



U.S. Department of Housing and Urban Development
Office of Inspector General
451 7th St., S.W.
Washington, D.C. 20410

February 8, 2000

Laurence Storch, Esq.
Storch & Brenner, LLP
1001 Connecticut Avenue, N.W.
Washington, DC 20036

RECEIVED

FEB 10 2000

STORCH & BRENNER LLP

Re: Susan Gaffney v. The Hamilton Securities Group, Inc.,
Misc. No 98-92

Dear Mr. Storch:

Pursuant to agreed procedures intended to implement Judge Sporkin's December 18, 1998 order, HUD has entered into a contract with Ontrack Data Recovery, Inc., to capture and copy data from back-up tapes under your possession and control. (Order for Supplies or Services No. SO2000NCAA-0031 is enclosed.) Ontrack recently advised OIG that they are ready to commence performance under the contract. Accordingly, would you please forward to Ms. Jennifer Knutsen, Ontrack Data Recovery, Inc., 6211 Bury Drive Suite 13-21, Eden Prairie, MN 55346, the following back-up tapes located in box S00042:


<u>Disk Number</u>	<u>Date</u>
9/32	10/24/97
17/32	10/24/97
1/58	03/07/96
2/58	07/13/96
3/58	07/21/96
4/58	07/23/96
6/58	07/26/96
8/58	07/29/96
16/58	08/07/96
17/58	08/07/96
22/58	08/18-19/96
28/58	08/25-26/96
32/58	07/13/96
33/58	07/21/96
40/58	08/01/96
50/58	08/18-19/96
56/58	08/25-26/96

Laurence Storch, Esq.

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Please contact me at (202) 708-1613, if you have any questions concerning this letter or require any additional information.

Sincerely,


Bryan Saddler
Acting Counsel to the Inspector General

Enclosure

cc: Kenneth E. Ryan, Esq.
Daniel Van Horn, Esq.
Ms. Jennifer Knutsen

ORDER FOR SUPPLIES OR SERVICES

IMPORTANT: Mark all packages and papers with contract and/or order numbers.

1. DATE OF ORDER NOV 22 1999		2. CONTRACT NO. (if any)		3. SHIP TO:	
4. ORDER NO. 02000NCAA-0031		4. REQUISITION/REFERENCE NO. G100000002		5. NAME OF CONSIGNEE Office of the Inspector General	
6. ISSUING OFFICE (Address correspondence to) Administration and Oversight Branch, ASD, OIG 151 7th Street SW Washington DC 20410		7. TIN:		8. STREET ADDRESS 451 7TH ST., SW	
9. NAME OF CONTRACTOR		10. NAME OF CONTRACTOR		9. CITY WASHINGTON	
11. COMPANY NAME Ontrack Data Recovery, Inc.		12. STREET ADDRESS 6321 Busy Drive, Suite 13-24		10. STATE DC	
13. CITY Eden Prairie		14. STATE MN		11. ZIP CODE 55346	
15. ACCOUNTING AND APPROPRIATIONS DATA 10189/960/G101		16. REQUESTING OFFICE Office of the Inspector General		12. TYPE OF ORDER <input checked="" type="checkbox"/> a. Purchase <input type="checkbox"/> b. Delivery	
17. BUSINESS CLASSIFICATION (Check appropriate boxes) <input checked="" type="checkbox"/> a. SMALL <input type="checkbox"/> b. OTHER THAN SMALL <input type="checkbox"/> c. DISADVANTAGED <input type="checkbox"/> d. WOMEN-OWNED					
12. F.O.B. POINT Destination		14. GOVERNMENT B/L NO.		13. DELIVER TO F.O.B. POINT ON OR BEFORE (Date) 09/30/2000	
13. PLACE OF Destination		15. INSPECTION Destination		16. DISCOUNT TERMS NET/30	
16. ACCEPTANCE Destination		17. SCHEDULE (See reverse for Rejection)			

ITEM NO. (A)	SUPPLIES OR SERVICES (B)	QUANTITY ORDERED (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)	QUANTITY ACCEPTED (G)
0001	<p>COMPUTER EVIDENCE SERVICES</p> <p>ALL WORK SHALL BE PROVIDED IN ACCORDANCE WITH THE ATTACHED STATEMENT OF WORK.....</p> <p>GOVERNMENT TECHNICAL REPRESENTATIVE: JOSEPH HABAN (202) 708-5227 EXT. 160.</p> <p>DATA CAPTURE: \$400 PER TAPE</p> <p>CD COPIES: \$400 PER TAPE FOR 1 COPIES</p> <p>\$150 FOR MORE THAN 30 TAPES</p> <p>CD-ROM: \$7.50</p> <p>CONSULTING: \$250 PER HOUR FOR ENGINEERING</p> <p>REQUIRED TESTIMONY: \$5,000 PER DAY + EXPENSES</p> <p>FOR ONSITE TESTIMONY: \$250 PER HOUR FOR TELEPHONE TESTIMONY.</p>	1.00	EA.	\$15,000.00	\$15,000.00	

CERTIFIED TRUE COPY

Contracting Officer

If you have any questions, please contact Catherine B Plunkney at (202) 708-1772 ext. 7125

SEE BILLING INSTRUCTIONS ON REVERSE.	18. SHIPPING POINT	19. GROSS SHIPPING WEIGHT	20. INVOICE NO.	17(a) TOTAL (Cont. sheet)
	21. MAIL INVOICE TO:			
	8. NAME FT. WORTH ACCOUNTING CENTER			17(b) GRAND TOTAL
	9. STREET ADDRESS (OR P.O. Box) P.O. BOX 901013			
11. CITY FT. WORTH	12. STATE TX	13. ZIP CODE 76101	515,000.00	

UNITED STATES OF AMERICA
BY (Signature) *Amelia S McCosker*
TITLE CONTRACTING ORDERING OFFICER

STATEMENT OF WORK

1. This project is to carry out the provisions in the court order of December 18, 1998, in Gaffney v. Hamilton, et al., U.S. District Court, D.C., Misc. Case No. 98-92 (Judge Stanley Sporkin), at section 3, page 6 (attached).

2. The Special Masters listed below, who were appointed by the Court in the above matter, are charged with oversight of this matter:

Irving M. Pollack, Esq.
Laurence Storch, Esq.
Special Masters
Storch & Brenner LLP
11th Floor
1001 Connecticut Avenue, N.W.
Washington, D.C. 20036
Phone: (202) 452-0900

At all times ONTRACK and its personnel shall abide by the determinations of the Special Masters and follow the instructions of the Special Masters in all respects and without delay, and will undertake no tasks without the prior written approval of the Special Masters in this matter.

3. ABSENCE OF CONFLICTS OF INTEREST: ONTRACK acknowledges that it has received information concerning the interested parties by communications from HUD Office of Inspector General (OIG) dated February 22, 1999 and April 12, 1999, states that it has performed a conflicts check concerning the information provided, and that it has determined that it has no conflicts as to this engagement with respect to the parties and entities identified therein. Further, ONTRACK will not provide services to any person or entity in the future that conflict with this engagement. Nothing herein shall prohibit the OIG from retaining ONTRACK to perform additional work related to this matter.

4. THE ENGAGEMENT: ONTRACK will provide computer evidence services as follows:

a. PHASE I - Data Capture: \$ 400 per tape.

For 10-20 backup tapes designated by the HUD OIG and submitted to ONTRACK by the Special Masters, ONTRACK will:

- i. Duplicate tapes. ONTRACK will create a copy of each tape to work from rather than working from and potentially damaging the original. This copy will be made on Ontrack's servers and will be deleted upon completion of the project or upon request of the Special Masters, whichever occurs first. A notarized statement in a format acceptable to the Special Masters will be provided to the Special Masters at that time stating that all copies of the data created by Ontrack have either been destroyed or provided to the Special Masters.
- ii. Catalogue the tapes in order to determine what data is on the tapes.
- iii. Restore the data. ONTRACK will restore all documents on the tapes to accessible status.
- iv. Run a file listing report identifying what applications are on each tape (i.e., cc:Mail, GroupWise, Collabra Share, Optus, WORD, DACEASY, accounting software, SOLOMONS accounting system, EXCEL, ACCESS, POWERPOINT, PROJECT, FACSYS, and such other applications as ONTRACK is able to identify), and the approximate volume of data for each application source on each tape.
- v. Run file ID program to identify what the file types are.
- vi. Provide a written report to the Special Masters, containing the information obtained from the above steps, including the applications on each tape (from the list indicated in 4.a.iv. above, and any other applications that ONTRACK is able to identify), the approximate volume of data for each application source on each tape, and what viewers are required to read data on each tape.

ONTRACK will complete PHASE I within 30-45 days of receipt of the original tapes, barring unforeseen circumstances. ONTRACK will maintain the original

tapes until further instructions from the Special Masters.

- b. PHASE II - CD copies: \$400 per tape for 2 copies. If more than 20 tapes are copied, the copy per tape will decrease to \$ 350 per tape.

For tapes designated by HUD Office of Inspector General for copying following receipt of results from PHASE I, ONTRACK will:

- i. Create only two (2) copies on CD-rom of all data on each tape selected, without any change in original;
- ii. Certify that the two copies created contain the exact file data extracted from the original tapes; and
- iii. Provide the two copies, along with all the original tapes, directly to the Special Masters.

ONTRACK estimates the completion of PHASE II will take five (5) days per tape.

c. INSTRUCTIONS GOVERNING BOTH PHASES:

- 1) ONTRACK shall not alter the original tapes in any way;
- 2) ONTRACK shall conduct no analysis or review of the information on the tapes, except as specified above;
- 3) ONTRACK shall make no copies of the tapes, or the information contained thereon, except as specified above;
- 4) ONTRACK shall maintain its findings in confidence, and shall not provide any information about the data contained on the backup tapes to anyone other than the Special Masters, absent a court order instructing it to do so; in this regard, ONTRACK states that it has read the attached Court order, and promises that it will abide by the Order and the instructions at page 6 of the Order;
- 5) ONTRACK shall maintain strict security, chain-of-custody procedures, and other forensic safeguards with respect to such tapes and copies;
- 6) Following the conclusion of Phase II of the

project, ONTRACK shall return the original tapes together with both CD copies, directly to the Special Masters. Further, upon conclusion of the project or upon request of the Special Masters, whichever occurs first, ONTRACK shall provide the notarized statement as indicated in 4.a.i. above.

5. ADDITIONAL SERVICES:

- a. Deliverables: 1 CD-ROM = \$7.50. 650 MB fills 1 CD. ONTRACK advises that, depending upon amount of data, CD may not be the best choice.
- b. Conversion: To be determined by customer if this service is required. ONTRACK advises that CD-ROM copies of E-mail will require user to have exact copy and version of E-mail applications up and running in order to view E-mail. ONTRACK can convert data to .PST format if required. ONTRACK can also convert this data to a TIFF format, which eliminates the need to have all the applications. Additional fees apply if required.
- c. Consultation: \$250 per hour.
- d. Engineering required testimony: \$5,000 per day plus expenses for onsite testimony; \$250 per hour for telephone testimony.
- e. Freight: Federal Express two-day delivery.

6. INVOICING AND PAYMENT:

- Upon ONTRACK's delivery to the Special Masters of the products for each phase, ONTRACK will invoice HUD Office of Inspector General for the work performed for that phase. Upon verification of the receipt of the deliverables/products for that phase, HUD Office of Inspector General will certify the completion of work for that phase and will cause payment to be made to ONTRACK in accordance with 46 CFR Ch. 1, Subpart 32.9.

7. SHIPPING REQUIREMENTS:

- a. When services are complete, ONTRACK will ship via Federal Express for two-day delivery.
 - b. ONTRACK will deliver all materials and information to the Special Masters at the address listed in Item No. 2 above.
8. MODIFICATIONS: Any modifications to the Statement of Work must be in writing and agreed to by HUD before any work in

connection with the proposed modification progresses. If
ONTRACK requests a modification, ONTRACK should contact
Joseph Haban, Special Agent in Charge, Special
Investigations Division, HUD Office of Inspector General, at
(202) 708-5227, ext. 160.