

Audit Integrity Lists 10 Companies that Failed its Due Diligence Test

Audit Integrity has identified ten companies that failed its "due diligence test" and whose valuations are based on a degree of investor trust that may not be justified.

In a [Chairman's Corner](#) letter, Audit Integrity's Jim Kaplan cites the recent scandals involving Bernie Madoff, Lehman Bros, Goldman Sachs and the ratings agencies along with the the due diligence effort that would have protected stakeholders from being damaged.



The obvious rule of thumb is to obtain independent third-party verification before investing. That is neither hard, expensive, nor time-consuming – and avoids continuous head-slapping.

Audit Integrity's list includes big names such as [Caterpillar \(CAT\)](#), which recently reported strong earnings and also a [management shakeup](#).

Companies to Examine

| Company Name | Ticker | Market Cap | Close Price | 52 wk Range | Short Interest Ratio* | Average Daily Volume |
|-----------------------------------|--------|------------|-------------|---------------|-----------------------|----------------------|
| Belo Corp. | BLC | 792 | 7.77 | 1.60 - 9.45 | 7 | 745,822 |
| Caterpillar Inc. | CAT | 42,773 | 65.96 | 30.01 - 72.83 | 3 | 7,079,607 |
| Expedia, Inc. | EXPE | 6,706 | 23.55 | 13.09 - 27.51 | 3 | 5,637,632 |
| Wyndham Worldwide Corporation | WYN | 4,831 | 25.24 | 9.94 - 27.94 | 4 | 2,414,816 |
| Compuware Corporation | CPWR | 1,958 | 8.43 | 6.30 - 8.95 | 2 | 1,554,354 |
| United Online, Inc. | UNTD | 690 | 7.43 | 5.70 - 9.46 | 6 | 515,838 |
| Republic Airways Holdings Inc. | RJET | 216 | 6.03 | 4.10 - 10.64 | 6 | 1,093,797 |
| SkyWest, Inc. | SKYW | 838 | 14.34 | 9.57 - 18.56 | 5 | 356,834 |
| Air Transport Services Group Inc. | ATSG | 349 | 5.5 | 0.62 - 5.75 | 1 | 1,682,392 |
| Steel Dynamics, Inc. | STLD | 3,402 | 15.47 | 10.95 - 20.47 | 2 | 4,143,589 |

*Short interest ratio = # of shares shorted / average daily volume

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<http://www.researchrecap.com/index.php/2010/05/13/audit-integrity-lists-10-companies-that-failed-its-due-diligence-test/>