



McGOVERN & GREENE^{LLP}

CPAs & Forensic Accountants

www.mcgovernandgreene.com

CONSTRUCTION INDUSTRY SERVICES

ABOUT US

McGovern & Greene^{LLP} is a Chicago based boutique accounting and consulting practice with nationwide capabilities. Comprised of specialists in financial investigation, litigation support, forensic accounting, damage analysis, computer forensics, health care and real estate, the firm is regularly engaged by major corporations, law firms, government agencies and law enforcement.

LITIGATION SUPPORT AND CONTRACT CONSULTING PRACTICE

McGovern & Greene^{LLP} regularly consults with clients and their attorneys on lost profits, contract accounting, cost recovery, and damage issues, including claims for economic damages, termination settlements, and equitable adjustments.

Should your organization be damaged by wrongful acts, faced with a contract dispute, or require project auditing, our CPAs and consultants can provide the superior professional consultation and support you need to ensure that your assets and bottom line are protected.

For more information email:

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CONSTRUCTION ACTIVITY AUDITS

Our Construction Activity Audit Services are designed to provide you with greater control over your construction dollars. Our team of experienced CPAs and consultants is capable of identifying risks at every stage of the project including:

► Pre-Construction

We will recommend a system of controls including contractor selection criteria, pay application, and change order approval processes. We will verify contractor's data, recommend contract language, and audit sub-contractor "buy-out" results.

► Construction

We will provide routine or ad-hoc pay application audits, change order scope and price verification, cumulative cost component tracking and supporting documentation audits. Reconciliation of project expenditures will ensure that duplicate billings, duplicate payments, and/or duplicate scope items are detected in a timely manner. Interim audits of selected data on an as-needed basis can be an effective tool for ensuring full compliance with the contract documents.

► Post-Construction

We will conduct a final audit of the project independent of the owner's close-out procedures. This audit will give you the opportunity to evaluate records and documents normally not seen during routine operation processes.

► Contract Disputes & Claims Consulting

Assist owners, contractors and attorneys with assessment, preparation, and negotiation of claims for contract damages. Services include consultation, litigation support and expert witness testimony.

FORENSIC ACCOUNTING AND FRAUD EXAMINATION

McGovern & Greene's Forensic Accounting and Fraud Examination practice is truly a premier group.

Our practice is routinely retained to perform internal investigations by some of the largest publicly traded corporations and government agencies. The majority of our team members are Certified Fraud Examiners holding advanced degrees. In addition to performing fraud examinations, we have provided training to the U.S. Postal Inspection Service, U.S. Naval Criminal Investigative Service and numerous other state agencies.

Our Forensic Accounting and Fraud Examination team members have been retained in hundreds of cases. Many of those cases involve disputes between real estate developers, partners and investors; condominium associations and their developers; landlord and lessees; and government funding agencies and grant recipients. We have also been retained to provide fraud examination services in embezzlement cases involving managing agents, employees and others. Some representative matters that team members have worked on include:

PARTNER/INVESTOR DISPUTES

Our team of fraud examiners and forensic accountants are regularly retained to examine financial records in matters involving partner and investor disputes. We often are called upon to determine and account for inappropriate and unsupported fees and expenditures charged to real estate projects. Additional examinations have focused on determining equitable distributions of partnership earnings and other amounts due to partners and/or investors as specified under partnership agreements. Our valuation group has been called upon to assist in determining a valuation for purposes of settlement negotiations and/or testimony when sales of partnership interests may be needed.

CONDOMINIUM DEVELOPER TURNOVER EXAMINATIONS

McGovern & Greene LLP team members have been retained for over 20 years to examine turnover documents and financial records from Condominium Association developers to



determine the financial condition of the Association, as well as the Developer's compliance with the State Condominium Act. These examinations have often revealed unfunded capital replacement reserves, developer expenses paid from Association funds, undisclosed liabilities, unauthorized borrowings, and other claims.

LANDLORD/LESSEE DISPUTES

Team members have been retained to examine Common Area Maintenance ("CAM") charges to determine proper allocation and justification of expenses assessed to tenants. One such examination resulted in a significant reduction of these assessed expenses due to original misrepresentations by the landlord in negotiating the lease. Landlords have also retained team members to determine allocations of CAM to tenants.

Retail property owners have used our services in determining unreported revenues generated by tenants. These additional revenues represent uncollected rents to the owners based on percentage of sales clauses in leases.

GOVERNMENT FUNDING AND GRANT RECIPIENT DISPUTES

Team members were retained by a state government agency to investigate allegations of fraud involving community grant funds. This extensive and high profile examination found evidence of fraud involving the misrepresentation of capital contributed by the recipient to the project. In addition, team members discovered many fictitious transactions and companies designed to assist the recipient in "looting" the project.

FRAUD EXAMINATION

Our team is routinely retained to provide fraud examination services when allegations of embezzlement and employee theft arise. One high profile examination involved the embezzlement of funds from over 40 condominium associations by the Chief Financial Officer of a management company. Other examinations have focused on employee embezzlements such as theft of reserve funds, miscellaneous revenues and the creation of fictitious vendors.

OTHER SERVICES

Our forensic accounting team members have provided other services related to real estate projects such as valuations of partnership interests; examination of vendor's records for inappropriate charges; and financial due diligence assignments involving investors, vendors, and purchases.

For further information

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