



Kenneth D. Harre, C.P.A

Kenneth D. Harre has more than 30 years of business and litigation consulting and forensic accounting experience in economic damages, construction, and government contracts disputes for Fortune 500 and smaller companies. Mr. Harre has assisted counsel for plaintiffs and defendants, company management, and public agency management while functioning in a litigation support or consulting role in dispute-related economic damages, construction, and government contract matters.

Mr. Harre has extensive experience in fact finding, analyzing disparate information, evaluating causal correlation of facts and allegations, quantifying damages, and preparing and refuting claims for complex disputes. The disputes have involved:

- Anti-trust
- Breach of contract
- Construction contracts
- Distributor terminations
- Employee wrongful termination claims
- Environmental clean-up costs
- False claims
- Government contracts
- Intellectual property
- Labor law wage compliance
- Lost profits
- Property damage insurance recovery
- Qui Tam allegations
- Royalty payments
- Other damages

Mr. Harre's work has involved Federal, State, County, and City contracts. He has provided consulting and litigation services to counsel and management on:

- Federal Acquisition Regulations Contract Cost Principles and Procedures issues
- Truth in Negotiations Act (defective pricing) application to cost and pricing actions
- Cost Accounting Standards
- Claims development and preparation matters
- Compliance reviews and issues
- Terminations for convenience and default
- Voluntary disclosure issues
- Investigations involving false claims and Qui Tam allegations

His industry experience includes defense contracts, construction, electronics, manufacturing, aerospace, shipbuilding, education, environment, technology, services, real estate, health care, ordnance, and distribution industries.

Before he established Harre Consulting in 1989, Mr. Harre was a partner with the international public accounting firm, Arthur Andersen, where he directed the firm's construction, litigation, and government contract forensic accounting practice in Southern California. He was also a senior member of the firm-wide committee that had responsibility for managing the Construction, Litigation, and Government Contract practices.

During his 27 years with Arthur Andersen, Mr. Harre performed audits of companies in the manufacturing, construction, defense contracts, electronics, retail, distribution, service, and health care industries. Clients included companies that were required to report in accordance with the Securities Exchange Commission requirements. He frequently assisted the audit teams responsible for contract audits when contract technical performance issues that could significantly impact costs were noted or when a client engaged the firm to conduct a purchase investigation of a potential defense contractor acquisition. He assisted the audit team in identifying defense contracts with performance risks, defining a methodology for assessing risk, evaluating the risks, and helping the audit team assess the financial implications of the identified contract risks.

Mr. Harre has:

- Participated in a leadership role in a study on behalf of the President's Blue Ribbon Commission on Management (the Packard Commission).
- Provided expert testimony in Federal Court, State Court, and arbitrations and special master hearings as to lost profits, wrongful terminations, economic damages, contract costs, cost allocations, and contract claims-related issues in a number of significant matters, for both plaintiffs and defendants.
- Been appointed by the Federal Court to function as a sole arbitrator of a \$34 million post-acquisition dispute of two government contractors. The cost disputes involved plant closing, special test equipment, Cost Accounting Standards, warranty reserves, changes in estimate to complete, potential claim recovery issues, and defective pricing allegations, as well as the application of Federal Acquisition Regulations and Generally Accepted Accounting Principles to these issues.
- Assisted counsel and management in fact finding and the development of government contract claims for equitable adjustment. More specifically, he defined the methodology for fact finding, analyzing, and estimating or assessing the reasonableness of the client's changed work estimates in relation to bid, previously agreed changes, and historical and projected costs. In providing these services, he focused on minimizing the risk of false claim allegations.
- Worked with various claim methodologies including total and modified total cost and discrete claims. He has assisted in the development and review of claims totaling hundreds of millions of dollars.
- Assisted counsel in investigating false claim allegations relating to construction and U.S. Government contracts that involved a failure to test or provide products in accordance with the contract specifications, or that required investigation because of time reporting, product pricing, progress billing, or contract claim pricing issues. He prepared reports, as needed.
- Functioned in a mediator/facilitator role in a construction dispute involving design changes, defective pricing allegations, delays, site conditions, and Eichleay issues.
- Worked with counsel in the conduct of investigations requiring audit skills, familiarity with certain aspects of the law, experience in interviewing non-financial personnel, the ability to identify, use, and interpret disparate data to evaluate allegations, and the communication of findings.
- Been appointed by the State Court to function as a referee in a contract cost and fee dispute.
- Assisted counsel with fact finding and analysis for distributor terminations, anti trust, intellectual property, and other damage matters, and the quantification of lost profits and other damages for disputes amounting to hundreds of millions of dollars.
- Prepared convenience termination claims and assisted counsel in the conversion of a default termination to a convenience termination.
- Conducted extensive fact finding and analysis of product line cost information for a multi-year period where, after the production volume in a product category had increased dramatically, the actual operating costs and profits for individual product lines were inconsistent with the perceived facts. He generated proposed adjustments to operating cost data that were used in reporting to a government agency and he defined cost system changes that were needed to more accurately track product line costs in the future.

- Conducted compliance reviews to evaluate internal controls and contract pricing and estimating practices as it relates to the Federal Acquisition Regulations Contract Cost Principles and Procedures, defective pricing disclosures, claim certification requirements, Cost Accounting Standards, labor time reporting, bid pricing, billing, changed work estimating and pricing and catalog and market pricing requirements.
- Performed audits of contract costs and evaluated estimates-to-complete of major programs to determine total program cost for use in assessing reasonableness of design change estimates for claim pricing purposes.
- Assisted contractor with plans of entering a new Middle East market by performing a pre-award contract risk assessment, developing a post award detailed project plan, and implementing a contract performance monitoring program.
- Assisted businesses in dealing with audit issues raised by the DCAA and other auditors during audits.
- Conducted a review of the royalty payment process in response to a dispute between licensee company and licensor. Prepared a report that was used by arbitrator in the arbitration. In closing arguments, the arbitrator directed counsel address the primary issues contained in the report.
- Assisted construction contractors and owners in analyzing and evaluating bid cost data and associated assumptions, bid versus actual cost variances, prior agreed changes, and in assessing the reasonableness of changed work estimates in relation to such variances.
- Worked with counsel and project representatives in quantifying delay and disruption claims using the “measured mile” methodology or other productivity data, as well as Eichleay overhead claim quantification methodology.

Training, Seminars, Speeches, and Presentations

Mr. Harre has prepared and presented numerous internal training programs on construction, government contracts, and litigation practice issues. He also developed and conducted training on Federal Acquisition Regulations, allowable cost, cost allocation requirements, estimates-to-complete, audit risks in complex government contracts, and defective pricing requirements.

He also has presented seminars, and made speeches and presentations as follows:

- “Mischarging Labor Costs”
- “Government Contract Accounting – A New Era of Accountability”
- “Contract Changes”
- “Contract Cost Principles”
- “Damages Quantification”
- “Dealing With DCAA Auditors”
- “Cost Accounting Standards”
- “Expert Witness - When to Engage”
- “The False Claims Acts: Is a Little Fudging a Problem?”
- “Construction Contract Administration”
- “Defective Pricing”

Education and Professional Credentials

Mr. Harre received a bachelor's degree in accounting from Southern Illinois University in 1962. The University has recognized him as an outstanding alumnus. He is a “Charter Member of the Alumni Hall of Fame,” and is an active member of the Advisory Board for the College of Business and Administration.

Mr. Harre is a Certified Public Accountant (CPA) – California and Illinois, and a member of:

American Institute of Certified Public Accountants

California and Illinois Society of CPAs

California Society of CPAs Economic Damages

California Society of CPAs Fraud Section

Associated General Contractors

National Contract Management Association and past member of its Board of Advisors for the NCMA's Los Angeles-South Bay Chapter

Associate member of the American Bar Association's Public Contract Law, Litigation, and Intellectual Property sections