

Does Something Seem Suspicious? 14 Red Flags for Exporters

by Danielle Leonard - Thursday, September 14, 2017



You might be familiar with the phrase, “if you see something, say something,” which is a [campaign](#) designed by the Department of Homeland Security to encourage people to report suspicious activities to authorities. Similarly, U.S. shippers are responsible for keeping an eye out for suspicious activity when handling export transactions. Here are at least [fourteen red flags](#)—provided by the Bureau of Industry and Security (BIS)—that exporters should look for, in order to prevent possible violations of the Export Administration Regulations (EAR).

1. The customer or the customer’s address is similar to one found on any of these screening lists:
 - Denied Persons
 - List Unverified
 - List Entity List
 - Specially Designated Nationals and Blocked Persons List
 - Debarred List
 - Nonproliferation Sanctions
2. The customer wants to pay cash for a very expensive item when the terms of sale would normally call for financing.
3. The customer has little or no business background.

4. The customer or purchasing agent is reluctant to offer information about the item's end use.
5. The product's capabilities don't fit the buyer's line of business (e.g., an order of sophisticated computers for a small bakery).
6. The customer is unfamiliar with the product's performance characteristics but still wants the product.
7. The customer declines routine installation, training, or maintenance services.
8. The buyer is evasive and especially unclear about whether the purchased product is for domestic use, export, or reexport.
9. The product is incompatible with the technical level of the destination country (e.g., a semiconductor being shipped to a country with no electronics industry).
10. Delivery dates are vague.
11. Deliveries are planned for out of the way destinations.
12. A freight forwarding firm is listed as the product's final destination.
13. The shipping route is abnormal for the product and destination.
14. Packaging is inconsistent with destination or the stated method of shipment.

The BIS recommends that you establish an export compliance program to avoid violations of the Export Administration Regulations.

Download the list [here](#).



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