

## **Red Flag Indicators: Things to look for in Export Transactions**

- ✓ The entity name or its address is similar to one of the parties found on a sanctioned or denied party list.
- ✓ The entity or parties to the transaction is reluctant to offer information about the end-use of the item.
- ✓ The product's capabilities do not fit the entity's line of business, such as an order for sophisticated computers for a small bakery.
- ✓ The item is incompatible with the technical level of the country to which it is being shipped, such as semiconductor manufacturing equipment being shipped to a country that has no electronics industry.
- ✓ The entity is willing to pay cash for a very expensive item when the terms of sale would normally call for financing.
- ✓ The entity has little or no business background.
- ✓ The entity is unfamiliar with the product's performance characteristics but still wants the product.
- ✓ Routine installation, training, or maintenance services are declined by the entity.
- ✓ Delivery dates are vague, or deliveries are planned for out of the way destinations.
- ✓ A freight forwarding firm is listed as the product's final destination.
- ✓ The shipping route is abnormal for the product and destination.
- ✓ Packaging is inconsistent with the stated method of shipment or destination.
- ✓ When questioned, the entity is evasive and especially unclear about whether the product is for domestic use, for export, or for reexport.