

Corporate Legal Times

January 1995

Finding Ways to Dig Up the Dirt, Without Getting Soiled

Obscure Databases
Offer Information
Often at Low Cost

BY JAMES B. MINTZ



YOU CAN LOOK at the computer screen on your desk and see into the gigantic store-rooms of public-record information that have become available in recent years. Hundreds of whole reference state agencies, local public record rooms and news paper morgues have opened their files to your screen.

How to Contact the Databases

Burrelle's Broadcast Database	800-631-1160
CDB Infotek	800-427-3747
Data Times	800-642-2525
Dialog	800-334-2564
Digital Directory Assistance	800-284-8353
Dun & Bradstreet	800-846-0033
Information America	800-235-4008
Lexis/Nexis	800-346-9759
Nihon Keizai Shimbun America	212-261-6240
PACER	202-273-2748
Prentice Hall On-Line	800-333-8356
Public Information Services	
Teledata (Switzerland)	011-01-462-80-90

Nexis searches have become a habit for many in-house lawyers looking for information on potential partners, adversaries, competitors and other topics. But while Nexis, the news side of Reed Elsevier's Lexis/Nexis, shows lawyers how easy and fast it is to enter this new universe of computerized public information, more obscure databases permit lawyers to go much further, pursuing factual leads on their screens in a variety of valuable directions.

Even if you never use all this new data personally, it is becoming increasingly important to understand what is available, not only to you but to opponents and competitors.

What is out there? Everything from Swiss corporate records to the name of the golf club to which a Japanese executive belongs; from yacht registrations to Nevada divorces; from magazine subscription change-of-address forms to the Social Security Administration's death records. How to gain access to each of these is discussed below.

The in-house counsel for whom The James Mintz Group does investigations have often run some of the mainstream databases before hiring private investigators. Whether our assignment is related to litigation, due diligence, asset searching or internal fraud, we usually suggest some additional electronic checking. To a client looking over our shoulder to see what we mean, we sometimes say, "It's like Nexis times a hundred."

Described below are some typical fact-gathering assignments from corporate counsel for which investigators use computerized databases, and the specific databases used to crack cases of each kind. With these databases, attorneys can do more of their own detective work—quickly, quietly and relatively inexpensively.

Finding People

"The success of our litigation hinges on finding the accountant who signed a document 20 years ago, but he has completely disappeared."

If the accountant has subscribed to a magazine, gotten a speeding ticket, bought a boat or started a company, then his name will probably appear on your screen, and you can quickly determine if he's still living and where.

Until recently, finding that accountant or some other crucial witness was an expensive and time-consuming process. You could have hired a private eye to knock on the neighbors' doors, or write to the local post office for a forwarding address. You might also have sent a paralegal to the capital of the state where you guess the witness relocated, and asked the Department of Motor Vehicles to search whether the witness applied for a new license. Then you could have pored through phone books, city by city.

Increasingly, national databases that can track people all over the country have become available. Here are several computerized ways to look for the missing accountant (or anyone else):

1) Twenty-seven states have now released information from their voter registration files on 56 million voters. While it may not be important to know with which political party an individual is registered, such voter information often includes crucial details, including a date of birth. This can be used, in turn, to access driver's license information and determine an individual's current address.

2) Instead of sending someone to the Department of Motor Vehicles, you can now, without leaving your chair, run a name through all 50 states. These searches cost an average of \$13. Driver's license records include physical descriptions, which are particularly useful in identifying people with common names—from among all the Joseph Browns, you can pick out the one who is 6 feet tall and wears glasses.

Both of these databases are available from a company called CDB Infotek, which is a leader in the people-finding field. A number of other companies duplicate what CDB has, but CDB particularly endears itself to investigators by, for example, preserving historical information such as out-of-date Secretary of State records on companies' registered agents.

3) CDB also offers an address change index, which searches a 12-year history of national publishers' change-of-address files, as well as other forms filled out when people move.

4) CDB has another database that scans the Social Security Administration's Death Master File, containing more than 40 million death records compiled from Social Security payment records; and another database of Nevada divorce petitions.

5) A company called Digital Directory Assistance offers 81 million peoples' telephone numbers and addresses on CD-ROM, for which it charges \$79. The information is based primarily on the white pages of telephone books.

In difficult cases, when neighbors need to be interviewed, private investigators sometimes still wear out shoe leather and guard dogs by knocking on doors. But again, the databases give us another option: Prentice Hall offers a database called People Tracker that identifies neighbors in the immediate vicinity of any given address and provides the neighbors' telephone numbers.

Profiling People And Companies

"A guy out in Omaha is pitching what sounds like an attractive deal to us, but we don't know the first thing about him. "

For taking the measure of a stranger, there may be nothing quicker and less expensive than finding out the kind of car he or she drives. This information is available from most states, through CDB Infotek and others, at a cost of \$8 to \$15 per name. Some states provide this data immediately; others take one to two days to respond; still others take longer.

Until recently, derogatory public filings about a person or company, such as a bankruptcy, civil judgment or tax lien, could only be obtained by hand, after figuring out which courthouses to look in. Now database services have collected sufficient information from courthouses and they have begun to offer nationwide searches.

Prentice Hall, for example, has bankruptcy records from 42 states, going back in some cases 10 years, and tax liens from 25 states, going back six years. There are gaps in what has been computerized, and you still must go to the courthouses to see the documents themselves. But the databases can now point you to negatives in someone's background that you would not otherwise have known even to look for.

Nationwide searches can also be done for corporate filings (42 states), so, for the first time, investigators can identify an individual's far-flung officerships and directorships. Prentice Hall recently demonstrated this ability to a Texas labor lawyer representing a defendant company in a workers' compensation suit. Despite the pain and suffering the plaintiff was supposedly enduring—the basis for a job-related personal injury suit—the search turned up two recently recorded assumed business name filings. This

unexpected find, which came after exhaustive discovery, ultimately changed the course of the case.

The Texas labor lawyer benefited from a particular service of Prentice Hall called Universal Search. You type in the name to be searched, and PH responds in less than a minute with a list of "hits" where that name appears among its 500 million records. The charge is only \$15, though proceeding to examine each of the records underlying the hits costs more.

In addition to being cheaper than some better-known companies, Prentice Hall structures its charges in ways that it claims make it the database service of choice for investigators, including those from government regulatory and law enforcement agencies. First, PH understands that its customers need time to make connections among the pieces of raw information that these searches churn up, without the pressure of unpredictable per-minute charges.

If you search on all the Joseph Browns in the country, and then focus on one's tax liens, PH will charge you for one search (median price: \$13), no matter how long it took to browse through the data.

Second, the company understands that the initial results of its searches are often taken by the paralegal or librarian doing the search to an attorney, who decides what to pursue. With other services the time taken for this consultation can cost you, but PH allows the searcher to go back on line during the same day without additional charge for regenerating the original search.

Investigators value Prentice Hall for an additional reason: It keeps some old information on the database rather than purging it. For example, it leaves individuals' former addresses on-line, as well as their neighbors' names and phone numbers (which can be important if it becomes relevant why an individual left town.)

One of the advantages of using computers to dig into a person's background is that it can be done quickly. Database investigators get late-night calls from trial lawyers in need of cross-examination material on experts they are facing the next morning.

For example, one insurance company's expert claimed a Ph.D. on his resume. Dissertation Abstracts (on Dialog), which goes back to 1861, had no dissertation from him, and the expert had to admit on the stand that he never actually graduated. Another litigator turned to Dialog for background on a supposed architecture expert. After finding nothing to confirm the man's purported expertise, the searcher turned up an undisclosed real estate transaction that tied the expert to the case itself.

James B. Mintz runs The James Mintz Group Inc., a New York-based corporate investigations firm. The company, which also has offices in Washington, D.C., specializes in cost-effective investigations for in-house and law firm litigators. Mintz also trains clients to enhance their in-house fact-gathering capabilities.

And then there was the call from court about an expert selected for service on a government contract approval board for his supposed expertise on population migration. A database search confirmed he was an expert on migration—but of birds, not people!

The enormous variety of Dialog's holdings can be a distinct advantage when challenging an unknown adversary. On the other hand, far more obscure database sources can also fill particular needs.

Following are three examples:

- Burrelle's Broadcast Database transcribes and indexes television and radio shows, so you can search who said what on any topic. It includes shows such as "60 Minutes," "All Things Considered" and the "Today Show." With the increasing importance of investigative television shows in the news business, this can be an important addition to the standard newsclip search.
- Nihon Keizai Shimbun America provides a database called News Telecom that profiles Japanese businessmen. It includes the executives' hobbies, with a specific file called Golf Member Index.
- A database from Zurich called Teledata profiles every company registered with the Swiss Register of Commerce, providing such information as one finds in a Dun & Bradstreet report. Teledata can also be searched by an executive's name, yielding a list of all the companies with which he or she is affiliated, and it includes news articles from Swiss newspapers (two, for example, in the tax-haven town of Zug).

Some of the information from abroad must be translated into English, but as one biotech company found out when it did a search on an Italian potential investor, words like "scandali" and "incarcerare" don't need much translating.

Finding Assets

"We're thinking of suing a gentleman who claims to be broke—is he really?"

Real estate ownership is where computerized searching for assets usually begins, because real property is often a significant asset and because it indicates that other searches may be warranted in that local area.

The location and assessed value of a party's real property is available on-line in tax and deed transfer records from 36 states. The computerization of these county files has been such a large undertaking that database services such as Lexis/Nexis have gained an advantage by keying in more data themselves. Nexis parent the real estate information in a sister database called Assets Library.

That library also gives access to personal property files, such as aircraft ownership (based on Federal Aviation Administration registrations) and large-boat ownership (based on U.S. Coast Guard files).

The Florida Department of Highway Safety also provides, through Nexis, ownership information about boats in that state. The charge for that search is only \$35 and since debtors flock to Florida for its homestead exemption, investigators often search it without having any indication that the debtor actually moved there.

Finding hidden assets usually requires following leads through several databases. One example involved trying to find the assets of a Colorado developer against whom the client had obtained a judgment. Checking in the developer's name turned up no property, but searching by his address connected him to a half dozen corporate entities. And searches on them, in turn, found significant assets.

Like the Nexis database, Assets Library retrieves information, such as an address, no matter where it appears in a document; some other databases are not that flexible.

Less well-known databases have their own asset-searching strengths:

- CDB Infotek provides UCC searches in 17 states, which verify that specific assets of an individual or business are secured by a bank or other party.
- IPACER (Public Access to Court Electronic Records) retrieves case information from bankruptcy and other federal courts. You can view the bankruptcy docket and lists of creditors, attorneys, parties and their Social Security numbers. There are currently 150 federal courts on-line.
- Information America has census data to provide an estimate of an area's median household income and median home value. This information can raise a red flag that an individual is living beyond his/her means.

Corporate counsel looking for somebody's assets often do so with this question on their minds: "Do I throw good money after bad?" One advantage of starting these searches on the computer is that they are often quick and inexpensive.

Publications

You may never need to know that the *Royal Canadian Mounted Police Gazette* can be found on Dialog, or where to find all sorts of other obscure bits of computerized information. But it is useful to know how to proceed when you need information.

When you need to search a particular newsletter or other publication, for example, you can find out which database service searches it by consulting "Fulltext Sources Online" (\$105 from BiblioData, 617-444-1154). This book may also help you decide which services to subscribe to.

If you do subscribe to any computerized databases, the people in your office who do the searching should have an investigative mentality, and they should be thoroughly trained. Even the best-known databases, such as Dun & Bradstreet's reports about companies, have valuable tricks that investigative searchers need to know.

One last investigators' tip: Re-query the D&B database using the telephone number, instead of the name, of the company in question. This often reveals related companies sharing that telephone line.
