

# Scott E. Bushnell, CPA, CFF

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## PROFESSIONAL SUMMARY

Mr. Bushnell is an Executive Forensic Accountant with over 20 years of experience with global and national professional services firms. He has proven international leadership experience culminating as regional practice unit leader in Sydney, Australia. His professional expertise covers Business Interruption Claims, Damage Analysis, and Fraud Investigations. Mr. Bushnell has advised clients in mediation, arbitration and appraisal as a third party neutral, provided expert testimony in court and assisted in high profile fraud investigations. His industry expertise includes a wide range of international projects in the energy, chemical, and utility industries, as well as manufacturing, higher education and not-for-profit institutions.

## RELEVANT BUSINESS EXPERIENCE

Business Interruption Consulting, Houston, TX June 2017 to Present

### Principal Owner, Executive Forensic Accountant

- Engage in preparing Business Interruption Claims, Economic Damages and Financial Investigative services.
- Assist legal counsel with investigations and special projects requiring forensic accounting.
- Provide Expert Witness Testimony when required on quantification of damages.

Crawford & Company Australia Pty Ltd, Sydney, NSW Australia April 2015 to September 2016

### Regional Manager, Practice Unit Leader NSW and SA, Crawford Forensic Accounting Services

- Overall responsibility of a two office regional team of forensic accountants engaged in Business Interruption Claims.
- Manage multiple projects, staff assignments and delegation of work across region.
- Provided technical support and training to staff and adjusters regarding methods, analysis and client practice.

Marsh Pty. Ltd., Sydney, NSW Australia July 2012 to April 2015

### Principal, NSW Practice Unit Leader, Forensic Accounting and Claims Services

- Overall management and supervision of a team of 8 forensic accountants engaged in Business Interruption Claims.
- Developed training program on business interruption, which was adopted as a regional model for Asia Pacific.
- Provide expert testimony when required on quantification of damages.

Sirius Solutions, LLLP, Houston, TX February 2008 to July 2012

### Director, Legal & Economic Consulting

Ernst & Young, LLP, Houston, TX March 2001 to January 2008

### Manager, Fraud Investigation and Dispute Services

Deloitte & Touche, LLP, Dallas, TX February 1997 to March 2001

### Senior Consultant, Dispute Consulting

Campos & Stratis, LLP, Dallas, TX May 1995 to January 1997

### Staff Accountant

## MILITARY SERVICE

Mr. Bushnell is a retired First Sergeant from the U.S. Army with 21 years of service. He served in infantry units with the 82nd Airborne Division, 36th Infantry Division and 187th Airborne Regimental Combat Team. His combat deployments include military action in Central America and the Middle East. He is a recipient of the Meritorious Service Medal, Combat Infantryman's Badge and several Army Commendation Medals.

## EDUCATION

Southern Methodist University, Dallas, Texas

Bachelor of Business Administration, Major in Accounting

## CERTIFICATIONS

Certified Public Accountant, Texas

Certified in Financial Forensics, AICPA

## REPRESENTATIVE ENGAGEMENTS

### BUSINESS INTERRUPTION

**Plumbing, HVAC and Industrial Supply Distributer** – Victoria, TX – Property – Assisted with rebuttal BI claim due to Hurricane Harvey damage to a warehouse and retail distribution center.

- Analysed BI damages due to hurricane in excess of \$300 thousand.
- Countered an inadequate adjustment of the original claim prepared by client.
- Prepared a detailed report issued to my client and insurance company

**Grocery Distribution Company** – Sydney, AU – Industrial Special Risk – Assisted with identifying property damage business interruption claims related to a roof collapse at its primary dry goods distribution centre. This incident occurred as a result of catastrophic hail storms.

- Analysed the damages due to incident in excess of \$60 million.
- The claim required extensive analysis to determine Increased Costs of Working related to mitigation of lost sales.
- Reported to insurance company executives regarding our findings.
- Was selected by outside counsel to provide expert testimony in potential litigation of the claim.

**Aluminium Smelter** – Sarawak, MY – Boiler and Machinery – Assisted with identifying property damage and business interruption claims related to a power failure and consequential pot freeze. Our team was called in 6 months after the incident to assist with quantifying the claim and presenting it to the adjusters.

- Analysed the damages due to incident and prepared claims in excess of \$100 million.
- The claim required extensive analysis to determine Increased Costs of Working related to mitigation of lost sales.
- Worked closely with the client executives and outside counsel to quantify the claim.
- Was selected by outside counsel to provide expert testimony in potential litigation of the claim.

**Chemical Fertilizer Plant** – Mount Maunganui, NZ – Property – Assisted a chemical manufacturer with quantifying damages due to an explosion and fire at their nitrogen fertilizer plant. The project required an extensive understanding of ammonia processing.

- Analysed the damages due to that incident and prepared BI claims in excess of \$45 million.
- Worked extensively with client executives to prepare strategy and executing a final settlement plan.
- Worked closely with the insurer's forensic accountant to come to a reasonable calculation of business interruption claim damages.
- The insurer paid the claim with minor adjustments and to the satisfaction of our client. Hired by the client to assist with determining fines and penalties for an additional claim after the original claim had been settled.

**Petroleum Coke Plant** – Norco, LA – Contingent Business Interruption – Assisted a petroleum coke Calciner with quantifying damages due to contingent business interruption claim. Our client's shipments of calcined petroleum coke to one of its key customers was reduced, and then stopped entirely due to catastrophic damages at its customer's plant.

- Analysed the damages due to that incident and prepared CBI claims in excess of \$10 million.
- The claim required extensive analysis to prepare an inferred plant income statement for the affected plant.
- Worked closely with the client CFO, outside counsel and the adjuster to quantify the claim.
- The insurer paid in full the calculated amount without adjustments.

**Higher Education** – New Orleans, LA – Hurricane Katrina – Assisted a historically black college or university quantify damages incurred because of the hurricane. Twenty-eight buildings on the campus were damaged including thirteen buildings on the National Registry of Historical Places.

- Managed a team of 12 people with various disciplines including accounting and finance, engineering, construction management, as well as client personnel.
- Damages calculated in excess of \$175 million, and prepared expert report for testimony in federal court.
- Communicated directly with the executive staff and consulted on various issues with the president of the university.
- Managed project revenue of over \$3 million.

**Steel Manufacturer** – Harriman, TN – Boiler and Machinery – Assisted with claim preparation due to a machine malfunction. The client had just moved a significant portion of manufacturing capacity to the plant involving new products just before the incident. The plant was gearing up for significant growth in the 12 months following the loss.

- Consulted with the CFO and Risk Manager regarding claim management and specific issues related to the policy and claim preparation.
- Ensured executives understood their claim for meetings with the adjuster aimed at discussing the reasonableness of their damage analysis.
- Identified weaknesses in the adjuster's claim, and assisted the adjuster with alternative methods of analysis for the losses incurred. This required educating the adjuster on the steel industry, specifically, how heavy steel plants operate.
- Damages calculated in excess of \$7 million and settled for \$6.9 million.

**Chemical Manufacturer** – Port Neal, IA – Subrogation – Assisted a leading global fertilizer manufacturer with quantifying damages incurred due to a catastrophic explosion at an ammonia nitrate plant.

- Led a team of eight people including client personnel through the entire project.
- Damages incurred at the plant valued in excess of \$400 million.
- Managed revenues of over \$1 million on the project.
- Assisted in negotiating an additional project related to the client's subrogation case against the designer of faulty technology causing the explosion.

**Steel Manufacturer** – Birmingham, AL – Insurance Claim – Prepared property, extra expense and complex business interruption insurance claims for a cold rolled steel sheeting company. The plant incurred substantial damaged on its first day of operations. It was a state-of-the-art plant and had no comparable plant in the United States.

- This engagement required extensive modelling and analysis to prove out expected first year income and profits.
- Overcame several challenges to our analysis of expected expenses and margin for our business interruption (lost profits) model.
- Calculated losses in excess of \$6 million and assisted our client in settlement negotiations.

**Government of Puerto Rico** – San Juan, PR – Environmental Clean-up Claim – Assisted the Puerto Rican Department of Tourism with an environmental clean-up and business interruption claim related to a 1994 oil spill off the coast of Puerto Rico.

- This engagement required extensive analysis of the Puerto Rican tourism industry, and the effects of the spill on beachfront hotels.
- Provided testimony on the merits of our claim with the US Environmental Protection Agency during mediation. Our analysis of the claim was well received and settled at just under our calculated damage amounts.

## **DAMAGE ANALYSIS AND INTELLECTUAL PROPERTY**

**Oil and Gas Distribution** – Houston, TX – Contract Dispute – Assisted oil and gas Distribution Company quantifying damages due to disputed price contract calculations. This project required our team to review hundreds of contracts over a 6-year period.

- Lead manager on a team of 4 managers and 16 associates.
- Project scope consisted of over 86 individual issues requiring analysis for the calculation of damages.
- Damages incurred were over \$20 million and managed revenues of over \$1 million.
- Communicated directly with client general counsel and prepared partners for testimony.

**Retail** – Kansas City, KS – Breach of Contract – Assisted Wholesale Grocery Company with quantifying lost profits as a result of alleged breach of contract with over 30 independent food stores and distribution warehouses.

- Managed a team of professionals remotely located in four cities across the United States.
- Worked directly with attorneys and lead counsel explaining our analysis of the alleged damages and prepared demonstrative exhibits for use in courtroom testimony.
- Authored initial and revised drafts of the expert report for the partner testifying on behalf of our client.
- Led the review and preparation of the testifying expert for depositions and testimony in court.

**Commercial Truck Sales** – New South Wales, AU – Breach of Contract – Prepared analysis of lost profits for a guaranteed purchase contract of high-end commercial trucks made in the United States and shipped to a dealer in Australia.

- Reviewed contract provisions, prepared an analysis of lost profits from the alleged breach, and calculated liquidated damages.
- Damage calculations required the conversion of US Dollars to AU Dollars over the period of the alleged breach of contract.
- Reviewed hours of videotaped depositions to assist our understanding of the contract and issues related to our analysis.
- Damages calculated in excess of \$5 million.

**Oil & Gas Production** – Houston, TX – Purchase Price Dispute – Engaged on behalf of a mediator as independent accountant to calculate an "earn-out" provision in a purchase contract of a manufacturer of oil and gas piping valves.

- The main subject matter of the dispute was a specialized gate valve designed and patented by the purchased company.
- Prepared extensive market study of oil and gas production from three years prior to the sale through the "earn-out" period.
- Reviewed pertinent information from both parties to determine comparability of revenues, margin and expenses.
- Prepared findings for the mediator in report format with explanatory schedules.

**Oilfield Machinery** – Dallas, TX – Patent Infringement – Analysed disgorgement of lost profits due to an alleged patent infringement of a mobile drilling rig device.

- Applied sound accounting principles to analyse profits earned by infringing party on each infringing unit produced.
- Analysed opposing expert's report and assisted in the review and preparation of the testifying expert for depositions and testimony in court.
- Prepared demonstrative exhibits for counsel to use at trial.

**Software Development Company** – Dallas, TX – Purchase Price Dispute – Engaged on behalf of a mediator to analyse final accounting adjustments related to the purchase of a software development company. The purchase agreement allowed for final payment to the seller or purchaser depending on the final trial balance. The main dispute concerned adjustments claimed by both parties to the transaction arriving at the final closed trial balance.

- Performed due diligence regarding claimed adjustments from both parties, final trial balance before acquisition and new trial balance of the acquiring company.
- Prepared detailed document requests, especially for accounts receivable and payable, revenue recognition, and physical assets.
- Identified several adjustments necessary for a reasonable final/new trial balance. Because of our findings, both parties to the dispute reached a reasonable settlement.
- Conducted our work over a three-month period for a dispute that was almost two years old.

**US Government** – Ah Nasiriyah, IQ – Dispute Negotiations – Assisted local Iraqi town counsels with identifying public infrastructure projects and negotiate disputes between towns. Infrastructure projects consisted of schools, playgrounds, sports fields, and water storage and purification units.

- Assisted local community leaders and general contractors with bid submissions for approved contracts.
- Presided as mediator for competing tribal leaders on disputed locations for projects, hiring of labourers and claims to contracts. Applied mediation techniques to facilitate settlement of disputes between parties.
- Worked with local Iraqi government officials to facilitate law and order, intelligence gathering and training of city officials.
- Assisted camp manager for KBR with a review of billings to the US government for camp audit.

**Software Development** – Dallas, TX – Intellectual Property – Assisted counsel with a royalty audit of a software developer on behalf of a software music designer. This case required analysing sales, returns and allowances of three different computer games sold in 12 countries over a 6-year period.

- Researched accounting policies for the software developer to determine consistent application of US GAAP.
- Performed analysis of the returns and allowances to insure the software company consistently reported those items in its books and records.
- Discovered through analysis several inconsistent applications of returns and allowances supporting our client's claim.
- Assisted counsel by preparing schedules and analysis for settlement negotiations.

## FRAUD INVESTIGATIONS

**Chemical Manufacturer** – Odessa, TX – Internal Investigation/Royalty Audit – Worked with the director of internal audit for a top 10 chemical manufacturer to execute a comprehensive investigation for a newly acquired chemical plant. During the course of this investigation, our analysis revealed substantial errors in the calculation of mineral rights royalty payments.

- During the course of the investigation, an alleged fraud scheme was discovered involving senior plant management. Lengthy interviews were conducted to determine how the alleged scheme worked, how it was hidden in the books and records, and who was involved internally and externally.
- A thorough review of the previous 6 years of accounting records indicated damages from the alleged fraud were in the range of \$1 to \$2 million.
- Royalty audit revealed over twenty royalty properties were miscalculated for as long as 23 years. Our team prepared a method for tracking the different properties, royalty interest and monthly payment calculations.
- Our client retained us for additional services regarding accounting controls and policy review.

**Hospitality** – Orlando, FL – M&A Due Diligence – Assisted a REIT invested in luxury hotels with acquisition due diligence related to discovering unreported liabilities such as insurance claims, litigation, disputes and potentially fraudulent activities.

- Worked with out-going and in-coming management to gain access to project essential people and documents.
- Discovered several claims not reported to the purchaser and advised management on options to closeout these projects.
- Hired by in-coming management to assist with settlement of outstanding insurance claims for Hurricanes Wilma and Katrina.
- Executed an agreement as provider of choice for claim preparation services for the incoming management.
- Discovered unreported contingent liabilities related to proposed construction projects.
- After applying forensic audit techniques, found no significant indicators of fraud.

**Telecommunications** – Toronto, CA – Financial Statement Fraud – Assisted a global telecommunications company with investigating alleged fraud schemes related to revenue management and effects on their financial statements. Assembled an international team for the investigation and conducted work in over 15 countries.

- Led a project team investigating accounting treatment for long-term contracts.
- Assisted our client with researching US and international GAAP related to revenue recognition.
- Conducted interviews with senior executives at the client to determine how the alleged fraud schemes worked.
- Prepared regular status reports, summary review memos and analysis to keep general counsel apprised of project status.

## PUBLISHED WORKS

"The Business Behind Business Interruption" *Rough Notes Magazine*, February 2012, page 88-90.

[http://www.roughnotes.com/rnmagazine/2012/february2012/2012\\_02p086.htm](http://www.roughnotes.com/rnmagazine/2012/february2012/2012_02p086.htm)

"Contingent Business Interruption Coverage; What Happens When the Loss You Experience is Not Your Own?" *Resources Magazine*, Spring 2012, page 30-35. <https://www.scic.com/files/Spring12-LR.pdf>

"From the Basics to Business Interruption" *Resources Magazine*, Fall 2018, page 12-15.

<https://www.scic.com/store/magazine/view/key/helping-your-commercial-clients-through-a-property-claim-from-the-basics-to-business-interruption/>

## SPEAKING ENGAGEMENTS & TRAINING

"Annual Insurance Discussion Panel," Hosted by Matson Driscoll & Damico, Sydney Australia, November 2012.

"Reviewing Business Continuity and Disaster Recovery Plans," Texas Society of Certified Public Accountants – Houston Chapter, Spring Accounting Expo, May 23, 2011.

"Putting the Plug Back In, Auditing Disaster Recovery Plans," Association of Contingency Planners guest speaker, March 8, 2011.

"Forensic Accounting," University of Houston Downtown – Meet the Industry program, February 11, 2011.

"Deposing a CPA Expert," in-house CLE program, December 2010, also August 2007 co-presented with Sheri Toivonen and

September 2003 co-presented with Glenna Sharafeldin.

"Putting Out Fires - 5 Things You Need to Do Immediately Following a Loss," Association of Contingency Planners guest speaker, October 2010.

"Adventures in Forensic Accounting," Lone Star College guest speaker, September 2010.

"Lost Profits & Business Interruption," Texas Society of Certified Public Accountants CPE, June 2009.

"Business Interruption Insurance, Removing the Mystery," TSCPA CPE, March 2009, co-presented with Fritz Kohler.

"What You Need to Know about the Foreign Corrupt Practices Act," Risk Insurance Management Society monthly meeting, June 2008, co-presented with Andrew Sall.

"A Practical Introduction to Forensic Accounting," Texas A&M University, Mays School of Business, spring 2007.

## PREVIOUS TESTIMONY EXPERIENCE

**Case:** Dillard University, Dillard University Apartments Ltd. & Gentilly Gardens Corporation vs. Lexington Insurance Company, AXIS Specialty Insurance Company and RSUI Indemnity Company

**Type of Testimony:** Deposition

**Court:** United States District Court, Eastern District of Louisiana

**Case Number:** 06-CV-4138

**On Behalf:** Dillard University

**Case:** Tommy's Restaurant Management Company d/b/a Tommy's Seafood Steakhouse v. Nationwide Mutual Fire Insurance Company and Steven V. Maxwell

**Type of Testimony:** Report

**Court:** Harris County 189th District Court

**Case Number:** 2009 -77126

**On Behalf:** Tommy's Restaurant Management Company

**Case:** GBP Partners, LTD d/b/a Gulfbrook Plaza Shopping Centre v. Maryland Casualty Company

**Type of Testimony:** Affidavit

**Court:** United States Federal District Court, Southern District of Texas

**Case Number:** 4:10-CV-04228

**On Behalf:** GBP Partners, LTD