

# BIS Red Flag Indicators<sup>1</sup>

## THINGS TO LOOK FOR IN EXPORT TRANSACTIONS

Use this as a checklist to discover possible violations of the Export Administration Regulations

- The customer or its address is like one of the parties found on the Commerce Department's [BIS'] list of denied persons.
- The customer or purchasing agent is reluctant to offer information about the end-use of the item.
- The product's capabilities do not fit the buyer's line of business, such as an order for sophisticated computers for a small bakery.
- The item ordered 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 customer is willing to pay cash for a very expensive item when the terms of sale would normally call for financing.
- The customer has little or no business background.
- The customer is unfamiliar with the product's performance characteristics but still wants the product.
- Routine installation, training, or maintenance services are declined by the customer.
- 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 buyer is evasive and especially unclear about whether the purchased product is for domestic use, for export, or for reexport.

## For additional support contact:

[train@starusa.org](mailto:train@starusa.org)

If you have reason to believe a violation is taking place or has occurred, you may report it to the Department of Commerce by calling its 24-hour hot-line number: (800) 424-2980

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<sup>1</sup> <https://www.bis.doc.gov/index.php/all-articles/23-compliance-a-training/51-red-flag-indicators>