



The Risk Consulting Company

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Mr. & Mrs. Brian and Carol Bugge

Dear Mr. & Mrs. Bugge:

2001 has been an extraordinary year for the world and our country. During the course of this year our company has been called upon to help our clients through difficult and at times dangerous matters.

From Los Angeles to London, Bosnia to Boston, Indonesia to Indiana and from Bastrop to Brazil we have tried to do our best. Our Security Services Group has been under the greatest demands to help our clients and our government since September 11th.

This demanding work has been a great credit to our country and company. Many families have sacrificed family time together to help during this extraordinary period.

On behalf of all of Kroll, I would like to extend my personal thanks to your family and hope that the New Year will be safer because of our important work.

Happy holidays and a Happy New Year.

Best Regards,

Jules B. Kroll
Executive Chairman of the Board

Michael G. Cherkasky
President & Chief Executive Officer

Notable Cases

Over the past 30 years, Kroll has maintained a reputation for respecting its clients' confidentiality, while also gaining worldwide recognition for its work on many high-profile cases. Kroll's many notable public cases include:

Marcos Asset Search

A subcommittee of the U.S. House of Representatives Foreign Affairs Committee retained Kroll to investigate reports that Philippines President Ferdinand Marcos and his wife Imelda had secretly amassed millions of dollars in private wealth. Kroll's investigation confirmed that the Marcos were the beneficial owners of office buildings in Manhattan worth almost a billion dollars and linked them to other foreign assets. (1985)

"Baby Doc" Asset Search

The Haitian government hired Kroll to locate hundreds of millions of dollars appropriated by former dictator Jean-Claude "Baby Doc" Duvalier. The investigations led to the seizure of bank accounts in New York, London, Luxembourg, Paris and Geneva. (1986)

Pacific Southwest Airlines Crash

Kroll determined that a shooting on a Pacific Southwest flight, which led to a crash in which 43 people died, was not the vengeful act of a disgruntled employee, but was instead a suicide insurance scheme. (1987)

Reichmann Family Libel Suit

Kroll's investigation of the Reichmann family's activities during World War II disproved allegations by a Toronto magazine that the family had collaborated with the Nazis and instead showed that it had taken heroic steps to help other Jews escape the Nazis. The investigation resulted in a front-page retraction and a substantial settlement that the Reichmann family contributed to charity. (1988-90)

Covenant House Founder Scandal

Kroll was hired by a special oversight committee, which included Paul Volcker, Rev. Theodore Hesburg and Cyrus Vance, to investigate allegations of financial improprieties and sexual misconduct by Rev. Bruce Ritter, founder of the New York City home for runaway teenagers. The investigation substantiated the allegations against Father Ritter, but validated Covenant House's positive contributions and led to the establishment of tighter board controls. (1990)

Saddam Hussein's Financial Network

The Kuwaiti government hired Kroll to investigate the financial network used by Iraqi dictator Saddam Hussein to hide assets in the West. Kroll's work linked Hussein to millions in assets held through nominees in the U.S. and Europe, exposing his front companies and agents. (1990-91)

Roberto Calvi Murder

Kroll's investigation into the death of Italian banker Roberto Calvi, ten years after he was found hanging under a bridge in London, proved it was not suicide and uncovered evidence leading to the arrest of suspects. (1991-94)

Trucking Industry Cleanup

Kroll was appointed to monitor the divestiture of the Gambino family's trucking companies in New York's garment industry and to ensure that their successors did not indulge in similar criminal practices. According to The New York Times, as a result of Kroll's work, garment manufacturers estimated that "the average price for shipping a dress, a pair of jeans or a blouse plunged to 15-20 cents from 40-45 cents" in just three years. (1992-1997)

Investigation of Brazil's President Collor

A special investigative committee of the Brazilian Congress engaged Kroll to investigate corruption charges against President Fernando Collor de Mello and his campaign manager. During the course of Kroll's investigation, Congress initiated impeachment proceedings against Collor, who resigned before he could be impeached. (1992)

World Trade Center Security

After the 1993 terrorist bombing of the World Trade Center, Kroll was retained as security consultants to the Port Authority of New York and New Jersey. The security measures and evacuation procedures that the Port Authority instituted on Kroll's recommendations enabled thousands to evacuate the towers on September 11 in just 45 minutes. Kroll continues to advise on all aspects of the Port Authority's security. (1993-present))

Long Island Carting Industry Compliance Monitor

Kroll was appointed by the U.S. Attorney's Office to monitor and enforce the Long Island carting industry's compliance with a consent decree intended to prevent organized crime activities within the industry. (1994-present)

Orange County Derivatives Scandal

Kroll was engaged as a special advisor to the Orange County, Calif., grand jury to evaluate the county's internal management and investment procedures after it lost \$1.7 billion in derivatives trading. (1995)

Monitoring of Teamsters Election

Kroll's president was appointed by the U.S. Department of Justice to supervise the election of the president of the Teamsters union. This required investigating James Hoffa Jr., determining if he should be allowed to participate in a rerun election, and then monitoring the election to ensure that it was conducted fairly and honestly. (1997-98)

CNN "Tailwind" Controversy

Cable News Network (CNN) hired Kroll to provide an independent opinion on its controversial story alleging that the U.S. used lethal gas in Laos in 1970. CNN later retracted the story and established new review procedures. (1998)

Educational Testing Service (ETS) Audit

When The New York Times reported security problems in the administration of certain college and graduate school admission exams, ETS hired Kroll to audit its paper and computer-based testing and scoring systems and to institute new security measures. (1998)

Texas A&M University Bonfire Tragedy

After the bonfire tragedy in which 11 students were killed, Kroll was retained to supervise a team of engineering and other leading consultants investigating the cause of the bonfire's collapse. Their study led to the adoption of a wide-ranging set of recommendations regarding the annual bonfire celebration. (1999)

Banorte Anti-Money Laundering Program

Adherence to the anti-money laundering policies and procedures that Kroll put in place enabled Banco Mercantile del Norte S.A. (Banorte) to successfully defend money laundering charges in the United States District Court in Los Angeles, and regain \$1.4 million that had been seized by the U.S. government during Operation Casablanca, an undercover operation targeting several banks in Mexico. (1999)

Los Angeles Police Department Monitorship

Kroll's CEO is serving as independent monitor of a landmark federal consent decree mandating major reforms in the Los Angeles Police Department. A 30-person Kroll team is at work on this five-year assignment, reviewing the LAPD's compliance with reforms designed to end corruption and abuse. (2001-present)

Sears Tower Security

Sears Tower, the tallest building in North America, is one of more than 10,000 buildings whose security was entrusted to Kroll after Sept. 11. Kroll's specialists continue to conduct comprehensive threat assessments, recommend systemic and policy changes, and advise on crisis management plans for building owners worldwide. (2001-present)

Federal Mogul Administration

When Federal Mogul, a global automotive parts manufacturer, filed for Chapter 11 and Administration protection in the U.S. and the U.K., Kroll was appointed the administrator of its 133 U.K. companies. In this role, which will last several years, Kroll is overseeing the U.K. companies' operations, leading their reconstruction, and developing a framework for settling an avalanche of asbestos claims which totaled approximately \$1.6 billion at the time of the Chapter 11 filing. (2001-present)