

Enhanced Due Diligence Report on **VIETNAMESE SUBJECT**

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CLIENT CONFIDENTIAL

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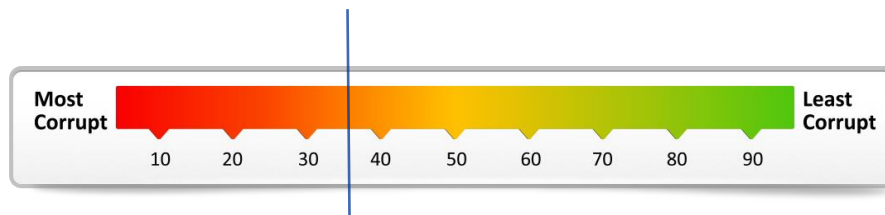
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This is an anonymized sample report used for demonstration purposes. The names of the Subject Company, client, key principals, and other potentially identifying information have all been altered. Any resemblance of the pseudonyms used in this report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

EXECUTIVE SUMMARY

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- Vietnamese Subject Company ("Vietnamese Subject" or the "Subject Company") is engaged in wireless telecommunication activities, among many of its registered business activities. The Subject Company is a state-owned enterprise incorporated in [Year] and operated by the Ministry of Defense of Vietnam. This is a **YELLOW FLAG** for the possibility that its employees may be considered foreign officials under the FCPA.
- Official records identified Legal Representative as the legal representative, chairman, and general director. Open media reported that Legal representative retired effective [Date] and that Deputy General Director A was appointed to take his place. We note that this information has not yet been reflected in official records retrieved as of date.
- English and Vietnamese media research on the Subject Company returned large volumes of adverse media, including the following:
 - In [Year], Vietnamese Subject was identified as one of the telecoms providers whose prepaid cards were used to facilitate payment transfers to an illegal online gambling ring. Vietnamese Subject was ordered to pay VND 90 billion (USD 3.8 million) after the court ruled that profits from the gambling ring were illegal. The association with criminal wrongdoing resulting in a significant fine warrants a **YELLOW FLAG**.
 - Between [Year] and [Year], Vietnamese Subject was involved in various allegations of providing unlicensed services, improper user subscription management, broadcasting violations, and anti-competitive practices, some of which resulted in fines. This is a **YELLOW FLAG** for recurrent regulatory issues.
 - Articles dated [Year] reported that an official of Vietnamese Subject's US-based subsidiary pleaded guilty and was sentenced to prison by a US federal court in [Year] on charges of smuggling military equipment from the US to Vietnam. This is a **RED FLAG** due to the severity of the implications of military equipment smuggling.
 - In [Date], an investigative report by [Local Activist Organization] alleged that both Vietnamese Subject and its indirect subsidiary, [Myanmar-based Subsidiary], support the Myanmar military through its provision of "access to technology, infrastructure, and personal data." The Myanmar military allegedly committed "genocide, war crimes, and crimes against humanity." We note that as of February 2021, US President Joe Biden signed an executive order imposing sanctions against entities and individuals involved with the Tatmadaw. A full assessment of

this cannot be contained in this report, however, Vietnamese Subject's association with human rights violations and possibility of sanctions warrants a **YELLOW FLAG**.

- From [Year] to [Year], large volumes of media were uncovered pertaining to several Vietnamese Subject's subsidiaries in relation to numerous allegations of bribery, money laundering, tax evasion, and "coordinated inauthentic behavior". Additional research would be required to determine the degree of risk, if any, these issues present to the Subject Company.
- Litigation, bankruptcy, and regulatory records are not considered public information in Vietnam and could not be retrieved. Instead, online searches were undertaken to identify any instances of overt litigation pertaining to the Subject Company. No instances of overt litigation were identified.
- No adverse media or instances of overt litigation were found on Legal Representative or Deputy General Director A.
- Dow Jones RiskCenter database categorized Vietnamese Subject as a state-owned enterprise (SOE), and Legal Representative and Deputy General Director A as politically exposed persons (PEPs). These are **YELLOW FLAGS** for state ownership and political exposure.

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			●	

- Derogatory information found
- Potentially/moderately derogatory information found
- No relevant information found

PRIMARY SUBJECT: VIETNAMESE SUBJECT COMPANY

Vietnamese Subject Company (“Vietnamese Subject” or the “Subject Company”) is a state-owned enterprise engaged in wireless telecommunication activities, among many of its registered business activities. The Subject Company, which was incorporated in [Year], is a state-owned enterprise operated by the Ministry of Defense of Vietnam.¹ This is a **YELLOW FLAG** for possibility that its employees may be considered foreign officials under the FCPA.

Official records retrieved from the Department of Planning and Investment identified Legal Representative as the legal representative, chairman, and general director of Vietnamese Subject.² The corporate website also identified Deputy General Director A and Deputy General Director B as deputy general directors and Vice General Director A, Vice General Director B, and Vice General Director B as vice general directors.³

News articles dated [Year] reported that Vietnamese Subject was officially renamed as [redacted] and was recognized as a national defense and security enterprise.⁴ The Subject Company’s registered English name in its official records is “[redacted].”⁵

A full list of the Subject Company’s affiliates and subsidiaries can be found here [redacted].

Corporate Registration Information

OFFICIAL REGISTRATION INFORMATION ⁶		
Company Name	Name in Local Language	
	Name in English	Vietnamese Subject
	Trade Name	Vietnamese Subject ⁷
Status	XX	
Date of Incorporation	XX	
Registered Address	XX	
Legal Form	State-owned enterprise	
Company No.	XX	
Listing Information	Listed Company	Not listed
Charter Capital	XX	
Line of Business	XX	

MANAGEMENT ⁸			
Name	Identifiers		Position
Legal Representative	Date of Birth	XX	

¹ Department of Planning and Investment, last update December 17, 2021

² Department of Planning and Investment, last update December 17, 2021

³ redacted

⁴ redacted

⁵ Department of Planning and Investment, last update December 17, 2021

⁶ Department of Planning and Investment, last update December 17, 2021

⁷ redacted

⁸ Department of Planning and Investment, last update December 17, 2021

	ID No.	XX	Legal representative; chairman; general director
	Residence	XX	
	Nationality	XX	

English Language Media Searches

English language open-source research was conducted to identify any negative or potentially damaging information related to the Subject Company. The following issues of concern were identified:

Association with human rights violations

In [Date], an investigative report by [Local Activist Organization] alleged that Vietnamese Subject, its indirect subsidiary, [Myanmar-based Subsidiary], along with a global network of businesses, supported the Myanmar military (aka Tatmadaw) by providing “access to technology, infrastructure, and personal data.” The Myanmar military allegedly committed “genocide, war crimes, and crimes against humanity”.⁹ We note that as of [Year], US President Joe Biden signed Executive Order No. 14014, imposing sanctions against entities and individuals involved with the Tatmadaw. [Myanmar-based Subsidiary] is XX% owned by Vietnamese Subject’s subsidiary [Redacted] and is a joint venture with Myanmar military-owned entities.¹⁰ A full assessment of this cannot be contained in this report, however, Vietnamese Subject’s association with human rights violations and possibility of sanctions warrants a **YELLOW FLAG**.

Numerous regulatory concerns

In [Date], Vietnamese Subject was fined VND 100 million (USD 4,380) by the [Government Agency] for accepting registrations made through unauthorized service providers and for registering subscribers who used false identification.¹¹ In [Year], Vietnamese Subject was fined VND 171 million (USD 7,321) by [Local Ministerial Unit] for several broadcasting violations.¹² Vietnamese Subject was also accused of anti-competitive practices in two different instances: in [Year], for allegedly fixing leasing prices for their wireless facilities and infrastructure which small mobile networks depend on,¹³ and in [Year], for allegedly increasing telecom charges on the same day, for the same amount, along with two other telecom providers.¹⁴ These collectively warrant a **YELLOW FLAG** for regulatory concerns.

In [Date], several news outlets reported that Vietnamese Subject was one of the telecoms providers that was used to facilitate payment transfers to an illegal online gambling ring through the sale of its prepaid cards.¹⁵ The Subject Company, along with two other telecommunication companies, reportedly earned a combined VND 1.4 trillion (USD 60 million) from prepaid telecom cards sold by

⁹ redacted

¹⁰ redacted

¹¹ redacted

¹² redacted

¹³ redacted

¹⁴ redacted

¹⁵ redacted

players.¹⁶ In [Date], the court ordered Vietnamese Subject to pay VND 90 billion (USD 3.8 million) after ruling that profits from the gambling ring were illegal.¹⁷ The association with criminal wrongdoing resulting in a significant fine warrants a **YELLOW FLAG**.

The following issues of concern were also found pertaining to Vietnamese Subject's direct and indirect subsidiaries. Note that only a topline summary of these issues is included in this report. Additional research would be required to determine the degree of risk these issues present to the Subject Company, if any.

- In [Date], an official of Vietnamese Subject's US-based subsidiary was indicted in a US Court on charges of military equipment smuggling. The official, who pleaded guilty, was deported after serving a one-year sentence.¹⁸ This is a **RED FLAG** due to the severity of the implications of military equipment smuggling.
- In [Date], Facebook accused Vietnamese Subject and [Myanmar-based Subsidiary] of "coordinated inauthentic behavior" for purveying disinformation against telecom competitors, which resulted in Facebook suspending a network of 13 accounts and 10 pages managed by fake accounts and linked to Vietnamese Subject and [Myanmar-based Subsidiary]. These accounts reportedly spent nearly USD 1.2 million on Facebook advertisement campaigns.¹⁹
- From [Year] to [Year], large volumes of media were uncovered pertaining to several subsidiaries of Vietnamese Subject regarding labor and regulatory violations, as well as numerous allegations of smuggling, bribery, money laundering, tax evasion.²⁰ In [Year], a managing director of [Tanzanian Subsidiary] was one of those charged with fraud over alleged tax evasion in Tanzania.²¹

Local Language Media Searches

Vietnamese language open-source research was conducted to identify any negative or potentially damaging information related to the Subject Company. The following issues of concern as previously discussed in the English Language Media Searches of this report were found on Vietnamese Subject and its direct and indirect subsidiaries.

- Several Vietnamese media articles reported on Vietnamese Subject as one of the telecoms providers whose prepaid cards were used to facilitate payment transfers to an illegal online gambling ring.²²
- In [Date], a Vietnamese article reported on Vietnamese Subject and indirect subsidiary [Myanmar-based Subsidiary] alleged links to the Myanmar military, which was accused of war crimes and crimes against humanity.²³

¹⁶ redacted

¹⁷ redacted

¹⁸ redacted

¹⁹ redacted

²⁰ redacted

²¹ redacted

²² redacted

²³ redacted

- In [Date], an official of Vietnamese Subject’s US-based subsidiary was indicted in a US federal court in [Year] for attempting to smuggle military equipment from the US to Vietnam. The official was sentenced to one year and one day in prison and was deported to Vietnam.²⁴
- In [Year], Vietnamese articles reported on the Facebook suspension of roughly a dozen fake accounts linked to Vietnamese Subject and [Myanmar-based Subsidiary] which were accused of purveying fake information targeting their competitors.²⁵

Litigation, Bankruptcy, and Regulatory Checks

Litigation, bankruptcy, and regulatory records are not considered public information in Vietnam and could not be retrieved. Instead, online searches were undertaken to identify any instances of overt litigation pertaining to the Subject Company. No instances of overt litigation 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.

Dow Jones RiskCenter database categorized Vietnamese Subject as a state-owned enterprise (SOE). In addition, the database raised several adverse media on the Subject Company regarding anti-competitive, financial, regulatory, social, corruption, and human rights issues which were discussed in the report’s [Adverse Media Searches](#) section.

²⁴ redacted

²⁵ redacted

SECONDARY SUBJECT: LEGAL REPRESENTATIVE



Vietnamese national Major General Legal Representative is identified in official records as the legal representative, chairman, and general director of Vietnamese Subject.²⁶ On [Date], Legal representative's retirement effective [Date] was signed by [Deputy Prime Minister] through Decision [redacted].²⁷ His retirement has not yet been reflected on the Vietnamese Subject's corporate website²⁸ and official records retrieved as of date.

Legal Representative has been with Vietnamese Subject since [Year]. He was [Vietnamese Subject's subsidiary]'s chairman and general director from [Year] to [Year] and was once secretary of Vietnamese Subject's party committee.²⁹ In [Year], he was conferred the military rank of general by the Vietnam government.³⁰

English Language Media Searches

English language open-source research was conducted to identify any negative or potentially damaging information related to the Subject. No adverse information was identified.

Local Language Media Searches

Vietnamese language open-source research was conducted to identify any negative or potentially damaging information related to the Subject. No adverse information was identified.

Overt Litigation (from Media)

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

Dow Jones RiskCenter database categorized Legal Representative as a politically-exposed person (PEP) for the executive positions he held at the Subject Company, most recently as its chairman and general director.

²⁶ Department of Planning and Investment, last update December 17, 2021

²⁷ redacted

²⁸ redacted

²⁹ redacted

³⁰ redacted

SECONDARY SUBJECT: DEPUTY GENERAL DIRECTOR A



Deputy General Director A was appointed as the new chairman and general director of Vietnamese Subject effective [Date], according to open media. He was appointed through Decision [redacted] signed by [Deputy Prime Minister] on [Date].³¹

Prior to this, he was a deputy general director at Vietnamese Subject. He has been with Vietnamese Subject since [Year] and held various leadership positions at Vietnamese Subject's subsidiaries. He has a graduate degree in electronics and telecommunications.³²

English Language Media Searches

English language open-source research was conducted to identify any negative or potentially damaging information related to the Subject. No adverse information was identified.

Local Language Media Searches

Vietnamese language open-source research was conducted to identify any negative or potentially damaging information related to the Subject. No adverse information was identified.

Overt Litigation (from Media)

Online searches were undertaken to identify any instances of overt litigation pertaining to the Subject. No instances of overt litigation 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 adverse results were found.

Dow Jones RiskCenter database categorized Deputy General Director A as a PEP for his current and former executive positions at the Subject Company.

³¹ redacted

³² redacted

ANNEX A: GLOBAL DATABASE CHECKS DETAILS

GLOBAL DATABASE CHECK DETAILS	
1. International PEP Databases	2. Government Prohibited Persons and Entities
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.	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.
3. Corruption and Bribery Databases	4. Terrorism Risk Database
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.	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.
5. Financial Regulatory Risk	6. Serious and Organized Crime Databases
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.	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.
7. Global Social and Environmental Misconduct	8. Corporate Fraud and Financial Risk
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.	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.
9. State Owned Entities and Connections	10. Competition and Infringement Risks
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.	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.



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