



DUE DILIGENCE INVESTMENT & OPERATIONAL REPORT

This document is a sample template

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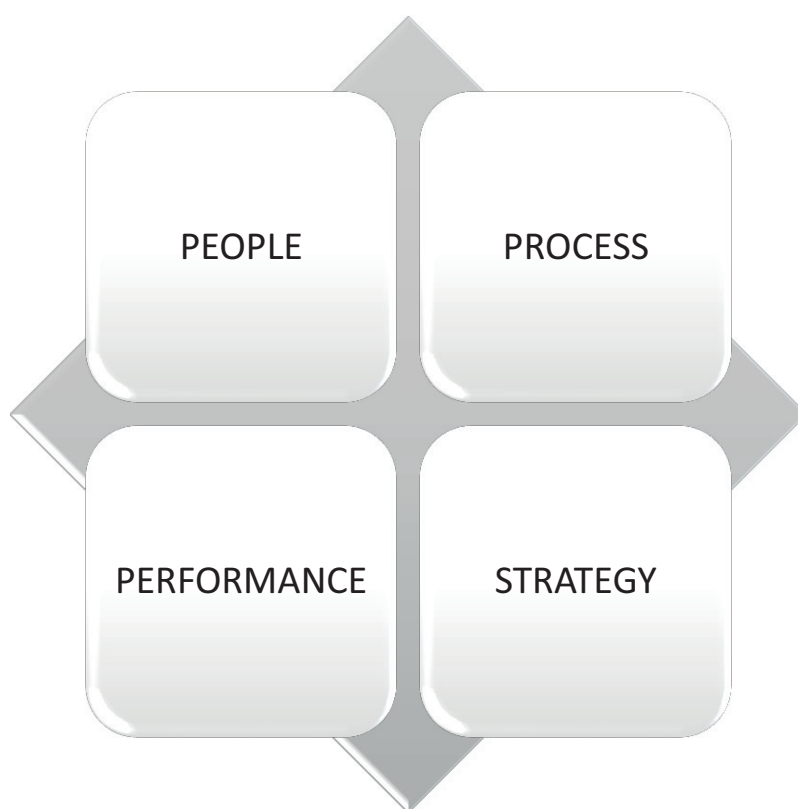


Reputation Review

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INVESTMENT DUE DILIGENCE



OPERATIONAL DUE DILIGENCE



ABC NETWORKS

DIRECTORS:

P J Swart, J Smith, P Hutchinson

COUNTRY:

South Africa

CITY:

Johannesburg

DATE:

15 March 2021

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Executive Summary Sample

{Name}, African nationality, born on {date} 1967. Graduated from Wits University in 1988.

Currently {Name} holds roles in 13 companies.

Previously {Name} was related to the financial and economic activities of two other companies.

{Name} was a member of {name} Development Forum.

{Name} served as a Board Member of the National Institute for {group} and he was a Vice-Chairperson of the {name} {place} Executive Committee.

{name} was elected as Secretary General of {union} (National Organizer of National Union of {Group name} of Africa) from 1994 to 1997.

(Name) was the chairperson of {group name} Unions (XXXXX)'s Economic Development Project Team.

There were no findings on {name}, in regard to sanction lists, other official watchlists, bribery and corruption or civil and criminal litigations. No indications of financial concerns regarding {name} were found.

There were findings on {name} in regard to international Politically Exposed Persons lists.

{Name} was a member of {name of union} (XXXX) National Executive Committee (NEC) from December 2007 and member of the government senate from 2008.

{Name} was Deputy Minister of {official title} of the Government of {Country} from 2009 to 2010.

{Name} was Deputy Minister of Housing and Development of the {Country} from November 2010 to January 2012.

According to the adverse media findings {name} has been investigated for fraud related to pension Funds and corruption with suspected money laundering.

{Name} was identified and is active on social media, specifically, Twitter.

Red Flag Summary



{Name} has been investigated by national police for frauds with pension funds.



{Name} has been suspected of corruption and possible money laundering.



{Name} is a politically exposed person, who was Deputy Minister of Housing and Development.

Recommendations

It is recommended that cooperation with {name} is treated as one involving high reputational, financial and operational risk to (customer).

Based on social media graphics, {name} can openly be seen in the company of convicted criminals who have recently been released from prison and community service.

Link Analysis and Chart of Key Findings

1.  Link Analysis
2.  Social Media Report

1. IDENTITY REVIEW

A comprehensive local official register and online research was conducted to complete and verify the subject's personal details as well as possible shareholdings, directorships and memberships. In addition, an online research was conducted to complement the information available in the registers. Details of the identity review are as follows.

1.1. Registered Information

First Names: {Name}

Surname: {Name}

Name in Original Script: {Name}

Date of Birth: {Date}

Nationality: {Nationality}

Language skills: English

Home Address: 1st Floor, 111 main street, {city}, {district} {Country} (confirmed)

Work Address: 2nd floor, 112 main street, {city}, {district}, {Country}

Telephone: +00 012345678/ + 00 987654321 (confirmed)

Email: thisiswasormaybemyemail.address@funmail.fun(confirmed)

Additional Email: myemialis-confirmed@confirmedmail.ma

Social Media Presence: Twitter, Facebook, Instagram and LinkedIn

Web Presence: See Attached PDF (Web-Report)

1.2. Shareholdings and Directorships

{Name} holds no shares in any entity.

Open source investigation revealed that {name} is related to the financial and economic activities of the following commercial structures:

Non-executive Director at ABCD HOLDINGS LIMITED (Reg: 0001001001) since 05 March 2019.

Non-executive Director at NATIONAL CORP (Reg: 011020209 since 24 November 2016.

Member of WILD WEST SEAWEEED LLC (Reg: B3456789) since 16 February 2017.

Non-executive Director (Board of Directors) at NATIONAL CORP LTD (Reg:56789223)

Director position at NCN LTD (Reg: 974567943) since 17 May 2016.

Previous Roles:

Director position at CIVILIAN NOW HOLDINGS LTD (Reg: 908764531) from 01 July 2016 to 31 July 2018.

Director position at GROUPOFGROUPS1 INC (Reg: 456789123) from 24 January 2013 to 16 May 2017.

1.3. Memberships

- {Name} was founder member of Border Fence Development Gate
- {Name} was a member of Legislature in the Skyline government from 1994 to 2009.
- {Name} served as a Board Member of the National Institute for Policy from 1997 to 1998
- {Name} served as a member of the Pan Equator Services Fund;

Important Note: {Name} was a member of the Island Foundation and was expelled due to irregular activities. The irregular activities included suspected fraud, and international money laundering. The proceeds from the Museum Council, is suspected of being used to purchase his second eldest's sons' {Name}, new sports vehicle as can be seen in the pictures that appear on the public domain and his Facebook account.

1.4. Education

Graduated from Dr. John's College of Technical development in {City}, {Country}.

Graduated from University of Linden with a Master's Degree in Financial Economics (1988)

1.5. Employment History

- {Name} worked as a cashier in 1979.
- {Name} started as a part time employee of the Union of Metalworkers from 1983 to 1989.
- {Name} thereafter worked as the National marketing consultant from 1989.
- {Name} was promoted to Regional head of marketing in 1990.
- {Name} Started a new position as head of trade and trading at ESREPE Ltd from 1994 to 1997
- {Name} became Chairperson of the Union of Unions in 1996 and until 1997.

2. COMPLIANCE REVIEW

A comprehensive compliance review was conducted including international watchlist screening; locally conducted research on indications of non-compliance in regard to political exposure, bribery, corruption, unethical behavior.

Local research on litigations and targeted online research on indications of environmental breaches and financial concerns was conducted.

International watchlist (sanctions etc.) screening was carried out.

Note: Unethical behavior comprises embezzlement, fraud, extortion, abuse of power, abuse of privileged information, favoritism and nepotism. Details of targeted online research are available upon request.

The above-mentioned investigations resulted in all open source data bases and the findings on {Name} are comprehensive and complete.

Details of the review are as follows:

2.1. Sanctions Lists

These lists include but are not limited to UN, EC, OFAC, national, money-laundering, terrorism financing and financial institutions lists.

There were no findings on {Name} in regard to international Sanctions Lists.

2.2. Other Official Watchlists

These lists include but are not limited to financial crime, organized crime, tax crime, war crimes, FBI, Interpol, Europol and national wanted-lists.

There were no findings on {name} in regard to other Official Watchlists.

2.3. Politically Exposed Persons (PEP)

PEP is an individual who is or has been entrusted with a prominent public function. Can be further divided into foreign and domestic PEPs, international organization PEPs, family members and close associates of PEPs.

Category includes; government officials, religious leaders, labor group officials, national NGO officials, local public officials and state corporation officials.

There were findings on {Name} in regard to international Politically Exposed Persons lists.

Member of State Legislature in government from 1994 to 2009.

Member of the Executive Forum (EF) for State Treasury, Economic Affairs, Environment and Tourism from 1994 to 1998 and from 1998 to 2004.

Member of Congress and National Executive Council (NEC) from December 2007 and member of Senate from 2008.

Deputy Minister of International Enterprises of the Government of {Country} from 2009 to 2010.

Deputy Minister of Economics of {Country} from 10 November 2010 to 11 January 2012.

2.4. Bribery and Corruption

Screening of international lists related to bribery and corruption resulted in no findings on {Name}.

2.5. Litigations

Indications on {Name} having been involved in civil or criminal litigation were uncovered in the online research carried out in in depth social media and world wide web ("www") searches.

{Name} has been investigated for frauds with union members pension funds. This was initially carried out as a closed investigation and was later exposed by the media.

After the media reports found, carrying out web searches and followed by conducting a local research at the request of the client. The local research uncovered the results of this investigation.

2.6. Financial Information

The information below is from the time when {Name} was a Deputy Minister of Economics.

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS (JGAAP)
for Three Months Ended March 31, 2015

April 28, 2015

Company Name:

Stock Code:

Telephone:

URL:

Listed Exchanges:

President Inquiries:

1st Section of the Tokyo Stock Exchange

Scheduled date of submission of Quarterly Securities Report: May 8, 2015

Scheduled start date of dividend payment: -

Appendix materials to accompany the annual financial report: Yes

Quarterly results presentation meeting: Yes (for institutional investors and securities analysts)

(Millions of yen rounded down)

1. Consolidated Financial Results for the Three Months Ended March 31, 2015

(% changes indicate year-on-year changes.)

(1) Consolidated operating results	Three months ended March 31, 2015	Change (%)	Three months ended March 31, 2014	Change (%)
Net sales (millions of yen)	89,598	4.1	86,079	(0.7)
Operating income (millions of yen)	9,340	(25.0)	12,447	(14.0)
Ordinary income (millions of yen)	8,079	(33.0)	12,063	(18.7)
Net income (millions of yen)	4,607	(27.2)	6,332	(39.6)
Net income per share (yen)	8.42		11.57	
Fully diluted net income per share (yen)	8.41		11.56	

Three months ended March 31, 2015: ¥3,006 million [(21.6%)];
Three months ended March 31, 2014: ¥3,833 million [(77.2%)]

Note: Comprehensive income:

(2) Consolidated financial position

	As of March 31, 2015	As of December 31, 2014
Total assets (millions of yen)	699,896	719,135
Net assets (millions of yen)	599,851	605,368
Equity ratio (%)	85.7	84.1

Note: Equity: As of March 31, 2015: ¥599,515 million; As of December 31, 2014: ¥605,035 million

2. Dividends

	Fiscal year ending December 31, 2015 (forecast)	Fiscal year ended December 31, 2014
First quarter dividend per share (yen)	—	—
Interim dividend per share (yen)	12.50	12.50
Third quarter dividend per share (yen)	—	—
Year-end dividend per share (yen)	12.50	12.50
Total dividend per share (yen)	25.00	25.00

Note: Revisions to the dividend forecast most recently announced: None

SAMPLE ILLUSTRATION

3. REPUTATION REVIEW

A comprehensive reputation review including online research, proprietary news and publications database search as well as extensive social media searches were conducted on {Name}. Details of the review are as follows;

3.1. Adverse Media Findings

The comprehensive adverse media investigation included the following:

- Our database check covering non-compliance in regards regulatory, competitive, financial, environmental, production, social and labor issues.
- Targeted web search on adverse media contents including but not limited to human rights, crime, occupational health and safety, land disputes, environmental damage, scandals, litigations, corruption, bribery, extortion, fraud, financial concerns, money laundering and terrorism financing.

The adverse media research resulted in the following findings on {Name}.

Examples of the key findings are as follows.

1) {Name} and the missing union millions (2 July 2013)

The article contains information about the role of {Name} in the disappearance of millions of \$ of workers retirement money.

“Deputy Minister of Economics {Name} has deepened the controversy about his role in the disappearance of millions of workers’ retirement money this week, insisting he did not know that the company he co-owns borrowed \$100-million from textile factory workers’ funds.

This is despite the fact that {Names} family has a 50% stake in the company, Onion Springs Investments and that he was its chairman at the time of some of the loans.”

“In an interview this week, {Name} said: “When I joined the company, I was told it was funds raised by Jon Does Capital, for which they got a success fee. What institution they raised it from was not suspect or even interesting to me at the time.”

His version of events differs dramatically from that of John Does Capital, which claims {Name} was involved from the start in the loan agreement with Onion Springs.

“{Name} confirmed that his family trust owned 60% of the shares in Onion Springs, while families of alleged loan facilitator Harry P. Putter and company director A.J Pine hold the other 40% through family trusts. Pine suddenly resigned from Onion Springs this week.”

2) {Name} - Pension scam New Media Horizon - (31 Oct 2013)

"The Deputy Minister of Economics {Name}, has told a closed liquidation inquiry in {city} that he expected to earn an annual salary of \$1.9-million when he chaired Onion Springs.

However, {Name} allegedly said that he was paid only when they had money."

"Asked if he was not paid from another source, he said that was not the case. However, he could not explain why the company's books at no stage reflected the payment of his full salary. {Name} is alleged to have conceded that he would have expected to receive the salary he had been offered in a contract shown at the inquiry.

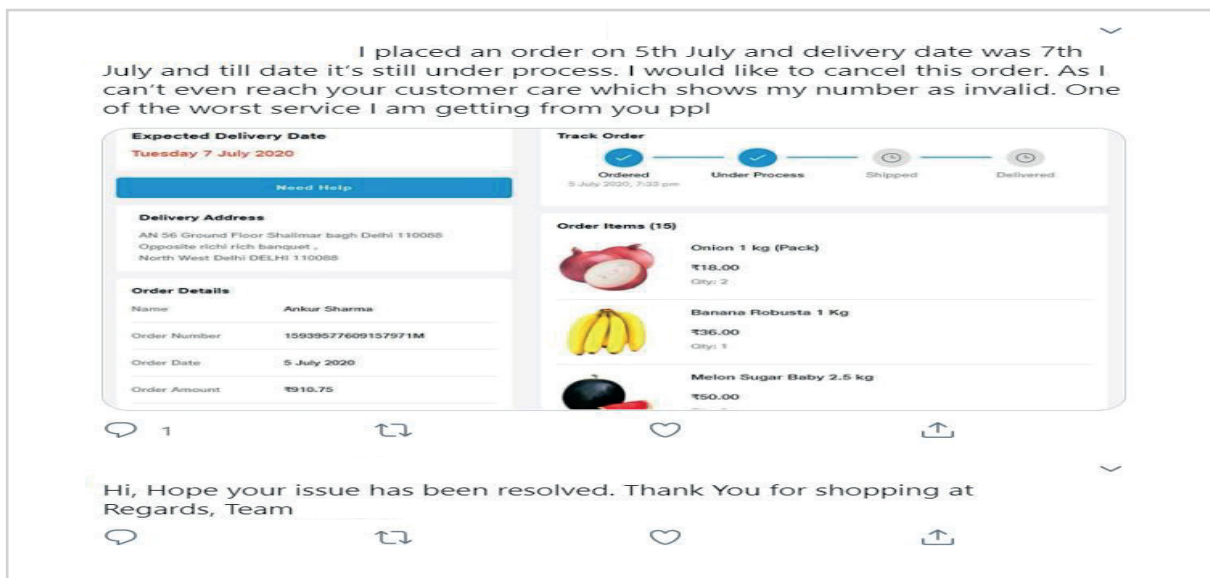
The company's books reveal that he received only \$700 000 from Onion Springs but, according to sources who attended the hearing, he said the company did not keep proper records."

The company's records reveal that his salary was drawn from workers' pension money mysteriously borrowed and loaned by Onion Springs and never repaid."

3.2. Social Media Findings and Analysis

{Name} was identified on Twitter

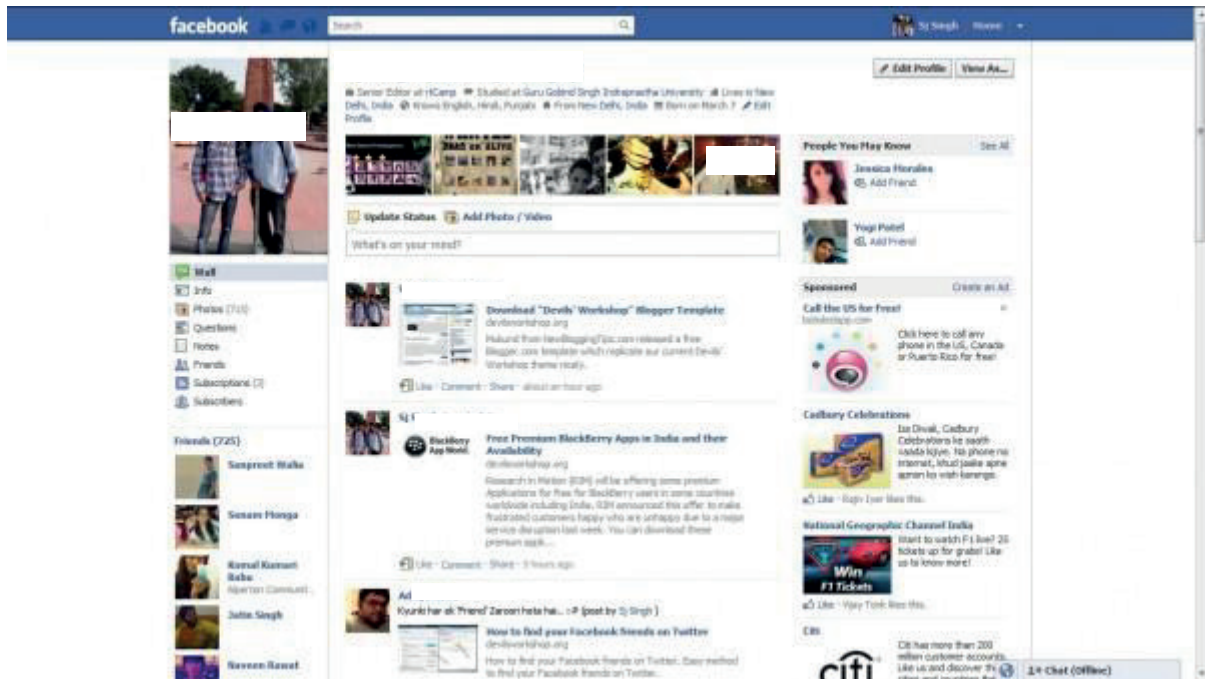
1. Summary of findings can be seen in the attached PDF
2. Sample except as can be seen below. (Picture 1)



Picture 1. Sample Screenshot of {Name} on his Twitter profile complaining of bad service (Extracted on 21 February 2019).

{Name} was identified on Facebook

1. Summary of findings can be seen in the attached PDF
2. Sample except as can be seen below. (Picture 2)



Picture 2. Sample Screenshot of {Name} on his Twitter profile complaining of bad service (Extracted on 22 February 2019).



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