

August 29, 2016

By Email

Janet Ammerman  
Federal Trade Commission  
Bureau of Consumer Protection



computer examiners. FRA has extensive experience working on complex and high profile engagements requiring objectivity and independence in the context of regulatory oversight of multinational corporations. FRA has worked on five of the largest Foreign Corrupt Practices Act ("FCPA") monitorships implemented by the Department of Justice ("DOJ"), is currently engaged on a New York Department of Financial Services ("DFS") monitorship of an international bank, and has been appointed to support the monitoring team in accordance with the City of Ferguson Consent Decree.

We submit that our team's substantial monitoring experience coupled with our deep expertise in corporate compliance render



## B. Personnel

The principal ICA team members would be Bonnie Jonas, Tiffany Moller, Kenneth Handal, Richard Rudolph and FRA team members, Francis McLeod, Greg Mason, Stacy Fresch, Phillip Design and Joseph Cheriathunda (Biographies Attached).

### Bonnie Jonas

Bonnie Jonas is a co-founder of Pallas Global. Ms. Jonas worked for 18 years as an Assistant United States Attorney in the U.S. Attorney's Office for the Southern District of New York



compliance, monitoring and risk management issues. From 2004 to 2009, Mr. Handal was the Executive Vice President, General Counsel and Corporate Secretary of CA Technologies, Inc. ("CA," formerly Computer Associates). Mr. Handal oversaw the company's compliance with its deferred prosecution agreement concerning conduct prior to 2004. During his tenure, Mr. Handal established the company's Global Risk and Compliance Group.

### Richard Rudolph

Richard Rudolph was a Director in Deutsche Bank's New York office and served as Regional Head of the Anti-Fraud and Forensics Division. Prior to his nine-year tenure at Deutsche Bank, he served for 27 years as a Special Agent with the Federal Bureau of Investigation ("FBI"). While at the FBI, he was the recipient of the Attorney General's Award for Outstanding



Stacy Fresch

Ms. Fresch is a partner in the Washington, D.C. offi



## Organization of the Team

Bonnie Jonas will lead the ICA team. Ms. Jonas has extensive experience leading and overseeing teams evaluating, reviewing and monitoring the performance of complex, multinational companies. Ms. Jonas, along with Ms. Moller, FRA personnel, and Messrs. Handal and Rudolph, will perform policy review, interviews, training assessments, and incident reviews. Ms. Jonas, Ms. Moller and Mr. Handal will perform compliance reviews and validate Herbalife's remediation efforts. Ms. Jonas, Ms. Moller and Mr. Handal will also prepare reports and court submissions. Ms. McLeod will lead the FRA team supporting the monitor by providing statistical and data analysis, information technology, and testing. Mr. Mason will design the database architecture, conduct the data extraction, and manage data analytics and testing, assisted by Mr. Cheriathundam. Ms. Fresch will provide auditing and technical accounting expertise on compliance with U.S. GAAP. Mr. Desing will provide additional accounting and investigative support.

Our ICA team members do not have any existing expected significant time commitments that would limit their availability for work on the ICA team as described in the scope of work above. FRA has a number of significant current engagements, however, these FRA team members have sufficient availability to fully partic

: Ms. Jonas led the investigation and first-ever federal prosecution of an automotive company. Toyota was charged with making misleading public statements to its consumers and concealing from its regulator a lethal safety-related issue (a problem with accelerators getting stuck at partially depressed levels). Ms. Jonas led a team of agents and prosecutors who engaged in a massive document review, conducted witness interviews and data analysis as part of the investigation. The resolution resulted in a forfeiture of approximately \$1.2 billion and an independent monitor was appointed, whom Ms. Jonas supervised. In connection with that resolution, Ms. Jonas regularly conferred with the monitor and his staff and reviewed the monitor's progress reports, findings, and recommendations.

: Ms. Jonas led the investigation and prosecution of the second federal criminal prosecution of an automotive company. General Motors was charged with engaging in a scheme to conceal a deadly safety defect from its U.S. regulator and committing wire fraud. The investigation involved extensive document review and multiple witness interviews. The resolution resulted in a financial penalty of approximately \$900 million and an independent monitor was appointed, whom Ms. Jonas supervised.

### Tiffany Moller

As the first-ever Chief of Compliance and Oversight for the largest municipal agency in the country, Pallas Global co-founder Tiffany Moller has significant experience monitoring and evaluating the performance of a large organization as well as experience monitoring settlements, writing reports, and meeting deadlines. Ms. Moller's responsibilities included developing, implementing and overseeing NYPD programs to comply with federal, state and local laws. Ms. Moller was responsible for coordinating the NYPD's response to a court-imposed monitor, as well as to other oversight bodies. Ms. Moller's responsibilities included preparing the NYPD's response to the monitor's bi-annual reports as well as responding to reports issued by other NYPD oversight bodies, including the Inspector General for the NYPD and the Commission to Combat Police Corruption. As a federal prosecutor in the U.S. Attorney's Office for the SDNY, Ms. Moller has significant experience preparing for and participating in court proceedings and drafting court submissions for the SDNY as well as for the Second Circuit.



## Kenneth Handal

Over his 40-year career, Mr. Handal has extensive expertise monitoring, evaluating and reviewing the performance of organizations, with experience in monitoring settlements.

Mr. Handal most recently served as General Counsel and Chief Ethics and Compliance Officer for NYRA. Mr. Handal was brought into NYRA after violations of New York state law resulted in a state investigation and the termination of the CEO and general counsel. Mr. Handal designed and implemented a new compliance and ethics program and corporate governance procedures, and he supervised the legal function.

Mr. Handal served as President for Governance, Risk and Compliance at Guidepost, a global consulting, investigative and security firm. During his tenure, he served as an independent compliance consultant for Science Applications International Corporation, a large defense contractor in McLean, Virginia, in preparation for the company's entry into a deferred prosecution agreement with the SDNY concerning fraudulent billing practices. The assignment was completed within the anticipated deadlines and budget.

Mr. Handal was hired by CA as General Counsel, Chief Ethics and Compliance Officer, and Corporate Secretary after a corporate accounting and obstruction of justice prosecution. He negotiated, implemented, and monitored a corporate deferred prosecution agreement that included extensive ethics and compliance reforms. He also oversaw the company's global legal department of more than 60 lawyers. Mr. Handal subsequently formed and headed the company's Global Risk and Compliance Department, which included the functions for compliance, internal audit, internal controls, enterprise risk management, corporate governance, and security. In these positions, he was responsible for setting and executing budgets for his departments.

## Richard Rudolph







global operations, involving in-country data collection, key personnel interviews, and substantial data review and analysis. As part of FRA's work, FRA made recommendations for improvements to internal controls and trained Technip's internal audit group on implementing an effective compliance and ethics program. Ms. McLeod and her team also worked closely with Technip's French Monitor and his counsel to adopt FRA's compliance testing and monitoring methodology. The FRA team presented its findings and recommendations regarding the company's anti-bribery and corruption compliance in a manner consistent with French data blocking restrictions.

### Greg Mason

Mr. Mason is an expert in complex database architecture and programming, mass data analysis, and data mining in the context of investigations, disputes, and litigation. He has significant experience working on data analysis, data management, and information technology as demonstrated by some of his prior work listed below.

: The Native American Rights Fund sued the federal government seeking an accounting for approximately 300,000 individual account holders whose funds were held in trust by the federal government resulting in a settlement of \$3.4 billion. Mr. Mason performed data analytics and statistical analysis based on the standardization, conversion, and review of over 140 million transaction records relating to the property income and revenue income of over 300,000 trust beneficiaries.

: FRA was appointed by a New York-based non-profit organization to develop systems that disbursed DEM 10 billion in restitution payments to Jewish claimants in connection with the German Slave Labor Holocaust settlements. Mr. Mason led FRA's team in building a system that evaluated tens of thousands of claims and paid qualifying claimants by issuing payment files directly to the escrow account held by Citibank. Mr. Mason also provided reports to the court-appointed Special Master and the German Ministry of Finance. FRA maintained a complete audit trail and reported quarterly to stakeholders, including the U.S., Israeli, and German governments, and authorized non-profit organizations.

: FRA was appointed by the Claims Resolution Tribunal in Zurich, Switzerland to re-develop the system for evaluating and paying out claims made in connection with the \$1.25 billion Swiss Banks Settlement. This required the development of complex name-matching algorithms, the presentation and programming of claim criteria, and the preparation of progress reports to the Swiss Banks and the Special Master with respect to methodology, audit trail, metrics, and valuation of claims paid. In connection with this assignment, Mr. Mason managed the constraints of Swiss Bank secrecy laws, numerous set-backs, banking data, and the sensitivity of the settlement.



FRA assisted a large group of claimants from across the EU in their action against a group of airlin



including a restated 10-K, five 10-Qs, and an additional 10-K within a seven-month period.

Ms. Fresch directed an international team that reviewed, quantified, and summarized detailed accounting records related to alleged billing issues under an administrative agreement between a multinational marine logistics service company and the U.S. Department of Justice. The team's findings were provided to the company and DOJ for settlement negotiations related to alleged claims in a lawsuit brought under the whistleblower provision of the False Claims Act.





D. Prior Experience And References

REFERENCES FOR BONNIE JONAS

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## REFERENCES FOR FRA

Monitorship Experience

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## Swiss Banks Claims Resolution Tribunal

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## REFERENCES FOR STACY FRESCH

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- Methods of analyzing information

Once data has been extracted from the various retail systems and data repositories, FRA will conduct its analysis with particular focus on Retail Sales, Preferred Customers, Rewardable Personal Consumption, Multi-Level Compensation, and Purchased Business Locations. The process will involve standardizing and linking data collected to provide meaningful analysis of sums, totals, patterns, and gaps. The flow of that process is set out below:

- Standardize and convert data into format that can be analyzed efficiently (using SQL Server)
- Link various data sources
- Develop dynamic coding to perform calculations referenced in the Scope Of Work
- Perform analysis on complete data set to isolate relevant transactional data for further review and potential detailed follow up
- Perform on-site review of supporting documentation for isolated data identified during analysis

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- Timeline analysis (focusing on specific “look-back” periods)
  - Training analysis
  - Purchasing entity analysis
  - Analysis of third-party fees (including “headhunter fees”)
  - Annual calculations of sales (total net and rewardable sales)
  - Leased or Purchased Business Location analysis
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- Frequency of Proposed Activities

The initial stages of the assignment will be more ti



- Personnel responsible for the various activities described in the Scope of



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We would welcome the opportunity to meet in

# **ESTIMATED COSTS**





# BIOGRAPHIES OF KEY ICA TEAM MEMBERS



## Bonnie Jonas

Bonnie Jonas served for 18 years as an Assistant United States Attorney in the U.S. Attorney's Office for the Southern District of New York (the "SDNY"). Ms. Jonas's most recent position with the SDNY was as Deputy Chief of the Criminal Division, from 2013 to 2016. She also served as the SDNY's Financial Fraud Coordinator for President Obama's Financial Fraud Enforcement Task Force and as Co-Chief of the General Crimes Unit.

During her tenure in the SDNY, Ms. Jonas investigated and prosecuted many of the Department of Justice's most historic and complex matters. Ms. Jonas investigated and prosecuted individuals at WorldCom, Royal Ahold, Aurora Foods, and Commerzbank and prosecuted and oversaw reforms through corporate monitorships of Deutsche Bank, Toyota, and General Motors.

Ms. Jonas was an attorney with the law firm of Paul, Weiss, Rifkind, Wharton & Garrison and a law clerk for the Honorable Reena Raggi of the U.S. District Court for the Eastern District of New York. Earlier in her career, Ms. Jonas worked as a consultant at Peterson Consulting, where she evaluated settlements and structured One Billion Dollar Awards for the U.S. District Court for the Southern District of New York.



## Tiffany Moller

Tiffany Moller served as an Assistant United States Attorney in the Southern District of New York (the "SDNY"), where she served in the Securities Fraud Unit. During her tenure, Ms. Moller investigated and prosecuted significant whi





## Kenneth V. Handal

Kenneth Handal is an expert in corporate ethics, compliance, governance, and risk management, with almost 40 years of experience as an attorney. He most recently served as General Counsel, Chief Ethics and Compliance Officer for the not-for-profit New York Racing Association, Inc. Prior to that, Mr. Handal was President of Governance, Risk and Compliance for Guidepost Solutions LLC ("Guidepost"), a firm specializing in investigations, compliance, monitoring, and risk management solutions. During his tenure at Guidepost, Mr. Handal served as Independent Compliance Counsel for SAIC, a large defense contractor in McLean, Virginia in preparation for the company's entry into a deferred prosecution agreement with the Southern District of New York concerning fraudulent billing practices.

From 2004 to 2009, Mr. Handal was the Executive Vice President, General Counsel and Corporate Secretary of CA Technologies, Inc. ("CA," formerly Computer Associates), and he established and led the company's Global Risk and Compliance Group. At CA, he oversaw the company's compliance with its deferred prosecution agreement concerning conduct prior to 2004. Prior to joining CA, Mr. Handal was Associate General Counsel and Compliance Counsel for Altria, then the parent company of Philip Morris, Kraft Foods, and Miller Beer, where he also oversaw critical areas of the company's litigation. Before joining Altria, he was a partner with the law firm of Arnold & Porter, an Assistant United States Attorney for the Southern District of New York Criminal Division, and served as a law clerk to Judge Robert A. Ainsworth, Jr., of the U.S. Court of Appeals for the Fifth Circuit.

Mr. Handal currently serves on the Board of Advisors and audit and compliance committee of the Hospital for Special Surgery. He has served on the boards of the National Center for Missing & Exploited Children, the Legal Aid Society, the Association of Unleci1il ar98.4( ofCt)-.6ee37gTJ



Richard Rudolph



## Frances McLeod

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Frances is one of the co-founders of FRA and Managing Partner. She has over 23 years of experience advising clients in various jurisdictions on issues involving anti-corruption (FCPA/OECD/Bribery Act), fraud, internal control and anti-money laundering arising out of internal and external investigations, related civil and criminal litigation and in a compliance context. She also advises a number of European clients on data protection and privacy-related matters in the context of US-driven eDiscovery requests, with an emphasis on providing practical solutions that balance potential conflicts of law.

Frances is leading the FRA team supporting the DFS-appointed monitor of an international bank. She and her team are reviewing compliance policies and procedures and designing and implementing transactional testing to assess their efficacy. In addition, she and her team are conducting forensic accounting and data analysis in support of the FATCA investigative elements of the monitorship. She is currently working with two French CAC 40 companies and their monitors to conduct anti-bribery and corruption compliance reviews after DOJ deferred prosecution agreements. She is also currently leading a team providing forensic accounting and data analytics support to a DFS-appointed monitor of a US oil services company. She is the lead partner for FRA supporting the DOJ-appointed monitor in accordance with the City of Ferguson Consent Decree.

Frances was also responsible for the design and implementation of the claims evaluation and administration systems of the \$1.3 billion Swiss Bank and \$2.5 billion German Slave Labor Holocaust settlements. In order to develop appropriate systems for such complex and challenging claims, she drew on her experience in banking, evaluating long tail liabilities, corporate and banking/insurance archaeology, forensic accounting, and asset tracing.

Prior to founding FRA, Frances spent seven years in investment banking, working in the M&A divisions of Lazard and Schroders in London, and HSBC in Indonesia.

Frances has a Master's degree in Oriental Studies from Wadham College, Oxford University, UK. She is bilingual in English and German, and speaks fluent French and Mandarin. Frances shares her time between the Providence and Washington, D.C. offices.



## Greg Mason

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Greg Mason is a partner and one of the co-founders of FRA. His expertise lies in database architecture and programming, software design, mass data analysis, and data mining for the purposes of investigations, disputes, and litigation.

Greg has served as an expert in multiple cases for the US DOJ FATF Swiss Banks Program.



## Phillip Desing

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Phillip is a Partner in the Washington, D.C. office of FRA. He has over 34 years of experience as a Special Agent of the FBI and as a certified public accountant. Phillip has extensive experience in corporate fraud investigations and the remediation of bribery and corruption.

Prior to joining FRA in 2016, Phillip was Senior Investigator at Weatherford International



## Stacy Fresch

Partner, Washington DC

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Stacy Fresch is a Partner in the Washington, DC Office of FRA. She has over 20 years of private and public sector experience providing independent financial accounting and reporting matters and related auditing issues. Stacy has successfully directed numerous cross-border forensic accounting investigations and assisted corporations, boards of directors and audit committees in responding to SEC and DOJ inquiries. She also has a wealth of experience investigating accounting irregularities and bribery allegations, and completing financial statement restatements.

Prior to joining FRA in 2016, Stacy was a Managing Director for KPMG in the Forensics practice, where she was responsible for investigating allegations of fraud involving third-party affiliates and vendors, procurement, leading complex litigation-support assignments, and supporting global compliance reviews for FCPA settlements.

Prior to her time at KPMG, Stacy served as Assistant Chief Accountant in the SEC's Division of Enforcement where she completed a variety of financial and accounting fraud investigations of SEC registrants, corporate officers, external advisors, and other third parties. She has led teams of forensic experts on multi-jurisdictional assignments related to whistleblower provisions under the False Claims Act, compliance with anti-bribery, books and records and internal control provisions of the FCPA. Stacy has also assisted companies with drafting SEC filings, restated 10-Qs and multi-period 10-Ks. Stacy has testified on behalf of the SEC in the U.S. District Court for the Northern District of Texas.

Stacy is a Certified Public Accountant (CPA) and a Certified Fraud Examiner (CFE). She received her MBA at the College of William and Mary, and earned her Bachelor's degree in Economics at Dickinson College.

