



## **CHARLES A. RIEPENHOFF, JR.**

*Managing Director*

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### **Function and Specialization**

Forensic services

### **Professional Associations**

- American Institute of Certified Public Accountants
- Association of Certified Fraud Examiners
- Association of Insolvency and Restructuring Advisors
- Georgia Society of Certified Public Accountants
- International Association of Independent Corporate Monitors

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

- Bachelor of Business Administration from Ohio University
- Masters of Business Administration from the University of Alabama
- Georgia State University Law School Bankruptcy Law Program
- Certified Public Accountant
- Certified Fraud Examiner
- Certified Insolvency and Reorganization Advisors
- Certified in Financial Forensics, AICPA

### **Background**

Chuck Riepenhoff is a Managing Director in KPMG LLP's Forensic Advisory Services practice. He has more than 40 years of diversified experience in accounting and examination of financial statements, investigations and other advisory forensic services dealing with fraud and misconduct, expert testimony, fraud risk management, compliance and monitoring and with counseling entities in a variety of industry sectors in such areas as compliance, acquisitions and divestitures and corporate recovery.

Chuck has served as an instructor in the Firm's national and local office education training programs dealing with issues such as governance and ethics, internal investigations, accounting for leases and contracts, computer forensics and auditing, statistical sampling, litigation services, bankruptcy and other matters. He has been a lecturer for The Institute of Continuing Legal Education of the State Bar of Georgia and the Atlanta Bar Association.

### **Professional and Industry Experience**

Chuck has represented clients in numerous industry sectors such as automobile, higher education, healthcare, state, local and federal government, not-for-profit entities, real estate and construction, communications, electronics, technology, software, pharmaceutical, insurance, manufacturing and financial services.

He has provided expert testimony in Federal, state and local courts arbitration, and SACS Administrative Hearings.

He has been appointed as Interim Monitor by the FTC in certain matters regarding contract compliance and was appointed as the monitor in a state matter involving a telecommunications corporation under a deferred prosecution agreement. In a matter before the FTC involving Life Sciences companies, Chuck recently acted as Hold Separate Monitor, and then as ongoing Monitor, and led the work in the U.S. for reporting by the U.K. firm to the European Commission. He is a key team member in a matter before the Ministry of Commerce of the People's Republic of China relating to a major technology company, and he leads work in the U.S. to support reporting to MOFCOM.

He is KPMG's senior arbiter and has provided services as an arbitrator or assisting counsel in arbitration in various matters dealing with contract disputes, determination of purchase price disputes, determination of EBITDA closing date balance sheet issues, such as inventory valuation, inventory obsolescence, spare parts, vacation pay, deferred income taxes, accounts receivable, contingent liabilities, valuation of long lived assets, asset classifications, FAS 121 long lived assets, reserves, earn out provisions, intangibles and goodwill.

He has directed investigations of such matters as alleged fraudulent financial statements, earnings management, stock backdating, misappropriation of assets, Foreign Corrupt Practices Act violations, misuse of government funds, and violations of Medicare regulation including false claims, violations of student loan regulations and general fraud and misconduct. He has also assisted clients in such areas as financial reporting to the bankruptcy court, preference analysis, insolvency analysis, asset recovery analysis and violation of debt covenants.

Clients have included law firms, commercial enterprises, colleges and universities, governmental agencies and private families.



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### **Forensic Services**

- Alternative dispute resolution, including serving as the arbiter
- Antitrust, including global monitoring
- Analysis of potential fraudulent conveyance
- Board governance practices evaluation
- Compliance with governmental regulations
- Construction claims
- Damage analysis and lost profits, including expert witness testimony
- Determining losses resulting from theft of trade secrets
- False claims analysis
- Fraud risk assessments
- Fraudulent financial reporting matters
- Foreign Corrupt Practices Act analyses
- GAAP Compliance matters
- Governmental monitoring and reporting on compliance with agreements
- Guidance on Compliance Transformation including program development
- Investigation services - commercial and not-for-profit entities
- Merger and acquisitions
- Negotiating agreements with government agencies
- Records reconstruction
- SACS compliance and reporting requirements

### **Sample Engagements**

- Charles has advised a multi-national automotive company in evaluating the design and effectiveness of its compliance operations, anti-fraud program, risk analysis and remediation efforts considering the perspective of the U.S. regulatory framework and COSO. As part of this work Charles has assisted the Company in developing self-assessment procedures, templates and responses to inform the Monitor of Company's current state operations. Additional activities included:
  - Analyzing regulatory and Company documents to understand and identify key processes, requirements and sources of risk arising from operations, considering factors such as fraud and operational risks, regulatory penalties, fines, implementation timeline and past conduct
  - Advising on roles, functional requirements and objectives with Company leads with respect to ethics and compliance and enhancement of "Three Lines of Defense" implementation model



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- Evaluating compliance controls against certain regulatory and remedial requirements considering the perspective of the U.S. regulators and the Monitor's mandate
  - Evaluating communications, internal and external reporting and coordination approach for interaction with operational leads, shared functions, governance leads, and others
  - Assisting and advising on responses to monitor and regulator requests
  - Assisting in developing procedures to prevent, detect and respond to potential violations in a timely fashion (including regulatory disclosure requirements), including incident escalation, investigation and reporting procedures
  - Facilitating discussions with key stakeholders to assess key operating model components to promote effective dialogue and understanding of risks and priorities
  - Considering the use of IT-enablement and tools (IT-Applications, Tools & Testing, and recordkeeping)
  - Developing key metrics for use in measuring and assessing internal performance for monitored activities
  - Assessing the design and efficacy of trainings and training procedures
- Assisted a company regarding a diesel emissions matter, advising on various topics in the implementation and enhancement of remediation efforts in conjunction with settlements with US regulators and implementation of a corporate monitor, including, operational changes, anti-fraud, compliance, and cyber security programs. Assisted in analysis of regulatory requirements, performed risk and controls gap analyses, supported internal and regulatory reporting and provided guidance and support for ad hoc requests and needs.
  - Investigation of alleged Foreign Corrupt Practices Act violation for a military defense contractor.
  - Determined whether student loans qualified under the Federal Student Loan Program, collections of loans were properly recorded, write offs were appropriate under the regulations and whether reports to The Department of Education met the reporting regulations.
  - Reconstructed student loan files and records, including reporting to Federal and state agencies. Reconstruction was from the ground up, starting with loan documentation through granting of loans to determining proper recording of loans granted. Cash receipts were also examined for propriety and correct recording. Determined whether interest was properly calculated and loan balances properly stated. Analyzed potential false claims for reimbursement to the Federal government.



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- Assisted outside counsel for a major long distance carrier with litigation against a telecommunications reseller for breach of contract. In the course of this engagement, analyzed billing records, bank records and proof of payment. In order to verify the accuracy of the carrier's billing records, developed a sampling plan to test records generated by telephone switching equipment.
- Assisted outside counsel for a major accounting firm with accounting malpractice litigation. In this matter, the accounting firm had rendered an opinion on a financial forecast used as part of a prospectus for a telecommunications reseller. Researched costs applicable to the telecommunications industry, tested the assumptions used in the financial forecast and analyzed the procedures performed and conclusions reached by the accounting firm.
- A seller of phone cards was experiencing substantial losses at the operations level. Investigated potential fraud schemes to help identify causes of such losses, reviewed controls for design and implementation, and reviewed billing through computer processing.
- Engaged by outside counsel to monitor the compliance of a major telecommunications provider with an agreement between the provider and a state attorney general. Conducted numerous interviews of employees, tested the accuracy of the provider's reporting systems and recommended improvements to those systems.
- Engaged by outside counsel to investigate claims of earnings management.
- Assisted a public commission investigation of alleged student cheating on test scores.
- Provided testimony in a wrongful termination matter for a major university.
- Diagnostic study and development of audit committee education program for an international public company.

### **Sample Engagements - Arbitration**

- Aerospace. Buyer raised objections under the purchase agreement as to costing methodology regarding production costs of certain assets. As arbiter, this matter involved determining appropriate cost to assign to long-term development cost as contemplated under the agreement.
- Equipment rental. Assisted counsel in determining validity of closing date balance sheet objections raised by purchaser under agreement to acquire a business. The process, over a one year period, included the review and rebuttal of buyer's position and the defense of seller's position.
- Paper and wood products. Buyer objected to the treatment under the terms of the agreement of certain types of inventory. As arbiter, this matter involved determining the classification of such assets and appropriate treatment under terms of the agreement.
- Construction. Contractor was removed from the construction site under termination by default. This matter involved determining direct and indirect costs related to costs to complete the project under terms with a new contractor.
- Manufacturing. Respondent was accused of engaging in predatory pricing practices so as to cause Claimant to lose market share. As arbiter, this matter involved review of pricing structures and activity to determine the existence, if any of predatory pricing practices.



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- Manufacturing. The acquisition price under terms of the agreement contained certain requirements relating to net worth and working capital. As arbiter, this matter involved determining whether the terms of the agreement as to these requirements had been met and, accordingly, determining the amount of stock to be released from escrow.
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- Pharmaceutical. The agreement required the seller's operations to exceed a certain level of EBITDA in a post-closing period. As arbiter, the matter involved determining EBITDA under the agreement.
- Retail. Supplier and retailer had a supply agreement whereby supplier would share in the profits of certain sales of the retailer. As arbiter, this matter involved determining whether retailer had fully identified all relevant sales and supplier had identified all sales to the retailer and the financial remedy related to actions under the agreement.
- Staffing Services. Buyer alleged that seller improperly applied contract provisions to obtain a favorable earnings adjustment. As arbiter, this matter involved interpreting the working capital adjustment provisions of the contract and applying these provisions to the relevant underlying facts.
- Wire and Cable. Buyer alleged that seller overstated certain assets, primarily inventory, in determining the acquisition price. As arbiter, this matter involved assessing industry data and determining appropriate values under the terms of the agreement.
- Appointed by MOFCOM as the monitor of a major technology corporation which was required to meet numerous commitments under an agreement to acquire a business segment and sell products in China.

### ***Publications and Speaking Engagements***

- KPMG Perspectives Conference Panelist, Theories on Fraud Response, November 2010
- GSCPA Presentation, 2010 Fraud and Forensic Accounting Conference, IFRS and Fraud Risks., October 2010
- Institute of Continuing Legal Education Panelist, State Bar of Georgia, Corporate Internal Investigations, October 2010
- GACFE Presentation – IFRS-The Next Great Fraud Opportunity, May 2010
- 4th Annual Fraud & Forensic Accounting Conference Presentation – IFRS-The New Frontier in Fraud, May 2010
- PLI Compliance and Ethics Institute, Hot Topics & Global Trends in Compliance and Ethics, May 2010
- KPMG 2009 Fraud Survey Overview, Georgia Association of Fraud Examiners, October, 2009
- KPMG 2009 Fraud Survey Overview, Atlanta Broker Dealer Investment Association Continuity Club, September 2009
- Trench Coat Tales, National Funding Association, August, 2009
- Avoiding Disputes in Contracts, KPMG Forensic Focus, February 2009



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- Preserving Competition through Independent Monitors, Metropolitan Corporate Counsel Magazine, Washington, D.C., December 2006
- A Look at Corporate Fraud and Misconduct in the Sarbanes Oxley Era, Association of Corporate Counsel Quarterly Newsletter, May 2005
- About that Compliance Thing, ACCA Docket, The Journal of the Association of Corporate Counsel, November/December 2004
- Corporate Governance and Measuring Compliance Program Effectiveness, speaker for Practising Law Institute Corporate Compliance and Ethics Institute 2007 and 2008.
- Fraud Risk Management; Developing a Strategy for Detection, Prevention and Response, speaker for Telestrategies Revenue and Fraud Management Conference 2007.
- Compliance Program Measuring: Auditing, Accountability & Assessment, Practising Law Institute's Compliance Institute Instructor, Atlanta, Ga., 2006.
- Panelist at National Association of Corporate Directors Spring Conference on Director Liability, and speaker on The Coexistence of Ethics and Business Today, Orlando, Fla., June 2006.
- Conference Moderator for Corporate Misconduct & Fraud Prevention Detection and Investigation, South East Executive Conference co-hosted with Alston & Bird, Panel speaker on topic of Corporate Fraud in Business Today, February 2005.
- Conference Moderator for Fraud in a Post Sarbanes-Oxley World, South East Executive Conference co-hosted with Alston & Bird, Panel Speaker on topic of Board Self Assessment as a Strategic Tool, January 2004.
- Annual speaker at Feats and Failures in Fraud seminar.
- Preserving Competition Through Independent Monitors, The Metropolitan Corporate Counsel, December 2006.
- GACFE Annual 2009 Seminar Meeting, speaker, Key Findings from KPMG's 2009 Fraud Survey.
- Dodd-Frank Act Conflict Minerals (Section 1502), New York, NY, May 2013.
- Conflict Minerals and Anti-Bribery Conflict Share Forum, Boston, MA, June 2013.
- Conflict Minerals Share Forum, Stamford, CT and Short Hills, NJ, June, 2013.
- Conflict Minerals Process Review, Long Island, NY, June 2013.
- Point of View Series, June 2013
  - Conflict Minerals and Beyond – Part one: Developing a global compliance strategy
  - Conflict Minerals and Beyond – Part two: A More Transparent Supply Chain
  - Conflict Minerals and Beyond – Part three: Optimizing the Supply Chain
  - Conflict Minerals and Beyond – Part four: Lessons for an Integrated Compliance Program