



DAVID GANNAWAY, MBA, CFE, CVA, CAMS, EA, NTPI

PRINCIPAL

SUMMARY

Mr. Gannaway focuses his practice on forensic accounting, litigation support and tax controversy. He is a former IRS Criminal Investigation Special Agent with 20+ years of experience analyzing complex accounting, financial, income tax, asset forfeiture, money laundering transactions across multiple business sectors including construction, healthcare, entertainment, and professional services.

Since 2007, as a Kovel Accountant/Expert Witness, Mr. Gannaway has been engaged to represent clients before the IRS Examination, Collection and Appeals Division and State Tax Authorities, in controversy matters involving corporate and individual audits, filing of collection information statements/offers in compromise, voluntary disclosures and civil assessments at the conclusion of white collar criminal investigations. assisted attorneys defend clients under investigation/indictment for alleged white-collar financial crimes.

He works with counsel in conducting internal corporate investigations by documenting/quantifying financial losses from employee embezzlements, vendor fraud schemes, and misappropriation of company assets.

In civil litigation involving shareholder disputes and business divorces, Mr. Gannaway provides technical expertise to attorneys and their clients by determining economic damages, preparing business valuations, expert witness reports and refuting opposing experts' computations.

LITIGATION SUPPORT EXPERTISE

- Expert Witness (Criminal and Civil)
- White Collar Criminal Investigations)
- Money Laundering/Asset Forfeiture
- International Corporate Investigations
- Economic Damage Calculations
- Business Valuations
- IRS/State Income Tax Controversy

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EDUCATION & CERTIFICATIONS

- MBA, Executive Program, Fordham University
- B.S. Accounting Bristol College
- CFE (Certified Fraud Examiner)
- CAMS (Certified Anti-Money Laundering Specialist)
- CVA (Certified Valuation Analyst)
- EA (Enrolled Agent) to Practice Before the IRS)
- NTPI (National Tax Practice Institute Fellow) top secret Clearance 2002-2012

SPEAKING ENGAGEMENT EXPERTISE

- Fraud Schemes (Prevention and Detection)
- Civil/Criminal Income Tax
- Bank Secrecy Act
- Asset Forfeiture
- Money Laundering
- Cryptocurrency

FORENSIC/KOVEL ACCOUNTANT/ EXPERT WITNESS EXPERIENCE:

- Provided deposition testimony in a healthcare civil case involving alleged illegal compensation paid by pain management Doctors in exchange for patient referrals. Analyzed rental agreements/payments made in relation to fair market rental of ongoing medical offices along with associated operating expenses.
- Retained by counsel and analyzed the financial statements / income tax returns of oil & gas companies that the client invested in. Reviewed income statements, loan accounts to determine / trace flow of funds. Interviewed witnesses regarding the preparation of internal accounting / financial records.
- Testified as a defense expert witness in an IRS criminal income tax trial involving a sub-contractor in the metal fabricating business that was charged with filing false corporate tax returns in which the jury found the client not guilty. Accompanied co-counsel at defense table throughout the trial. Provided guidance to co-counsel in the cross-examination of return preparer, owners of check cashing businesses and the governments summary witness. Prepared analysis of unclaimed business expenses which addressed "materiality".
- Retained by counsel and represented the Defendant Company in a Mediation involving a Steel Company accused of using defective materials which caused a roof collapse resulting in property damages and loss of business income. Analyzed vendor invoices related to the clean-up and repair of roof and financial statements and current inventory of the businesses claiming loss of income. Prepared rebuttal report outlining deficiencies in the evidence and financial calculations in relation to accounting and income tax records.
- Prepared Global Fraud Risk Assessment in collaboration with the Chief Anti-Fraud Officer. Identified potential fraud schemes that may be committed to pay bribes or other unethical activity. Risk ranked the schemes based upon likelihood, significance and financial impact to the company.
- Retained by plaintiff's counsel as an expert witness in ProPhase Labs, Inc. v. Quigley, et al involving misappropriations of assets and fraudulent transfers. Prepared expert witness report detailing the fraud schemes uncovered and monetary damages incurred. Testified as an expert witness regarding the international flow of funds, disposition of ill-gotten gains, and losses suffered by the corporation.
- Jointly represented a key witness before the U.S. Attorney's office for the Southern District of New York in ongoing criminal investigations involving international banks and a Switzerland based attorney for their separate roles in offshore tax evasion schemes via foreign sham corporations and movement of funds through international tax haven and sanctioned countries.
- Led the internal investigation of the CEO for a non-profit organization involving misappropriation of funds and excessive personal expenses being charged to the organization. Interviewed many employees and former Board Members and prepared narrative summaries of their statements for counsel. Analyzed donor contributions, relationships between related parties, expense claims and supporting documentation. Prepared written investigative report that was used by counsel as the basis for firing the CEO. Further, my report and exhibits were utilized as a roadmap by the Manhattan District Attorney to accept the CEO's guilty plea to criminal charges.
- Conducted fraud risk assessment on behalf of a State Department of Transportation client regarding construction fraud risks involving change orders, disadvantaged business enterprises, product substitution and prevailing wage rates. Prepared written report including recommendations and provided training to stakeholders.
- Detailed to FBI Washington Field Office Command Post immediately after 9/11/01. Investigated public information tips provided regarding the terrorists and flow of financial transactions. Worked jointly with the FBI team leader and established procedures to properly record the receipt of public information and bank records. Implemented strategic reporting to record investigative results that could be presented later in criminal proceedings and withstand congressional inquiries.

FORENSIC/KOVEL ACCOUNTANT/ EXPERT WITNESS EXPERIENCE: (CONTINUED)

- Led the investigative team of several federal and state agencies in the investigation of a husband-and-wife doctor team for falsification of laboratory results to justify unnecessary hospitalizations and unnecessary administration of steroid and antibiotic injections to generate billings all to the detriment of the patients. Organized and analyzed more than 100 boxes of records and literally hundreds of thousands of pieces of electronic evidence, in addition to the daunting task of tracing millions of dollars in fraud proceeds to more than 30 investment accounts and other assets over a 12-year period. Almost single-handedly collated and summarized this mountain of data and presented the evidence before the Federal Grand Jury which culminated in the issuance of a 140-count indictment that included RICO, conspiracy, mail fraud, money laundering and drug distribution charges. Computed damages to government agencies / private insurance companies and facilitated restitution from the seized/forfeited assets. Testified numerous times in pre-trial motions hearings. Recognized as one of the top two investigations of 2002 by the National Healthcare Anti-Fraud Association.

TESTIMONY EXPERIENCE:

Government Employees Insurance Company (GEICO) vs Alliance Spine Associates, LLC (2020)

Case No: 2:16-cv-04662-CCC-JBC, U.S. District of New Jersey (Newark)

Nature of Case: Illegal Compensation in Exchange for Patient Referrals

United States of America v. Rao Desu (2019)

Case No: 18-CR-613 (BRM), U.S. District of New Jersey (Trenton)

Mr. Desu was charged with filing false corporate and individual income tax returns along with conspiracy to impede and impair the functions of the IRS.

Sharon Brackelmanns v. Sabra Aschenbrenner (2019)

Docket No. MRS-L-1185-16

Superior Court of New Jersey, Morris County

Nature of Case: Theft of Assets / Personal Identifying Information

Tina & Michael Fagan v. K Scott Fischer, et al (2019)

Docket No: 3:14-CV-7013

U.S. District of New Jersey, Newark, NJ

Nature of Case: Civil Fraud – Racketeer Influenced and Corrupt Organization, Mail Fraud

Kiryas Joel Processing Plant, Inc. v. Pak's Fast Services, Inc. (2018)

Reference No: 1425023810 - Arbitration

Nature of Case: Damage Calculations - Overbilling of fuel.

Laurie Weiner –against- David Weiner (2018)

Index No. 313030/14

Supreme Court of the State of New York, County of New York

Nature of Case: Matrimonial Litigation.

United States of America v. Tomas Olazabal (2015)

TESTIMONY EXPERIENCE: (CONTINUED)

Case No: 13-CR-467 (BMC), Eastern District of New York, Brooklyn, NY

Nature of Case: Mr. Olazabal was charged with filing false corporate income tax returns.

Triad Advisors, INC v. New Jersey Department of Labor (2015)

Case No: LID 16595-14, State of New Jersey, Office of Administrative Law

Nature of Case: Independent Contractor for Federal Unemployment Tax Act purposes.

ProPhase Labs, INC vs. Quigley, Et Al (2014)

Case No: 2010-08227, Court of Common Pleas, Bucks County, PA

Nature of Case: Misappropriation of corporate funds.

Sarah Shipman vs. Triad Advisors (2014)

Case No: 359706, State of New Jersey Appeals Tribunal

Nature of Case: Independent Contractor for Federal Unemployment Tax Act purposes.

United States of America v. Alavi Foundation, Et Al (2013)

Case No: 08 Civ. 10934 (KBF), Southern District of New York, New York, NY

Nature of Case: Asset Forfeiture.

Alphonso Hotel (2011)

Case No: Southern District of New York, New York, NY

Nature of Case: Misappropriation of corporate funds.

United States of America v. James Wesley Atkins (1997)

Case No: Western District of Virginia, Abingdon, VA

Nature of Case: Bankruptcy Fraud, Mail Fraud & Money Laundering.

United States of America v. Salih Zamzam (1997)

Case No: Western District of Virginia, Abingdon, VA

Nature of Case: Filing false corporate & individual income tax returns.

United States of America v. Max Willard (1996)

Case No: Western District of Virginia, Abingdon, VA

Nature of Case: Aiding & assisting in the filing of false corporate & individual income tax returns.