

Submitted by: ASSEMBLY CHAIR TRAINI

Prepared by: Assembly Counsel

For reading: April 27, 2010

CLERK'S OFFICE

APPROVED

Date: 4-22-10

—ANCHORAGE, ALASKA

AR NO. 2010-140

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY TO APPROVE THE CONTRACT BETWEEN THE MUNICIPALITY AND MRW CONSULTING GROUP, LLP FOR THE FORENSIC AUDIT TO BE CONDUCTED PURSUANT TO AR 2010-57.

WHEREAS, AR 2010-57, amended and approved by the Assembly on February 16, 2010, sets out the process and approval requirements for an Independent Forensic Audit; and

WHEREAS, prior to release, the Request for Proposal (RFP) was presented to and accepted by the Assembly under AIM 30-2010; and

WHEREAS, three proposals were received, reviewed and ranked by the Internal Auditor, the Municipal Clerk, and Assembly Counsel in a competitive solicitation managed by the Purchasing Department; and

WHEREAS, based on the criteria set out in the RFP, the proposal of MRW Consulting Group, LLP was selected, by unanimous consensus of the review team, for submission to the Assembly for contract approval, as set out in AR 2010-57; and

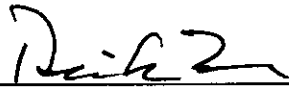
WHEREAS, the 90-day performance period will commence May 10, 2010; and

WHEREAS, these contract documents and confirmatory documents are attached:

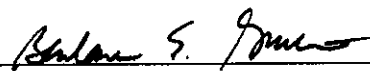
- Municipal Contract for Professional Services with MRW Consulting Group, LLP (Special Provisions and General Provisions consistent with MOA Purchasing Department and RFP.)
- MRW Consulting Group, LLP Proposal dated April 7, 2010 (for incorporation as Appendix B).
- Appendix B Addendum (Record of Discussions April 19, 2010).
- Intent to Award from Purchasing Department dated April 20, 2010.

1 NOW THEREFORE BE IT RESOVED that the contract for professional
2 services with MRW Consulting Group, LLC is hereby approved by the Anchorage
3 Assembly for award.

4
5 PASSED AND APPROVED by the Anchorage Assembly this 27th day of
6 April, 2010.

7
8
9
10 
11 _____
12 Chair

13 ATTEST:

14
15 
16 _____
17 Municipal Clerk

CONTRACT FOR PROFESSIONAL SERVICES WITH MRW Consulting Group, LLP

In consideration of the mutual promises herein, ANCHORAGE and MRW Consulting Group, LLP agree as follows. This contract consists of:

- A. Part I, consisting of 15 sections of Special Provisions;
- B. Part II, consisting of 11 sections of General Provisions;
- C. Appendix A, RFP 2010-P006, As Amended;
- D. Appendix B, MRW Consulting Group, LLP Response to RFP 2020-P005, dated April 7, 2010 (*as amended by the Record of Discussions April 19, 2010*).

PART I SPECIAL PROVISIONS

Section 1. Definitions. In this contract:

- A. "Administrator" means the committee named by the Assembly in AR 2010-157: Internal Auditor Peter Raiskums; Municipal Clerk Barbara Gruenstein; and Assembly Counsel Julia Tucker.
- B. "Anchorage" means the Municipality of Anchorage.
- C. "Contractor" means MRW Consulting Group, LLP.

Section 2. Scope of Services.

- A. The Contractor shall perform professional services in accordance with Appendix A, which is attached hereto and incorporated in this section by reference.
- B. Anchorage shall not allow any claim for services other than those described in this section. However, the Contractor may provide, at its own expense, any other services that are consistent with this contract.

Section 3. Time for Performance.

- A. This contract becomes effective when signed on behalf of Anchorage.
- B. The Contractor shall commence performance of the work described in Part I Section 2 on Monday, May 10, 2010 and complete performance within 90 days.

Section 4. Compensation; Method of Payment.

- A. Subject to the Contractor's satisfactory performance, Anchorage shall pay the Contractor no more than FIFTY THOUSAND DOLLARS (\$50,000.00) in

total compensation for completion of all work included within the scope of work, including all costs and services.

- B. Anchorage shall pay the Contractor in accordance with the schedule of professional fees attached as Appendix B and incorporated herein by reference for services actually performed under this contract.
- C. Anchorage shall, in addition to the monetary compensation agreed to, provide the Contractor with reasonable office space and copying during the time the Contractor is in Anchorage.
- D. Each month the Contractor shall present a bill to the Administrator describing the work for which it seeks payment and documenting expenses and fees to the satisfaction of the Administrator. If any payment is withheld because the Contractor's performance is unsatisfactory, the Administrator must, within 10 days of the payment denial, notify the Contractor of the payment denial and set forth, with reasonable specificity, what was unsatisfactory and why.
- D. The Contractor is not entitled to any compensation under this contract, other than as expressly provided for in this section.
- E. As a condition of payment, the Contractor shall have paid all municipal taxes currently due and owing by the Contractor.

Section 5. Termination of the Contractor's Services.

The Contractor's services under Section 2 may be terminated:

- A. By mutual consent of the parties.
- B. For the convenience of Anchorage, provided that Anchorage notifies the Contractor in writing of its intent to terminate under this paragraph at least 10 days prior to the effective date of the termination.
- B. For cause, by either party where the other party fails in any material way to perform its obligations under this contract. Termination under this subsection is subject to the condition that the terminating party notifies the other party of its intent to terminate, stating with reasonable specificity the grounds therefore, and the other party fails to cure the default within thirty (30) days after receiving the notice.

Section 6. Duties Upon Termination.

- A. If Anchorage terminates the Contractor's services for convenience, Anchorage shall pay the Contractor for its actual costs and services satisfactorily rendered and reasonably incurred in performing the scope of work prior to termination, provided that the total amount paid by Anchorage for the work performed is in the same ratio to the total contract price as the work satisfactorily rendered bears to the total scope of work under the contract. Payment under this subsection shall never exceed the total compensation allowable under Section 4. All finished and unfinished documents and materials prepared by the Contractor shall become the property of Anchorage.

- B. If the Contractor's services are terminated for cause, Anchorage shall pay the Contractor the reasonable value of the services satisfactorily rendered prior to termination less any damages suffered by Anchorage because of the Contractor's failure to perform satisfactorily. The reasonable value of the services rendered shall never exceed the contract rate for such services, and payment under this subsection shall not exceed ninety percent (90%) of the total compensation allowable under Section 4. Any finished or unfinished documents or materials prepared by the Contractor under this contract shall become the property of Anchorage at its option.
- C. If the Contractor receives payments exceeding the amount to which it is entitled under subsections A or B of this section, Contractor shall remit the excess to the Administrator within thirty (30) days of receiving notice to do so.
- D. The Contractor shall not be entitled to any compensation under this section until the Contractor has delivered to the Administrator all documents, records, work product, materials and equipment owned by Anchorage and requested by the Administrator.
- E. If the Contractor's services are terminated, for whatever reason, the Contractor shall not claim any compensation under this contract, other than that allowed under this section.
- F. Except as provided in this section, termination of the Contractor's services under Section 5 does not affect any other right or obligation of a party under this contract.

Section 7. Insurance.

- A. The Contractor shall maintain in good standing the insurance described in subsection B of this section. Before rendering any services under this contract, the Contractor shall furnish the Administrator with proof of insurance in accordance with subsection B of this section in a form acceptable to the Risk Manager for Anchorage.
- B. The Contractor shall provide the following insurance:
 - 1.) \$500,000 Employers Liability and Worker's Compensation as required by Alaska Law.
 - 2.) Commercial Automobile Liability per occurrence in the amount of \$500,000 single limit to include: owned, hired, and non-owned.
 - 3.) Commercial General Liability in the amount of \$1,000,000 combined single limit to include:

Premises Operations
Products and Completed Operations
Blanket Contractual
Broad Form Property Damage
Independent Contractors

Personal Injury

- C. Each policy of insurance required by this section shall provide for no less than 30 days advance notice to the Municipality prior to cancellation.
- D. With the exception of Worker's Compensation and Professional Liability each policy shall name The Municipality as an "Additional/Named insured" and the actual policy endorsement shall accompany each Certificate of Insurance.
- E. General Liability and Automobile policies shall be endorsed to waive all rights of subrogation against the Municipality of Anchorage by reason of any payment made for claims under the above coverage. This policy endorsement should accompany each Certificate of Insurance.

Section 8. Assignments.

Unless otherwise allowed by this contract or in writing by the Administrator, any assignment by the Contractor of its interest in any part of this contract or any delegation of duties under this contract shall be void, and an attempt by the Contractor to assign any part of its interest or delegate duties under this contract shall give Anchorage the right immediately to terminate this contract without any liability for work performed.

Section 9. Ownership, Publication, Reproduction and Use of Material.

- A. Except as otherwise provided herein, all data, documents and materials produced by the Contractor under this contract shall be the property of Anchorage, which shall retain the exclusive right to publish, disclose, distribute and otherwise use, in whole or in part, any such data, documents or other materials. Exclusive rights shall not be attributed to portions of such materials presently in the public domain or which are not subject to copyright.

Section 10. Notices.

Any notice required pertaining to the subject matter of this contract shall be either sent via facsimile (FAX) or mailed by prepaid first class registered or certified mail, return receipt requested to the following addresses:

Anchorage: Barbara Gruenstein, Municipal Clerk
Municipality of Anchorage
Department of the Assembly, Suite 250
P.O. Box 196650
Anchorage, AK 99519-6650 FAX: (907) 343-3413

Contractor: MRW Consulting Group, LLP
950 South Pine Island Road

Notices are effective upon the earlier of receipt, proof of good transmission (facsimiles only), or five (5) days after proof of proper posting.

Section 13. Force Majeure.

- A. Any failure to perform by either party due to force majeure shall not be deemed a violation or breach hereof.
- B. As used in this contract, force majeure is an act or event of substantial magnitude, beyond the control of the delayed party, which delays the completion of this contract, including without limitation:
 - 1. Any interruption, suspension or interference resulting solely from the act of the Municipality or negligent act(s) of the Municipality not otherwise governed by the terms of this contract.
 - 2. Strikes or work stoppages.
 - 3. Any interruption, suspension or interference with the project caused by acts of God, or acts of a public enemy, wars, blockades, insurrections, riots, arrests or restraints of governments and people, civil disturbances or similar occurrences.
 - 4. Order of court, administrative agencies or governmental officers other than the Municipality.

Section 13. Financial Management System.

The Contractor shall establish and maintain a financial management system that:

- A. Provides accurate, current, and complete disclosure of all financial transactions relating to the contract;
- B. Maintains separate accounts by source of funds for all revenues and expenditures and identifies the source and application of funds for the Contractor's performance under this contract, including information pertaining to subcontracts, obligations, unobligated balances, assets, liabilities, outlays and income;
- C. Effectively controls and accounts for all municipal funds and contract property;
- D. Compares actual expenditures with budgeted amounts and relates financial information to performance or productivity data including unit cost information where applicable;
- E. Allocates administrative costs to direct service delivery units;
- F. Minimizes the time between receipt of funds from Anchorage and their disbursement by the Contractor;
- G. Provides accounting records supported by source documentation; and
- H. Provides a systematic method assuring the timely and appropriate resolution of audit findings and recommendations.

Section 14. Funding Requirements.

In the event that any funding source for this contract should impose additional requirements upon Anchorage for the use of those funds, the Contractor agrees to abide by those additional requirements immediately upon receipt of written notice thereof from Anchorage.

Section 15. Subcontracts.

The Contractor may enter into subcontracts for the purchase of goods and services necessary for the performance of this contract, provided:

- A. Every subcontract shall be reduced to writing and contain a precise description of the services or goods to be provided and the nature of the consideration paid therefore.
- B. Every subcontract under which the Contractor delegates the provision of services shall be subject to review and approval by the Administrator before it is executed by the Contractor.
- C. Every subcontract in an amount exceeding \$1,000.00 shall require reasonable access to business records of the sub-contractor relating to the purchase of goods or services pursuant to the subcontract.

THE ENTIRE "GENERAL CONTRACT PROVISIONS" SECTION IS MANDATORY.

PART II

GENERAL CONTRACT PROVISIONS

Section 1. Relationship of Parties.

The Contractor shall perform its obligations hereunder as an independent contractor of Anchorage. Anchorage may administer the contract and monitor the Contractor's compliance with its obligations hereunder. Anchorage shall not supervise or direct the Contractor other than as provided in this section.

Section 2. Nondiscrimination.

- A. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, age, sex, or marital status or who is a "qualified individual with a disability" (as that phrase is defined in the Americans With Disabilities Act of 1990). The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, or mental or physical impairment/disability. Such action shall include, without limitation, employment, upgrading, demotion or transfer, recruitment or recruiting advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The Contractor agrees to post, in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.
- B. The Contractor shall state, in all solicitations or advertisements for employees to work on contract jobs, that all qualified applicants will receive equal consideration for employment without regard to race, color, religion, national origin, ancestry, age, sex or marital status, or mental or physical impairment/disability.
- C. The Contractor shall comply with any and all reporting requirements that may apply to it which the Anchorage Office of Equal Employment Opportunity Contract Compliance may establish by regulation.
- D. The Contractor shall include the provisions of subsections A through C of this section in every subcontract or purchase order under this contract, so as to be binding upon every such subcontractor or vendor of the Contractor under this contract.
- E. The Contractor shall comply with all applicable federal, state and municipal laws concerning the prohibition of discrimination including, but not limited to Title 5 and Title 7, Chapter 7.50 of the Anchorage Municipal Code.

Section 3. Permits, Laws and Taxes.

The Contractor shall acquire and maintain in good standing all permits, licenses and other entitlements necessary to its performance under this contract. All actions taken by the Contractor under this contract shall comply with all applicable statutes, ordinances, rules and regulations. The Contractor shall pay all taxes pertaining to its performance under this contract.

Section 4. Nonwaiver.

The failure of either party at any time to enforce a provision of this contract shall in no way constitute a waiver of the provision, nor in any way affect the validity of this contract or any part hereof, or the right of such party thereafter to enforce each and every provision hereof.

Section 5. Amendment.

- A. This contract shall only be amended, modified or changed by a writing, executed by authorized representatives of the parties, with the same formality as this contract was executed.
- B. For the purposes of any amendment modification or change to the terms and conditions of this contract, the only authorized representatives of the parties are:

Contractor: **Ronald E. Wise, Partner, MRW**

Anchorage: **Dick Traini, Assembly Chair**

- C. Any attempt to amend, modify, or change this contract by either an unauthorized representative or unauthorized means shall be void.

Section 6. Jurisdiction; Choice of Law.

Any civil action rising from this contract shall be brought in the Superior Court for the Third Judicial District of the State of Alaska at Anchorage. The law of the State of Alaska shall govern the rights and obligations of the parties under this contract.

Section 7. Severability.

Any provision of this contract decreed invalid by a court of competent jurisdiction shall not invalidate the remaining provisions of the contract.

Section 8. Integration.

This instrument and all appendices and amendments hereto embody the entire agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein; and this contract shall supersede all previous communications, representations or agreements, either oral or written, between the parties hereto.

Section 9. Liability.

- A. The Contractor shall indemnify, defend, save, and hold Anchorage harmless from any claims, lawsuits or liability, including reasonable attorneys' fees and costs, arising from any wrongful or negligent act, error or omission of the Contractor or any subcontractor as a result of the Contractor's or any subcontractor's performance pursuant to this contract.
- B. The Contractor shall not indemnify, defend, save and hold Anchorage harmless from claims, lawsuits, liability, or attorneys' fees and costs arising from wrongful or negligent acts, error or omission solely of Anchorage occurring during the course of or as a result of the performance of this contract.
- C. Where claims, lawsuits or liability, including attorneys' fees and costs arise from wrongful or negligent act of both Anchorage and the Contractor, the Contractor shall indemnify, defend, save and hold Anchorage harmless from only that portion of claims, lawsuits or liability, including attorneys' fees and costs, which result from the Contractor's or any subcontractor's wrongful or negligent acts occurring as a result of the Contractor's performance pursuant to this contract.

Section 10. Inspection and Retention of Records.

The Contractor shall, at any time during normal business hours and as often as Anchorage may deem necessary, make available to Anchorage, for examination, all of its records with respect to all matters covered by this contract for a period ending three years after the date the Contractor is to complete performance in accordance with Section 2 of the Special Provisions. Upon request, and within a reasonable time, the Contractor shall submit such other information and reports relating to its activities under this contract, to Anchorage, in such form and at such times as Anchorage may reasonably require. The Contractor shall permit Anchorage to audit, examine and make copies of such records, and to make audits of all invoices, materials, payrolls, records of personnel and other data relating to all matters covered by this contract. Anchorage may, at its option, permit the Contractor to submit its records to Anchorage in lieu of the retention requirements of this section.

Section 11. Availability of Funds.

Payments under this contract require funds from future appropriations and are subject to future appropriations. If sufficient funds are not appropriated for payments required under this contract, this contract shall terminate without penalty to Anchorage and Anchorage shall not be obligated to make payments under this contract beyond those which have previously been appropriated.

IN WITNESS WHEREOF, the parties have executed this contract on the date and at the place shown below.

MUNICIPALITY OF ANCHORAGE

Dick Traini
Assembly Chair

Date: _____

**CONTRACTOR:
MRW Consulting Group, LLP**

Name: Ronald E. Wise
Title: Partner

Date: _____

FUND CERTIFICATION

IRS Tax Identification No.

Tax Status: Taxable [] Non-Taxable []

Department of Finance

Date:



Request for Proposal

RFP 2010-P005

**MRW Consulting Group, LLP
950 South Pine Island Road
Suite A-150
Plantation, Florida 33324
954-727-8377**

**Ronald E. Wise
April 7, 2010**



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6. Work Plan and Methodology
7. Cost
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Werner W. Waak, Senior Buyer
Purchasing Office
632 W. 6th Avenue, Ste. 520
Anchorage, AK 99501

Re: Services to Complete an Independent Forensic Audit of Financial Matters
Referenced in Reports Prepared for The Municipal Assembly by the Municipal Attorney
(RFP 2010-P005)

Dear Mr. Waak:

MRW Consulting Group LLP ("MRW") is pleased to present our proposal in response to the above described RFP. We understand that the service to be performed is an independent forensic review of financial matters referenced in reports prepared for the Municipal Assembly by the Municipal Attorney addressing the Levesque Opinion dated September 23, 2009. More specifically, the scope of the forensic review shall be based on Assembly Resolution 20101-57 (Attachment D), limited to those issues set out in the two (2) reports by the Municipal Attorney and shall not extend beyond those matters, but shall include the following:

In reference to the Municipal Attorneys Original Report (Attachment B), the review shall provide independent review and analysis of:

- The "on behalf" revenue and expense journal entries for the FY 2008 budget and the flow-through of the PERS budget treatment to the departmental budgets;
- The alignment between revenues and appropriation, and alignment between expenditure, appropriations, fund balance, fund balance reserves and the timeliness of reporting shortfall/over expenditures to the Assembly.

In reference to the Municipal Attorney's Supplemental Report (Attachment C), the review shall:

- Independently determine if the transactions and the reports identified in the Municipal Attorney's Supplemental Report had a material impact on the un-appropriated fund balance.
- Identify if actions taken with regard to budgeting were in conformance with applicable government accounting standards, provisions of municipal, state and federal law, and prudent fiscal management.



It is anticipated that this review will include reviewing policies, directives, assembly meeting minutes or notes, messaging and other relevant activities during the Fiscal Year 2008. In order to be able to implement the review of the Municipal Attorney's Reports dated November 18, 2009 and January 21, 2010, MRW proposes the following actions:

We will identify and review specific incidents or issues as determined through interviews with Assembly Members, as well as those interviews requested by the Assembly, and evaluate necessary actions that may be required to properly address the issues in question. These issues will include various matters brought under public scrutiny through various news media and public discussion

The forensic review shall not be limited to the sources of information included in the two (2) reports from the Municipal Staff or former staff who have direct knowledge of the issues within the reports.

In order to perform this review, we will examine all relevant documentation that exists within the Office of Finance and Assembly to gain an understanding of the existing control environment, operational and perceived management responsibilities. In addition, we will gain an understanding of the current business operating and management organization and perform selected interviews of related management and city personnel, assembly members, staff and others as necessary, in order to collect additional relevant information regarding the control and operating environment.

As a result of our findings, we will provide our observations concerning root causes of operational or control issues, our recommendation for improvement and assessments of management capabilities.

Attached to this letter is the draft contract for professional services with notations regarding proposed revisions.

José I. Marrero, Partner; Luis O. Rivera, Partner; and Ronald E. Wise, Partner are authorized to make representations for the firm.

Thank you for providing us the opportunity to provide the enclosed bid.

A handwritten signature in dark ink, appearing to read "Ronald E. Wise", written over a horizontal line.

Ronald Wise
Partner, MRW
950 S Pine Island Road
Suite A-150
Plantation, Florida 33324

CONTRACT FOR PROFESSIONAL SERVICES WITH _____

In consideration of the mutual promises herein, ANCHORAGE and _____ agree as follows. This contract consists of:

- A. Part I, consisting of _____ sections of Special Provisions;
- B. Part II, consisting of _____ sections of General Provisions;
- C. Appendix A consisting of _____ pages; and
- D. Appendix B consisting of _____ pages.

PART I SPECIAL PROVISIONS

Section 1. Definitions. In this contract:

- A. "Administrator" means the _____ of the Department of _____ or his designee.
- B. "Anchorage" means the Municipality of Anchorage.
- C. "Contractor" means _____.

Section 2. Scope of Services.

- A. The Contractor shall perform professional services in accordance with Appendix A, which is attached hereto and incorporated in this section by reference.
- B. Anchorage shall not allow any claim for services other than those described in this section. However, the Contractor may provide, at its own expense, any other services that are consistent with this contract.

¹Section 3. Time for Performance.

- A. This contract becomes effective when signed on behalf of Anchorage.
- B. The Contractor shall commence performance of the work described in Part I Section 2 on contract execution by the Municipality Of Anchorage, and complete that performance within ~~60 days~~ *90* *RSW*.

Section 4. Compensation; Method of Payment.

- A. Subject to the Contractor's satisfactory performance, Anchorage shall pay the Contractor no more than _____ DOLLARS (\$_____) in accordance with this section.

- B. Anchorage shall pay the Contractor in accordance with the schedule of professional fees attached as Appendix B and incorporated herein by reference for services actually performed under this contract.
- C. Anchorage shall, in addition to the monetary compensation agreed to, provide the Contractor with _____ [(e.g.) office space, materials, office equipment, photocopying, etc., during the time the Contractor is in Anchorage].
- D. Each month the Contractor shall present a bill to the Administrator describing the work for which it seeks payment and documenting expenses and fees to the satisfaction of the Administrator. If any payment is withheld because the Contractor's performance is unsatisfactory, the Administrator must, within 10 days of the payment denial, notify the Contractor of the payment denial and set forth, with reasonable specificity, what was unsatisfactory and why.
- D. The Contractor is not entitled to any compensation under this contract, other than is expressly provided for in this section.
- E. As a condition of payment, the Contractor shall have paid all municipal taxes currently due and owing by the Contractor.

Section 5. Termination of the Contractor's Services.

The Contractor's services under Section 2 may be terminated:

- A. By mutual consent of the parties.
- B. For the convenience of Anchorage, provided that Anchorage notifies the Contractor in writing of its intent to terminate under this paragraph at least 10 days prior to the effective date of the termination.
- B. For cause, by either party where the other party fails in any material way to perform its obligations under this contract. Termination under this subsection is subject to the condition that the terminating party notifies the other party of its intent to terminate, stating with reasonable specificity the grounds therefor, and the other party fails to cure the default within thirty (30) days after receiving the notice.

Section 6. Duties Upon Termination.

- A. If Anchorage terminates the Contractor's services for convenience, Anchorage shall pay the Contractor for its actual costs reasonably incurred in performing before termination. Payment under this subsection shall never exceed the total compensation allowable under Section 4. All finished and unfinished documents and materials prepared by the Contractor shall become the property of Anchorage.

plus the value of services satisfactorily rendered
BB

- B. If the Contractor's services are terminated for cause, Anchorage shall pay the Contractor the reasonable value of the services satisfactorily rendered prior to termination less any damages suffered by Anchorage because of the Contractor's failure to perform satisfactorily. The reasonable value of the services rendered shall never exceed the contract rate for such services, and payment under this subsection shall not exceed ninety percent (90%) of the total compensation allowable under Section 4. Any finished or unfinished documents or materials prepared by the Contractor under this contract shall become the property of Anchorage at its option.
- C. If the Contractor receives payments exceeding the amount to which it is entitled under subsections A or B of this section, he shall remit the excess to the Administrator within thirty (30) days of receiving notice to do so.
- D. The Contractor shall not be entitled to any compensation under this section until the Contractor has delivered to the Administrator all documents, records, work product, materials and equipment owned by Anchorage and requested by the Administrator.
- E. If the Contractor's services are terminated, for whatever reason, the Contractor shall not claim any compensation under this contract, other than that allowed under this section.
- F. Except as provided in this section, termination of the Contractor's services under Section 5 does not affect any other right or obligation of a party under this contract.

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- A. The Contractor shall maintain in good standing the insurance described in subsection B of this section. Before rendering any services under this contract, the Contractor shall furnish the Administrator with proof of insurance in accordance with subsection B of this section in a form acceptable to the Risk Manager for Anchorage.
- B. The Contractor shall provide the following insurance:
 - 1.) ~~\$500,000 Employers Liability and Worker's Compensation as required by Alaska Law.~~ NA RSW
 - 2.) ~~Commercial Automobile Liability per occurrence in the amount of \$500,000 single limit to include: owned, hired, and non-owned.~~ NA RSW
 - 3.) Commercial General Liability in the amount of \$1,000,000 combined single limit to include:

~~Premises Operations
Products and Completed Operations
Blanket Contractual
Broad Form Property Damage~~

NA - Professional liability
Coverage only
RSW

Independent Contractors
Personal Injury

- C. Each policy of insurance required by this section shall provide for no less than 30 days advance notice to the Municipality prior to cancellation.
- D. With the exception of Worker's Compensation and Professional Liability each policy shall name The Municipality as an "Additional/Named insured" and the actual policy endorsement shall accompany each Certificate of Insurance.
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- A. Except as otherwise provided herein, all data, documents and materials produced by the Contractor under this contract shall be the property of Anchorage, which shall retain the exclusive right to publish, disclose, distribute and otherwise use, in whole or in part, any such data, documents or other materials. Exclusive rights shall not be attributed to portions of such materials presently in the public domain or which are not subject to copyright.

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Anchorage: Municipality of Anchorage
Department of _____
P.O. Box 196850
Anchorage, AK 99519-6650 FAX: (907) _____

Contractor: _____

FAX: (907) _____

Notices are effective upon the earlier of receipt, proof of good transmission (facsimiles only), or five (5) days after proof of proper posting.

Section 13. Force Majeure.

- A. Any failure to perform by either party due to force majeure shall not be deemed a violation or breach hereof.
- B. As used in this contract, force majeure is an act or event of substantial magnitude, beyond the control of the delayed party, which delays the completion of this contract, including without limitation:
 - 1. Any interruption, suspension or interference resulting solely from the act of the Municipality or negligent act(s) of the Municipality not otherwise governed by the terms of this contract.
 - 2. Strikes or work stoppages.
 - 3. Any interruption, suspension or interference with the project caused by acts of God, or acts of a public enemy, wars, blockades, insurrections, riots, arrests or restraints of governments and people, civil disturbances or similar occurrences.
 - 4. Order of court, administrative agencies or governmental officers other than the Municipality.

Section 13. Financial Management System.

- The Contractor shall establish and maintain a financial management system that:
- A. Provides accurate, current, and complete disclosure of all financial transactions relating to the contract;
 - B. Maintains separate accounts by source of funds for all revenues and expenditures and identifies the source and application of funds for the Contractor's performance under this contract, including information pertaining to subcontracts, obligations, unobligated balances, assets, liabilities, outlays and income;
 - C. Effectively controls and accounts for all municipal funds and contract property;
 - D. Compares actual expenditures with budgeted amounts and relates financial information to performance or productivity data including unit cost information where applicable;
 - E. Allocates administrative costs to direct service delivery units;
 - F. Minimizes the time between receipt of funds from Anchorage and their disbursement by the Contractor;
 - G. Provides accounting records supported by source documentation; and

- H. Provides a systematic method assuring the timely and appropriate resolution of audit findings and recommendations.

Section 14. Funding Requirements.

In the event that any funding source for this contract should impose additional requirements upon Anchorage for the use of those funds, the Contractor agrees to abide by those additional requirements immediately upon receipt of written notice thereof from Anchorage.

Section 15. Subcontracts.

The Contractor may enter into subcontracts for the purchase of goods and services necessary for the performance of this contract, provided:

- A. Every subcontract shall be reduced to writing and contain a precise description of the services or goods to be provided and the nature of the consideration paid therefore.
- B. Every subcontract under which the Contractor delegates the provision of services shall be subject to review and approval by the Administrator before it is executed by the Contractor.
- C. Every subcontract in an amount exceeding \$1,000.00 shall require reasonable access to business records of the sub-contractor relating to the purchase of goods or services pursuant to the subcontract.

THE ENTIRE "GENERAL CONTRACT PROVISIONS" SECTION IS MANDATORY.

PART II

GENERAL CONTRACT PROVISIONS

Section 1. Relationship of Parties.

The Contractor shall perform its obligations hereunder as an independent contractor of Anchorage. Anchorage may administer the contract and monitor the Contractor's compliance with its obligations hereunder. Anchorage shall not supervise or direct the Contractor other than as provided in this section.

Section 2. Nondiscrimination.

- A. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, age, sex, or marital status or who is a "qualified individual with a disability" (as that phrase is defined in the Americans With Disabilities Act of 1990). The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, or mental or physical impairment/disability. Such action shall include, without limitation, employment, upgrading, demotion or transfer, recruitment or recruiting advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The Contractor agrees to post, in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.
- B. The Contractor shall state, in all solicitations or advertisements for employees to work on contract jobs, that all qualified applicants will receive equal consideration for employment without regard to race, color, religion, national origin, ancestry, age, sex or marital status, or mental or physical impairment/disability.
- C. The Contractor shall comply with any and all reporting requirements that may apply to it which the Anchorage Office of Equal Employment Opportunity Contract Compliance may establish by regulation.
- D. The Contractor shall include the provisions of subsections A through C of this section in every subcontract or purchase order under this contract, so as to be binding upon every such subcontractor or vendor of the Contractor under this contract.
- E. The Contractor shall comply with all applicable federal, state and municipal laws concerning the prohibition of discrimination including, but not limited to Title 5 and Title 7, Chapter 7.50 of the Anchorage Municipal Code.

Section 3. Permits, Laws and Taxes.

The Contractor shall acquire and maintain in good standing all permits, licenses and other entitlements necessary to its performance under this contract. All actions taken by the Contractor under this contract shall comply with all applicable statutes, ordinances, rules and regulations. The Contractor shall pay all taxes pertaining to its performance under this contract.

Section 4. Nonwaiver.

The failure of either party at any time to enforce a provision of this contract shall in no way constitute a waiver of the provision, nor in any way affect the validity of this contract or any part hereof, or the right of such party thereafter to enforce each and every provision hereof.

Section 5. Amendment.

- A. This contract shall only be amended, modified or changed by a writing, executed by authorized representatives of the parties, with the same formality as this contract was executed.
- B. For the purposes of any amendment modification or change to the terms and conditions of this contract, the only authorized representatives of the parties are:

Contractor:

(title of position)

Anchorage: **Municipal Manager or Approved Designee**

- C. Any attempt to amend, modify, or change this contract by either an unauthorized representative or unauthorized means shall be void.

Section 6. Jurisdiction; Choice of Law.

Any civil action rising from this contract shall be brought in the Superior Court for the Third Judicial District of the State of Alaska at Anchorage. The law of the State of Alaska shall govern the rights and obligations of the parties under this contract.

Section 7. Severability.

Any provision of this contract decreed invalid by a court of competent jurisdiction shall not invalidate the remaining provisions of the contract.

Section 8. Integration.

This instrument and all appendices and amendments hereto embody the entire agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein; and this contract shall supersede all previous communications, representations or agreements, either oral or written, between the parties hereto.

Section 9. Liability.

- A. The Contractor shall indemnify, defend, save, and hold Anchorage harmless from any claims, lawsuits or liability, including reasonable attorneys' fees and costs, arising from any wrongful or negligent act, error or omission of the Contractor or any subcontractor as a result of the Contractor's or any subcontractor's performance pursuant to this contract.
- B. The Contractor shall not indemnify, defend, save and hold Anchorage harmless from claims, lawsuits, liability, or attorneys' fees and costs arising from wrongful or negligent acts, error or omission solely of Anchorage occurring during the course of or as a result of the performance of this contract.
- C. Where claims, lawsuits or liability, including attorneys' fees and costs arise from wrongful or negligent act of both Anchorage and the Contractor, the Contractor shall indemnify, defend, save and hold Anchorage harmless from only that portion of claims, lawsuits or liability, including attorneys' fees and costs, which result from the Contractor's or any subcontractor's wrongful or negligent acts occurring as a result of the Contractor's performance pursuant to this contract.

Section 10. Inspection and Retention of Records.

The Contractor shall, at any time during normal business hours and as often as Anchorage may deem necessary, make available to Anchorage, for examination, all of its records with respect to all matters covered by this contract for a period ending three years after the date the Contractor is to complete performance in accordance with Section 2 of the Special Provisions. Upon request, and within a reasonable time, the Contractor shall submit such other information and reports relating to its activities under this contract, to Anchorage, in such form and at such times as Anchorage may reasonably require. The Contractor shall permit Anchorage to audit, examine and make copies of such records, and to make audits of all invoices, materials, payrolls, records of personnel and other data relating to all matters covered by this contract. Anchorage may, at its option, permit the Contractor to submit its records to Anchorage in lieu of the retention requirements of this section.

Section 11. Availability of Funds.

Payments under this contract require funds from future appropriations and are subject to future appropriations. If sufficient funds are not appropriated for payments required under this contract, this contract shall terminate without penalty to Anchorage and Anchorage shall not be obligated to make payments under this contract beyond those which have previously been appropriated.

IN WITNESS WHEREOF, the parties have executed this contract on the date and at the place shown below.

MUNICIPALITY OF ANCHORAGE

CONTRACTOR

Municipal Manager or Approved Designee

Date:

Name:

FUNDS AVAILABLE

Title:

Date:

Department of Finance

IRS Tax Identification No.

Date:

Tax Status: Taxable [] Non-Taxable []

(for corporations)

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

This is to certify that on the _____ day of _____, 200____, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared *[INSERT NAME OF PERSON SIGNING]*, known to me to be the *[INSERT TITLE OF PERSON SIGNING]* of *[INSERT NAME OF CORPORATION]*, the corporation named in the foregoing instrument, acknowledged to me that he/she had, in his/her official capacity is authorized by the corporation to execute the foregoing instrument as the free act and deed of the said corporation for the uses and purposes therein stated.

WITNESS my hand and official seal the date and year first above written.

Notary Public in and for Alaska
My commission expires:



EXPERIENCE OF THE FIRM

After several decades of working together as IRS Criminal Investigators and as associates in a South Florida public accounting firm, José Marrero, Luis O. Rivera, and Ronald Wise formed MRW Consulting Group, LLP ("MRW"). Established in 2009, MRW is a partnership including professional associations registered in the State of Florida. Through exceptional service and a long track record of successful outcomes, MRW's team members have established themselves as one of Florida's leading forensic accounting and advisory firms. At MRW, the philosophy is to blend technical, practical and business approaches when conducting each engagement.

MRW's clients includes individuals, family owned businesses, municipalities and publicly held corporations.

MRW's team members have been working with governmental clients throughout their careers in public accounting. As a result, they fully understand the complex economic and political environment in which governmental entities operate. This focus allows the Firm to provide the highest level of professional service to its governmental clients.

MRW's team members have assisted many clients who have participated in the GFOA Certificate of Achievement for Excellence in Financial Reporting Program. This program is recognized as the highest award in governmental financial reporting. Additionally, MRW's team members have participated in and made presentations at an annual Governmental Symposium, which consists of a two (2) day lecture, focusing on current developments in governmental accounting and review standards. This event is highly recognized and attended by over 100 City Managers, Finance directors and elected officials from local South Florida municipalities.

MRW's forensic and investigative capabilities are extensive, as demonstrated by the attached profiles of the team members. The team began working together in the public sector during the 1970's, providing civil and criminal investigative assistance and management for the Internal Revenue Service, Criminal Investigation Division. Following their public service, they continued working together in the private sector for Rachlin, Cohen, and Holtz and most currently with MRW. José Marrero, Ronald Wise, Luis O. Rivera, Charles Taylor, Phaedra Xanthos and Jerome Owens have approximately 150 years combined experience as Forensic Accountants and/or Financial Investigators. Additionally, Mr. Taylor's area of expertise is Computer Forensic Investigations. During recent years MRW's team members have conducted several public, corporate and law enforcement engagements. These engagements are briefly described as follows;

Corporate Theft Uncovered

The MRW team recently conducted a Forensic Review for a corporate client during which they documented an embezzlement scheme that was allegedly conducted by the Plant Manager and his Administrative Assistant. The Forensic Review determined that a separate corporation had been formed by the husband of the Administrative Assistant, and that this corporation submitted invoices to the corporate client for products that were allegedly not delivered. The review involved detailed analyses of financial records, recovery and analyses of electronic data, interviews of key corporate employees and a review of internal controls. The review resulted in a written opinion regarding the implementation and operation of this scheme by the Plant Manager and his Administrative Assistant, as well as recommendations regarding the design and implementation of the client's internal controls.

Mr. Stephen Pollard
868-636-7901

Village of Miami Shores

MRW team members were engaged to perform a Forensic Review of the Village of Miami Shores ("Village"). The scope of the review included a forensic review of all receipts and disbursement of funds for the Village and police department that had been maintained or controlled by the former Finance Manager for a two (2) year period. Additionally, during the review, it was determined that Federal Income Tax had inadvertently been withheld from a bank that was maintained by the Village, and MRW's team prepared documents enabling the Village to claim an IRS refund of the withheld taxes.

Thomas Benton, Village Manager
10050 Northeast 2nd Avenue
Miami Shores, Florida 33138
305-795-2207

Palm Beach County Water Utilities Department

In October 2007, MRW team members were engaged to perform a forensic review of the Utilities Departments for two (2) cities within the Palm Beach County Water Utilities Department. The objective of the review was to reconcile the total amount of water produced by those cities with the amount that was billed for customer usage. The scope of the review included determining the number of customers who were recipients of water provided by those cities, assess the adequacy of billing procedures and make recommendations regarding internal controls for billing, collections, inventories of assigned meters, etc.

Daniel T. Anderson
Camp Dresser & McKee
1601 Belvedere Road
West Palm Beach, Florida 33406
561-689-3336

Dorchester County, South Carolina

In August 2007, the investigative team was engaged to perform a Forensic Review of the Dorchester County, South Carolina Sheriff's Office. The engagement included a review of the policies and procedures of the Sheriff's office, a review and analysis of data maintained in electronic format and interviews key County officials. The IT expertise of Charles Taylor was utilized during this review, whereby Mr. Taylor conducted the computer forensic portion of the review. The engagement concluded in early November 2007, following the discovery of a significant embezzlement scheme by a high ranking official of the Sheriff's Office. Dorchester County engaged MRW's current partner, Ronald Wise, to perform additional work to determine the amount of money embezzled in this scheme, which is believed to have begun in 1998.

Dorchester County Finance District
Attn: Lee Moulder, Finance Director
201 Johnson Street
St. George, SC 29477
843-563-0228



Florida Power & Light ("FPL")

MRW was engaged in the Review of Allegations made by anonymous employees, that FPL Managers committed fraud by providing false information to State Regulators during the utility's recent high-profile, contentious rate case. The case involved reviewing the policies and procedures of the organization, analyzing previous and projected performance data, and interviewing various key witnesses. The review showed no factual support for the allegations that the company or any individual employee engaged in fraudulent or other illegal conduct.

Carlton Fields, PA
C/O Paul A. Calli
Attorney At Law
4000 International Place
100 SE Second Street
Miami, Florida 33131-2114

Key Project Staff and Consultants

This engagement will be managed by Ronald E. Wise. The lead reviewer for this engagement will be Jerome C. Owens, Consultant and Advisor. Mr. Owens will be assisted by the MRW team as needed. Other MRW employees and consultants who will assist in the review are Arie S. Davidoff, Consultant and Advisor, and Phaedra Xanthos, Senior Forensic Accountant. Partners José I. Marrero, Luis O. Rivera, Ronald E. Wise and Consultant Jerome C. Owens each have extensive experience in the field of Forensic Accounting and Law Enforcement, based upon their combined experience of approximately 120 years with Federal Law Enforcement. Mr. Davidoff has extensive experience in the field of computer forensics.

These team members have worked together, directly and indirectly since the 1970's through their retirement, and later in the private sector. When employed in the public sector, they supported the mission of the IRS by assisting each other in the successful completion of complex investigations. Each of the members later became managers and directed the investigative activities of their subordinate special agents in accomplishing the mission of the Service. Their investigative activities reached into the areas of white-collar crime, money laundering and banking violations, many of which included matters of public trust. Since retirement these team member have worked together in a more concentrated environment where they have utilized all the skills obtained during the past 30 years in accomplishing complex reviews and reviews in the private sector.

The MRW team member make-up is reflected in the summaries below and their resumes will be attached to this Request for Proposal;

Jose I. Marrero

José I. Marrero is a partner with MRW Consulting Group, LLP. Mr. Marrero's four (4) years in private practice with a major regional accounting firm, along with his nearly 29 years of experience as a Revenue Agent, Special Agent (1811), Group Manager, Regional Analyst, Division Chief/Special Agent in Charge and Deputy Director (25 years in CI), has allowed him to gain a varied and in-depth level of understanding in many areas. Mr. Marrero has developed and taught courses in Money Laundering and Asset Forfeiture (in Spanish and English) as well as provided indirect methods and Financial Investigative Techniques Training to Law Enforcement Personnel. He has prepared cases for trial and testified in various forums (trial, deposition, grand jury, summons enforcement, etc.) including Merit Systems Protection Board (MSPB) hearings. Mr. Marrero has conducted investigations, prepared and reviewed appropriate reports, as well as supervised, reviewed and approved for prosecution complex criminal and civil financial investigations regarding money laundering, tax evasion, gambling, financial trusts and other financial investigations. He has prepared affidavits for search warrants, as well as reviewed and approved some of the most significant and complex search and seizure warrants relating to tax, money laundering and other financial crimes.



Luis O. Rivera

Luis O. Rivera is a Partner in MRW Consulting Group, LLP, a Firm specializing in white collar crime litigation support, international and domestic investigative services, civil and criminal tax controversy, anti-money laundering and bank secrecy act services, financial fraud investigations and law enforcement training and reviews. Prior to MRW, Luis worked in a public accounting firm in South Florida in the Advisory Services Division. At the Firm, among other things, Luis worked on tax controversy issues, civil and criminal litigation support and forensic accounting matters. Luis expanded the Firm's practice to include money laundering/forensic accounting matters internationally. Luis has over 28 years of law enforcement and management experience with the US Federal Government, where he held progressively responsible positions including, Special Agent, Foreign Service Officer, Supervisory Special Agent, Task Force Deputy Director and Assistant Special Agent in Charge (ASAC).

Ronald E. Wise

Ronald E. Wise is a Partner in MRW Consulting Group, LLP, a firm specializing in law enforcement management consulting, forensic accounting, litigation support and income tax controversies. He possesses a vast array of experience, having served for almost 33 years with the Internal Revenue Service, Criminal Investigation and approximately two and one half years (2 ½) with a major South Florida public accounting firm. His assignments while with the IRS included Special Agent; Instructor; Supervisory Special Agent; Branch Chief; and Senior Analyst. During his career he also served as a Defensive Tactics Instructor, Firearms Instructor and Technical Surveillance Specialist. He was employed by the public accounting firm, as both a Manager and Principal for the Firm.

During his Law Enforcement career, he conducted and managed hundreds of financial investigations including civil and criminal forfeitures, income tax, money laundering/currency, conspiracies, and RICO. These investigations included legitimate businesses as well as gambling, traditional organized crime, narcotics, public corruption, bank fraud, terrorism, corporate espionage, labor racketeering, income tax refund crimes and various other industries. He has prepared, reviewed, and approved numerous reports recommending prosecution, and assisted federal prosecutors during grand jury investigations and trials. He has testified numerous times during hearings, trials, and grand jury proceedings. During his Federal Service, he held a Top Secret Security Clearance and he currently holds a Secret Security Clearance.

During his employment with a public accounting firm, he completed numerous engagements including law enforcement reviews, litigation support for civil and criminal cases, civil tax controversies, damage calculations, anti-money laundering consulting for financial institutions, and a variety of other engagements.

Phaedra Xanthos

Phaedra Xanthos is a Senior Forensic Accountant with MRW Consulting Group, LLP. She is a Certified Fraud Examiner ("CFE") with a strong technical background focused on investigations in both the public and private sectors. Ms. Xanthos has strong forensic accounting and finance experience with a track record of successive analytical achievements. During Ms. Xanthos' career she has been responsible for managing white collar crime and commercial litigation cases involving money laundering, embezzlement, investment fraud and partnership disputes as well as many other types of reviews and investigations. Ms. Xanthos is a well-balanced accountant able to lead sensitive investigations in a cogent, cost effective and diplomatic manner. She is familiar with the Foreign Corrupt Practices Act and protocol unique to international investigations. She has solid engagement planning, client maintenance and budget development skills. Ms. Xanthos has worked on numerous forensic reviews including a long-term forensic engagement with the Orleans Parish School Board involving extensive fraud and mismanagement of public funds.

Jerome C. Owens

Jerome C. Owens is a Consultant and Advisor with MRW Consulting Group, LLP and brings more than 28 years of experience from the Internal Revenue Service where he served many roles including Special Agent, Group Manager, Program Manager, Asset Forfeiture Coordinator and Training Coordinator in the Criminal Investigation Division. Mr. Owens has conducted investigations and facilitated reports and approvals for prosecution in complex criminal and civil investigations. He has also prepared and supervised investigations regarding tax evasion, money laundering and banking violations, as well as financially related undercover operations. In addition, he has developed cases for trial and testified in various forums. Since retirement, he has provided advisory and/or forensic services relating to due diligence, mortgage fraud, suspicious activity reports, civil and criminal tax, reviews of police departments and executive protection. Mr. Owens also assisted a court-appointed monitor and also a receivership in asset seizure and forfeiture-related court orders, as well as numerous other similar engagements.



Arieh S. Davidoff

Arieh S. Davidoff is a Consultant and Advisor with MRW Consulting Group, LLP and whose experience consists of more than 15 years regarding information technology and computer forensics. He has owned and operated his own IT forensic company, now known as Echo Forensics, Inc. since December 2008. Prior to that, he was employed by a variety of companies in the South Florida area. From April 2002 until December 2008, he was employed by Rachlin, Cohen, & Holtz, LLP (Now MarkumRachlin, LLP) where he routinely assisted Ronald Wise, José Marrero, and Luis Rivera in engagements requiring computer forensic analyses.

The resumes of each of the MRW team members are attached to this proposal.

Project Methodology and Approach

It is anticipated that this engagement will include reviewing policies, directives, assembly meeting minutes and notes, electronic messaging and other relevant activities that took place in Fiscal Year 2008. The following steps are anticipated for the implementation of the review of the Municipal Attorney's Reports dated November 18, 2009 and January 21, 2010:

- Obtain, review and compare revenue and expense journals for the FY 2008 budget and flow-through of the PERS budget to the departmental budgets.
- Review the alignment between revenues and appropriations
- Review the alignment between expenditures, appropriation fund balances and revenue balances and
- Review the timeliness of reporting shortfalls and over-expenditures to the assembly.

MRW will obtain and review the "Analysis of General Government Revenue," consisting of analyses which contain detailed information on forecasted revenues compared to budgeted revenues for the same period. These reports were presented to the Executive Committee which consisted of three members of the treasury, OMB Director, the Chief Fiscal Officer, the Municipal Manager and the Economic and Community Development Executive Director.

MRW's computer specialist will contact IT and discuss the "Peoplesoft" program and other matters related to financial data that will have to be reviewed and is maintained in electronic format. Additionally, MRW's IT specialist will search computer hard drives and/or servers as appropriate in an attempt to identify e-mail communications and other documents relevant to the review.

MRW will review the previous study relating to the statutory provisions of the Anchorage Municipal Charter provisions and determine current responsibilities per the Code as follows:

- Obtain and review Anchorage Municipal Charter s13.06(a)
- Obtain and Review AS 29.23.140 Powers and Duties of Borough Administrator
- Obtain and Review AS.23.290 Power and Duties of City Manager
- Obtain and Review AS.29.13.100
- Obtain and Review Charter s19.05
- Obtain and Review AO 248-76A

MRW will obtain and review documented Executive Branch Management Directives reflecting duties and responsibilities as follows:

- Master/business plan
- Mandatory Assembly meetings and briefings with memos, minutes, etc
- Issuance of written policies, procedures, and directives

MRW will evaluate the effectiveness in obtaining and administration of various funding grants by the Assembly. This should include a review and evaluation of the Department's compliance to all reporting requirements and local requirements according to the City Charter and Code of Ordinances as follows:

- Review accounting and internal controls for all appropriations
- Review stated Collective Bargaining Agreements to determine compliance with all requirements.

MRW will review the previous study and render an assessment of the process to approve the validity of the following labor agreements and related issues surrounding the process by which the agreements were approved as follows:

- Obtain and review the Labor Agreement for Local 959
- Obtain and review the Labor agreement for Local 71
- Obtain and review the Labor Agreement for Local 302
- Obtain and review the Labor Agreement for AMEA
- Obtain and review the Labor Agreement for IBEW
- Obtain and review the Labor Agreement for APDOA
- Identify and review specific incidents/issues as determined by the report. Analyze and conduct interviews with members of the Assembly, Staff, City Officials of the Executive Branch, as well as those requested by the Assembly
- Obtain and review internal management audits and/or reviews of operations relative to that review

MRW will identify and review specific incidents/issues as determined through interviews with Assembly Members as well as those interviews requested by the Assembly, and evaluate steps, if any taken, in response to the issues in question. These issues will include various matters brought under public scrutiny through various news media and public discussion as follows:

- Review news media issues and issues raised by the Assembly
- Interview parties involved in identified issues for corroboration of their knowledge of events and activities
- Interview Mayor, appropriate Assembly Members, Chief Financial Officer, Municipal Manager and OMB Director
- Interview other city personnel as identified by the review

- Identify written policies regarding specific issues and amendments to policies subsequent to relevant issues

MRW will obtain and review emails including but not limited to those between Mayor Begich and his Executive Branch during the period June of 2008 and December 2008 as follows:

- Email Dated 09/26/2008
- Email Dated 09/29/2008
- Email Dated 11/13/2008
- Email Dated 11/14/2008
- Email Dated 12/09/2008
- Email Dated 12/18/2008

MRW will obtain and review the Press Releases and discuss with Assembly and others that have knowledge of the information presented in the release as follows:

- Release Dated 10/1/2008 Review the existing rules and regulation of the Assembly
- Release Dated 10/13/2008

The Forensic review shall not be limited to the sources of information included in the two (2) reports from the Municipal staff or former staff who have direct knowledge of the issues within the reports.

In order to perform this review, we will examine all relevant documentation that exists within the Office of Finance and Assembly to gain an understanding of the existing control environment, operational, and perceived management responsibilities. In addition, we will gain an understanding of the current business operating and management organization, and perform selected interviews of related management and city personnel, assembly members, staff and other as necessary in order to collect additional information regarding the control and operating environment.

Required Meetings:

1. MRW will meet with the Internal Auditor, Municipal Clerk and Assembly attorney to discuss the review plan and approach.
2. Progress meeting will be held with the Internal Auditor, Municipal Clerk and Assembly Attorney to discuss the progress of the review every week during the course of the review.

3. MRW will hold an exit conference with the Chief Fiscal Officer and the Municipal attorney to discuss and review the results of the review including findings and recommendations to ensure that there are no errors of fact or misunderstandings. This conference will be held before any findings are discussed with the Municipal Audit Committee.
4. MRW will hold an exit conference with the Municipal Audit Committee to review and discuss the draft report.
5. MRW will make a presentation of the final report to the Mayor and Municipal Assembly at a regularly scheduled work session and/or Assembly meeting.

As a result of our findings, we will provide our observations concerning root causes of Operational or Control issues, our Recommendations for Improvement and Assessments of Management capabilities.

Schedule of Completion:

MRW determines with reasonable certainty the following time-line is reflective of the period in which the forensic review should be completed after approval for the contract has been received;

Phase 1	Off-site Review and Preliminary Activities	30 days
Phase 2	Onsite Review	30 days
Phase 3	Review and Prepare Final Report for Submission	<u>30 days</u>
Total		90 Days



Cost

It is expected that the completion of this engagement will require approximately 275 hours of professional and staff time. The total cost of the project staff time and travel expensed are estimated not to exceed \$50,000. All services will be billed at a blended rate of \$145 per hour. At the conclusion of the engagement, MRW will provide an Expert Report, which will include Summary Findings and Recommendations. In the event that additional professional services are requested, MRW will continue to provide those services at its current rates.

RESUME

(JOSÉ ISMAEL MARRERO)

BACKGROUND

DOB: 02/20/1954

Place of Birth: Utuado, Puerto Rico

Residence: (11/1998 to present) 3612 Sahara Springs Blvd, Pompano Beach, Fl. 33069

Occupation: Criminal Investigator (Special Agent) with Internal Revenue Service until May 1, 2004

Currently Partner, MRW Consulting Group, LLP – Litigation and Forensic Support

EMPLOYMENT

Note: MAY 1975 to May 2004 – All with Internal Revenue Service

Start Date

Partner	MRW	Plantation, Fl	01/09
Partner	Rachlin	Ft. Lauderdale, Fl	07/07
Administrative Principal	Rachlin	Ft. Lauderdale, Fl	11/04
Self Employed	Contractor	Pompano Beach, Fl	06/04
Deputy Director, Strategy	IR -1811-01	Washington, DC	01/03-05/04
Special Agent in Charge	GS-1811-15	Miami Field Office	07/00
Chief, CID	GS-1811-15	South Florida District	02/98
Chief, CID	GS-1811-15	St. Paul/North Central District	11/93
Chief, CID	GS-1811-15	Jackson District	04/90
Chief, CID	GS-1811-14	Jackson District	10/89
Senior Regional Analyst	GS-1811-14	Southwest Region (Dallas, Texas)	07/87
Group Manager	GS-1811-14	Denver District (Denver, Co.)	09/85
Group Manager	GS-1811-13	Denver District (Cheyenne, Wy.)	10/84
Special Agent	GS-1811-09 to 13	Louisiana (New Orleans and Shreveport)	09/79
Tax Auditor/Revenue Agent	GS-524 - 05 to 11	San Juan, PR and New Orleans, La	03/76
TSR/Audit Acct Aide		San Juan, PR	05/75

HIGHLIGHTS/EXPERIENCE:

My four years in private practice with a major regional accounting firm , along with my nearly twenty-nine (29) years of experience as a Revenue Agent, Special Agent (1811), Group Manager, Regional Analyst, Division Chief/Special Agent in Charge and Deputy Director (25 years in CI) has allowed me to gain a varied and in-depth level of understanding in many areas. I have developed and taught courses in money laundering and asset forfeiture (in Spanish and English) as well as provided indirect methods and financial investigative techniques training to law enforcement personnel. I have prepared cases for trial and testified in various forums (trial, deposition, grand jury, summons enforcement, etc.) including Merit Systems Protection Board (MSPB) hearings. I have conducted investigations, prepared and reviewed appropriate reports, as well as supervised, reviewed and approved for prosecution complex criminal and civil financial investigations regarding money laundering, tax evasion, gambling, financial trusts and other financial investigations. I have prepared affidavits for search warrants, as well as reviewed and approved some of the most significant and complex search and seizure warrants relating to tax, money laundering and other financial crimes.

I utilized this knowledge and experience to successfully complete assignments and to develop programs to address local concerns as well as National or new trends, such as:

- Voluntary Disclosure
- Indian Gaming
- Riverboat Gambling and Bookmakers
- Low Income Housing Tax Credits
- SAR, 8300 and Black Market Peso Exchange
- Cash Businesses/Bars and Restaurants
- Offers in Compromise (OIC/Evasion of Payment)
- High Intensity Financial Crimes Area (HIFCA) and Asset Forfeiture Task Forces

- High Intensity Drug Trafficking Area task forces
- Blue Ribbon Review of South Florida IMPACT
- Leadership for Law Enforcement
- Undercover Operations, including storefronts, international and large complex financial organizations
- Surveillance Activities
- Interview Techniques
- Money Service Businesses - Remitters of Currency
- Financial Investigations – White Collar Crimes

I routinely met with Defense Attorneys, Corporate CEOs/CFO, CI supervisors, US Attorneys, Assistant US Attorneys and Senior Executives at the Department of Treasury and Justice to discuss and resolve issues regarding investigations and enforcement actions. I routinely reviewed affidavits for warrants, indictments, Expert Reports, Special Agent's Report and other legal documents to ensure compliance with State and Federal Civil and Criminal Rules and procedures, rules of evidence, relevant constitutional requirements as well as internal management and IRS procedures.

I successfully developed, reviewed and assisted in the preparation, management and execution of litigation and white collar support issues as well as tax controversies while at Rachlin, enforcement actions, undercover operations, compliance sweeps and other investigative strategies to ensure that they met the required statutory and legal parameters with IRS-CI. I have worked with defense attorneys, civil and criminal, law enforcement agencies (Local, State and Federal) and US Attorneys to develop compliance initiatives that incorporated the CI Strategy and IRS Mission. Through my leadership and personal involvement, I secured admission into local task forces and developed new task forces from inception to full implementation, all while understanding and recognizing the requirements of the participating agencies. The end result was our mutual ability to achieve compliance results within each of our jurisdictions.

As a Partner with Rachlin LLP in the Advisory Services Department of the firm, I lead the White Collar and Tax Controversy section providing consulting services for attorneys and business clients nationally and internationally; including clients in Peru, Trinidad, Puerto Rico and US Virgin Islands with tax, money laundering and forensic investigations. During my employment with Rachlin, I provided consulting or forensic services in the following types of engagements: corporate embezzlement, civil and criminal tax, due diligence, damage calculations, SEC related investigations, partnership disputes, divorce proceedings, Suspicious Activity Reports ("SAR reviews"), Foreign Corrupt Practices Act, Anti-Trust investigations and worked closely with Federal Receiver in an SEC matter and in a forfeiture related receivership. I testified (Jan '07) at a hearing in WPB Circuit Court regarding forensic analysis and my expertise relative to financial records, Re: CASE NO.: 502004 CA 009799XXXXMB. I testified (Jan '08) in Orlando, Florida in Federal District Court during a suppression hearing in a criminal tax trial regarding my expertise on IRS Criminal Investigation administrative and technical matters, Re CASE NO: 6:07-CR-0011-JA-KRS-1. I have testified or have been deposed regarding several other ongoing financial matters in current engagements. I also provide expert advice and opinions on forensic accounting, Bank Secrecy Act, tax and related financial matters.

EDUCATION

- Graduated Magna Cum Laude from InterAmerican University (Hato Rey, PR) June 1976 with a major in accounting.
- Graduated Antilles High School, Ft. Buchanan, PR May 1972

PROFESSIONAL MEMBERSHIPS

- Association of Retired Special Agents of the IRS – 1st Vice President
- Association of Latino Professionals in Finance and Accounting
- South Florida Tax Litigation Association
- Palm Beach Tax Institute
- FICPA (as an associate member, not a CPA)
- Enrolled Agent # 2008-80249
- Private Investigator # C2401195

Professional Summary

Luis is a Partner in MRW Consulting Group, LLP, a firm specializing in white collar crime litigation support, international and domestic investigative services, civil and criminal tax controversy, anti-money laundering and bank secrecy act services, financial fraud investigations and law enforcement training and reviews. Prior to MRW, Luis worked in a Public Accounting firm in South Florida in the Advisory Services Division. At the firm, among other things Luis worked on tax controversy issues, civil and criminal litigation support and forensic accounting matters. Luis expanded the firm's practice to include Money laundering/forensic accounting matters internationally. Luis has over 28 years of law enforcement and management experience with the US Federal Government where he held progressively responsible positions including, Special Agent, Foreign Service Officer, Supervisory Special Agent, Task Force Deputy Director and Assistant Special Agent in Charge (ASAC).

Law Enforcement, Financial and Anti-Fraud

In IRS Criminal Investigations, Luis directed field operations of a large field office (Miami) with over 160 employees, providing leadership over program implementation, business results and plan execution. He had investigative, administrative and approval authority over complex, multi-jurisdictional tax, money laundering (Bank Secrecy Act) and financial fraud cases in South Florida, Puerto Rico and the US Virgin Islands. He developed criminal cases for trial and testified in various forums including US District court and administrative hearings. He liaison extensively with the business, banking and financial sectors domestically and internationally. Luis served as a member of the Executive Committee in the High Intensity Drug Trafficking Area (HIDTA) initiative formulating and implementing regional anti-money laundering strategies and investigative initiatives.

Consulting Experience

As a Consultant, Luis has worked with law and accounting firms providing technical/forensic assistance and advice on fraud and anti-money laundering cases. Luis has worked on contract dispute, voluntary disclosures, tax controversy and fraud detection matters. As a forensic accountant, Luis provided in-depth financial analysis of books and records to detect fraud, trace assets and provided financial expertise and advice on fraud and law enforcement matters.

Legislative & Other Experience

As a Brookings Institute Fellow, Luis developed tax legislation on the staff of the US Senate Finance Committee. After 9/11, he provided leadership as Deputy Director to a U.S. Treasury multi-agency task, tracing the finances of terrorist groups. With IRS, he provided financial expertise and advice on fraud and law enforcement matters to the IRS, US Treasury and the US Embassy-Colombia. Luis developed anti-money laundering strategies to combat the Black Market Peso Exchange (BMPE) - a trade based money-laundering scheme and served as an IRS expert on the BMPE to the US Treasury's Financial Action Task

Education

Rutgers University - Bachelor of Arts, Accounting - 1979

Accreditations

Certified Public Accountant • Certified Fraud Examiner
Certified Financial Forensic -AICPA

Experience

Internal Revenue Service- Criminal Investigation
Inspector General - Agency for International Development
Legislative Fellow Brookings, US Senate Finance Committee
Public Accounting firm in South Florida
Partner- MRW Consulting Group, LLP

Areas of Expertise

Administration and Management
Forensic Accounting
Financial Investigative Techniques
Trial Support and Preparation
Money Laundering and Bank Secrecy Act
White Collar Fraud and Tax Fraud Investigations
Voluntary Disclosures
Black Market Peso Exchange
International Investigations and Foreign Diplomacy

Professional & Civic Affiliations

American College of Forensic Examiners (ACFE)
American Institute of Certified Public Accountants
Association of Certified Fraud Examiners (ACFE)
Association of Former Special Agents of the IRS
Florida Institute of Certified Public Accountants
Private Investigator (Florida)
Puerto Rico College of Certified Public Accountants
Palm Beach Tax Institute

Seminar & Lecture Forums

Association of Certified Anti-Money Laundering Specialists
Colombia Bankers Association
Cuban-American CPA Association
Florida International University
Guatemala Central Bank
Organization of American States
Pan-American Money Laundering Conference
Planned Giving Counsel of West Palm Beach
Quito Bankers Association
Baker Tilly International Conference

Language Skills

Ronald E. Wise, Partner

MRW Consulting Group LLP

Ronald E. Wise is a Partner in MRW Consulting Group, a firm specializing in law enforcement management consulting, forensic accounting, litigation support, and income tax controversies. He possesses a vast array of experience, having served for almost 33 years with the Internal Revenue Service, Criminal Investigation and approximately two and one half years with Rachlin LLP. His assignments while with the IRS included Special Agent; Instructor; Supervisory Special Agent; Branch Chief; and Senior Analyst. During his career he also served as a Defensive Tactics Instructor, Firearms Instructor, and Technical Surveillance Specialist. He was employed by Rachlin LLP as both a Manager and Principal for the firm.

During his law enforcement career, he conducted and managed hundreds of financial investigations including civil and criminal forfeitures, income tax, money laundering/currency, conspiracies, and RICO. These investigations included legitimate businesses as well as gambling, traditional organized crime, narcotics, public corruption, bank fraud, terrorism, corporate espionage, labor racketeering, income tax refund crimes, and various other industries. He has prepared, reviewed, and approved numerous reports recommending prosecution, and assisted Federal prosecutors during grand jury investigations and trials. He has testified numerous times during hearings, trials, and grand jury proceedings. During his Federal service, he held a Top Secret Security Clearance, and he currently holds a Secret Security Clearance.

During his employment with Rachlin LLP, he completed numerous engagements including law enforcement reviews, litigation support for civil and criminal cases, civil tax controversies, damage calculations, anti-money laundering consulting for financial institutions, and a variety of other engagements.

Professional And Civic Affiliations

Enrolled Agent
Associate Member, Certified Fraud Examiners
Member, Association of Former Special Agents, IRS
Member, Hollywood Committee of 100

Awards, Seminars & Lectures

Taught financial investigative techniques and anti-money laundering courses to bankers and law enforcement agencies in the United States and in Kazakhstan
Received several Outstanding Law Enforcement Officer Awards from the Office of the United States Attorney
Received numerous law enforcement awards and commendations from IRS-CI, Drug Enforcement Administration, the Federal Bureau of Investigation, and local law enforcement agencies

Areas of Expertise

Law Enforcement Management Consulting

Forensic Accounting

Instruction and Application of Financial Investigative Techniques

Trial Preparation and Expert Testimony for White Collar Crimes, Civil and Criminal Financial Cases, Civil and Criminal Income Tax Cases, Money Laundering Cases, and Forfeitures

Key Clients

Law Enforcement Agencies, Civil and Criminal Trial Attorneys, Financial Institutions

Education

Bachelor of Arts, University of North Carolina, Greensboro, N. C. (1973)

Phaedra Xanthos, CFE, MA
MRW Consulting Group, LLP

Litigation Case Manager / Forensic Accountant with comprehensive experience in

White Collar Crime Investigations	Securities Regulations	FAS Interpretations
Debt & Equity Instruments	Marital Dissolutions	Commercial Litigation
Real Estate Development	Construction	Insurance
Government Contracts	Public Bidding Protocol	Commercial Lending
Residential Lending	Auctions	Mergers and Acquisitions

Certified Fraud Examiner with strong technical background focused on investigations in both the public and private sectors primarily for the defense. Strong forensic accounting and finance experience with a track record of successive analytical achievements founded upon entrenched mathematical style of thinking. Excellent writer and effective communicator. Unusually well-balanced accountant able to lead sensitive investigations in a cogent, cost effective and diplomatic manner. Familiar with Foreign Corrupt Practices Act and protocol unique to international investigations. Solid engagement planning, client maintenance and budget development skills. Able to handle multiple cases under extreme pressure and time constraints.

Experience

MRW Consulting Group, LLP • Plantation, FL

Forensic Analyst

8/09-Present

- Assisting with the defense of a variety of criminal charges including tax evasion, mortgage fraud, embezzlement and insurance fraud.
- Litigation support for plaintiffs and defendants involved in civil suits primarily related to commercial damages.

Self-employed Forensic Accounting Consultant • Ft. Lauderdale, FL

1/09-8/09

- Freelance work as sub-contractor for local forensic accountants, attorneys and directly for clients.
- Engaged to perform a wholesale clothing business commercial damages report, assisted in criminal defense of a mortgage fraud case and performed a voluntary disclosure filing.

Berenfeld, Spritzer, Shechter & Sheer, LLP • Ft. Lauderdale, FL

Case Manager – Litigation Department

4/07-12/08

- Responsible for managing white collar crime and commercial litigation cases.
- Common types of cases include money laundering, embezzlement, investment fraud and partnership disputes.
- Duties include engagement planning, budget development, client and interested party interviews, research, case strategy development and management of additional staff when necessary.
- Specific tasks include the following:
 - Tracing funds through multiple accounts
 - Reconstructing books using bank statements, canceled checks and other available data
 - Sourcing funds used to purchase assets and identifying usage of illicitly gained funds
 - Reviewing legal documents to determine nominal usage of money
 - Researching publicly available information online (asset ownership, corporate entities, criminal histories, etc)
 - Working with Forensic IT professionals to retrieve hidden data from hard drives

- Creating visuals to illustrate flow of funds and interrelationship amongst accounts, individuals and entities
- Writing reports communicating findings for use in court and by clients
- Software used includes CaseMap (Case Management Program), Excel and Access

Alvarez and Marsal • Ft. Lauderdale, FL

Forensic Accountant

1/06 – 4/07

- Contract position involving a single long-term engagement requiring weekly travel to New Orleans, LA
- Foundation of project revolved around recreating balance sheet in the absence of records (both electronic and hard-copy) as a result of Hurricane Katrina damages. Fraud and mismanagement of the Orleans Parish School Board resulted in a mandatory restructuring effort requiring a consulting forensic team
- Assorted responsibilities included participation in the FEMA and insurance claims and strategizing process, overseeing document flow and preparing analyses for use by Alvarez & Marsal, the Orleans Parish School Board, the Louisiana Recovery School District, FEMA and Congress
- Developed familiarity with public bidding protocol, coordination amongst several government agencies, large construction projects and asset and liability tracing
- Supervision of 3 - 5 staff

Covers Credit • Ft. Lauderdale, FL • Mortgage Lender/ Real Estate Developer

Accounting Manager/Controller

10/04 – 1/06

- Senior internal accountant for a small company engaged in private mortgage lending, real estate investing, residential and commercial development and property management
- Responsible for eleven corporate entities; Set-up books and performed corporate filings for three corporations
- Managed cash in the range of \$8-\$12 Million
- Prepared monthly balance sheets and quarterly financial statements
- Generated capital gains reports and determined time of sale for properties
- Performed calculations of contributions and distributions
- Handled construction draws and tracked properties and financial instruments owned and managed
- Assisted with purchase of properties through public auctions and traditional means
- Investor relations, bank relations & reconciliations
- Due diligence and contract execution for complex purchase, sale and financing agreements

The Triton Newspaper • Ft. Lauderdale, FL • Print Newspaper

Financial Columnist

6/04 – 1/06

- Wrote a financial column for a monthly newspaper with international distribution dedicated to "nautical news for captains and crews". Topics explored include all facets of investing. Articles can be viewed online at www.the-triton.com

Investors Capital • Ft. Lauderdale, FL • Independent Branch of National Brokerage Firm

Financial Advisor/Branch Manager

9/03 – 1/05

- Actively traded stocks, bonds, options and mutual funds on behalf of clients
- Recommended and sold financial plans, insurance products, investment products and mortgages.
- Developed knowledge of securities regulations and employed knowledge gained from Series 7, 63 and 65 securities licenses as well as Life, Health and Variable Annuities Insurance license
- Responsible for all aspects of running my own financial planning, mortgage & investment advisory services business including sales, service, back office and compliance issues
- Made presentations of ongoing financial analyses to clients and gave seminars to the public
- Supervised part-time loan officers

- Bookkeeping and accounting functions for my branch
- Extensive networking within Fort Lauderdale

American Express Financial Advisors • Ft. Lauderdale, FL • Financial Planning Company

Financial Advisor

2/01 – 9/03

- Learned equities, options, fixed income and insurance markets
- Active trading of stocks, bonds, options, mutual funds
- Recommended and sold financial plans, life, disability and long term care insurance as well as fixed and variable annuities
- Designed strategies for individuals and small businesses that incorporate all available investment products
- All functions of financial planning from the solicitation of prospective clients to marketing events, closing, developing and writing financial plans, implementing the strategies recommended within my plans and servicing clients over time

Education

- Master's Degree, Forensic Accounting, Florida Atlantic University (2006)
- Bachelor's Degree, Mathematics, Florida Atlantic University (2000)
- Mathematics Study Abroad Program, Glasgow University, Scotland (1997)

Professional Designations / Affiliations

- Certified Fraud Examiner (CFE)
- Certified Public Accountant (CPA) Candidate (Anticipated Completion 12/10)
- Series 7, 63 and 65 Securities Licenses (Inactive)
- Life, Health and Variable Annuities Insurance Licenses (Inactive)
- Member AICPA, FICPA, ACFE
- Co-chair of Ft. Lauderdale City Commission Education Advisory Board

RESUME

**Jerome C. Owens
6205 Jacaranda Circle
Tamarac, Florida 33319
(954) 681-3514**

MRW, LLC

Currently, I provide investigative and consulting services for MRW, LLC. MRW had been engaged by a major mortgage guaranty insurance company to investigate the activities of mortgage companies and/or their agents and the circumstances under which individual home owners and investors had acquired their loans. The investigation involved interviewing numerous witnesses and preparing a final report as to the circumstances surrounding the loan documentation and later approval.

Madison Associates, LLC

In 2009, as a consultant, I was engaged to perform advisory and consulting services with Madison Associates in a matter of a Federal Court-ordered Receivership. Madison Associates was appointed by the court to maintain and dispose of assets that had been held by a major corporation. The seizures, forfeiture, Monitoring and Receivership activities resulted from the criminal prosecution of the primary defendant in the case. My duties included assisting in the maintaining of the assets as well as interviewing numerous individuals relating to the disposal of numerous assets in South Carolina and Florida.

Investigative and Protective Services

Currently (beginning 2007), as requested, I provide investigative and consulting services for Investigative Protective Services. As an investigator I was recently engaged in a case which involved the shooting of an individual suspected of drug trafficking. The suspect was wounded by officers of a local sheriff's office. This investigation encompassed locating and interviewing any and all witnesses that were at the scene or had heard about the incident. This case is still under criminal and civil litigation. On an as needed basis I also provide Firearms Training and safe weapon handling for the training facility of Investigative and Protective Services.

Rachlin, Cohen & Holtz, Accountants

During the period 2006 through the present I provided consulting services to Rachlin, Cohen and Holtz. The company was identifying potential Bank Secrecy Act violations at a local bank. My function was to provide expert assistance in identifying individuals and/or corporations that may be violating Federal Banking Laws. More specifically, my duties were to obtain, review and analyze bank records and other documentation to determine if SAR's are required and if Bank Secrecy Act regulations and procedures had been followed. I also assisted Rachlin, Cohen & Holtz in the forensic audit of a South Carolina Sheriff's Office. During the audit of the sheriff's office I obtained, reviewed and analyzed records provided by the sheriff's office and city council. Although the audit has been completed the findings of the audit reflected unlawful conduct by one of the sheriff's deputies and this case is currently in litigation by the State.

Madison Associates, Inc

I provided law enforcement consulting services to Madison Associates, Inc during the period February 2004 through November of 2005. My function was to provide expert assistance in the implementation of a long-term monitoring plan that was designed to ensure the value of a major business and its assets under a Federal Court Restraining Order in connection with criminal

prosecution of certain principals of the corporation. As a subcontractor I was responsible for conducting daily onsite reviews that included obtaining, reviewing, analyzing and recording this documentation. I also performed reconciliations and other financial analysis necessary to prepare daily and/or monthly reports, and also other forms of documentation of any findings and recommendations that were required by the monitoring plan.

Intelligence and Protective Solutions (IPS)

During the period October of 2001 through December of 2003 I was employed by Intelligence and Protective Solutions. I performed investigations as well as executive protection and security services. My duties as it related to security and executive protection was to provide security at a business location and as needed provide executive protection to the owner and his family. My duties as investigator included receiving assignments, obtaining and reviewing documentation and providing analysis to IPS.

Professional Background

Management:

Twenty-seven years in law enforcement at the Federal level. Ten years of strong management experience with a reputation for utilizing procedures to accomplish the mission of solving complex financial criminal investigations.

Technical:

A broad background in all phases of investigations including planning and establishing numerous programs, working effectively with Federal, State and local law enforcement agencies throughout the United States which have met or exceeded objectives and fostered aggressive and active investigative programs.

Career Highlights

1999 – 12/2001 Supervisory Special Agent, Support Group, Miami Field Office

- Supervision of all personnel assigned to the specialty group including the Computer Operations Administrators for the District, Computer Investigative Specialists, Asset Forfeiture Coordinator, Asset Forfeiture Specialist, District Training Coordinator, District Intelligence Analysts, Equipment Specialists, Enforcement Operations Coordinators, and Tax Fraud Investigative Assistants. Supervision of the Training Coordinator included coordination of the training assignments of all specialized training instructors, including firearms, defensive tactics, building entry, technical operations, financial investigative techniques and computer training.

1995 – 1999 Asset Forfeiture Coordinator and Training Coordinator

- Coordinated seizures and forfeitures in the field office. This included pre-seizure planning, reviewing seizure warrants for legal sufficiency, coordinating plans with the US Attorneys Office and other Federal agencies. Coordinated the actual seizure of property, maintained inventory and presented briefings to the Special Agent in Charge relating to all seizure activity in the district. Coordinated training activity including On the Job Training and Development of new special agents.

1995 – 2002 Supervisory Special Agent – Miami Field Office

- Supervised major tax investigations, money laundering and other financial type investigations, involving political corruption, narcotics, bank fraud, telemarketing fraud, organized crime, etc. in South Florida. Developed investigative initiatives and strategies, set policy to address violations, coordinated legal action with the Department Of Justice, Tax Division, and US Attorney's Office.

Recognized for significant EEO accomplishments, community service activities and innovative investigative techniques implemented by Criminal Investigation.

Education/Training

- Bachelor of Science with Major in Management
- Taxation and Accounting
- Proficient in Microsoft Suite Applications
- Federal Criminal Investigator Training
- Financial Investigative Techniques Instructor
- Asset Seizure and Forfeiture Training and Instruction
- Undercover Agent Training
- Recruiting and new Hire Interview Techniques
- Diversity Phase I and II
- Sexual Harassment
- Managing Employees with Problems
- Enforcement Operations including Firearms and Defensive Tactics Instructor Training
- Building and Personnel Security. Served on numerous US Secret Service Details
- Reid Techniques of Interrogation
- Equal Employment Opportunity Advisory Committee Training
- Survey Feedback Action Facilitator
- Advanced Law Enforcement Photography

Career Progression

1974 – 1975	Intelligence Division, Technical Aide, Washington, D.C. Undercover Branch
1975 – 1989	Special Agent, Baltimore, Maryland Conducted Criminal Investigations
1989 – 1991	Special Investigative Techniques, Senior Analyst, Washington, D.C. Undercover Program Analyst
1991 – 1995	Supervisory Special Agent, Ft. Lauderdale Florida Supervised Special Agents and Support Staff
1995 – 1999	Asset Forfeiture Coordinator, Miami Field Office Managed Asset Seizure and Forfeiture Program
1999 – 2002	Supervised Special Agents Managed Specialty Group (CIS, AFC, COA, EOPS, TC)

Arieh S. Davidoff

Echo Forensics, Inc.

2717 SW 46th St., Fort Lauderdale, FL 33312

Office: (954) 981-4078 | Cell: (305) 205-7694

ariehd@echoforensics.com

Curriculum Vitae

Professional History

Echo Forensics, Inc.*, Fort Lauderdale, FL, from February 2010 to Present

**Operated as a sole-proprietorship from December 2008 to February 2010*

Rachlin, LLP (now MarkumRachlin, LLP), Miami, FL, from April 2002 to December 2008

James P. Schooley and Associates, Miami, FL, from January 2001 to March 2002

Sherry Manufacturing Corporation, Inc., Miami, FL, from January 2001 to March 2002

Network and Systems Administrator, Various Locations, Miami, FL, from 1994 to January 2001

Range of Experience

Mr. Davidoff has extensive experience providing computer forensics and electronic discovery services to government agencies, law firms, public and private companies, and individuals.

He has been involved with cases including theft of trade secrets; waste, fraud, and abuse; contract and payment disputes; matrimonial disputes; and criminal prosecution. He has also performed data preservation, computer forensics, data mining and/or analysis functions for numerous bankruptcies and receiverships.

Mr. Davidoff has provided expert witness testimony and expert reports on the subjects of computer forensics, electronic discovery, and software development.

In addition, Mr. Davidoff has extensive expertise with e-mail and e-mail recovery involving systems ranging from UNIX Sendmail to Microsoft Exchange and has worked extensively with Windows, DOS, Linux, MacOS, OS X, and OS/400 operating systems.

Mr. Davidoff has also provided Information Systems auditing services to numerous businesses and municipalities, either as a standalone service or in conjunction with yearly financial statement audits

Testimony Experience

*Allsec Technologies, LTD. v. Directory Billing, LLC; Case No. 502007CA020222XXXXMB;
Testified as expert.*

Pino, Mario v. Martin, Lazaro; Case No. 2006-1262-CA-01; Testified as expert.

Cludadmar Investment, Inc. v. Landel Construction Corp; Case No. 2007-1699-CA-01; Testified as expert.

FraudScrub.com, LLC vs. Toccata, Inc.; Case No. (AAA) 32 181 E 00437 06; Testified as expert.

Visions East, Inc., et al. v. Fagerdala Thiger Marine Systems, AB, et al.; Case No. 05-Civ-61264-Cooke/Brown; Submitted expert report, deposed as expert in preparation for testifying.

C & M Oil Company v. CITGO Petroleum, et al.; Case No. 04-Civ-22901-Highsmith/Simonton; Testified as expert.

Expert Experience

Team Enterprises, Inc. et al v. Wahler et al; Case No. 2006-11198-CA-01; Submitted expert affidavit.

Gary Dario v. Michael F. Aranda et. al.; Case No. 50 2005 CA 000938XXXMB (AI); Submitted expert affidavit.

Network Marketing, L.D. n/k/a Rexall Showcase Int'l, Inc. v. Matthias Rath, M.D. and Health Now Inc.; Case No. CL-96-7754-AF; Submitted expert affidavit.

The Republic of Trinidad and Tobago, ex rel., John Jeremie, Attorney General v. Birk Hillman Consultants, Inc., et al.; Case No. 04-11813-CA-30; Submitted expert report.

Intec, Inc. and Marc Iacovelli v. Pilban Partnership, Ltd., et al.; Case No. 32 Y 180 00321 04; Submitted expert report.

Fortune Development Sales Corp. v. Wavestone Properties, LLC; Case No. 04-03593-CA-21; Submitted expert report.

Education

- EnCase Incident Response, Forensic Analysis and Discovery, Guidance Software, Inc., Pasadena, CA
- Forensics Bootcamp, AccessData Corp., Lindon, UT
- Fraud Detection Seminar, the Association of Certified Fraud Examiners
- A+ Certification
- Bachelor of Arts, University of Miami, Coral Gables, FL

Lectures and Articles

- *Introduction to Computer Forensics* - Florida Bar CLE Course
- *Identity Theft and Corporate Hacking*
- *Information Technology Review as Part of a Financial Statement Audit*
- *Vulnerability Workshop*
- *HIPAA Security Regulations*
- *HIPAA Information Technology Challenges*

Computer Forensics and Data preservation for Bankruptcies and Receiverships.; South Florida Legal Guide, page 140, 2006.

RECORD OF DISCUSSIONS APRIL 19, 2010

RFP Sample Contract submitted with MRW Proposal

PAGE 1 OF 11

The contract consists of:

- A. Part I, consisting of 15 sections of Special Provisions
- B. Part II, consisting of 11 sections of General Provisions.
- C. Appendix A, RFP 2010-P005
- D. Appendix B, MRW response to RFP 2010-P005, dated April 7, 2010 (*as amended by the Record of Discussions April 19, 2010*).

Section 3. Time for Performance. MRW's proposed change for completion of performance within 90 days is accepted.

Section 4. Compensation; Method of Payment. It is understood that total compensation for completion of all work included within the scope of work shall not exceed Fifty Thousand Dollars (\$50,000), including all costs and services.

PAGE 2 OF 11

Section 6. Duties upon Termination. The first sentence of subsection A is amended to read:

If Anchorage terminates the Contractor's services for convenience, Anchorage shall pay the Contractor for its actual costs and services satisfactorily rendered and reasonably incurred in performing the scope of work prior to termination, provided that the total amount paid by Anchorage for the work performed is in the same ratio to the total contract price as the work satisfactorily rendered bears to the total scope of work under the contract.

PAGE 3 OF 11

Section 7. Insurance. MRW's proposed deletions in subsection B. are rejected. Anchorage acknowledges that if no vehicles are used by MRW in the completion of services, the requirement of Commercial Automobile Liability insurance under subsection B.2. is not applicable.

PAGE 4 OF 11

Section 7. Insurance. (continued) MRW's proposed deletion of subsection E. is rejected. Anchorage acknowledges that if no vehicles are used by MRW in the completion of services, the requirement of Commercial Automobile Liability insurance under subsection B.2. is not applicable and endorsement of the automobile policy is not applicable.

PAGE 4 OF 4, MRW PROPOSED WORK PLAN: REQUIRED MEETINGS:

The first sentence of subsection 3. is amended to read:

MRW will hold an exit conference with the Chief Fiscal Officer, one or more representatives of the Contract Administrators Committee, and the Municipal Attorney to discuss and review the results of the review including findings and recommendations to ensure that there are no errors of fact or misunderstandings.

MUNICIPALITY OF ANCHORAGE



Mayor Dan Sullivan
Purchasing Department

April 20, 2010

Ronald Wise, Partner
MRW Consulting Group
950 S. Pine Island Rd., Ste A-150
Plantation, FL 33324

Re: Request for Proposal 2010-P005 - Provide Services to Complete an Independent Forensic Audit of Financial Matters Referenced in Reports Prepared for the Municipal Assembly by the Municipal Attorney

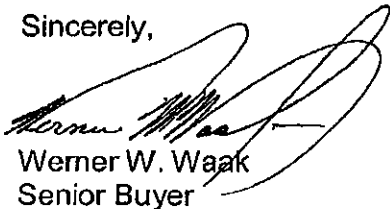
Dear Mr. Wise:

The Municipality intends to award a contract for the above project to your firm in an amount not to exceed \$50,000. The period of performance will require that all services are completed within 90 days of contract signature.

This project requires approval from the Anchorage Municipal Assembly prior to contract signature. Assembly approval is tentatively scheduled for April 27, 2010. Shortly thereafter, the department should contact you to complete required contract documents. You are cautioned against incurring costs towards this contract prior to receiving executed contract documents.

If you have questions concerning the award process, please call me at (907) 343-4249. Thank you for your interest in this project.

Sincerely,



Werner W. Waak
Senior Buyer

CLERK'S OFFICE
AMENDED AND APPROVED

Date: 2-16-10
IMMEDIATE RECONSIDERATION
FAILED 2-16-10

ANCHORAGE, ALASKA
AR NO. 2010-57

Submitted by: ASSEMBLY CHAIR FLYNN
Assembly Member Coffey
Reviewed by: Assembly Counsel
For reading: February 16, 2010

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY TO AUTHORIZE
THE ENGAGEMENT OF THE SERVICES OF AN INDEPENDENT FORENSIC
AUDITOR TO REVIEW FINANCIAL MATTERS REFERENCED IN REPORTS
PREPARED FOR THE ASSEMBLY BY THE MUNICIPAL ATTORNEY.**

WHEREAS, pursuant to Assembly Resolution 2009-241, approved September 29, 2009, the Municipal Attorney provided a report to the Anchorage Assembly dated November 18, 2009; and

WHEREAS, the Municipal Attorney provided a supplemental report to the Anchorage Assembly dated January 21, 2010; and

WHEREAS, both reports discuss a series of events, reports and communications between the Assembly and the Begich Administration; and

~~WHEREAS, both reports detail a series of alleged anomalies related to the financial well being and the financial management of the Municipality, including alleged unreported revenue shortfalls, alleged inappropriate treatment of certain expenditures, alleged inaccurate fund balance reporting, alleged unauthorized forgiveness or deferral of loan payments, alleged overspending of appropriated funds and alleged overstated revenue budgets; and~~

WHEREAS, in both the original report and the supplemental report, the Municipal Attorney has recommended that the City conduct an independent forensic audit to definitively answer the specific issues identified in the reports; and

WHEREAS, as to the specific issues identified in the reports by the Municipal Attorney, an independent forensic audit to confirm the facts and consequences flowing from those issues is outside the expertise of the Municipal Attorney's office; and

WHEREAS, the independent forensic audit requested by the Municipal Attorney shall constitute the Assembly's final investigative action with regard to actions financial activities of the Begich Administration as they relate to the financial matters set forth in the two reports from the Municipal Attorney. Any further actions with regard to these matters shall be limited to the consideration of appropriate amendments to the Municipal Code or potential referral to the appropriate authorities;

NOW, THEREFORE, the Anchorage Assembly resolves:

1. Because some or all of the referenced events contained in the reports may have violated the authority given by the Assembly and by law to the Administration and may have adversely affected the finances of the City, the Assembly authorizes a forensic audit of the matters set forth in both reports from the Municipal Attorney as more specifically described below.
2. The purpose of the audit is to definitively determine the nature and scope of the financial transactions and forecasts identified in both of the reports from the Municipal Attorney. The audit will also identify if actions taken were in conformance with prudent fiscal management and applicable government accounting standards.
3. The Internal Auditor, the Municipal Clerk and the Assembly Counsel are directed to prepare a Request for Proposal (RFP) for the services of an independent forensic auditor with appropriate municipal government accounting experience to provide an independent forensic audit and analysis of the specific issues identified in ~~to supplement~~ the two reports of the Municipal Attorney. The scope of the RFP shall be based on this Resolution. Upon completion of the RFP and prior to its release, the RFP shall be presented to the Assembly by way of an Information Memorandum (AIM) for review and comment.
4. The forensic auditor shall be selected by the Internal Auditor, the Municipal Clerk and the Assembly Attorney in a competitive solicitation managed by the Purchasing department consistent with the RFP.
5. After selection of the forensic auditor, the contract between the Municipality and the forensic auditor shall be subject to review and approval by the Assembly. Oversight of the audit process shall be by the Internal Auditor, the Municipal Clerk and the Assembly Attorney.
6. The Scope of the audit shall be limited to those issues set out in the two reports from the Municipal Attorney and shall not extend beyond those matters and shall include the following:

In reference to the Municipal Attorney's original report, the audit shall provide independent review and analysis of:

- The "on behalf" PERS revenue and expense journal entries for the FY 2008 budget and the flow-through of the PERS budget treatment to the departmental budgets;
- The alignment between revenues and appropriations, and alignment between expenditures, appropriations, fund balance and fund balance reserves and the timeliness of reporting shortfalls/over expenditures to the Assembly;

In reference to the Municipal Attorney's supplemental report, the audit shall:

- Independently determine if the transactions and the reports identified in the Municipal Attorney's supplement report had a material impact on the unappropriated fund balance;
- Identify if actions with regard to budgeting taken were in conformance with applicable government accounting standards and provisions of municipal, state and federal law, prudent fiscal management and applicable government accounting standards.

7. The forensic audit report shall detail the facts found by the auditor, the conclusions of the auditor and any recommendations that the independent forensic auditor may deem appropriate for further actions by the Municipality.


8. The forensic audit shall not be limited to the sources of information included in the two reports from the Municipal Attorney and shall include interviews with municipal staff, and as available, former staff, who have direct knowledge of the issues within the reports.

9.[8.] An amount not to exceed \$50,000 will be appropriated for the forensic audit.

10. [9.] At the conclusion of the audit, the forensic audit report shall be submitted to the Municipal Audit Committee for comment and then to Mayor and to the Assembly.

11.[10] Upon receipt, review and acceptance of the audit, any further actions with regard to these matters shall be limited to the consideration of appropriate amendments to the Municipal Code or potential referral to the appropriate authorities.

PASSED AND APPROVED by the Anchorage Assembly this 16th day of February, 2010.


Chair

ATTEST:


Municipal Clerk