

WHAT WE DO | Due Diligence

Investigative Group International, Inc. (“IGI”), founded by former Watergate prosecutor Terry F. Lenzner in 1984, is a preeminent investigative firm with core specialties in due diligence, internal investigations and competitive and business intelligence. We have conducted due diligence for a clientele that includes Fortune 100 corporations, investment banks, law firms, government bodies and private individuals throughout the U.S. and internationally. IGI lawyers and investigators are experts in complex fact-finding investigations and have honed their information-collection and analytical skills in a variety of legal, financial and governance matters.

IGI provides clients with timely, relevant information and insight as they consider and plan new financial or business relationships with institutions and individuals. Applying the utmost discretion, we devise and conduct domestic and international due diligence investigations of clients’ potential portfolio companies, joint venture partners, vendors, suppliers, subcontractors, investors and candidates for executive hire, among others. Clients retain IGI to verify and investigate the credentials, bona fides, reputations, track records and backgrounds of those prospective partners. This investigative process includes verification of the accuracy of parties’ and/or counterparties’ representations to professional experience, financial assets, operations and capabilities and identification of ‘red flags’ and potential liabilities that have not been disclosed or had been otherwise undetected.

Our initial due diligence research focuses on the collection of information through publicly available records through national and international databases. We review and analyze areas including a subject’s address history and property records, federal civil and criminal, bankruptcy and tax court litigation, and civil and criminal litigation in state and local courts in jurisdictions in which the individual has lived and worked and/or appears as a named party. We also search Uniform Commercial Code financing statements, past corporate affiliations, and national and local press reports in newspapers, periodicals and relevant trade journals. We verify a subject individual’s education and employment history and search the subject’s online biographies, resumes, and curricula vitae and cross-reference the information contained therein to identify discrepancies. We also execute a variety of searches of social media to identify additional information about the contacts, activities and opinions of the subject.

As needed and authorized, we engage confidential sources to collect information about target companies and individuals and conduct discreet interviews with individuals likely to be knowledgeable about the background, reputation and business practices of the targets of our due diligence research.

Our due diligence investigations may disclose issues including:

- Material misrepresentations, financial fraud, corporate waste, and other improprieties.
- Undisclosed criminal or civil litigation or adverse regulatory actions.

- Misrepresentations in résumés and other descriptions of professional experience.
- Personal or business relationships with undesirable individuals, businesses, or governments, e.g. those who have engaged in transactions with or have received financing from illicit or criminal sources or sanctioned parties.
- Inappropriate confluence of corporate and manager interests, including potential self-dealing, nepotism and related party transactions.
- Issues in transparency related to major government contracts or those related to the Foreign Corrupt Practices Act (FCPA), including complaints by competing bidders, reported deficiencies in contract bidding and execution, and relationships with government officials capable of influencing the bidding and contract award process.

IGI Differentiation and History

What distinguishes IGI is our ability to customize our investigative work to our clients' concerns and objectives. We identify and contextualize clients' challenges, formulate and implement investigative approaches, gather and analyze evidence, and report investigative results verbally and/or in written memoranda. Our legal, security, financial and business experience overlays our investigative experience and fact-finding skills to produce relevant, useful and cost-effective results.

IGI was founded as the first investigative firm supervised by attorneys operating in tandem with our in-house law firm, The Lenzner Firm, P.C. Our clients typically retain The Lenzner Firm, which in turn engages, directs and supervises IGI. Our unique model provides clients the significant advantage of conferring attorney-client privilege and confidentiality on our investigative work product and relevant communications. It also provides the perspective and quality control of former litigators and federal prosecutors, who supervise our team of investigators. IGI's record of rising to challenging assignments, while adhering to the highest ethical standards, has built an unsurpassed reputation for professional excellence in the corporate, legal and financial communities. IGI case managers, investigators and researchers are attorneys and former law enforcement, journalists, forensic accountants, intelligence analysts and auditors.

IGI's founder and chairman is Terry F. Lenzner, former assistant chief counsel to the Senate Watergate Committee and federal prosecutor in the Civil Rights Division and in the Southern District of New York. Tom Wendel, IGI's president, has extensive financial and forensic accounting experience gained from his time as a partner at a major accounting firm and as a financial manager. Jonathan Lenzner, CEO, joined IGI from the United States Attorney's Office, District of Maryland, where he investigated and prosecuted public corruption and complex financial crimes.

Case Studies

- For a prominent hedge fund, IGI conducted hundreds of due diligence investigations over several years, providing information to fund managers to support their risk and return calculations. Subjects of the investigation included prospective special-situation investments, as well as companies in which the fund was considering private equity and mezzanine-level investments.
- A New York financial institution retained IGI to investigate the background and reputation of its potential customer, a prominent family in the business community of a Latin American country, and to focus on the sources of the family's assets, including the

possible influence of a former government official believed to be related to the family. IGI's investigation, including in-country inquiries, determined that the government official in question was not related to the client's potential customers. Further research and inquiries helped the institution to assess the reputational risk of the new customer relationship.

- For attorneys representing a major professional sports league, IGI conducted extensive due diligence on a partnership of two potential franchise owners to determine whether the prospective team owners met certain thresholds for franchise ownership. Information that IGI obtained helped the league to determine that one of the prospective team owners did not meet league-stipulated financial criteria. The deal proceeded once the investor was asked to withdraw from the franchise bid.
- On behalf of a firm in the construction industry, IGI has conducted multiple FCPA-focused due diligence investigations on potential joint venture partners, clients and vendors located overseas. In these matters, we supplemented online and on-site public records and database research with in-country interviews and human intelligence gathering to provide best-practices FCPA compliance and business due diligence processes to search for "red flags" from regulatory, reputational and legal standpoints. Our work for this client has included due diligence investigations of entities and individuals based in Eastern Europe, Central America, and the United Kingdom.