

Case Study—Hard Lessons Lead to Enhanced Due Diligence

Lexis Diligence® Helps Global Tax Firm Vet Clients & Protect Its Reputation

Location:

Global

Industry:

Tax & Financial

Offering:

Full service individual and business entity tax compliance and consulting

Product Summary:

Lexis Diligence®

“Relying on the open Web was like searching for the proverbial needle in a haystack.”

Senior Risk Manager

Challenge

Having witnessed first-hand how the corrupt actions of a client can lead to the demise of a professional services business, Risk Management at this tax firm recognized the importance of having a vigorous due-diligence strategy to prevent damage to its reputation and finances. Comfortable and complacent was not an option as the firm set its sights on greater visibility into potential risk when considering prospective clients—regardless of whether they were individuals, families, tax-exempt entities such as trusts and foundations, or commercial enterprises—whether public or private. To achieve their goals, the firm required a streamlined process that would allow for Risk Management to conduct due diligence as quickly and efficiently as possible. The Senior Risk Manager notes, “Relying on the open Web was like searching for the proverbial needle in a haystack. It was time-consuming and 90 percent of the time, we could not procure the information needed for assessing risk solely utilizing Google.”

Solution

Taking their cue from a due-diligence strategy tried and tested by an organization in the highly-regulated banking industry, the tax firm adopted a client acceptance process that includes using Lexis Diligence®. The Senior Risk Manager credits the responsive client service and consulting team offered by LexisNexis with how quickly Risk Management was up and running with Lexis Diligence. “While there was a learning curve, our LexisNexis account person was instrumental in helping us manage the process with minimal interruption to our daily operations. The level of Lexis Diligence customer service always exceeds our expectations.”

The Senior Risk Manager is also impressed with the depth and breadth of the content available in Lexis Diligence. “I can’t over-emphasize the importance of knowing your client. There are few matters more important to our business than having the right clients. With this in mind, Lexis Diligence provides the engagement team with the information

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Senior Risk Manager

necessary to ensure a prospective client meets our requirements of excellence—reputation, competence and integrity.” She adds, “Employing Lexis Diligence provides a comfort level and assurance that we are engaging those clients that are appropriate for our firm and who meet the high standards we set for client acceptance, our work and ourselves.” Lexis Diligence complements its 26,000+ licensed sources—including international, national and regional newspapers, magazines, journals, newswires and broadcast transcripts, with archives going back 40 years—with compliance-oriented watch lists for more than 1000 sanctions and over 1 million Politically Exposed Persons (PEPs). The extensive U.S. public records collection also helps the firm gain a more in-depth understanding of companies and individuals.

Result

With Lexis Diligence, this global tax firm is homing in on critical information needed to make smart decisions and mitigate risks to their hard-won reputation and bottom line. One member of the team recalls an “aha moment” when conducting a search on a potential client overseas, only to discover that someone associated with the company was the focus of serious criminal allegations. She said, “I’ve seen how quickly a company’s reputation can be brought down by association with the wrong people or entities. You cannot put a price on avoiding individuals or companies that will put your reputation on the line.”

In closing, the Senior Risk Manager resolutely states, “Thanks to the Lexis Diligence Report Builder that aggregates the findings and results, we in Risk Management can connect the dots, put a comprehensive report in front of the engagement team and executive officers and feel confident that our firm is making the right decisions when it comes to engaging new clients.”

For More Information

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