

# Casting an Expert Eye

World Energy interviews Frank Culberson, CEO of Rimkus Consulting Group, Inc.



Rimkus Consulting Group, Inc. is a worldwide provider of independent, professional consulting services to insurance companies, law firms, corporations and government agencies. Rimkus assists clients in the responsive and timely resolution of claims and disputes.

World Energy: What kind of background can you give us on Rimkus?

Culberson: During my 20 years of service, I have seen Rimkus grow to become one of the most respected and experienced forensic consulting groups in the world. Today, our company is more dynamic and vibrant than at any time in its past. Currently, we have more than 300 full-time professional engineers and consultants on staff and offer services in every U.S. state, as well as in many countries abroad.

World Energy: How does forensic consulting differ from other kinds of consulting?

*Culberson:* Rimkus investigates accidents, claims and disputes in a broad range of disciplines and industries and provides our professional opinion about the facts concerning what happened, why it happened and who caused it to happen. Additionally, we frequently estimate the method and feasibility of repair or reconstruction, the

estimated costs and the expected time for restoration, if appropriate. At the same time, we frequently serve as experts in litigated matters, and sometimes are deposed or provide court testimony when required. More than 15,000 problems per year typically come through Rimkus, and to handle that workload, we employ a highly qualified staff that gets to the bottom of complex events.

World Energy: Where do you find your engineers and consultants?

*Culberson*: We have a strong recruiting program using in-house and outside recruiters. We use Web site sources, ask our staff and others for personal referrals and advertise for specific positions. We seek experienced professionals who have quality experience, outstanding academics and excellent communication skills.

World Energy: How do your engineers conduct their investigations?

*Culberson:* Rimkus performs technical, business and environmental analyses using established procedures. We frequently use the scientific method, whereby we recognize and identify the problem, define the problem, collect appropriate data, analyze data, develop a hypothesis and then prove the hypothesis. These steps may occur simultaneously or sequentially. Non-technical disciplines use a similar approach to ensure that no available data are overlooked and that the findings are sound and based on valid principles.

World Energy: What is the role of peer review in the Rimkus forensic process?

*Culberson:* Our review process is designed to ensure that all final work embodies the best, most objective analysis possible. Every Rimkus report is reviewed by at least one other Rimkus colleague trained in the appropriate disciplines and committed to excellence in analysis and finding the facts.

### 8 Greenway Plaza, Suite 500, Houston, Texas 77046 713-621-3550, 800-580-3228 | Fax: 713-623-4357

Such a strict peer review process ensures that every official finding that is signed and sealed by our Rimkus professionals meets the highest standards of quality, reliability and integrity.

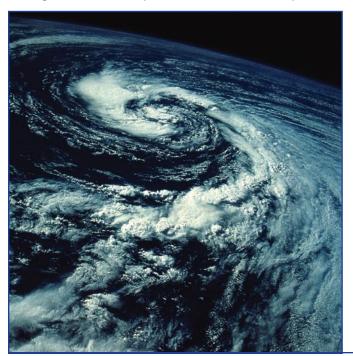
## World Energy: With these litigious times, you must keep busy.

*Culberson:* That is an understatement. Even though many claims and disputes are settled without litigation, controversial and complex claims increasingly end up in litigation. When I started my career in the energy industry, two companies involved in a dispute would hold discussions and try to come to a reasonable compromise, usually without attorneys present. Today, of course, litigation is the prevalent way to resolve disputes and many cases go to mediation and arbitration.

### World Energy: When should the consultant come into the picture?

*Culberson:* The consultant should be hired as soon as possible. One thing that we have learned in this business is that evidence is lost over time. The quicker a consultant gets to a site to gather key evidence, the better. This will lead to a better analysis of the situation and a better understanding of the facts.

Conversely, we think delay is a serious mistake and can be fatal to the client, because the litigant who utilizes this strategy fails to take advantage of the initial planning and strategic services an experienced consultant can provide.



#### World Energy: Why would a client delay?

*Culberson:* There are many reasons, particularly by defendants. It may be an attempt to "save" money by having the consultant on board for a shorter period of time. The assumption may be made that staff members, usually inexperienced in litigation matters, will be available to provide the required assistance.

Hiring the consultant at a late date may possibly cost less in fees, but likely will result in an inferior work product. Further, this approach may prevent the assimilation of the complete set of pertinent documents, particularly those documents that could be of greatest benefit in winning the case. When an energy company is involved in litigation, we strongly recommend that capable consultants be employed to provide the best chance for a successful outcome.

There are also reasons in many cases to involve a consultant even before the lawsuit is filed. The expert help from a consultant evaluating the issues may result in an alternative course of action to a lawsuit. We firmly believe the best way to resolve a problem is to know the facts as soon as possible.

### World Energy: Describe what happened following Hurricane Katrina.

Culberson: Well, as everyone knows, the damage wrought by Katrina was unimaginable and catastrophic, and taxed the resources of families, private industry and the federal government alike. Our company received thousands of requests for assistance in determining the cause and extent of the damage, and we actually had to turn work away. But in our responses, our number-one priority was to provide timely, unbiased technical evaluations so that our clients had the information needed to support the recovery effort.

#### World Energy: And your engineers rose to the occasion?

*Culberson:* They did. In every case that resulted in an official Rimkus Report of Findings regarding damage to a residence caused by Hurricane Katrina, the property was personally inspected by a Rimkus-authorized engineer prior to the final report being signed, sealed and provided to the client by the Engineer of Record, who was licensed in the state where the loss occurred.

World Energy: Were the company's conclusions validated?

Culberson: They were. The conclusions rendered by Rimkus engineers concerning the devastation caused by Hurricane Katrina's wind and storm surge were thoroughly researched, documented and scientifically validated with similar findings by FEMA, the U.S. Department of Commerce, the National Institute of Standards and Technology [NIST], the National Oceanic and Atmospheric Administration, Mississippi State University, the National Hurricane Center, Princeton University and others. Every report signed and certified by a qualified Rimkus professional engineer can be defended by scientific engineering principles, physical evidence and the specific facts unique to each case.

#### World Energy: What, for instance, did others find?

Culberson: The NIST, for one, said that the predominant causes of damage to residential structures were direct storm surge impacts, surge inundation and inland flooding. Direct surge impacts extended as much as one-half mile inland, surge inundation extended up to several miles inland along the Gulf Coast, and inland flooding was concentrated in the New Orleans, Louisiana, area and communities between New Orleans and Biloxi, Mississippi.

The NIST also concluded that the damage due to wind loading was not unusual or nearly as severe as damage caused by storm surge, waves and flooding. Damage due to hurricane winds was observed to roofing materials, siding, windows, soffits, porches, doors and garage doors. Windborne debris did not contribute significantly to overall damage, though various forms of debris damage were observed.

## World Energy: What role do insurance companies play in your investigations?

Culberson: We undertook a large number of evaluations for insurance companies that insured residential, commercial and industrial properties in the affected Gulf Coast area. Insurers typically used in-house adjusters and independents to settle the huge number of claims. Insurers also employed many engineering and scientific firms and forensic accountants to evaluate the property and business losses and provide objective opinions and conclusions concerning some of these losses.

The process was complex and time-consuming, and many homeowners were not pleased with the delays and sometimes believed they did not receive fair settlements. Litigation ensued for many claims, but for a relatively small percentage of the total number of claims.

## World Energy: What were some of the impacts on the energy industry from hurricanes Katrina and Rita?

Culberson: We saw considerable damage to oil production facilities – refineries, offshore rigs, pipelines, docks, tankage and other facilities were affected. At some inland locations in and around New Orleans, tankage containing petroleum products were dislodged from their foundations, spills occurred, and pollution resulted. Refineries were flooded and shut down for long periods. Major disruptions occurred, and some facilities are still out of service, particularly in the Gulf of Mexico. These problems have been well documented.

### World Energy: Did Rimkus work on energy claims and losses?

*Culberson:* Yes, we were involved in evaluating a significant number of losses concerning pollution problems, oil and gas production facilities, damage to tankage, equipment and machinery, and the property damage and business losses related to idled production and processing facilities.

#### World Energy: Do you still get hurricane losses?

*Culberson:* Yes, some claims are still coming in, although the numbers are dwindling. Further, we are involved in expert witness services in litigated files, and we expect such jobs to continue for another year or two.

### World Energy: In summary, how do you view hurricane work?

*Culberson:* We value the trust our clients have placed with us in performing hurricane work. We have received many compliments on our performance. Rimkus always strives to protect the principles of our profession, maintain the highest standards for excellence and provide each client with the quality services they expect and deserve. Our hurricane work meets these goals.

#### For further information about Rimkus, contact:

Corporate Headquarters Rimkus Consulting Group, Inc. Eight Greenway Plaza, Suite 500 Houston, Texas 77046

Phone: 713-621-3550
Toll Free: 800-580-3228
Fax: 713-623-4357

www.rimkus.com