

Energy & Mining: Security Solutions & Investigative Services



For more than 40 years, Kroll has provided extractive industry clients with globally applicable risk profiling, security solutions and investigative services.

We understand the specific threats the sector faces, such as sabotage, environmental disasters and issues regarding security, political, economic and social instability. The lack of information available within emerging markets combined with regional variations in regulatory requirements and operating standards make expansion, be it through new market entry, acquisition or partnership, both complex and risky.

With offices in over 55 cities and unrivalled access to source networks, Kroll is ideally positioned to identify issues that might impact the success of mining and energy-related companies by:

- » mapping regional opportunities and associated security, political and commercial risks
- » establishing key players and issues in target markets
- » conducting due diligence on potential acquisitions, investments and partners
- » investigating the credentials of potential agents and intermediaries
- » assessing regulatory exposure
- » developing security mitigation measures, crisis and emergency response plans.

Our services of particular relevance to this sector includes:

Threat & Risk Assessment

For companies operating in high risk areas it is vital to have a complete understanding of the volatility of the environment in order to make the correct business decisions, prevent financial loss and protect your workforce. Key issues we consider include: the security position of the region, local politicians and capacity for corruption, the consequence of a new political administration to your business or industry, potential influence and reputational damage from anti-social elements, the motivation behind trade unions and Non-Government Organizations.

Third-party Review

Recent cases and record files have highlighted the risks of breaching anti-corruption regulations, in particular the Foreign Corrupt Practices Act (FCPA). We focus on two essential perspectives: our clients' reputation within the marketplace and their compliance with international anti-corruption best practice. For both projects we combine public record analysis with local intelligence gathering and internal reviews where appropriate.

Kroll Case: The anonymous email from a worker in an Indonesian facility of a major US energy conglomerate spoke of bribes, pay-offs and backhanders. Kroll's investigation uncovered a sophisticated fraud scheme led by senior management but involved various vendors. The scheme comprised double charging on invoices and kick-backs to connected suppliers, to salaries for fictitious employees and even bribes to local politicians.



An Altegrity Company

Due Diligence

Hidden perils of a major transaction are not always identified by legal and financial due diligence, a background check or public records research. In Asia's emerging markets areas we look into include: the strength and basis of the subjects' government relationships, legitimacy of licenses and environmental clearance, conflicts of interest, past and current bidders, reasons for delay in the construction of mines, undisclosed shareholders and controversial business partners or associates, and the subjects' involvement in commercial disputes or litigation.

Kroll Case: *A global mining group retained Kroll to conduct discreet due diligence on a local mine owner in the Philippines and its senior principals. Through human source inquiries, Kroll obtained intelligence on the subjects' government relationships, reputational and ethical business track record. With the information, the client was now aware of how much control it would realistically have on the local mining operation – an issue with which the client was significantly concerned.*

Kroll Case: *For a client in the energy sector, Kroll identified that a target company in Thailand had intentionally concealed its true ownership and management structure in an effort to hide the criminal history and poor business track record of senior individuals at the company. These concealed individuals would have been controlling the company behind the scenes without our client's knowledge and could have caused our client serious reputational damage.*

Protective Security

Security Threat & Risk Profiling: Kroll has the resources to map the security threat and risk outlook for areas of extraction interest. By identifying the local terrorist threat or identifying the local crime culture, the profile documents provided by Kroll enable clients to make informed decisions on employee deployment, protection levels and response needs.

Personnel: Kroll can provide security personnel for the protection of executives, workforce and other staff operating in high risk situations or areas of concern.

Travel Security: Kroll creates travel policies and procedures for your business. Our travel awareness training program is designed to encourage employees to travel intelligently, with minimum risk and to be prepared in the case of an unforeseen event.

Investigations

With a unique mix of forensic accountants, computer forensic engineers, and investigators, Kroll is the market leader in conducting internal investigations. We have successfully investigated suspicions of fraud, corruption, allegations of bribes to government officials and information loss. Kroll works with clients to determine how the incident occurred, who was responsible, and to plan and implement an asset recovery or loss mitigation strategy. This will include where necessary, preparing reports for regulatory authorities, law enforcement and civil litigation. Kroll is a leading investigator of regulatory breaches having advised on some of the largest FCPA and anti-bribery cases in recent years.

Kroll Case: *A well-known company in the resources sector, with operations throughout India engaged Kroll to investigate whistleblower allegations of corruption in its South India facilities that included bribery of local officials to secure contracts, conflicts of interest by senior management, and contracts awarded to related parties. Working with local counsel, Kroll assembled a multi-disciplinary team to conduct overt interviews, forensic accounting, computer forensics and a thorough review of local records. Kroll provided the client with an independent view of the allegations and their merit. Based on this intelligence, the client chose to restructure its operations in India.*

Crisis Management

If you do not have carefully designed and rehearsed procedures in place, your company risks can sustain operational disruption and even business failure. Kroll has extensive experience in preparing companies to respond efficiently and effectively to emergency incidents. We apply sound managerial techniques designed to cope with a crisis situation, while simultaneously accomplishing organizational goals. Kroll uses disciplined methodology to identify threats, determine the financial impact of an interruption, and develop contingency plans to restart operations in a short timeframe. Ultimately, clients are provided with a comprehensive continuity program alongside strategies for ongoing testing and maintenance.

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