



IAG FORENSICS & VALUATION



From: Karen Fortune <karen@iagforensics.com>
Sent: Thursday, September 19, 2024 4:24 PM
To: Danny Mai <dmai@stonemountaincity.org>
Cc: Pat Salem <pat@iagforensics.com>
Subject: 'EXTERNAL'City of Stone Mountain proposed investigation

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Mr. Mai,

It was a pleasure to speak with you regarding your current needs. I'm including in this email names of attorneys who I have worked with previously, some of whom have moved on to new positions (as our history goes back some ways).

Judge Kellie Hill (Cobb County Superior Court) – formerly Chief Senior District Attorney over the Trial Division and Director of the Public Integrity Unit at Dekalb County

Chris Timmons – Litigator at Knowles, Gallant, Timmons, LLC - former Prosecutor in Dekalb County's District Attorney's office

John Melvin – Chief Assistant District Attorney in Gwinnett County – formerly Deputy Chief Assistant District Attorney in Dekalb County, Chief Assistant District Attorney in Cobb County

Sam Adams – Fulcher Hagler, LLP

Keri Ware and Bob Wilson – Wilson Morton & Downs, LLC

There are others who we are currently working with, but it is our policy to not share confidential information that might reveal anything about our clients until we are permitted to. You also inquired about folks who are not happy with our work, and as I mentioned, I've not had complaints like that – outside of folks we have worked against (many of whom became clients of our later).

Transparently, we have had fee disputes with a handful of clients who did not like the resulting numbers or findings (but we don't advocate for client's desired outcomes – we just report the facts as they exist). Those are obviously confidential matters between us and those former clients.

I have attached my CV and my colleague's, Pat Salem's CV, for your review and consideration. They are not exhaustive (even with regard to our work with cities and government agencies), and only include representative matters. Our website is located here - <https://www.iagforensics.com/>. You can refer to our governmental service offerings here - <https://www.iagforensics.com/government-and-non-profit/>.

We are grateful for your consideration,

Karen

Karen B. Fortune, CPA/CFF, CGMA, MAcc
Managing Partner

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CURRICULUM VITAE

KAREN B. FORTUNE

Certified Public Accountant

Certified in Financial Forensics

Chartered Global Management Accountant

Master of Accountancy

EDUCATION

University of Florida, Fisher School of Accounting

Master of Accountancy, 1992

Bachelor of Science, Accounting, 1990

PROFESSIONAL EXPERIENCE

Ms. Fortune serves as a Partner in IAG Forensics' forensic accounting and litigation services practice. Karen has over thirty years' experience, comprised of both public and private practice, having spent several years in public accounting and serving as a CFO for a biotechnology firm. She possesses extensive experience in financial reporting, auditing of both public and private companies, addressing complex accounting issues, evaluating and designing internal controls, and performing corporate investigations.

She assists attorneys on cases involving corporate internal investigations, fraud allegations and securities litigation. Additionally, she specializes in matters involving complex financial analyses, M&A disputes and the application of Generally Accepted Auditing Standards (GAAS). Karen has testified as an expert witness and has provided assistance to attorneys on several aspects of a case from the complaint stage through trial. Representative assignments that Ms. Fortune has worked on include:

- Public corruption investigations on behalf law enforcement and prosecutors
- Matters involving the application of GAAP, GAAS and AICPA Professional Standards
- Corporate internal investigations on behalf of Special Counsel, Boards of Directors, Audit Committees and/or management teams (including financial statement fraud and improper use of funds)
- White Collar Crime and fraud investigations
- Securities litigation
- Investigations on behalf of financial institutions involving loan losses due to impairment or fraud
- Complex financial damages

SELECT EXPERIENCE

- Investigated public corruption matter on behalf of metro-Atlanta county's District Attorney's office. Performed funds tracing and financial analyses relating to the sources and uses of funds by parties included in the indictment. Provided expert witness testimony relating to the funds tracing.
- Performed multiple investigations of alleged fraudulent transfers and alter ego claims in civil litigation. Performed funds tracing and financial analyses of the sources and uses of funds by parties and related individuals and entities. Industries include big box retail, real estate development and tax lien funding.
- Performed investigations for multiple municipalities on behalf of incoming city councils and mayors. Identified findings related to improper use of P-cards, city assets, restricted funds and personnel. Provided reports to city attorneys and city councils to address accordingly.
- Assisted counsel for national healthcare payors seeking damages in alleged fraudulent medical billing scheme. Performed funds tracing and analysis to identify destination accounts and assets of both ERISA and non-ERISA claims paid by client payors.
- Assisted plaintiffs' counsel in white collar crime and accounting malpractice matter involving misappropriation of wealthy family's trust assets through complex real estate swaps and multiple business entities. Provided testimony and matter was successfully settled.
- Assisted defense counsel for family charged with RICO and running a gambling establishment. Performed funds tracing and financial analyses to demonstrate \$2 million in errors in prosecution's allegations.
- Performed multiple investigations of alleged fraud and/or theft in restaurant, bar and QSF entities. Investigated alleged personal use of restaurant funds and credit cards, missing cash and diversion of assets to related businesses on behalf of minority shareholders and other stakeholders.
- Assisted defense counsel in white collar crime matter by analyzing transactions included in federal government's bank, wire and securities fraud indictment counts against mortgage originator/broker. Provided expert witness testimony on transactions and their financial impact upon the lending institution.

- Investigated alleged fraud of CEO on behalf of national franchise organization's board of directors. Performed funds tracing and determined CEO misappropriated in excess of \$1 million through improper use of payroll, company's retirement plans and other accounts.
- Investigated alleged bank fraud of bank president, performing funds tracing through multiple customer loan, cash and credit accounts on behalf of bank. Assisted FDIC in concurrent investigation by providing documentation and findings which led to successful prosecution.
- Performed investigation on behalf of District counsel of three Charter schools in metropolitan-Atlanta county school district with Director of Internal Audit. Provided report to counsel on operational and financial issues and identified several conflicts of interest, compliance and potential liability issues for district follow-up.
- Performed investigation on behalf of metro-Atlanta county's school district internal audit department of suspected fraud and theft by school personnel. Worked with school law enforcement to provide documents, interview data and other requested information for prosecution.
- In several separate cases analyzed transactions, working paper documentation, Generally Accepted Accounting Principles, Tax Standards and Generally Accepted Auditing Standards related to shareholder suits alleging accounting malpractice. Industries involved healthcare, cable (television and telephone), Internet, training services and manufacturing.
- Analyzed audit working papers in several matters asserting accounting malpractice against independent accountants of pension plans invested in Madoff-related feeder funds. Assisted counsel in mediation between investors and audit firm representatives and insurers.
- Performed investigation for audit committee of mortgage-REIT's accounting for portfolio impairment. REIT portfolio consisted of loans to prime, subprime and ALT-A lenders and real estate developers.
- Performed investigation of alleged bank fraud involving loan syndication. Participating banks asserted lead bank withheld certain facts from syndicated leading to loan losses.
- Performed analysis of damages asserted by name-brand pharmaceutical company against generic pharmaceutical company. Analyzed pharmaceutical sales trends, pricing strategies, competition to determine various other causal relationships not considered by the plaintiff.

- Assisted counsel in defense of CEO and CFO of publicly-traded cable company accused of securities fraud and financial statement misstatements.
- Investigated and quantified transactions in defense of business owner accused of selling “diverted” biopharmaceutical products.
- Investigated and performed document review of dispute related to adequacy of due diligence procedures performed in multi-million dollar acquisition.
- Assisted attorneys in analysis of public filings and available documentation to develop complaint in multi-billion dollar class action suit alleging fraudulent financial reporting of revenues. Matter settled for \$2.5 billion.
- Performed financial investigation and review of corporate financial records to determine amounts owed to employer for advances and personal use of corporate assets by real estate company management team member.
- Investigated financial records of company providing services to the airline industry to determine amounts embezzled by management team member.

PUBLICATIONS

“Let the Buyer (and the Seller) Beware” January 2009, Business & Finance Section of the Atlanta Bar Association – 4th Annual Professionalism CLE Seminar

“The EBITDA Enigma” January 2009, Business & Finance Section of the Atlanta Bar Association – 4th Annual Professionalism CLE Seminar

“Rebuilding Haiti: Beware of the FCPA” May 2010, BNA, Inc. – White Collar Crime Report and Law 360 – The Newswire for Business Lawyers, co-authored with Catherine Salinas, Esq.

“FCPA Compliance: Tone at the Top, Train at the Bottom” October 2010, Law 360 – The Newswire for Business Lawyers, co-authored with Catherine Salinas, Esq.

“New AICPA Standards for Forensic Services: What You Need to Know” November/December 2019 The Georgia Society of CPAs - Current Accounts

PROFESSIONAL TEACHING EXPERIENCE

Identifying and Addressing Fraud Risks in the Current Real Estate Climate – Georgia Society of CPAs Real Estate Conference (June 2010)

Effective Use of Financial Experts in Contract Disputes – Institute of Continuing Legal Education in Georgia (State Bar of Georgia) Contract Litigation Conference (August 2010)

Audits of Employee Benefit Plans – Frequent Issues in Malpractice Matters – Habif, Arogeti & Wynne P.C.'s audit department (April 2011)

Effective Use of Experts in Fraud Matters - Institute of Continuing Legal Education in Georgia (State Bar of Georgia) Expert Testimony Conference (October 2012)

Guest Lecturer at Clayton State University (March 2012, January 2013) – Forensic Accounting Course

Guest Lecturer at Southern Polytechnic Institute (January 2013) – Auditing Course; (November 2013) – Forensic Accounting Course

When CEOs and CFOs Run Amok – Top Fraud Prevention Strategies for GCs – Daily Report In-House Counsel CLE Seminar Series (January 2013)

The Risks and Rewards of a Forensic Accounting Practice – DeKalb and Gwinnett Chapters of GSCPA (February and March 2013)

Audit Malpractice Issues – Impact of Management Fraud on Auditors – IIA CSRA CPE Conference (June 2013); AAA-CPA Annual Event (November 2015)

Before the Valuation – Cleaning Up Financial Statement When Fraud Has Occurred – NACVA State of Georgia Annual Meeting (October 2013)

Guest Lecturer at Georgia Gwinnett College (March 2014, September 2019, March 2020, October 2021) - Auditing Course

Guest Lecturer at Kennesaw State University's CPE for CPAs Program (November 2014, November 2015) – Fraud Prevention and Detection Training for CPAs

Guest Lecturer at Georgia State University (April 2015, November 2018) – Forensic Accounting/MBA Course

Governmental Fraud, Waste & Abuse: A Tale of Two Cities (December 2015) – GSCPA Annual Governmental A&A Conference

Guest Lecturer at University of Georgia (April 2016, April 2017, April 2018, April 2019, April 2021, November 2022, November 2023) – Fraud and Forensic Accounting/MAcc courses

Ethics – War Stories from the Field Panel Discussion (November 2016) – ACFE November 2016 Annual Seminar

Guest Lecturer at Kennesaw State University's CPE for CPAs Program (December 2016) - If I Had Only Known Then...A Study of Fraud Schemes, Missing Internal Controls and Resulting Investigations

Association of Local Government Auditors Annual Conference (May 2017) – Investigative Interviews – Asking the Tough Questions

UGA SBDC at KSU CPE for CPAs Program (October 2017) – Corporate Investigation ABCs

Atlanta Claims Association Annual Education Conference (April 2018) – The Calculation of Lost Profits

UGA SBDC at KSU CPE for CPAs Program (October 2018) – Fraud & Forensics - It's a Mad, Mad, Mad, Mad World

Cobb County Bar Association's Probate, Estate Planning and Elder Law Section (August 2019) – Top 10 Ways a Forensic Accountant Can Assist in Probate, Estate and Elder Matters

GSCPA Non-Profit Conference (May 2020) – Avoid the Easy Target, Easy Money Label (Lessons Learned from Real Life NFP Fraud Cases)

GSCPA Georgia Tax Forum (November 2020) – Fraud and the Tax Preparer – Protect Your Clients and Yourself

Local Government Risk Management Services, Georgia Municipal Association (March 2021) - Fraud Prevention for Local Governments – Avoid the Risks of Phishing and Social Engineering

GSCPA 2022 Fraud & Forensic Accounting Conference (September 2022) - Georgia's Civil RICO Law – A Remedy for Victims of Business Crimes (co-presented with James Deichert, Esq.)

GSCPA 2023 Not-for-Profit Conference (May 2023) – Not-for-Profits and Fraud (co-presented with Richard Walker, Esq.)

GSCPA 2023 Accounting & Auditing Conference (October 2023) – Accounting Malpractice: Frauds that Impact Accountants (co-presented with Christie Wildermuth)

GSCPA 2024 Southeastern Accounting Show (August 2024) – Uncovering Deception: A Primer on Internal Investigations of Fraud (co-presented with Richard Walker, Esq.)

PROFESSIONAL
AFFILIATIONS

Association of International Certified Professional Accountants

Georgia Society of Certified Public Accountants – Forensic and Valuation Services Section Leadership Committee (**Chair of Fraud Prevention and Detection Division** January 2010 – July 2013; **Vice Chair of FPDD** July 2013 – December 2013; **Chair of Fraud & Forensic Accounting Conference** 2014, 2016; **Member of Fraud & Forensic Advisory Committee** August 2014 – July 2015; August 2024-present)

National Litigation Consultants Review (NACVA) editorial board (2011 – 2016)

Georgia Association of Women Lawyers (Non-Lawyer member 2004 – 2024)

The American Bar Association (Non-Lawyer Affiliate Member)

Metro Atlanta Chamber of Commerce – Biosciences Leadership Council member (2010 – 2011); Medical Devices Committee member (2010 – 2011)



CURRICULUM VITAE

Patricia T. Salem

Certified Public Accountant

Certified Fraud Examiner

Master of Professional Accountancy

EDUCATION

Georgia State University
Master of Professional Accountancy

University of Vermont
Bachelor of Science, Electrical Engineering

PROFESSIONAL EXPERIENCE

Ms. Salem serves as a Principal at IAG Forensics. She has focused her forensic accounting practice primarily on investigations, including fraud, shareholder disputes, and government/municipality corruption matters, and data analytics using various software programs.

Prior to joining IAG Forensics, Ms. Salem worked as a software developer for 20 years and was responsible for software design, implementation and delivery. She was a founding member of a software development firm and served on its board of directors during and after its public offering. Following her career in the software field, Ms. Salem pursued a second career in forensic accounting where she is able to utilize her computer and analytical skills.

Representative assignments that Ms. Salem has worked on include:

- Corporate internal investigations on behalf of Counsel and/or management teams
- School and school program investigations on behalf of internal audit and human resource departments in various school districts
- Municipality investigations on behalf of insurance companies and/or City Attorneys and Councils
- White collar crime and fraud investigations
- Forensic accounting in support of Administrator/Receiver

SELECT
EXPERIENCE

Performed corporate internal investigation on behalf of healthcare/hospice provider. Analyzed several years of payroll data and assisted in quantification of damages from alleged employee theft.

Performed investigations of numerous schools in metropolitan-Atlanta county school district with Director of Internal Audit. Provided reports to Counsel and District School Board Audit Committee on operational and financial issues, conflicts of interest, and quantification of damages from alleged asset misappropriation.

Performed multiple investigations of alleged fraud and/or theft in restaurant and bar entities. Investigated alleged personal use of restaurant funds and credit cards, missing cash, and diversion of assets to related businesses and/or other stakeholders.

Assisted District Attorney's office in financial investigation of Controller for privately-held manufacturing company.

Maintained detailed, comprehensive cash forecasting model for a severely stressed business in litigation. Managed and controlled day-to-day cash flow in support of Administrator.

Performed data analysis for plaintiffs' class alleging overcharges on debit card-related transactions processed by global petroleum retailer. Provided calculations for counsel resulting in successful resolution of the matter.

Performed investigation of municipality following change in administration to address concerns related to suspected misuse or misappropriation of funds.

Conducted multiple investigations on behalf of insurance company to quantify damages to a municipality from alleged misuse or misappropriation of funds by a city clerk.

Performed financial analysis of QuickBooks records maintained by the CPA/CFO of a trucking company. Demonstrated, through the audit trail, that the CPA/CFO had manipulated the accounting records to hide various transactions.

Conducted investigation of daycare to quantify damages from alleged misappropriation of funds by the organization's director.

Performed data analysis on behalf of a restaurant to quantify over and under payments of regular and overtime pay and calculate tip credits.

Conducted investigation of school to quantify damages from alleged misappropriation of funds by the executive director of the school.

Assisted District Attorney's office in investigation involving misappropriation of funds by the director of an animal shelter. Performed analysis of the sources and uses of funds to support District Attorney's successful prosecution of the director.

Performed data analysis and damage calculations for plaintiffs' class alleging missed retirement contributions and lost earnings.

Performed investigation, on behalf of school district, into allegations that the purchasing director had engaged in activities in violation of its conflict of interest policy. Conducted numerous interviews, analyzed district computer records, emails and financial records to establish actions performed by director were contrary to the district's conflict of interest policy. These actions included providing services to the district through a company that he owned and operated, responding in the affirmative when asked whether his company was an approved vendor and could, therefore, receive payments from the district, and receiving significant payments, via his company, from the district.

Performed financial analysis to quantify unsupported funds taken and used by Agent serving as Attorney-In-Fact in an estate matter. The judge awarded more than \$400,000 to the Conservator on behalf of the estate.

Performed financial analysis and damage calculations in RICO, breach of trust, breach of fiduciary duty case. The judge awarded more than \$13 million to the Plaintiffs.

PROFESSIONAL
TEACHING
EXPERIENCE

To Catch a Thief – Anatomy of a Forensic Investigation with Significant Data Analysis, Georgia Southern University Fraud and Forensic Accounting Education Conference (May 2012)

To Catch a Thief – Case Study of a Fraud Investigation Using Data Analytics, American Institute of Certified Public Accountants Forensic and Valuation Services National Conference (November 2012)

Investigative Interviewing – Asking the Tough Questions, Association of Local Government Auditors Annual Conference (May 2017)

Investigative Interviewing – Asking the Tough Questions, Georgia Association of Certified Fraud Examiners Luncheon (July 2017)

Data Analytics – Finding the Truth Behind the Numbers, American Woman’s Society of Certified Public Accountants, Atlanta Chapter (August 2017)

Corporate Investigation ABCs, UGA SBDC at KSU (October 2017)

Internal Auditor Training - The ABCs of a Forensic Investigation, Fulton County Schools (February 2018)

Fraud & Forensics - It’s a Mad, Mad, Mad, Mad World, UGA SBDC at KSU (October 2018)

What’s (Not) in Your Wallet – Fraud Schemes to Watch For, GSCPA Decision Makers Conference (April 2020)

Stay Out of the Headlines – Keep Your NFP Safe from Fraud, GSCPA Not-For-Profit Conference (May 2022)

Trust, but Verify, AGA Conference (May 2022)

EXPERT
TESTIMONY
EXPERIENCE

Spencer Stein v. Weinstein Group, Inc., D/B/A Brightwell Talent Solutions
Superior Court of Fulton County
Hearing Testimony (March 2018)

Luanne Bonnie, In Her Capacity as Conservator for Mylas Griffin v. Tracy Singleton and Darryl Singleton
Superior Court of DeKalb County
Trial Testimony (June 2018)

Nancy Johnson et al. v. Kevin Taylor et al.
Superior Court of Fulton County
Hearing Testimony (March 2019)

Prenita Alimchandani v. A & M Hospitalities et al.
Superior Court of Lowndes County
Deposition Testimony (April 2019)

Henrico MK, LLC v. Arsha, LLC and Habibullah Hemani
Superior Court of Gwinnett County
Deposition Testimony (September 2019)

Nancy Johnson et al. v. Kevin Taylor et al.

Superior Court of Fulton County

Trial Testimony (June 2020)

Hunter Roop et al. v. Amy S. Thal et al.

Superior Court of Fulton County

Hearing Testimony (June 2021)

Division 6 Services, LLC v. Vibrant Holdings, LLC, et al.

Superior Court of Gwinnett County

Deposition testimony (March 2022)

Wai Man Tom, et al. v. Hospitality Ventures, LLC, et al.

United States District Court for the Eastern District of North Carolina, Western Division

Deposition Testimony (May 2022)

In re: Judge Christian Coomer

Judicial Qualifications Commission, State of Georgia

Hearing Testimony (October 2022)

OTHER
TESTIMONY
EXPERIENCE

Atlanta Board of Education Personnel Hearing for Corey Jarvis

Testimony (June 2016)