the BIS Export Management Compliance Plan audit module.

*Key Guidepost Solutions Personnel:*

Bart M. Schwartz, Independent Monitor

Julie Myers Wood, Deputy Monitor

*Reference:*

James Min

DHL

Vice President, International Trade Law

Global Head of Trade Law Practice Group

James.Min@dhl.com

### Point72 Asset Management

After pleading guilty to fraud charges linked to insider trading schemes involving stocks of 20 publicly traded firms, SAC Capital Advisors was required to hire a Compliance Consultant to review

## D. PRIOR EXPERIENCE AND REFERENCES

its future trading practices as part of its agreement with prosecutors. Guidepost's Chairman, Bart M. Schwartz, was approved as the Compliance Consultant by the U.S. Attorney's Office and the Court to evaluate and report any deficiencies in the procedures of SAC's renamed entity, Point72 Asset Management.

*Guidepost Solutions Contact:* Bart M. Schwartz, Compliance Consultant

*Reference:*

Vincent Tortorella  
Chief Compliance and Surveillance Officer  
Point72 Asset Management, L.P.  
72 Cummings Point Road, Stamford, CT 06902  
(203) 890-3507  
Vincent.Tortorella@point72.com

### BP

Guidepost Solutions was appointed by the Federal Court in Chicago on the recommendation of the Commodity Futures Trading Commission and the U.S. Department of Justice as the Independent Monitor of BP in accordance with its consent order and deferred prosecution agreement issued as a result of a settlement over allegations of market manipulation by BP's U.S. energy trading operation. The three-year assignment involved a comprehensive review and evaluation of the compliance controls in place to oversee trading activities. In addition, the consent order required the monitor to perform an operational audit of the controls in place to detect and prevent inappropriate trading behavior.

*Guidepost Solutions Contact:* Bart M. Schwartz, Independent Monitor

*References:*

Joan Manley  
Commodity Futures Trading Commission  
Deputy Director, Division of Enforcement  
Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581  
T: (202) 418-5000  
jmanley@cftc.gov

Stephen J. Obie, (formerly with CFTC during period of engagement)  
Jones Day, Partner  
250 Vesey Street, New York, NY 10281  
T: (212) 326-3773  
sobie@jonesday.com

Paul Pelletier (former Principal Deputy Chief, Litigation, U.S. Department of Justice Criminal Division Fraud Section, during period of engagement)  
Pepper Hamilton  
600 Fourteenth Street, N.W., Washington, DC 20005  
T: (202) 220-1218  
pelletierp@pepperlaw.com



## D. PRIOR EXPERIENCE AND REFERENCES

### Deutsche Bank, AG

Guidepost Solutions was selected by the U.S. Attorney's office for the Southern District of New York to serve as the Independent Expert pursuant to the non-prosecution agreement between Deutsche Bank AG and the United States. As part of the Bank's tax shelter settlement, Guidepost Solutions evaluated the implementation and effectiveness of the compliance measures.

*Guidepost Solutions Contact:* Bart M. Schwartz, Independent Expert

#### *References:*

Bonnie Jonas, (Former Assistant U.S. Attorney, Southern District of New York during period of engagement)

Pallas Global, Founder

590 Madison Avenue, New York, NY 10022

(212) 508-5515

bjonas@pallasglobal.com

Steven Reich

Deutsche Bank Americas, General Counsel

T: (212) 270.8705

steven.reich@db.com

### State-Owned Dutch Bank, Headquartered in Amsterdam (Confidential)

After a multi-year worldwide AML investigation conducted on behalf of the Bank for presentation to the U.S. Department of Justice, Guidepost's Chairman was retained to advise the Department as to whether the integrity of the investigation had been compromised by a possible conflict of interest. After a careful and efficient review of financial transactions and investigations conducted in more than a dozen countries, Guidepost concluded that the investigation had not been compromised during the previous AML investigation and the Department of Justice acquiesced in our assessment.

*Guidepost Solutions Contact:* Bart M. Schwartz, Independent Expert

#### *Reference:*

Steven Pelak (formerly with U.S. Department of Justice during period of engagement)

Holland & Hart, Partner

975 F Street NW, Suite 900, Washington, DC 20004

T: (202) 654-6929

swpelak@hollandhart.com

### Education Management Corporation (EDMC)

Oversaw and reviewed the performance of each particular School regarding the following matters:

- The Colorado State Attorney General Consent Judgment and Argosy University
- The San Francisco City Attorney Assurance of Voluntary Compliance, Art Institutes of California
- The Consent Judgment regarding 42 State Attorney Generals and Education Management Corporation

## D. PRIOR EXPERIENCE AND REFERENCES

*Guidepost Solutions Contact (all three orders):* Donna Bucella (former Chief Compliance Officer)

*Reference for all three orders:*

Carol DiBattiste,  
Former Chief Legal Officer, Education Management Corporation (former General Counsel and Chief Privacy Officer, Choice Point)  
T: (202) 632-5909  
cdibattiste@comcast.net

*Reference for Consent Judgment for EDMC:*

Thomas J. Perrelli  
Jenner and Block, LLP  
1099 New York Avenue, NW, Washington, DC 20001  
T: (202) 639-6004  
tperrelli@jenner.com

### *U.S. v. Novartis Pharmaceuticals Corp. (U.S. District Court, Eastern District of Pennsylvania)*

This five year civil and criminal investigation by the U.S. Attorney's Office for alleged off-label marketing and related offenses led to a global resolution of charges.

*Guidepost Solutions Contact:* Steve Sokolow (inside counsel for one of two leading case on behalf of Novartis Pharmaceuticals Corp.)

*References:*

Evan R. Chesler  
Cravath, Swain & Moore, Partner  
825 8th Avenue, New York, NY 10019  
T: (212) 474-1243  
echesler@cravath.com

Ronald H Levine  
Post & Schell, Principal  
1600 John F. Kennedy Boulevard, Philadelphia, PA 19103  
T: (215) 587-1071  
rlevine@postschell.com

Jeff Benjamin (Former General Counsel, Litigation, Novartis Services Inc.)  
Avon Products Inc., Senior VP, General Counsel & Chief Ethics & Compliance Officer  
777 Third Avenue, New York, NY 10017  
T: (212) 282-7000  
jeff.benjamin@avon.com

### *In the Matter of Novartis A.G. (2016)*

In a matter involving alleged violations of the Foreign Corrupt Practices Act, Novartis entered into an Offer of Settlement with the U.S. Securities and Exchange Commission agreeing to report to

## D. PRIOR EXPERIENCE AND REFERENCES

the Commission periodically on the status of its remediation and implementation of compliance measures and perform follow-up reviews.

*Guidepost Solutions Contact:* Steve Sokolow, inside counsel who led the case on behalf of Novartis

*References:*

Rachel G. Skaistis  
Cravath, Swain & Moore, Partner  
825 8th Avenue, New York, NY 10019  
T: (212) 474-1934  
rskastis@cravath.com

Thomas Kendris  
Novartis Corporation, President  
One Health Plaza, East Hanover, NJ 07936-1080  
T: (862) 778-3802  
Thomas.Kendris@novartis.com

### **People of the State of California v. Rena Ware International, Inc.**

Investigative Advisory Group ("IAG"), which was acquired by Guidepost Solutions in 2012, was retained to conduct independent compliance monitoring of the business and sales practices of Rena Ware International, Inc. Rena Ware is an international multi-level marketing company engaged in direct sales of household wares to consumers throughout California. IAG's team audited sales, collections and training procedures. The assignment was performed at the direction of the People of the State of California through its attorneys, the Attorney General for the State of California and the District Attorney for the County of Los Angeles, to ensure compliance with a Final Judgment and Permanent Injunction ordered by the court.

*Guidepost Solutions Contact (sub-contractor):* Thomas J. Cowley as Managing Partner of IAG

*Reference:*

Michele R. Van Gelderen  
Supervising Attorney  
Office of the California Attorney General  
300 South Spring Street #500, Los Angeles, CA 90013  
T: (213) 897-2000  
Michele.VanGelderen@doj.ca.gov

## E. PROPOSED ACTIVITIES

The Order outlines the scope of work. However, the details as to exactly what occurred and why the terms are as stated are not yet fully known. Initially, the Guidepost team anticipates that it will need to coordinate discussions among the FTC, Herbalife, and their counsel to be able to comprehensively address the particulars contained in the Order. This will greatly assist in developing a detailed work plan to address all of the terms and conditions contained in the Order.

First, in designing the program to carry out our responsibilities as the ICA, the Guidepost team would:

- a. Consider and leverage the work that Herbalife has already done to address the terms of the Order.
- b. Take advantage of all of the expertise that Herbalife offers including forensic accountants, revenue recognition experts, IT experts, data analytics, etc.
- c. Devise targeted searches to review and specifically address the issues in the Order in the most efficient way possible.
- d. Coordinate with Herbalife to the maximum extent possible to meet, interview, and conduct on-site visits and reviews, full well appreciating that Herbalife is running their business.
- e. Agree as to the terms of reporting to the FTC and Herbalife.

Second, it is believed that in the beginning of the engagement, Guidepost would be spending more time on-site during the first, second, and third year when initially establishing the methodology for review, and while preparing the two reports each year. Guidepost will spend less time during the fourth through seventh year of the agreement except when testing and compiling the information for the annual reports.

- a. During the first several months a work plan would be developed and a methodology would be created to review, monitor, and audit the work done by Herbalife in accordance with the Order.
- b. During the first several months, Guidepost will need to develop the data analytics methodology to include the creation of a thoughtful risk-based search process to address the requirements of the Order. The methodology will be collaborative and iterative. It will blend the multi-faceted skills and backgrounds of our experts. We expect the methodology to include:
  1. Planning – with a strong understanding of Herbalife’s policies, procedures, and IT environment, we intend to address each requirement of the scope of work.
  2. Assessment of Compliance and Risks – we will identify risks and compliance requirements; using our experience, expertise, and according to the requirements of the Order, we will build expectations and identify risks that will be measured through our analytics and forensic procedures.
  3. Data Extraction and Acquisition – working closely with Herbalife, we will collaborate to design an efficient and effective plan to obtain the data necessary to satisfy the Scope of Work and our Planning and Risk Assessment. The data extraction plan will be, both, timely and comprehensive.
  4. Analysis – we will perform in-depth analytics specifically designed to address the requirements of the Scope of Work and our Planning and Risk Assessment. The analytics we perform will be agreed upon by us, the FTC, and Herbalife. As the engagement evolves, the analytics will also evolve. We plan to design recurring analytics that can be automated and repeated in an efficient and

## E. PROPOSED ACTIVITIES

timely manner. We also plan to perform ad-hoc and risk-based analytics based on the interpretation of results in a timely fashion.

5. Collaborative Review – our data analysts will perform ongoing reviews of results with our investigation, revenue recognition, accounting, and compliance experts. Our goal will be risk-focused and will involve follow-up on transactions that are non-compliant, risky, or which have produced otherwise unexpected results. This approach will foster effectiveness and will be an improvement upon the random sampling approaches so common in the marketplace.
  6. Reporting – we will provide insightful, reliable, comprehensive, and flexible results to both Herbalife and the FTC on a timely basis. This will include a strategic blend of narrative, data-driven reports, and visualizations as necessary to comply with the desires of the FTC and Herbalife.
- c. From the outset, Guidepost would need to develop a phased approach as to what data should be requested and when the data should be routinely reviewed for purposes of reporting.

Depending on our findings from the points listed above, Guidepost would be in a better position to determine the number of interviews needed to learn about Herbalife’s operations specifically regarding retail sales, revenue recognition, preferred customers vs. business opportunity participants, personal consumption, and multi-level compensation.

Third, in addition to the above, there will be a blend of proposed activities to include:

- Conducting interviews;
- Reviewing policies and procedures regarding the practices of the business relating to the terms and conditions in the order to include collecting, calculating, and monitoring retail sales and profitability; differentiating between preferred customers and business opportunities participants; classification, calculation, and monitoring of sales regarding those categories; calculating and monitoring personal consumption by business opportunity participants; paying multi-level compensation and capturing, tracking, and monitoring of associated fees and purchases in accordance with the requirements, and ensuring adequate training was completed; accurately calculating annual U.S. multi-level compensation in accordance with the Order; and adequate enforcement regarding the limitations on leased or purchased business locations;
- Reviewing any automated system or the development of an automated system to monitor and track sales, inventory, payment, and retail profit;
- Reviewing books and records which address the conditions of the Order;
- Reviewing implemented internal controls to address terms of the Order;
- Creating a methodology to routinely review the retail sales, revenue recognition, multi-level compensation, personal consumption, etc., as listed in the Order;
- Developing a reporting process to include a template based on the requirements of the Order which would solicit input from the FTC and Herbalife; and
- Developing a process such that Herbalife and counsel have an opportunity to review and address the terms and findings in the report.

## E. PROPOSED ACTIVITIES

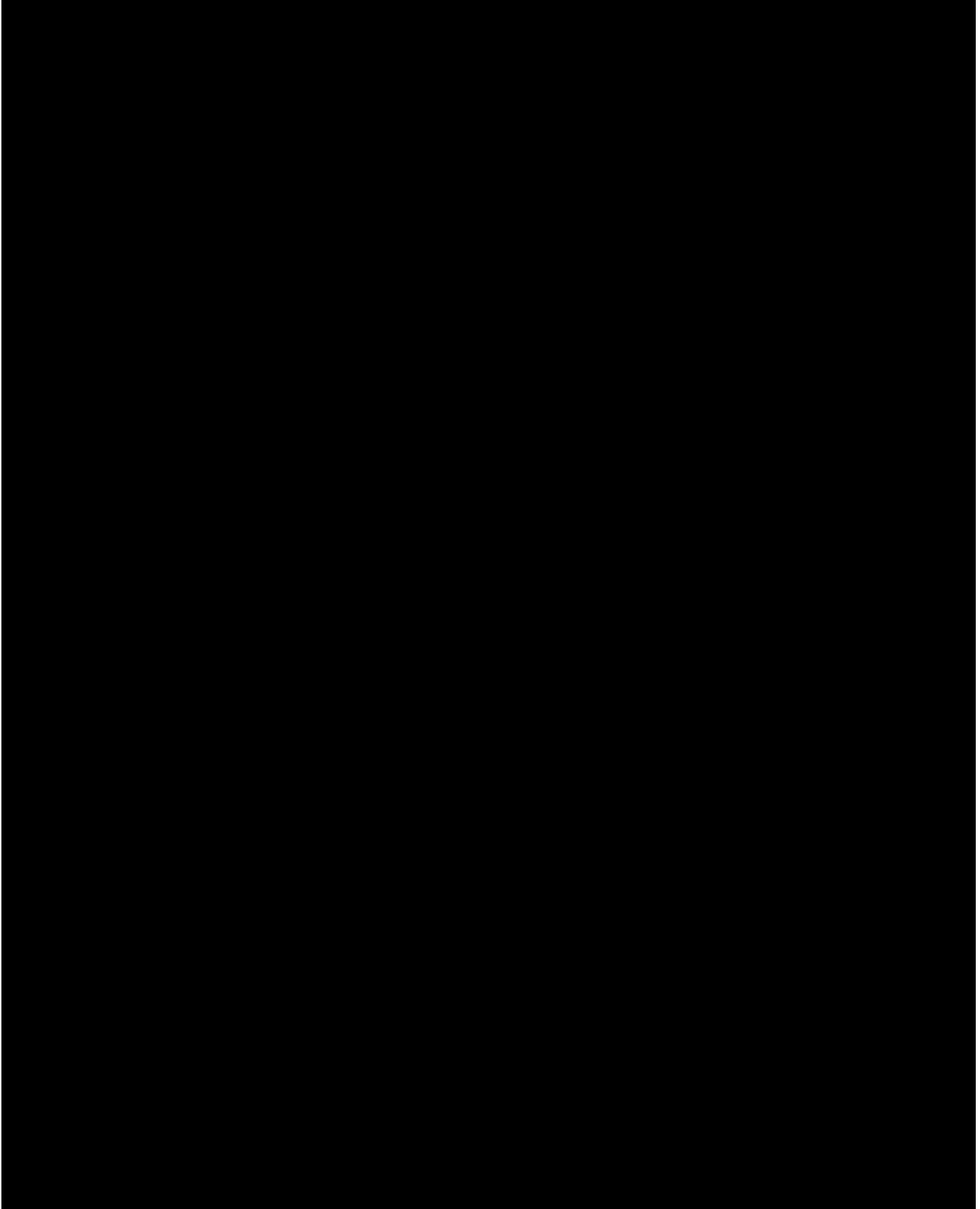
Fourth, Guidepost generally works in small teams. Depending on the outcome of the initial discussions and interviews, it is anticipated that some experts may need to be consulted in the initial phases. Afterwards, there will be two to three teams, whose sizes will vary, depending on the information to be gathered and analyzed. It is estimated that each team will be comprised of three to four persons to address the topics in the Scope of Work. The number of anticipated hours to be devoted to the specific aspects of the project by month or quarter will be developed following meetings with the FTC and Herbalife. Again, without understanding more facts regarding the operation and terms of the Order, it is difficult to predict the hours needed to adequately address the requirements of the Order.

## F. POTENTIAL CONFLICTS OF INTEREST OR BIAS

While there are no actual or perceived conflicts of interest involving team members, employees assigned to the project, or proposed subcontractors, including current or former employment and contracts or grants with Herbalife or the FTC, we would like to disclose two matters. One, a non-managerial employee of CliftonLarsonAllen was a former distributor for Herbalife. His wife and mother-in-law are distributors for Herbalife, but are not Herbalife employees. CliftonLarsonAllen employs over 4,000 people nationwide. This one non-managerial employee has no relation to either Mr. Merryman or Mr. Anderson on the team, and does not work in California. Also, there are no close familial or business relationships with Herbalife or the FTC, or their agents or employees. Second, CliftonLarsonAllen had a blanket purchase agreement (BPA) for accounting services and financial reporting for the FTC CFO office. CliftonLarsonAllen is a subcontractor under AOC Solutions and last year they prepared purchase card training material and policy support and assisted in the preparation of FTC's Annual Financial Report (AFR) and the work concluded in February 2016.

We do not believe that either of these disclosures result in an actual or perceived conflict of interest.

## G. ESTIMATED COSTS







## BART M. SCHWARTZ

Chairman

### CONTACT INFORMATION

415 Madison Avenue  
New York, NY 10017  
212.817.6733  
bschwartz@guidepostsolutions.com

### EDUCATION

- Juris Doctor, New York University School of Law
- Bachelor's Degree, University of Pittsburgh

### AFFILIATIONS

- International Bar Association
- American Bar Association, Criminal Justice Section New York Regional Litigation Support Committee, Co-Chairman & Global Anti-Corruption Committee
- New York State Bar Association
- Southern District of New York, Assistant U.S. Attorney
- New York City Bar Association
- Federal Bar Council
- National Association of Criminal Defense Lawyers
- Society of Corporate Compliance and Ethics
- Practising Law Institute
- New York Hedge Fund Roundtable
- HMS Holdings Corp. (NASDAQ:HMSY), Compliance Committee Chairman, Audit Committee Member
- Kadmon Corporation, LLC, Chairman, Board of Managers
- Stuyvesant High School Alumni Association, Board of Directors

Described by *The New York Times* as the person "often sought out in...thorny situations" by corporations, Bart M. Schwartz has wide experience providing advice and support to corporations, governments and individuals.

Mr. Schwartz served under U.S. Attorney Rudolph Giuliani as the Chief of the Criminal Division in the Southern District of New York. In that post, he had responsibility for overseeing prosecutions related to financial and business fraud, organized crime, narcotics, and other types of criminal activity.

Mr. Schwartz has served as a trial lawyer, corporate advisor and CEO of a private company and a unit of a public company. For more than 30 years, he has managed complex investigations, prosecutions and security assessments, and provided sophisticated investigative services to a wide array of clients. Mr. Schwartz is currently the chairman of Guidepost Solutions and serves on the board of HMS Holdings Corp. (NASDAQ:HMSY) where he is Chairman of the Compliance Committee and a member of its Audit Committee. He is also Chairman of the Board of Managers of Kadmon Corporation, LLC and is on the Board of Directors of the Stuyvesant High School Alumni Association.

### SELECT PROFESSIONAL EXPERIENCE

- In April 2016, retained by the Governor of the State of New York to conduct a review of all grants and approvals in certain programs and operations in the Buffalo Billion/Nano Economic Development Program for improper lobbying and undisclosed conflicts of interest and to make recommendations for improvements in its operations;
- Appointed independent monitor by the U.S. Department of Justice to oversee General Motors' compliance with its deferred prosecution agreement from its recall of defective ignition switches;
- In April 2014, approved as a compliance consultant by the U.S. Attorney's Office to evaluate and report on the insider trading compliance procedures of Point72 Asset Management (formerly SAC Capital Advisors);
- Served as the independent compliance expert to a special committee of the Board of SAIC, arising out of the "CityTime" investigation conducted by the U.S. Attorney's Office for the Southern District of New York and the New York City Department of Investigation;
- Appointed monitor in December 2010 by the U.S. Attorney for the Southern District of New York in its Non Prosecution Agreement with Deutsche Bank AG in a matter involving the bank's participation and implementation of fraudulent tax shelters;
- Appointed receiver of the Madoff-related Merkin hedge funds, which includes making investment decisions, managing litigation and investor relations;

## BART M. SCHWARTZ

Chairman

### AREAS OF EXPERTISE

- Complex Investigations
- Compliance
- Integrity Monitoring
- White Collar Crime
- Fraud
- Asset Searches
- Anti-Money Laundering
- Security Consulting
- Due Diligence
- Foreign Corrupt Practices Act
- Organized Crime

- Selected by the CFTC and the Fraud Section of the Department of Justice to monitor BP trading activities, arising out of BP's settlement of illegal trading activities investigated by DOJ and CFTC;
- Retained by the United Arab Emirates to oversee compliance with MOUs between the UAE and Bangladesh, Pakistan, Mauritania and Sudan relating to the repatriation and compensation of children who were involved in camel racing in the UAE;
- Retained by Hewlett-Packard to conduct a worldwide review of their investigative practices and procedures;
- Engaged by a publicly traded utilities company to review the corporation's compliance program and advise on best practices;
- Appointed monitor of DHL, an international logistics company, by the U.S. Department of Commerce for issues relating to OFAC violations;
- Served as monitor of Milberg Weiss LLP law firm under auspices of the Los Angeles U.S. Attorney's Office;
- Elected, by investors, to the Board of Directors of the Bear Stearns High-Grade Structured Credit Strategies Enhanced Leverage (Overseas) Ltd. to conduct an independent investigation; now serving as Co-Counsel to the Receiver;
- Conducted independent investigation at Texaco into allegations of racial discrimination and destruction of documents in civil discovery;
- Appointed by Mayor Giuliani to chair a task force to conduct a top-to-bottom management review of the New York City Department of Buildings;
- Selected by the New York Metropolitan Transit Authority (MTA) to conduct a transparency assurance audit for the procurement of \$5 billion of new subway cars;
- Retained by the MTA in 2003 to build a compliance and ethics department and to study MTA procurement procedures;
- Served as a monitor of a hedge fund;
- Appointed with the approval of the U.S. SEC to review Smith Barney's compliance with the settlement in the Independent Research case;
- Served as general counsel of the Fortress Monitoring Group, which was selected by the Port Authority of New York and New Jersey as the integrity monitor for the construction of the Freedom Tower at Ground Zero; and
- Guidepost Solutions is the integrity monitor for the Port Authority of New York and New Jersey on the multi-year, multi-billion dollar construction of the Vehicle Security Center at the World Trade Center complex in New York.

Mr. Schwartz has had numerous court and other appointments to monitor the conduct of corporations in the concrete, construction, waste management and other industries. He has received assignments from or with the approval of the U.S. Securities and Exchange Commission (SEC), and the U.S.

## BART M. SCHWARTZ

Chairman

Department of Justice, the U.S Attorney's Office for the Southern District of New York, the Manhattan District Attorney's office, the New York Organized Crime Task Force, the New York School Construction Authority, and the New York Department of Environmental Conservation. He has conducted asset searches for the Bankruptcy Court, Trustees and Board Special Committees, including most recently in the Adelphia case.

Mr. Schwartz was a partner in a New York law firm specializing in federal civil and white-collar litigation. He also served as a Deputy Special Prosecutor in the investigation of a Presidential Cabinet Officer.

In 1991 Mr. Schwartz founded and was CEO of Decision Strategies, an internationally recognized investigative and security firm, which was sold to SPX (NYSE:SPW) in 2001. He continued as CEO until 2003, when he resigned to start his new venture. He has conducted many domestic and international investigations, including internal investigations and inquiries relating to human resources matters, compliance issues, the Foreign Corrupt Practices Act, fraud, asset searching and due diligence.

Mr. Schwartz co-authored a chapter on investigations for West Publications in the treatise Business and Commercial Litigation in Federal Courts. Mr. Schwartz frequently speaks at law and other conferences. He has served as an expert witness.

## JULIE MYERS WOOD

Chief Executive Officer

### CONTACT INFORMATION

1130 Connecticut Avenue, NW  
Suite 520  
Washington, DC 20036  
202.499.4330 (DC)  
202.431.6551 (cell)  
jwood@guidepostsolutions.com

### EDUCATION

- Juris Doctor, cum laude, Cornell Law School
- Bachelor of Arts, Baylor University

### AFFILIATIONS

- American Bar Association, Commission on Immigration, Commissioner
- American Bar Association Task Force on Human Trafficking
- Border Security Technology Consortium, Executive Committee Chair

### AREAS OF EXPERTISE

- Anti-Money Laundering
- Trade Compliance (OFAC, EAR, ITAR)
- Complex Investigations
- Compliance
- White Collar Crime
- Fraud
- Security Consulting
- Due Diligence
- Foreign Corrupt Practices Act
- Organized Crime

Julie Myers Wood is the chief executive officer of Guidepost Solutions, a leading investigative and compliance consulting firm. She joined the firm in 2012, as president of its Compliance, Federal Practice and Software Solutions division. Prior to joining Guidepost Solutions, Ms. Wood was the former founder and president of ICS Consulting, LLC, a firm specializing in compliance, risk assessments, immigration and customs investigations. Guidepost Solutions acquired ICS Consulting in September 2012.

Ms. Wood focuses on regulatory compliance and investigative work. Most recently, she supervised a comprehensive technology review and assessment of the Office of Foreign Assets Control (OFAC) and anti-money laundering (AML) capabilities for a global bank, overseeing the implementation of data analytics capability to detect anomalies in AML and OFAC screening, as well as USD clearing for correspondent banks. Ms. Wood managed a team reviewing the AML and sanctions rules/wraps, internal software platform, investigator training and alert closure, and procedures/policies. In this role, she worked closely with New York regulators.

Ms. Wood is currently serving as the anti-money laundering auditor for a residential mortgage loan originator at a large corporation and the independent consultant for a global oil and gas company on sanctions issues. She is frequently consulted by non-traditional financial entities to assist in the development of their AML program or dispute resolution. More broadly, Ms. Wood regularly conducts trade, government contracting, immigration and anti-corruption due diligence risk assessments. She developed a cross-functional compliance monitoring program and conducts third-party audits on a variety of regulatory issues.

Ms. Wood also has significant experience as a monitor. She led the monitoring team on behalf of Guidepost Solutions for DHL relating to OFAC issues. She is working with New York regulators as deputy to the monitor for a foreign financial institution and serves as the appointed monitor for a certification lab.

Prior to joining the private sector, Ms. Wood served as Head of Immigration and Customs Enforcement for the Department of Homeland Security (DHS) leading its largest investigative component and the second largest investigative agency in the federal government with a budget of nearly \$6 billion and 15,000 employees. In supervising ICE's investigative activity, Ms. Wood oversaw the agency's wide variety of AML and trade compliance (OFAC, EAR, ITAR) investigations and private sector compliance programs, testified about best practices and investigations, and enforced the Export Administration Act and related export control regulations. Under her leadership, the agency developed new methods and proposed legislative language to combat emerging trends relating to trade-based money laundering, check cashing and money remitters, and stored value cards.

Ms. Wood's previous leadership positions in the federal government include Assistant Secretary for Export Enforcement at the Department of Commerce and Chief of Staff for the Criminal Division at the Department of Justice. She also served as Deputy Assistant

## JULIE MYERS WOOD

Chief Executive Officer

Secretary (Money Laundering and Financial Crimes) at the Treasury Department, where she helped draft regulations relating to Title III of the Patriot Act, coordinated the U.S. government's national report/strategy on money laundering, and oversaw Treasury Enforcement activities relating to OFAC. Ms. Wood served as an Assistant U.S. Attorney for the Eastern District of New York, where she prosecuted criminal cases including financial crimes, securities fraud, and other white-collar criminal cases.

Ms. Wood is nationally recognized as a speaker for her expertise on immigration and other law enforcement issues. She has testified before Congress numerous times and has appeared on CNN, C-SPAN, ABC, CNBC, MSNBC, NPR, FOX and other broadcast stations. Prior to government service, Ms. Wood was an associate at Mayer, Brown & Platt in Chicago, IL and she clerked for the Honorable C. Arlen Beam of the U.S. Court of Appeals for the Eighth Circuit.

## DONNA A. BUCELLA

President, Compliance

### CONTACT INFORMATION

1130 Connecticut Avenue NW,  
Suite 520  
Washington, DC 20036  
202.499.4327 (o)  
202.604.3002 (c)  
dbucella@guidepostsolutions.com

### EDUCATION

- Juris Doctor, University of Miami School of Law
- Bachelor of Arts, University of Virginia

### AFFILIATIONS

- District of Columbia, Court of Appeals
- Virginia Supreme Court
- U.S. Court of Appeals for the Armed Forces
- Florida Supreme Court
- American Bar Association
- Risk Assistance Network +Exchange, Senior Advisor
- Overseas Security Advisory Council, Bureau of Diplomatic Security, U.S. Department of State, Member, Past Advisor
- Infragard, Member, Past Board of Directors
- National Association of Public Administration, Fellow
- Stetson University College of Law Advisory Board for National Clearinghouse for Science, Technology and the Law
- Intelligence and National Security Alliance, Past Member & Past Co-chair INSA Domestic Intelligence Council

### AREAS OF EXPERTISE

- Internal Investigations
- Compliance
- Enterprise Risk Management
- Business Litigation
- White Collar Crime

Donna A. Bucella is the president of Compliance for Guidepost Solutions and leads its Washington, D.C. office. She was previously the U.S. Attorney for the Middle District of Florida (Presidentially appointed and U.S. Senate confirmed) and has extensive senior leadership experience with the U.S. government including the Departments of Justice, Homeland Security, and Defense, and with three publicly-traded companies. She joined Guidepost Solutions in December 2015. She is known and highly respected both inside and outside the government as the go-to person who works exceptionally well with everyone in providing high-quality advice, support, candor and real cost-effective solutions to corporations, governments and anyone who needs her expertise.

Previously, in 2013, Ms. Bucella was named the Senior Vice President, Risk and Compliance and Chief Compliance Officer for Education Management Corporation, a \$1.9 billion provider of post-secondary education with 110 campuses, more than 90,000 students and approximately 20,000 employees. She is credited with creating an independent compliance department which reported to the Board of Directors, vastly improving and expanding its corporate compliance and internal investigations programs, and developing industry leading ethics and compliance training.

Ms. Bucella also practiced law with Foley & Lardner LLP and Steel, Hector and Davis LLP in the areas of complex business litigation, white collar defense, internal corporate investigations, and compliance. She also served as senior vice president at Perot Systems Government Services, and as senior vice president at Bank of America where she led business continuity and crisis management globally.

In addition to her service as the U.S. Attorney for the Middle District of Florida, Ms. Bucella also served as a supervisory Assistant U.S. Attorney for the Southern District of Florida, Director of the Office of Legal Education for the U.S. Department of Justice and the Director of the Executive Office for the United States Attorneys, Department of Justice.

Especially noteworthy, Ms. Bucella was selected by the President of the United States and the Director of the Federal Bureau of Investigation to become the first Director of the Terrorist Screening Center which she created from inception and led it to full operational capacity as it exists today. She also served as Assistant Commissioner of U.S. Customs and Border Protection, where she created the Office of Intelligence and Investigative Liaison; and after 9/11, she joined the Transportation Security Administration as the first Southeast Area Director responsible for the operations of 80 federalized airports. Ms. Bucella also retired at the rank of Colonel from the U.S. Army Reserves.

Throughout her career, Ms. Bucella has been the recipient of numerous awards and decorations to include the Attorney General Exceptional Service Award for her work on the investigation of the Oklahoma City Bombing, the highest award of the Department of Justice and the Legion of Merit. She is a frequent speaker and instructor on topics related to investigations, compliance, intelligence and terrorism.

## STEVE SOKOLOW

Senior Managing Director

### CONTACT INFORMATION

415 Madison Avenue, Floor 11  
New York, NY 10017  
646.553.1387 (o)  
917.748.0440 (m)  
ssokolow@guidepostsolutions.com

### EDUCATION

- Juris Doctor, New York University Law School
- Bachelor of Arts, History & English, University of Pennsylvania, *magna cum laude*

### AFFILIATIONS

- Citizens Crime Commission
- Penn Alumni

### AREAS OF EXPERTISE

- Corporate Governance
- Foreign Corrupt Practices Act
- False Claims Act
- Internal Investigations
- Regulatory Investigations
- Product Liability
- Litigation
- Anti-Kickback Statutes

Steve Sokolow is a senior managing director in the New York office of Guidepost Solutions. He has a 24-year background working in the pharmaceutical industry; advising executive leadership; and working on matters related to the Foreign Corrupt Practices Act (FCPA), False Claims Act (FCA), corporate governance, internal investigations, and litigation.

Most recently, Mr. Sokolow was vice president and general counsel of Novartis Services Inc. where he oversaw litigation and investigations for its U.S. operating companies including Novartis Pharmaceuticals, Sandoz and Alcon; managed its New York office operations; and advised the parent company, a Swiss multinational pharmaceutical group. He also served as lead counsel on FCPA matters and managed internal and government investigations. Mr. Sokolow is credited with transforming the company's approach to investigations by developing streamlined processes and protocols with the agreement of government agencies that significantly reduced cost and resolution time. During his tenure, he established the litigation practice, investigations unit and eDiscovery program; oversaw product liability, commercial and antitrust matters; and led high-profile product liability litigations specifically for Novartis Pharmaceuticals.

Mr. Sokolow joined Novartis in 1997 following the merger between Ciba-Geigy Corporation and Sandoz. At Ciba-Geigy he was an attorney responsible for overseeing outside counsel for litigations covering employment, product liability, environmental and commercial matters.

Earlier in his career, Mr. Sokolow spent five years in private practice with two prestigious law firms in New York City, Christy & Veiner and Cahill Gordon & Reindel. He began his legal career with the New York County District Attorney's Office as an Assistant District Attorney serving under District Attorney Robert M. Morgenthau.

Mr. Sokolow shares his expertise with others as a speaker and panelist at continuing legal education seminars.



## THOMAS J. COWLEY

Senior Consultant

### CONTACT INFORMATION

915 Wilshire Boulevard  
Suite 2250  
Los Angeles, CA 90017  
213.624.9000 (o)  
tcowley@guidepostsolutions.com

### EDUCATION

- LaSalle University
- Federal Bureau of Investigation Academy

### LICENSES

- Private Investigator

### AREAS OF EXPERTISE

- Investigations
- Due Diligence
- Foreign Corrupt Practice Act
- Litigation Support
- Asset Searching
- Compliance
- Forensic Accounting
- Corporate Integrity Monitoring
- Security, Threat, Risk and Vulnerability Assessments
- White Collar Crime

Thomas J. Cowley is a senior with Guidepost Solutions and works from its Los Angeles office. He is a skilled and accomplished investigative consultant with more than 30 years of experience conducting complex investigations.

Mr. Cowley has specialized experience in the management of high stakes investigations throughout the United States and internationally. He has directed thousands of inquiries involving internal investigations, corporate fraud, anti-corruption due diligence, asset searches, theft of intellectual property and fact gathering in support of commercial litigation in the United States, Europe, Latin America and Asia. Mr. Cowley has provided compliance and monitoring oversight pursuant to prosecutorial and regulatory enforcement actions. He has served as a senior investigative and security contact to Fortune 500 companies, major law firms, financial institutions and government agencies.

Mr. Cowley joined Guidepost Solutions in 2012 after leading the highly regarded boutique investigations and security firm Investigative Advisory Group (IAG). While at IAG, he led the monitorship of the sales practices of a consumer products company. Prior to founding IAG in 2007, Mr. Cowley served as regional managing director and head of the Los Angeles office of SafirRosetti. He joined SafirRosetti in 2002, when its parent company Omnicom Group (NYSE: OMC) acquired NOESIS, the leading California based investigative consulting firm that he co-founded.

Previously, Mr. Cowley spent ten years with Kroll Associates where he managed its Western U.S. Region from Los Angeles, an office he helped established in 1988. From 1993 through 1996, he headed Kroll's Miami office where he directed all investigative operations in Latin America, the Caribbean and the Southeastern United States.

Over a ten-year career as a Special Agent for the Federal Bureau of Investigation, Mr. Cowley conducted and directed criminal cases targeting white-collar crime, organized crime, labor racketeering and money laundering. Earlier, as an Investigator for the State of New Jersey Division of Gaming Enforcement, he was responsible for tracing the source of funds invested in prospective Atlantic City casinos and monitoring their compliance with gaming regulations.

Mr. Cowley has lectured on the subjects of internal investigations, employment investigations, the Foreign Corrupt Practices Act, white collar crime, international due diligence, money laundering, asset searching and the effective use of private investigators before groups of attorneys, bankers, corporate executives and government officials.

Trained as an accountant, Mr. Cowley worked as a Certified Public Accountant for an international public accounting firm before entering the field of investigations.

### *Profile*

Ryan is a Senior Manager in CliftonLarsonAllen LLP's forensic and valuation services practice and is based in Los Angeles. He is an experienced financial consultant specializing in fraud and misconduct investigations, forensic data analysis, litigation consulting, and fraud risk management.

He is a Certified Public Accountant, Certified in Financial Forensics, Certified Information Technology Professional and a Certified Fraud Examiner. Prior to CliftonLarsonAllen LLP, Ryan was a Manager with KPMG LLP's forensic group and also served in their audit practice.

### *Technical expertise*

- Fraud and Misconduct Investigations
- Forensic Data Analysis
- Litigation Consulting
- Fraud Risk Management
- Mitigating Audit Risk by Conducting Data analytics

### *Education/professional involvement*

- University of California, Santa Barbara
- Bachelor of Arts in Business Economics with Emphasis in Accounting
- American Institute of Certified Public Accountants
- Association of Certified Fraud Examiners
- California Society of Certified Public Accountants

### *Experience Serving Clients*

#### **Investigative**

- Designed and performed data analytics that successfully addressed an over \$10 million difference in cash balances between the accounting records and the bank balances for a healthcare client. The process included importing activity from approximately 30 bank accounts and more than 20 million transactions from the accounting system.
- Investigated a company's co-founder for abuse of executive and fiduciary duty concerning an investment fund that managed billions in assets. Performed forensic data analysis in the areas of: journal entries, cash disbursements and receipts, company credit cards, building access logs and web activity.
- Analyzed a public corporation's foreign cash disbursements and performed procedures to detect bribery, kickbacks, and other non-compliance with the Foreign Corrupt Practices Act.
- Performed forensic audit at the direction of a district judge, which included a dispute between two international toy manufacturers.
- Investigated fraudulent financial reporting of a multinational corporation. Designed custom data analytics to ascertain the pervasiveness and value of fraud.

- Provided investigative services in a scheme where investors contended that seventy million dollars of real estate investments were squandered due to fraud.
- Examined a real estate Ponzi scheme where test work required forensic data analysis of multiple accounting systems. Quantified cash investments and amounts potentially lost due to fraud.
- Conducted an asset misappropriation investigation of a precious metal manufacturer. Designed and conducted forensic data analysis of the company's proprietary inventory management system.
- Directed email review of a public corporation and coordinated findings with the company's auditors. Successfully completed work within an extremely tight deadline resulting in a timely filing of financial statements.

#### **Fraud Risk Management and Assurance**

- Assisted a manufacturing company to implement its anti-fraud policy and design internal controls in compliance with domestic and international rules and regulations including the Foreign Corrupt Practices Act. Helped to author code of conduct and internal policies.
- Analyzed the annual disbursed payments for a state pension fund that consisted of over three million checks which totaled over six billion dollars. This complex analysis identified evidence of duplicate payments, unfounded payments, ghost payees, and addresses receiving multiple payments.
- Provided proactive fraud risk management services to audit teams by helping to identify high risk journal entries.
- Performed accounting analysis over specific set of accounts used by the company to book unsupported journal entries. Assisted the company to correct the account balances and correct financial statements.
- Assisted audit teams to comply with SAS 99/AU 316 "Consideration of Fraud in a Financial Statement Audit" requirements by helping to identify risk factors, conduct interviews and performed fieldwork.
- Experienced auditor including the preparation of 10-K and 10-Q filings. Performed consolidations of corporations with several international subsidiaries.

#### **Other**

- Member of the AICPA's Certified in Financial Forensics examination writing committee, been an ongoing participant since 2010.
- Member of the AICPA's Certified in Financial Forensics credential committee
- Have instructed three forensic classes with the California Society of CPAs, including:
  - The Audit of the Future, Today – Forensic Auditing
  - Fighting Fraud Using Data Analysis
  - Financial Fraud Investigation Methodology

**Mathew W. Anderson, CPA/CFF, CFE, ASA**

**CliftonLarsonAllen LLP**

Principal  
Denver, CO

303-265-7806  
matt.anderson@CLAconnect.com



### *Profile*

Mathew Anderson, CPA/CFF, CFE, ASA is a Principal in CliftonLarsonAllen's Greenwood Village office. Mr. Anderson has 18 years experience in complex financial and accounting analysis, accounting reconstruction, forensic accounting, valuation, financial consulting and financial statement assurance. Matt has provided financial and accounting advisory services to attorneys, corporations, non-profits and government entities. Matt's primary industry focus is health care with clients including large and small health systems, hospitals, and physician groups.

Matt has been involved with forensic accounting assignments including, financial statement fraud, embezzlement, misappropriation of assets, and various types of funds tracing. Matt has also provided commercial litigation dispute analysis and litigation support, including calculation of economic damages, complex electronic data analysis, royalty audit, and earnout dispute analysis. Matt has testified as an expert witness.

Prior to joining CliftonLarsonAllen LLP (fka Clifton Gunderson LLP), Matt was a forensic accountant with Ernst & Young LLP performing complex forensic accounting consulting across the country and internationally involving clients in a broad range of industries, including telecommunications, financial services, healthcare, manufacturing and distribution, construction, and logistics.

### *Technical expertise*

- Valuation and financial consulting.
- Data analytics and fraud investigation.
- Complex financial and accounting analysis.
- Complex commercial litigation experience in financial and accounting investigations and analysis related to securities and shareholder class action issues, *alter ego*, intellectual property disputes, accounting malpractice issues, and lost profits/breach of contract disputes.

### *Experience serving clients*

#### Valuation and Financial Consulting

- Health Care consulting – Business appraisals, compensation analyses, financial analyses, data analytics, and Starke Law and Anti-Kickback Statute analysis and consulting.
- Financial and tax compliance valuation – ASC 805 Business Combinations, ASC 350 Intangibles, Goodwill and Other, ASC 718 Stock Compensation, IRC Section 409A. Performed purchase price allocation valuation analysis for numerous clients in the following industries: healthcare, software, data center/colocation, agrochemical, manufacturing, transportation logistics, financial services, oil & gas.
- Valuation – Performed business valuations of various operating business entities for purposes including: potential sale, gift & estate tax, executive compensation arrangements.
- Due Diligence – Assisted various clients in financial and accounting due diligence with a focus on data analytics applied to Target company financial data.



- Royalty Consulting – Led royalty consulting engagements to assess the completeness, accuracy and comprehensibility of royalty reporting for various entities in industries including health sciences, consumer electronics, gaming, software, and web categorization.
- Transfer Pricing Consulting – Performed transfer pricing consulting for companies with cross-boarder operations in Canada, Mexico, and the United Kingdom.

#### Fraud Prevention and Investigation

- Proactive Fraud Prevention – Assisted various clients with fraud risk assessment, internal audit functions, internal control assessment, and data analytics in the context of fraud prevention and mitigation.
- Reactive Fraud Investigation – Assisted various clients and individuals with fraud investigations including alleged asset misappropriation, financial fraud, and white collar crime.
- Data Analytics – Provided data analytics using risk based and attribute sampling techniques applied to analysis of 100% of the population of financial and non-financial data sets.
- Audit Assistance – Assisted our assurance practice with data analytics and fraud risk assessment for high risk audit clients in the following industries: health care, automotive, manufacturing and distribution, organic dairy, trust services, online marketing, and insurance.

#### *Education/professional involvement*

- Bachelor's of Arts in Business/Economics with an Accounting Emphasis, University of California at Santa Barbara
- Member, American Institute of Certified Public Accountants, certified public accountant (CPA), certified in financial forensics (CFF)
- Member, Colorado Society of Certified Public Accountants
- Member, Association of Certified Fraud Examiners, certified fraud examiner (CFE)
- Member, American Society of Appraisers, accredited senior appraiser (ASA)
- Treasurer, Board of Trustees, The Leukemia & Lymphoma Society, Rocky Mountain Chapter, July 2010 to present

#### *Speaking engagements*

- September 30, 2015 – Association of College & University Auditors, 2015 Annual Conference, “Using Data Analytics as a Management Tool to Identify Organizational Risks”
- March 20, 2015 – Caplan and Earnest LLC, “Understanding Work RVUs, Collections, Hours and the Future of Physician Compensation Arrangements”
- July 17, 2013 – CLA Outsourcing Services Virtual Conference, “Internal Controls and Fraud Detection/Awareness”
- November 29, 2011 – Colorado Society of CPAs 2011 Accounting & Auditing Conference, “Fraud Fighting and Business Decision Making with Data Analytics”
- March 15, 2011 – M&A Meeting sponsored by Holme Roberts & Owen LLP, “Protecting Yourself: Corporate Veil Piercing Considerations in M&A Context”
- June 18, 2010 – Bank Audit Committee Conference sponsored by Bank Director Magazine, “Fraud: How to Prevent It and What to Do When It Occurs”
- May 6, 2010 – Fraud Panel Discussion sponsored by Colorado State Bank and Trust, Clifton Gunderson, and Sherman & Howard, “The CPA's Perspective on Fraud Auditing and Proactive Fraud Prevention”

- February 18, 2010 – Pikes Peak Chapter of the Institute of Management Accountants, “Fraud Auditing and Proactive Fraud Prevention”
- December 10, 2009 – Colorado Society of CPAs Government Conference, “Identifying and Preventing Fraud in Government Entities”
- March 18, 2009 – Financial Executives International, “Dynamics of Fraud: How to Identify and Combat Fraud”
- September 18, 2008 – Special District Association of Colorado, “Fraud 101 – Building Awareness”
- May 20, 2008 – Colorado Society of CPAs Non-Profit Conference, “Fraud 101 – Building Awareness”

## NICOLE MOSS, JD

Director of Research

### CONTACT INFORMATION

633 West Fifth Street, Suite  
2600  
Los Angeles, CA 90017  
213.624.9000 x11 (o)  
312.505.5087 (m)  
nmoss@guidepostsolutions.com

### EDUCATION

- Juris Doctor, Northwestern University School of Law
- Bachelor of Arts, Swarthmore College

### AREAS OF EXPERTISE

- Litigation Support
- Investigations
- Research

### LANGUAGES

- French

Nicole Moss is a director of research for Guidepost Solutions based in Los Angeles, California. She has acquired significant research experience at top southern California and Chicago law firms with a focus on litigation support in the areas of antitrust, contracts, and employment law.

Ms. Moss previously has worked as an investigator in conjunction with the U.S. Department of Justice examining discrimination claims and monitoring corporate compliance with judicial determinations. She serves as a legal advisor to Vort Port International, a Washington-based non-profit organization.

## **OVERVIEW**

John Sboto conducts fraud, financial and corporate internal investigations and also provides due diligence and litigation consulting services to clients. He has over 35 years of investigative, auditing and accounting experience.

John previously served as a Fraud & Forensic practice leader in the Los Angeles office of Deloitte, and prior to that position was the West Coast Director of Financial Investigations for Kroll Associates. Earlier he was a partner in a West Coast litigation services consulting firm that provided clients with a wide range of services involving accounting and financial issues and disputes, as well as on business matters and trade practices in situation relating to litigation or the prospect of litigation.

He started his career in public accounting and served as an Audit Manager with the firm of PricewaterhouseCoopers. Upon leaving public accounting he was appointed as Manager of Internal Audit, and then Manager of Corporate Accounting with a major utility/energy related NYSE traded holding company.

John is a CPA, (also certified in Financial Forensics), a Certified Fraud Examiner, and a Private Investigator licensed in the State of California.

## **EXPERIENCE**

John's experience includes a vast variety of complex engagements working for legal firms, public and private corporations, investors, and organizations in the not-for-profit sector:

The following are examples:

- ◆ Numerous investigations of internal and external fraud, theft of assets and proprietary information, investment frauds, non-compliance with prescribed policies/procedures, for both very large and smaller corporations, partnership business ventures, and not-for-profit organizations.
- ◆ Conducted the investigation of a \$100 million embezzlement of funds from the U.S. subsidiary of a major Japanese public company and provided related court testimony in resolution of this matter.
- ◆ Forensic accounting, analysis and reports in relation to numerous civil disputes, embezzlements and financial irregularities, fidelity bond insurance claims, royalty disputes, and family trust matters.
- ◆ Pre-transaction due diligence in connection with numerous large dollar investments by public employee pension funds into public and private Real Estate Investment Trusts.
- ◆ Pre-transaction due diligence of parties in proposed partnerships, joint ventures and regarding other contemplated business deals.
- ◆ Searches for tangible and liquid assets of defendants regarding satisfaction of legal judgments, court orders, and related to bankruptcy proceedings.



- ◆ Business intelligence for clients, including situations involving counterfeit products, pre-litigation fact-finding, and competitor business and financial activities, etc.
- ◆ Managed surveillance activities and computer forensics/electronic discovery in connection with a variety of investigations and intelligence gathering.
- ◆ Fraud risk assessments and internal control evaluations in a variety of industries both on a pro-active basis and as a by-product of investigations.
- ◆ Managed litigation support activities for a controversial dispute between a major oil company and public utility that resulted in over \$200 million in calculated damages in support of a client's breach-of-contract claim.
- ◆ Provided ongoing litigation support in connection with a two-year arbitration involving a dispute over the propriety of construction costs for a major residential development.

#### **PRESENTATIONS AND PROFESSIONAL TRAINING**

- ◆ Planning Committee member for annual conference on "Fraud in Audit, Accounting and Tax" sponsored by California CPA Education Foundation (over ten years.)
- ◆ Presentation - California CPA Education Foundation Training: Conducting fraud control assessments and evaluations, 2001
- ◆ Presentation to bank industry representatives on investigation of fraud pertaining to troubled loans situations, 1997

#### **PROFESSIONAL ASSOCIATIONS**

- ◆ Member of the AICPA
- ◆ Member of the California Society of Certified Public Accountants
- ◆ Member of Fraud/Damages Sections of California CPA Society Litigation and Dispute Resolution Common Interest Members Section
- ◆ Member of the Association of Certified Fraud Examiners (Director – Los Angeles Chapter)
- ◆ Member of the California Association of Licensed Investigators
- ◆ Associate Member of American Bar Association – Criminal Justice Section
- ◆ Member of the Institute of Internal Auditors

#### **TESTIMONY**

- ◆ United States of America/Day Lee Foods v. Yoshi Kato regarding \$100 million embezzlement of employer's funds (trial testimony)
- ◆ Testimony at various preliminary criminal court hearings in Los Angeles Superior Court in matters involving embezzlement of employer's funds

- ◆ Los Angeles Superior Court civil litigation matter regarding dispute over propriety of project construction costs (trial testimony)
- ◆ Los Angeles Superior Court wrongful termination civil action regarding investigation of alleged management improprieties (deposition testimony)

## **EDUCATION**

- ◆ St. John's University, New York, BS Accounting and Economics
- ◆ Post-Graduate studies at Bernard Baruch Graduate School of Business Administration/City University of New York, and at UCLA Extension
- ◆ Continuing Education and training courses sponsored by the Association of Certified Fraud Examiners, American Institute of CPA's, California CPA Education Foundation, California Association of Licensed Investigators, and America Bar Association

## **James Hughes, CPA, CFE**

Jim Hughes, CPA, CFE, has over 10 years of experience in auditing, forensic accounting, due diligence, and financial analysis with an expertise in internal controls assessments and implementation. His responsibilities have included monitoring and compliance, as well as litigation support and mergers and acquisitions due diligence. In addition, he has over 10 years of experience as a Controller/Finance Manager. Jim has been responsible for cash flow analysis, including 13 week rolling cash flow forecasts, and financial closings.

Jim's expertise spans consumer products and services, aviation and aerospace, manufacturing, distribution, mining, real estate, telecommunications, technology, and construction, engineering, and contracting.

Jim has specialized experience and expertise in the following industries:

- Consumer products and services
- Construction, engineering, contracting
- Manufacturing and distribution
- Financial services
- Real Estate

### *Financial Due Diligence, Investigations & Forensic Accounting*

- Assessed accounting and reporting systems, accounting policies and procedures, internal controls, reporting compliance and managerial depth for a distressed consumer products company valued at over \$1 billion.
- Performed financial due diligence on numerous companies and industries, including engineering and construction, manufacturing, aviation, mining, consumer products, media and technology.
- Performed a whistleblower investigation of a technology company, including allegations that the major shareholders misappropriated company resources, as well as allegations of falsifying financial statements.
- Performed financial fraud examinations relating to both employee and vendor / procurement fraud at a major Hollywood studio; identified weakness in internal controls for remediation.
- Completed numerous financial and background investigations of potential casino owners for the California Department of Justice and Bureau of Gambling Control to include source of funds, financial stability, business relationships, and accuracy of reported information.
- Performed litigation support services, including quantifying the value of various claims related to working capital and liquidated damages, for the buyer of a regional waste management company.

### *Financial Advisory / Interim CFO / Controller*

- Performed all accounting and controllership services, including financial closings, financial statement analysis and review, reconciliations, and process improvements for various companies including a media company, a solar development company, and a government services company.

## **James Hughes, CPA, CFE**

- Sell side diligence / consulting with a media company such as in preparing cash flow projections and other support of strategic sale.
- Assisted in winning award as prime contractor on a government contract totaling \$950 million and established controls to fulfill strict government reporting requirements.
- Advised a travel company in branch closure analysis and relocation of head offices, including setting up a new finance and accounting team. Worked with IT to improve collection and reporting of daily sales data.

Jim has an extensive financial services background with companies ranging \$50 million to \$1.5 billion. As credit analyst, he was a key member of the team responsible for underwriting a \$300 million syndicated credit facility, as well as multiple financings.

Jim is a member of the board of the Los Angeles Chapter of the Association of Certified Fraud Examiners (LA-ACFE).

In addition to being a California licensed CPA, specializing in forensics, he obtained his business degree in marketing from California Polytechnic State University.