



International Peace Institute KPMG Forensic Review

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Background

On November 13, 2020, KPMG LLP (“KPMG”) was retained by Perlman & Perlman LLP (“Counsel”), as attorney on behalf of International Peace Institute (“IPI”), to review certain financial transactions between Jeffrey Epstein and IPI for the period from January 1, 2010 to October 31, 2020 (“the period under review”). This report details KPMG’s observations resulting from the procedures performed by KPMG for IPI.

Limitations

The observations presented in this report are based on and limited to the scope of the procedures performed and information provided to KPMG. KPMG relied on the information supplied by IPI, and analysis of relevant documents provided at the time of KPMG's request. Except for the completeness testing performed on the general ledger detail for the period under review, KPMG has not verified the completeness and/or accuracy of other information or documents provided or otherwise sought independent confirmation.

KPMG researched publicly available information on entities affiliated with Jeffrey Epstein. KPMG did not independently verify the public records and KPMG does not guarantee the accuracy or completeness of the information. The resulting list of affiliated entities utilized in our analysis was presented to and agreed by Counsel and IPI.

KPMG's review of the IRS Form 990s, including the accompanying Schedule B which is not a publicly disclosed document, on this engagement did not constitute a review for tax or other regulatory compliance. KPMG did not reconcile the financial information disclosed on the forms to IPI's accounting records or otherwise validate the balances. KPMG's review of the forms included an assessment of whether the threshold for Schedule B reporting, schedule of contributors, was appropriately applied for disclosure purposes.

KPMG's services were performed as an Advisory engagement conducted under the American Institute of Certified Public Accountants ("AICPA") Standards for Consulting Services. Such services are not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagement as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors. KPMG is not expressing an opinion, conclusion, or any form of assurance of the financial statements or internal controls.

Executive Summary

KPMG identified five (5) donations to IPI, between January 1, 2010 and October 31, 2020, totaling \$650,000.00, related to Jeffrey Epstein. KPMG also noted one (1) reimbursement to IPI for a flight in the same period for \$14,158.88 related to Jeffrey Epstein. This was consistent with the donations and reimbursement identified by IPI in its own analysis. KPMG did not locate any instructions from the donor that indicated the contributions were restricted. The donations appeared to be disclosed in accordance with IRS guidance on IRS Form 990.

KPMG did not identify any expense reimbursements that were paid to Jeffrey Epstein directly or to any of the entities in Appendix A.

KPMG did not identify any payments to Jeffrey Epstein directly or to any of the 56 entities in Appendix A and also did not identify any wider payments which related to the personal loan between Jeffrey Epstein and Terje Rød-Larsen.

KPMG identified two (2) payments for expenses, totaling \$302.36, related to Jeffrey Epstein. Both expenses were submitted for reimbursement by Terje Rod-Larsen for a lunch he had with Jeffrey Epstein in 2011 and flowers he sent to Jeffrey Epstein for his birthday in January 2018. IPI provided documentation showing that Terje Rod-Larsen subsequently reimbursed IPI for the birthday flowers expense. The only IPI reimbursed expense was therefore \$122.72 for a lunch in 2011.

In relation to Jeffrey Epstein's involvement with the Mongolian Advisory Board, which was funded by the Government of Mongolia, KPMG identified one (1) payment made to "LHSummers Economic Consulting", the wire instructions for which appear to have been provided by Jeffrey Epstein's staff. The corporate registry information for LHSummers Economic Consulting does not reflect any link to Jeffrey Epstein but rather is an entity registered by Larry Summers, another member of the Mongolian Advisory Board.

Scope

KPMG's procedures included:

- a. Identifying the timing and amount of donations (as well as any restrictions) received from entities identified as affiliated with Jeffrey Epstein (including "Gratitude America Limited", "Enhanced Education" and the "Jeffrey Epstein VI Foundation") for the period under review. For a list of the entities identified as affiliated with Jeffrey Epstein, refer to Appendix A;
- b. For the identified donations, whether each one appeared to have been disclosed in accordance with IRS guidance; and
- c. Identifying any payments from, or made to, Jeffrey Epstein, or entities identified as affiliated with Jeffrey Epstein, in the period under review. This included his involvement with the Mongolian Advisory Board and payments related to the loan between Jeffrey Epstein and former IPI President Terje Rød-Larsen.

Methodology

KPMG performed the following procedures in the course of the engagement:

Discussions with IPI Employees

KPMG held discussions with various IPI staff to:

- i. Confirm the scope of the requested procedures;
- ii. Understand relevant business and accounting functions related to the recording and disclosure of donor receipts and payments;
- iii. Identify relevant financial documents and data; and
- iv. Confirm the process of extracting relevant accounting and transactional data.

Data Collection

KPMG obtained the following information for purposes of our analysis:

- i. Donor Receipts: general ledger (“GL”) transaction detail for contributions, grant income, donor income, member revenue and in-kind donations for the period under review;
- ii. Disbursements from IPI: general ledger (“GL”) transaction detail for disbursements made by IPI in the period under review;
- iii. Trial balances for the period under review;
- iv. Chart of accounts;
- v. IPI’s audited financial statements from 2010 to 2019;¹
- vi. IRS 990 Forms from 2010 to 2019, including the accompanying Schedules A and B;²
- vii. Vendor master file; and
- viii. Supporting documentation related to transactions of interest, including printed emails.

¹ Audited financial statements for 2020 are not expected to be issued until after December 2020 (the end of the fiscal year).

² Schedule B of the IRS 990 form is not a publicly disclosed document.

Completeness Testing

KPMG performed a reconciliation of the general ledger data and payment details to the audited financial statements from 2010 to 2019. For fiscal year 2020 where audited financial statements are not yet available, KPMG performed a walkthrough with IPI's accounting personnel to observe the creation of the reports provided to KPMG.

Public Record Searches on Jeffrey Epstein Related Entities

In addition to the list of Jeffrey Epstein related entities provided to KPMG by IPI ("Gratitude America Limited", "Enhanced Education" and the "Jeffrey Epstein VI Foundation"), KPMG performed online media searches to identify other entities affiliated with Jeffrey Epstein. In total, KPMG identified 56 entities where Jeffrey Epstein was listed as an Owner, Founder, President, Board Member, Chairman, Director, Manager, Trustee, Sole Member or part of the Epstein Trust.

The resulting list of affiliated entities was presented to and agreed by Counsel and IPI. KPMG subsequently used this list of entities to frame the scope of our procedures. Neither Counsel nor IPI requested any edits to the list of entities from KPMG's search results. See Appendix A for the list of entities identified.

Analysis and Review

KPMG searched for any references in IPI's accounting data to the entity names and addresses (where available) of the 56 entities affiliated with Jeffrey Epstein, described in the section above. This search was performed on the general ledger data for donation receipts, outgoing payments (including expense reimbursement payments) and vendor master files. KPMG requested that IPI provide supporting documentation to understand the underlying nature, description and purpose of the identified transactions. Supporting documentation provided included:

- Donor correspondence, checks, bank statements, invoices, journal entry detail, expense receipts and descriptions.
- IRS Form 990s, including Schedule A (Public Charity Status and Public Support) and the non-publicly available Schedule B (Schedule of Contributors of the Form 990) for the years in which donations of interest were identified. KPMG's review of the forms included an assessment of whether the threshold in Schedule B was appropriately applied for disclosure purposes³ and whether the donations of interest appeared to be disclosed on Schedule B in accordance with IRS rules and regulations.

³ The threshold for reporting a contributor on Schedule B is the greater of \$5,000 or 2% of total revenue reported for that year on Form 990, Part VIII, Line 1h.

Summary Observations

Donor Receipts

KPMG identified five (5) donations to IPI totaling \$650,000, related to Jeffrey Epstein. This was consistent with the donations identified by IPI in its own analysis.

- IPI received one donation of \$125,000 from Enhanced Education, an entity for which Jeffrey Epstein is listed as the founder.
- IPI received four donations totaling \$525,000 from Gratitude America, LTD, an entity for which Jeffrey Epstein is listed as the founder.

Further details are shown in the table below:

Donor Name	Check Date	GL Recording Date	GL Description	Donation Amount (USD)
Enhanced Education	October 11, 2011	October 13, 2011	Enhanced Education funding for WK Rick Hooper fellowship	\$125,000
Gratitude America LTD	May 8, 2017	May 11, 2017	Reimbursement of tickets to the Oslo Play	\$150,000
Gratitude America LTD	June 12, 2017	June 28, 2017	Gratitute [sic] America LLC	\$125,000
Gratitude America LTD	November 1, 2017	November 7, 2017	Contribution from Gatitute [sic] America, LTD Oslo Play	\$100,000
Gratitude America LTD	April 5, 2019	April 5, 2019	Contribution from Gratitude America	\$150,000
	Total			\$650,000.00

For the five donations above, KPMG did not locate any instructions from the donor that indicated the contributions were restricted. The donations listed above appeared to be disclosed in accordance with IRS guidance on IRS Form 990.

Reimbursements

KPMG noted one (1) reimbursement to IPI for a flight for \$14,158.88 from Enhanced Education.

Further details are shown in the table below:

Name	Check Date	GL Recording Date	GL Description	Amount (USD)
Enhanced Education	March 28, 2014	April 17, 2014	Enhanced Education reimbursement for L. Summers's flight	\$14,158.88

KPMG did not identify any additional donor receipts from the entities above or any of the entities listed in Appendix A.

Expenses

KPMG identified two (2) payments for expenses, totaling \$302.36, related to Jeffrey Epstein.

Both expenses were submitted for reimbursement by Terje Rod-Larsen (“TRL”) for a lunch he had with Jeffrey Epstein in 2011 and birthday flowers he sent to Jeffrey Epstein in 2018. IPI provided documentation showing that Terje Rod-Larsen subsequently reimbursed IPI for the birthday flowers expense on June 29, 2018. The only IPI reimbursed expense was therefore \$122.72 for the lunch in 2011.

Further details are shown in the table below:

Expense Description	Date	Payment (USD)	Amount
Meal Expense – “TRL:Lunch with Mr. Epstein (Dist)”	April 28, 2011	\$122.72	
Expense Reimbursement – “TRL flowers for Jeffrey Epstein's birthday (SO PO)”	January 19, 2018	\$179.64	

KPMG did not identify expense claims that were paid to Jeffrey Epstein directly or to any of the entities in Appendix A.

Payments

KPMG did not identify any payments to Jeffrey Epstein directly or to any of the entities in Appendix A and also did not identify any wider payments which relate to the personal loan between Jeffrey Epstein and Terje Rød-Larsen.

In relation to Jeffrey Epstein’s involvement with the Mongolian Advisory Board, which was funded by the Government of Mongolia, KPMG identified one (1) payment made to LHSummers Economic Consulting, the wire instructions for which appear to have been provided by Jeffrey Epstein via his assistant. The

documentation provided in support of the payment contained a printed email dated February 25, 2014, from Lesley Groff (with the signature “Assistant to Jeffrey Epstein”) to Terje Rod-Larsen. The email contained the instruction; “Jeffrey requested I send you the below wiring instructions for the Mongolian meeting Larry Summers had in Davos”.

The corporate registry information for LHSummers Economic Consulting does not reflect any link to Jeffrey Epstein but rather is an entity registered by Larry Summers, another member of the Mongolian Advisory Board.

Further details are shown in the table below:

Payee Description	Payment Description	Date	Payment Amount (USD)
LHSummers Economic Consulting	Honorarium for the Mongolia Advisory Board	February 28, 2014	\$100,000

Appendix A – Entity List

Ref	Name of Entity	Source	Apparent affiliation based on public records
1	Gratitude America Ltd	ProPublica.org Bigdatabase.com Businessinsider.com	Founder/Owner/President
2	Financial Trust Company	Bloomberg.com NewYorkTimes.com	Founder/Owner/President
3	J. Epstein Virgin Islands Foundation	Bloomberg.com NewYorkTimes.com	Founder/Owner/President
4	Southern Trust Company, Inc	Bloomberg.com NewYorkTimes.com Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
5	IGO Company L.L.C	NewYorkTimes.com	Founder/Owner/President
6	Southern Country International, Ltd	NewYorkTimes.com	Founder/Owner/President
7	Financial Strategy Group Ltd	NewYorkTimes.com	Founder/Owner/President
8	C O U Q Foundation Inc	GuideStar.org NewYorkTimes.com	Founder/Owner/President
9	The Jeffrey Epstein VI Foundation	Jeffreyepstein.org Jeffreyepsteinblog.com (Web Archive)	Founder/Owner/President
10	Nautilus, Inc.	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
11	Poplar, Inc.	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
12	Plan D, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
13	Freedom Air Petroleum, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
14	JEGE, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
15	LSJ Employees, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President

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16	Southern Financial, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
17	LSJ Emergency, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
18	Intercontinental Assets Group	NewYorkTimes.com	Founder/Owner/President
19	Enhanced Education	NewYorkTimes.com	Founder/Owner/President
20	Florida Science Foundation	Miamiherald.com	Founder/Owner/President
21	Epstein Interests	Miamiherald.com	Founder/Owner/President
22	Michelle's Transportation, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
23	Zorro Management, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
24	Neptune, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
25	NES, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
26	Thomas World Air, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
27	Lyn and Jojo, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
28	FT RealEstate, Inc.	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
29	SCI JEP	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
30	Prytanee, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
31	CDE, Inc.	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
32	VT&T, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
33	Little St. Jim, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President

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34	Financial Ballistics Trust	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
35	JSC Interiors, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
36	FSF, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
37	Financial Ballistics, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
38	Southern Country Opportunity Fund, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
39	Jeepers, Inc.	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
40	Maple, Inc.	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
41	Laurel, Inc.	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
42	Cypress, Inc.	Court Documents filed with the Superior Court of the Virgin Islands	Founder/Owner/President
43	Rockefeller University	Jeffreyepstein.org	Board Member/ Chairman/Director/Manager
44	Liquid Funding, Ltd	Miamiherald.com Offshoreleaks.icij.org	Board Member/ Chairman/Director/Manager
45	Great St. Jim, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Board Member/ Chairman/Director/Manager
46	Hyperion Air, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Board Member/ Chairman/Director/Manager
47	Debra and Leon Black Foundation	NewYorkTimes.com	Trustee
48	Institute of International Education Scholar Rescue Fund	NewYorkTimes.com	Trustee
49	Arts Interests	Documents filed with the SEC	Trustee
50	Health and Science Interests	Documents filed with the SEC	Trustee
51	Health and Science Interests II	Documents filed with the SEC	Trustee
52	International Charitable Interests	Documents filed with the SEC	Trustee

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53	The Wexner Foundation	NewYorkTimes.com	Trustee
54	Haze Trust	Court Documents filed with the Superior Court of the Virgin Islands	Trustee
55	L.S.J, LLC	Court Documents filed with the Superior Court of the Virgin Islands	Sole Member
56	The 1953 Trust	Court Documents filed with the Superior Court of the Virgin Islands	Epstein Trust with assets to pay damages