

WE-DUE DILIGENCE

Risk Management



Profiling, Investigation and Recovery

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About WE-Due Diligence

About Us

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What does WE-Due Diligence do?

01 In-depth profiling of Customer, Business Partners and Suppliers, Associates

02 Reliable Intel and Identity/Relationship Maps

↳ *Intel briefings about people and entities: We investigate 5Ws-plus-1H (who, what, where, when, why - and how)*

↳ *From this, we construct Identity/Relationship Maps of individuals and firms, their extended networks and relationships, histories and reputations etc.*



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Research



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Striking Global, New Risks

Sharp rise in need and opportunities for businesses to engage with new people and entities:

- 01 *Globalisation and the Internet bring different parties within reach*
- 02 *Technology leads to expectations for quick/immediate response*
- 03 *Online interaction and digitization carry risks of misrepresentation and fraud*





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Risk Management: Art and Science

- 01 Risk management is both art and science, more right- than left-brained
- 02 KYC is still largely **tick-listing**
- 03 Risk-based RBA is **transactional and reactive**, not contextual. It can lead to a deluge of false positives, paralyse efficiency
- 04 WE-Due Diligence counts on **out-of-the-box thinking**, cross-sectoral/ international political and business experience. This guides our machine learning algorithms
- 05 We also count on dedication and hard work

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Containing Risks, Damage Control

Intel and Identity/Relationship Maps are achieved through:

- 01 *Screening, using ML-assisted algorithms*
- 02 *Verification and Profiling*
- 03 *Recommendation*

→ We also assist with Recovery of compromised funds



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Deliverables



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Screening

01 To quickly know who/ what you plan to deal with and their relationships

02 To eliminate Red Flags

↳ *These range from misrepresented identity and conflicts of interest to past or potential violations of rules and laws.*



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Verification and Profiling

- 01 We meet subjects anonymously, to make best efforts to eliminate false negatives and confirm results of Screening
- 02 We verify persons and entities, and overlapping networks



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Recovery

- 01 When you have a major problem with a customer, business partner or associate, and risk financial or reputation loss, we will find best available solutions
- 02 Our **key deliverable** is a Recommendation Report for an attorney
- 03 Our inputs save time and cost, and make a legal process more efficient



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Focus Areas



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The Spectrum of Risks

From confidence tricks and fraud to money laundering and terror finance, perpetrators overlap

↪ *37% of organised crime is financed by other crime*

Response is single/linear. HOW TO avoid a list:

↪ *Boiler room and advance fee scams, synthetic ID, impersonation/ company misrepresentation, long- and short firm fraud, online honeytraps, phishing, etc.*

→ The toughest to fight is COMBO fraud = combinations of the above



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COMBO Fraud

Combo Fraud is two or more intentionally combined threats



Impersonating Director of a just-dissolved firm in an advance fee scam, with a postbox company whose name sounds similar to a real one



Impersonating Director of a just-dissolved UK firm in an advance fee scam with a postbox US company whose name sounds similar to a real one in Estonia ... whose agent has sent a nude selfie from his Romanian mistress's phished email ID --> COMBO fraud across borders



From 2020 to 2022, advance fee scams went up in the UK eightfold, from 60,000 to 454,000. Although no figures are available, the situation is believed to be similar in Europe.



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COMBO Fraud: The Response

The only real solution to COMBO Fraud is preventive.
Recovery AFTER fraud is expensive and time consuming.

01 Several law firms specify thresholds for taking up fraud cases (e.g GBP 250,000 in the UK for firms like Sanders).

Below this, victims can be helpless, especially if it is COMBO Fraud in multiple countries. While local law firms lack requisite skills, fees of Big Law firms are prohibitive, compared to the amounts defrauded.

02 WE-Due Diligence provides attractive, performance-based cost-effective solutions for such kinds of fraud

Our Recovery actions are focused almost entirely on fraud cases below 500,000 euros

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WE-Due Diligence Clients

Funds, investor syndicates, private banks and law firms, government agencies and high networth individuals.

- ↪ *For four years, on contract with asset reconstruction company spun out from central bank of EU member state and invested into by large US hedge fund*
- ↪ *Marquee clients include Vice Chairman of EU bank, a celebrated concert pianist, retired US military officers, a German partner in a Russian oil company, former CEO of one of India's largest banks ...*

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WE-Due Diligence Subjects

01 In Europe, the US, Asia. Occasionally Africa and Latin America

02 Individuals, large firms, financial and industrial SMEs, IP holders, NGOs, Board nominees, government officials (including company CEOs and Ambassadors) ...



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Examples of Mandates and Deliverables



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Client and Subject Contexts

01

That report is to be used by HIG following an offer from Fuste to a HIG property.

HIG requirements are connect with the laundry money verification

02

Dear

Please see below the relevant portion of a message I got from the potential claimant's Chinese lawyers this morning:

Our client's potential claim might be around 100 million or more should the product line be totally unworkable.

03

I'm representing a company that its reestructing itself and it's being under siege of an competitor group, in a form of a informal hostile takeover

22:19

They have spanish capital and a lot of romours going on regarding the real business in what they're involved in

22:20

04

Cc

Thank you-

Could y please see what is role was at barclays brazil and why he was fired. Thx

Sent from my iPhone

05

From

Subject FW: 20151118_ .Doc Banco_Santander.pdf

To

KYC - overview on this man - he is a about to become a partner in a big venture - high profile - so we need to know he is clean .

Also i am sending you same on the other partner -

From: CARLOS

Reply Forward Archive

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Some Marquee Clients

01

From @sogitec.fr <@sogitec.fr> ★
 Subject RE: Suite à notre réunion du 16 novembre
 To
 Cc .com <.com> ★, Catalina @sogitec.fr <@sogitec.fr> ★

02

**Responsable de l'Arbitrage International
 Avocat aux Barreaux de Paris et de New York**

To
 From: Alain Bayle <a.bayle@groupegeos.com>

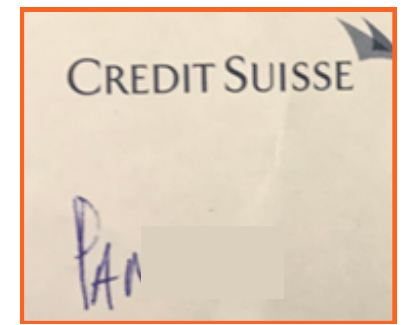
03

04

From @spicapag.com <@spicapag.com> ★
 Subject RE: EACOP - pilots
 To
 Cc catalina@ @spicapag.com <@spicapag.com> ★

05

From Schagrins Associates <Schagrins@erols.com> ☆
 Subject Call with U.S. Department of Commerce - May 29
 To



06

07

From Eric Bourdais de Charbonniere <ebourdaisdecharbonniere@gmail.com> 🌐
 To

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Verification of Persons

01

In yet another potential defence of _____, we have learned that the key entity named by PwC for "back-to-back insider contracts" was _____ Developments Limited, a company which had _____ and _____ but not _____ on its Board, and has since been dissolved.

Our final qualified clearing of _____ is based on the fact that it is now almost 5 years since the police investigation began. Given _____'s enemies, had there been some evidence of wrongdoing, or even someone to be made into a scapegoat, it would have been done.

02

Our research to date shows that _____ may have owned a property in Colorado Springs (Governors Point), which was subsequently foreclosed and auctioned at less than half purchase (or current) value. This ownership overlaps with a period where the couple were swindled by a friend and sold the Learjet.

The last-reported owner of the Learjet is the _____ Foundation, also based in _____

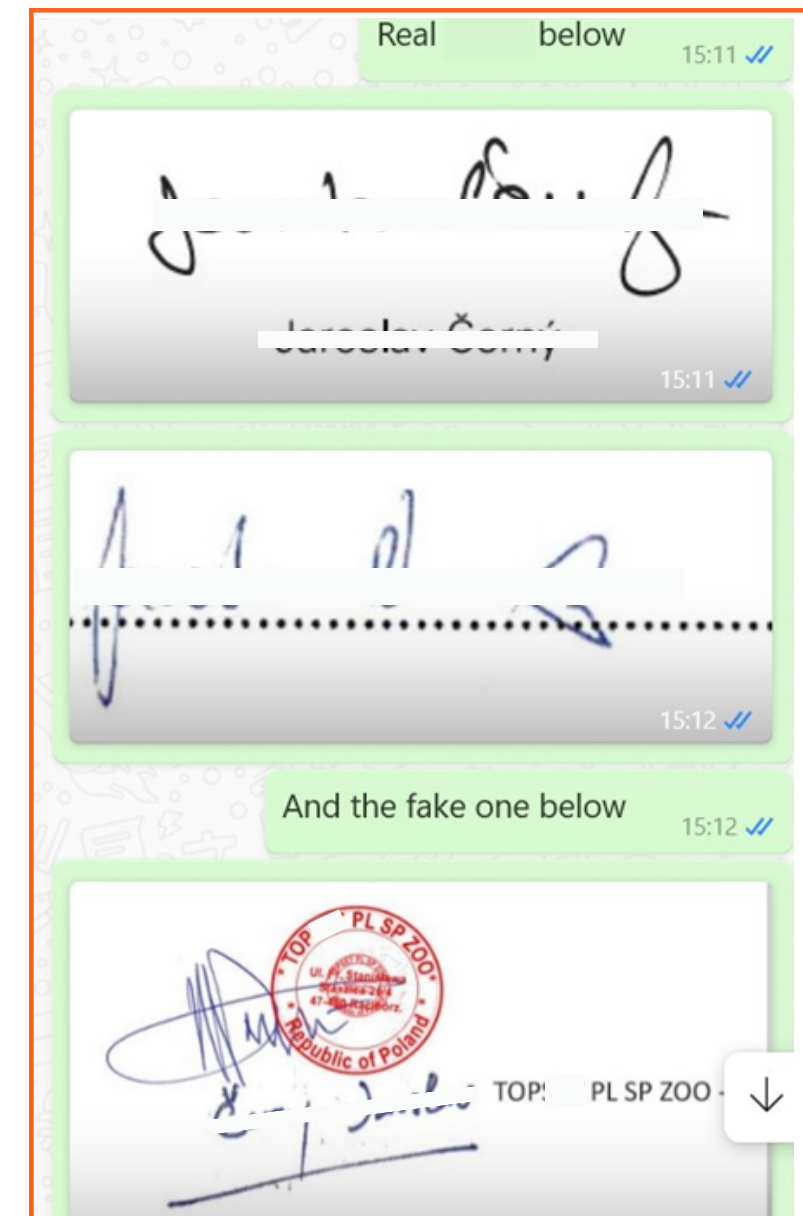
03

Our sources in the Algarve indicate that a Dutch holiday homes _____, near the **rua dos _____**, for a **business-cum _____**. The person fits the description of _____.

The **website, however, does not make any mention of a _____ project**, although it does list the two forthcoming projects in the Netherlands.

In addition, we have learned that _____ has been telling some of his associates in the Netherlands that _____

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Verification of Entity

01

Secondly, the fluid nature of the consortium means that price pointing may be based more on best-case hypothesis rather than real-life experience. technology has only a handful of scattered references, on which we have found embellished claims (e.g on turnaround time). None of these concern projects on the scale planned by Our Client. Moreover, we still need to verify if these applications involved , the third core member of the consortium mentioned above.

02

| | Est. | >2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------------|------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| METAL (Venezuela) | 1982 | | | | | | |
| AME | 2001 | | | Sharp rise in revenues during year. | | takes over management from | (Jan) 100% shares Imo (also p Euro: Within weeks, 75% sold to Ob (SA + 25% to El (Cana present in Euro. |
| EURO | 2005 | 2009: CEO quits. takes over. 2011: Capital hiked from 5,000 to 200,000 euros, 75% by , 25% . | takes over from in December. PAÇO 75% stake split between Inve (Barbados) a tax-free entity with roots in Venezuela housing biz), Har (Uruguay), Sar (Malta) firm, and Inc (US). | Har and Im exit. Inversiones, Sari and hike holding to 26.5% each. Aalong with Imo , the three are shareholders of de EC (Canada) also present in Am takes 18%, 2% for Luis E: (Venezuela). | | Imo (also in Amerc and Forte de) and Prosj divide Inc. share. Inver and S retain 26.5% holdings. ECS (Canada) 18%, and Luis E: 2%. | |
| | | 2006: Capital increased from 5,000 euros to 2 million euros. | | | | | |

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Recommendation

01

As the rest of this note outlines, there might be severe business risks associated with the offer. One of the biggest is the newness of the concerned corporate entities (all of who were established only about 6 months ago), coupled to a lack of references, and a history of [redacted]; association with nebulous dealmaking shops, many of who have come and gone in the space of a few years. Secondly, the financial base (and credibility) for the ventures seem to be underwritten in Germany by [redacted] brother, who owns a successful - if modest - brewing and hotel business and is a limited partner in the holding company set up for [redacted] oil trading. However, the brewing and hotel business is a sole proprietorship. [redacted] has no interest in it.

02

We believe that though the [redacted] link may justify interest in this business:

- More information be obtained about [redacted] before any engagement

OR

- [redacted] be co-signatory, providing transparent disclosure of the holdings

03

ALERT

If the contact person is one [redacted] from CNBF, we urge caution. Preliminary indications point to [redacted] being from a Beijing-based scouting operation, misusing the CNBF name (but see BACKGROUND/Point 2 below).

For a secondary cross-check, we can get more data on [redacted] including phone numbers.

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Recovery Briefing

Statutes, FINMA, Settlement

's own statutes allow it to "advise, represent, mediate and solicit" in the financial domain. Doesn't reception of a deposit on a Contract Fee, as "An Agent" (or what it marked on the invoice - 'Payment for _____') exceed the above ambit?"

More pertinently, wouldn't this bring _____ under FINMA rules?

Even if the above implications are in a gray zone, might this be an incentive for _____'s CEO to come to a settlement? _____, the CEO, who has sole signatory authority, was not copied into communications on any of the transactions

01

Friends and Family, and Loose Ends

modus operandi seems to be to use friends (and their children). We zeroed down on three:

- _____ who signed the Contract with our Client on behalf
- _____ of _____ and _____
- _____ whose son _____ was our Client's 'Account Manager' at _____
_____ resided for two years in Switzerland (2018-2019) and seemed to have handled affairs as _____ prepared to leave. Also, for some of this period, one of _____'s invested affiliates in the UK was under FCA regulation, before being withdrawn.

ARE THERE QUESTIONS?

