

Principals Matter:

A Case for Vetting Third-Party Principals

“ We had a number of concerns regarding a Chinese third party’s operations, but nothing concrete. We engaged Steele to verify the information we received regarding the company’s owners and to determine if the third party had been entirely forthcoming. Steele uncovered the existence of two government officials with significant ownership percentages in the third party. We elected not to engage this third party and avoided a major compliance issue.”

— Vice President | *Fortune 500 global technology company*

In order to assess and meet regulatory expectations for compliance risk, companies must gather information from each third party they engage. This should include the registered ownership structure and principals associated with the entity.

How much can you trust a third party to disclose accurate, relevant, and timely information – especially when doing so may exclude them from further dealings with your company?

What happens if a third party mistakenly fails to disclose critical information to your company, such as the fact that a government official is a registered owner of all or part of the business?

OSI+SIP: OBTAIN A MORE COMPLETE PICTURE

Conducting an Open Source Investigation + Steele Identified Principal (OSI+SIP) can help your company engage or reject third parties with confidence because OSI+SIP provides independent validation of individual principal data and registered ownership, where available.

AN OSI+SIP REPORT TYPICALLY INCLUDES:

- Information on as many as three principals.
- Identification of relevant information pertaining to the entity’s integrity as well as business or political connections that could raise an FCPA flag.
- An intensive media search for ABAC and other business red flags in English and local languages, including mainstream media as well as industry publications. It also includes mining of blogs, online forums, and networking sites.

Conducted by experienced multilingual analysts, an OSI + SIP expands further by accomplishing the following:

- Independently confirms the accuracy and completeness of the information third parties provide regarding their principals and registered ownership structure, where freely available.
- When time is in short supply, gathers registered ownership and principal data independently and where freely available, which in turn allows your company to pre-screen third parties for compliance-related red flags.

OSI+SIP captures and reports information that is legally obtainable and can be processed under applicable data protection laws and regulations.

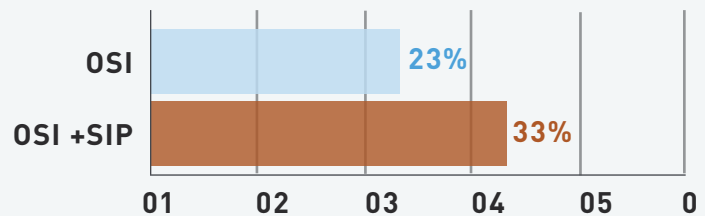
Contact your Steele director to learn more about Steele's Due Diligence Services.

WHY INDUSTRY LEADERS DEPEND ON STEELE

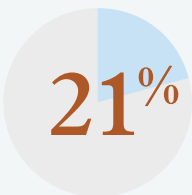
Steele clients expect more than compliance – they need confidence. With more than 26 years of experience, 18 offices located strategically around the world, and active engagements in over 190 countries, Steele provides clients with unparalleled local expertise and insight into the highest standards of third-party compliance. Whether under investigation for alleged violations, concerned about the effectiveness of their existing compliance efforts, or creating a program from scratch, Steele can help clients identify their most acute risks and develop a program that audits third parties against the organization's compliance requirements.

LEARN MORE ABOUT YOUR THIRD PARTIES

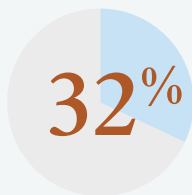
Red flags identified by OSI vs. OSI+SIP



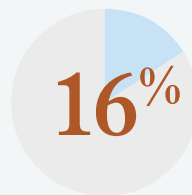
BETTER COMPLIANCE INTELLIGENCE:



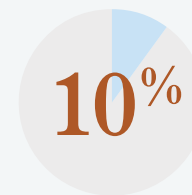
of standard OSIs (no principals identified) uncover at least one red flag.



of OSI+SIPs (principal(s) identified) uncover at least one red flag.



reduction in rejected due diligence questionnaires because of missing data.



increase in third parties determined to have omitted relevant information regarding their ownership structure.

ABOUT STEELE COMPLIANCE SOLUTIONS, INC.

Steele Compliance Solutions, Inc. is a global compliance intelligence firm offering comprehensive third-party due diligence and software-as-a-service (SaaS) solutions that help organizations comply with regulatory third-party compliance requirements. With more than 26 years of experience, due diligence engagements in more than 190 countries, covering more than 40 languages, Steele provides Fortune 1000 companies with pragmatic solutions. Our suite of products and services include regulatory due diligence, third-party program advisory services, program management services, and a secure, automated third-party management software platform.

For additional information regarding risk-based third-party management, please contact a Steele third-party compliance expert at +1.415.692.5000 or email info@steeleglobal.com.