



Strengthening U.S. Economic and National Security

Office of Export Enforcement
Bureau of Industry and Security



“Red Flag” Indicators

Caution: Signs of Deceptive Practices!

The below items are possible indicators that an unlawful diversion might be planned by your customer. Additional industry specific “Red Flags” can be found at 15 CFR §732, Supplement No. 3.

- The customer or purchasing agent is reluctant to offer information about the end-use of a product
- The product's capabilities do not fit the buyer's line of business; for example, a small bakery places an order for several sophisticated lasers
- The product ordered is incompatible with the technical level of the country to which the product is being shipped. For example, semiconductor manufacturing equipment would be of little use in a country without an electronics industry
- The customer has little or no business background
- The customer has little or no web presence, or uses a generic email address to contact your company (e.g. Gmail, Yahoo, MSN, etc)
- The customer is willing to pay cash for a very expensive item when the terms of the sale call for financing
- 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 or unclear about whether the purchased product is for domestic use, export or reexport
- The customer or its address is similar to one of the parties found on the Commerce Department's [BIS's] "Lists to Check"
- An Internet search of a customer reveals lines of business that may require an export license (e.g., WMD, cruise missiles) or are entirely different than the claimed end-use
- Shipping instructions change at the last minute
- Buyer or end-user is in a known transshipment country of concern
- Payment comes from a third country or a business not listed on the End-User Statement
- The customer is unfamiliar with the product's performance characteristics but still wants the product
- The customer is conducting a transaction via the Internet and does not provide adequate information on the physical location(s) or the operation of the business

If you suspect that a violation is happening or has occurred, you can contact or report it to the Department of Commerce 24/7.



Report Export Violations
1-800-424-2980 or EELeas@bis.doc.gov

