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OFAC Screening in Private Equity Due Diligence: Name Hits

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Executive Summary

OFAC screening in private equity due diligence should produce an evidence-backed escalation record. A company name resembling an entry is a candidate for review. The Office of Foreign Assets Control (OFAC) describes its search score as name similarity; that output should never be presented as the probability that a target is the listed party. (ofac.treasury.gov) FINRA references the official search tool as a public resource, but its anti-money laundering guidance addresses its own regulated audience and supplies no private-equity clearance standard. (www.finra.org)

The decisive distinction is between **identity** and **ownership exposure**. OFAC's published guidance covers entities owned directly or indirectly **50 percent or more in aggregate** by blocked persons, including entities that have no separate listing. (ofac.treasury.gov) Its official examples show why a target-only name search and simple multiplication through an ownership chain cannot settle the question. (ofac.treasury.gov) Public evidence has different boundaries: California expressly says its Secretary of State does not collect business-entity ownership information, while Legal Entity Identifier (LEI) parent data concern accounting-consolidation relationships. (www.sos.ca.gov) (www.gleif.org) A missing parent record must remain an open question when the LEI record contains a reporting exception. (www.gleif.org)

As of **October 2026**, the practical response is a compact packet linking the target's exact legal identity to the candidate entry, search settings, conflicting identifiers, dated ownership edges, and an assigned counsel question. Registry identifiers and Securities and Exchange Commission (SEC) Central Index Keys (CIKs) help distinguish records, while trademark records can help connect a brand to the legal owner of its mark. (www.sec.gov) (www.uspto.gov) The Financial Crimes Enforcement Network's (FinCEN's) current guidance exempts U.S. companies from beneficial ownership information (BOI) reporting; its reporting system therefore cannot be treated as a complete domestic ownership directory. (www.fincen.gov) The relevant final rule states an effective date of **August 14, 2026**. (www.federalregister.gov)

This report proposes separate fields for **identity disposition** (**identity mismatch documented** or **possible identity match**), **ownership completeness** (**ownership unresolved** when relevant evidence is missing), **search outcome** (**no result recorded** when no candidate was returned), and **evidence currency** (**refresh required** when a new check is needed). These are internal workflow labels. Counsel determines applicable restrictions before a proposed action proceeds. The worksheet preserves uncertainty instead of converting an empty search result into a compliance conclusion, and it keeps original-list attribution when an export-screening aggregator is used. (www.trade.gov) The deliverable is a reviewable question with its evidence, rather than an unsupported binary flag.

Introduction and Background

An origination researcher typically starts with a company label: a website name, spreadsheet entry, holding-company reference, or trading name. Those labels can describe different legal persons. New York's assumed-name guidance expressly distinguishes an entity's true legal name from another name used for its activities. (dos.ny.gov) California also routes fictitious business name statements to county filing offices, making a state-only lookup an incomplete route to some trading-name evidence. (www.sos.ca.gov) An **OFAC name match due diligence** process therefore begins by identifying the person being searched.

The report addresses U.S. acquisition-target research and the handoff between private-equity (PE) origination reviewers and compliance liaisons. It provides research triage, not legal advice or a sanctions clearance method. Its proposed controls apply to an apparent match and to an ownership question discovered without a direct match. They do not authorize contact, contracting, payment, or transaction execution.

The analysis uses official agency guidance, public-record documentation, and standards-body material. It distinguishes factual source descriptions from proposed operating practices. For example, Delaware documents searches by entity name or file number, while the SEC assigns identifiers to entities or individuals submitting filings. (corp.delaware.gov) (www.sec.gov) Those are useful identity anchors; deciding whether an identifier belongs to the acquisition perimeter requires documentary review.

For Docket's origination audience, the useful output is a case-specific escalation packet. This report concentrates on what happens after a name-screening candidate appears or an ownership gap becomes material. It does not attempt a general directory of company-data providers or a broader guide to succession research.

A disciplined packet also records which system supplied the result. The International Trade Administration's Consolidated Screening List (CSL) consolidates export-screening lists from multiple agencies. (www.trade.gov) Bureau of Industry and Security (BIS) guidance separately addresses export facts such as end-use, end-user, and destination. (www.bis.gov) Recording those scopes prevents an export-screening observation from being mislabeled as an OFAC determination.

Key Changes in the Research Workflow

The following are proposed changes to the research process, rather than a claim that OFAC has introduced a PE-specific procedure.

Replace the name flag with a legal-person record

Create a canonical record before investigating the candidate. Preserve the source name exactly, then add a separate search-normalized version. A registry file number should travel with its jurisdiction. Delaware permits name and file-number searches; this supports a repeatable lookup without making the company name itself the permanent identifier. (corp.delaware.gov) The SEC's submissions data include current and former names, offering an additional alias trail where the entity is a filer. (www.sec.gov)

Keep the brand, operating entity, acquisition vehicle, and parent as distinct records until evidence supports their relationships. The United States Patent and Trademark Office (USPTO) defines a trademark owner as the legal entity owning the trademark. (www.uspto.gov) That record can help identify a legal person behind a brand; the research inference stops before establishing the mark owner's shareholders.

Treat the score as tool output

OFAC's tool applies fuzzy logic to its name field and searches the Specially Designated Nationals and Blocked Persons (SDN) List and the Non-SDN Consolidated Sanctions List. (ofac.treasury.gov) The score records similarity, and OFAC does not recommend a universal threshold: users make threshold determinations through their own risk assessments and compliance practices. (ofac.treasury.gov)

Preserve the returned score and configured threshold in separate fields. Avoid labels such as “likelihood of sanctions exposure.” A reviewer should be able to reproduce the input and inspect the underlying entry without inheriting the researcher's interpretation.

Separate disclosure regimes

Beneficial ownership does not have a single interchangeable meaning across records. Investor.gov describes voting or investment power in its discussion of securities beneficial ownership. (www.investor.gov) Companies House describes persons with significant control (PSCs), including persons holding more than **25 percent** of shares or voting rights, alongside other control conditions. (www.gov.uk)

A PSC band or securities disclosure can identify a person worth researching. It does not supply an OFAC ownership calculation by itself. Record the source's definition beside the relationship and obtain the missing percentage or legal interpretation through the appropriate handoff.

Preserve the negative result and its limits

A “no result” record should state the legal persons, aliases, identifiers, lists, and search settings checked. The CSL's instructions to consult official restricted-party lists illustrate why source identity must survive aggregation. (www.trade.gov) Likewise, FINRA points to downloadable OFAC list formats for automated systems rather than treating a single interactive lookup as an entire screening program. (www.finra.org)

Store **search outcome**, **identity disposition**, and **ownership completeness** separately. This makes a documented mismatch usable without silently closing an unresolved parent chain.

Implementation Considerations and Process Changes

Define the acquisition perimeter

Start with the legal entities under consideration and the entities known to sit above them. Add identified subsidiaries, sellers, and proposed representatives to a counsel-scoped list. A CIK identifies an SEC filer; it does not automatically identify every entity using a similar commercial name. (www.sec.gov) GLEIF's legal-name and registered-address fields provide another cross-check when an LEI exists. (www.gleif.org)

The research team should agree on the required case fields before screening:

- **Legal identity:** Exact name, entity type, registry jurisdiction, and registration number, with the underlying record. (corp.delaware.gov)
- **Trading names:** Doing business as (DBA) names, assumed names, and the document connecting each to a legal person. (dos.ny.gov)
- **Filing aliases:** Former names supported by filing-system metadata or the original document. (www.sec.gov)
- **Brand bridge:** Trademark-owner evidence, kept separate from ownership of the operating company. (www.uspto.gov)
- **Parent scope:** Accounting parent, shareholder, manager, and agent recorded as different relationships. (www.gleif.org)

These are proposed data requirements, not a representation that every jurisdiction publishes every field.

Log searches as reproducible observations

For each searched legal person, preserve the exact entered string, identifier inputs, selected list filters, threshold, date and time, tool address, and retained result. Record variations as separate attempts rather than overwriting the original.

OFAC says non-name fields use character matching. (ofac.treasury.gov) Its identifier guidance recommends searching with and without non-alphanumeric characters. (ofac.treasury.gov) A case note should therefore show what was actually entered, including punctuation variants, rather than merely saying “identifier checked.”

Keep the **list** and **program** fields distinct. OFAC identifies the list containing a potential match through the result's List column. (ofac.treasury.gov) OFAC explains that list effects differ: the Sectoral Sanctions Identification List includes persons subject to restrictions other than blocking, while a person may also appear on the SDN List. (ofac.treasury.gov) Preserve the program tag for counsel's review.

Establish a controlled handoff

A compliance liaison should own the escalation queue, while the researcher owns source collection and accurate transcription. The assigned counsel question should name the uncertain fact and the contemplated decision.

A useful intake request asks whether the available evidence is sufficient to distinguish the legal persons, which ownership edges need confirmation, and whether additional program-specific review is needed. It should never ask counsel to approve an unexplained search score.

The Financial Action Task Force's (FATF's) beneficial-ownership guidance emphasizes adequate, accurate, up-to-date ownership information. (www.fatf-gafi.org) Its relevance here is evidentiary quality; it is not an OFAC rule for PE firms. FinCEN's current domestic reporting exemption makes it especially important to specify the actual records available rather than presume that every U.S. target has a BOI filing accessible to the researcher. (www.fincen.gov)

Adjudicating Names Against Legal Persons

Compare the entry and the target on matching fields

OFAC's current match guidance recommends reviewing the complete entry and comparing available details, including aliases, registration numbers, addresses, and other identifiers. (ofac.treasury.gov) The worksheet should place the target's evidence beside the entry rather than collapse the comparison into a sentence such as “same company.”

Proposed comparison sequence:

- **Record type:** Compare a corporate target with the entry's entity type before interpreting shared words.
- **Jurisdiction:** Match the issuing jurisdiction to the registration number, using the registry record. (corp.delaware.gov)
- **Legal and former names:** Reconcile differences against a documented name history. (www.sec.gov)
- **Address purpose:** Identify whether an address is a registered-agent address, legal address, or operating location. Delaware requires a registered agent with a physical address in the state. (corp.delaware.gov)
- **Identifier quality:** Distinguish a shared identifier from an identifier absent on one side; absence supplies less information than a documented conflict.
- **Role evidence:** Preserve officers and managers as roles. California's public entity information includes specified officer, director, member, and manager names. (www.sos.ca.gov)

This proposed sequence does not assign legal weight to fields or authorize automatic rejection of a candidate.

Distinguish conflict from missing information

A conflicting registration number is informative when both records use the same identifier type and jurisdiction. Conversely, a shared office address may describe an agent relationship rather than common ownership. The Delaware registered-agent requirement explains why address purpose matters. (corp.delaware.gov) GLEIF's legal-address information is another field to retain with its original label. (www.gleif.org)

Use **unknown** when the listing or target record lacks an identifier. Do not convert an empty field into an asserted mismatch. If a website points to one legal person and a registry search returns another, retain both observations and state the unresolved bridge.

Table 1 defines the proposed research labels and their separate worksheet fields. Its labels are internal controls; the source references explain the evidence boundaries underlying them.

Worksheet field	Label	What the packet establishes	What remains open	Escalation action
Identity disposition	identity mismatch documented	The packet records the conflicting identifiers and rationale for distinguishing the target from this specific candidate; retain the complete entry. (ofac.treasury.gov)	Other candidates, ownership completeness, and counsel's assessment remain separate questions.	Retain the comparison evidence; escalate unresolved questions and the contemplated action to counsel.
Identity disposition	possible identity match	Some identifiers align or remain missing; preserve legal-name evidence. (www.gleif.org)	Identity remains unresolved.	Seek the specific missing identifier; retain both records.
Ownership completeness	ownership unresolved	A parent or ownership edge needs review; LEI consolidation data have a defined scope. (www.gleif.org)	Relevant percentages, persons, chain completeness, and legal effect.	Escalate the dated graph with unknown nodes visible.
Search outcome	no result recorded	The documented inputs produced no candidate at that time.	Unsearched persons, ownership exposure, and source coverage remain separate questions.	Retain the result; continue the scoped ownership review.
Evidence currency	refresh required	The evidence predates a material change or the required decision.	Current identity, listing, or ownership information.	Repeat the relevant check and preserve both versions.

The table deliberately permits an identity disposition and an ownership disposition to coexist. A target can have a documented mismatch against a particular candidate while its parent chain remains incomplete. California's explicit ownership-data limitation and GLEIF's reporting exceptions explain why public identity evidence cannot always close the second question. (www.sos.ca.gov) (www.gleif.org)

Ownership Graphs and the Counsel Decision Boundary

Build source-linked edges

Represent each legal person as a node. Each edge should identify the asserted relationship, supporting document, relevant date, and uncertainty. GLEIF Level 2 information identifies direct and ultimate accounting-consolidating parents. (www.gleif.org) Record that relationship in its own terms; do not silently convert it to a precise equity percentage.

A proposed ownership-edge record includes:

- **Owner and owned entity:** Jurisdiction-qualified identifiers for both endpoints, cross-checked against legal-name evidence. (www.gleif.org)
- **Relationship definition:** Equity, voting rights, accounting consolidation, management, or representation.

- **Percentage and denominator:** Exact share class or stated ownership basis; preserve a range as a range. Companies House reports PSC holdings in bands. (www.gov.uk)
- **Effective and evidence dates:** The date a relationship applied and the date the document was published or collected.
- **Source status:** Original filing, official registry entry, company assertion, or unresolved secondary lead.
- **Missing endpoint:** A named parent without a usable identifier remains an open node. GLEIF explicitly permits a parent-reporting exception where the parent has no LEI. (www.gleif.org)

A graph that stops at an investment manager, sponsor brand, or named fund family is a collection boundary until the underlying legal entities and relevant interests are established.

Keep the legal calculation with counsel

OFAC's indirect-ownership examples operate through entities meeting the rule's ownership conditions. They should not be reduced to an automatic economic-interest multiplication formula. (ofac.treasury.gov) Control is a separate issue: FAQ 398 says the rule speaks to ownership rather than control, while also describing circumstances requiring caution beyond that ownership test. (ofac.treasury.gov)

Uncertain percentages, **nominee relationships**, **trust structures**, **joint ownership**, **changing ownership**, and **representation authority** should become explicit questions. The presence of a representative also matters independently of the ownership graph: OFAC addresses contracts signed by blocked individuals acting for otherwise non-blocked entities. (ofac.treasury.gov)

FinCEN's reporting materials have a different purpose and scope. Its current release says qualifying foreign reporting companies still report BOI for foreign individuals. (www.fincen.gov) The final rule separately exempts reporting information concerning U.S. person beneficial owners and company applicants. (www.federalregister.gov) Neither disclosure rule supplies a sanctions determination for the target.

Preserve competing versions

Retain conflicting filings rather than selecting the most convenient percentage. FATF's emphasis on accurate, up-to-date information supports asking whether the records concern the same legal person and time. (www.fatf-gafi.org) Securities disclosures may describe voting or investment power under their own beneficial-owner definition, requiring that basis to remain visible in the graph. (www.investor.gov)

A claimed divestment needs evidence of completion. OFAC's FAQ 402 expressly calls for sufficient diligence to establish that a purported divestment occurred. (ofac.treasury.gov) Record an announcement, signed agreement, and completed transfer as different evidence states. A researcher should escalate the uncertainty rather than infer a completed change from a statement of intent.

Public Records: Inputs and Evidentiary Limits

The packet should identify the question each record can answer before ranking the sources. A legal-name record, a trademark record, and a parent disclosure concern different subjects. Preserve the original field label and the legal person to which it applies. The proposed source map below routes missing evidence to a concrete request, rather than treating every official record as a complete ownership account.

Table 2 provides a source-to-question map that prevents the packet from overstating its evidence.

Input	Record source	What it establishes	Remaining uncertainty	Escalation action
Legal entity and aliases	State registry and SEC name history. (corp.delaware.gov) (www.sec.gov)	Recorded legal identity and documented former names.	Brand-to-entity bridge or missing filing history.	Attach the connecting document.
Business name	Assumed-name filing or county fictitious-name record. (dos.ny.gov) (www.sos.ca.gov)	A recorded link between a trading name and filer.	Current operator and acquisition perimeter.	Reconcile with the transaction entity.
Brand owner	USPTO trademark-owner record. (www.uspto.gov)	Legal owner of the identified mark.	Shareholders and operator of the business.	Keep mark ownership separate from company ownership.
Parent relationship	GLEIF relationship and exception records. (www.gleif.org)	Accounting-parent information or an explained reporting gap.	Exact equity interests and missing chain nodes.	Obtain transaction-relevant ownership evidence.
Ownership disclosure	PSC record or securities disclosure. (www.gov.uk) (www.investor.gov)	A relationship under that disclosure regime.	OFAC-relevant percentages and interpretation.	Preserve the definition and seek counsel's assessment.
Search-system scope	Official tool or CSL source-list attribution. (www.finra.org) (www.trade.gov)	Where the candidate originated.	Applicable legal effects and completeness.	Verify against the originating official record.

The source map is especially useful when a legal-entity record looks comprehensive. California explicitly does not collect business-entity ownership information, and Delaware warns that its free name search does not establish entity status. (www.sos.ca.gov) (corp.delaware.gov) A populated identity record can therefore coexist with a thin ownership file.

The One-Page Escalation Worksheet

The following worksheet is a cover sheet linked to retained evidence. “One page” describes the summary, not a limit on the underlying documents. Its fields are proposed operating choices.

Table 3 is the reusable cover-sheet template. Blank values should be replaced with “unknown,” “not searched,” or a specific evidence reference.

Packet field	Required entry
Case and scope	Case ID; contemplated decision; target legal person; acquisition perimeter; research owner.
Exact entity and aliases	Legal name; DBA; former names; jurisdiction; registration number; CIK or LEI if available. (www.sec.gov) (www.gleif.org)
Candidate entry	OFAC list; program tags; entry identifier; exact entry name; aliases; addresses; identifiers; retained official record.

Packet field	Required entry
Search observation	Exact terms and identifier variants; tool; list filters; configured threshold; returned score as tool output; timestamp; retained result.
Identity comparison	Field-by-field agreements, conflicts, absent identifiers, and the supporting source excerpts.
Ownership evidence	Graph version; owner-to-entity edges; stated percentages or ranges; relationship basis; evidence and collection dates; unknown nodes.
Conflicting records	Competing source excerpts; entity and date differences; unresolved facts; proposed next evidence request.
Identity disposition	Record **identity mismatch documented** or **possible identity match** for each candidate, with the supporting rationale.
Ownership completeness	Record **ownership unresolved** when relevant ownership evidence remains missing, independently of the identity disposition.
Search outcome	Record **no result recorded** when the logged inputs returned no candidate; otherwise reference the retained candidate results.
Evidence currency	Record **refresh required** when a relevant check needs updating; identify the check and trigger.
Research labels and legal decision	The labels above are proposed worksheet statuses only, with no claim of legal clearance.
Review and handoff	Researcher; reviewer; review timestamp; compliance liaison; counsel handoff status; assigned question; action decision pending or separately recorded.
Refresh and retention	Next review trigger; source versions retained; applicable retention policy confirmed by the responsible function. (www.ecfr.gov)

The reader should be able to follow every decisive field to the underlying document. For a filer, SEC metadata can support an old-name bridge; for a legal entity with an LEI, reporting exceptions can explain an absent parent link. (www.sec.gov) (www.gleif.org) The worksheet should preserve those differences rather than flatten them into a single “verified” label.

Before handoff, the proposed reviewer checks are:

- **Identity:** Every candidate and target is attached to its own legal-person record. (www.sec.gov)
- **Alias bridge:** Each material name variation has a source, not merely a normalization rule. (dos.ny.gov)
- **Role labels:** Officers, managers, agents, and owners remain distinguishable. (www.sos.ca.gov)
- **Chain gaps:** Missing parent information remains visible. (www.gleif.org)
- **Scope:** Aggregated screening results retain the originating agency and list. (www.trade.gov)
- **Decision owner:** Counsel's question, responsible liaison, and pending action are explicit.
- **Evidence preservation:** Retained copies, excerpts, and timestamps support the stated conclusion.

Data Analysis and Evidence

Official ownership examples

The quantitative core is the rule's application to ownership structures, rather than a market-size estimate or an invented match-accuracy benchmark.

In FAQ 399, **Blocked Person X owns 25 percent** of Entity A and **Blocked Person Y owns another 25 percent**. (ofac.treasury.gov) OFAC considers A blocked because aggregate ownership reaches the rule's threshold. The guidance also aggregates interests of persons blocked under different OFAC programs. (ofac.treasury.gov) These are OFAC's anonymous examples, not allegations about actual companies.

FAQ 401's first example has X owning **50 percent of A**, which owns **50 percent of B**; OFAC considers B blocked. (ofac.treasury.gov) A spreadsheet that substitutes the product of those percentages for the agency's stated indirect-ownership approach would produce the wrong conclusion for that example.

Its second example has X owning **50 percent each of A and B**, with A and B each owning **25 percent of C**. OFAC considers C blocked. (ofac.treasury.gov) For research purposes, the important operational task is to retain every relevant edge and its evidence so counsel can apply the rule. These illustrations cannot turn an incomplete graph into a clearance calculation.

Disclosure thresholds answer different questions

Companies House PSC guidance uses a threshold of **more than 25 percent** for specified shareholding or voting-right conditions and reports bands including **over 25 percent through 50 percent inclusive**. (www.gov.uk) That band does not disclose the exact holding within it. A reviewer should preserve the range and identify what further evidence is needed.

Investor.gov describes a **more-than-five-percent** beneficial-ownership reporting threshold for a registered voting equity class, subject to the applicable Schedule 13D or 13G circumstances. (www.investor.gov) This securities disclosure threshold has a different scope from OFAC's ownership rule. It can supply leads and relationship evidence without answering every ownership question concerning a private target.

Dates and retention require explicit scope

The CSL documents automated updates at **5:00 AM Eastern time daily**, dependent on updated files from source agencies. (www.trade.gov) New York describes its entity information as updated daily. (dos.ny.gov) Those update statements concern the respective systems; they do not guarantee that the target's underlying ownership facts were newly verified.

Current **Title 31 of the Code of Federal Regulations (CFR), section 501.601**, generally requires records of a transaction subject to that chapter to remain available for at least **10 years after the transaction**. (www.ecfr.gov) It separately addresses blocked-property records. (www.ecfr.gov) Counsel and records specialists should determine how applicable requirements map to the firm's activities. This report does not turn that scoped transaction-record rule into a universal retention mandate for every preliminary origination worksheet.

The proposed packet measures completeness through visible missing fields, unresolved graph edges, and unassigned questions. These are workflow measures. No score in this report estimates the probability that an unresolved entity is subject to restrictions.

Case Studies and Real-World Examples

Same name, conflicting identifiers (Hypothetical Example)

All entities and circumstances in this example are fictional. A researcher screens “Fictional Harbor Components LLC” and obtains a similar-name candidate. The target's registry evidence identifies a domestic legal entity and a jurisdiction-qualified registration number. The candidate record describes a different legal person with conflicting identifiers.

The reviewer records the exact candidate, the conflicting fields, the source excerpts, and the reasoning supporting **identity mismatch documented** for that candidate. A state name or file-number lookup provides the starting identity record. (corp.delaware.gov) A CIK, where present, supplies an additional filer identifier. (www.sec.gov) A shared agent address receives its correct role label instead of being treated as decisive ownership evidence. (corp.delaware.gov)

The reviewer then checks that the supporting records actually concern the same identifier type and period. An unsupported inference about the brand is left open; a trademark-owner record can help connect the mark to a legal person, within the limits of that record. (www.uspto.gov) The disposition concerns this candidate comparison. No compliance outcome is asserted.

Missing parent chain (Hypothetical Example)

All entities and circumstances in this example are fictional. “Fictional Cedar Assemblies Inc.” has no candidate returned under the logged search inputs. A separate source identifies a holding entity, but the evidence does not disclose its owners or exact interests.

The packet marks **ownership unresolved**. California's published ownership-data limitation illustrates why an entity registry cannot necessarily fill that gap. (www.sos.ca.gov) If an LEI relationship record is available, the researcher distinguishes its accounting-parent relationship from shareholder evidence and preserves any parent-reporting exception. (www.gleif.org)

The handoff asks counsel which additional ownership documents and persons need review before the contemplated action. The researcher records the foreign reporting-company distinction if FinCEN materials are relevant, without treating that reporting framework as a complete target-ownership record. (www.fincen.gov) Missing percentages remain unknown; the worksheet contains no reassuring calculation derived from an incomplete chain.

Implications and Future Directions

The main implementation priority is a stable boundary between collection, research judgment, and legal decision. Entity-resolution software may help organize names and identifiers, but the evidence model should preserve the original legal name and the basis for each relationship. SEC submissions metadata support name

history, and GLEIF distinguishes identity data from accounting-parent information. (www.sec.gov) (www.gleif.org)

For a sanctions screening private equity target list, the proposed operational unit is the **legal-person case**, linked to the commercial target. A parent update should reopen the affected ownership question without erasing a previously documented identity comparison. A new alias should prompt a scoped search update while preserving the earlier inputs.

Practical maintenance priorities include:

- **System scope:** Record which agency lists a screening product consolidates. (www.trade.gov)
- **Automation:** Use an appropriate list-data workflow; OFAC describes its interactive service as intended for individual users. (ofac.treasury.gov) FINRA points to machine-readable downloadable formats for automated systems. (www.finra.org)
- **Name history:** Preserve prior legal names as evidence-backed aliases. (www.sec.gov)
- **Parent exceptions:** Treat missing relationship data as an explicit state. (www.gleif.org)
- **Disclosure changes:** Recheck reporting assumptions against current FinCEN guidance and the published rule. (www.fincen.gov) (www.federalregister.gov)
- **Related export questions:** Route end-user and destination concerns to a separately scoped export review. (www.bis.gov)
- **Follow-up:** Reevaluate the evidence after inquiries; BIS documents this practice in its own export-control context. (www.bis.gov)

Refresh should be driven by the contemplated decision and material changes, with cadence agreed by the compliance function. A target's ownership announcement, new legal name, new representative, or newly identified parent can justify reopening the relevant part of the packet. Research disposition, evidence freshness, and legal decision should remain independently visible.

Future tooling is most useful when it exposes these distinctions. A system that preserves the original-list attribution, source dates, relationship definitions, and unresolved fields makes a human handoff more inspectable. It still requires counsel's assessment of the applicable restrictions and the proposed action.

Frequently Asked Questions (FAQs)

How should an OFAC false positive be documented?

Document the candidate as **identity mismatch documented** only when the available evidence supports that narrower finding. Preserve the listing, target identifiers, conflicting fields, source excerpts, and review rationale. Registry file numbers and filer identifiers help anchor the records being compared. (corp.delaware.gov) (www.sec.gov) If crucial identity identifiers are missing, record **possible identity match**. Record **ownership unresolved** separately when ownership evidence is incomplete.

Does a clean acquisition-target search resolve ownership exposure?

A logged no-result observation answers what the specified search returned. It cannot reconstruct missing shareholders. Public registry limitations and LEI parent-reporting exceptions must remain visible in the ownership file. (www.sos.ca.gov) (www.gleif.org) The separate ownership question goes to counsel when the graph is incomplete.

Is a PSC, manager, or registered agent necessarily the relevant owner?

Preserve the source's role definition. PSC guidance includes shareholding, voting-right, and other control conditions; California publishes specified role information. (www.gov.uk) (www.sos.ca.gov) A Delaware registered agent fulfills a documented registration role. (corp.delaware.gov) These records should not be relabeled as exact equity ownership without supporting evidence.

What belongs in an OFAC name-match escalation checklist?

The proposed minimum is legal identity, candidate entry, exact search inputs, dated result, identifier comparisons, ownership graph, conflicts, unresolved questions, reviewer, and counsel handoff status. Include the source-list identity when using an aggregator. (www.trade.gov) Keep the proposed action pending the responsible legal assessment.

Conclusion

The useful outcome of OFAC screening in private equity due diligence is a reviewable evidence packet with a clearly assigned decision. A search result begins an identity inquiry. A documented identity mismatch resolves a particular candidate comparison only to the extent supported by its evidence. Ownership exposure remains a separate question.

The proposed worksheet keeps the essential distinctions visible: commercial label and legal person; search score and interpretation; named entry and ownership chain; public disclosure and exact percentage; research disposition and legal decision. Its cover sheet points to retained sources, states unresolved facts, and identifies the counsel question that must be answered before the contemplated action.

Teams can implement the framework through consistent case fields, jurisdiction-qualified identifiers, typed ownership edges, source versions, and explicit refresh triggers. Public records should be used for the fields they actually support. Missing information should appear as a gap with an owner and next step.

The final handoff should explain what was searched, what the evidence establishes, what conflicts, and what remains unknown. Counsel determines the applicable restrictions and any permissible course of action. Preserving that boundary makes the research useful without allowing a familiar name, a strong similarity score, or an empty result to become an unsupported legal conclusion.

Source links

Links cited in this article, in order of first appearance. Full addresses are provided for readers using extracted text.

1. https://ofac.treasury.gov/faqs/247

2. https://www.finra.org/rules-guidance/key-topics/aml/faq
3. https://ofac.treasury.gov/media/6186/download?inline=
4. https://ofac.treasury.gov/faqs/401
5. https://www.sos.ca.gov/administration/public-records-act-requests/business-entity-records
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About Docket

Docket provides deal-origination research software and managed research for private equity firms. We help investment teams investigate acquisition targets using structured screening criteria, retained sources and reviewable company evidence. Teams can work through a self-serve platform or use managed research, depending on how they want research delivered.

Research against a defined mandate

A useful target list needs more than company names. Docket focuses on the questions that determine whether a company fits an investment mandate, including the evidence needed to support or qualify each answer. Our research approach makes the connection between screening criteria, source material and conclusions visible to the team reviewing the work.

Triage, Scout and Audit

Docket's three named research agents perform complementary tasks. Triage resolves company identity and screens fit. Scout collects sourced answers against the mandate. Audit checks retained evidence, addresses contradictions and leaves unsupported answers visibly unresolved. This structure helps reviewers distinguish established findings from missing information and questions requiring further investigation.

Evidence that supports investment-team judgment

Our research library covers market mapping, screening criteria, private-company data, succession and ownership, source evaluation and evidence standards. These resources explain the methods and limitations behind origination research. Findings support a team's judgment; they do not establish that a company is for sale or guarantee a transaction or investment outcome.

Work with Docket

Visit Docket to explore the platform, managed research and the current contact path. Read about screening criteria, evidence standards, AI research agents and market mapping.

Public examples are illustrative unless explicitly identified otherwise. Research preparation and authorized outreach are separate activities; confidential target lists and customer outcomes should never be inferred from an educational example.

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