



INTERNATIONAL RISK

Integrity • Independence • Insight

Supply Chain Integrity Services



International Risk is the leading provider of comprehensive business risk solutions, investigations, business intelligence, brand protection, crisis containment and related services.

International Risk's Supply Chain Integrity Services are designed to reduce the risk of fraud losses through a robust and comprehensive pre-qualification and screening of vendors and other potential business partners. The word "vendor" can equally refer to suppliers, distributors, or outsourced service providers such as packagers, forwarders and advertising agents. The program is designed to send a strong signal as to the ethical standards that you uphold, to provide impartial assurances on the integrity and *bona fides* of your "vendors", and to help you protect your reputation and profit margins.

Not to be confused with ISO system approved suppliers, our service is a loss prevention program to protect your bottom line. The program helps deter kickbacks and curtails the practice of staff and relatives inserting bogus vendors into the supply chain to take a cut from transactions and thereby erode your margins.

Vendor & Distributor Fraud Investigations

International Risk conducts discreet investigations into suspected frauds involving vendors, distributors, and your employees. We have a highly experienced team of fraud specialists to undertake such inquires.

Supply Chain Integrity Program

We help our clients to structure a suitable program, to draft supporting documentation such as vendor questionnaires, business practices or code of ethics statements, clauses on kickbacks, bribery, and the right to audit. Tailored to the needs of your company, in your industry and

operating location, the program may contain these key elements:

Best Practices Pre-qualification

Vendors must agree to undergo pre-qualification screening. The company issues an unambiguous statement explaining its determination to recognize vendors pursuing ethical business practices and to screen out unethical parties. Companies disseminate forms to vendors, collect and collate required documents and information.

Vendor Business Practices Statement or Code of Ethics

In order to establish the program as an effective system of vendor accountability, vendors must agree in writing to your code of business practices and ethics and must agree to terms of termination if they break these codes.

Vendor Questionnaire

Vendors are obliged to complete a detailed vendor questionnaire on their company and will also be required to submit copies of corporate registration documents, licenses and other *bona fides* such as references, to facilitate screening.

Vendor Screening

Vendors are checked by professional investigators to verify integrity, business practices, track records, ownership and physical existence, and to identify potential problems. The scope of screening, which can take place on several levels, can be tailored according to the importance of the vendor. Multi-level screening is used, adjusting the intensity of inquiry to vendor importance.

Category 1 – Full Screening

Full vetting is the first-time screening of significant vendors, comprising:

- Review of signed Vendor Business Practices Statement
- Analysis of Vendor Questionnaire responses
- Database search of public and proprietary sources to confirm statements made by vendors and to search for any detrimental information
- Cross-check with data on other registered vendors
- Site visit to confirm physical existence and suitability of location
- Submission of Vendor Report to client.

Category 2 Screening – Annual Review

We will conduct an annual re-certification review of vendors. This vetting process will cover similar ground to a full vetting but will review only the 12 months after the last qualification statement. The review will include:

- Business Practices Statement to be signed again by vendor
- Limited background checks on recent practices of the vendor
- Submit a Re-Certification Report

Category 3 Screening – Limited Public Record Checks

For small vendors, limited screening can be carried out to verify basic data from the corporate registration file. This would show registration details such as address, declared ownership structure, scope of business license, etc. This is not a substitute for full screening of important vendors though.

Vendor Report

For each vendor, a final report is issued that details the results of the pre-qualification process. Care is taken to positively recognise good practices and avoid damaging relations with key partners.

Annual Reviews

Annual reviews may be conducted to assess whether companies remain qualified to act as your vendors.

Ethics Hotlines

An independently administered whistle blower mechanism is essential as a deterrent against unethical conduct and as a channel for complaints and information from whistleblowers. We will establish and manage such an ethics hotline on your behalf.

Database/Central Register

Data collected on vendors should be managed in a database to facilitate crosschecking and analysis and subsequent incident investigation. International Risk will establish this database for you.

International Risk Limited

Our People

International Risk has a team of seasoned professionals with multi-disciplinary skills and broad-based experience in conducting delicate investigative assignments. Located at strategic locations throughout the world including Hong Kong, Shanghai, Beijing, Guangzhou, Tokyo, Singapore and the United States, Europe, India, South America and other locations - our staff are drawn from the senior ranks of law enforcement agencies, academic analysts, economic researchers, forensic accountants, computer crime and information technology specialists and investigative journalists. In addition, we have access to a very large network of colleagues in key countries across the world through our holding company, FTI Consulting Inc.

How to Contact Us

We are available 24 hours a day, 365 days a year. We are only a phone call away and will be pleased to provide further information on our services and capabilities:

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