



For Immediate Release
(June 16, 2005)

Contact: George Ledwith
KPMG LLP
Tel. (201) 505-3543

KPMG LLP STATEMENT REGARDING
DEPARTMENT OF JUSTICE MATTER

NEW YORK, June 16 – KPMG LLP made the following statement today in regard to the ongoing Department of Justice investigation into certain tax services previously offered by KPMG:

It has been public knowledge that since February 2004, the Department of Justice has been investigating certain tax services that were offered by the firm during the 1996 – 2002 time period. This is part of a larger tax shelter investigation into the role of accounting firms, law firms, large banks and taxpayers who participated in the development, promotion and implementation of tax shelters.

KPMG takes full responsibility for the unlawful conduct by former KPMG partners during that period, and we deeply regret that it occurred.

In order to ensure that this type of conduct does not occur again, KPMG has taken the following actions:

- We no longer provide the services in question.
- We have put in place a process to ensure that those responsible for wrongdoing have been separated from the firm.

--more--



KPMG Statement – DOJ Matter – 2

- KPMG has instituted firm-wide structural, cultural and governance reforms to ensure the highest ethical standards.
- KPMG has undertaken significant change in its business practices.

We remain in discussions with the Department of Justice and continue to cooperate fully in its investigation. KPMG looks forward to a resolution that recognizes the significant reforms the firm has already made in response to this matter while appropriately sanctioning the firm for this wrongdoing.

We take this matter very seriously and seek to resolve it fairly and expeditiously.