

TOI #15840



Michael G. Kessler  
President / CEO

February 25, 2015

VIA US MAIL

Mr. Steven A. Pasichow  
Deputy Inspector General/Director of Investigations  
5 Marine View Plaza  
Suite 502  
Hoboken, NJ 07030

Re: Eaton Electric Inc./Integrity Monitor Selection Process  
Freedom of Information Request

Dear Mr. Pasichow:

Under the provisions of the Freedom of Information Law, I am requesting copies of the following records:

Any and all records including correspondence (digital or otherwise), memorandum, selection criteria, responses, proposals, notes and scoring or evaluation sheets related to The Port Authority of NY & NJ's Eaton Electric Inc. - Integrity Monitor Selection Process.

If the information is available in digital format, please send it in that fashion to [mkessler@investigation.com](mailto:mkessler@investigation.com). If there is a fee charged for fulfilling this request, please provide the records and bill me if the cost does not exceed \$50.00. If the fee will exceed \$50.00, please inform me of the total cost before any charges accrue.

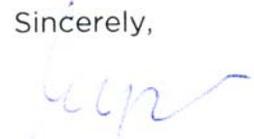
If this request or any portion of it is denied, please cite the exemption under which you refuse disclosure and supply me with the other information.

**Kessler International**  
World Headquarters  
45 Rockefeller Plaza, Suite 2000  
New York, NY 10111-2099  
Tel: 212-286-9100  
Toll Free: 800-932-2221  
Fax: 212-730-2433  
[mkessler@investigation.com](mailto:mkessler@investigation.com)  
[www.investigation.com](http://www.investigation.com)  
Offices Worldwide

03-04-15P03:16 RCVD

Thank you for your assistance, and I will anticipate your reply within five working days as required by law.

Sincerely,



Michael G. Kessler  
President & CEO

**THE PORT AUTHORITY OF NY & NJ**

FOI Administrator

March 25, 2016

Mr. Michael G. Kessler  
Kessler International  
45 Rockefeller Plaza, Suite 2000  
New York, NY 10111-2099

Re: Freedom of Information Reference No. 15840

Dear Mr. Kessler:

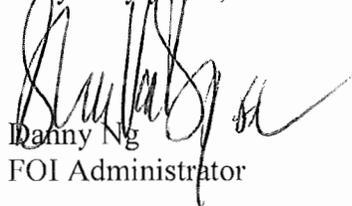
This is in response to your February 25, 2015 request, which has been processed under the Port Authority's Freedom of Information Code, copy enclosed, for copies of "Any and all records including correspondence (digital or otherwise), memorandum, selection criteria, responses, proposals, notes and scoring or evaluation sheets related to The Port Authority of NY & NJ's Eaton Electric Inc. - Integrity Monitor Selection Process."

Material responsive to your request can be found on the Port Authority's website at <http://corpinfo.panynj.gov/documents/15840-C/>. Paper copies of the available records are available upon request.

Certain portions of the material responsive to your request are exempt from disclosure as, among other classifications, privacy.

Please refer to the above FOI reference number in any future correspondence relating to your request.

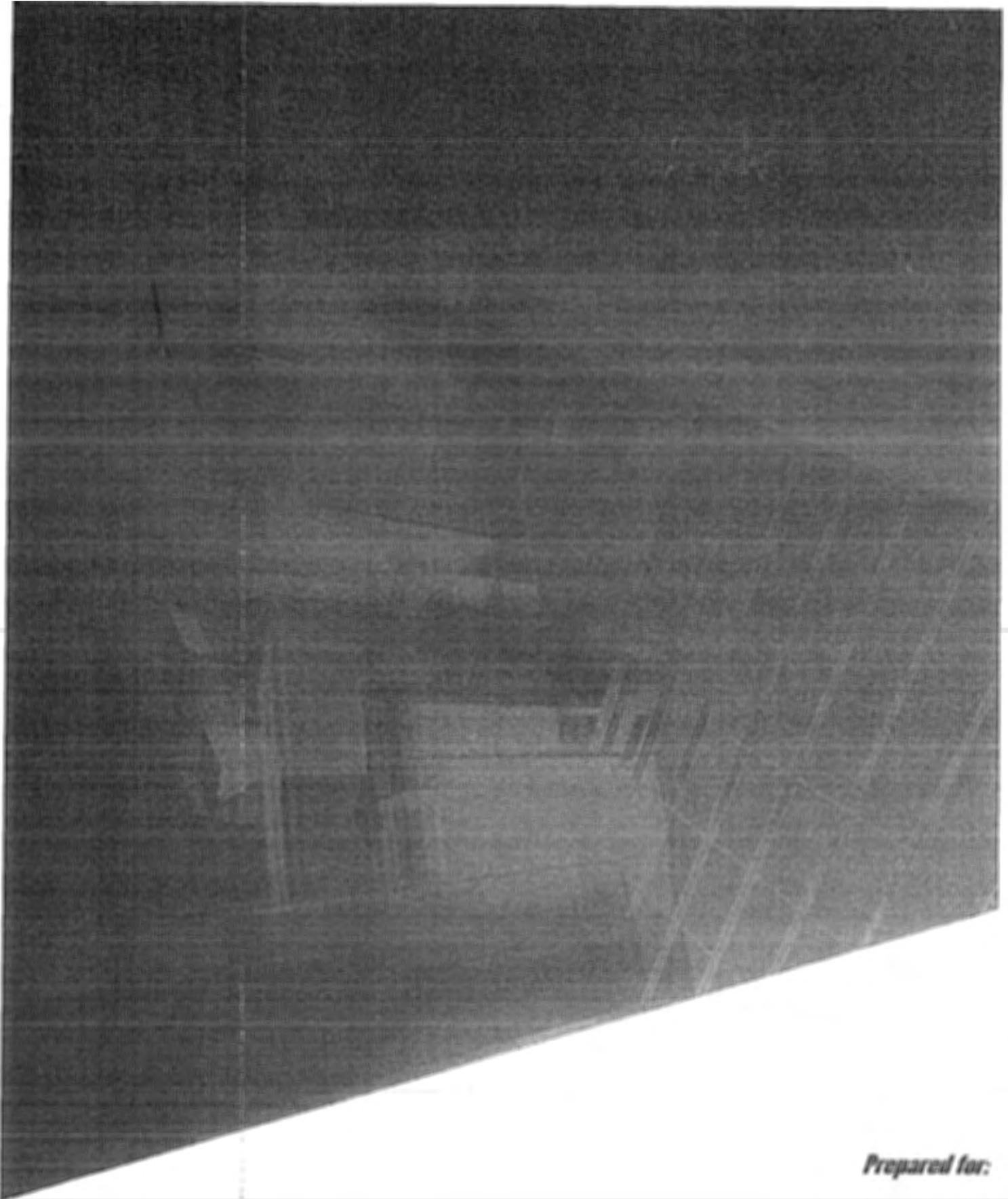
Very truly yours,



Danny Ng  
FOI Administrator

Enclosure

4 World Trade Center, 18th Floor  
150 Greenwich Street  
New York, NY 10007  
T: 212 435 3642 F: 212 435 7555



*Prepared for:*

**Kessler**®

**Mr. Robert C. Joyce, CFE  
Investigative Manager  
Office of Inspector General**

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## **Executive Summary**

### **Kessler International - The Right Choice**

Founded in 1988, Kessler International has provided forensic accounting and integrity monitoring for over twenty-five years. President Michael G. Kessler and his team of trained professionals have provided unparalleled insights to clients around the globe. Relevant to the instant case put forth by the Port Authority of New York and New Jersey (Port Authority), Kessler has monitored and audited hundreds of construction projects. In our review of Eaton Electric, Inc.'s list of clients, we have a familiarity with a number of the general contractors from previous assignments. Our services are made available to clients both local and foreign, as we have offices in New York City, Los Angeles, Long Island, Chicago, Honolulu, Miami, Washington, DC, Kowloon, Hong Kong, and San Juan, Puerto Rico.

Our highly-skilled and reputable professionals specialize in integrity monitoring construction financial practices, financial investigation, fraud detection, claims analysis, contract compliance and internal control review. Given our tenacity to furnish only the most accurate and detailed results, we include the use of proprietary software systems specifically designated for the detection and exposure of contract non-compliance. As the Agreement between the Port Authority and Eaton Electric, Inc. explicitly notes the Port Authority's commitment to investigating any and all possible fraud, waste, and abuse of projects or operations in all current and potential contracts and subcontracts, the tools and services that we provide will only ensure that such a commitment is upheld.

Kessler's longevity in the field is a testament to the continued success and measure of our commitment, capability, and qualifications. As a result, Kessler has been recognized on an international and regional level for its sustained prosperity for more than two decades. Some of the accolades Kessler has received include the 2013 Accounting Firm of the Year Award from ACQ; 2012 Gold Stevie Aware for Company of the Year in Accounting; and 2012 Global Business Excellence Award for Outstanding Executive, Michael G. Kessler.

The solid foundation from which Kessler has grown and flourished, as described above, should only affirm that here, only the most refined standard of diligence will be provided, and the highest degree of effort exerted. In order to so do, we understand that communication with our clients is the key to providing the desired results. As such, the interpersonal partnership shared between Kessler's cohesive team of specialized professionals represents a diverse core of individuals ready and willing to meet all challenges across linguistic, cultural, and legal platforms.

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## **Meet the Staff to Serve as Integrity Monitor:**

**Michael G. Kessler, CCA, CLEA, DFCP**  
**Certified Forensic Accountant**  
**President/CEO**

As the matter at hand has been accorded by the Port Authority of New York and New Jersey (Port Authority), **it is profoundly pertinent that Michael G. Kessler serves on the Board of the Association of Inspector Generals.** Mr. Kessler has personally overseen hundreds of construction audits involving an array of businesses including hotels, casinos, high-rises and transportation hubs, such as airports. Mr. Kessler has also previously held the titles of Chief of Investigations for the NYS Department of Taxation and Finance; Director for the NYS Revenue Crimes Bureau; Assistant Chief Auditor/Investigator for the NYS Special Prosecutor (Attorney General); and Senior Fraud Auditor for Blue Cross/Blue Shield of Greater New York. *For further credentials regarding Mr. Kessler's education, experience, and certifications please consult the attached hereto curriculum vitae.*

**Charles J. Shields CFE, CPA**  
**Managing Director of Forensic Accounting**

Providing over forty years of experience, Mr. Shields has conducted hundreds of fraud audits of substantial complexity during his time with Kessler. Like Mr. Kessler, Mr. Shields has also conducted numerous construction audits and served as a monitor in many construction-related fields. Further supporting Mr. Shields' mastery in the field, he has served as a consultant to the Nassau County District Attorney, and regularly provides corporate monitoring services at the behest of the courts, in addition to various government entities. Outside of the legal field, Mr. Shields also possesses substantial expertise within the corporate structure. He has held the positions of Corporate Controller of a Time Warner, Inc. subsidiary and Senior Auditor with Price Waterhouse Coopers. Additional qualifications and certifications are further noted in the attached résumé.

### **Team Kessler**

*Members of the Kessler team will assist as needed.*

The employees of Kessler International have amassed decades of experience in pertinent fields of forensic accounting. Full-time employees include Certified Internal Controls Auditors, CPAs, Certified Computer Forensics Engineers, Certified Practitioners of Digital Forensics, investigators, financial analysts, and research professionals. The majority of our forensic accountants are Certified Fraud Examiners and Certified Forensic accountants. In terms of our operations, we are licensed, bonded, and insured as a private investigative firm in both New York and New Jersey.

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## **Experience Relevant to the Role of Integrity Monitor:**

Over the years, Kessler has conducted innumerable integrity monitorships of various companies and institutions. Specifically, the engagements outlined below reflect a similarity in practical techniques and execution that would be reflected should our services be exercised. Please note that the examples listed below are of a confidential nature, and therefore are not specifically identified. For further reference, our public reports can be viewed here:

<http://www.investigation.com/reports.asp>

- **CONFIDENTIAL MATTER #1 (\$220 million various municipal construction projects)**  
Kessler conducted an audit of a construction company associated with a number of governmental projects including building additions to transportation centers such as airport facilities and a railroad passenger station. We reviewed pertinent documentation, including bid packages, contract, drawn down requisitions, materials and subcontractor invoices, and other support documents. We also interviewed past and present employees in an effort to determine the sufficiency of internal accounting systems. Kessler continued to work with the company to create more efficient and secure policies and procedures.
- **CONFIDENTIAL MATTER #2 (\$180 million luxury hotel)**  
Kessler managed a project assessment for a 54-story hotel, which included an audit of project costs, including procedural reviews; cost analysis and transactional investigation; and review of change order files and supporting documents. The results of our evaluation revealed extensive over billings and various abuses perpetrated by the target vendors including ghost employees, billings for undelivered goods, kickbacks to employees, and the creation of dubious vendors. Consequently, with the results we yielded, our client became involved in litigation with the construction manager and several subcontractors.
- **CONFIDENTIAL MATTER #3 (\$240 million shopping center rehabilitation)**  
Kessler assisted the developer and counsel of an urban shopping center concerning the identification of potentially problematic areas, namely, the adequacy of accounting and reporting systems. We identified a number of worrisome categories of cost. As such, Kessler reviewed all applicable records including billing invoices, shipping documents, contracts, payroll records, and material invoices. Upon completion of our review, our staff noted numerous instances of inaccurate billing including those attributed to ghost employees, in addition to fictitious vendors and consultants.
- **CONFIDENTIAL MATTER #4 (\$225 million county school construction projects)**  
A law firm representing a county school district retained Kessler to provide an audit regarding construction projects that had gone immensely over-budget. Under the scrutiny of our staff of highly-skilled, qualified professionals, a possible misuse of funds totaling \$2.5 million was revealed and paid back. Our staff was able to come to such a conclusion through the review of records and by conducting countless interviews.

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- **CONFIDENTIAL MATTER #5**

Kessler was retained by the owner to conduct an audit of a "Racino." During the audit, Kessler determined that the General Contractor of the project was allocating expenses from other unaffiliated projects to the Racino. It was also determined that the General Contractor failed to conduct fair bidding practices when choosing subcontractors.

**Protocols:**

Kessler has developed a trifurcated approach to managing the duties of the Integrity Monitor within the scope of that proposed by the Port Authority. Specifically, we are aware that the Port Authority has given a copy of its own "Model Code of Ethics" to Eaton Electric, Inc., the party in question. Using this reference as a rubric, Kessler will ensure that the named party will be aware of the standards by which they must abide, and the necessary procedure to attain such status. Also, upon review, there are no conflicts present between parties. To ensure that these goals and objectives are met, over the first three months of being appointed Integrity Monitor, *both* Mr. Kessler *and* Mr. Shields will provide their services for a combined total of approximately 40 to 70 hours a month. For the remaining length of the Agreement, *either* Mr. Kessler *or* Mr. Shields will provide his services for approximately 12 to 16 hours per month. The following is an overview of the services to be provided.



To complete the above-noted tasks, we will work in concert within the parameters provided by the Port Authority. Namely, we will abide by the standards addressed in Section 2.3 of the Agreement. As such, our duties will include:

- The monitoring, auditing, and investigation of actions, conduct, operations, or omissions of employees, affiliated individuals, and associated business that are relevant to Eaton Electric, Inc.; the relationship this entity shares with the Port Authority; and responsibilities regarding its status as a contractor.
- Evaluate Eaton’s Code of Business Ethics, and to measure the propriety of such a code using the Model Code of Ethics provided by the Port Authority.
- Review Eaton’s actions, conduct, operations, and uncover any omissions subsequent to the date of the Agreement, including an analysis of Eaton and its key people. Noted areas of compliance reviewed include: local, state, federal criminal and civil laws, rules, and regulations set forth by the Port Authority or associated contractual agreements, in addition to the material terms and conditions of such contracts; payrolls reports and payment requisitions; and reimbursement policy and procedure. Such a review will cover a period three years, as noted within the Agreement.

The results of this process will be reported directly to the Office of Inspector General within the parameters of confidentiality, as outlined in Section 2.7 of the Agreement.

**Billing Rates for Professional Services:**

Name	Title	Hourly Billing Rate
Michael G. Kessler	President CEO	\$385.00
Charles J. Shields	Managing Director	\$325.00

**Cost analysis/Monthly Estimations:**

Months	Estimated Hours	Cost Estimate
1-3	40-70/mo.	\$14,000-\$24,400/mo.
4-6	12-16/mo.	\$4,200-\$5,600/mo.

**Contact Us:**

**Michael G. Kessler**  
*President & CEO*  
 45 Rockefeller Plaza  
 Suite 2000  
 New York, NY 10111-2000  
 Phone: (212) 286-9100 Ext. 33  
 Fax: (212) 730-2433  
 Email: mkessler@investigation.com

**Susan M. Peterson**  
*Vice President & COO*  
 45 Rockefeller Plaza  
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 New York, NY 10111-2000  
 Phone: (212) 286-9100 Ext. 32  
 Fax: (212) 730-2433  
 Email: speterson@investigation.com

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 New York, NY 10111-2000  
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 Email: kmattmuller@investigation.com

**Michael G. Kessler CFE CCA CICA DCFP**  
**Certified Forensic Accountant**  
**Certified Law Enforcement Auditor**  
**Certified Computer Forensics Engineer**

**Current Employer:** Kessler International

**Profession:** Certified Forensic Accountant / Certified Computer Forensics Engineer

**Work History:** Kessler International – President & CEO, 1990 - present; NYS Metropolitan Transportation Authority – Deputy Inspector General, 1988-1990; NYS Department of Taxation & Finance – Chief of Tax Investigations, 1987-1988; NYS Special Prosecutor – Assistant Chief Auditor/Investigator, 1978-1988; Blue Cross/Blue Shield of Greater New York – Senior Auditor, 1973-1978

**Experience:** Over 40 years conducting complex investigations, forensic audits and computer / mobile forensic examinations. Currently is the president/CEO of one of the leading forensic accounting, computer forensics and corporate investigation firms in the world representing governments, law firms, corporations and individuals in defense and plaintiff cases involving fraud, embezzlement, malpractice, damage calculations, royalties auditing, intellectual property matters, construction auditing, insurance claim reviews, money laundering issues and high technology and digital crimes. Also has executed forensic training programs for staff at Fortune 500 companies and government agencies throughout the world. Kessler has also been requested to be an Independent Private Sector Inspector General for corporations and government agencies.

**Professional Licenses and Certifications:** Licensed by New York State Education Department as a Business Education and Accounting Instructor and in NY, NJ, FL, AZ, MI, MO, CT, GA, PA, CA, IL, WA and Puerto Rico as a Private Investigator. Qualified as a Certified Forensic Accountant, Certified Internal Controls Auditor, Certified Construction Auditor, Certified Law Enforcement Auditor, Digital Forensics Certified Practitioner, Board Certified Forensic Examiner and a Certified Fraud Examiner and a Fellow of the American Board of Forensic Accounting. Has also attained Fellow status with the American Board of Forensic Examiners and is a member of and has attained accreditation from the Academy of Experts in the United Kingdom and was qualified in a number of jurisdictions (State, Federal, UK) as an Expert in the area of forensic accounting and computer / mobile forensics. Kessler currently serves on the Board of Directors of the Association of Inspectors General, the IT committee of The Institute for Internal Controls and the Professional Responsibility Committee of the Institute of Business Appraisers. He has also served on the Litigation Forensics Board of the National Association of Certified Valuation Analysts and was a member and the Chairman of the American College of Forensic Examiners International – Executive Board of Forensic Accounting.

**Education:** Holds a BS (1973) and MBA (1978) from St. John's University – Peter J Tobin College of Business and a Certificate of Advanced Graduate Study in Business (1981) from Pace University-Lubin School of Business.

**Professional Affiliations:** American Academy of Forensic Sciences, American College of Forensic Examiners, American Bar Association, Chicago Bar Association, Forensic Expert Witness Association, The Academy of Experts-UK, The Institute for Internal Controls, Association of Certified Fraud Examiners, National Law Enforcement Associates, Law Enforcement Video Association, International Association Computer Investigative Specialist, Association of Inspectors General.

**Publications and Speaking Engagements:** Attends professional training sessions as an instructor and is regularly called upon by cable news and network news as well as various newspapers and magazines to provide expert opinions on a news breaking story. Is the editor of "*The Kessler Report*," numerous trade publication articles and a co- author of "*Fraud Audit Review Manual for Hospitals*" published by the HCFA-HHS.

**Awards:**

- Long Island Business News – Largest Accounting Firms - 2013
- Long Island Business News - Who's Who in Forensic Accounting – 2012/2013
- Bronze Stevie Award for Executive of the Year – Accounting – June 2012
- Kessler International –Gold Stevie Award -Company of the Year 2012- Accounting – June 2012
- Kessler International -Accounting Company of the Year in 2011 International Business Awards - *July 2011*
- Finalist in 2011 American Business Awards -*May 2011*
- Kessler International Named Forensic Accounting Firm of the Year for North America - *April 2011*
- Michael G. Kessler Named as Finalist in 2010 American Business Awards - *May 2010*
- Kessler International Wins the Global Business Excellence Award for Outstanding Risk Consultancy Solution -*January 2010*
- Kessler International Receives 2009 Best of Business Award - Forensic Accounting & Auditing - *November 2009*
- Outstanding Citizenship Award from the City of New York

**Other:**

- Appointed to the Neutral Panel of the American Arbitration Association as an Arbitrator.
- Appointment pursuant to Part 36 of the Rules of the Chief Judge – NYS.
- Company awarded GSA schedule for forensic accounting and computer / mobile forensics.
- Appointed by Federal and Courts as expert in matters involving forensic accounting and computer / mobile forensics.

- Appointed by local courts throughout the United States as expert in matters involving forensic accounting and computer / mobile forensics.



*Charles J. Shields III, CPA, FCPA, CFE*

*Kessler International*

*45 Rockefeller Plaza*

*Suite 2000*

*New York, NY 10111-2000*

*Phone: (212)-286-9100 Ext. 30*

*Email: cshields@investigation.com*

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Mr. Shields has over forty years of accounting and auditing experience, most recently as a forensic accountant and investigator in both civil and criminal matters. Mr. Shields has served as a forensic accounting consultant to the District Attorney of Nassau County, N.Y., as well as to private investigative firms, attorney, and certified public accountants. He also provides corporate monitoring services for prominent New York City attorneys.

He has also held positions as the *Corporate Controller* of a subsidiary of Time Warner, Inc. Additionally, he has held the position of *Senior Auditor* with Coopers & Lybrand. As a testament to the measure of Mr. Shields' expertise, he has been featured as a speaker before a number of professional groups regarding various tax topics and forensic audit techniques.

Mr. Shields earned a Masters Degree in Accounting. He remains an active member of the American Institute of Certified Public Accountants, the Forensic CPA Society, and the Association of Certified Fraud Examiners.

**PORT AUTHORITY OF NEW YORK AND NEW JERSEY**  
**Background Qualification Questionnaire**

**CONFIDENTIAL**

**General Identification**

1. Employer Identification Number (EIN or Tax ID#) \_\_\_\_\_  
 Business Entity Name (the "Company") Michael G. Kessler and Associates, Ltd.  
 D/B/A ("Doing Business As"), if any Kessler International  
 Street Address 45 Rockefeller Plaza Suite 2000  
 City/State/Zip New York, NY 10111-2000  
 Phone No. (212)-286-9100 Fax No. (212)-730-2433
2. a. What project is the Company bidding, proposing, or intending to work on?  
Eaton Electric, Inc. Integrity Monitor  
(Provide Port Authority contract number if known.)
- b. Prime Contractor (the "Prime") \_\_\_\_\_  
(The firm that the Company will be contracting with.)
- c. Description of Work Integrity Monitor
- d. What is the estimated range of the contract value or value of work?  
 \$0 to \$99,999     \$100,000 to \$999,999     \$1,000,000 to \$9,999,999     \$10,000,000 or above

**Business Organization and History**

3. Type of Entity:  Corporation     Partnership     Sole Proprietorship     Joint Venture\*  
 Limited Liability Company     Other (Specify) \_\_\_\_\_
- \* If the Company is a Joint Venture, provide a list of all partner firms and/or parties to the Joint Venture below. All partners and/or parties listed are also required to individually complete a separate BOQ.
- | Partner / Party Name | EIN or Tax ID# | % of Ownership |
|----------------------|----------------|----------------|
|                      |                |                |
|                      |                |                |

4. a. Date the Company was formed or incorporated 4/30/90
- b. State in which the Company was formed or incorporated New York
5. Was the Company purchased as an existing business by its present owner(s)?  
 No     Yes (if 'yes,' provide information below)
- Previous Owner(s) Name(s): \_\_\_\_\_ Date purchased \_\_\_\_\_
6. a. Has the Company changed address(es) in the past five (5) years?  
 No     Yes
- b. Has the Company operated under any other name(s), including trade names, in the past five years?  
 No     Yes
- c. Does the Company have offices, plants or warehouses at other addresses?  
 No     Yes

If 'yes' to any portion of Question 6, provide details below:

Specify (6a-c)	Name	Address	From (Date)	To (Date)
	Please See Attached			

7. Does the Company Own, Rent, or Lease its office facilities?  
 Own  Rent / Lease (if 'Rent / Lease,' provide details below)

Owner Name	Address	Phone No.

8. Does the Company share any office space, staff, or equipment (including telephone exchanges) with any other business or organization?  
 No  Yes (if 'yes,' provide details below)

EIN or Tax ID#	Firm Name	Address	Space	Staff	Equip
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. At present or during the past five (5) years:
- Has the Company been a subsidiary of any other firm?  
 No  Yes
  - Has any other firm owned 5% or more of the Company?  
 No  Yes
  - Has the Company consisted of a partnership in which one or more partners are other firms?  
 No  Yes
  - Has the Company been a joint venture partner with any other firms?  
 No  Yes

If 'yes' to any portion of Question 9, provide details below.

	FIRM #1	FIRM #2
Specify (9a-d)		
EIN or Tax ID#		
Firm Name		
Address		
Relationship To The Company (Co. Owner, Partner, Etc.)		
% of the Company Owned		
From - To (Date)	-	-
Representative Name / Title		

10. At present or during the past five (5) years:

a. Has the Company had any subsidiaries?

No  Yes

b. Has the Company owned 5% or more of any other firm?

No  Yes

If 'yes' to any portion of Question 10, provide details below.

Specify (10a,b)	EIN or Tax Id#	Firm Name and Address	% Owned By The Company	Dates of Ownership From/To

11. Is the Company a union company or non-union company?

Union  Non-Union

If 'Union,' provide details below.

Union Local #	Union Name or Trade	Exp. Date

12. Does the Company currently participate in, or have any applications pending for, any business or job opportunity certification programs with The Port Authority of New York and New Jersey or any other government agency? (i.e. MBE, WBE, SBE, DBE, LBE, etc.)

No  Yes (if 'yes,' provide details below)

Certification Type	Certifying Agency	Certification #	Exp. Date

**Key People**

13. For the present and for the past five (5) years, identify all **KEY PEOPLE**, whether or not they are currently with the Company. Complete all blank areas. Copy this page if more space is required.

KEY PEOPLE include:

- Principals, directors, officers;
- Shareholders\* of 5% or more of the Company's issued and outstanding stock;
- Any manager or individual who participates in overall policy-making or financial decisions for the Company;
- Project managers and project executives for the project for which this Questionnaire is being submitted;
- Any person in a position to control and direct the Company's overall operations; and,
- Authorized signatories to bank accounts and any debt instruments, whether or not otherwise considered KEY PEOPLE.

\*Shareholders are owners of stock or other securities that can be converted to stock that, if converted, would constitute 5% of the Company's issued and outstanding stock. Other securities include stock options, secured or unsecured bonds, warrants and rights.

	PERSON #1	PERSON #2	PERSON #3
NAME AND HOME ADDRESS*	Michael G. Kessler 45 Rockefeller Plaza Suite 2000 New York, NY 10111		
Date of Birth			
SS # (Last 4 Digits Only)	XXX-XX-7871	XXX-XX-	XXX-XX-
Current Title	President		
From - To (Date)	4/30/90 - Present	-	-
% of Ownership	100		
	PERSON #4	PERSON #5	PERSON #6
NAME AND HOME ADDRESS*			
Date of Birth			
SS # (Last 4 Digits Only)	XXX-XX-	XXX-XX-	XXX-XX-
Current Title			
From - To (Date)	-	-	-
% of Ownership			
	PERSON #7	PERSON #8	PERSON #9
NAME AND HOME ADDRESS*			
Date of Birth			
SS # (Last 4 Digits Only)	XXX-XX-	XXX-XX-	XXX-XX-
Current Title			
From - To (Date)	-	-	-
% of Ownership			

\*Provide current proper legal name and specify any name change, including maiden or married names or aliases.

14. At present or during the past five (5) years have any of the KEY PEOPLE of the Company served as a KEY PERSON or owned 5% or more of any other firm (including firms that are inactive or have been dissolved)?  
 No  Yes (if 'yes,' provide details below)

	FIRM #1	FIRM #2	FIRM #3
Firm Name			
EIN or Tax ID			
Address			
KEY PERSON			
Position Held			
% Owned			
From - To (Date)	-	-	-
Remainder Owned By			

15. Are any KEY PEOPLE of the Company:

- a. present or past employees of the Port Authority or the Prime (see Question 2b)?

No  Yes

- b. related by kinship or marriage to any present or past employee of the Port Authority or the Prime?

No  Yes

If 'yes' to any portion of Question 15, provide names of such individual(s) and indicate relationship to the current / former employee.

**Compliance Information**

The Company must attach an explanation for each response of 'yes' to any Question in this section.

All firms listed in Questions 9, 10 and 14 will be referred to in the following questions as: "**AFFILIATE FIRMS**"

16. Has the Company or any of its AFFILIATE FIRMS ever been the subject of any of the following actions by any government agency: (Note: Matters under appeal must be disclosed.)

Government agencies include city, state, federal public agencies, quasi-public agencies, authorities and corporations, public development corporations, public benefit corporations and local development corporations.

- a. been suspended, debarred, disqualified, declared non-responsible, or had its prequalification revoked?

No  Yes

- b. been prevented, or barred, or agreed to a voluntary exclusion, from bidding/contracting for any integrity related reason?

No  Yes

- c. been barred from bidding or denied a contract as a result of refusal of KEY PEOPLE to testify before a grand jury or administrative board?

No  Yes

- d. been denied a contract despite being the low bidder for any integrity related reason?

No  Yes

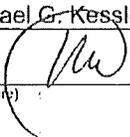
- e. had a contract terminated for "cause"?

No  Yes

17. In the past ten (10) years has the Company or any of its current or past KEY PEOPLE or AFFILIATE FIRMS:
- a. engaged the services of an Integrity Monitor, independent private sector inspector general, or integrity compliance consultant in connection with the performance of any public contract?  
 No  Yes (Been Required)  Yes (Voluntarily)
  - b. been required to submit a Certification or agree to special terms or conditions beyond the ordinary scope of a contract, in connection with the award of, or in order to complete on, any public contract?  
 No  Yes
18. In the past five (5) years, has the Company had a lien imposed in excess of \$10,000 based upon taxes owed or fines or penalties assessed by any federal, state or local governmental agency that have not been paid as of the date of the execution of this Questionnaire?  
 No  Yes
19. In the past five (5) years, has the Company or any of its KEY PEOPLE had any business related or professional licenses, certificates or certifications revoked or suspended?  
 No  Yes
20. Has the Company or any of its KEY PEOPLE had any sanctions imposed or entered into a consent decree as a result of a judicial or administrative proceeding with respect to any professional license held or with respect to any violation of any federal, state or local government agency.  
 No  Yes
21. Has the Company or any of its current or past KEY PEOPLE or AFFILIATE FIRMS ever:
- a. been under investigation involving any alleged violation of criminal law relating to business activities?  
 No  Yes  

INVESTIGATION includes an appearance before a grand jury by representatives of a business entity, any oral or written inquiry or review of the entity's documents by a government agency, including, but not limited to, subpoenas, search warrants, questioning of employees concerning the general operations or specific activities of such business entity, whether or not such entity is notified, is in-fact, or otherwise believed to be, the subject or target of any such investigation.
  - b. had records in its or his/her control, custody or ownership subpoenaed or seized by a search warrant by any law enforcement or government agency?  
 No  Yes
  - c. been questioned by any officer or agent of a law enforcement or investigative agency regarding any practices or conduct relating to the Company's business?  
 No  Yes
  - d. been advised of being the target, subject, or person of interest of an investigation involving any violation of criminal law?  
 No  Yes
  - e. been notified of being the subject of court ordered electronic surveillance?  
 No  Yes
  - f. been arrested or indicted or otherwise named as an unindicted co-conspirator in any indictment or other accusatory instrument?  
 No  Yes
  - g. been convicted, after trial or by plea, of any felony under state or federal law?  
 No  Yes

- h. been convicted of any misdemeanor involving business-related crimes?  
 No  Yes
  - i. entered a plea of nolo contendere to any felony and/or business-related misdemeanor?  
 No  Yes
  - j. entered into a consent decree, deferred prosecution agreement, or non-prosecution agreement?  
 No  Yes
  - k. been granted immunity from prosecution for any business-related conduct constituting a crime under state or federal law?  
 No  Yes
  - l. exercised the Fifth Amendment right against self-incrimination in testimony regarding a business related crime?  
 No  Yes
  - m. been the subject of a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency?  
 No  Yes
  - n. been accused as a defendant in any lawsuit, or subject to an administrative action or proceeding, alleging any business or integrity related misconduct, including, but not limited to, a false claims act violation, willful failure to pay prevailing wages or benefits, or ERISA or other labor law violation?  
 No  Yes
- 
22. Do any KEY PEOPLE have any felony or misdemeanor charges pending against them?  
 No  Yes
23. Has the Company or any of its current or past KEY PEOPLE or AFFILIATE FIRMS ever engaged in any of the following practices:
- a. filed with a government agency or submitted to a government employee a written instrument which the Company or any of its KEY PEOPLE or affiliate firms knew contained a false statement or false information?  
 No  Yes
  - b. falsified business records?  
 No  Yes
  - c. given, or offered to give, money, gifts or anything of value or any other benefit to a labor official or public servant with intent to influence that labor official or public servant with respect to any of his or her official acts, duties or decisions as a labor official or public servant?  
 No  Yes
  - d. given, or offered to give, money or other benefit to an official or employee of a private business with intent to induce that official or employee to engage in unethical or illegal business practices?  
 No  Yes
24. Has the Company ever changed its EIN or Tax ID following any of the events described in Questions 16 through 23?  
 No  Yes
25. This document was prepared by (This person must be a KEY PERSON listed in response to Question 13):

Michael G. Kessler  
(Name) \_\_\_\_\_  
  
(Signature) \_\_\_\_\_

President and CEO  
(Title) \_\_\_\_\_  
01-07-2015  
(Date) \_\_\_\_\_

**Certification**

A materially false statement willfully or fraudulently made in connection with this Certification, and/or failure to conduct appropriate due diligence in verifying the information that is the subject matter of this Certification may prevent the Company and/or the undersigned from being found to be responsible bidders/proposers in connection with future agreements. In addition, a materially false statement willfully or fraudulently made in connection with this Certification may subject the Company and/or the undersigned to criminal charges, including charges for violation of New York State Penal Law Sections 175.35 (Offering a False Statement for Filing) and 210.40 (Sworn False Statement), New Jersey Code of Criminal Justice Title 2C:28-3 (Unsworn Falsification to Authorities), and/or Title 18 U.S.C. Sections 1001 (False or Fraudulent Statement) and 1341 (Mail Fraud).

Certifications must be notarized when signed.

I Michael G. Kessler, being duly sworn, state that I am President, an officer of  
(Print Name) (Title)

the Company, and that I have read and understood the questions contained in the attached questionnaire.

I certify that to the best of my knowledge the information given in response to each question, whether prepared by me, or by the Key Person identified in Question 25, is full, complete and truthful as of this date hereof. I agree and warrant that truthfully answering the questions is an event entirely within my control.

I recognize that all the information submitted in connection with this Questionnaire is for the express purpose of inducing the Port Authority to enter into a contract with, or to approve the award of a contract or subcontract to, or otherwise approve some other relationship with, the Company.

I acknowledge that the Port Authority, may by means it deems appropriate, determine the accuracy, truth and completeness of the answers to the questions in the questionnaire. I authorize the Port Authority or its designee to contact any person or entity for purposes of verifying the information supplied by the Company.

Michael G. Kessler  
\_\_\_\_\_  
(Print Name)  
  
\_\_\_\_\_  
(Signature)

Sworn to before me  
this 12<sup>th</sup> day of January 20 15

Kelly Mattmuller  
Notary Public



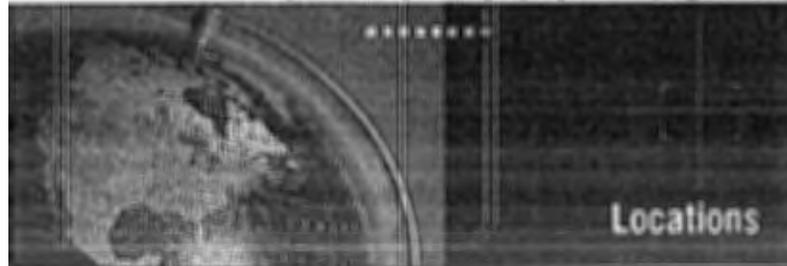
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Computer Forensics  
Corporate Investigation**

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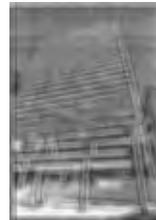
**Locations**



**World Headquarters  
New York City**

45 Rockefeller Plaza  
20th Floor  
New York, NY 10111  
  
Ph: (212) 286-9100  
Fax: (212) 730-2433  
[E-Mail](#)

[New York Map](#)  
License No: 11000074108



**Los Angeles, CA**  
See note below\*

10100 Santa Monica  
Boulevard  
Suite 300  
Los Angeles, CA 90067  
  
Ph: (310) 651-9962  
Fax: (310) 772-2246  
[E-Mail](#)

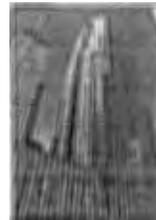
[Los Angeles Map](#)  
License No: PI 20011



**Long Island, NY**

10 Roosevelt Avenue  
Port Jefferson Station, NY  
11776  
  
Ph: (631) 928-1080  
Fax: (631) 928-1025  
[E-Mail](#)

[Long Island Map](#)  
License No: 11000042739



**Chicago, IL**

Two Prudential Plaza  
180 N. Stetson  
Suite 3500  
Chicago, IL 60601  
  
Ph: (312) 268-5716  
Fax: (312) 268-5801  
[E-Mail](#)

[Chicago Map](#)  
License No: 115-001569



**Honolulu, HI**  
*Computer Forensics &  
Forensic Accounting  
Only*

1888 Kalakaua Avenue  
Suite C312  
Honolulu, HI 96815  
  
Ph: (808) 457-1662  
Fax: (808) 664-0851  
[E-Mail](#)

[Honolulu Map](#)



**Miami, FL**

1111 Brickell Avenue  
Suite 1100  
Miami, FL 33131  
  
Ph: (305) 913-7188  
Fax: (305) 913-4101  
[E-Mail](#)

[Miami Map](#)  
License No: A9400372



**Washington, DC**  
*Computer Forensics &  
Forensic Accounting  
Only*

1101 Pennsylvania Avenue,  
NW, 6th Floor  
Washington, DC 20004  
  
Ph: (202) 756 0270  
Fax: (202) 756 7323  
[E-Mail](#)

[Washington Map](#)



**Kowloon, Hong Kong**

12/F International Commerce  
Centre  
1 Austin Road West  
Kowloon, Hong Kong  
  
Ph: +852 2824 8576  
Fax: +852 3669 8300  
[E-Mail](#)

[Hong Kong Map](#)



**London, United Kingdom**

29th Floor  
One Canada Square  
Canary Wharf  
London E14 5DY

Ph: 44 20 7956 8849  
Fax: 44 20 7712 1501  
E-Mail

[London Map](#)



**San Juan, Puerto Rico**

Metro Office Park  
Metro Parque 7  
Street 1 Suite 204  
Guaynabo  
San Juan, PR 00968

Ph: (787) 793-4364  
Fax: (787) 793-4495  
E-Mail

[San Juan Map](#)

Texas License # A16992

\*Accounting services are provided under the authority of Section 5052 of the California Accountancy Act for which a state license is not required.



Kessler International  
World Headquarters  
45 Rockefeller Plaza - 20th Floor  
New York, NY 10111-2099  
Phone: (212) 286-9100 Fax: (212) 730-2433  
Toll-Free Phone: (800) 932-2221 Toll-Free Fax: (800) 451-4546

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**General Identification**

1. Employer Identification Number (EIN or Tax ID#) \_\_\_\_\_  
Business Entity Name (the "Company") KPMG LLP  
D/B/A ("Doing Business As"), if any NA  
Street Address 717 North Harwood Street, Suite 3100  
City/State/Zip Dallas, TX 75201-6585  
Phone No. 212-758-9700 Fax No. 212-758-9819
2. a. What project is the Company bidding, proposing, or intending to work on?  
RFP# 31507 - Performance of Integrity Monitoring Services on a Call-In Basis  
(Provide Port Authority contract number if known.)
- b. Prime Contractor (the "Prime") Eaton Electronic, Inc.  
(The firm that the Company will be contracting with.)
- c. Description of Work Integrity Monitor for Eaton Electric, Inc
- d. What is the estimated range of the contract value or value of work?  
 \$0 to \$99,999  \$100,000 to \$999,999  \$1,000,000 to \$9,999,999  \$10,000,000 or above

**Business Organization and History**

3. Type of Entity:  Corporation  Partnership  Sole Proprietorship  Joint Venture\*  
 Limited Liability Company  Other (Specify) Limited Liability Partnership

\* If the Company is a Joint Venture, provide a list of all partner firms and/or parties to the Joint Venture below. All partners and/or parties listed are also required to individually complete a separate BQQ.

Partner / Party Name	EIN or Tax ID#	% of Ownership

4. a. Date the Company was formed or incorporated 1994  
b. State in which the Company was formed or incorporated Delaware
5. Was the Company purchased as an existing business by its present owner(s)?  
 No  Yes (if 'yes,' provide information below)  
Previous Owner(s) Name(s): \_\_\_\_\_ Date purchased \_\_\_\_\_
6. a. Has the Company changed address(es) in the past five (5) years?  
 No  Yes
- b. Has the Company operated under any other name(s), including trade names, in the past five years?  
 No  Yes
- c. Does the Company have offices, plants or warehouses at other addresses?  
 No  Yes

If 'yes' to any portion of Question 6, provide details below:				
Specify (6a-c)	Name	Address	From (Date)	To (Date)
	Refer to attachment			

7. Does the Company Own, Rent, or Lease its office facilities?  
 Own  Rent / Lease (if 'Rent / Lease,' provide details below)

Owner Name	Address	Phone No.
Refer to attachment		

8. Does the Company share any office space, staff, or equipment (including telephone exchanges) with any other business or organization?  
 No  Yes (if 'yes,' provide details below)

EIN or Tax ID#	Firm Name	Address	Space	Staff	Equip
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. At present or during the past five (5) years:

a. Has the Company been a subsidiary of any other firm?  
 No  Yes

b. Has any other firm owned 5% or more of the Company?  
 No  Yes

c. Has the Company consisted of a partnership in which one or more partners are other firms?  
 No  Yes

d. Has the Company been a joint venture partner with any other firms?  
 No  Yes

If 'yes' to any portion of Question 9, provide details below.

	FIRM #1	FIRM #2
Specify (9a-d)	Refer to attachment	
EIN or Tax ID#		
Firm Name		
Address		
Relationship To The Company (Co. Owner, Partner, Etc.)		
% of the Company Owned		
From - To (Date)	-	-
Representative Name / Title		

10. At present or during the past five (5) years:

a. Has the Company had any subsidiaries?

No  Yes

b. Has the Company owned 5% or more of any other firm?

No  Yes

If 'yes' to any portion of Question 10, provide details below.

Specify (10a,b)	EIN or Tax Id#	Firm Name and Address	% Owned By The Company	Dates of Ownership From/To
		Refer to Attachment		

11. Is the Company a union company or non-union company?

Union  Non-Union

If 'Union,' provide details below.

Union Local #	Union Name or Trade	Exp. Date

12. Does the Company currently participate in, or have any applications pending for, any business or job opportunity certification programs with The Port Authority of New York and New Jersey or any other government agency? (i.e. MBE, WBE, SBE, DBE, LBE, etc.)

No  Yes (if 'yes,' provide details below)

Certification Type	Certifying Agency	Certification #	Exp. Date

**Key People**

13. For the present and for the past five (5) years, identify all **KEY PEOPLE**, whether or not they are currently with the Company. Complete all blank areas. Copy this page if more space is required.

KEY PEOPLE include:

- Principals, directors, officers;
- Shareholders\* of 5% or more of the Company’s issued and outstanding stock;
- Any manager or individual who participates in overall policy-making or financial decisions for the Company;
- Project managers and project executives for the project for which this Questionnaire is being submitted;
- Any person in a position to control and direct the Company’s overall operations; and,
- Authorized signatories to bank accounts and any debt instruments, whether or not otherwise considered KEY PEOPLE.

\*Shareholders are owners of stock or other securities that can be converted to stock that, if converted, would constitute 5% of the Company’s issued and outstanding stock. Other securities include stock options, secured or unsecured bonds, warrants and rights.

	PERSON #1	PERSON #2	PERSON #3
NAME AND HOME ADDRESS <sup>†</sup>	John B. Veihmeyer	P. Scott Ozanus	Richard H. Girgenti
Date of Birth			
SS # (Last 4 Digits Only)	XXX-XX-	XXX-XX-	XXX-XX-
Current Title	Partner, Chairman	Deputy Chairman and 	Principal, Forensic Ame
From – To (Date)	-	-	-
% of Ownership	less than 5%	less than 5%	less than 5%
	PERSON #4	PERSON #5	PERSON #6
NAME AND HOME ADDRESS <sup>†</sup>			
Date of Birth			
SS # (Last 4 Digits Only)	XXX-XX-	XXX-XX-	XXX-XX-
Current Title			
From – To (Date)	-	-	-
% of Ownership			
	PERSON #7	PERSON #8	PERSON #9
NAME AND HOME ADDRESS <sup>†</sup>			
Date of Birth			
SS # (Last 4 Digits Only)	XXX-XX-	XXX-XX-	XXX-XX-
Current Title			
From – To (Date)	-	-	-
% of Ownership			

<sup>†</sup>Provide current proper legal name and specify any name change, including maiden or married names or aliases.

14. At present or during the past five (5) years have any of the KEY PEOPLE of the Company served as a KEY PERSON or owned 5% or more of any other firm (including firms that are inactive or have been dissolved)?  
 No  Yes (if 'yes,' provide details below)

	FIRM #1	FIRM #2	FIRM #3
Firm Name			
EIN or Tax ID			
Address			
KEY PERSON			
Position Held			
% Owned			
From - To (Date)	-	-	-
Remainder Owned By			

15. Are any KEY PEOPLE of the Company:

a. present or past employees of the Port Authority or the Prime (see Question 2b)?  
 No  Yes

b. related by kinship or marriage to any present or past employee of the Port Authority or the Prime?  
 No  Yes

If 'yes' to any portion of Question 15, provide names of such individual(s) and indicate relationship to the current / former employee.

**Compliance Information**

The Company must attach an explanation for each response of 'yes' to any Question in this section.

All firms listed in Questions 9, 10 and 14 will be referred to in the following questions as: "AFFILIATE FIRMS"

16. Has the Company or any of its AFFILIATE FIRMS ever been the subject of any of the following actions by any government agency: (Note: Matters under appeal must be disclosed.)

Government agencies include city, state, federal public agencies, quasi-public agencies, authorities and corporations, public development corporations, public benefit corporations and local development corporations.

a. been suspended, debarred, disqualified, declared non-responsible, or had its prequalification revoked?  
 No  Yes

b. been prevented, or barred, or agreed to a voluntary exclusion, from bidding/contracting for any integrity related reason?  
 No  Yes

c. been barred from bidding or denied a contract as a result of refusal of KEY PEOPLE to testify before a grand jury or administrative board?  
 No  Yes

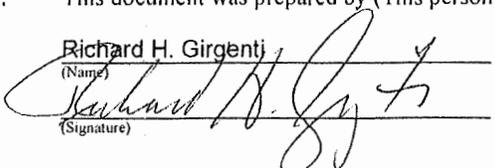
d. been denied a contract despite being the low bidder for any integrity related reason?  
 No  Yes

e. had a contract terminated for "cause"?  
 No  Yes

17. In the past ten (10) years has the Company or any of its current or past KEY PEOPLE or AFFILIATE FIRMS:
- engaged the services of an Integrity Monitor, independent private sector inspector general, or integrity compliance consultant in connection with the performance of any public contract?  
 No  Yes (Been Required)  Yes (Voluntarily)
  - been required to submit a Certification or agree to special terms or conditions beyond the ordinary scope of a contract, in connection with the award of, or in order to complete on, any public contract?  
 No  Yes
18. In the past five (5) years, has the Company had a lien imposed in excess of \$10,000 based upon taxes owed or fines or penalties assessed by any federal, state or local governmental agency that have not been paid as of the date of the execution of this Questionnaire?  
 No  Yes
19. In the past five (5) years, has the Company or any of its KEY PEOPLE had any business related or professional licenses, certificates or certifications revoked or suspended?  
 No  Yes
20. Has the Company or any of its KEY PEOPLE had any sanctions imposed or entered into a consent decree as a result of a judicial or administrative proceeding with respect to any professional license held or with respect to any violation of any federal, state or local government agency.  
 No  Yes
- 
21. Has the Company or any of its current or past KEY PEOPLE or AFFILIATE FIRMS ever:
- been under investigation involving any alleged violation of criminal law relating to business activities?  
 No  Yes  

INVESTIGATION includes an appearance before a grand jury by representatives of a business entity, any oral or written inquiry or review of the entity's documents by a government agency, including, but not limited to, subpoenas, search warrants, questioning of employees concerning the general operations or specific activities of such business entity, whether or not such entity is notified, is in-fact, or otherwise believed to be, the subject or target of any such investigation.
  - had records in its or his/her control, custody or ownership subpoenaed or seized by a search warrant by any law enforcement or government agency?  
 No  Yes
  - been questioned by any officer or agent of a law enforcement or investigative agency regarding any practices or conduct relating to the Company's business?  
 No  Yes
  - been advised of being the target, subject, or person of interest of an investigation involving any violation of criminal law?  
 No  Yes
  - been notified of being the subject of court ordered electronic surveillance?  
 No  Yes
  - been arrested or indicted or otherwise named as an unindicted co-conspirator in any indictment or other accusatory instrument?  
 No  Yes
  - been convicted, after trial or by plea, of any felony under state or federal law?  
 No  Yes

- h. been convicted of any misdemeanor involving business-related crimes?  
 No  Yes
  - i. entered a plea of nolo contendere to any felony and/or business-related misdemeanor?  
 No  Yes
  - j. entered into a consent decree, deferred prosecution agreement, or non-prosecution agreement?  
 No  Yes
  - k. been granted immunity from prosecution for any business-related conduct constituting a crime under state or federal law?  
 No  Yes
  - l. exercised the Fifth Amendment right against self-incrimination in testimony regarding a business related crime?  
 No  Yes
  - m. been the subject of a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency?  
 No  Yes
  - n. been accused as a defendant in any lawsuit, or subject to an administrative action or proceeding, alleging any business or integrity related misconduct, including, but not limited to, a false claims act violation, willful failure to pay prevailing wages or benefits, or ERISA or other labor law violation?  
 No  Yes
- 
22. Do any KEY PEOPLE have any felony or misdemeanor charges pending against them?  
 No  Yes
23. Has the Company or any of its current or past KEY PEOPLE or AFFILIATE FIRMS ever engaged in any of the following practices:
- a. filed with a government agency or submitted to a government employee a written instrument which the Company or any of its KEY PEOPLE or affiliate firms knew contained a false statement or false information?  
 No  Yes
  - b. falsified business records?  
 No  Yes
  - c. given, or offered to give, money, gifts or anything of value or any other benefit to a labor official or public servant with intent to influence that labor official or public servant with respect to any of his or her official acts, duties or decisions as a labor official or public servant?  
 No  Yes
  - d. given, or offered to give, money or other benefit to an official or employee of a private business with intent to induce that official or employee to engage in unethical or illegal business practices?  
 No  Yes
24. Has the Company ever changed its EIN or Tax ID following any of the events described in Questions 16 through 23?  
 No  Yes
25. This document was prepared by (This person must be a KEY PERSON listed in response to Question 13):

Richard H. Girgenti  
(Name)  
  
(Signature)

Principal  
(Title)  
January 13, 2015  
(Date)

**Certification**

A materially false statement willfully or fraudulently made in connection with this Certification, and/or failure to conduct appropriate due diligence in verifying the information that is the subject matter of this Certification may prevent the Company and/or the undersigned from being found to be responsible bidders/proposers in connection with future agreements. In addition, a materially false statement willfully or fraudulently made in connection with this Certification may subject the Company and/or the undersigned to criminal charges, including charges for violation of New York State Penal Law Sections 175.35 (Offering a False Statement for Filing) and 210.40 (Sworn False Statement), New Jersey Code of Criminal Justice Title 2C:28-3 (Unsworn Falsification to Authorities), and/or Title 18 U.S.C. Sections 1001 (False or Fraudulent Statement) and 1341 (Mail Fraud).

Certifications must be notarized when signed.

I Richard H. Girgenti, being duly sworn, state that I am Principal, an officer of  
(Print Name) (Title)  
the Company, and that I have read and understood the questions contained in the attached questionnaire.

I certify that to the best of my knowledge the information given in response to each question, whether prepared by me, or by the Key Person identified in Question 25, is full, complete and truthful as of this date hereof. I agree and warrant that truthfully answering the questions is an event entirely within my control.

I recognize that all the information submitted in connection with this Questionnaire is for the express purpose of inducing the Port Authority to enter into a contract with, or to approve the award of a contract or subcontract to, or otherwise approve some other relationship with, the Company.

I acknowledge that the Port Authority, may by means it deems appropriate, determine the accuracy, truth and completeness of the answers to the questions in the questionnaire. I authorize the Port Authority or its designee to contact any person or entity for purposes of verifying the information supplied by the Company.

Richard H. Girgenti  
(Print Name)  
  
(Signature)

Sworn to before me  
this 13 day of January 2015

  
Notary Public  
KIM K. SCHUTZ  
NOTARY PUBLIC, State of New York  
No. 01SC5029237  
Qualified in Nassau County  
Commission Expires June 13, 2017

**CONFIDENTIAL**

*EIN or Tax ID#* \_\_\_\_\_

---

**ATTACHMENT \_\_\_ of \_\_\_**

Response to Question \_\_\_\_\_:  
Refer to attachment

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---

---

Response to Question \_\_\_\_\_:

---

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---

---

Please copy this page if more space is required.

**Company Name: KPMG LLP**

**Tax ID #:**

**Attachment to PANYNJ BQQ**

**Question 6**

See attached listing of all KPMG offices

**Question 7**

KPMG International is a global network of professional firms providing Audit, Tax, and Advisory services. It operates in 144 countries and has more than 137,000 professionals, including more than 7,600 partners, working in member firms around the world.

KPMG LLP, the United States member firm of KPMG International, traces its origins to 1897, and since 1994, has been a limited liability partnership registered in the state of Delaware. KPMG LLP has more than 23,900 professionals in 88 offices, including more than 1,878 partners.

**Question 10 & 11 - KPMG Affiliates**

**Domestic Affiliates:**

<b>Entity Name</b>	<b>Address</b>	<b>Nature of Affiliation</b>
KPMG Captria LLC	c/o C T Corporation System 75 Beale Place Two Insignia Financial Plaza Greenville, SC 29601	100% subsidiary
KPMG Pacific Services, LLC	c/o The Corporation Trust Company 1209 Orange Street Wilmington, DE 19801	100% subsidiary
KPMG Building One Commercial Realty LLC	c/o CT Corporation System 111 Eighth Avenue New York, NY 10011	100% subsidiary
KPMG International Services, LLC	c/o The Corporation Trust Company 1209 Orange Street Wilmington, DE 19801	100% subsidiary
KPMG Japan Services LLC	c/o The Corporation Trust Company 1209 Orange Street Wilmington, DE 19801	100% subsidiary
KPMG Pacific Islands LLC	c/o The Corporation Trust Company 1209 Orange Street Wilmington, DE 19801	100% subsidiary
KPMG USCMG LLC	c/o The Corporation Trust Company 1209 Orange Street Wilmington, DE 19801	100% subsidiary
Infrastructure Advisory LLC	c/o The Corporation Trust Company 1209 Orange Street Wilmington, DE 19801	100% subsidiary

**Company Name: KPMG LLP**

**Tax ID #:**

Ostheimer & Company, Inc.	c/o CT Corporation System, 116 Pine Street, Suite 320, Harrisburg, PA 17101	100% subsidiary
---------------------------	---	-----------------

**Foreign Affiliates:**

<b>Entity Name</b>	<b>Address</b>	<b>Nature of Affiliation</b>
KPMG Servicios Chile Limitada	c/o KPMG LLP Office of General Counsel 757 Third Ave. New York, NY 10017	95.51% subsidiary
KPMG Auditores Consultores Limitada	c/o KPMG LLP Office of General Counsel 757 Third Ave. New York, NY 10017	4.49% affiliate owned by KPMG Services Chile Limitada
KPMG Certificadora Laboral Limitada	c/o KPMG LLP Office of General Counsel 757 Third Ave. New York, NY 10017	4.49% affiliate owned by KPMG Services Chile Limitada
KPMG USCMG Ltd. (UK)	c/o KPMG LLP Office of General Counsel 757 Third Ave. New York, NY 10017	51% subsidiary
Global Delivery Center (Mauritius) Limited	c/o KPMG LLP Office of General Counsel 757 Third Ave. New York, NY 10017	100% subsidiary
International One Holding Center (Mauritius)Limited	c/o KPMG LLP Office of General Counsel 757 Third Ave. New York, NY 10017	100% subsidiary
National Tax Preparation Services Private Limited	c/o KPMG LLP Office of General Counsel 757 Third Ave. New York, NY 10017	Jointly owned by Global Delivery Center (Mauritius) Limited and International One Holding Center (Mauritius)Limited

**Company Name: KPMG LLP**

**Tax ID #:**

Park Indemnity Limited	c/o KPMG LLP Office of General Counsel 757 Third Ave. New York, NY 10017	20% affiliate
Peal Holdings Limited	c/o KPMG LLP Office of General Counsel 757 Third Ave. New York, NY 10017	20% affiliate
Professional Asset Indemnity Limited	c/o KPMG LLP Office of General Counsel 757 Third Ave. New York, NY 10017	20% affiliate of Peat Holdings Limited
KPMG USCMG YK (Japan)	c/o KPMG LLP Office of General Counsel 757 Third Ave. New York, NY 10017	100% subsidiary of KPMG Japan Services LLC

**Question 13**

KPMG LLP, the United States member firm of KPMG International, traces its origins to 1897, and since 1994, has been a limited liability partnership registered in the state of Delaware. KPMG LLP has more than 23,900 professionals in 88 offices, including more than 1,878 partners. Given that this is a private partnership, we respectfully decline to disclose any ownership percentages. We can confirm that no individual partner owns 5% or more of the firm.

KPMG LLP is governed by a board of directors, which appointed John B. Veihmeyer chairman. P. Scott Ozanus serves as deputy chairman, with overall responsibility for professional practice and the firm's enterprise-wide risk management.

Richard H. Girgenti is the key principals assigned to this engagement.

We respectfully decline to include social security numbers of the individuals referenced herein. We certify that all engagement team members are citizens or otherwise authorized to work in the United States.

**Question 14, 15**

Our response is limited to the Key Persons identified in Question 13.

**Company Name: KPMG LLP**

**Tax ID #:**

**Question 17(a-b), 21(a), 21(d) and 21(f)**

At the end of August 2005, KPMG reached an agreement with the U.S. Attorney's Office for the Southern District of New York resolving the investigation by the Department of Justice into tax shelters developed and sold by the firm from 1996 to 2002 and related activities. This settlement also resolved the Internal Revenue Service's examination of these activities. Under the agreement, KPMG made three monetary payments to the U.S. government, over time, totaling \$456 million. KPMG also agreed to implement elevated standards for its overall tax business. Additionally, while most of the firm's private client tax practice had been discontinued since 2002, KPMG divested the remainder of that tax business, as well as its compensation and benefits tax practice, by the end of February 2006. Pursuant to the settlement, also known as a deferred prosecution agreement (or "DPA"), at the end of December 2006 the U.S. Attorney's Office asked the Court to dismiss the charges against the firm without prejudice, based on a determination by the U.S. Attorney's Office that the firm had complied with the terms of the agreement. On January 3, 2007, U.S. District Judge Loretta Preska signed an Order which dismissed the charges. Under the DPA, KPMG also agreed to oversight and monitoring for a period of five years. In 2005, the U.S. Attorney's Office selected Richard C. Breeden, the former Chairman of the U.S. Securities and Exchange Commission, to independently monitor the firm's compliance with the agreement. In mid-October 2009, pursuant to an agreement with the U.S. Attorney's Office, the Monitorship by Mr. Breeden was terminated, and the final year of monitoring under the DPA will be conducted by the IRS. In the deferred prosecution agreement, the U.S. Department of Justice concluded that KPMG was a "responsible contractor," and the firm remains eligible to provide, and currently provides, services to the federal government.

Subsequent to the deferred prosecution agreement, the firm has entered into settlement agreements with several state boards of accountancy. Some of the agreements have placed the firm's CPA license on probation, and some have required the firm to pay a civil monetary penalty to the state board. The firm remains fully licensed to practice in these states and its rights to practice have not been limited. We do not believe that these state board matters will materially affect the firm's operations or our ability to perform services for you.

**Question 21(b-c)**

As is the case with all major accounting firms, from time to time KPMG has been named as a defendant in lawsuits by regulatory bodies, and private civil lawsuits, particularly when one of its clients suffers an economic downturn. As a result, KPMG has had records subpoenaed by law enforcement or government agencies and has also provided testimony to such agencies.

**Question 21(j)**

As is the case with all major accounting firms, from time to time KPMG has entered into a consent decree with a state board of accountancy.

**PORT AUTHORITY OF NEW YORK AND NEW JERSEY**  
**Certification of No Change**

**CONFIDENTIAL**

*Instructions:* Please complete and execute one original. Forward directly to:  
The Port Authority of NY & NJ / Office of Inspector General  
Attn: Fraud Prevention Unit  
5 Marine View Plaza, Suite 502, Hoboken, NJ 07030

1. a. KPMG LLP b. \_\_\_\_\_  
("Company") (EIN or Tax ID)
2. What project is the Company bidding, proposing, or intending to work on?  
RFP# 31507 - Performance of Integrity Monitoring Services on a Call-In Basis  
(Provide Port Authority contract number if known.)
3. Prime Contractor: \_\_\_\_\_  
(The firm that the Company will be contracting with.)
4. Description of Work: Integrity Monitorship for Eaton Electric. Inc
5. What is the estimated range of the contract value or value of work?  
 \$0 to \$99,999  \$100,000 to \$999,999  \$1,000,000 to \$9,999,999  \$10,000,000 or more

A materially false statement willfully or fraudulently made in connection with this Certification, and/or failure to conduct appropriate due diligence in verifying the information that is the subject matter of this Certification may prevent the Company and/or the undersigned from being found to be responsible bidders/proposers in connection with future agreements. In addition, a materially false statement willfully or fraudulently made in connection with this Certification may subject the Company and/or the undersigned to criminal charges, including charges for violation of New York State Penal Law Sections 175.35 (Offering a False Statement for Filing) and 210.40 (Sworn False Statement), New Jersey Code of Criminal Justice Title 2C:28-3 (Unsworn Falsification to Authorities), and/or Title 18 U.S.C. Sections 1001 (False or Fraudulent Statement) and 1341 (Mail Fraud).

I, Richard H. Girgenti, being duly sworn, state that I am Principal, an officer  
(Print Name) (Title)  
of the Company, and that I have read and understood all the items set forth above and the questions  
contained in the previously completed Background Qualification Questionnaire, dated \_\_\_\_\_.

I certify that to the best of my knowledge the answers contained in the above-referenced  
Background Qualification Questionnaire are full, complete and accurate; and, that to the best of  
my knowledge that information continues to be full, complete, and accurate.

I recognize that all the information submitted in connection with this Certification is for the  
express purpose of inducing the Port Authority to enter into a contract with, or to approve the award of a  
contract or subcontract to, or otherwise approve some other relationship with, the Company.

Richard H. Girgenti  
(Print Name)

\_\_\_\_\_  
(Signature)

Sworn to before me  
This \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

\_\_\_\_\_  
Notary Public

**From:** Stanton, Thomas [tstanton@kpmg.com]  
**Sent:** Tuesday, January 13, 2015 1:48 PM  
**To:** Joyce, Robert (OIG)  
**Subject:** RE: Potential Integrity Monitor Assignment - Port Authority Call-In List  
**Attachments:** ThePortAuthorityofNewYorkandNewJersey\_Eaton IM Proposal.pdf; BBQ and Attachment.pdf

Mr. Joyce,

Attached please find KPMG's Proposal and Attachments describing how KPMG can assist the Port Authority to provide integrity monitoring services for Eaton Electric Inc..

Please feel free to call me Tom Stanton at (212)872-7758 or Richard Girgenti at (212)872-6953 if you have any questions or would like to discuss this proposal in detail.

Kind Regards,  
Tom

*Thomas Stanton, Director | KPMG Forensic | 1350 Avenue of Americas | New York, NY 10019 | Office 212-872-7758 | Mobile 917-587-6457*

---

**From:** Joyce, Robert (OIG) [mailto:Rjoyce@panynj.gov]  
**Sent:** Tuesday, December 30, 2014 4:07 PM  
**To:** Pasichow, Steven; Joyce, Robert (OIG)  
**Cc:** Pasichow, Steven; Joyce, Robert (OIG)  
**Subject:** RE: Potential Integrity Monitor Assignment - Port Authority Call-In List

**CONFIDENTIAL**

Dear Integrity Monitor Firm,

Your firm is one of three firms that has been selected from the Port Authority of NY&NJ ("PA") Office of Inspector General ("OIG") Call-in List titled, Performance of Expert Professional Integrity Monitoring Services as Requested on a Call-In Basis, to be considered for an upcoming Integrity Monitor ("IM") assignment. This assignment falls under the OIG Call-in List, Greater Than \$3 Million (Subject Matter to be Reviewed), Category B, and is an Integrity Monitoring assignment. The name of the company to be monitored and reviewed is Eaton Electric Inc. ("Eaton") of 10 Midland Avenue, Port Chester, New York (Company Link – [www.eatonelectricinc.net](http://www.eatonelectricinc.net) or <http://eatonelectricinc.net/>). The pertinent PA OIG IM Agreement ("Agreement") with Eaton is attached for your reference (Not to be re-distributed). Section 2 of the Agreement describes the terms, conditions, duties, responsibilities, etc. of the IM. Eaton provides electrical subcontracting services to the PA, and a list of Eaton's PA contracts is attached to the Agreement (last page). Eaton is also a certified Minority Business Enterprise ("MBE") contractor.

If you wish to be considered for this IM assignment, you will be required to submit a brief (five page limit, not including attachments) written proposal (electronic and hard copy) to the PA OIG which describes the following four areas:

1. The experience of your staff members who will actually be assigned to this specific IM assignment. Include the resumes of those individuals.

2. Your firm's experience in handling IM assignments similar in nature to this one.
3. Your firm's proposed Management Approach to handling this IM assignment.
4. Fees/charges information. Please provide the hourly rates for your staff members who will actually be assigned to work on this assignment. These rates must be the same rates submitted when your firm was selected for the PA Call-In Integrity Monitor List. Also include an monthly estimate of your firm's anticipated fees/charges for this assignment. This estimate should be a monthly estimate, in hours and dollars, broken down by each of the first three months, and then by each of the remaining months of the assignment.

Each firm that submits the written proposal by the deadline of Tuesday, January 13, 2015 (close of business day) MAY be scheduled to make a brief in-person presentation to the selection committee at the PA OIG office.

In addition, please conduct a conflicts check, and provide the results with your written proposal.

Participating firms will need to complete and submit a PA OIG Background Qualification Questionnaire ("BQQ") disclosure form with their written proposal. This form is available on the PA main website. (BQQ Link - <http://www.panynj.gov/inspector-general/inspector-general-programs.html> )

Thank you. R. Joyce

Robert C. Joyce, CFE  
Investigative Manager  
Port Authority of NY & NJ  
Office of Inspector General  
Suite 502  
5 Marine View Plaza  
Hoboken, NJ 07030  
(973) 565-4349

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NOTICE: THIS E-MAIL AND ANY ATTACHMENTS CONTAIN INFORMATION FROM THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AND AFFILIATES. IF YOU BELIEVE YOU HAVE RECEIVED THIS E-MAIL IN ERROR, PLEASE NOTIFY THE SENDER IMMEDIATELY, PERMANENTLY DELETE THIS E-MAIL (ALONG WITH ANY ATTACHMENTS), AND DESTROY ANY PRINTOUTS.

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cutting through complexity

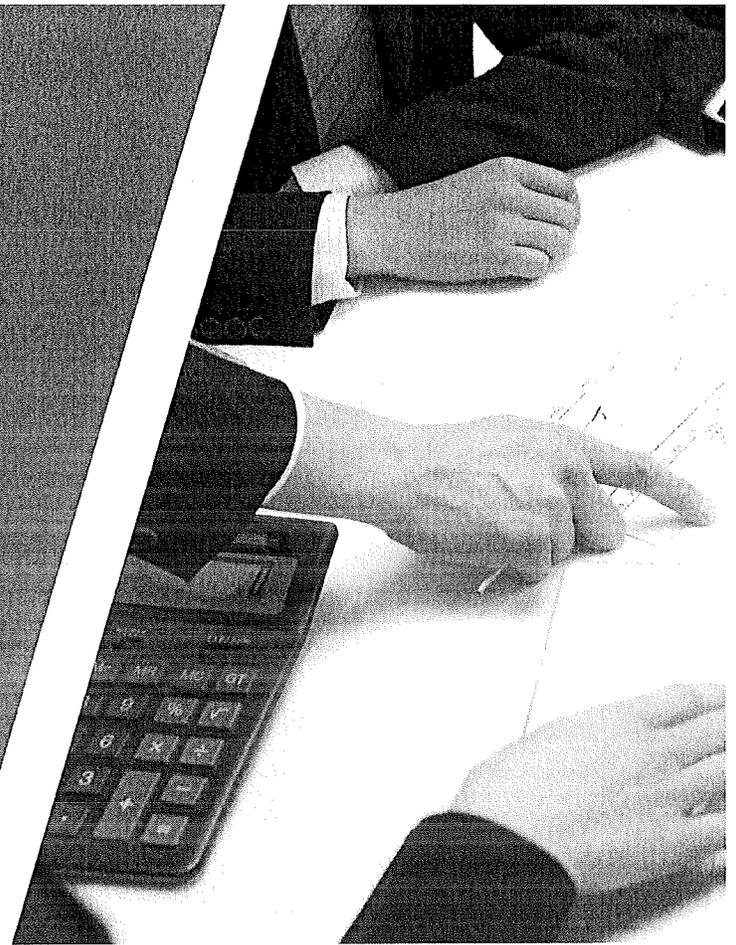
# The Port Authority of New York and New Jersey

Request for Proposals for the Performance  
of Expert Professional Integrity Monitoring  
Services as Requested on a "Call-in"  
Basis During 2013–2015 (RFP #31507)

**Eaton Electric Inc.**

January 13, 2015

[kpmg.com](http://kpmg.com)





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New York, NY 10154

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Fax +1 212 758 9819  
Internet [www.us.kpmg.com](http://www.us.kpmg.com)

January 13, 2015

Port Authority of NY & NJ  
Robert C. Joyce, Investigative Manager  
Office of Inspector General, Suite 502  
5 Marine View Plaza  
Hoboken, New Jersey 07030

Dear Mr. Joyce,

On behalf of KPMG LLP (KPMG), we thank you for the opportunity to present our proposal to the Port Authority of New York and New Jersey pursuant to your request for proposal to serve as the Integrity Monitor for Eaton Electric, Inc. In the pages that follow, you will find details regarding:

- Qualifications and experience of the KPMG team members who will work on this project
- KPMG's experience in handling Integrity Monitorships
- KPMG's proposed Management Approach to handling this Integrity Monitorship
- Hourly rates for KMG Team members assigned to this Monitorship and a monthly estimate, in hours and dollars, broken down by each of the first three months, and then by each of the remaining months of the assignment.

Prior to accepting new clients, KPMG's normal practice is to perform a conflict check. KPMG has performed a search for potential client conflicts and no client conflicts were found with respect to any of the parties identified in your request for proposal.<sup>1</sup>

We are committed to the Port Authority and invested in exceeding your expectations. We are confident that no other firm will deliver a more experienced team, better capabilities, or bottom-line value than KPMG. Please do not hesitate to call me at 212-872-6953 or Thomas Stanton at 212-872-7758 if you have any questions or wish to discuss this document in more detail.

Very truly yours,

Richard H. Girgenti  
*Principal*

<sup>1</sup> KPMG currently serves as financial statement auditor for the Port Authority, and as such, is committed to maintaining auditor independence as required by GAO Government Auditing Standards. KPMG will advise the Port Authority as described in the services above with the expectation that client management will designate a qualified individual to be responsible and accountable for overseeing the engagement, will make all decisions that involve management responsibilities related to the engagement and accept full responsibility for such decisions and the results of the service, and will evaluate the adequacy of the services performed and any findings that result

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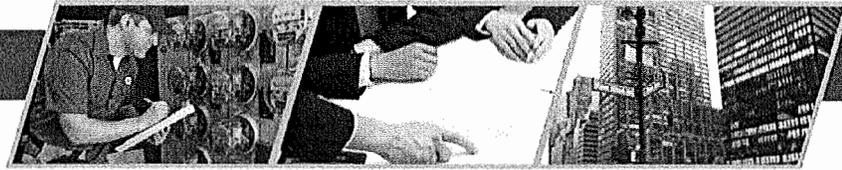
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**Restriction on Disclosure and Use of Data** – This document contains confidential or proprietary information of KPMG LLP, the disclosure of which would provide a competitive advantage to others. KPMG LLP does not consent to public disclosure of the confidential or proprietary information contained in the proposal.

This proposal is made by KPMG LLP, a Delaware limited liability partnership, and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity, and is in all respects subject to our client and engagement letterhead procedures as well as the negotiation, agreement, and execution of a specific engagement letter or contract. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm to any third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

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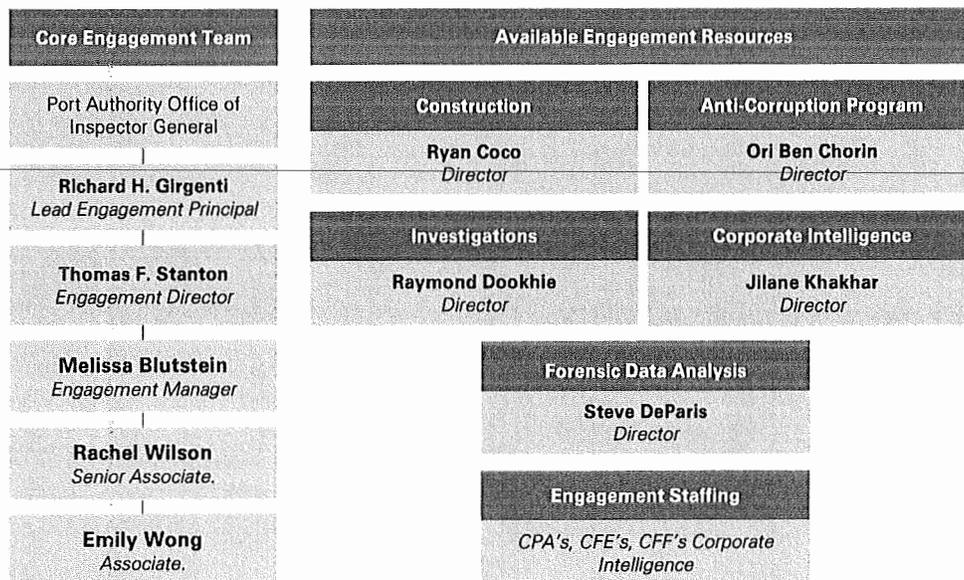


## Our Understanding of Your Needs

KPMG LLP ("KPMG") understands that the Port Authority of New York and New Jersey ("Port Authority") seeks an Integrity Monitor to design and implement a corruption prevention program for Eaton Electric, Inc. ("Eaton" or the "Company"), a subcontractor engaged by the Port Authority to assist with various construction projects at the World Trade Center, Port Authority Bus Terminal and George Washington Bridge and to perform such other duties as detailed in the Monitoring Agreement between Eaton and the Port Authority entered into on December 23, 2014 ("Monitoring Agreement"), whereby Eaton is required to retain an Integrity Monitor for a term of three years from the date of the Agreement's execution, or as otherwise stated in Section 2.1 (b) of this Agreement.

## Your Proposed Team

We are proud of the team we present in this proposal—each individual has significant integrity monitorship experience combined with technical knowledge and is ready to serve you. A high level chart depicts our organizational layout followed by descriptions of our key leadership team.



**Richard Girgenti, Principal**, will serve as the engagement principal. Rich will have ultimate responsibility for KPMG's integrity monitoring services to the Port Authority. He has over 40 years of experience serving as an integrity monitor (including for The Port Authority, The City and State of New York, The New York County District Attorney's Office, and the US Attorney's Offices of the Eastern and Southern Districts of New York) conducting investigations and providing fraud risk management advisory services to multinational public corporations, as well as public service and not-for-profit organizations. Rich is a former senior prosecutor in the New York County District Attorney's Office and the former New York State Commissioner and Director of Criminal Justice Services. Rich also serves as the National and Americas leader for KPMG's Forensic Advisory Services, the Global Network Leader for compliance and monitoring services and a member of the firm's Global Forensic Executive Committee.

**Thomas Stanton, Director**, will serve as the engagement lead Director. He will coordinate the team's day-to-day activities and will serve as your primary point of contact. Tom has over 15 years of investigative and compliance monitoring experience and has served as an integrity monitor for the New York City Department of Investigation, New York States Governor's Office of Storm Recovery, and New Jersey Department of Treasury.

**Melissa Blutstein, Manager**, will serve as the Project Manager. She will supervise the on-site periodic monitoring activities. Melissa is a Manager with over 7 years of investigative, compliance monitoring and audit experience and currently serves as an Integrity Monitor for New York States Governor's Office of Storm Recovery. Melissa is a Certified Public Accountant licensed in the state of New York and New Jersey.

**Rachel Wilson, Senior Associate**, will assist in the on-site periodic monitoring activities and will conduct many of the reviews detailed in the tasks below. Rachel has over 5 years of experience conducting forensic investigations related to fraud, waste, and abuse in all industries, including contract compliance and billing. She is a Certified Public Accountant licensed in the state of New Jersey.

**Emily Wong, Associate**, will assist in the on-site periodic monitoring activities and will conduct many of the reviews detailed in the tasks below. Emily has served as an integrity monitor for New Jersey Department of Treasury and has over 3 years of experience conducting forensic investigations related to fraud, waste, and abuse in all industries, including contract compliance and billing. Emily is a Certified Public Accountant licensed in the state of New York

**Engagement Staff** – KPMG will use capable and qualified professionals as needed. KPMG's professional staff includes associates and senior associates with forensic experience. These professionals include CPAs, Certified Fraud Examiners, attorneys, CPAs certified in Financial Forensics, forensic technology professionals, corporate intelligence specialists, and real estate and construction professionals.

#### Available Engagement Resources

**Ryan Coco, PE, Director**, will serve as a construction subject matter specialist. Ryan has over 13 years of experience in conducting contract compliance services and is an experienced monitor having been appointed to monitorships for the Port Authority, NYC Department of Investigation and New Jersey Department of Treasury. Ryan is a licensed professional engineer and a licensed home inspector in the State of New York.

**Raymond Dookhie, Director**, will serve as an investigation subject matter specialist. Raymond has extensive forensic accounting and law enforcement experience and is an experienced monitor having been appointed to monitorships for the Port Authority, NYC School Construction Authority Inspector General, NYC Department of Investigation and New Jersey Department of Treasury. Raymond is a former Fraud Investigator with the New York County District Attorney's Office and the New York City Department of Investigation. Raymond is a Certified Public Accountant licensed in New Jersey and New York

**Ori-Ben Chorin, Director**, will serve as our corruption prevention program subject matter expert. Ori for the past fifteen years has advised clients on the design, evaluation, and implementation of antifraud programs and controls, as well as on satisfying the requirements of multiple corporate governance and internal control frameworks (e.g., the Sarbanes-Oxley Act of 2002, U.S. Sentencing Guidelines for Organizational Defendants, NYSE Corporate Governance Listing Standards, COSO Integrated Framework, PCAOB Audit Standard on Internal Control, etc.).

**Jilane Khakhar, Director**, will serve as a Corporate Intelligence subject matter specialist. Jilane is a Director with KPMG's Forensic practice, currently managing the U.S. Corporate Intelligence (CI) team, reporting to various Forensic partners. He manages KPMG's Astrus service in the U.S., which is used to conduct integrity due diligence on third party intermediaries (business partners/agents, vendors) globally. He also conducts and directs investigations relating to fraud and related misconduct.

## Experience

The following section highlights some examples of similar scope engagements that we have performed in recent years.

**Port Authority of New York and New Jersey:** KPMG recently served as the integrity monitor for a construction contractor providing construction services on several aspects of World Trade Center projects. KPMG was tasked with assessing the company's continued compliance with the terms of its monitoring agreement with the Port Authority. Specifically, KPMG designed and implemented an anti-corruption program for the contractor including a "zero-tolerance" policy and code of business ethics. KPMG also conducted audits, investigations and due diligence to assess whether the company had engaged in bribery, corruption, fraud, waste and abuse

**New York City Department of Investigation – Rapid Repairs:** KPMG served as the Integrity Monitor of two construction firms providing post Hurricane Sandy home repairs through the City of New York's \$500 million Rapid Repairs Program. KPMG was engaged to help deter acts of construction fraud, investigate instances of contractor/subcontractor waste and

abuse, and provide various analyses around potential contractor overbilling to the City. We utilized Forensic professionals with subject matter experience in the construction industry, including licensed engineers, to serve the City in the most efficient and effective way possible. Our professionals uncovered numerous instances of contractor overbilling equating to substantial cost savings for the City of New York. The team's exceptional client services, along with real bottom line results, have led to the City requesting KPMG's assistance with a second phase of the project.

**New York City Department of Investigation – Build it Back Program:** KPMG currently serves as Integrity Monitor selected by the NYC Department of Investigation for a construction firm providing post Hurricane Sandy home repairs through the City's \$1.5 billion U.S. Housing and Urban Development funded Build it Back Program. The program funds rehabilitation or reconstruction of homes; reimbursement for repair work already carried out; and acquisition of homes. Similar to the Rapid Repairs Program, KPMG was engaged to help deter acts of fraud, investigate instances of contractor/subcontractor waste and abuse, and provide various analyses around potential contractor overbilling to the City.

**New Jersey Department of Treasury:** KPMG is currently engaged by the New Jersey Department of Treasury to provide integrity oversight and anti-fraud monitorship services for two major projects. As part of these reviews, KPMG is reviewing and evaluating financial and administrative functions ensuring that these functions adhere to grant/assistance program guidelines, procurement rules, and reporting requirements. Assessing that the contract was procured in accordance with Federal, State and Local laws, regulations, and ordinances. Finally, KPMG is assessing if payments were disbursed consistent with applicable directives, and that there were no duplication of benefits, process and payment errors, waste, fraud, abuse, malfeasance or mismanagement of funds.

**New York City Department of Education:** KPMG served as the integrity monitor for four school bus companies contracted by the New York City Department of Education to provide transportation services to students. In this capacity, KPMG worked with each company to develop a corruption prevention program, code of business ethics, "zero-tolerance" policy, and communication and training plan. KPMG also worked with the Company to implement its corruption prevention program and oversee the ongoing monitoring of the companies compliance with the terms of various monitoring agreements.

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## Approach and Methodology

KPMG's approach begins with its integrated multi-disciplinary group of professionals with monitoring experience and deep understanding of the types of fraud, corruption, M/WBE, DBE, prevailing wage, and safety and environmental violations commonly encountered in construction projects. The KPMG team includes Integrity Monitors, former prosecutors, Certified Public Accountants, Certified Fraud Examiners, forensic accountants, forensic technology professionals, corporate intelligence professionals, and construction industry professionals. These professionals have a track record of assisting clients in their efforts to achieve the highest levels of business integrity through the prevention, detection of and response to fraud, waste, abuse and corruption. The KPMG team is supported by standardized methodologies for Compliance and Integrity Monitoring services and sophisticated Forensic Data Analysis tools which will be used to analyze the Company's data to identify anomalies, including, but not limited to red flags of fraud and misconduct.

### Conduct a Commencement Meeting

KPMG will undergo an engagement acceptance process with Eaton Electric, Inc. and work with both Eaton and the Port Authority to ensure that relevant project stakeholders are in agreement on the needs, milestones, and outcomes of this engagement.

### Task 1: Within thirty (30) business days of the Commencement Meeting Design and implement a corruption prevention program for Eaton that is acceptable to the Port Authority

KPMG will work in consultation with the Port Authority to assess policies and procedures related to the prevention, detection, and response to fraud, misconduct and corruption. KPMG anti-fraud and compliance program specialists will perform the following tasks:

- Analyze any existing compliance policies and procedures (e.g., compliance program, code of business ethics, protocols to manage and monitor project costs, quality assurance protocols, internal audit protocols, environmental and safety protocols)
- Conduct interviews with Company personnel with responsibility for ethics and compliance activities
- Benchmark current program elements against best practices

- Confirm that Eaton has adopted a “zero tolerance” policy in accordance with the Monitoring Agreement
- Assist with the design and delivery of relevant fraud and ethics awareness training programs

**Task 2: Monitor the actions, conduct, operations, or omissions of Eaton, or any of its Key People, employees, subcontractors, Affiliated Businesses, or other entities that may relate to Eaton's responsibility as a contractor, in connection with Port Authority contracts or subcontracts that are undertaken subsequent to the date this Agreement is executed by all parties**

KPMG will monitor the activities of entities and individuals to identify possible fraud, misconduct, corruption or violations of local, state and federal and civil laws, rules and regulations. KPMG will rely on inquiries, reviews of the Company hotline log, human intelligence including liaising with law enforcement, other Integrity Monitors and public database research to identify possible illicit relationships between employees and third parties in violation of the Monitoring Agreement. This will include identification of undisclosed relationships, affiliations, ownership interests, adverse media, litigation, non-compliance with contractual requirements, criminal charges, regulatory non-compliance including DBE, M/WBE, prevailing wage violations, false filings, violation of union contract provisions, sanctions, debarments, violations of environmental or safety concerns or other reputational concerns.

**Task 3: Examine and Monitor the implementation of, and adherence to, Eaton's Code of Business Ethics**

KPMG will perform the following to assess compliance with the Company's Code of Business Ethics:

- Check records showing the attendance at ethics and compliance/fraud trainings and determine whether all relevant employees and departments attended. In addition, review training materials for appropriate coverage and content
- Determine that policies related to labor practices, immigration and naturalization activities and environmental health and safety rules are in place and are appropriately worded
- Review communication to employees on 1) zero tolerance for fraud and 2) emphasis on ethics and integrity as part of company culture
- Make inquiries of relevant personnel to discuss:
  - Knowledge of any incidents of improper business activity
  - Understanding of the policies and procedures relating to labor practices, immigration and naturalization activities and environmental health and safety rules
  - Risks and red flags of improper business activity
  - Programs and control management has designed and implemented to prevent and detect improper business activity

**Task 4: Conduct investigations regarding the action, conduct, operations and omissions of Eaton that are undertaken by the Company subsequent to the date of the Monitoring Agreement**

KPMG will analyze whether the Company and its subcontractors have:

- Maintained adequate and accurate books and records and related supporting documents
- Made direct or indirect payments to entities or individuals identified in the Monitoring Agreement
- Submitted valid, accurate, and properly substantiated requests for reimbursements
- Calculated legitimate material costs, labor charges, overhead allocation (e.g., there are no false/inflated invoices, ghost employees, duplicative or excessive charges, waste or abuse of funds). KPMG Real Estate and Construction specialists will perform project cost audits. Where applicable, KPMG will use K-Trace, our proprietary Forensic Data Analysis Methodology to analyze project cost to spot red flags or indicators of possible fraud and misconduct
- Compensated employees fairly for services provided (e.g., employees are paid prevailing wages and they receive proper benefits)
- Filed timely federal, state and local income tax and payroll tax payments
- Complied with environmental and workplace safety requirements
- Met MBE, WBE, SBE, DBE, and LBE requirements and goals
- Strictly followed its “zero tolerance” policy regarding not providing anything of value to Port Authority employees, government employees, union employees or officials

- Assess effectiveness of program implementation by conducting a mini survey to assess employees' awareness of programs and related compliance requirements
- Review Company announcements and communications to assess management's commitment to ethical standards
- Conduct inquiry and observations to assess employee conduct, management attitudes and tone
- Assess the adequacy of ethics and integrity training programs through direct on-site supervision

KPMG will respond rapidly to actual or suspected instances of fraud, misconduct, corruption or other compliance matters. At OIG's request, KPMG will take on the overall management of investigations including liaising with law enforcement authorities and/or legal counsel to conduct an investigation of the matters that come to its attention

**Task 5: Establish a twenty-four (24) hour "Hot-Line" telephone number to facilitate the reporting by Eaton's Key People and employees of any suspected or actual improper or illegal conduct**

It is our understanding that Eaton will establish an employee "Hot-Line." KPMG will help ensure that Hot-Line reports are routed directly to the Integrity Monitor without any filtering by Company personnel. Furthermore, KPMG will help ensure that there is sufficient communication and guidance regarding the availability and use of the "Hot-Line." Thereafter, KPMG will monitor the Hot-Line reports to identify possible fraud, misconduct or corruption. Specifically, KPMG will review calls referred directly from the Hot-Line and determine whether further action is needed, including consultation with the Port Authority OIG. Finally, KPMG will conduct interviews of employees, subcontractors, suppliers, or other parties for the purposes of collecting information or evidence, resolving issues, determining a course of action, or assisting the team in identifying additional issues which may require further investigation.

**Task 6: Review for approval any individual Eaton wishes to employ or rehire in a management capacity or as a consultant**

KPMG corporate intelligence specialists will conduct background due diligence on potential candidates for management roles or consultants. This will include identification of undisclosed relationships, affiliations, ownership interest, adverse media, litigation, non-compliance with contractual requirements, criminal charges, regulatory non-compliance including DBE, M/WBE, prevailing wage violations, false filings, violation of union contract provisions, sanctions, debarments, violations of environmental or safety concerns or other reputational concerns.

**Task 7: Prepare periodic reports to the Port Authority through the OIG**

KPMG will provide periodic verbal and written reports as required by the Port Authority OIG. This will include formal reports regarding procedures performed and findings and informal status update reports as needed. KPMG will be prepared to respond rapidly to reported or suspected instances of fraud, corruption matters which may come to its attention

## Price Proposal

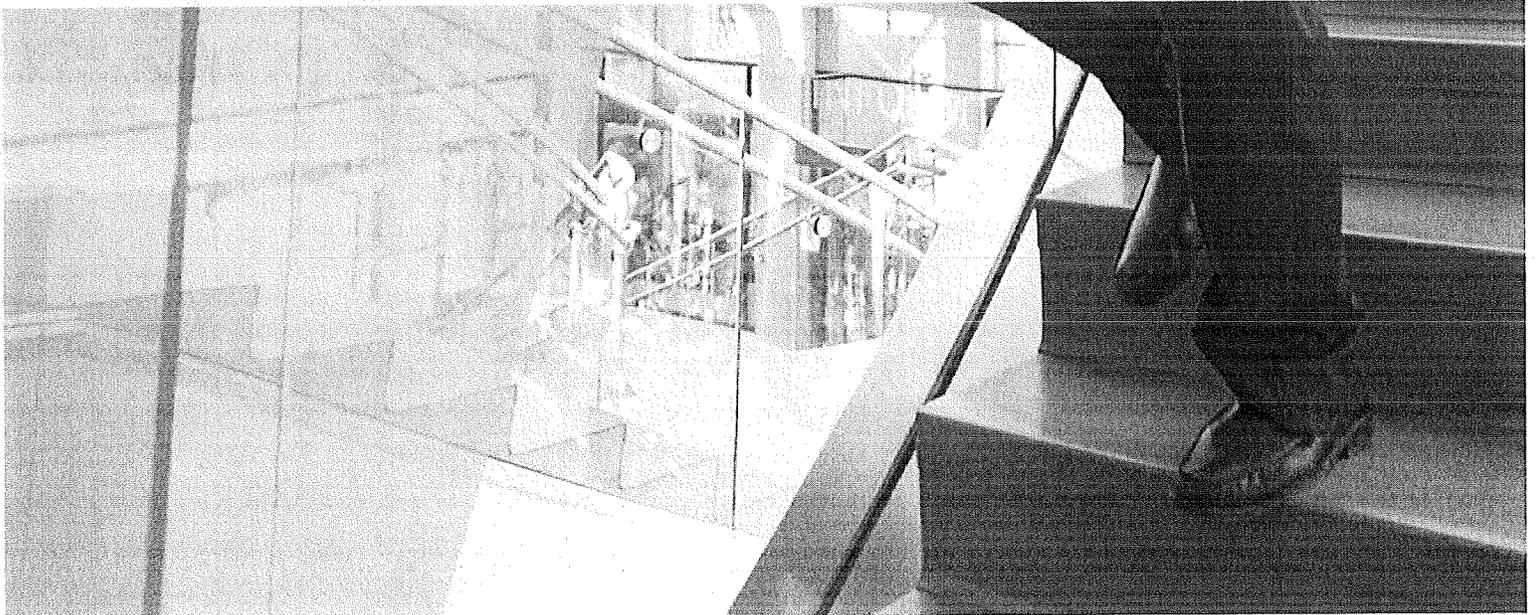
Based on our understanding of the scope of work and experience of providing similar services, it is expected that fees for the first three months of this project will be approximately \$30,000 per month. This includes project start-up costs including the establishment of a corruption prevention program. Thereafter, fees will be approximately \$20,000–\$25,000 per month, with total first year fees of \$315,000. Fees are exclusive of costs associated with the conduct of formal investigations due to the uncertainty regarding the need for investigations and related scope of work. KPMG's fees will be billed at the following hourly rates:

Professional Title	Hourly Rate	Typical Involvement
Associate	\$155	50%
Senior Associate	\$245	20%
Manager	\$325	15%
Director	\$385	10%
Principal	\$395	5%

## Appendix – Résumés



We have included representative resumes that demonstrate the level of resources and quality experience the Port Authority can expect from our professional staff and subject matter resources.





## **RICHARD H. GIRGENTI**

### *Principal*

KPMG LLP  
345 Park Avenue  
New York, NY 10154-0102

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Fax 212 409 8845  
rgirgenti@kpmg.com

#### **Function and specialization**

Mr. Girgenti specializes in fraud and misconduct investigations, fraud risk management, and compliance and monitoring advisory services in the private, public and not-for-profit sectors.

#### **Professional associations**

- American Bar Association
- New York State Bar Association
- New York City Bar Association
- Association of Certified Fraud Examiners

#### **Education, licenses & certifications**

- Juris Doctor, Georgetown University Law Center
- Bachelor of Arts, Seton Hall University
- Licensed Attorney, New York State
- Admitted to Practice, Supreme Court of the State of New York; United States District Court, Southern District of New York; and US Court of Appeals, Second Circuit
- Certified Fraud Examiner (CFE)

## **Background**

Richard H. Girgenti is the National and America's Leader for KPMG LLP's ("KPMG") Forensic Advisory Services and a member of the firm's Global Forensic Executive Committee. He has over 40 years of experience serving as an integrity monitor (including for The Port Authority, The City and State of New York, The New York County District Attorney's Office, and the US Attorney's Offices of the Eastern and Southern Districts of New York) conducting investigations and providing fraud risk management advisory services to multinational public corporations, as well as public service and not-for-profit organizations.

Richard is the coauthor of a comprehensive book on preventing, detecting and responding to fraud and misconduct—*Managing the Risk of Fraud and Misconduct: Meeting the Challenges of a Global, Regulated and Digital Environment* (The McGraw-Hill Companies, Inc., March 2011).

## **Professional and industry experience**

Prior to joining KPMG, Richard held a number of high-level legal and law enforcement positions. He served as New York State Director of Criminal Justice and Commissioner of the Division of Criminal Justice Services, where he oversaw and coordinated the policies and initiatives of all of the state's criminal justice agencies and worked closely with all federal and state law enforcement agencies. He is a former veteran state prosecutor in the Office of the Manhattan District Attorney, where he handled investigations, trials, and appeals in both the state and federal courts, including investigations and prosecutions of white collar, violent and major narcotics organized crime cases.

## **Sample client engagements**

- Served as an independent monitor overseeing consent decrees, settlements and pleas entered into with government regulatory and prosecutorial agencies.
- Conducted fraud and misconduct investigations and risk assessments for major public sector organizations and multi-national corporations in all areas of operations, including purchasing, sales and inventory and involving all major industries within the FORTUNE 500.
- Led investigations of financial reporting fraud allegations with major public companies, including the improper recognition of revenue, the improper restructuring of loans, improper reserving for bad debt and other restructuring charges.
- Conducted international investigation of suspected multimillion dollar supply chain diversion of key components for a global FORTUNE 100 telecommunications company.
- Oversaw investigations of alleged bribes and kickbacks involving former City officials, contractors and public utility employees, and made recommendations for internal control improvements.
- Conducted investigation for multinational company involving improper reimbursements and tax avoidance.



## THOMAS F. STANTON

### Director

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tstanton@kpmg.com

### Function and specialization

Thomas specializes in Financial Reporting Investigations, Fraud and Misconduct Investigations, Fraud Risk Management and Sarbanes-Oxley advisory services.

### Professional associations

- Associate member of the National Association of Certified Fraud Examiners

### Education, licenses & certifications

- BBA degree, in Accounting, Siena College

## Background

Thomas is a director in KPMG's Forensic practice with more than 15 years of experience managing complex accounting, financial reporting, and Securities and Exchange Commission (SEC) and auditing matters. Tom has served as an integrity monitor for the New York City Department of Investigation, New York States Governor's Office of Storm Recovery, and New Jersey Department of Treasury

Thomas' forensic accounting experience includes analysis of historical accounting records, including: analysis of transactions, general ledger detail, journal entries, customer documentation, contracts, email activity and other information in connection with various earnings management and fraudulent financial reporting schemes, fraud and misconduct investigations and costs and expenses paid under cost reimbursement contracts.

## Professional and industry experience

- Served as an Integrity Monitor for New York City's HUD funded \$2 billion Build-It-Back Program and the State of New Jersey's \$20 million Atlantic Highlands project.
- Served as engagement lead director in an integrity monitorship of two construction firms providing post-Hurricane Sandy home repairs through the City of New York's FEMA-funded \$500 million Rapid Repairs Program.
- Assisted a global oil and gas company in establishing a process to receive claims for alleged damages under the Oil Pollution Act 1990. The responsibilities included but were not limited to providing feedback on issues and questions that surfaced concerning the claims process, communicating with local stakeholders and providing advice with regard to supporting documentation needed for individual, business and government claims
- Led investigations of a number of New York metropolitan area hospitals in connection with alleged procurement fraud.
- Served as team lead for an earnings management investigation which concluded that management manipulated company accounts to hit quarterly performance goals. The responsibilities included identifying potentially questionable journal entries, and adjustments to various liability accounts. Additional responsibilities included investigation of matters of apparent interest to the SEC, identification, determination of potential new issues, data/fact gathering analysis, authoring of issue memorandums, and participating in various meetings with representatives of the investigative law firm, the company, the company's outside auditors, and the SEC.
- Served the leading global investment banking, securities and investment management firm, providing technical expertise in a number of areas including internal control design, the design and evaluation of tests of internal controls, and documentation.
- Served one of the nation's largest telecommunication companies by performing a comprehensive forensic data analysis on the organization's vendor, accounts receivable, accounts payable, and payroll data files identifying anomalies and irregularities in their system and investigating the possibility of fraudulent activity. This engagement allowed management to establish a reliable, predictable, and consistent investigative process that examines the root causes of fraud and misconduct and recommends business improvements.

## MELISSA B. BLUTSTEIN

### Manager

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51 John F. Kennedy Parkway  
Short Hills, NJ 07078

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Cel.  
mblutstein@kpmg.com

### Function and Specialization

- Fraud Investigation and Advisory Services
- Regulatory Compliance

### Languages

English

### Education, Licenses & Certifications

- The Pennsylvania State University, Schreyer Honors College, Bachelor of Science, Accounting
- Certified Public Accountant (New York, New Jersey)

## Background

Melissa B. Blutstein is a Manager in KPMG's U.S. Forensic Advisory Services practice. She has over 7 years of industry and professional service experience. Melissa has progressive experience assisting with various regulatory and internal investigations as well as managing special projects and initiatives related to changes in regulations or business goals.

## Professional and Industry Experience

### Government Contracts

- Engaged as Integrity Monitor for New York State's Governor's Office of Storm Recovery. Reviewed financial documents for completeness and contract compliance.
- Performed an overhead audit for an Architecture and Engineering (A&E) firm, testing compliance with Federal, State and Local laws and regulations including Cost Accounting Standards (CAS), Federal Acquisition Regulations (FAR) and various state Department of Transportation (DOT) rules and regulations. Reviewed financial statements for accuracy and compliance.

### Quality Assurance Internal Audit

- Engaged as co-source to assist client's Internal Audit Group with their quality assurance review using an internally developed enhanced review methodology in preparation for a visit from Regulators.
- Documented training suggestions and enhancements for the quality assurance review methodology and areas to gain efficiencies.

### Fraud Investigations and Forensic Accounting

- Assisted a luxury retail brand in a review of their intercompany and inventory accounting. Performed a historical detailed analysis and reconciliation of account balances and offered recommendations.
- Performed a shadow audit for a Fortune 500 publishing company. Reviewed deferred revenue and expense accounts to assist the audit team with year-end audit report.
- Participated in a review of a top 25 Fortune 500 company's global revenue recognition policies and practices as part of an investigation by the U.S. Securities and Exchange Commission. Analyzed thousands of company documents, e-mail and electronic user documents to assist the company and outside counsel in identifying any accounting issues or risk areas.
- Assisted in analysis and drafting of expert witness reports in a precedent setting donor-intent case on behalf of a well-known university. Performed detailed financial analyses and reviewed complex allocation of large endowment (\$900 MM).

### Technical Skills

Microsoft Word, Microsoft Excel, Microsoft PowerPoint, Adobe PDF, LexisNexis, Hyperion Essbase, Webfocus



## **RACHEL WILSON**

*Advisory Senior Associate*

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Short Hills, NJ 07078

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Cell  
rachelwilson@kpmg.com

### **Function and Specialization**

- ▣ Fraud Investigation and Advisory Services
- ▣ Financial Statement Audits of Asset Management Clients

### **Education, Licenses & Certifications**

- ▣ University of Delaware, 2011
- ▣ Bachelor's of Science in Accounting and Finance
- ▣ Certified Public Accountant – New Jersey

## **Background**

Rachel Wilson is a Senior Associate in the Forensic practice of KPMG NY/NYJ. She began as a full time in July 2011 after successfully completing a forensic internship in the summer of 2010. Within the Forensic practice, Rachel has a focus in Investigations and Forensic Audits. During her first two years with the firm, Rachel participated in two six month rotations in external Audit, where she performed financial statement audits of mutual funds and hedge funds. Through this program, Rachel has developed a broad understanding of a variety of different industries.

## **Professional and Industry Experience**

Rachel has gained experience in a variety of areas both within the audit and forensic practices:

### **Forensic Experience**

- ▣ Assisted in an investigation of a government entity and developed a background in federal contract compliance. Additionally, she performed legal invoice analysis and review to help identify discrepancies and areas requiring additional review.
- ▣ Assisted in providing neutral arbitration services in a post-acquisition dispute related to the calculation of net working capital for a software company. Areas in dispute included Accounts Payable, Accounts Receivable, and Revenue Recognition.
- ▣ Assisted in a payroll investigation, which reviewed the method used to calculate a payroll adjustment made to employees who worked on prevailing wage jobs for a six year period.
- ▣ Assisted in an investigation of a real estate partnership by reviewing transactions, journal entries, and bank statements dating back to founding of the partnership.
- ▣ Assisted a compliance records for a pharmaceutical company, performed in order to comply with the CIA requirements. Assisted the company in evaluating and improving the policies and training materials provided to sales reps.

### **Audit Experience**

- ▣ Representative clients include Prudential Advanced Series Trust Funds, SEI Daily Income Trust Funds, and Mutual of America Investment Corp. and Institutional Funds.
- ▣ Has assisted in all phases of financial statements audit performed in accordance with GAAP and GAA, and reviewed the financial statements to ensure proper presentation and agreement to test work.
- ▣ Worked as a Forensic member of audit teams to help identify and minimize potential fraud risks, related to both the industry and specific client.

## **Technical Skills**

Microsoft Word, Microsoft Excel, Microsoft PowerPoint, Adobe PDF, Use of Bloomberg, Public Records Searches



## EMILY WONG

*Associate*

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USA

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ewong1@kpmg.com

### Function and Specialization

Emily is an associate in the Fraud Risk Management service line within the Forensic practice.

### Professional Associations

- Member, New York State Society Certified Public Accountants (NYSSCPA)
- Member, Association of Certified Fraud Examiners (ACFE)
- Member, Beta Alpha Psi
- Member, Alpha Sigma Nu
- Member, Beta Gamma Sigma

### Education, Licenses & Certifications

- Bachelor of Science, Fordham University, 2013, Summa Cum Laude
- Certified Public Accountant, licensed in New York

## Background

Emily is an Associate in the New York City office of KPMG's U.S. Forensic Advisory Services practice. She began with KPMG through the Future Diversity Leaders Program in 2010, and subsequently completed two summer internships in the Forensic service network. Emily began full time in August 2013 and has a focus in the Fraud Risk Management line within the Forensic practice. Emily has also completed a six-month NY Financial Services Audit Rotation where she performed financial statement audits of mutual funds.

## Forensic Experience

- Currently assisting with integrity oversight monitoring services for Middlesex County Utility Authority Sayreville Pumping Station in connection with recovery and rebuilding contracts resulting from Superstorm Sandy and subsequent major storms in New Jersey.
- Assists the national coordinator of the Forensic in the Audit (FITA) program with Forensic Specialist involvement for KPMG's audit teams in the financial services and commercial industries, specifically with regards to considering fraud in the audit as it relates to SAS 99.
- Performs Ombuds investigative protocols reviews on a quarterly basis for a multinational conglomerate corporation, which involves the identification of a select number of closed cases from the Ombuds Network Case Listing and a review of those cases to ensure that each case has been appropriately investigated based upon the Client's identified approach.
- Assists KPMG's Partnership Audit Committee (PAC) with its annual audit over KPMG's manual journal entries and dormant accounts, which involves drilling down on specific journal entry routines identified during evaluation procedures and reviewing a sample of journal entries for reasonableness.
- Assisted with fraud risk and gap analysis assessments in various industries and businesses, including for a major financial services rating company and a multinational luxury and specialty retailer.
- Performed Financial Disclosure Review for staff members of a major international organization, which involved identifying potential conflicts of interest and reviewing financial disclosures for a sample of participants through a verification process.
- Assisted with a Foreign Corrupt Practices Act (FCPA) Compliance assessment for a pharmaceutical company's international subsidiary, which involved a review of potential doctor and health care provider spending conflicts.

## Audit Experience

- Provided professional audit services to an alternative investment and mutual fund client in accordance with U.S.GAAP and U.S. GAAS, which involved performing substantive testwork over revenue, investment, and expense accounts and conducting reconciliations of fund accounting, custody and transfer agent holdings.

## Technical Skills

MS Office Suite 2007 and 2013 and use of Bloomberg Terminal



## **RYAN E. COCO, P.E.**

### *Manager*

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rcoco@kpmg.com

### **Function and specialization**

Ryan is a member of the Forensic Major Projects Advisory practice specializing in Real Estate and Construction.

### **Representative clients**

- NJ Transit (Prior to KPMG)
- NJ DOT (Prior to KPMG)
- NYC DOT (Prior to KPMG)
- Port Authority of NY&NJ
- NYC Department of Investigation
- NYC Economic Development Corp.
- NYC School Construction Authority
- Metropolitan Washington Airport Authority (MWAA)

### **Professional associations**

- Member, Association of Certified Fraud Examiners
- Member, Institute of Electrical and Electronic Engineers (IEEE)
- Member, Power and Energy Society

### **Education, licenses & certifications**

- BS, Villanova University
- Professional Engineering (PE) Licensure (NY)
- Licensed Home Inspector (NY)
- Certified Project Management Professional (PMP)

## **Background**

Ryan is a manager in KPMG's Forensic Major Projects Advisory practice with more than 13 years of construction consulting experience. Ryan is a Licensed Professional Engineer and a Licensed Home Inspector in the State of New York. He has a strong construction background with experience in many areas throughout the construction project lifecycle including planning, design, procurement, contract administration, and project controls. Some of the industries that Ryan has construction experience include transportation including rail and highway, educational facilities, commercial office, hospitals, and heavy industrial structures.

## **Professional and industry experience**

Ryan has significant experience in the construction consulting industry where he has provided various construction services that include integrity monitoring, construction internal audit, contract compliance and cost recovery analyses, capital construction program evaluations, construction project reviews, program and project controls assessments, and project oversight and monitoring. Ryan has significant experience working with government agencies and has a deep understanding of federal, state and local regulations and code.

### **Disaster recovery integrity monitoring and program design experience**

- Ryan was a manager on the team of investigators and engineers acting as Integrity Monitors for New York City's Rapid Repairs Program, a \$500 million FEMA funded program. As Integrity Monitor, KPMG monitored the work of the construction contractors and their subcontractors performing repairs and monitored and investigated allegations of fraud by other parties in connection with the program. As part of this review, Ryan lead the day to day activity of the field teams which assessed program and contract compliance, quality of work, safety, code compliance, close-out documentation, and whether the billings were in accordance with the program guidelines and accurately reflected the work completed in the field.
- Ryan is currently manager on a project where KPMG was engaged by the NYC Department of Investigations to act as integrity Monitor for the NYC Build it Back (BIB). He is managing a team of engineers and forensics investigators to monitor a construction contractor and their subcontractors. The team is responsible for assessing program guidelines, identifying gaps and monitoring compliance in all areas of the program some of which include project eligibility, scoping and estimating, unit pricing, award determination, construction management, quality inspection, permitting, and project close-out.
- Ryan is currently a manager and construction subject matter professional assisting New York City Economic Development Corporation (NYCEDC) with the planning, design and development of a program management office (PMO) related their Business Resiliency Investment Program (BRIP). The BRIP is a \$100 million program funded through HUD Community Development Block Grant Disaster Recovery.
- Ryan is managing an integrity monitorship for the reconstruction of Atlantic Highlands Harbor Marina and Piers in New Jersey. As part of this review, Ryan has managed a team of investigators and engineers assessing some of the following: overall project integrity, contract compliance, adherence to federal, state and local regulation and codes, project quality, construction deliverables.



## ORI BEN-CHORIN

### Director

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Washington, DC 20006

Tel 202-533-4534  
Fax 202-315-2589  
Cell |  
oben-chorin@kpmg.com

### Function and Specialization

Ori specializes in Fraud Risk Management.

### Education

- Juris Doctor, The American University (Washington, DC)
- Bachelor of Science, Business Administration, Boston University (Boston, MA)

## Background

Ori is a Director with KPMG's Forensic practice in Washington, D.C., where for the past 15 years he has advised clients on the design, evaluation, and implementation of corporate ethics and compliance programs and related antifraud programs and controls, as well as on satisfying the requirements of multiple corporate governance and internal control frameworks including: (i) U.S. Sentencing Guidelines for Organizational Defendants; (ii) NYSE Corporate Governance Listing Standards; (iii) Sarbanes-Oxley Act of 2002; (iv) COSO Integrated Framework; (v) PCAOB Auditing Standard No. 5; (vi) SAS 99; (vii) ISA 240; and (viii) UK Combined Code on Corporate Governance, etc.

## Professional and Industry Experience

- Evaluated and reported on the effectiveness of the corporate ethics and compliance programs for a number of companies.
- Performed a gap analysis and conducted an integrity perception survey to evaluate the effectiveness of the corporate ethics and compliance program of a Global Fortune 500 consumer products company.
- Performed an evaluation of the effectiveness of a large energy company's corporate compliance program to ensure compliance with fair competition rules between its utility and commercial affiliates following deregulation.
- Advised a global music company on establishing an ethics and compliance program and documenting those elements of the program which constituted antifraud programs and controls for SOX 404 purposes.
- Advised one of the largest foreign-based issuers of U.S. securities on documenting and evaluating its governance framework and overall system of internal control to support reporting requirements under Section 404 of the Sarbanes-Oxley Act.

## Speaking Engagements

- Center for Professional Education
- The Institute of Internal Auditors
- Society of Financial Examiners
- American Accounting Association

## Selected Publications

- Co-author, "Auditing and Monitoring Activities Help Uncover Fraud and Misconduct and Assess Controls Effectiveness." CPA Journal June 2011.
- Lead author, "Chapter 6: Building an Integrated and Comprehensive Compliance Program for Sustainable Value," "Chapter 8: Codes of Conduct, Communication and Training," and "Chapter 10: Mechanisms for Reporting Fraud and Misconduct" in Richard H. Girgenti et al., eds. *Managing the Risk of Fraud and Misconduct, Meeting the Challenges of a Global Regulated and Digital Environment* (McGraw-Hill 2011).
- Lead author, "KPMG LLP Integrity Survey" (2013, and contributing author in 2009, 2006, and 2000). These national benchmarking studies examine the nature, prevalence, and root causes of corporate fraud and misconduct in the U.S.



**RAYMOND DOOKHIE**  
*Director*

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rdookhie@kpmg.com

**Function and Specialization**

Mr. Dookhie specializes in FCPA Investigations and Remediation, Integrity Monitorship, fraud and misconduct investigations and fraud risk management.

**Professional Associations**

- Member, New York State Society of Certified Public Accountants
- Member, American Institute of Certified Public Accountants
- Associate member, Association of Certified Fraud Examiners

**Education, Licenses & Certifications**

- Bachelor of Arts, Accounting, Queens College – City University of New York
- Certified Public Accountant, licensed in New York and New Jersey
- Certified in Financial Forensics

**Background**

Ray is a Director with KPMG's Forensic Service practice in New York City. Ray, a Certified Public Accountant and former Fraud Investigator with the New York County District Attorney's Office and the New York City Department of Investigation, assist clients with the prevention, detection and response to fraud, misconduct, waste, abuse and regulatory noncompliance. Ray has over 15 years of experience in conducting complex investigations in multi-national jurisdictions. He also has comprehensive background in global regulatory and compliance frameworks. Additional core competencies include forensic accounting, forensic data analytics, FCPA investigations/remediation, fraud risk assessment/remediation, anti-fraud programs & controls, fraud and compliance awareness training, continuous auditing/monitoring, compliance and integrity monitoring, and project management and planning assistance.

**Professional and Industry Experience**

***Compliance and Monitoring – Monitor compliance with laws, standards, or regulations. Selected Monitorship experience are as follows:***

- Assisted an airline company with monitoring business activities of a third-party agent
- Worked with the Port Authority of New York and New Jersey and the New York City School Construction Authority to monitor business activities of a construction sub-contractor providing services at the World Trade Center Site and several public schools throughout New York City.
- Worked with the Special Commissioner of Investigations for the New York City Department of Education to monitor the activities of certain bus companies providing transportation services for the Office of Pupil Transportation.
- Assisted Court appointed Monitor in reviewing the financial activities for a major union and various companies within the painting, plumbing, construction and private sanitation industries.
- Performed Compliance Audits for the New York City Board of Education.



## **JILANE KHAKHAR**

*Director*

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jilane.khakhar@kpmg.com

**Function and specialization**  
Investigations and Integrity due diligence

### **Representative clients**

- Merck & Co., Inc.
- Allergan
- Thoratec Corporation.

### **Professional associations**

- ACCA
- CFE

### **Education, licenses & certifications**

- Chartered Certified Accountant (UK)
- BA in business studies, Fairleigh Dickinson University, NJ, U.S.A.
- Diploma, Money Laundering Control Studies, University of Johannesburg, South Africa
- Associate Member, Certified Fraud Examiners

## **Background**

Jilane is a Director with KPMG's Forensic practice, currently managing the U.S. Corporate Intelligence (CI) team, reporting to various Forensic partners. He manages KPMG's Astrus service in the U.S., which is used to conduct integrity due diligence on third party intermediaries (business partners/agents, vendors) globally. He also conducts and directs investigations relating to fraud and related misconduct. Work involves supervision of deep desktop research of premium data sources (Lexis, Factiva, World-Check, etc.) and on-the-ground investigations globally, responsive to regulatory compliance drivers such as anti-bribery and corruption compliance (e.g. FCPA), AML and KYC, fraud and corruption risks, pre-acquisition due diligence and business risk assessments, as part of clients' overall third party management programs.

## **Professional and industry experience**

Prior to this role, at KPMG's Global Services Centre, he project-managed the development of complex global KPMG Forensic tools and methodologies and training programs thereof relating to global investigations, corporate intelligence, fraud risk management and anti-money laundering (currently in use by >2,000 KPMG professionals internationally) while reporting to KPMG's International Forensic Steering Group, and various global Forensic partners.

Before that he managed the KPMG Forensic practice in Kenya. He led Forensic teams to conduct Forensic engagements in Africa including investigations, Corporate Intelligence, fraud risk management. He designed and delivered numerous anti-fraud, corruption, AML, anti-bribery and ethics training workshops to: international KPMG colleagues, international financial institutions, accountancy bodies and various clients in Africa.

Prior to joining the Forensic group, he managed large restructuring projects in East and Central Africa relating to stressed and distressed businesses for international banks.

Fortune 500 including: global financial institutions, global pharma companies, retail, PE firms, global energy corporations, manufacturers – food/drink, consumer goods, Government ministries in Africa, NGO and not-for-profit sector.

## **Other activities**

- Speaker on Third Party Management at CBI's Internal Audit Summit (pharma sector) in Philadelphia (September 2013)
- Co-Speaker, UK and Bermuda regulatory session – perspective and update session on Bribery and Corruption, AML and other compliance hot topics (June 2011), Speaker – ACCA U.S. (Sep 2011), Kenya Institute of Bankers (2005/6).
- Project-manager and a contributing writer of a KPMG global Investigations Methodology, and Investigations white papers in 2013 and 2007
- Written technical business articles for business publications e.g. on "Procurement Fraud" – Legalbrief



## STEPHEN DEPARIS

*Director*

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Fax 201.643.2484  
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sdeparis@kpmg.com

### Function and Specialization

Stephen specializes in Forensic technology services

### Education, Licenses & Certifications

- MBA, Rutgers University
- BSEE, Rutgers University
- CFE, Certified Fraud Examiner
- Project Management Professional (PMP)
- MSCD, Microsoft Certified Developer

### Background

Stephen (Steve) is a Director in the New York office of KPMG LLP's Forensic Advisory Services practice. He is a decisive and process focused leader providing strategic direction, determining IT priorities and effectively implementing solutions driven by business objectives. Diverse industry expertise including pharmaceutical, energy, banking, manufacturing and engineering ranging from consulting firms to Fortune 100 companies.

### Professional and Industry Experience

Stephen has substantial experience leading Forensic engagements. He is a member of the Forensic Technology practice specializing in data analysis solutions for AML and FCPA applications. Specific project work includes:

- Led a team overseas to assist an international financial institution to analyze correspondent wire transactions over a five year period. Created tools to extract data from various legacy systems for integration into one common data model for analysis. Worked with client personnel and KPMG Financial Service experts to develop specific queries based on SWIFT messaging and banks statement files. Analysis included an OFAC search throughout the institution's transaction population using Fircosoft technology.
- Assumed a lead role in a government led audit investigations for over 25 state school districts. Responsibilities included capturing, restoring, manipulating, and analyzing school districts' Accounts Payable and Payroll information. Worked with individual school district IT teams, vendors, and consultants to gather necessary data. Developed a standardized database and analytic routine library adaptable to the format of varying dataset layouts. Reported captured anomalies and unusual activity via the routine library. Data accuracy, quality assurance, and reconciliation were accomplished using a series of SQL testing procedures.
- Performed several high profile FCPA investigations, including an M&A due diligence for an international organization. The analysis included an in-depth analysis of payroll, vendor, invoice and disbursement data for fraud schemes as well as statistical analysis to reveal anomalies beyond targeted entities.

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**For more information, please contact:**

**Richard H. Girgenti**

**Principal**

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**[kpmg.com](http://kpmg.com)**

# KPMG LLP Billing Rate Schedule (Version 1)

## PERFORMANCE OF EXPERT PROFESSIONAL INTEGRITY MONITORING SERVICES AS REQUESTED ON AN "CALL-IN" BASIS DURING 2009 – 2011 (RFP #17750)

Professional fees for each project will be based on the time requirements for each individual assigned to the project at the following discounted hourly rates:

Name	Title	Hourly rate*	Typical involvement
Richard Girgenti	Principal	\$395	5%
Steven Fishner	Principal	\$395	
Frank Calvaruso	Managing Director	\$395	
Wendy Predescu	Managing Director	\$395	
Andrew Curtin	Managing Director	\$395	
Laura Durkin	Managing Director	\$395	
Michael Doyle	Director	\$385	10%
Kevin Max	Director	\$385	
Eric Applewhite	Director	\$385	
Various	Manager	\$325	15%
Various	Senior Associate	\$245	30%
Various	Associate	\$155	40%

\* Hourly rates do not include out-of-pocket expenses.

## KPMG LLP Billing Rate Schedule (Version 2)

PERFORMANCE OF EXPERT PROFESSIONAL INTEGRITY MONITORING SERVICES  
AS REQUESTED ON AN "CALL-IN" BASIS DURING 2009 – 2011 (RFP #17750)

Professional fees for each project will be based on the time requirements for each individual assigned to the project at the following discounted hourly rates:

Name	Title	Hourly rate*	Typical involvement
Richard Girgenti	Principal	\$395	5%
Steven Fishner	Principal		
Frank Calvaruso	Managing Director		
Andrew Curtin	Managing Director		
Laura Durkin	Managing Director		
Wendy Predescu	Managing Director		
Michael Doyle	Director	\$385	10%
Kevin Max	Director		
Eric Applewhite	Director		
Various	Manager	\$325	15%
Various	Senior Associate	\$245	30%
Various	Associate	\$155	40%

\* Hourly rates do not include out-of-pocket expenses.