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/s/ Kevin P. Kingston  
Kevin P. Kingston

## Expert Rebuttal Report of Caren L. Dunne

### INTRODUCTION

My name is Caren L. Dunne. I am a partner in the firm Clifton Gunderson LLP. My business address is 100 Sun Avenue NE, Suite 210, Albuquerque, NM 87109.

I have been engaged by the United States to evaluate and comment on the Report of Don M. Pallais dated August 17, 2007 ("*Report*") relating to the matter of Elouise Pepion Cobell, *et al.* v. Dirk Kempthorne, Secretary of the Interior, *et al.* dated August 17, 2007.

### QUALIFICATIONS AND EXPERIENCE

I am a Certified Public Accountant in the state of New Mexico and a Certified Information Systems Auditor. I am a member of the American Institute of Certified Public Accountants and the Information Systems Audit and Control Association.

I have served clients in the areas of audit, management consulting and litigation consulting for approximately 16 years. I am experienced in planning and performing large and complex engagements.

I have extensive experience and personal knowledge regarding the accounting processes and underlying source documents related to Native American Trust Funds managed by the U.S. Department of the Interior. I have obtained this experience and knowledge having managed the following engagements:

- Reconciliation of Judgment and Per Capita Individual Indian Money ("*IIM*") accounts on a transaction-by-transaction basis with supporting evidence provided by the Department of the Interior under standards included in the Accounting Standards Manual ("*ASM*"). As of March 31, 2007, 83,711 accounts of 96,823 accounts have been reconciled.
- Reconciliation of high dollar and sampled transactions for Land-Based IIM accounts relating to the Alaska, Western and Navajo Regions.
- Current and on-going document search efforts at the American Indian Records Repository in Lenexa, Kansas. To date, our firm has located over 200,000 documents in support of the Historical Accounting and other related projects.
- Design, oversight and quality control of the Office of the Special Trustee for American Indian's ("*OST*") Cobell v. Babbitt document production efforts relating to Paragraph 19 of the Court's First Order of Production of Information requiring the U.S. Government to produce "[a]ll documents, records, and tangible things which embody, refer to, or relate to IIM accounts of the five named plaintiffs or their predecessors in interest." (*Order of November 27, 1996*) The OST's component of the document production resulted in over 45,000 documents

located and produced for thirty-six (36) IIM account holders. The documents were retrieved from OST's records repository in Albuquerque, New Mexico as well as several Federal Records Centers and National Archives.

Please refer to my Curriculum Vitae attached as Exhibit A for a more complete list of my qualifications. I have provided no expert testimony over the last four years, and I have authored no publications in the last ten years.

Clifton Gunderson LLP is being compensated at a rate of \$250 per hour for my time on this project plus reimbursement for related travel costs and other expenses. My personal compensation is not dependent on the outcome of this case.

## **SUMMARY OF OPINIONS**

### **Opinion One – Overall Conclusion**

Mr. Pallais incorrectly concludes:

“In my opinion, 2007 Plan cannot accomplish its stated objectives *if the trust's internal records are unreliable or incomplete*, which history suggests is likely.”  
(*Report, at 2*) (*emphasis added*)

Mr. Pallais admittedly formed his conclusion without reviewing “any government records underlying the Individual Indian Moneys (IIM) accounts. . . .” (*Report, at 1*). His opinion relies entirely on his own hypothetical assumption: “if the trust's internal records are unreliable or incomplete” (*Report, at 2*). In my experience, having worked extensively with the documents, this assumption is not correct with regard to the underlying documentation used and contemplated by the *May 31, 2007 Plan for Completing the Historical Accounting of Individual Indian Money Accounts* (“2007 Plan”). In my opinion, the underlying source documents are sufficiently available and reliable to accomplish the procedures outlined in the 2007 Plan and the ASM adequately considers the appropriate standards for the nature of the accounting.

### **Opinion Two – Document Reliability**

Mr. Pallais inaccurately claims that reliance cannot be placed on source documents described in the ASM because qualified audit opinions have been issued “in part because the accounting system (part of the system of internal control) was unreliable.” (*Report, at 2*)

A qualified audit opinion stating “part of the system of internal control [is] unreliable” is not a basis to conclude that internal records are unreliable. (*Report, at 2*). A determination by an auditor not to rely on internal controls in an audit environment should result in more substantive testing of transactions and balances, such as those described in the 2007 Plan, which requires a reliance on source documents. The auditors of the Trust Funds have historically relied on those same source documents described in

the ASM. Although the audit opinions have been qualified, those audit reports do express the opinion that the financial statements are presented in accordance with generally accepted accounting principles or other comprehensive basis of accounting.

### **Opinion Three – SAS 31 Consideration**

Mr. Pallais’s claim that “[t]he evidence described in the ASM does not meet the guideline – SAS No. 31 – it sets out” (*Report, at 2*) is incorrect.

The ASM states that Statement on Auditing Standard No. 31 (“*SAS 31*”) – Evidential Matter (AU 326)<sup>1</sup> should be considered in evaluating the sufficiency of the source documents utilized. (*ASM, at I-iii*) Although the Historical Accounting is not an audit, and thus SAS 31 is not wholly relevant, there are many examples that demonstrate “an assessment of the pertinence of the evidence, its objectivity, its timeliness, and the existence of other corroborating evidential matter.” (*ASM, at I-iii*)

### **Opinion Four – Alternative Procedures**

Mr. Pallais incorrectly concludes that the mere reference to “alternative procedures described in the ASM call into question the quality of the evidence envisioned in the ASM and the resulting reliability of the transactions subjected to reconciliation procedures.” (*Report, at 2*)

Mr. Pallais does not mention that consideration of alternative procedures when expected documents are not available is a method specifically recognized and described in Generally Accepted Auditing Standards (“*GAAS*”) and is consistent with consideration of SAS 31, which states “The amount and kinds of evidential matter required to support an informed opinion are matters for the auditor to determine in the exercise of his or her professional judgment after a careful study of the circumstances in the particular case.” (*AU 326.22*). Furthermore, the procedures described in the ASM ask the accountant to consider all other evidence to support the transaction.

### **Opinion Five – Amounts Recorded Correct and Complete**

Mr. Pallais incorrectly concludes, “Reporting on recorded amounts without regard to whether there are other items that should have been included is insufficient. Similarly, reporting on the amounts which have been recorded without obtaining evidence that the recorded amounts are correct is insufficient.” (*Report, at 2*)

Mr. Pallais does not recognize that the procedures described and applied are sufficient to determine that the recorded amount is correct. Additional testing has been designed to assess the extent to which there are other items that should have been included.

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<sup>1</sup> AICPA Statement on Auditing Standards No. 31 – Evidential Matter has been superseded by Statement on Auditing Standards No. 106 – Audit Evidence; effective for audits of financial statements for periods beginning on or after December 15, 2006. References to section AU 326 of the AICPA standards in this report refer to SAS No. 31 not SAS No. 106.

## **BASES FOR MY OPINION**

The bases for my opinions are:

- My specific knowledge and experience with the IIM accounting system, supporting documentation and the ASM
- My training and professional accounting experience
- Specifically cited references to audit literature throughout this report

Exhibit B contains a list of items I have considered in forming my opinions.

## **BACKGROUND – PROFESSIONAL STANDARDS**

The body of work described in the 2007 Plan supported by the ASM is accurately titled the U.S. Department of the Interior Plan for Completing the Historical Accounting of Individual Indian Money Accounts. An “accounting” is not a type of engagement or level of assurance described or supported by any of the standards cited by Mr. Pallais. In fact, Mr. Pallais defines an accounting fairly well in his report as “accounting is, generically, a process of capturing financial transactions in records of an organization using certain conventions . . . The results of this process are generally summarized and presented in a set of financial statements. In the area of trusts, this summarization is called an ‘accounting’”. (*Report, at 6, n. 4*)

Mr. Pallais’s definition makes no mention of an audit, review, compilation or attestation or the related American Institute of Certified Public Accountants (AICPA) standards in order to have an accounting. This illustrates that the consideration of certain auditing standards such as SAS 31 in the ASM goes beyond what would generally be considered an accounting in order to improve the quality and reliability of the results.

## **DISCUSSION OF MY OPINIONS**

### **Opinion One – Overall Conclusion**

Mr. Pallais bases his entire opinion that the 2007 Plan cannot accomplish its stated objective on an incorrect hypothetical assumption that the documents described in the ASM cannot be relied upon. He describes at length the auditing standards that describe in general the nature of financial statement assertions, procedures and documentation, suggesting that the audit guidance itself renders the documentation unreliable. He further suggests the history of reported weaknesses in internal controls and qualified audit opinions renders the supporting documents unreliable. He goes on to point to other accounting issues not addressed or what he considers scope limitations for what the accounting does not provide as rendering conclusions impossible.

In my experience the supporting documents included in the ASM can be relied upon and have been relied upon by auditors in conducting the historical financial statement audits. Despite the fact that the 2007 Plan is not an audit, certain auditing standards have been appropriately considered in the ASM. The reporting of internal control weaknesses does not render supporting documents unreliable but instead warrants additional substantive testing, which is precisely what the ASM dictates. Where certain testing limitations exist they are acknowledged and reported in the ASM. The management decision to exclude those procedures by Interior does not reduce the value of the accounting procedures that will be performed.

### **Opinion Two – Document Reliability**

In his report, Mr. Pallais acknowledges that “[i]t is not unusual for an auditor to encounter weaknesses in internal control, even material weaknesses” (*Report, at 17*) and “[i]t is generally not necessary for there to be strong controls in place for the auditor to complete an audit.” (*Report, at 16*)

Although Mr. Pallais describes five options for reporting under GAAS (*Report, at 16-17*), the qualification he cites from opinions he reviewed would be classified as reports qualified for a scope limitation and not the less desirable reports qualified for a misstatement, disclaimer or adverse opinion.

However, he concludes that:

1. “[T]he opinion was qualified in part because the accounting system (part of the system of internal control) was so unreliable that the auditor could not apply all the procedures considered necessary in the circumstances.”; and
2. “It is very uncommon, at least in the commercial sector, for internal control to be so weak as to preclude the issuance of an unqualified opinion on the financial statements.” (*Report, at 17*)

Regardless of how the opinion reads, GAAS recognizes that there are circumstances where an auditor may be faced with internal control weaknesses. GAAS provides guidance on designing audit procedures considering certain risks which would be affected by weak internal controls. The guidance offered is to place more reliance on substantive testing.

“As the acceptable level of detection risk decreases, the assurance provided from substantive tests should increase. Consequently, the auditor may do one or more of the following:

- Change the nature of substantive tests from a less effective to a more effective procedure, such as using tests directed toward independent parties outside the entity rather than tests directed toward parties or documentation within the entity.

- Change the timing of substantive tests, such as performing them at year end rather than at an interim date.
- Change the extent of substantive tests, such as using a larger sample size.” (AU 319.82)

The substantive testing approach described in the ASM is consistent with this guidance.

He further comments that the auditors reported numerous weaknesses in internal control that did not affect the opinion on the financial statements. (*Report, at 17*) What Mr. Pallais fails to describe is that weaknesses considered reportable conditions, regardless of the effect on the audit opinion, are required reporting under Government Auditing Standards (GAO-03-673G (also known as the “Yellow Book”)), which states:

“For all financial audits, auditors should report deficiencies in internal control considered to be reportable conditions as defined in AICPA standards<sup>55</sup>.” (GAO-03-673G paragraph 5.13)

Footnote 55. AICPA standards define reportable conditions as significant deficiencies in the design or operation of internal control that could adversely affect the entity’s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Mr. Pallais describes the fact that these weaknesses were reported, despite the fact that they do not affect the opinion, to support his argument that the documents cannot be relied upon when in fact the auditors were merely complying with applicable reporting standards.

Despite Mr. Pallais’s citation of qualification extracts from various reports cited in his Reliability of Trust Records section, the fact is that despite certain reported weaknesses in internal controls, independent auditors have been able to issue opinions on the financial statements, albeit qualified opinions. Simply stated, a qualified opinion does not render the financial statements or the documents unreliable.

### **Opinion Three – SAS 31 Consideration**

Mr. Pallais quotes selected phrases from SAS 31 in support of his conclusion that the documentation described in the ASM, which he characterizes as internal, is insufficient. On page 11 of his report he states:

“SAS No. 31 recognizes that evidence comes in many forms and provides a model for determining whether the evidence is sufficient. It says that internal documents alone do not provide adequate support for reported amounts, specifying that the auditor needs to obtain corroboration:



Accounting data, such as books of original entry, the general and subsidiary ledgers, related accounting manuals, and records such as work sheets and spreadsheets supporting cost allocations, computations, and reconciliations alone cannot be considered sufficient support for financial statements. *AU326.16*”  
(*Report, at 11*)

However, the above standard refers only to the general ledger level data and is not addressing the underlying supporting documents, which are included in the ASM. The equivalent of these general ledger level data in this case is the account statement transactions from the accounting systems to be reported to the account holder.

Additionally, as if to further his argument and illustrate other possible deficiencies in the ASM, Mr. Pallais synthesizes SAS 31 as follows:

“To summarize, following SAS No. 31, one would expect that the reconciling accountants would be called on to

- Obtain evidence about each of the five assertions.
- Obtain corroborating evidence, not just internal accounting data.
- Seek to obtain independent data, data emanating from a system with strong internal controls, or information actually seen rather than inferred.” (*Report, at 12*)

In fact, the ASM specifically refers to SAS 31 for guidance and addresses each point.

Response to Pallais Point One – “*Obtain evidence about each of the five assertions.*”

The five assertions stated in SAS 31 are:

1. Existence or occurrence
2. Completeness
3. Rights and obligations
4. Valuation or allocation
5. Presentation and disclosure

These assertions are addressed in the 2007 Plan and/or ASM as follows:

1. *Existence or occurrence* addresses whether assets or liabilities of the entity exist at a given date and whether the recorded transactions have occurred during a given period. (*AU 326.04*)

The approach to addressing this assertion is described by Interior in the 2007 Plan:

“The process for verifying the accuracy of each transaction examined involves reconciling the amount of the recorded transaction to the expected amount

based on contemporaneous supporting financial documents. . . .” (2007 Plan, at 14)

The relevant procedures are described in the IIM Staff Level Reconciliation Procedures:

“Reconcile transactions to supporting documents (including ownership) to determine expected and actual transaction amounts for both the IIM and lease / contract level (if applicable).” (ASM, Appendix F - at 14 of 17)

This procedure is also relevant to the valuation or allocation assertion. Such a situation is anticipated by GAAS. “In obtaining evidential matter in support of financial statement assertions, the auditor develops specific audit objectives in light of those assertions.” (AU 326.09) “There is not necessarily a one-to-one relationship between audit objectives and procedures.” (AU 326.10)

2. *Completeness*, addresses whether all transactions and accounts that should be presented in the financial statements are so included. (AU 326.05)

The approach to addressing this assertion is described by Interior in the 2007 Plan:

“In this process, Interior is also examining income *expected to have been generated* from leased allotments (based on contemporaneous contract or production records) to verify that the money was in fact received and entered the IIM trust fund system.” (2007 Plan, at 19)

3. *Rights and obligations* addresses whether assets are the rights of the entity and liabilities are the obligations of the entity at a given date. (AU 326.06)

The approach to addressing this assertion is described by Interior in the 2007 Plan:

“To reconcile an individual transaction, the lease or contract would be examined to determine the allotment or allotments related to the payment. The ownership interests in the allotment would then be used as the basis for verifying that the transaction under review was correctly divided and properly allocated to the IIM account.” (2007 Plan, at 14)

The relevant procedures are described in the IIM Staff Level Reconciliation Procedures:

“Identify and review ownership documents to determine each IIM account holders’ appropriate share of the collection (and interest if applicable) related to the transaction(s) being reconciled.” (ASM, Appendix F - at 12 of 17)

4. *Valuation or allocation* addresses whether components have been included in the financial statements at appropriate amounts. (AU 326.07)

The approach to addressing this assertion is described by Interior in the 2007 Plan:

“The process for verifying the accuracy of each transaction examined involves reconciling the amount of the recorded transaction to the expected amount based on the contemporaneous supporting financial documents. . . .” (2007 Plan, at 14)

The relevant procedures are described in the IIM Staff Level Reconciliation Procedures:

“Reconcile transactions to supporting documents (including ownership) to determine expected and actual transaction amounts for both the IIM and lease / contract level (if applicable).” (ASM, Appendix F - at 14 of 17)

5. *Presentation and disclosure* addresses whether particular components of the financial statements are properly classified, described, and disclosed. (AU 326.08)

The approach to addressing this assertion is described by Interior in the 2007 Plan:

“Interior plans to provide an HSA to each IIM account holder containing information on how much money was credited to their account, the amount of interest credited to their account, the disbursements made from their account, and available references for each transaction.” (2007 Plan, at 3)

The relevant procedures are described in the IIM Staff Level Reconciliation Procedures:

“Update the transaction type and revenue code in the *ART*, if appropriate” and “For all transactions, update the posting date as required in the *Manual* with the correct date, if practical.” (ASM, Appendix F - at 10 of 17)

Response to Pallais Point Two – “Obtain corroborating evidence, not just internal accounting data.”

Mr. Pallais quotes from GAAS: “[c]orroborating evidential matter includes both written and electronic information such as checks; records of electronic fund transfers; invoices; contracts . . . .” (Report, at 11).

The items listed as corroborating evidence in the standard are the same ones identified in the ASM as the documents to utilize in performing the reconciliation procedures as

discussed below. Documents supporting collections into IIM accounts and disbursements from IIM accounts vary depending on the nature of the transaction.

The following examples represent primary (Level One) documents used in the reconciliation for the four broad types of collections as well as disbursements and illustrate the extensive use of the documents identified in GAAS as appropriate evidence.

1. Resource revenue collections – collections that are a result of selling or leasing natural trust resources
  - Contracts – universally defined as a binding agreement between two or more persons or parties.
    - Oil and Gas Mining Lease – Allotted Indian Land (*ASM, at 5.1-1*)
    - Commercial Easement for Saltwater Disposal Well (*ASM, at 5a.1-1*)
    - Minerals Mining Lease – Allotted Indian Land (*ASM, at 6.1-2*)
    - Business Leases – Allotted Indian Land (*ASM, at 7.1-1*)
    - Farming and Grazing Lease (*ASM, at 8.1-1*)
    - Timber Contract for the Sale of Predetermined Volumes (*ASM, at 9.1-1*)
2. Judgment distributions – distributions that originate from a legal judgment or negotiated settlement
  - Court of Federal Claims Order – This document sets forth the case background and the opinion of the court. (*ASM, at 4.1-1*)
  - Public Law – This is a judgment awarded by a law enacted by Congress (*ASM, at 4.1-2*)
  - Settlement Agreement – This is a settlement between the U.S. Government and the plaintiffs. (*ASM, at 4.1-2*)
3. Per Capita distributions – distributions that originate primarily from Tribal revenues.
  - Tribal Resolution – This document sets forth the terms of the per capita distribution of tribal funds to individuals. (*ASM, at 11.1-1*)
4. Probate distributions – distributions that result from the probate official's disposition of the decedent's property.
  - Order Approving Will and Decree of Distribution – This document is issued by the probate official to settle the IIM account holder's estate when the decedent dies with a will in place. (*ASM, at 10.1-1*)

- Order Determining Heirs – This document is issued by the probate official to settle the IIM account holder’s estate when the decedent dies without a will. (*ASM, at 10.1-2*)

5. Disbursements – payments made from IIM accounts

- U.S. Treasury Disbursement Reports – identify payments, either by check or EFT, by the Treasury from an IIM or Tribal account. (*ASM, at 2.3a-1*)
- Authorization for Disbursement – identifies the purpose and authorization for the distribution(s) from the account. This may include a specific request from the account holder and /or invoices (*ASM, at 2.5-1*)

Response to Pallais Point Three – “*Seek to obtain independent data, data emanating from a system with strong internal controls, or information actually seen rather than inferred.*”

The ASM relies on source documents and not internal controls. As in the examples above, a lease is obtained in support of collections, as a lease is a contractual obligation to pay and is compelling evidence of an expectation of payment of the stated amount. The documents described above represent the relevant financial and contractual source documents for these Trust Funds and are not simply internal documents as characterized by Mr. Pallais.

**Opinion Four – Alternative Procedures**

As Mr. Pallais disclosed in his report, he has not actually:

“reviewed work papers prepared by accountants or others showing work done under the Auditing Standards Manual (ASM) prepared by the Department of the Interior for the purpose of the historical accounting or any other purposes.”  
(*Report, at 1*)

Accordingly, he admittedly cannot make any determination regarding the sufficiency of the alternative procedures applied based on any actual documentation. Nonetheless, he concludes:

“The accountants are not being asked to audit the HSAs; they are being asked to reconcile them using criteria called for in the ASM. So, one cannot assume that they [the accountants] will apply the same judgments they might use in a financial statement audit, but rather analogize from the exemplars the ASM presents.”  
(*Report, at 15*)

He forms his conclusion on the basis that since this is not an audit, one cannot expect auditing standards to be applied. This position is contradictory to his extensive

discussion on the authoritative guidance in his report, most of which is only applicable to financial statement audits and his statement that:

“it [the ASM] purports to be analogous to the procedures the accountant applies to obtain evidence in an audit” (*Report, at 10*)

Mr. Pallais’s conclusion is unfounded. The ASM clearly identifies the need for professional standards specifically “[t]o ensure consistent procedures and quality of work. . . .” (*ASM, at 17-1*) Accordingly, it is expected that the accounting firms “critically evaluate the adequacy of documents supporting transactions recorded in an account, exercising due professional care and skepticism.” (*ASM, at 17-4*)

Furthermore, GAAS clearly anticipates the probability of missing records and therefore, the need for alternative procedures. The following GAAS guidance is provided regarding the application of alternative procedures in audit testing:

“Auditing procedures that are appropriate to the particular audit objective should be applied to each sample item. In some circumstances the auditor may not be able to apply the planned audit procedures to selected sample items because, for example, the entity might not be able to locate supporting documentation. The auditor’s treatment of unexamined items will depend on their effect on his or her evaluation of the sample. If the auditor’s evaluation of the sample results would not be altered by considering those unexamined items to be misstated, it is not necessary to examine the items. However, if considering those unexamined items to be misstated would lead to a conclusion that the balance or class contains material misstatement, the auditor should consider *alternative audit procedures* that would provide sufficient appropriate audit evidence to form a conclusion.” (*AU 350.25*) (*emphasis added*)

### **Opinion Five – Amounts Recorded Correct and Complete**

Mr. Pallais states that “reporting on recorded amounts without regard to whether there are other items that should have been included is insufficient. Similarly, reporting on the amounts which have been recorded without obtaining evidence that the recorded amounts are correct is insufficient.” (*Report, at 2*)

While the ASM clearly discloses that not all aspects of production type leases were included in testing procedures, there was clearly consideration given to whether or not there were other items which should have been collected. The Posting Test/Land-to-Dollar test is designed to begin with the land and identify any related revenue-producing instruments to support an expected payment. (*2007 Plan, at 19*)

The other accounting procedures clearly are designed to determine that the recorded amounts are correct. The approach considers the nature of the entity, the type of transactions and the relevant source documents. The accounting to be provided clearly discloses the test work and relevant source documents which, as I have described,

provide the necessary corroborating evidence that the transactions are correct. The transaction types described in summary throughout the ASM include:

Receipts (various revenue sources) – Supported by leases or other contracts as evidence of an expected payment amount, bills for collection, deposit tickets, etc. evidencing collection and deposit of funds.

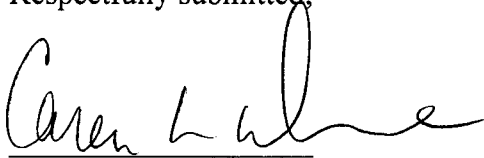
Interest – Supported through a detailed recalculation based on account balances and applied interest rates historically applied to the accounts.

Disbursements – Supported by checks, check registers, or confirmation of electronic funds transfer (EFT) as well as confirmation of payment by the U.S. Treasury in many cases.

## CONCLUSION

I disagree with Mr. Pallias's conclusions which rely entirely on his own hypothetical assumption "if the trust's internal records are unreliable or incomplete. . . ." (*Report, at 2*). As illustrated in my Discussion of Opinion section, the underlying source documents are sufficiently available and reliable to accomplish the procedures outlined in the 2007 Plan and the ASM adequately considers the appropriate standards for the nature of the accounting.

Respectfully submitted,



Caren L. Dunne

September 17, 2007

## Curriculum Vitae

### **Caren L. Dunne, CPA, CISA**

Partner  
Clifton Gunderson LLP  
100 Sun Avenue NW, Suite 210  
Albuquerque, NM 87109

#### *Education and Affiliations*

Bachelor of Science in Business Administration – concentrations in Accounting and Computer Information Systems, December 1991  
California State Polytechnic University, Pomona  
Licensed CPA in the State of New Mexico  
Member of the American Institute of Certified Public Accountants  
Member of New Mexico Society of Public Accountants  
Member of the Information Systems Audit and Control Association

#### *Range of Experience*

I entered public accounting in 1991 and worked for Arthur Andersen & Co. until 1996 when I left to form my own accounting and consulting firm with two partners, which recently merged with Clifton Gunderson LLP (CG), a National CPA firm. Prior to the merger we grew the firm to over 100 staff where my responsibilities included business management as well as client engagement partner responsibilities.

In my 16 years of public accounting experience, I have served clients in a variety of industries and services. I am experienced in conducting financial audits, information technology audits and consulting engagements for federal government agencies.

Aside from government experience, I have served as systems auditor and consultant on a substantial number of engagements in private industry, including:

- Financial Institutions
- Health Care
- Defense Contractors

I have extensive experience in planning and managing large management consulting and litigation consulting engagements involving coordination of simultaneous efforts, significant staffing levels and large volumes of data. I have been involved in the planning and performance of several large consulting engagements at Clifton Gunderson.

#### *Professional and Business History*

Clifton Gunderson LLP, Certified Public Accountants & Consultants  
Partner, 2007 - present

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Engagement partner responsibilities for a number of large management accounting and litigation consulting engagements including the following government engagements:

- Office of the Historical Trust Accounting – Individual Indian Monies (IIM) Trust Funds Historical Accounting Projects
- U.S. Department of Justice Tribal Litigation Support

Chavarria Dunne & Lamey LLC, Certified Public Accountants  
Partner (member/owner), 1996 – 2007

Partner responsibilities for a number of large management accounting and litigation consulting engagements including the following government engagements:

- Office of the Historical Trust Accounting – Individual Indian Monies (IIM) Trust Funds Historical Accounting Projects
- Office of the Special Trustee, Office of Trust Risk Management - IIM Accounting Pilot Project
- Office of the Special Trustee - Cobell v. Babbitt (Kempthorne) Litigation Project
- Office of Trust Funds Management - Office of Trust Funds Management - Annual Tribal and IIM Trust Funds Audits
- U.S. Department of Justice Tribal Litigation Support

Arthur Andersen & Company (Andersen)  
Audit Staff, Senior, Manager 1991-1996

Audit and consulting engagements performance and management responsibilities for a variety of clients and industries; Management responsibility for Office of the Special Trustee – Tribal Reconciliation Project

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## Materials Considered

1. May 31, 2007 Plan for Completing the Historical Accounting of Individual Indian Money Accounts
  2. Accounting Standards Manual, United States Department of the Interior, Office of Historical Trust Accounting, Reissued March 30, 2007
  3. GAO Government Auditing Standards; 2003 Revision (GAO-03-673A)
  4. AICPA Statement on Auditing Standards No. 31 – Evidential Matter (superseded by Statement on Auditing Standards No. 106 – Audit Evidence; effective for audits of financial statements for periods beginning on or after December 15, 2006)
  5. AICPA Professional Standards
  6. Department of the Interior, Historical Accounting Project Document, dated May 31, 2007
  7. Arthur Andersen & Co.-- Trust Funds Managed by the U.S. Department of the Interior Bureau of Indian Affairs, Report on Compliance and Report on Internal Controls as of September 30, 1988
  8. Arthur Andersen & Co.-- Tribal and Individual Indian Monies Trust Funds, Managed by the U.S. Department of the Interior Bureau of Indian Affairs, Financial Statements as of September 30, 1989 and 1988, Together with the Report of Independent Public Accountants
  9. Arthur Andersen & Co.-- Trust Funds Managed by the U.S. Department of the Interior Bureau of Indian Affairs, Area and Agency Office Specific Findings and Recommendations as of September 1990
  10. Griffin & Associates P.C-- U.S. Department of the Interior Office of the Special trustee for American Indians; Tribal, Individual Indian Monies and Other Special Trust funds Managed by the Office of Trust Funds Management, Financial Statements, September 30, 1996
  11. Griffin & Associates P.C—Report of Independent Public Accountants of Internal Control Structure, January 17, 1997
  12. Financial Statements for Fiscal Year 1997 for the Office of the Special Trustee for American Indians; Tribal and Other Special Trust Funds and Individual Indian Monies Trust Funds Managed by the Office of Trust Funds Management
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13. Independent Auditors Report on the Financial Statements for Fiscal Years 1998 and 1997 for the Office of the Special Trustee for American Indians; Tribal and Other Special Trust Funds and Individual Indian Monies Trust Funds Managed by the Office of Trust Funds Management
  14. Independent Auditors Report on the Financial Statements for Fiscal Years 1999 and 1998 for the Office of the Special Trustee for American Indians; Tribal and Other Special Trust Funds and Individual Indian Monies Trust Funds Managed by the Office of Trust Funds Management
  15. Independent Auditors Report on the Financial Statements for Fiscal Years 2000 and 1999 for the Office of the Special Trustee for American Indians; Tribal and Other Special Trust Funds and Individual Indian Monies Trust Funds Managed by the Office of Trust Funds Management
  16. Independent Auditors Report on the Financial Statements for Fiscal Years 2002 and 2001 for the Office of the Special Trustee for American Indians; Tribal and Other Special Trust Funds and Individual Indian Monies Trust Funds Managed by the Office of Trust Funds Management
  17. Independent Auditors' Report on the Tribal and Other Special Trust Funds and Individual Indian Monies Trust Funds, Financial Statements for Fiscal Years 2004 and 2003 for the Office of the Special Trustee for American Indians
  18. U.S. District Court Civil Action No. 1:96 CV 01285 (JR), Elouise Pepion Cobell, et al, vs. Dirk Kempthorne, Secretary of the Interior, et al -- Plaintiffs' Brief Regarding the Nature and Scope of the Historical Accounting and Exclusions from Defendants' Historical Accounting Plan
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