



## Due Diligence Investigations

The objective of Lowers & Associates (L&A) due diligence investigations is to make careful and prudent inquiries of other parties (persons or organizations) involved in any prospective arrangement in which the client could suffer serious harm, usually financial, if the other parties are unscrupulous. The methods, scope, and ultimate information desired depends on the client's comfort zone.

One method is to make direct and overt inquiries. This means that subjects of the investigation will become aware of the inquiries being made. In such instances, the subjects usually sign a release allowing a broad investigation to be conducted, particularly on financial, criminal, and military matters. Another method is to conduct portions of or all inquiries covertly. This means that such inquiries are made in a way that subjects of the investigation would not become aware of the inquiries. This is a more difficult and obviously delicate form of investigation. It has certain limitations such as the unavailability of signed releases. But this kind of inquiry is feasible and can be productive in most cases.

Due diligence can be a stand-alone feature service or it can be an added value service to other L&A services. In every instance, L&A will define the full scope of inquiry at the onset of the investigation. During the investigation, particularly if there is uncertainty about scope, L&A will provide periodic milestone reviews with the client. At each stage, status of inquiry is reviewed, and a decision is made on what is to be done during the next stage. Clients usually like this procedure because it allows them to control the costs.

Due diligence investigations may result in the accumulation of vast amounts of information. L&A will organize and analyze the data's relevance and reliability so as to provide the fairest and most accurate picture possible on the subjects of inquiry. For example, part of L&A's analysis may be to establish the degree of reliability of information gathered. Elements of the report we present include:

- The accuracy of representations made by subject individuals.
- Are parties (individuals/organization) what they represent themselves to be?
- History of practices and conduct to establish patterns of character, culture, responsibility, reliability etc.
- Facts regarding financial status.
- Facts about subject's business, operations, and affiliations.

Another aspect of due diligence could be described as a form of investigation to determine how thoroughly something was carried out like a mission, a project, a system, a transaction, or in the case of an installation, whether it was made in accordance with recognized accepted standards. This could bring into play all, or in part, L&A services areas, covering such areas as Compliance, Security, Internal Controls, or Information Technology.

Our analyses provide our clients with the basis for deciding whether to continue with their current arrangements, change negotiating tactics, or abandon the transaction.