



CAPABILITY STATEMENT

ANTI-CORRUPTION INVESTIGATIONS & COMPLIANCE

Nardello & Co. brings a unique 360-degree perspective and unparalleled depth of knowledge to anti-corruption compliance programs, FCPA due diligence, FCPA internal investigations and white collar defense litigation support.

Nardello & Co. offers a dedicated FCPA and anti-corruption practice composed of multilingual in-house staff and field investigators handling matters for clients across the world. We recognize the importance of understanding the nuances of conducting investigations in different jurisdictions including various ethical, legal and privacy considerations, and tailor our investigations appropriately. Further, we bring an unusual perspective to these matters as one of the few investigation firms that has conducted pre-transaction FCPA due diligence, FCPA internal investigations and litigation support in the context of an FCPA criminal defense matter. On numerous occasions, our 360-degree perspective has proven invaluable when working with clients to formulate an investigative strategy.

Pre-Transaction Due Diligence

We have conducted countless FCPA/anti-corruption due diligence investigations involving prospective business partners or third-party intermediaries and understand the warning signs for illegal or unethical business practices. Our investigations typically involve:

- Examining the ownership structure of the subject's business and assessing corporate transparency
- Examining the background of a subject entity's principals and executives for red flags, including links to foreign officials and/or political parties
- Seeking to identify undisclosed parties exerting influence over the subject's business

Our Services

With Nardello & Co. as your best kept secret, we've got you covered with worldwide capabilities working in your best interest:

- Litigation & Arbitration Support
 - White Collar Criminal Defense
 - Civil Litigation Support
 - Arbitration Support
- Anti-Corruption Investigations & Compliance
 - Foreign Corrupt Practices Act
 - UK Bribery Act Investigations
- Reputational Due Diligence
- Strategic Investigations
 - Forensic Accounting Services
 - Fraud Investigation Services
- Asset Tracing
- Digital Investigations & Cyber Defense
- Strategic Intelligence
 - Political Risk Assessment & Management

- Examining the subject's practices (e.g., entertainment policy, political contributions) for FCPA, Organization for Economic Co-operation and Development, UK Bribery Act and other anti-corruption concerns
- Determining the level of the subject's business conducted with government entities or entities controlled by government officials
- Determining whether the subject's business has the level of contacts/access that it claims and whether any of these contacts are problematic
- Verifying information provided by the subject through reliable and independent public sources, including all available public records, media and other open sources (open sources vary across countries and typically include corporate registers, media archives and internet, litigation and bankruptcy records, sanction and watch lists, among others)
- Gathering additional insights through human intelligence sources (especially where public records are insufficient or inaccurate, or if local media is biased)
- Providing the necessary context to best evaluate information (e.g., whether the actions of a third party are necessitated by the specifics of the local business and political climate)
- Providing a comprehensive analysis of findings to assist our client's decision making process

Internal Investigations

Nardello & Co.'s Anti-Corruption Investigations & Compliance practice helps provide answers and perspective when an internal investigation is prompted by concerns of possible FCPA violations by employees and/or agents working on behalf of a company. Our investigations typically involve:

- Identifying and interviewing individuals who may have knowledge concerning the activities in question
- Identifying and understanding links between any suspect employees/agents and vendors/agents/ Politically Exposed Persons (PEPs)
- Identifying prior bad acts by suspect employees and/or any agents/facilitators in the relevant jurisdictions
- Uncovering undisclosed ownership interests held by employees, agent/facilitators or PEPs in entities used to divert funds
- Looking for indicia of financial difficulties for any suspect employees/agents that could provide a motive for current activities
- Identifying instances of sudden unexplained wealth that would suggest illicit activities
- Identifying and investigating possible co-conspirators
- Providing a comprehensive analysis of findings to assist our client's decision making process

White Collar/FCPA Criminal Defense

Our White Collar/FCPA Criminal Defense practice has handled numerous high-stakes and high-profile criminal cases, including FCPA matters. Working closely with counsel, the experience of our team has played a significant role both in crafting investigative strategies that advance our clients' objectives and in successfully executing those strategies. Our investigative services include, inter alia:

- Conducting background investigations of the government's cooperating witnesses to impeach their credibility
- Identifying, locating and interviewing potential witnesses
- Interviewing confidential sources for background information where public records are unavailable, unhelpful or non-existent
- Investigating credentials of expert witnesses
- Tracing and locating assets

- Identifying undisclosed links between subjects
- Testing the government's theory to see if it is supported by information in the public record or information obtained through confidential sources
- Assisting counsel in creating alternative theories to counter the government's theory of prosecution
- Retrieving and analyzing data files using computer forensic methods
- Conducting forensic accounting reviews of financial record

SELECT ANTI-CORRUPTION INVESTIGATIONS & COMPLIANCE EXPERIENCE



Case Study | FCPA DUE DILIGENCE

Third Party Payments in Latin America

A publicly traded US company with subsidiaries in Latin America hired Nardello & Co. to investigate possible FCPA violations when it discovered that one of its consultants in Mexico had asked the company to make payments through a third party. During the course of the investigation, Nardello & Co. discerned that certain country managers may have been complicit in allowing the questionable payments to be made. Nardello & Co. sent teams into two Latin American countries to conduct interviews and capture forensic evidence on local computers. A comprehensive investigation of the consultant revealed that one family member was a government official and another was suspected of money laundering. We ultimately determined that the consultant, rather than committing FCPA violations, was using the third party payees as part of a tax evasion scheme.



Case Study | FCPA DUE DILIGENCE

Red Flag Lowered in Fortune 500 Acquisition

Nardello & Co. was retained by a Fortune 500 company considering the acquisition of an international company with subsidiaries in Asia and Africa. The client was concerned that local agents acting on behalf of the subsidiaries may have been guilty of FCPA violations that would derail the acquisition. No actual FCPA violations were identified but our investigation determined that certain subsidiaries were particularly vulnerable to corruption issues. As a result, the client planned to proceed with the acquisition, with the understanding that certain subsidiaries would be closed or sold to minimize the company's exposure to problematic business practices.



Case Study | FCPA INTERNAL INVESTIGATIONS

Investigation of Possible FCPA Violations in Eastern Europe

Nardello & Co. was engaged by the London office of a US law firm that was acting on behalf of a US-owned telecommunications company with operations in Eastern Europe. The company was concerned about potential FCPA violations arising from allegations of bribery, money laundering and widespread accounting irregularities. Nardello & Co.'s team of IT forensic specialists imaged and analyzed computer records in Europe in order to determine if fraud had occurred in the company's pursuit of a multi-million dollar contract with a partly state-owned energy company. Our senior staff conducted numerous background investigations of, and interviews with, key individuals. Potentially corrupt links were investigated so the US parent company could determine whether it should self-report any FCPA violations. Our findings showed a clear case of commercial bribery, however, self-reporting under FCPA guidelines was not required.



Case Study | WHITE COLLAR/FCPA CRIMINAL DEFENSE EXPERIENCE

FCPA Violations in Azerbaijan

We were retained by a US law firm to assist in the criminal defense of David Pinkerton, an AIG fund

manager who was indicted for alleged FCPA violations relating to the privatization of the national oil company in Azerbaijan. The government's case relied heavily on information provided by a cooperating witness. We conducted an investigation of the cooperating witness in various locations including the US, UK, Turkey, Serbia, Cyprus, Russia, Azerbaijan and Australia. Our investigation revealed that the cooperating witness engaged in wrongful activity both historically and during his cooperation with the government.

As part of our investigative process, we conducted a series of interviews and reviewed relevant records in order to establish alternative theories for the cooperating witness's actions that suggested that his role in the scheme was likely much larger than previously known. The government's case as to Mr. Pinkerton also relied on a conscious avoidance theory, i.e., he must have known of illegal payments because objective due diligence would have led him to walk away from the investment. As part of the defense, we conducted historical "snapshot" due diligence to show that in fact, at the time that the investment was made, due diligence would have provided ample reason for the client to proceed with the transaction, and that in fact the US government was actively encouraging investment in Azerbaijan in the relevant time period. The law firm was able to use our findings to have the case against its client dismissed three years after he was indicted.



Case Study | WHITE COLLAR/FCPA CRIMINAL DEFENSE EXPERIENCE

Acquittal for Defendant

Nardello & Co. was retained by a law firm representing a defendant who was accused of defrauding a financial institution. A critical issue at trial was missing evidence, which the government believed that the defendant had destroyed. The government wanted to present its "facts" about the missing evidence and argue to the jury that the defendant was responsible. Nardello & Co.'s team tracked down former employees of the firm, including a former security officer, all of whom stated that numerous items had been reported missing from the firm's offices during the relevant time period, and it was believed that the missing items had been stolen. Our interviewees also identified internal company records that documented the incidents. Armed with this information, defense counsel was able to successfully convince the court to preclude the government from making mention of the missing evidence. The defendant was acquitted.

WHAT SETS US APART

Nardello & Co.'s adherence to our core values has led clients to retain us time and again on matters of the utmost importance and sensitivity. Our relationships are built on:

- **Integrity.** Acting ethically and legally is of paramount importance to us. We respect the laws of the countries in which we have offices and in the jurisdictions in which we work. Our clients' confidences are sacrosanct and we rigorously screen for conflicts.
- **Analysis. Creativity. Thoroughness.** We don't believe in menu-driven investigations or a democracy of facts. We are exhaustive but focused and adept at teasing out inferences, providing corroboration and separating "information" from evidence.
- **Responsiveness. Hands-on management.** We focus on our clients' objectives and tailor our investigative strategies accordingly. There are no layers between the professionals who do the work and the clients we serve.
- **Client focus.** We communicate with our clients clearly, succinctly and in real time. We respect budgets and deadlines.
- **Independence. Collaboration.** We are independently owned and answer only to our clients—not investors, not shareholders. Our offices collaborate, not compete, providing our clients with seamless service.

No parachutes needed

We're already on the ground with in-country resources worldwide. We speak the language, we're on top of the politics, we understand the regulatory environment and we know the key players.

About our firm

Nardello & Co. is a global investigations firm with experienced professionals handling a broad range of issues including the FCPA/UK Bribery Act and other corruption-related investigations, civil and white collar criminal litigation and arbitration support, asset tracing, strategic intelligence and political risk assessment, computer forensics, and reputational due diligence. Our clients include the world's leading law firms and financial institutions, Fortune 500 and FTSE 100 companies, high-net-worth individuals and family offices, governments, NGOs, sports organizations and academic institutions. With offices in New York, London, Washington DC, Atlanta, Hong Kong, Tokyo, Milan and Dubai, Nardello & Co.'s professional staff includes former US federal prosecutors, former general counsels of multinational corporations, US and international lawyers, former law enforcement personnel and intelligence operatives, licensed investigators, research analysts, former journalists, financial crime specialists, forensic accountants and computer forensic experts.

Why risk it?

Whether you have an urgent situation today or something stirring on the horizon, whenever, wherever you need us, we'll work with you to develop custom solutions to meet your needs.

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