



Freight and Logistics Due Diligence Case Studies

Risk of sanctions violations, bribery and corruption are top of mind for compliance professionals in the freight and logistics industry. Frequent registration changes, modified bills of lading, route irregularities, ship-to-ship transfers, and complex ownership structures are just some of the red flags that can indicate threats to businesses. Identifying these risks while keeping business moving requires nuanced contextual knowledge and judgment. Human-led due diligence is an essential tool for cutting through the noise to distinguish critical risks from media coverage and unsupported allegations.

REGIONAL CASE STUDIES

India

A freight forwarder expressed concerns to PSA about recurring transshipment delays from Mumbai to New York City via Singapore. Citing poor weather and labor shortages, the client feared inaccuracies and document falsification during downtime. Adopting a risk-based approach, PSA scrutinized third-party partners in India, Singapore, and New York through court records, ownership mapping, and human sources. Results revealed compliant operations and justified delays, reassuring the client, and emphasizing proactive risk management in international freight forwarding.

Ivory Coast

A European shipping firm required a local agent in Abidjan and selected 3 potential counterparties. The client then enlisted PSA for an on-site assessment and due diligence. PSA was able to quickly disregard two options based on a well-documented history of bribery and corruption, and a buried indirect ownership by a current customs official. The 3rd and final agent was engaged by the client following the completion of PSA's report, which included results of in-person interviews with the agent's current and former clients and employees, as well as confirmation of a track record working with industry leaders using the port.

Oman

As a multinational logistics company sought to expand operations in Oman, bribery and corruption suspicions emerged regarding a customs broker. PSA exposed the veracity of these concerns. The investigation confirmed instances of corruption, prompting the company to take swift corrective actions by severing ties with the broker and implementing robust compliance measures. This proactive approach not only protected the company's reputation, but also underscored the importance of thorough due diligence during global expansion.

TOPICAL CASE STUDIES

Trafficking

When the Paraguayan agent of a US MNC initiated large tobacco-related orders, designating a different manufacturing company as the consignee, PSA intervened. Over successive weeks our investigation began revealing a network of interconnected companies operating across the Tri-Border Area (Argentina, Brazil, and Paraguay). These entities were actively involved in illicit tobacco production and smuggling. Equipped with this information, our client successfully challenged the orders' validity, mitigated exposure, and safeguarded against potential risks.

Sanctions

Confronting heightened sanctions risks linked to China, a global freight forwarder partnered with PSA to conduct a rapid series of in-depth due diligence reviews to seek to identify and quantify potential risks. Armed with this information, the forwarder implemented targeted compliance measures to mitigate ongoing risks related to sanctioned entities, restricted goods, and regulatory concerns. This timely assistance ensured compliance with China-related sanctions and fortified the company's resilience in the dynamic global logistics landscape.

Bribery

Responding to whistleblower allegations of bribery paid by company agents to tax officials in Nigeria, a MNC Marine Transport Organization contacted PSA to investigate. From PSA's Dubai office, we were able to quickly identify discreet human sources familiar with local business practices who were able to corroborate the claims. From there, PSA investigators expanded their search to quickly pinpoint the specific entities and individuals responsible.

Disclaimer: To safeguard our clients and their interests, important details regarding our previous experience have been changed to intentionally obscure the nature of the assignments and the Parties involved. Similarities to any real person(s), companies, or events is purely a coincidence. In the event that we state a Party is guilty, it is understood that the Party rejects this assertion, and has refuted this statement.

In 2023, PSA provided services in 151 countries on six continents.

PSA supports a truly global portfolio of 250+ multinational clients to mitigate risk in every corner of the world.



● Countries with completed reports in 2023.



Pacific Strategies & Assessments

Established in 2000, PSA is a specialist risk consultancy delivering critical information to our clients through our Due Diligence, Investigations, and Advisory services. We operate where our clients do business, with regional offices staffed by investigators and responders who have extensive in-region experience gained from professional

backgrounds in corporate investigations, government intelligence and law enforcement. With a disciplined focus on information collection, we have a 23-year track record of supporting businesses in conducting assessments of complex operating environments.



Due Diligence

Our DD products are tailored to our clients' needs and based in deep understanding of best practices and regulatory guidelines. We scale from desktop research to on-the-ground investigations with multiple process-based due diligence options.



Investigations

PSA has a proven record in supporting companies in complex, international investigations. Our investigative abilities can be scoped to accommodate a variety of engagements, including whistleblower response, fraud investigations, and asset tracing.



Advisory

PSA provides strategic guidance to firms to address specific concerns. We tailor services to support clients on a variety of complex issues, including complex disputes, country-specific operational risks, emerging regulatory issues, and point-specific human risks.