

MORGANFRANKLIN®  
CONSULTING

# CORPORATE INVESTIGATIONS & DISPUTE SOLUTIONS

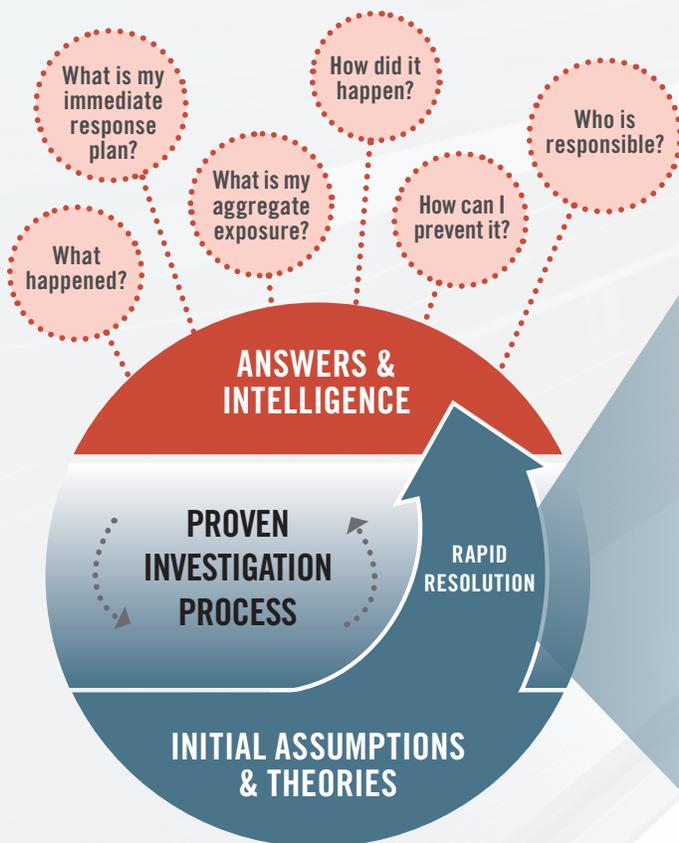
OVERVIEW



Circumstances vary. MorganFranklin is flexible.

MorganFranklin’s senior and multifaceted team works closely with outside counsel, in-house counsel, Board Audit Committees, Chief Compliance and Ethics Officers, CFOs, and CEOs to investigate, contain, and resolve time-sensitive corporate and government investigation matters.

Under a traditional investigations approach, our team works collaboratively with counsel to support data gathering, interview strategy, intelligence analysis, and remediation. When time constraints are significant and answers are needed fast, we deploy a rapid investigation team that gathers actionable intelligence without delay.



### RAPID RESOLUTION<sup>SM</sup> INVESTIGATIONS STRATEGY

Investigations are both an art and a science —especially when time is of the essence. Our team uses field-tested techniques from federal law enforcement and the private sector to conduct target-specific interviews that quickly uncover all relevant facts and issues, and we communicate the results of our work clearly and concisely to the appropriate decision makers. Through our Rapid Resolution approach, experienced practitioners use behavioral analysis and sophisticated interview strategies to obtain critical intelligence.

## A MULTIDISCIPLINE TEAM

Our team includes former senior law enforcement, forensic accounting, litigation, investigation, and regulatory experts with decades of experience on all sides of corporate and government investigations. Our professionals are backed by accounting, process, technology, and strategy experts who can reverse engineer the causes of irregularities, disputes, and fraud. Often retained by counsel to provide such assistance, together our experts formulate the best approaches for conducting investigations, fixing damages, and reducing future risks.

## OUR CAPABILITIES & FOCUS

- Corporate Fraud & Negligence
- Foreign Corrupt Practices Act (FCPA)
- Market Manipulation Investigations
- Executive Misconduct
- False Claims Act (FCA)
- Anti-Money Laundering (AML)
- Employee Misconduct & Internal Thefts
- Class-Action & Mass-Action Investigations
- Discrimination Defense
- Corporate Financial System Anomalies
- Forensic & Technical Accounting
- Internal Controls
- SEC Reporting
- Accounting Systems & Procurement
- Vendor Misconduct
- Artful Interviews

## WHY MORGANFRANKLIN?

- Senior and experienced investigation team moves fast and effectively with fewer disruptions.
- Former decorated FBI Special Agent with a background leading high-profile corporate investigations and conducting artful interviews.
- Field-tested Rapid Resolution strategy resulting in more than 100 critical white-collar crime confessions.
- More than 50 accounting, compliance, risk management, business process, and technology experts who see what others do not.
- Non-conflicted on accounting matters, so audit relationships are kept clean.
- Team members eligible to support U.S. federal agencies.
- Trusted collaborators with attorneys, boards, C-suite executives, and auditors.

# LEAD INVESTIGATIONS TEAM



**Charles E. Price II**

*Managing Director*

- Decorated FBI Special Agent with 28 years of experience conducting successful investigations of sophisticated white-collar crimes.
- CPA/CFE with a track record of unraveling complicated financial transactions.
- Led numerous high-profile national and international investigations resulting in more than 100 felony white-collar crime convictions and more than \$115M in losses prevented, recoveries, or restitution.
- Highly regarded for developing creative investigative strategies and resolving complex investigations fast.
- Nationally recognized expert in interviewing and interrogation repeatedly selected by FBI management to conduct key interviews on high-profile cases.
- Served on FBI Director's Special Agent Advisory Committee and developed pragmatic solutions to a wide variety of operational and managerial issues.
- Adjunct Faculty Member at FBI Academy, providing instruction on interviewing and investigation of complex financial crimes to FBI, SEC, FDIC, U.S. Attorneys, and U.S. intelligence community.
- Recipient of the FBI Director's Award for Excellence in HUMINT, awarded for classified operations in Afghanistan.

## CASE STUDIES

Mr. Price served as the lead investigator of a \$60M international corporate fraud case involving complex financial transactions, identity theft, and money laundering.

Mr. Price served as the lead investigator of a corporate fraud case involving the misappropriation of more than \$16M in pension funds and an attempt to execute a \$30M fraudulent private equity offering.

Mr. Price served as lead investigator of a case involving a criminal enterprise that executed a nationwide bank fraud, bribery, and money laundering scheme resulting in losses of more than \$28M.

Mr. Price served as the lead investigator of an international extortion case that targeted a well-known news organization.

Mr. Price served as the lead investigator of an embezzlement scheme targeting national congressional political action committees.

Mr. Price has personally obtained confessions on a wide variety of cases (criminal, terrorism, and espionage), including confessions that were instrumental in obtaining the convictions of two sitting members of Congress.

### CONTACT:

Charlie.Price@morganfranklin.com

direct: 571.282.6902



**Eric D. Reicin**

*Services Leader,  
Corporate Investigations  
& Dispute Solutions*

- More than 20 years of senior in-house Fortune 500 and firm experience.
- Former Senior Vice President and Deputy General Counsel at a large diversified financial services company, serving as chief litigation, labor and employment, collections, government contracts, government investigations, and intellectual property attorney.
- Significant experience managing legal support to public and private Boards of Directors, Board Audit Committees, and Chief Ethics Officers.
- Significant experience in high-dollar corporate and government investigations and associated litigation.
- Serves as MorganFranklin Vice President, General Counsel, and Corporate Secretary.

## CASE STUDIES

Mr. Reicin led the internal investigations of multiple high-stakes matters while Deputy General Counsel of a large diversified financial services company.

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Mr. Reicin led the defense of multiple federal and state Attorney General government investigations while Deputy General Counsel of a large diversified financial services company.

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Mr. Reicin collaborated with experts to successfully negotiate settlement with the Federal Trade Commission regarding an alleged violation resulting from a third party's actions. He led all aspects of internal investigation to assess responsibility, process breakdowns, and establish a remediation plan to avoid future risks.

CONTACT:

Eric.Reicin@morganfranklin.com  
direct: 703.628.4685

## SELECTED PAST PERFORMANCE

### FALSE CLAIMS ACT (FCA) HIGH-DOLLAR LAWSUIT

Provided litigation consulting and expert testimony services for a public company defending a billion-dollar False Claims Act lawsuit. Worked closely with outside counsel to maximize defense efforts and develop creative strategies to minimize potential liability.

### STATE ATTORNEY GENERAL LAWSUIT

Worked closely with General Counsel and outside counsel team, providing litigation consulting services and expert testimony services for a for-profit university defending a high-profile State Attorney General lawsuit.

### FINANCIAL FRAUD/REAL ESTATE FRAUD INVESTIGATION & RISK CONTROL REMEDIATION

Investigated a significant fraud targeting the family office of an ultra-high-net-worth (UHNW) individual. In a single interview, obtained a confession from the subject and arranged for the transfer of title to certain fraudulently obtained assets back to the family office. Performed a supplemental investigation to determine whether any family office employees were aware of, or assisted in, the fraud. The supplemental investigation consisted of interviews of family office employees and review of emails and other electronic data. Conducted forensic review of relevant electronic data and prepared an extensive results and assessment report. Strategically assisted the family office with the implementation and customization of a new accounting system containing stronger internal controls and other risk control improvements.

### CEO MISCONDUCT INVESTIGATION

Performed an investigation into allegations that a CEO surreptitiously drugged and sexually assaulted an employee. The investigation included interviewing the victim and other company employees and resulted in the CEO's termination.

### POTENTIAL FCPA/SLUSH FUND INVESTIGATION

Performed an investigation into potential Foreign Corrupt Practices Act (FCPA) bribery, slush fund, and books and records issues in European country. The investigation included developing an appropriate strategic investigation plan, working with local counsel and language interpreters, interviewing multiple relevant parties, conducting an "on-the-ground" law enforcement style investigation, that resulted in obtaining a confession from a corporate executive.

### INVESTIGATIVE ACCOUNTING FOR FINANCIAL RESTATEMENT

Worked with auditors to perform an exhaustive review of leasing transactions and deep analysis of data linked to procurement and accrual processes for a large government IT services firm. A restatement was necessary to correct prior accounting for leases governed by Statement of Financial Accounting Standards 140 and to correct an overstatement of accounts payable and cost of goods sold. Conducted a review of aged vendor balances and reviewed more than 10,000 purchase orders. Identified past errors, effectively determined size and period for restatement efforts, confirmed appropriate accounting treatments, and supported timely completion of restatement efforts.

## SUPPORT FOR CONSENT ORDER COMPLIANCE

Assisted in determining and analyzing errors that occurred in the mortgage foreclosure process performed by a midsize West Coast bank operating under a consent order from the Office of the Comptroller of the Currency (OCC). Provided investigation support, test plan execution, data analysis, and remediation recommendations, assisting in analyzing more than 20,000 mortgage loans while identifying and remediating procedural errors.

## FORENSIC REVIEW OF CORPORATE CASH MISUSE

Engaged by CFO and investors of a private-equity-backed IT company to determine whether corporate cash had been used for unapproved, non-business purposes. Performed forensic review, including detailed security assessment and scrutiny of cash, accounts receivable, and accounts payable activity; disbursements to employees and contractors; bank accounts; related-party transactions; selected electronic correspondence; and controls testing surrounding cash disbursements.

## FINANCIAL FRAUD INVESTIGATION

Investigated an embezzlement from the family office of an ultra-high-net-worth (UHNW) individual. In a single interview, obtained a signed statement confession from the subject. Subsequently, obtained a promissory note from the subject in favor of the family office through which the subject agreed to repay all stolen funds plus the costs of the investigation. Secured the promissory note with a lien on the subject's personal residence.

*“Charlie accomplished the impossible. His unique knowledge and diverse skill set, coupled with hard work, relentless tenacity, and an empathetic manner, brought positive closure to a long and difficult matter.”*

—David Hillman

Founder & CEO

SOUTHERN MANAGEMENT CORPORATION

*“Seeing is believing. I’ve witnessed Charlie in action, accomplishing a great deal in a short period of time. Charlie’s unique skill set and approach make him a critical asset in any complex or sensitive investigation.”*

—Elizabeth Abdoo

Executive Vice President, General Counsel

HOST HOTELS & RESORTS

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# Artful Interviews

## An Alternative to Mining Data

Charles E. Price II, *Managing Director*

In October 2012, just after 6:00am on a weekday, two dozen FBI Agents entered a corporate CEO's 24,000-square-foot mansion. Armed with a search warrant, the Agents were looking for evidence of the CEO's involvement in a multiyear, multimillion-dollar international fraud case. When they left the residence later that day, the Agents took with them an enormous amount of electronic data seized from a variety of devices, as well as many boxes of documents. They had achieved that day's goal: locating, seizing, and preserving potential evidence. However, they were focused on a much larger goal: avoiding ever having to mine through the voluminous amount of data they had just seized.

To the Agents, the data was always part of Plan D. In seizing it, the Agents were merely hedging their bets—they needed it in case Plans A, B, and C failed. In fact, the Agents viewed the data as a quagmire, not a path to success. They knew that while the review of copious amounts of data sometimes yields a valuable piece of evidence, it is always a very costly investigative step that historically yields an exceptionally low return on investment. On a pragmatic level, such large volumes of data are often difficult to sort through because investigators are generally not sure exactly what they are looking for. Most important, the Agents understood that there was no guarantee that the information they were seeking was actually in the data.

From experience, the Agents knew that the answers to all of their important questions—the “who, what, when, where, and why”—could definitely be found in another place—namely, with the people who committed the fraud or their associates. However, getting the truth from people who are in trouble is extremely difficult. Interviewing and obtaining admissions is an art, not a science. Artful interviewing is a learned and counterintuitive skill that often takes decades to master. It is not

what is depicted on TV or in movies. Artful interviews are much more sophisticated and nuanced—closer to what happens on a psychologist's couch than to Hollywood's heavy-handed depiction, and quite a bit different from a lawyer's average deposition.

The Agents chose to focus on the people, not the data. And this choice paid huge dividends. Plan D was not necessary because Plan A worked. Artful interviews of the COO and CIO resulted in their confessions, guilty pleas, and proactive cooperation with the government. Rather than face damning testimony from former co-conspirators at trial, the CEO pleaded guilty. And what became of the voluminous data seized during the search of the CEO's home? It remained unmined. The successful use of artful interviews resulted in an effective and efficient investigation. Data mining and its related costs were avoided, and the Agents were able to move on to the next case quickly. This case is just one example of what the FBI learned long ago: artful interviews almost always beat data mining.

The Agents were careful not to throw the baby out with the bath water. They knew that in certain circumstances, data can be crucial and its mining useful, sometimes essential. So just in case they needed it, they gathered and secured the data before it had a chance to disappear. Thankfully, their abilities to perform artful interviews ensured that they never would.

I have more than a passing familiarity with the case described above. I was the Case Agent, the one who focused on people and avoided getting buried in data. I am no longer an FBI Agent. I retired in December 2014, and I now work in the private sector. The investigative strategies of a lot of folks in my new world of corporate investigations seem to focus on data, not people. I'm not sure why. The results speak for themselves.

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*Charlie Price serves as a Managing Director in MorganFranklin Consulting's Corporate Investigations & Dispute Solutions practice. As a decorated FBI Agent for more than 28 years, Charlie established a national reputation as an expert in the “art of interviewing” and developed a proven track record of resolving complex white-collar investigations fast. He led numerous high-profile national and international investigations, resulting in more than 100 felony white-collar crime convictions and more than \$115 million in losses prevented, fines, recoveries, and restitution.*



RESPONSIVE.  
TRUSTED.  
FLEXIBLE.

# WHO IS MORGANFRANKLIN? WE'RE A **BETTER DIFFERENT**<sup>SM</sup>

**WEALTH OF EXPERIENCE**  
DRIVING CLIENT GROWTH

**DIVERSITY OF KNOWLEDGE**  
IMPROVING PERFORMANCE

**HANDS-ON CAPABILITY**  
ENABLING MISSION SUCCESS

**SERVICE EXPERTISE**  
PRODUCING MEASURABLE VALUE



COMMUNICATION.  
STRATEGY.  
RESULTS.

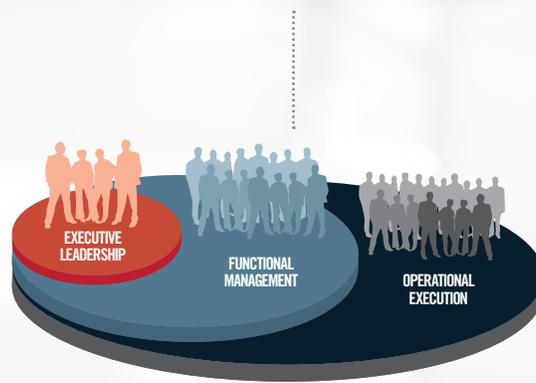
# ENABLING SUCCESS ACROSS THE ORGANIZATION

*Executive thinking becomes nimble. Clients achieve more than they thought possible.*

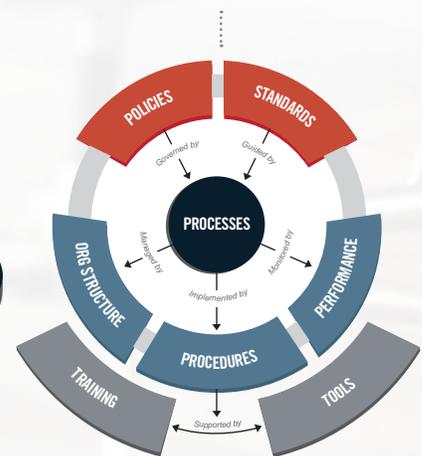
WHAT DRIVES  
DECISION MAKING?



HOW DO  
STAKEHOLDERS  
ENGAGE TO ACT?



WHAT ENABLES  
PROCESSES &  
INTERACTIONS?



## MARKET & INDUSTRY EXPERTISE

### Commercial Industries

Aerospace & Defense  
Automotive  
Biotech & Health Care  
Energy & Environment  
Financial Services  
FinTech  
Government Contracting  
Higher Education  
Hospitality  
Insurance  
Manufacturing & Distribution  
Media & Entertainment  
Mortgage & Banking  
Nonprofit  
Oil & Gas  
Pharmaceuticals  
Professional Services  
Real Estate  
Retail & Consumer Products  
SaaS  
Technology & Software  
Telecommunications  
Transportation & Logistics

### Defense

Defense Health Agency  
Defense Security Service  
Department of the Navy  
Office of the Secretary of Defense  
Uniformed Services University of the Health Sciences  
U.S. Air Force  
U.S. Army  
U.S. Army Corps of Engineers  
U.S. Marine Corps

### Federal Civilian

Centers for Medicare and Medicaid Services  
Consumer Product Safety Commission  
Corporation for National and Community Service  
Department of Agriculture  
Department of Homeland Security  
Department of Labor  
Department of the Treasury  
Department of Veterans Affairs  
Federal Energy Regulatory Commission  
National Credit Union Administration  
National Science Foundation  
Securities and Exchange Commission

### Law Enforcement & Intelligence

Department of Justice  
National Reconnaissance Office  
Office of the Director of National Intelligence

## BUSINESS FACTS

- Founded in 1998
- Headquartered in the Washington, D.C., area
- Southeast Regional Office in Atlanta
- 100% employee-owned through Employee Stock Ownership Plan (ESOP)
- National presence and international reach
- Approximately 300 client service professionals
- Diverse full-time workforce comprised of industry, global consulting, former law enforcement, and Big Four professionals
- *Inc.* 5000 list of the fastest-growing private companies in America in 2007, 2012–2016
- *Consulting* magazine “Fastest Growing Firms” list in 2015 and 2016
- 2014 *Consulting* magazine Excellence in Social & Community Investment Achievement Award

[morganfranklin.com/rapidresolution](http://morganfranklin.com/rapidresolution)

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CONSULTING

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