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SUMMARY

Mr. Stephen Bucci is a Director in the Los Angeles office of Berkeley Research Group, LLC. He has more than 20 years of experience providing corporate investigations, forensic accounting, white collar defense, and accounting/auditing services to organizations and their counsel involved in a variety of business issues and disputes.

Mr. Bucci's areas of specialization include books and records analyses and investigations; fraud investigations; the application of U.S. Generally Accepted Accounting Principles (GAAP) and Generally Accepted Auditing Standards (GAAS); and compliance issues, including Foreign Corrupt Practices Act (FCPA) and Securities and Exchange Commission (SEC) reporting matters. In addition to his investigations experience, Mr. Bucci has also led significant aspects of public company financial statement restatements, performed compliance program assessments, and has provided expert testimony, as well as expert witness support on accounting and fraud issues.

As an auditor, Mr. Bucci's experience included audit planning, workpaper preparation and review for all audit areas, the review of financial statements and disclosures, and the presentation of audit results to the audit committee or other interested parties.

REPRESENTATIVE EXPERIENCE

Mr. Bucci has experience leading and managing a wide range of engagements dealing with complex accounting, investigatory, and SEC reporting matters. His consulting experience is underpinned by several years as a financial statement auditor. Selected engagements are as follows:

Corporate Investigations, Forensic Accounting and White Collar Defense

- Engaged by counsel for the former CFO and former General Counsel of a multibillion-dollar healthcare company to assist in their defense of allegations by the US Government that they, and others, defrauded state and federal Medicaid and other health and welfare programs through schemes of false reporting, misrepresentations, and accounting malfeasance. The team was engaged to provide a suite of support services including financial analysis related to profitability and costs, data analysis, and health care expertise. From an accounting perspective Mr. Bucci assisted counsel in its understanding of how the revenues and expenses, including their sources, came together to create the various financial statements; revenue recognition issues; proper reserve accruals; distinctions between accounting changes and errors; financial statement reporting related to contingent liabilities; and other issues.

- Engaged by counsel to provide expert forensic accounting analysis and testimony in a matter between a medical practice and its management services organization (“MSO”). The medical practice alleged that over the course of more than five years, its MSO defrauded it and breached its fiduciary duties. Mr. Bucci’s analysis focuses on a comprehensive review of the books and records, including the revenues consisting primarily of Worker’s Compensation related medical liens, and the expenses incurred to manage the medical practice. Mr. Bucci testified at deposition and trial in this matter.
- Engaged by counsel for the creditors’ committee to review corporate accounting and financial information and determine the appropriate financial accounting and reporting for a medical laboratory company with more than \$1B in annual revenue. The analysis which considered ASC 605, 606, 954, 250, 450, 740 and other accounting guidance formed the basis for a solvency analysis. The matter also included a detailed review of shareholder distributions made by the S-Corp under the Shareholders’ Agreement. This investigation led to the drafting and filing of multiple expert reports in federal and state courts.
- Engaged by counsel for a Hong Kong based entity to review the books and records of a former business partner with whom it had a dispute over payment for services. The analysis determined the client was in fact owed monies under the arrangement, and that there were indications that the defendant was the alter ego of another defendant. Approximately one day after Mr. Bucci’s testimony at deposition in this matter, the matter was resolved with full judgement agreed to by the parties in favor of the plaintiff.
- Engaged by counsel for a Fortune 15 pharmaceutical company to perform profitability and market share analyses related to certain lines of business. Mr. Bucci led a team that worked hand-in-glove with outside counsel and company employees to develop a financial model that captured the profitability and market share of products that had never been measured standalone. This required an understanding of how information was accumulated and kept by the company as well as aligning the data so that analyses were performed at the appropriate level and meaningful results could be obtained.
- Performed a complex international audit committee internal investigation of accounting issues raised by a Fortune 150 company and the SEC. Mr. Bucci led teams in the US, Denmark, the UK, and Australia to investigate as follows: analyze how certain revenues were recognized and costs were accounted for; review and evaluate the sufficiency and reasonableness of reserves and contingencies, review the accrual and capitalization of certain costs; review financial statement adjustments made by the company; review documentation supporting the books and records; review account reconciliations prepared by the company; interview company personnel; assist counsel in its review of millions of documents; and assist counsel in meetings with the SEC, Board of Directors and the Audit Committee. Inquiry and cases were resolved out of litigation.
- Investigated whistleblower claims of accounting fraud and defalcation of several hospitals, insurers and the US Government, by a large physicians’ group. Mr. Bucci led the consulting team’s day-to-day activities to address the allegations. The team conducted interviews of relevant personnel, prepared a forensic recreation of the books and records that analyzed the reasonableness and appropriateness of revenues and expenses, Fair Market Valuations of the various contracts to insure compliance with Stark Law and the Anti-Kickback Statute, and an analysis of medical coding and billing that included a consideration of False Claims Act issues. When faced with the evidence contrary to her position, the whistleblower dropped her case.

- Engaged by counsel to provide expert forensic accounting analysis and testimony in a federal criminal matter where the US Government alleges the defendants knowingly engaged in fraud related to the Service Disabled Veteran Owned Small Business program.
- Engaged to assist counsel in its representation of a US subsidiary of a South Korean conglomerate against claims brought by the US Internal Revenue Service. Mr. Bucci led a team that performed various forensic accounting analyses at the direction of counsel. The scope of work included reviewing detailed financial records, tracing funds between bank accounts and entities, dissecting certain revenues and expenses, a partial recreation of the books and records, analyzing transactions and agreement, and reporting findings to counsel and client.
- Prepared an expert report addressing allegations of fraudulent transfer of assets in a large real estate development in Hawaii. The engagement included a review of relevant documents, tracing and documenting value of accounting transactions and transfers, evaluating the reasonableness of contingencies recognized and reserved for, the development of opinions, the drafting of an expert report, and expert testimony at deposition. The case settled on terms favorable to the client.
- Prepared an expert declaration on US GAAP and GAAS issues related to an audit of a failed \$700 million mortgage fund alleged to be a Ponzi scheme. The engagement included a review of audit work papers and other materials provided to investors and interested 3rd parties, as well as, issuance of an expert declaration critical of the audit performed. The case settled on terms favorable to the client.
- Developed innovative models for three separate, but related, clients to calculate disgorgement and penalties for the purpose of settlements with the DOJ and SEC. The government's calculation relied on unreasonable inputs and faulty logic. Our calculation razed the government's methodology and replaced it with a reasonable approach that yielded a settlement offer that the government accepted and was within the clients' ability to pay.
- Assisted the special committee of the Board of a major specialty food retailer in a highly publicized independent investigation involving complex accounting and SEC reporting issues. Among the issues investigated were allegations of improper revenue recognition and reserve manipulation. Investigation led to, and ultimately supported, a restatement of the financial statements. Engaged with C-level executives, auditors, SEC and DOJ on both the investigation and restatement work.
- Led the day-to-day activities of a large consulting team supporting 10 healthcare technology company executives and their counsel in a federal white collar criminal case. Ultimately, 2 defendants were acquitted, and 8 defendants were dismissed. The specific issues consulted on included the accounting for software revenue recognition (SOP 97-2 et al.) and business combinations (APB 16/SFAS 141). The team analyzed scores of business combinations by tracing how the transactions were affected in the books and records of the acquirer, and by tracing the transactions through various intermediate steps to the public filings. This included reviewing statements and tracing funds stolen by co-conspirators. Additionally, counsel relied on the team to consult on issues involving the application of GAAP, GAAS and audits, restatements and general business practices, as well as, to assist in witness preparation (fact, summary and expert). The team provided comprehensive 24 hour/day trial support.

- Assisted a large publicly traded multi-national software and telecommunications company in a multi-year restatement of its financial statements. Specific areas of work included: a review and restatement of revenue recognition based on contracts and payments to ensure that the company was presenting its financial statements in accordance with GAAP; assisting the CAO in developing and documenting certain accounting policies related to revenue recognition; an evaluation and analysis of the purchase accounting and restructuring reserves related to a \$250 million acquisition; and managing and reviewing the work product of a team evaluating contracts to ensure that revenue is properly recognized on a go forward basis.
- Engaged by counsel for the former CFO of a publicly traded corporation in the high-tech industry to support counsel's defense in front of the SEC. Significant issues included accounting for software revenue recognition and reporting to the public via SEC filings. The team also assisted with depositions and advising counsel on the filing of certain motions. The defendant was acquitted on all charges.
- Assisted counsel for former majority shareholders and management of a national cable/ telecommunications company in defense of criminal and civil litigation regarding dozens of alleged accounting, financial and reporting improprieties. Work included: a very detailed analysis tracing the funds flow of billions of dollars between banks, corporate entities and individuals, and how such transactions were ultimately reported; a review and analysis of over 15 million pages of documents; complex accounting and financial analyses; on-site support during a 5-month criminal trial; preparation for and attendance at scores of depositions; and supporting a financial settlement on certain civil litigation.
- Assisted an AmLaw 100 firm and its Fortune 15 client by managing and reviewing the work of a team of mortgage underwriters who were re-underwriting thousands of loans included in multiple mortgage backed securities that plaintiffs alleged were defective. Mr. Bucci was also responsible for drafting the expert reports and working with counsel to rebut the opposing expert's arguments. The case dealt with, and Mr. Bucci analyzed, a myriad of technical topics including financial and regulatory underwriting requirements, escrow issues, and securities disclosure issues. To support the analyses a review of servicing files, loan files, and other internal company and regulatory documents were reviewed and considered.
- Investigated senior employees of a large mid-western refrigeration company for fraud. Investigation concluded with the issuance of a report based upon a comprehensive forensic accounting review of expense reports; corporate purchases made for personal use, including tracing funds from the company to certain corporate officers; and interviews with various company personnel.
- Assisted a US subsidiary of a Global 100 electronics company investigate qui tam allegations of fraud. Conducted an extensive review of emails and lease documents, interfaced with the auditors, and wrote a report vetting all issues and providing the international parent company confidence that no regulation or corporate governance breach occurred.

Recent FCPA Matter and other Compliance Engagement Experience

- Investigated potential FCPA violations as part of a high-profile case involving several Brazil based multi-national chemical companies. The investigation included interviews of company personnel, an extremely detailed forensic accounting of certain accounts related to commissions and other services, comprehensive presentations to the company's auditors, and a final report including BRG's findings. Case outcome is confidential.

- Performed a compliance program effectiveness assessment for a \$20 billion global med-device and pharma company. Mr. Bucci's areas of focus included the risks posed ex-US by: the FCPA (and similar anti-corruption laws); payments to and interactions with Health Care Professionals and Government Officials; various selling models; and organizational structures. Mr. Bucci led and performed dozens of interviews around the world as well as detail testing of business partner relationship risk management and transaction testing.
- Investigated potential FCPA violations at a large publicly traded multi-national transportation and logistics company. The investigation included interviews of company personnel, the gathering of relevant documents and data, review of said information, a detailed forensic accounting analysis of payments, and a comprehensive report provided to counsel. Case outcome is confidential.
- Investigated potential FCPA violations by a large manufacturing and engineering company with global sales. The investigation included the tracing of funds, and how certain transactions were recorded and executed in China, Vietnam, South Korea, Eastern Europe and the United States. Mr. Bucci was also responsible for gathering data, interacting with senior company personnel, and reporting to the Company's outside counsel. Case outcome is confidential.
- Teamed with outside counsel for a multi-national chemical company to assist in an investigation of potential violations arising under the FCPA. Scope of work included reviewing payments to 3rd party vendors and partners, as well as, transactions with Joint Ventures. The team also conducted interviews, reviewed compliance programs, tested compliance programs and made recommendations on ways such programs may be strengthened. Case outcome is confidential.
- Ongoing transaction due diligence engagements with private equity entities related to anti-corruption and compliance matters.

EDUCATION AND CERTIFICATIONS

- Bachelor of Science with Special Attainments in Commerce – Washington and Lee University, 1998
- Certified Public Accountant - Licensed in Virginia (2000) & California (2015)
- Certified Fraud Examiner (2003)
- Certified in Financial Forensics (2008)

PROFESSIONAL HISTORY

- June 2014 – Present, Berkeley Research Group, LLC, Director
- May 2002 – June 2014, Navigant Consulting Inc., Director
- August 2000 to May 2002 – Arthur Andersen LLP, Senior Auditor/Senior Consultant
- June 1998 to August 2000 – Thomas Havey LLP, Senior Auditor

PROFESSIONAL ASSOCIATIONS

- American Institute of Certified Public Accountants

- CalCPA
- Association of Certified Fraud Examiners
- Association of Certified Fraud Examiners, Los Angeles Chapter – Director-at-large
- Former Member: AICPA Fraud and Litigation Services Steering Committee