
Anonymized Sample OSI Report on **CHINESE SUBJECT COMPANY**



August 27, 2021

Overall Risk Rating: **RED**

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REF: 101.XXXX.XXXXXX
CLIENT CONFIDENTIAL

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This report is strictly private and confidential and may not be disclosed to any third party. Information supplied in this report is intended for the sole purpose of forming part of your evaluation of the entity or individual about whom this report is written ("report subject").

PSA has taken due care to accurately summarize public domain information. Due to the inherent limitations of relying solely on public domain information, as well as its dynamic nature, PSA advises the reader of this report that: (i) information contained in this report may have changed since its writing; (ii) underlying public domain information has not been independently verified; (iii) all public domain information related to the report subject may not have been found; and (iv) the public domain sources relied upon may not be comprehensive, accurate, complete, or current. If this report includes any indication of negative allegations against the report subject and unless there are indications to the contrary, it should be assumed that such allegations are denied by them.

This OSI report is by its nature and design based solely on electronically accessible information. PSA notes that the methodology deployed in this OSI-level report is solely reliant on corporate registration, ownership, litigation, and regulatory data that is electronically accessible in the relevant jurisdiction. We note that in certain jurisdictions only minimal information may be electronically available. As such, this report represents the utilization of electronic records on a best-efforts basis in order to identify potential and actual risks and may not present a complete picture of actual risks.

Due to limitations in research scope, OSI reports cannot be relied on to fully determine the gravity of a risk identified. Risk flagging in an OSI is therefore conducted as a preliminary assessment based on the top line summary of an issue or event and is presented on a best-efforts basis only. We note that while the research is thorough, it is typically not possible within an OSI to address the legal or regulatory significance of an issue; its outcome; its relation to other issues; and the precise degree to which an issue attributes wrongdoing to the subject. As such the user is strongly encouraged to request from PSA, or to conduct independently, further detailed research and active remediation of any issues of significance before to continuing to conduct business with the Subject. Research in languages other than English is based solely on machine translated media and database results. Under most circumstances, issues older than 10 years are not evaluated or mentioned in OSI reports.

No liability is accepted by PSA for any loss or damage arising from reliance on information contained in this report.

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This is an anonymized sample report used for demonstration purposes. The names of the Subject Company, client, key principals, and other potentially identifying information have all been altered. Any resemblance of the pseudonyms used in this report to real people is unintended.

EXECUTIVE SUMMARY

Overall Risk Rating: **RED**

- Incorporated in 20XX, Chinese Subject Company (“Chinese Subject” or the “Subject Company”) is involved in comprehensive environmental services. The Subject Company is based in [City, Province], China.
- The Subject Company is wholly-owned by Chinese Parent Company, which is a wholly-owned subsidiary of the state-owned Chinese Holding Group.¹ **This is a RED FLAG for the likelihood that its employees will be considered foreign officials under the FCPA.**
- Legal Representative A is the executive director, manager, and legal representative while Supervisor A is the supervisor of the Subject Company. **This warrants a RED FLAG because of likelihood they will be considered foreign officials under the FCPA.**
- English and machine-translated Chinese language adverse media research on the Subject Company, Legal Representative A, and Supervisor A **returned no results.**
- Overt litigation searches on the Subject Company, Legal Representative A, and Supervisor A **identified no overt risks.**
- The Dow Jones RiskCenter database checks on the Subject Company, Legal Representative A, and Supervisor A **returned no results.**

Risk Factors		●	●	●
Overt Regulatory Risks	Bribery and Corruption			●
	Public Bidding Irregularities			●
	Politically Exposed Persons/Government Employees	●		
	Government Entities/State-Owned Enterprises	●		
	Sanctions or Export Control Issues			●
	Money Laundering			●
	Terrorism Financing or Support			●
	Arms Trafficking			●
Criminal or Regulatory Violations	Fraud, Collusion, or Embezzlement			●
	Anticompetitive Practices			●
	Intellectual Property Violations			●
	Financial Violations			●
	Other Criminal Investigation or Prosecution			●
	Other Regulatory Issues			●
Operational Risks	Liquidated, Delisted, or Dissolved Entity			●
	Bankruptcy or Significant Financial Issues			●
	Debarred, Disqualified, or Prohibited Person/Entity			●
	Significant Labor Issues			●
	Significant Civil Litigation			●
	Political Risks			●
Sustainability, Ethics, and Governance Issues	Human Rights Violations			●
	Social Responsibility Issues			●
	Environmental Issues			●
	Significant Internal Controls or Governance Issues			●
	Reputational Risks			●
Other Risk Factors				●

● Overtly or potentially severe risk identified ● Overtly moderate risk identified/risk of undetermined severity identified ● No adverse information identified

PRIMARY SUBJECT: CHINESE SUBJECT COMPANY

Chinese Subject Company (“Chinese Subject” or the “Subject Company”) was incorporated in 20XX as a limited liability company engaged in comprehensive environmental services such as [redacted].² The Subject Company is based in [City, Province], China.³

The Subject Company is led by Legal Representative A as executive director, manager, and legal representative; and Supervisor A as supervisor. Searches identified Chinese Environmental Protection Company as a subsidiary of the Subject Company.⁴ The Subject Company is wholly-owned by Chinese Parent Company.⁵

Chinese Parent Company is a wholly-owned subsidiary of [Chinese Holding Group] which is a state-owned enterprise in [City], China.⁶ **This is a RED FLAG for the likelihood that its employees will be considered foreign officials under the FCPA.**

Corporate Registration Information

BASIC COMPANY INFORMATION ⁷		
Company Name	Name in Local Language	
	Name in English	Chinese Subject
	Doing Business As	Chinese Subject
Status	Active	
Date of Incorporation	XX	
Registered Address	XX	
Legal Form	Limited liability company	
Unified Social Credit Code	XX	
Shareholding Capital	XX	
No. of Employees	XX	

² National Enterprise Credit Information Public System of China, 2021; National Public Credit Information Center, retrieved 2021; redacted

³ National Enterprise Credit Information Public System of China, 2021; National Public Credit Information Center, retrieved 2021; redacted
⁴ redacted

⁵ National Enterprise Credit Information Public System of China, 2021; redacted

⁶ redacted

⁷ National Enterprise Credit Information Public System of China, 2021; National Public Credit Information Center, retrieved 2021; redacted

BASIC COMPANY INFORMATION ⁷	
Line of Business	XX

COMPANY SHAREHOLDING ⁸			
Name	Capital Contribution (RMB)	Capital Contribution (USD)	Shareholding (%)
Chinese Parent Company			XX

MANAGEMENT ⁹	
Name	Position
Legal Representative A	Executive Director, Manager, Legal Representative
Supervisor A	Supervisor

IDENTIFIED AFFILIATED COMPANIES AND SUBSIDIARIES ¹⁰	
Name	Relationship
Chinese Environmental Protection Company	Subsidiary

English Language Media Searches

English language media searches were conducted to identify any negative or potentially damaging information related to the Subject Company. **No issues of concern were identified.**

Local Language Media Searches

Machine translated Chinese language media searches were conducted to identify any negative or potentially damaging information related to the Subject Company. **No issues of concern were identified.**

⁸ National Enterprise Credit Information Public System of China, 2021; redacted

⁹ National Enterprise Credit Information Public System of China, 2021; National Public Credit Information Center, retrieved 2021; redacted

¹⁰ redacted

Overt Litigation (from Media)

Online searches were conducted to identify any instances of overt litigation pertaining to Chinese Subject Company.

Searches from an online database retrieved eight case records on Chinese Subject Company. Five of these listed the Subject Company as a third-party, one record as a respondent, one record as a defendant, and one record as a plaintiff. The cases pertain to administrative approval and license, environmental protection administrative matters, and sales contract disputes between [Year] and [Year].¹¹ **No overt risks were identified within the available information.**

Global Database Checks

A search on the Subject was conducted in the Dow Jones RiskCenter database to identify any sanctions listings, political exposure, SOE status or affiliation, or involvement in human rights violations, fraud, money laundering, financial issues, price fixing, terrorism, or other criminal activities. **No issues of concern were identified.**

¹¹ <https://www.qcc.com/csusong/d3fe26637d55ada79b4439b219605c51.html>

SECONDARY SUBJECT: LEGAL REPRESENTATIVE A

Legal Representative A is the executive director, manager, and legal representative of Chinese Subject Company.¹² **This warrants a RED FLAG because of likelihood the subject will be considered foreign official under the FCPA.**

Legal Representative A is also the executive director, manager, and legal representative of the Subject Company's subsidiary, Chinese Environmental Protection Company.¹³ Searches from an online database also found that Legal Representative A has a total of eight affiliations with companies registered in China.¹⁴

English Language Media Searches

English language media and internet searches were conducted to identify any negative or potentially damaging information related to the Subject. **No issues of concern were identified.**

Local Language Media Searches

Machine translated Chinese language media searches were conducted to identify any negative or potentially damaging information related to the Subject. **No issues of concern were identified.**

Overt Litigation (from Media)

Online searches were undertaken to identify any instances of overt litigation pertaining to the Subject. **No issues of concern were identified.**

¹² National Enterprise Credit Information Public System of China, 2021; National Public Credit Information Center, retrieved 2021; redacted

¹³ redacted

¹⁴ redacted

Global Database Checks

A search on the Subject was conducted in the Dow Jones RiskCenter database to identify any sanctions listings, political exposure, SOE status or affiliation, or involvement in human rights violations, fraud, money laundering, financial issues, price fixing, terrorism, or other criminal activities. **No issues of concern were identified.**

SECONDARY SUBJECT: SUPERVISOR A

Supervisor A is the supervisor of Chinese Subject Company.¹⁵ **This warrants a RED FLAG because of likelihood the subject will be considered foreign official under the FCPA.**

Supervisor A is also the supervisor of the Subject Company's subsidiary, Chinese Environmental Protection Company.¹⁶ Searches from an online database also found that Supervisor A has a total of six affiliations with companies registered in China.¹⁷

English Language Media Searches

English language media and internet searches were conducted to identify any negative or potentially damaging information related to the Subject. **No issues of concern were identified.**

Local Language Media Searches

Machine translated Chinese language media searches were conducted to identify any negative or potentially damaging information related to the Subject. **No issues of concern were identified.**

Overt Litigation (from Media)

Online searches were undertaken to identify any instances of overt litigation pertaining to the Subject. **No issues of concern were identified.**

Global Database Checks

A search on the Subject was conducted in the Dow Jones RiskCenter database to identify any sanctions listings, political exposure, SOE status or affiliation, or involvement in human rights violations, fraud, money laundering, financial issues, price fixing, terrorism, or other criminal activities. **No issues of concern were identified.**

¹⁵ National Enterprise Credit Information Public System of China, 2021; redacted

¹⁶ redacted

¹⁷ redacted

ANNEX A: GLOBAL PROPRIETARY DATABASE CHECKS DETAILS

GLOBAL DATABASE INTEGRITY CHECK DETAILS	
1. International PEP Databases <p>Legislation such as the FCPA and Section 312 of the USA PATRIOT Act require the identification of foreign Politically Exposed Persons (PEPs). The PEP databases used contain records of current or former senior ranking public officials, including government officials and politicians. Where possible, searches cover local public officials, as well as relatives, close associates, and corporate affiliations of PEPs.</p>	2. Government Prohibited Persons and Entities <p>The entities in this database are under international sanctions or are otherwise prohibited as business partners due to their connection to terrorism, money laundering, arms trafficking, rogue regimes, or similar activities. Datasets include sanctions lists from the United Nations, EU, and 37 countries, as well as additional exclusion lists from the World Bank, Interpol, the International Criminal Court, and 62 countries.</p>
3. Corruption and Bribery Databases <p>Databases focus on individuals in public positions who have allegedly abused their position and are reported to have been arrested on suspicion of, charged with, or convicted of corrupt activities, including bribery, kickbacks, and breaches of trust. This includes information from corruption commissions, crime stoppers programs, attorney-general's offices, interior ministries, intelligence agencies, and lists such as the World Bank Debarred Party List.</p>	4. Terrorism Risk Database <p>Databases used contains individuals arrested on suspicion of, charged with, or convicted of acts relating to terrorism. This category includes individuals associated with or influenced by terrorist organizations not necessarily acting on those organizations' behalf. Activities also include financing of terrorist acts or organizations. Individuals are further identified through extensive and up-to-date adverse media databases and additional searches.</p>
5. Financial Regulatory Risk <p>Databases include individuals and entities involved in corruption, fraud, sanctions, and regulatory issues, as well as any related adverse media. This also includes enforcement orders, warnings, reports, investigations, and allegations issued by regulatory authorities and supervisory bodies.</p>	6. Serious and Organized Crime Databases <p>Databases include lists of individuals and entities associated with potentially serious crimes and high-level cases, including organized crime, trafficking, and narcotics offenses. The dataset includes more than 50,000 "wanted" notices worldwide.</p>
7. Global Social and Environmental Misconduct <p>Databases include individuals and entities connected to misconduct including, but not limited to, discrimination and workforce rights, human rights abuses, workplace health and safety issues, environmental issues, product and service quality issues, and production and supply chain issues.</p>	8. Corporate Fraud and Financial Risk <p>Databases include corporate entities and private individuals involved in financial crime activities such as fraud, theft, money laundering, tax evasion, and other tax-related offences. These results are then enhanced by adverse media databases and to further identify potential misconduct and risks.</p>
9. State Owned Entities and Connections <p>Databases used track business organizations with a corporate structure for which the supra-national, national, region, provincial, or local governments hold >1% of issued shares, majority voting control, and/or have the power to appoint positions. This includes subsidiaries, assets, branches, and board members associated with SOEs.</p>	10. Competition and Infringement Risks <p>Searches include official reports and media sources related to allegations or evidence of monopolies, antitrust, restrictive, and other unfair competition issues. These searches also include reported disagreements over patents, copyrights, and intellectual property, allegations of trade secret theft, and abuses of privacy laws.</p>



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