



July 20, 2010

John F. Walsh  
United States Attorney  
District of Colorado  
1225 Seventeenth Street Plaza  
Denver, Colorado, 80202

RE: Six Indicted for Allegedly Defrauding Staffing Firms

Dear Mr. Walsh,

I am an Information Technology Recruiter and Account Manager here in Denver, CO. I have been in this business for over (13) thirteen years. Recently, it was brought to my attention that an indictment is in process for a group of IT Professionals here in Colorado. Honestly, I was shocked at the allegations and I reached out to the gentlemen involved. Knowing these men, I knew there had to be more to the story.

I have known most of the men involved on a professional level for the majority of my recruiting career. I am not the type of person to get involved in something like this but in this case, I firmly believe these men were not trying to pull off a scam. I am convinced these gentlemen have developed a valuable software and they are just trying to sell it- they were told it would sell- this is the stuff dreams are made of and the American way! I truly believe this is a business deal that unfortunately went "south" due to poor planning, lack of research and a lack of industry knowledge on the part of the men involved as well as the staffing firms that CHOSE to take on the business.

It is important to understand that there is risk involved in the Staffing/Recruiting business. The agencies /firms involved were in no way forced to conduct business with these men- they CHOSE to do so. These businesses should stop trying to place blame on these men and they should take the time to re-evaluate their decision to assume the risk! In this business- as in any business "you have to spend money to make money". I think these agencies saw the potential to make a lot of money and chose to assume the risk.

I would like to back up the CEO of REMY, Andrew Albarelle in addressing the notion that most people are confused as to how Staffing and Recruiting firms operate. As a Recruiter and Account Manager it is my job to find candidates and new clients. I solicit companies looking for employees and contractors to complete projects – it is then my job to call upon a network of professionals or actively seek resources (a.k.a "passive



candidates”) to match the job requirements. The firm or agency takes on the responsibility of paying the contractor for the hours he/she bills. It is the responsibility of the agency or firm to collect a fee that covers the pay rate to the contractor as well as the profit to the agency. This amount is always negotiated before the resource begins his/her contract.

When an agency chooses to pay a contractor the agency usually fronts the pay rate and often “dips” into a line of credit to pay the resources until the agency is reimbursed by the hiring client- there again is a cost of doing business because often times interest also has to be paid when the agency does not collect the fee in a timely manner- again the risk assumed and agreed upon by the staffing firm/agency.

I am not in a position to authorize /assume the risk of taking on a client but I am in the position to present new clients to a decision maker. The decision maker must do the necessary research and make the decision to engage. That decision then rest upon the shoulders of the individual who authorized the deal. Unfortunately, this project/agreement did not go as planned and the agencies lost money but if it had gone as planned everyone would have made a lot of money and the decision makers would be getting a lot of accolades!

In closing, it is important to understand that the gentleman involved also lost- these men have a dream to sell a product they created-this is the American way! These men still want to sell the software and they have every intention of making things right. I urge you to look at this case from the perspective of a “deal gone bad” BUT also a deal that has the potential to “ go right!”

The agencies involved know that “bad debt” is written off every year and they also know they chose to assume the risk. I am confident that when things are turned around and these men are given the opportunity to prove their product a lot of apologies are going to be due! What is in it for me? Nothing! I just feel strongly that this is a case of bad business!

Personally, I am looking forward to the day these men can say, “ I told you so”! Please allow them the opportunity to get there!

Sincerely

Kellie A. Baucom  
Contract Recruiter/Account Manger