

# Mini Review

## Lexis Diligence

### Introduction

LexisNexis, a Reed Elsevier company, is a global provider of business solutions and has a variety of products in areas such as risk management, legal, corporate, government and accounting. Lexis Diligence is one such product and is a database designed to help a company perform due diligence in the areas of risk, compliance and fraud.

The last decade has seen a proliferation of legislation and regulations designed to combat money laundering, corruption and bribery - and many more industries, besides banking and insurance, are now affected. The financial and reputational damage involved in failing to comply with these laws and regulations is huge and underlines the importance of companies needing to implement effective risk-based due diligence procedures in order to prove they were taking appropriate preventative measures.

Lexis Diligence (LD) brings together the intelligence needed to conduct due diligence and comply with these requirements. Some of the checks that can be carried out include an individual or company background check, a negative news check, a sanctions and politically exposed person (PEP) check, checking a company's litigation history and a particular country's risk.

FreePint's first review of Lexis Diligence was carried out by Heidi Longaberger in June 2011 and since that time there have been a few notable changes to the product. These include the addition of over 1700 new titles, several languages to the main search interface and the negative news section, the ability to apply different parameter settings, the ability to save search history for 30 days and the addition of Google Translate to the results page. Lexis Diligence can now also be linked with Lexis Bridger Insight, a complementary compliance product, soon to be reviewed by FreePint. All these changes are further outlined in this review.



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### Sources and Coverage

There are a wide variety of global sources available via the database and Heidi included a useful table in her [review of Diligence](#) which highlighted some of the source titles that can still be found under the three search areas of Person, Company and Country check. Lexis has since added over 1,700 new titles and I have listed some of the source titles that can be found within each source category below. A more detailed list of new sources can be accessed at <http://www.nexis.co.uk/content.php>. Sources include:

- Over 23,000 news sources from international, national and regional newspapers, blogs and newswires, with a 40 year archive, including titles such as ABA Banking Journal, Asia Today, Banking & Credit News, BBC Monitoring: International Reports, CNN, Compliance Week, The Guardian, Intelligence Online, Intellinews, Malaysian Business and Pakistan Business News

- Millions of global public and private company profiles for emerging and developed markets. For example, company profiles of all US public companies as well as more than 200,000 private US companies and Dun & Bradstreet's directory of over 130 million global public and private company records. Some examples of titles include Bankruptcy Court Documents, BMI Company analysis reports, Experian Business Reports, Global Data Company Reports, Reportlinker, Standard & Poor's Corporate Register and Hoover's Company & Industry Reports.
- Over 500 biographical sources including ICC Directors Information, Marquis Who's Who Biographies, The Who's Who of Company Directors and Who's Who in International Banking
- Over 800 sanctions and watchlists (including Info4C's 750+ sanctions lists and OFAC, EPL, OIG, HM Treasury and The FBI) and politically exposed persons (PEP) lists (including World Compliance and Info4C)
- UK, US and other international legal cases with titles including European Court of Justice Cases; England & Wales Cases: 2010 to current; Commonwealth & Irish Cases; Federal & State Court Cases: After 1944; all Hong Kong Case Law as well as Malaysia & Brunei cases
- The Economist Intelligence Unit's country and risk summaries.

There is also a Resources link found on the top right of the screen which takes you to a list of 115 countries each providing several useful links for relevant organisations. For example, under the link for Russia is the Central Bank of the Russian Federation and the Federal Commission for the Securities Market of the Russian Federation. You can also access the latest news on regulatory and security issues from this page as well as social media websites. What I particularly liked was the ability to be able to add or remove your own links (*see Figure 1*) as this enables you to customise the page to your specific needs.

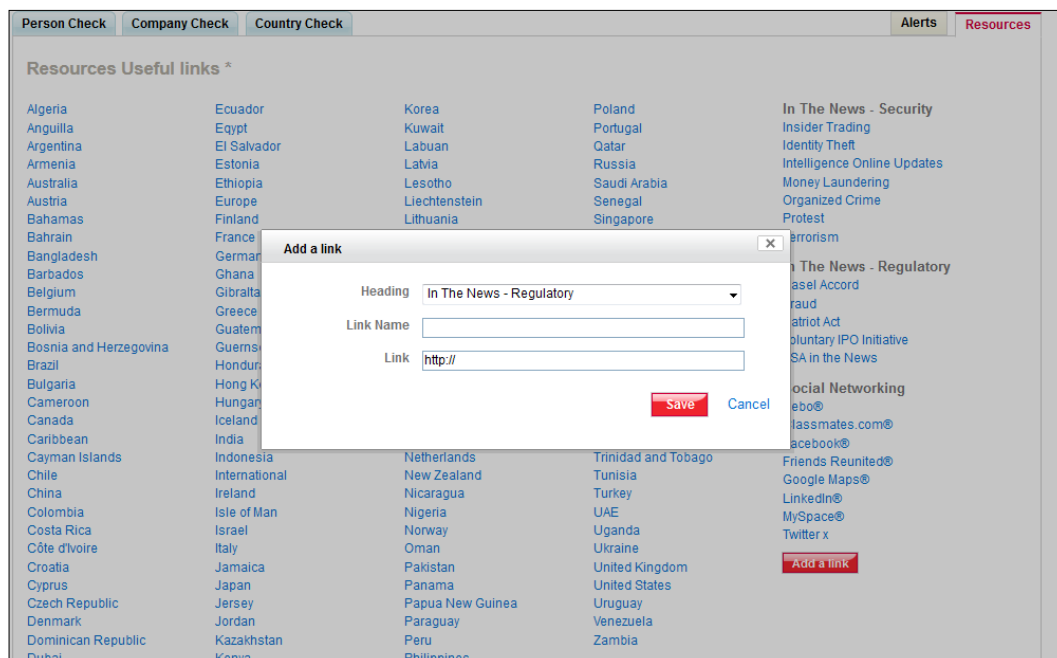


Figure 1: Resources - Add a link

There is also a searchable directory that can be accessed at [www.nexis.com/sources](http://www.nexis.com/sources) that gives further details about the sources available.

There are several other risk-focused databases on the market such as Lexis SmartWatch which is mainly used by those in procurement and complements Lexis Diligence. Other alternatives include World-Check, now owned by Thomson Reuters, and D&B Compliance. D&B recently joined forces with Regulatory DataCorp, Inc, who offer risk intelligence and compliance services - and D&B Compliance unites both their databases.

As Lexis Diligence is used across the world, the company has tried to focus on its international audience by offering global content in a variety of languages. There are 17 languages to choose from for news content. These include English, French, German, Dutch, Russian, Arabic, Portuguese, Spanish, Finnish, Danish, Italian, Icelandic, Malay, Norwegian, Polish, Swedish and Turkish.

The interface language itself can also be changed by clicking on Language at the top of the screen and several new languages have been added since the last review and now include Russian, Arabic, US English and Brazilian Portuguese as well as French, German and Dutch. The addition of more languages is welcome given that fraud and corruption is a global issue and legislation such as the US Foreign Corrupt Practices Act 1977 and the UK Bribery 2010 include extraterritorial powers which enable regulators to pursue alleged cases of bribery outside the US and UK.

## Audience

Lexis Diligence is used globally, particularly by users in Europe, US, Asia and developing markets.

It is generally used by larger companies who operate in high risk environments.

Stringent regulations such as Anti-Money Laundering, bribery & corruption and sanctions regulations now affect many industries, increasing the compliance burden for companies across many sectors. Anti-corruption legislation brings the added requirement for companies to ensure the integrity and reputation of third parties and suppliers. Examples of such industries include financial services, insurance, construction, telecommunications and aerospace.

## Search and Interface

The search interface itself has not changed that much since the original product review and a search can be performed on a person, company and country.

**Person Check:** you enter your search terms which include first name, surname and any additional keywords to refine your search (*see Figure 2*). If using more than one additional keyword you can select AND/OR from the drop-down lists between the boxes to connect your keywords. There is a Tips link that explains which connectors and commands are available and how to use them. This is designed to be clear and simple as it's aimed at the non-expert searcher. You can also carry out a search just using keywords if you do not have the person's name.

Figure 2: Person Check

There are six types of source content that can be selected for a person check. To select a source you simply tick the check box to the left of each one. The sources include:

**News:** this is split into general and negative news and will appear in separate tabs on the results page. There is an information icon that can be selected which describes in detail the content of each news type.

There is a drop-down box where you can select from All English Language News, All News in All Languages, All non-English Language News, Major World Publications or Newspapers in English, UK Publications, US Publications, Asia Pacific news as well as news in French, German, Italian, Spanish, Portuguese and Russian. There is no longer a default language selection provided and when you select either All news in All languages or All non-English language news in combination with the Negative News checkbox you can click on the Edit link to the right and select up to five languages to include in your search and save them.

Negative news has a pre-defined list of negative terms which can be amended and saved for the next time you carry out a person search, which is useful as it allows the user to tailor their search to their specific needs.

You can also select a date range. How far back the archive goes depends on the content type. For example, the news content in general starts from 1973 whereas the Legal Cases data starts from the 16<sup>th</sup> century.

**Directors & Shareholders:** you can either search the Company Reports file or D&B Global Identifiers. The types of content available was discussed earlier and there is an information icon detailing the content as there is for news sources. You can also select a date range.

Biographical Sources, Sanctions and Warnings, PEP and Legal Sources are all available as source type options too.

At the bottom of the search screen is a cost code box which is useful when allocating a client number against each search so you can keep track of the amount of investigations that have been carried out against each client.

**Company Check:** this is very similar to the Person check search screen but without the Directors, Biographical Sources and PEP options. For the Company sources option you can either search the report title or the full report. Searching the report title would be useful when locating specific reports all about a company or a search of the full report for general reports that mention a company. This might be useful when trying to locate a subsidiary company. Then select the date range and country to which you would like to confine your results, with the option to select all countries if preferred.

**Country Check:** after selecting a country, there are two source options available. News and Risk Reports which provide country risk summaries, including forecasts and key developments as well as information on political structure and commerce for the country selected.

## Outputs, Reports and Alerts

Once you have run your search, the results page will display tabs running across the top of the screen (see Figure 3) showing results for each source type you selected in your search keeping the content types distinct. For example, you can see from Figure 3 that there are separate tabs for News, Directors & Shareholders, Biographical sources, Sanctions and Warnings, and Legal Sources. The news tab is divided into Negative News and General News, assuming they were both selected.

The screenshot shows the Lexis Diligence search results page. At the top, there is a navigation bar with links for Home, Report Builder (0), User Preferences, Language: English (UK), Quick Card, Help, Sign Out, and a timestamp of 11/Jun/2013 15:25:57. Below the navigation bar, there is a search bar with a 'Select Language' dropdown and a 'Go' button. The main heading reads '41,152 results found in Negative News for hosni mubarak'. Below this, there are tabs for 'News +', 'Directors & Shareholders +', 'Biographical Sources +', 'Sanctions & Warnings +', and 'Legal +'. The 'News +' tab is active, and it is further divided into 'Negative News +' and 'News +'. The results are displayed in a list format, with the first three items visible:

- Feeling the squeeze; Business in Egypt**  
Economist.Com, March 13, 2014 Thursday, THE ECONOMIST ONLINE, 782 words  
... Mohamed Morsi's intention to **prosecute** businesses he believes benefitted from widespread **corruption** during the rule of **Hosni Mubarak**. It was not the first ...  
... billion Egyptian pounds from **corrupt** companies. The OCI saga is the ...  
... undoing the privatisation deals of the **Mubarak** era. The Talaat Moustafa ...  
... acquired its land through **illegal bribes**. Earlier this month, the Egyptian ...  
MOHAMMED MORSI; **HOSNI MUBARAK**
- An Overview of EU-Pakistan Relations; Focus on Democratization of Pakistan**  
Pakistan Journal of European Studies, June 30, 2013 Sunday, 6526 words, Tasneem Sultana  
... supported dictators like **Hosni Mubarak** of Egypt, and Ben Ali of ...  
... it was time to oust them. **Hosni Mubarak** was considered an ally, ...  
... election process and termed as **illegal** the government's decision to bar the ...
- AFPTV Advisory 0300 GMT**  
Agence France Presse -- English, June 11, 2013 Tuesday 3:29 AM GMT, 1617 words  
... crackdown that has already led to the **detention** of dozens of Chinese nationals, ...  
... for a threatened **assault**. FILE. 1000 GMT ...  
... CAIRO: Ex-president **Hosni Mubarak's** retrial is adjourned until ...

On the left side of the page, there is a 'Narrow Your Results' section with a search input field and a 'Go' button. Below this, there are filters for 'Subject', 'Company', and 'Source Type'. The 'Subject' filter includes categories like Trends & Events (1132), Government & Public Administration (1049), etc. The 'Company' filter includes TWITTER INC (15), PANASONIC APPLIANCES INDIA CO LTD (3), etc. The 'Source Type' filter includes Newspapers (1063), Newswires & Press Releases (989), etc.

Figure 3: Results page



Up to 65,000 documents can be returned and the default setting is 50 results per page but that can be changed in the user settings. The user settings is a new feature which allows you to tailor the system to meet your needs. Through these options you can specify the information sources you wish to access while performing searches for Person, Company and Country checks, select your choice of default home page and add and delete your own resource links as mentioned earlier.

Google Translate is a new feature that gives users the ability to translate search results and there are 55 languages available. This is a useful addition to the database as search results can be quickly translated without having to open another browser window and run Google Translate separately, which reduces time and adds efficiency to the due diligence process.

To narrow your results you can either enter more search terms in a box on the left of the screen or use the results groups on the left-hand side of the screen to filter your results by source, subject, industry language, company etc. The numbers in brackets show how many results are in each group.

There are three ways to view your results, these include Expanded List view which displays the titles of the document together with the words you've searched in context, List view displays the most concise results and Full Text. You can also edit your search from the results page or start a new search.

Once you've selected the results you want you can either print, email or download them. For email you can choose Word, PDF or HTML and can enter up to three email addresses. You can select full text, expanded list or list view for them all and add comments, which helps with the audit process.

Another useful feature that helps with the audit process is the Report Builder. There is a link to this at the top of the page or above the results and you can save your documents for 24 hours. You can create your own due diligence report by collating relevant documents from all the tabs. The results are clearly labelled by content type. You can also add pages that display No Documents which can be useful for audit purposes as well as organise records in your report using drag and drop, add notes and change its name. Report Builder is an important feature as it shows the search terms, results, date and time which proves that due diligence was carried out (see Figure 4).

Lexis<sup>®</sup> Diligence Home Report Builder (7) User Preferences Language: English (UK) Quick Card Help Sign Out 12/Jun/2013 13:47:08

Person Check Company Check Country Check Alerts Resources

«Back to previous page

**Report Builder**

Items in this folder are automatically deleted after 24 hours. If you wish to leave this page, please save your changes. Save changes

Drag and drop documents to move up and down the list Delete All

SANABEL RELIEF AGENCY Edit		X
No Documents Found	Cases	X
SANABEL RELIEF AGENCY LTD, UNITED NATIONS SANCTIONS LIST, OFACEN	Sanctions & Watchlists	X
SANABEL RELIEF AGENCY LIMITED, ICC Financial Analysis Reports, August 28, 2007	Company Profiles	X
Nasuf, Mr. Taher, Zoom People Information, December 2012, Sanabel Relief Agency	Company Profiles	X
'Al-Qaida' charity on register for six years Third Sector, February 19, 2013, SEVEN DAYS IN THE SECTOR; Pg. 4, 290 words	Negative News	X
Manchester Evening News, October 6, 2010 Wednesday, NEWS; Pg. 1, 130 words, WFnode	Negative News	X

Save changes

Figure 4: Report Builder

Alerts are another useful way to monitor a person or subject and you can create automated alerts that will email you with any new results from your search on an hourly, daily, weekly or monthly basis in PDF, .rtf, .doc or HTML format. To set them up you click on the Alerts tab in the top right corner of the screen which activates the Alerts wizard. You can then choose from Person, Company or Country alert along with the relevant source options you wish to include and there is also a box for comments.

Users can now also save their search history for up to 30 days. This function was not available to me at the time of my trial but there would be a History tab that users can select and then simply click on a link to re-run a search or click the check boxes to the left of each search to download searches.

## Timeliness

As mentioned earlier, the timeliness of the sources depends on the content type. News content can be updated several times a day and sanctions resources are updated the same day. Further details on source updates can be found at [www.nexis.com/sources](http://www.nexis.com/sources).

## Special Functionality

The user's IP address cannot be traced from Lexis Diligence, allowing for added security.

## Help and Support

There is a wealth of information that can be accessed from within the database to help you learn how to use it. As well as a searchable index there are learning modules, and the user can also set up training through Lexis or visit their website at [www.lnacademy.com](http://www.lnacademy.com) for further resources. You can also access help through customer services 24 hours a day.

## Pricing

Specific pricing details were unavailable, however, I was advised that customers can choose from a number of pricing options depending on their different needs and requirements.

## FreePint's View

With the increased need for organisations to implement effective risk-based due diligence procedures, Lexis Diligence is an important tool for finding information on people, companies and countries and for satisfying regulators that appropriate checks have been carried out. Whether looking for information on clients, suppliers or partners or checking for further company information, legal histories or for ongoing monitoring purposes, Lexis Diligence provides one convenient resource for timely access to global information.

Most users of this database will often have strong investigative skills but will not necessarily know about Boolean logic or more advanced search techniques and the interface is well designed for this type of user. It is really easy to use but the content is very comprehensive and having so many useful links on the Resources page makes it even easier to get all the information you need in one place which saves time. Being able to customise the settings is a welcome addition as the default preferences can be set to reflect an organisation's specific due diligence approach.

Other useful features are the date stamp on reports and saved documents along with places for notes within results lists, emails, reports and Alerts along with the 30 day saved search history as these all help when satisfying auditors and meeting legal requirements.

## Contact Details

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## Lexis Diligence: FreePint's View

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>✓ A saved search history, date stamped reports and documents &amp; the ability to add annotations for use in the audit trail</li><li>✓ The ability to customise the settings to reflect a company's specific due diligence approach</li><li>✓ Clear and simple interface suitable for the non-professional searcher</li></ul> | <ul style="list-style-type: none"><li>✓ A wide range of international content including non-English language sources</li><li>✓ Tabbed results for easier navigation.</li></ul> |
|---|--|

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