Do you know who you are dealing with?

Business Intelligence Solutions
Fraud Investigation and Dispute Services

Our business intelligence team helped companies in various industries to mitigate their third party risks:

**Financial services:** Ernst & Young performed a background check for a Swiss bank on various individuals who were being considered for strategic positions within the company.

**Automotive:** Ernst & Young has a framework agreement with a global automotive company in which we perform third party vendor due diligence, ensuring our client complies with the regulations set forth by their main supplier.

**Life sciences / Pharmaceutical:** Ernst & Young assisted a Swiss-based multinational firm by performing risk based customer due diligence on close to 200 selected vendors defined by their risk profile. This allowed the client to make an informed decision and feel confident about their chosen partners.

**Oil and gas:** Ernst & Young performed an assessment of the vendor list for a global oil and gas company to identify any possible third party relationships with “public officials” or government entities. We were able to highlight those relationships and assist our client in assessing and mitigating the risk of doing business.

**Life Sciences / Medical technology:** Ernst & Young was asked by a leading dental consumables company to perform a background check on various Asian entities which were suspected of being involved in various alleged corrupt practices. We were able to identify several incidents which enabled the client to accurately respond to the allegations.
Why?

The risks faced by global organizations relating to third parties (customers, vendors, suppliers, employees and outsourced business relationships, etc.) have never been greater.

The Swiss Criminal Code introduced the Concept of Corporate Criminal Liability in 2003 (Article 102 Sections 1 and 2). The implications of non-compliance have to be carefully considered by all companies in Switzerland that are engaged in international transactions. A business entity can be punished with a fine of up to CHF 5m.

The Alstom case is a recent example of the cost of non-compliance. Alstom was fined CHF 2.5m and ordered to pay CHF 34.6m in compensation for illegal profits derived from bribery (Nov 2011) involving intermediaries and other third parties.

Other government legislation (e.g., the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act) and increased law enforcement have also put higher pressure on organizations to improve their third party due diligence.

Anti-money laundering regulations require regulated sectors (including financial, legal and accountancy sectors) to deploy risk-based customer due diligence measures and take appropriate steps to ensure that the service they provide is not used for money laundering or the financing of terrorism.

As part of this process, it is good practice in global organizations to carry out risk assessments of all third parties against a number of criteria.

The risk associated with third parties can be categorized as low, medium, high or extreme. Parties whose risk level is labeled as medium, high or extreme are usually subjected to a further deeper level of searches that can be carried out in-house or outsourced.

In order to support third party due diligence, Ernst & Young offers an open-source third party due diligence process that carries out automatic checks of vendors, suppliers, employees and clients against a number of open-source databases.

The Office of the Attorney General of Switzerland stated that “fighting international corruption” will be a priority for 2012-2015.

Our methodology

Our services are tailor-made to meet your circumstances and specific needs, delivering the desired outcomes.