

BALSOFIORE & COMPANY, LTD.

PROFILE & SERVICES

**PRESIDENT
BRIAN C. BALSOFIORE, CFE**

**16 MARTIN'S WAY
LINCOLN, RHODE ISLAND 02865
(401) 334-3320
RIPI@PRODIGY.NET**

PRACTICE AREAS & EXPERIENCE

PARTNERSHIP/SHAREHOLDER & BENEFICIARY DISPUTES: In the past couple years, Balsiofiore & Company, Ltd. has been engaged in five such situations. One situation involved a corporation where two officer/shareholders (the clients) had issues with the third officer/shareholder (the company president, treasurer and trustee of the retirement plan). The clients believed the third officer/shareholder was in violation of the equal allocation of benefits clause of the shareholders' agreement, as it pertained to company contributions to the retirement plan. A forensic accounting review of the retirement plan confirmed the suspected disparity. In addition, a \$20,000 discrepancy was identified in the allocation of a portion of a company contribution to the retirement plan. The discrepancy was erroneously in favor of the third officer/shareholder. The findings of the forensic accounting review resulted in the \$20,000 being reallocated properly, and were utilized by the clients' legal counsel in buyout negotiations of the third officer/shareholder.

LITIGATION SUPPORT: In one situation, Brian Balsiofiore was engaged by a forensic accounting firm to provide financial investigative services to a prominent law firm defending a noteworthy client in a \$5,000,000 civil suit for breach of contract and gross negligence. The assignment was to identify documents, information and witnesses to assist legal counsel in proving their client was not in breach nor negligent, and to show that the plaintiff was.

The project entailed analysis of several contracts between several organizations. It also included providing input to the interrogatories and request for production of documents. The purpose of Brian Balsiofiore's input was to identify sources of information, key personnel in the plaintiff organization, accounting and management procedures, as well as related systems of internal control. Counsel obtained approximately 10,000 documents that Brian Balsiofiore analyzed and entered into a data base he created. The data base generated a pertinent time line of events, as well as information indicating pertinent systems failures and some negligence on the part of plaintiff personnel.

The defendant did not prevail, but due to the valiant efforts of the defense team, the judgment was less than the \$5,000,000 sort by the plaintiff.

FRAUD, EMBEZZLEMENT, OBTAINING MONEY UNDER FALSE PRETENSES AND LARCENY: Balsiofiore & Company, Ltd. has been engaged to perform numerous investigations in these areas over the years. The firm has successfully completed engagements taking the role of the investigator/pursuer, as well as a consultant for criminal defense counsel.

Brian Balsiofiore initiated and participated in an investigation that was multi-state and international in its circumstances. It evolved to include participation by the Rhode Island Attorney General's Office - Arson Unit, the Providence Police Department, the Royal Canadian Mounted Police, the Federal Bureau of Investigation, the Florida State Police, the Defense Contract Audit Agency, the Inspector General's Office of the National Institute for Science, and the United States Customs Service. The following charges were subsequently filed and successfully prosecuted as a result of the combined efforts of the investigators: multiple counts of obtaining money under false pretenses, smuggling, and transportation of stolen goods across state lines and possession of stolen goods. In addition, Brian Balsiofiore successfully assisted the client's legal counsel in a civil action, via deposition and work product, to obtain a judgment for restitution from the perpetrator.

PRACTICE AREAS & EXPERIENCE

FRAUD, EMBEZZLEMENT, OBTAINING MONEY UNDER FALSE PRETENSES AND LARCENY:

In another case, Balsofiore & Company, Ltd. was engaged to head the investigation of a \$2,000,000 embezzlement of inventory. Brian Balsofiore performed most of the planning and review, supervised personnel on-site, and did a substantial portion of the investigative work. In addition to quantifying the loss, identifying the bogus transactions, securing the supporting documentation of those transactions and providing the information for the insurance claim, the resulting forensic accounting report was utilized by the client's legal counsel to initiate a \$1,200,000 malpractice action against the client's external accountants.

INSURANCE: Balsofiore & Company, Ltd. has provided professional services addressing insurance claims involving arson and armed robbery as well as accounting malpractice. In the matter of arson, the assignments have been to develop a financial profile of the insured, attempting to either identify or eliminate a financial motive for arson. The results of past investigations have seen both outcomes.

INVESTIGATING MALICIOUS AND WRONGFUL ALLEGATIONS OF FRAUD: Over the years, several of these engagements have been accepted by Balsofiore & Company, Ltd. Most recently, the firm was engaged by a labor union in a turmoil caused by allegations of fraud and misconduct on the part of the standing officers. Relentless allegations were being made by sympathetic supporters of the previous ousted administration. Their complaints alleged bilking of the union treasury, financial misconduct between the standing officers and a specific vendor, as well as RICO violations. A forensic accounting review was performed spanning ten years and addressing both administrations. The results of the examination concluded that the allegations of wrong-doing on the parts of the standing officers were unfounded and their good names were cleared. In addition, accounting discrepancies totaling several thousands of dollars were identified. The discrepancies were related to transactions between the previous union administration and the vendor in question. The discrepancies were also in favor of the vendor. As a result of the findings of the forensic accounting review, the evolving, disrupting turmoil within the rank and file quelled and the vendor reimbursed the union \$65,000.

RECONSTRUCTIVE FINANCIAL ANALYSIS: This procedure was applied to examine an insurance claim for an alleged \$3,000,000 loss incurred as the result of a jewel robbery. The "roll forward" analyzed and calculated the inventory quantity and value as of the date of the robbery. This was accomplished by starting with an established inventory value and analyzing inventory purchases and sales from the date of the initial inventory to the date of the robbery. The resulting inventory value produced by the roll forward indicated the insured could not have had \$3,000,000 in inventory at the time of the robbery. As a result, a substantial portion of the claim was denied.

ADMINISTRATIVE AND KEY PERSONNEL CHANGES: Balsofiore & Company, Ltd. has been retained on a number of occasions to perform specialized reviews of the business activities of a corporate executive, such as a treasurer, upon his/her departure from an organization. This procedure ensures the successor official a clean start and provides senior management with either comfort or enlightenment as to existing or potential problems resulting from the departed individual's employment.

SEARCHES FOR ASSETS: Utilizing available personal financial records, public records, newspaper archives, the internet, etc., law firms have commissioned Balsofiore & Company, Ltd. to search for assets prior to making a decision to file a civil suit, as well as after a favorable judgment.