

COMMERCIAL INVESTIGATIONS LLC

CI TIMES



CREDIBILITY CRISIS REVISITED: MADOFF, BLAGOJEVICH AND RAJU

Well, the dust seems to have settled over our three prominent individuals who recently came to suspect amidst their own unique controversies. Shammed Illinois Governor Rod Blagojevich was ousted from his position on January 29, 2009 by the Illinois State Senate in a unanimous vote. First elected in 2002, Blagojevich's two terms were riddled with personal controversies stemming from rocky relationships with Illinois officials including but not limited to the state Attorney General, Comptroller and Secretary of State. No prior controversy could hold a candle to that which would occur in December, 2008 when Blagojevich was arrested on a federal charge of corruption for allegedly offering to sell the presidential elect Barack Obama's senate seat to the highest bidder. Blagojevich was subsequently convicted in January of impeachment charges and was removed from office. In addition, he is one of the few governors in history to be barred from public office for life regardless of position sought.

Since the impeachment, Blagojevich has continued to proclaim his innocence in every public venue imaginable, including Larry King Live and David Letterman, insisting his removal was politically motivated. In the mean time, Blagojevich has attempted to pursue other avenues of employment ranging from an NBC reality deal to a six figure book contract. Regardless of future endeavors, Blagojevich will undoubtedly fade into history as the shameless governor willing to sell democracy to the highest paying bidder.

In January, 2009 Raju resigned following an admission of a \$1.5 billion account fraud following an attempted merger of his founding company Satyam and a family company Maytas. The fraud which was initially conceived as a method of covering a poor quarterly performance morphed into a multi-account scheme involving friends and relatives. Raju was promptly arrested for a slew of charges ranging from breach of trust to falsifying business records. Raju was remanded to the Chanchalguda

jail in Hyderabad where he will remain pending the outcome of the charges. However, on July 20, 2009, additional accusations surfaced alleging Raju redirected funds from Maytas, through 14 companies and ultimately arriving at Satyam. This discovery prompted the Chief Magistrate to push back a July 22, 2009 hearing to August 5. If convicted on all charges, Raju could spend the rest of his life behind bars.

The sun set on Bernard Madoff on June 29, 2009 when Judge Denny Chin sentenced the disgraced Wall Street Pioneer to 150 year in federal prison. On that day, 71 year old Madoff swapped FINRA CRD number 316687 for Federal Inmate Number 61727-054 and took up new residence at the Butner Federal Correctional Complex in North Carolina for the remainder of his days. As the practice of parole was eliminated in the federal prison system, Madoff will never be a free man again. In addition, Madoff's attorney issued a statement indicating an appeal will not be pursued...to the pleasure of his thousands of victims. But while Madoff is locked securely behind bars, the wrath of his historic Ponzi Scheme may never settle as he has left many people penniless, unable to afford housing, food and health-care. The only benefit to the tragedy may be that Madoff was held accountable for his actions and he paid the highest price.

As the dust settles, it has become evident that fraud and abuse of power can't be entirely eliminated, regardless of how much regulation or government involvement takes place. It is even more important in challenging economic times to protect your own organization from individuals who are dishonest about their past or qualifications.

To review your background investigations policy or to see how you can further protect yourself and your company, contact a CI representative today.

[See previous article at:
www.commercialinvestigationsllc.com/files/newsletter01092.pdf]

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CLIENT CLUE COMMING SOON:

UPDATED CONSENT FORMS

CI clients were notified in December of the recent notification requirement regarding the NYS Corrections Law Article 23-A. In conjunction, CI had updated its consent forms to include the language required by the notice changes and developed the poster that is also required. CI clients can obtain these and the other forms necessary to ensure a compliant background investigations process on their client page.

Soon CI will once again be updating its consent forms based upon client feedback. These new changes are not legal in nature, they are procedural. By relocating some data fields CI clients will be less susceptible to data entry errors.

For assistance in obtaining the updated consent forms and other compliance related forms please contact CI at 800-284-0906 or info@commercialinvestigationsllc.com.

FLASHBACK — DUE DILIGENCE: UNTIL METH DO US PART

January 2006

We meet up this month with Mr. Due Diligence as he finds himself attempting to “get his old job back.” So where has Due been? “Family Issues?” That’s broad enough to cover any gap of employment, right? The bigger the gap, the bigger the issue? And you don’t want to pry, its personal. Your personnel’s problems are personal even when they are your personnel, right?

Due left the administrative offices of Quick Fix Hospital just about two months ago. Due had worked for the hospital for three years. Two years ago they implemented background investigations into their hiring process. The policy stated that background investigations must be run on all new hires. This includes returning employees. Although there were no known serious problems with Due’s performance and he gave two weeks notice before leaving, HR stuck to its policy when Due applied to return to his old position.

Human Resources did have some concerns regarding Due’s recent performance. He had missed work because of headaches and seemed to be more stressed. He had increased anxiety and always seemed to be picking at his face. He also had lost a significant amount of weight. These are all symptoms of using Methamphetamines. Methamphetamines in a legal form are prescribed by physicians to treat ADD and obesity. Some legal forms are used to make illicit street Meth.

Due also hung around Five Finger Pharmacy which was located in Quick Fix Hospital. One of Due’s friends who worked at the Pharmacy was a technician named Crystal Glass. Due always referred to her as the “Glass Chef.”

Despite these concerns, HR accepted Due’s application to return and requested that COMMERCIAL INVESTIGATIONS perform an employment BACKGROUND INVESTIGATION on him. Upon reviewing the results of Due’s BACKGROUND INVESTIGATION, it was revealed that Due spent the last 60 days in jail as part of his sentence for a controlled substance conviction. It also revealed that Due had other prior convictions, which may have prevented him from being hired three years ago, if the hospital had a BACKGROUND INVESTIGATIONS policy at that time.

CI’s BACKGROUND INVESTIGATIONS report on Due included:

- ◆ a SSN & Address Verification, and
- ◆ a 7 Year Criminal History—all names, all jurisdictions, felonies & misdemeanors.

Due’s recent controlled substance conviction was in a NY county in which he never resided according to his SSN & Address Verification. Because the NY Statewide Search includes all NY counties, the conviction was uncovered. However, it was only discovered because CI ran a second statewide under an alias (Bad Diligence) found on the SSN & Address Verification. The NY Statewide Search is based on an exact name and date of birth match. Thus, it was important to run all aliases for a complete criminal history.

You can see Due’s report at:

www.commercialinvestigationllc.com/duesreportjan2006.pdf

Looks like Due might have to “tweak” his employment search. We’re pretty sure he will cook something up.

To Be Continued . . .



MEET DUE DILIGENCE

Last “Scene” from Due

In Due’s last appearance in CI Times, we learned about his credit worthiness. We learned that Due’s credit history is less than favorable and that he will not be working at Credit Worthy Bank.

In the current edition, we experience a flashback to when we first meet Due in January 2006.

To see Due’s past reports, view his page online at:
www.commercialinvestigationllc.com/duespage.

Read previous issues of CI Times to see the full details of Due’s life at:
www.commercialinvestigationllc.com/Newsletter.

INTERNATIONAL VERIFICATIONS

Today, we live in a very global and transient society. Government statistics show that 11.5% of the US population consists of immigrants. In 2000, there were 7 million unauthorized immigrants residing in the US. There are numerous people residing in the US on temporary work visas. There are also many US citizens who have spent time living abroad. Additionally, many US companies hire foreigners to work for them in their own countries. Background investigations statistics indicate that international subjects present falsified information about 20% of the time. Even though information from outside the US may be more expensive or difficult to obtain, that does not relieve an employer from its responsibility to perform due diligence in its hiring practices. Therefore, consideration should be given to including international inquiries in BACKGROUND INVESTIGATIONS to enhance not only due diligence, but risk mitigation as well.

Employers cannot assume that the government has performed an adequate background check just because an individual has been issued a visa. Of course, the government has increased checks on foreign visitors and workers in recent years. However, these checks are primarily aimed at keeping terrorists and international fugitives from entering the US. They

are not aimed at identifying lesser convictions that may be relevant to job performance or employee and customer safety, nor are they aimed at the verification of professional licenses, education and employment.

For employment, volunteer and tenant BACKGROUND INVESTIGATIONS, CI has access to criminal records in more than 180 countries. For BUSINESS TRANSACTION BACKGROUND INVESTIGATIONS (e.g. mergers and acquisitions), CI also has access to civil records in most of these countries. Note however, turnaround time for international inquiry results may be longer than CI's US results average of two business days. It generally takes three or four business days to obtain international results, sometimes longer.

Proper due diligence should include, at a minimum, criminal record inquiries in those jurisdictions where a subject has resided for the past seven years, regardless of location. It is also prudent to include professional license, education and employment verifications from outside the US. Through CUSTOMIZED INQUIRIES, CI makes every effort to cost effectively verify all of the information clients require to make informed business decisions.

COMMERCIAL INVESTIGATIONS LLC

A LICENSED PRIVATE INVESTIGATIVE AGENCY

Dedicated to providing innovative Private Investigative solutions to its clients and working with them to develop tailored services that meet their needs.

Services provided include:

BACKGROUND INVESTIGATIONS

CI provides accurate, timely, cost-effective and fully compliant reports delivered with exceptional client service.

CONSULTING SERVICES

CI assists you in implementing a compliant background investigation process as well as providing assistance in implementing in-house procedures.

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This publication is designed to provide accurate and authoritative information with respect to the subject matters covered. It is distributed with the understanding that CI is not engaged in rendering accounting or legal services.

∞ INQUIRY SPOTLIGHT ∞

INTERNATIONAL CRIMINAL

CI recommends an International Criminal Records inquiry for all districts/provinces the subject has lived or worked in outside the U.S. within the past 7-10 years at the client's discretion. CI submits international inquiries through various international criminal records vendors who are experts in the various foreign court procedures. Our vendors have established vast networks of contacts in the international courts which allow CI to return records from all 6 foreign continents as well as Mexico, Canada and Puerto Rico. Our vendors work closely with the FTC and U.S. Department of State to ensure compliance with international access and privacy data laws.

Most countries' criminal justice systems provide for three tiers within the justice system. The tiers are usually comprised of a local or district level, provincial level and federal level. Research for relevant criminal court information is best accomplished initially at the district or local court level where available. Court files are usually archived manually with very little automation and require local investigative personnel to travel to remote locations. Records may also be available through a local prosecutor's office requiring a similar approach to data collection.

Crimes and offenses that are reported are comparable to felonies in the United States; less serious offenses (Misdemeanors) will be reported if available within a particular country.

Please contact a CI representative at 800-284-0906 or info@commercialinvestigationllc.com for more information on CI's INTERNATIONAL CRIMINAL inquiry, or to add this inquiry to your current requests.