

Due Diligence 101: How to Research a Person or Company Before You Invest

What to check before sending money, signing contracts, or joining a business venture

Public Records Watch

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Introduction

In an era of polished LinkedIn profiles, sponsored Instagram ads, and Canva-made pitch decks, it's never been easier for bad actors to look legitimate. Whether you're approached about an investment opportunity, coaching program, or business partnership - do not rely solely on social media or surface-level branding.

This guide outlines basic steps to verify people and companies using free and low-cost public records tools. It won't catch everything - some fraud is meticulous - but it will help you avoid the most common traps.

1. Start with State Court Record Searches

Nearly every U.S. state has a free online court case search portal. These sites let you look up civil, criminal, and business cases filed in that state.

Search under:

- First and last name
- Known aliases
- Business name or LLC

Pay attention to:

- Civil lawsuits, unpaid judgments, or breach of contract cases
- Multiple dismissals or defaults
- Patterns of being sued in different counties or states
- Attempts to delay service, evade court appearance, or avoid payment

Even if a person has no criminal record, civil filings can reveal a long history of questionable behavior. If you find court documents and need help understanding them, use tools like ChatGPT or other legal AI assistants to break down the who, what, where, and when of the case. Many filings are written in dense legal language but can be simplified and explained with the right resource.

2. Use Multi-State Case Aggregators

For a broader search, use open or paid platforms that pull court records across jurisdictions:

- **JudyRecords.com** - Aggregates U.S. court records in a clean, searchable format
- **PACER.gov** - Access federal court records (bankruptcies, fraud cases, civil actions)
- **CourtListener.com** - Free database of court opinions and docket activity
- **LexisNexis and Westlaw** - Paid platforms used by professionals; comprehensive reports on individuals, entities, and legal histories

Note: PACER charges a small per-page fee. CourtListener is free but best for tracking federal appellate opinions.

3. Search Business Registrations and LLCs

Every legitimate business must be registered in a U.S. state. You can check Secretary of State websites for:

- Business name
- Owner or registered agent
- Status (Active, Dissolved, Forfeited)
- Formation date and address
- Cross-reference with the person's claimed history

Pay Attention to Tax Shelter States:

- Delaware, Nevada, Wyoming, Florida

Beware of:

- Multiple dissolved or short-lived LLCs
- Names that match previous court filings
- LLCs registered through third-party incorporators to obscure ownership

4. Financial and Regulatory Checks

Before investing or partnering with anyone, verify their regulatory standing:

- **SEC EDGAR Database** (sec.gov/edgar) - Search for public company filings, disclosure documents, and enforcement actions
- **FINRA BrokerCheck** (brokercheck.finra.org) - Verify if a person is licensed to sell securities and view their disciplinary history

- **Regulatory Actions** - Search the FTC, CFPB, and state regulatory websites for consent orders or enforcement actions
- **Form ADV** - If someone claims to be an investment advisor, verify their registration and review their disclosure form
- **Tax Liens and Bankruptcy** - Check county records for outstanding tax issues

Red flags include undisclosed regulatory problems, exaggerated credentials, or claiming exemptions from oversight that don't exist.

5. Property and Asset Verification

Verify claimed assets and ownership:

- **County Property Records** - Most counties have online portals to verify property ownership
- **Property Liens and Encumbrances** - Check if properties have judgments, tax liens, or mortgages
- **Business Assets** - Cross-reference claimed business locations with property records
- **UCC Filings** - Check Uniform Commercial Code filings to see if business assets are pledged as collateral

Watch for properties transferred between shell companies, undisclosed liens, or inflated property valuations.

6. Professional Credential Verification

Always verify claimed professional backgrounds:

- **State Licensing Boards** - Verify professional licenses (legal, medical, accounting, etc.)
- **Professional Associations** - Check membership and certification claims with governing bodies
- **Educational Verification** - Use the National Student Clearinghouse or contact institutions directly
- **Resume Timeline Analysis** - Look for gaps, overlaps, or positions at companies that no longer exist

Be particularly cautious of vague credentials like "certified expert" or "internationally recognized" without specific, verifiable designations.

7. Cross-Check Social Media - But Don't Trust It

A professional-looking Instagram or LinkedIn profile means nothing by itself.

Things to consider:

- Many platforms allow users to buy followers, engagement, and fake press
- Business reviews and testimonials can be purchased or coordinated
- Influencer-style "as seen on" pages can be self-built or pay-to-play

Look for:

- Inconsistencies between their bio and verifiable facts
- A lack of legal business registration behind flashy branding
- Unclear pricing, vague "opportunities," or urgency-based messaging

If it feels overly curated, it often is.

8. Digital Footprint Analysis

Analyze online presence beyond social profiles:

- **WHOIS Domain Lookup** - Check when websites were registered and by whom
- **Wayback Machine** (archive.org) - See how websites have changed over time
- **Reverse Image Search** - Verify profile photos and claimed event appearances
- **Email Header Analysis** - Check if emails come from domains that match the claimed business
- **Cross-Platform Consistency** - Compare messaging, founding dates, and team members across platforms

Watch for recently created domains, stock photos used as team members, or dramatic shifts in business models.

9. Search Reddit, Scam Forums, and Archive Sites

Reddit often surfaces issues before traditional platforms. Search their name or brand in subreddits like:

- r/scams
- r/Entrepreneur
- r/AntiMLM
- r/PersonalFinance

Also check:

- ScamPulse
- Better Business Bureau (BBB.org) - Search by name or business
- RipoffReport.com

- Wayback Machine (archive.org) - See past versions of their websites
- Consumer protection agencies in their operating states

Just remember: anonymous claims should be weighed carefully. Use them as starting points, not final judgment.

10. International Considerations

For verification beyond U.S. borders:

- **Global Company Registries** - Use OpenCorporates.com to access international business registrations
- **Foreign Court Records** - Many countries have searchable case records (though access varies widely)
- **Translation Tools** - Use services like DeepL for accurate translation of foreign documents
- **Country-Specific Watchlists** - Check financial regulatory warnings from agencies like the UK's FCA
- **Cultural Context** - Research business norms in the relevant country

International verification is complex, but global scams often leave traces in multiple jurisdictions.

11. Look for Litigation Patterns, Not Just Red Flags

One lawsuit doesn't always mean wrongdoing. But repeated patterns do.

Warning signs:

- Frequent use of shell companies or dissolved LLCs
- Delayed service or unresponsive in court
- Multiple unpaid judgments
- Public filings with the same business partner or third-party agent

If someone shows up in three different civil suits - in three states - for the same behavior, that's not coincidence. It's a model.

12. Common Red Flags Checklist

Watch for these warning signs in combination:

- **Urgency Tactics** - "Limited time offer" or "only a few spots left"
- **Guaranteed Returns** - Any promise of specific investment returns
- **Exclusive Access** - Claims of special access or insider information

- **Verification Resistance** - Defensiveness when asked for credentials or references
- **Inconsistent Narratives** - Shifting explanations about background or experience
- **Pressure Techniques** - Creating FOMO or using hard-sell tactics
- **Vague Explanations** - Inability to clearly explain how money is made
- **Lifestyle Marketing** - Heavy focus on luxury lifestyle rather than actual business operations
- **Restricted Information** - Requiring payment or commitment before revealing basic business details
- **Excessive NDAs** - Using confidentiality agreements for basic business discussions

Case Study: The "Wealth Mentor" Scheme

Scenario: An investment "mentor" with 50,000 Instagram followers offered exclusive coaching and investment opportunities in real estate.

Red Flags Discovered Through Due Diligence:

1. Business registration showed the LLC was only 4 months old
2. Court records revealed 3 previous civil judgments for breach of contract
3. Property records showed no ownership of claimed "investment properties"
4. Professional credentials could not be verified
5. Previous businesses had been dissolved after customer complaints

Outcome: Multiple investors who skipped due diligence lost five-figure sums. Those who performed basic checks avoided the scheme entirely.

Resources Guide

Free Resources:

- **Court Records:** JudyRecords.com, CourtListener.com
- **Business Registration:** State Secretary of State websites, OpenCorporates.com
- **Regulatory:** SEC EDGAR, FINRA BrokerCheck
- **Property:** County Assessor websites, PropertyShark (limited free searches)
- **Social Verification:** Wayback Machine, Google reverse image search, Reddit
- **Consumer Protection:** BBB.org, FTC.gov, CFPB.gov

Paid Resources:

- **Comprehensive Background:** LexisNexis, TLO, IDI
- **Court Records:** PACER.gov (small per-page fee), Westlaw
- **Property Records:** PropertyShark premium, CoreLogic
- **Business Intelligence:** Dun & Bradstreet reports, PitchBook
- **Digital Verification:** Social listening tools like Brandwatch

Mobile Apps:

- BeenVerified
- TruthFinder
- Spokeo
- Whitepages
- Intelius

Final Note

Due diligence isn't about paranoia. It's about protecting yourself from people who rely on your silence, shame, or trust.

The most dangerous fraudsters don't look suspicious - they look spiritual, visionary, connected, or generous. That's the point.

Take the time to search, cross-reference, and verify before you send money, co-sign a business, or put your name on any paperwork.

If something feels unclear - step back. If someone rushes you - walk away.

About Public Records Watch

Public Records Watch is an independent legal archive documenting civil filings, entity structuring, and patterns of financial abuse.

Visit: **PublicRecordsWatch.org**