

## KAREN KINCAID BALMER, CPA, CFF, CFE, CrFA



### Forensic Accounting and Litigation Services

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As a Certified Public Accountant, holder of the AICPA's Certified in Financial Forensics accreditation, a Certified Fraud Examiner and a Certified Forensic Accountant, Karen's areas of expertise include litigation services, generally accepted accounting standards, auditing standards compliance, fraud investigations, and evaluation and implementation of internal controls, generally accepted accounting standards and international accounting standards. Karen has performed investigative and FCPA compliance work for more than twenty-five years in numerous countries around the world.

Karen's recent engagements include being the consulting expert in a billion dollar foreign resort limited partnership dispute, the lead forensic accountant position and one of the team leaders working with the Examiner - Lehman Brothers, the testifying fraud expert in a significant mortgage backed securities/bankruptcy litigation involving a number of major New York based financial institutions, an appointment as Receiver and forensic investigator of a \$1 billion mortgage bank, the testifying expert in a public company restatement litigation, the consulting expert in a multinational toxic waste damages litigation, expert report and potential

testimony in a significant trust litigation and forensic investigation, consulting and testifying expert in a multinational real estate partnership, and consulting expert on a major hedge fund litigation and investigation.

The mortgage bank receivership appointment was made by the U.S. District Court, Eastern District of New York in an alleged \$70+ million mortgage fraud against Fannie Mae, Sovereign Bank, China Trust and others. Karen also was the lead forensic accountant on the compliance monitoring team for a major insurance company pursuant to its settlement agreement with the New York State Attorney General's office in New York. Karen wrote the accepted compliance monitoring program for the insurance company which was approved by the AG's office, the company and the external auditors.

#### Foreign Corrupt Practices Case Examples

- ❖ A large U.S. private company suspected that payments had been made to government officials in several eastern European countries in order for the company to obtain various work permits and significant tax credits. The work included selecting and investigating thousands of payments and transaction postings. Assisted counsel with the presentation and resolution of findings with the client, drafting and implementation of the company's FCPA policies and procedures and personnel interviews.
- ❖ A fortune 50 company suspected that improper payments were being made to facilitate importation and exportation of goods in various countries in Africa and the Asia. The project included

selecting on a risk assessment basis which transactions to test, then investigating those transactions and supporting contracts and additional documentation. Assisted counsel with personnel interviews and updates to the company's FCPA policies and procedures.

- ❖ FCPA compliance monitoring and testing for a fortune 50 company. This work included FCPA reviews in countries throughout the world on a regular basis. The work included risk based selection of transactions, contracts and interviews, preparation of reports to management, and training of local country management and staff.

Karen has worked for counsel on another major receivership involving a \$55 million Ponzi scheme, a feeder fund on the Madoff investigation, and on a number of significant financial statement litigation matters where the alleged misstatements ranged from tens of millions to billions of dollars, working with counsel to provide information specifically for litigation purposes, to the board of directors and/or others. Often these matters included litigation support, fraud investigation, cooperation with regulatory investigators, and others services.

Karen has worked with many law firms in New York and other cities, as well as many regulatory or investigative agencies, including the Securities and Exchange Commission, the U.S. Attorney's Office, the Federal Bureau of Investigation, the Office of the Comptroller of the Currency, and The City of New York Law Department. Karen works to coordinate activities of various entities and personnel to achieve the best overall results for her clients.

Karen has had a successful private practice for eighteen years specializing in fraud and litigation services, internal control evaluations and various business management issues. Prior to having her own practice, Karen served as the Senior Manager of Union Carbide Corporation's Specialties & Services Group working on mergers, acquisitions, divestitures, litigations, arbitrations and other contract disputes for five and a half years; and earlier as an Internal Audit Manager where her responsibilities included domestic and international audits, operational and internal control audits, fraud investigations, and coordination with management and external auditors on public financial reporting and FCPA compliance. Earlier work experiences included positions as the senior financial officer for a group of privately owned broadcasting stations and with the audit practice of Ernst & Ernst, now Ernst & Young.

Karen is the immediate past Co-Chair of the AICPA's National Fraud and Litigation Services Conference Committee, serving as co-chair of the committee for 2007, 2008 and 2009, and as a member of the committee and speaker at the 2005, 2006 and 2010 conferences. Karen has chaired The Practising Law Institute's (PLI) two-day seminar entitled "The Basics of Accounting and Finance for Lawyers," over a period of years in New York, Atlanta, Chicago and Houston. Karen has presented topics on various aspects of understanding financial statements, management fraud and fraud case studies. Karen has presented additional topics, first on financial due diligence, and second, the effects of Sarbanes Oxley and its effect on intellectual property matters during 2004 and 2005 at PLI conferences.

Karen's presentation on IP is currently required reading by many bar associations, law schools and corporate law departments.

Karen was asked to speak as part of a distinguished four person panel on the ABC's of Financial Statement Analysis for The Association of the Bar of the City of New York for several years. Karen was asked to chair this conference in 2006. Karen has been honored to teach at the City of New York Law Department and to teach the first in-house accounting program for the State of New York Office of the Attorney General during 2004. She was the keynote speaker for the International Group of Accounting Firms' International Women's Leadership Conference in Nashville during June of 2003 speaking on management fraud.

Karen holds a Bachelor of Science in Accounting from West Virginia University and is licensed as a CPA in New York State. Karen is a member of the American Institute of Certified Public Accountants, the New York State Society of CPAs, the Association of Certified Fraud Examiners, the American College of Forensic Accountants, and the Institute of Internal Auditors.