



PRIVATE AND CONFIDENTIAL

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For the United States Department of Justice:

Paul Killebrew
Trial Attorney
U.S. Department of Justice
Civil Rights Division – SPL
Paul.Killebrew@usdoj.gov

For the City of Albuquerque:

Scott Greenwood
Special Counsel for the City of Albuquerque
law@scottgreenwood.com

RE: INDEPENDENT MONITOR: Settlement Agreement Regarding the Albuquerque Police Department, October 31, 2014

We appreciate the opportunity to present you with our qualifications to provide monitoring services in connection with the Settlement Agreement Regarding the Albuquerque Police Department dated October 31, 2014. Kroll's unique blend of professionals, along with years of experience in the areas of investigations, monitoring, technology, forensic accounting, and our knowledge of police department operations and community policing, makes the firm well suited for any monitoring assignment contemplated by the Department of Justice and the City of Albuquerque.

Kroll will bring immediate name recognition, unparalleled credentials, experience, independence, legal skills, and local community connections to this engagement. The core team comprises former Assistant United States Attorneys (AUSAs), former Police Chiefs, a former FBI Special Agent Inspector and Civil Rights Squad Supervisor, and a former City Council Member. See Attachment A, bios. In sum, the Kroll team brings a unique set of skills, expertise and experience to the monitorship to oversee implementation of the Settlement Agreement, and to provide technical advice and consultation in an effective, prudent, independent, and fair manner.

KROLL – BACKGROUND

Since 1972, Kroll has been serving leading corporations, law firms, financial institutions, professional firms, governments and their agencies, in meeting their burgeoning need for investigative, consulting, and forensic accounting services. During the hostile takeover and leveraged buyout era of the 1980s, Kroll's ability to help clients size up suitors and targets established its reputation as Wall Street's "private eye." Later, the firm gained worldwide recognition for its work on numerous significant high profile cases, including its search for assets hidden by Jean-Claude Duvalier, Ferdinand and Imelda Marcos, and Saddam Hussein. During this era of corporate fraud, waste and abuse, Kroll led the charge on internal investigations, business and financial controls consulting assignments and monitoring engagements involving some of the largest corporate and public scandals, most notably, Enron, and the Los Angeles Police Department. With the enactment of new laws and regulations designed to reign in corporate fraud and address the post-911 threats of terrorism and international money laundering, Kroll has assisted corporations with adopting best practices to meet these new challenges and has designed programs to assist these organizations with testing the effectiveness of their new programs and developed training programs to instill a culture of compliance.

Kroll, the world's leading risk consulting company, provides a broad range of investigative, intelligence, financial, security and technology services to help clients reduce risks, solve problems and capitalize on opportunities. Headquartered in New York with offices in 55 cities across 27 countries, Kroll has a multidisciplinary team of approximately 2,800 employees serving a global clientele of law firms, financial institutions, corporations, non-profit institutions, government agencies, and individuals.

KROLL'S UNDERSTANDING OF THE PROPOSED ENGAGEMENT

Kroll understands that the Department of Justice through the Civil Rights Division's Special Litigation Section and the U.S. Attorney's Office for the District of New Mexico, and the City of Albuquerque (collectively, the "Parties") are seeking information from interested individuals or firms to serve as the Independent Monitor ("Monitor") or as subject-matter experts on the Monitor's team. We further understand that the Monitor and its team will assist the Parties in assessing the implementation of the Settlement Agreement and report thereon.

As explained below, Kroll's unique blend of professionals, our experiences with technology and e-commerce entities, and years of providing similar services in varying contexts, demonstrate Kroll is well-suited for the anticipated engagement.

The remainder of this confidential memorandum outlines: Kroll's monitoring capabilities and experiences; and Kroll's capabilities to provide other services in connection with the Settlement Agreement reached with APD.

Additionally, we have provided fee ranges for our professionals and an explanation of Kroll's fee and cost structure, with an expectation that we will provide a more detailed cost breakdown and budget as the project begins and we can more accurately assess the exact extent of the work and cost required.

REQUESTED INFORMATION

A. Executive Summary and Methodology

If selected, the Kroll team will work with the City and DOJ to develop a monitoring plan consistent with the terms of the Settlement Agreement, and provide technical advice and consultation. Thereafter, our team will oversee implementation of the agreement and order, assess the City's compliance, report on the status of compliance to the parties and the Court, address any barriers to compliance with the parties, and work closely with the interested to resolve disputes or differences.

B. Personnel

The Monitor

We propose that **Jeffrey H. Cramer**, Senior Managing Director and the head of Kroll's Chicago office serve as Monitor. Jeff's law enforcement career includes distinguished service as a Manhattan Assistant District Attorney and Assistant United States Attorney/ Senior Litigation Counsel in the Northern District of Illinois. Since joining Kroll, Mr. Cramer has led numerous compliance and related investigations. While at Kroll, Mr. Cramer was appointed a Special Assistant State's Attorney in the prosecution of Drew Peterson. Mr. Peterson was a police officer who was convicted of murdering his wife. Most recently, Mr. Cramer led Kroll's efforts when he was retained by a Special Prosecutor in a homicide investigation which examined police misconduct by members of the Chicago Police Department. As an AUSA, Mr. Cramer investigated and supervised a range of matters including police corruption. Jeff led the investigation through indictment of Jon Burge. Burge, a former Chicago Police Commander, was convicted of perjury stemming from a long history of systematically torturing suspects who were in police custody. Mr. Cramer worked with the Civil Rights Division on that investigation. The investigative team received the Director's Award for their efforts. Jeff left the DOJ after the indictment was handed down to begin his work at Kroll.

Project Management and Execution

As we do not currently know the compliment of team resources that may be necessary in this particular matter, we have provided below the individuals we anticipate would be available, as necessary.

- **William C. Nugent**, is a Senior Managing Director at Kroll, and previously served as the lead during Kroll's service as the Independent Monitor of the Pennsylvania State Police, and has experience as a Federal prosecutor and appearing in Court as counsel. In his role as Monitor, Mr. Nugent would be fully supported in the engagement by the team described below, as necessary. Bill is a Senior Managing Director in Kroll's Business Intelligence and Investigations practice and the head of Kroll's Philadelphia office. A former federal prosecutor, Bill manages a wide variety of complex assignments on behalf of governments, corporations, law firms and individuals. In a recent matter, the governor of Pennsylvania appointed Kroll, with Bill as the lead, to be the independent monitor of the Pennsylvania State Police. Bill's team assisted in restoring public trust and confidence in the state police in the wake of a scandal involving a former trooper's conviction for sexual assault, the filing of five related federal civil rights lawsuits alleging a widespread pattern of sexual harassment and sexual misconduct in the state

police, and extensive media coverage — in all the major newspapers, television and radio stations in Pennsylvania, and on such national news outlets as CNN, MSNBC and Fox News — of the allegations contained in the lawsuits.

- **Dave Holley** is a Senior Managing Director and the head of Kroll's Boston office. With 25 years of investigative and risk consulting experience, David has directed a wide variety of complex assignments and provided litigation support for clients throughout the New England region. David currently serves as the independent overseer of an international bank under multiple consent orders with a state regulator. In addition, he has led assessments of campus police and corporate security departments. His practice areas include major fraud investigations, internal investigations, due diligence matters, crisis management, security and vulnerability assessments, and other sensitive investigations. David also consults with clients on best practices for compliance with the Foreign Corrupt Practices Act, BSA/AML money laundering rules and other regulatory regimes.
- **Tim Horner** is a Managing Director in Kroll's New York office. With over three decades of security and law enforcement experience, Tim specializes in security consulting, crisis management and investigations for Kroll's individual and corporate clientele. Tim brings to his clients a deep knowledge of the development, implementation and conduct of investigations, compliance programs, threat management, travel security and executive protection. Tim joined Kroll in 2001 after a distinguished career with the New York City Police Department retiring as a Captain. During his tenure he served in numerous commanding officer level positions within the Intelligence, Detective, Internal Affairs, Community Affairs and Patrol Divisions. In these positions he implemented security measures in response to credible threats against public officials, dignitaries, and government properties, and coordinated protection details for high-profile dignitaries and New York City events. Tim coordinated a wide variety of criminal investigations including highly confidential intelligence investigations, homicide and white-collar crimes, involving local, state, federal and international law enforcement agencies. He has implemented pro-active crime prevention, community outreach and crisis response strategies for the City of New York. In addition, he managed the NYPD's security consulting division that provided expert security advice to government agencies, corporations and private individuals.
- **Patrick Harnett** has been a police management and security consultant for more than a decade. He was the managing director of The Bratton Group, LLC, the consulting company formerly owned by William Bratton and has completed other projects with his own firm, Harnett Associates. He has led teams performing assessments of the Oakland, CA Police Department, the investigative divisions of the LAPD, and the Trenton, NJ Police Department and has run long-term police consulting projects in Caracas, Venezuela and Fortaleza, Brazil. He also led security assessment teams at number of educational institutions, including Brown University, the University of Chicago and the Philadelphia, PA public school district. As Chief of Police in Hartford, Connecticut from 2004 to 2006, he completed a major overhaul of the police department. His Neighborhood Policing Plan brought the police and community closer together, increased accountability of police supervisors, received wide acclaim from the Hartford community, and reduced crime, including historic reductions in robbery (22%) and auto theft (29%). Mr. Harnett retired from NYPD as a three-star Chief of the Transportation Bureau in

1998. As Chief of the Narcotics Division, he developed and implemented a highly successful “turf based” narcotics enforcement strategy that ultimately resulted in the dismantling of nearly 1,000 drug gangs. During his 32-year NYPD career, he served in a variety of patrol and investigative positions. He implemented NYPD’s Crime Stoppers Hotline and commanded the Department’s Major Case Detective Squad. He was also the Commanding Officer of the Emergency Service Unit (the Tactical/SWAT and Rescue component of NYPD), and of the 43rd Precinct, the largest police precinct in the Bronx. He served as executive officer to the Chief of Department in 1994 and played an instrumental role in the extensive reforms of the NYPD in 1994 and 1995.
- **James F. McShane** currently serves as the Vice President for Public Safety at Columbia University in New York City, managing 103 proprietary guards and 125 contract guards and providing security for 23,000 students and 3,000 faculty on Columbia’s busy urban campus. Since 2004, Mr. McShane has been responsible for security and safety at the Morningside, Medical Center, and Manhattanville Campuses. He oversees all uniformed operations and investigations and is responsible for security technology and fire safety. A 25-year veteran of the New York City Police Department, he retired as a Deputy Chief and executive officer of the 3,200-officer Narcotics Division. He also served as the commanding officer of the NYPD Traffic Control Division, overseeing 3,000 police officers and traffic enforcement agents and such units as Highway Patrol, the Mounted Unit and the Manhattan Traffic Task Force. Mr. McShane was commanding officer of Manhattan South Narcotics and the 47th Precinct in the Bronx. As commanding officer of the First Deputy Commissioner’s office in 1995 and 1996, he was instrumental in implementing many of the re-engineering reforms that helped transform the NYPD, most notably the complete revamping of the discipline system. He has been a lead consultant on a number of former Bratton Group engagements including working with team members on security assessments of the Philadelphia school system, the University of Houston, Catholic University of America and the University of Chicago.
 - **Athena Yerganian** has worked with over 20 Law Enforcement and Public Safety Agencies including corporate, emergency management, local, municipal, transit, park, campus and state police departments. Ms. Yerganian also held leadership roles as Bureau Chief and Chief Technology Officer in the Los Angeles and Boston Police Departments. Prior to this work, Ms. Yerganian served as the Project Manager for TEMAC, a technology training exercise for the Emergency Management Agency Complex in Washington D.C. This was an ambitious effort to build out and strengthen the facility, operations and technology capabilities of the Mayor’s Command Center. Ms. Yerganian has worked on reengineering organizational structures, creating customized computer applications, implementing automated technology systems, developing policies and procedures, managing crime analysis, and training personnel. She has also worked on technology for campus safety and security projects in Cambridge, Chicago and Boston and created new crime mapping technologies for small to medium-sized law enforcement organizations.
 - **Joan Brody**, who was a special assistant to Police Commissioner William Bratton at the NYPD, has over 23 years of experience working with criminal justice agencies. Ms. Brody served as a key member of Commissioner Bratton’s policy staff in the Boston and New York City Police

Departments where she was responsible for helping to develop and implement reengineering and other strategic planning initiatives. Ms. Brody is a skilled interviewer, facilitator, researcher and crime analyst, as well as an expert in the field of grant development and public safety fundraising. Ms. Brody has worked on numerous police department assessment projects including engagements in Birmingham, AL; Hartford, CT; Columbus, OH; Trenton, NJ; Los Angeles, CA; Mamaroneck, NY; Oakland, CA; White Plains, NY, Caracas, Venezuela; and Fortaleza, Brazil. She also worked on campus safety and security projects in Chicago, Cincinnati, Houston, New Jersey, New York City, Philadelphia, Providence and Washington D.C.

- **Gary M. Arrick** is a Managing Director with Kroll's Investigations Group based in the New York office. Gary specializes in matters involving complex financial investigations, data analysis, forensic accounting and compliance issues. Gary's experience includes investigations of financial misconduct, bribery and corruption, reconstruction of financial transactions, flow of funds analysis, verification of compliance with contractual clauses, quantification of damages, regulatory and compliance issues, and financial reporting matters. Gary is experienced in both civil and criminal matters and has worked in coordination with and presented to counsel, Board committees, and various regulatory and enforcement agencies, including the DOJ.

In addition, Kroll has several professionals with specialized backgrounds that may be called upon to offer assistance or guidance. Full biographies of our team will be provided upon request.

C. Qualifications

Kroll has developed business monitoring programs for the private sector to identify and control unethical activities and to enhance the integrity of a department or organization. Kroll also has significant experience in monitoring assignments on behalf of government entities where there has been some level of misconduct or questionable behavior detected in an organization subject to substantial government oversight. As described below, this work has included monitoring in the public services and private sectors. By combining sophisticated investigative techniques with in-depth interviews, benchmarking, research and experience, Kroll has developed a specialized professional service, offering the services needed to meet the challenges inherent in creating an environment based on public and private integrity.

Kroll's team members possess distinguished backgrounds in law, finance, compliance, business management, law enforcement, auditing, forensic accounting, and computer forensics. Kroll brings together highly experienced groups of individuals with skills specifically required in a matter of this magnitude. In addition, the group is augmented by Kroll's international network of investigative, legal, accounting, research and other professionals whose offices span the globe.

Kroll's involvement in public integrity and monitoring matters is longstanding. Kroll is one of the founding members of the International Association of Independent Private Sector Inspector Generals ("IPSIG"). Kroll is also a certified IPSIG for the New York State Department of Environmental Conservation, the New York City School Construction Authority, the Port Authority of New York and New Jersey, and the New York Triborough Bridge and Tunnel Authority.

The Kroll team has the required expertise in the area of law enforcement practices, including use of force, stops and detentions, non-discrimination, and community policing.

1) *Experience Law Enforcement Practices*

Every member of the Kroll team has experience managing or overseeing law enforcement personnel, either as a former Police Chief, or as former AUSAs running task forces and directing multi-agency investigations in which local law enforcement participated.

2) *Auditing, Investigating, and Reviewing Performance of Organizations*

As more fully illustrated in the accompanying case examples, the Kroll team has the required expertise in auditing, investigating, and reviewing performance of organizations, including police and law enforcement organizations.

3) *Assessing legal sufficiency and compliance*

The Kroll team includes former federal prosecutors who have been involved in police related matters and who were regularly involved in assessing legal sufficiency.

4) *Experience Monitoring & Ensuring Compliance with Settlement Agreements*

The Kroll team has the required expertise in serving as monitors and ensuring compliance with Settlement Agreements, Consent Decrees, and Court Orders. Our representative relevant experience is summarized below.

5) *Experience Evaluating Processes for Managers to Oversee Accountability and Change in Large Organizations*

The Kroll team has the required expertise in evaluating, developing, and implementing processes for supervisors and managers to oversee accountability in large organizations. Our representative relevant experience is summarized below.

6) *Experience in Providing Technical Assistance and Training to Law Enforcement Agencies*

Members of Kroll's team have vast experience undertaking training to law enforcement agencies. Team members have taught lawful prosecution tactics to law enforcement, as well as investigative techniques and other types of training.

7) *Working with Government Agencies and Organizations and Community Members Interested in Policing Issues*

The Kroll team has expertise in working with government agencies, including DOJ, local Police Departments, campus police departments and the FBI, as well as Cities and States. Additionally, our team members have partnered with various interested parties in negotiating settlements and effecting transition and remediation.

8) *Public Reporting and Appearing in Court as Counsel or as a Witness*

Every member of the Kroll team has significant experience in both public reporting, and as well as appearing in court or regulatory proceedings as a witness. In addition, members of Kroll's team have significant experience prosecuting criminal activity in State, and Federal courts. Over the years, a number of Kroll's engagements have required Kroll to produce regular independent reports on government agencies, police departments, financial institutions and other

organizations, in connection with a consent decree, settlement agreement, regulator matter or other inquiry. Representative samples of our public reports can be found on our website at <http://www.kroll.com/resources/reports/monitorships/>.

Kroll's Monitoring Engagements

Kroll is widely known for its recent oversight and monitoring of the Los Angeles Police Department. Kroll's professionals have also been involved in a variety of private and public monitoring projects. Below is a select list of engagements¹ in the areas of monitoring, investigative services, forensic accounting, process and internal controls assessments, legal and ethical compliance, and financial management. While each situation is unique, these examples provide an insight into the breadth of our services.

Independent Monitor – Los Angeles Police Department

Kroll was chosen by the City of Los Angeles and the United States Department of Justice as the Independent Monitor for the Los Angeles Police Department (“LAPD”). The essence of the assignment is to monitor compliance of the LAPD with a federal consent decree resulting from a pattern and practice lawsuit brought by the Department of Justice.

Independent Monitor – Pennsylvania State Police

Governor Edward G. Rendell of Pennsylvania announced Kroll Associates, Inc. was selected to evaluate changes made by the Pennsylvania State Police as they relate to alleged sexual misconduct and sexual harassment. State Police Commissioner Col. Jeffrey Miller implemented a number of new policies aimed at safeguarding the State Police from future incidents of sexual misconduct and sexual harassment. Kroll is currently charged with reviewing these Pennsylvania State Police policies and practices against best practices and standards across the United States.

Independent Investigator – U.C. Davis “Pepper Spray” Incident

Kroll was retained by the University of California system to conduct a post incident response evaluation following a student protest in which pepper spray was employed by campus police against the protesters. Kroll reviewed surveillance footage of the incident in addition to conducting interviews with security personnel and students on campus. Kroll issued a written report summarizing its findings of fact about what occurred with a minute by minute reconstruction of the incident. Finally, Kroll issued a series of recommendations for how the school could augment its training program and conduct better outreach to students to avoid a similar incident in the future.

¹ This list is provided consistent with our confidentiality obligations to our clients. Kroll has been, and continues to be, hired by public and private concerns as an independent monitor of private companies. Confidentiality precludes us from mentioning all of these engagements.

Tennessee State Highway Patrol

At the request of Governor Bredesen, Kroll undertook an operational and management review of the Tennessee Highway Patrol (“THP”) in 2006. The assessment included an examination of: the role of politics and outside influence on the THP hiring, promotion and other practices; trooper recruitment, hiring and appointment, including whether current practices impact the hiring of women and minorities; trooper promotion issues, including whether current practices impact the promotion of women and minorities; current background investigation process relative to appointees and employees; current Internal Affairs function and whether current structure and operational procedures best meet departmental needs; current audit and control procedures and whether current structure and operational procedures best meet departmental needs; span of control and Civil Service Status of Command Staff; and current training certification versus POST certification and whether current structure best meets departmental needs. Our report led to a number of changes and improvements to the THP in all aspects.

Austin Police Department

Kroll was retained by the City of Austin to review the administrative investigation of an officer involved shooting death. Kroll was charged with conducting a qualitative review of the Internal Affairs investigation, focusing on the thoroughness and appropriateness of the IAD investigatory techniques, analysis and conclusions. To the extent that the IAD investigation relied on evidence and material gathered in the criminal investigation conducted by the Homicide Unit, it was required that we assess that unit's work as well.

International Brotherhood of Teamsters – Election Officer

Kroll was appointed by United States District Court Judge David Edelstein to Serve as Election Officer under a consent decree between the United States and the International Brotherhood of Teamsters. The appointment required Kroll to investigate union officers and determine if they would be allowed to participate in the rerun election, and to then run a fair and honest Teamster election under the rules established pursuant to the consent decree.

Court Appointed Compliance Officer for the Long Island Carting Industry

The United States Attorney's Office for the Eastern District of New York sued over 120 carting companies and their Long Island based owners for civil RICO, on the basis of allegations that organized crime had created a carting cartel on Long Island which had enforced illegal territorial and customer allocation agreements and dictated prices far in excess of fair market rates. These high prices were allegedly achieved by dominating local labor unions and through the use of murder and extortion. In 1994, the two largest carting companies on Long Island agreed to settle this action by acquiescing to the five year appointment of a Compliance Officer for the Long Island Carting Industry. Kroll was appointed as the Compliance Officer by Judge Leo Glasser to rolling five year terms, beginning with the date of settlement for each settling defendant.

Orange and Rockland Counties Utilities Company, Inc. Inspector General

As a result of a New York State grand jury investigation and with the concurrence of the Board of Directors for the Orange and Rockland Counties Utilities Company, Inc. (“O & R”), Kroll was hired to be O & R’s Inspector General. This seven year monitoring assignment required Kroll to institute and enforce a new ethics program, oversee O & R’s management and corporate procedures to ensure compliance with relevant federal, state, and local law, and to report violations of the law to the board of directors and relevant law enforcement authorities.

The institution of a corporate integrity program and monitoring of ongoing compliance was accomplished by a team of Kroll professionals including senior management, investigators, and a forensic accounting resident at O & R’s offices on a regular basis.

Independent Monitor – Town of Brookhaven, New York

Kroll was appointed by the Town of Brookhaven, New York to monitor and oversee the administration of its landfills, to conduct internal and external investigations and audits, to assure compliance with ethical business practice guidelines for the Town’s procurement process, and to ensure compliance with laws and regulations governing the operation of landfills. Subsequently, this assignment was expanded to include other municipal departments including the Highway Department.

We hope this document adequately conveys not only our capabilities for addressing the issues which you have raised, but also our interest in and enthusiasm for assisting you with this matter. Please feel free to contact David A. Holley (617-210-7466), Senior Managing Director in Kroll’s Boston office, with any questions. We look forward to working with you on this important assignment.