



Private Equity

A Solution for Enhanced Due Diligence “EDD”

Private equity is a highly specialized industry with its own distinct considerations when it comes to due diligence. Investing in EDD protocols designed to identify actual or potential issues across the risk spectrum has become a cost of doing business.

Staying ahead of ESG, ABAC, human rights, and other reputational and compliance concerns – before signing on the dotted line – is why EDD with IntegrityRisk is considered an essential tool in any investment process.

EDD with IntegrityRisk

Determining the full scope of all types of exposures is readily available through EDD with IntegrityRisk. This includes negative mentions in the media and on the Internet broadly, corporate registration records, regulatory and litigation records, as well as global public records research and analysis. IntegrityRisk goes even further in providing not only a technological solution, but also in-house experts to provide in-depth guidance. Our team of research analysts hail from a variety of backgrounds and can address the full scope of EDD, from low-level matters to complex assignments worldwide.

IntegrityRisk can also include, where necessary, discreet inquiries with knowledgeable, in-country sources (“human intelligence”) regarding an entity’s background, business practices, and reputational status. Human intelligence is typically incorporated into the EDD process for several key reasons, such as a high profile or known adverse history for the subjects under review, a high-risk jurisdiction where subjects reside or operate, or due to the size and importance of the investment.



Key Attributes of a Successful In-House Due Diligence Program



Consistent and supportive approach at the highest levels to ensure the implementation of appropriate due diligence on every investment.



Documented process for EDD based on the type of transaction, location and other reputational “risk factors” employing a risk-based approach where the scope of research and inquiries matches the use case and level of risk.



Centralized process.



Communication globally and sharing of lessons learned.



Leverage outside counsel when appropriate.

How IntegrityRisk Supports Private Equity Clients

- Transactional support (investments, acquisitions, joint ventures, partnerships etc.)
- Performing background research on the key executives and board members of the target company.
- Know your customer “KYC” onboarding of new/existing Limited Partners (LPs)
- Deal consultant due diligence.
- Portfolio company support.
 - ◊ Transactional diligence.
 - ◊ Vendor/third party risk assessments, compliance, and screening/due diligence.
 - ◊ Compliance advisory services.
- Creation/review of policies and procedures for earlier stage companies.
- Program buildout and implementation.
 - ◊ Executive hire background checks.
- Special projects/investigations.

Over the last three years, IntegrityRisk has observed Private Equity firms requesting EDD on more than just high-risk industries and jurisdictions – where the “best practice” is now a well-documented and followed transactional due diligence process.

We see approximately 70% of these engagements initiated with full open-source public records research and analysis (Level 1 scope level).

IntegrityRisk EDD Product Descriptions

Red Flag *Review*

Basic facts about a subject, including: research of global sanctions, databases, and watch lists; identification of PEPs; negative media/Internet references – checks in English and primary local professional language(s); corporate registration records; additional research to rule out false positives.

Level I *Public Records Review*

Includes RedFlag scope of checks plus: comprehensive media, social media, and Internet research in English and primary local professional language(s); comprehensive review and analysis of regulatory records; comprehensive litigation records – appropriate federal and local level; education verifications; research into individual’s corporate affiliations.

Level II *Enhanced Intel Source Review*

Includes Level I scope of checks plus: discreet inquiries with knowledgeable, in-country sources regarding background, business practices, and reputational status, including indicators or red flags pertaining to corruption, bribery, fraud, or other illicit business practices.



www.integrityriskintl.com

To learn more about our services and how IntegrityRisk can help your organization, please [contact us](#).

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