

# Know Your Customer

## Examples of “Red Flag” Indicators include:

- The customer or its address is similar to one of the parties found on the Commerce Department’s (BIS) list of denied persons.
- The customer is reluctant to offer information about the end use of the product.
- The product’s capabilities do not fit the buyer’s line of business.
- The product 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 with no electronics industry.
- The customer is willing to pay cash for a very expensive product 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.
- Buyer is evasive or unclear about whether the purchased product is for domestic use, for export, or for reexport.

To report a possible violation, contact the nearest field office, submit a lead/tip on the BIS website or call the Export Enforcement Hotline at:

**1-800-424-2980**

## Export Enforcement Field Offices

**BOSTON | (617) 565-6030**  
(ME, NH, VT, MA, RI, CT)

**CHICAGO | (630) 705-7010**  
(ND, SD, NE, MN, WI, IA, MI, IL, IN, KS, MO)

**DALLAS | (214) 296-1060**  
**HOUSTON Resident Office | (281) 372-7130**  
(CO, OK, TX, AR, LA, MS)

**LOS ANGELES | (949) 251-9001**  
(Southern CA, AZ, NM, HI, Southern NV, Guam, Commonwealth of the Northern Mariana Islands)

**MIAMI | (954) 356-7540**  
**ATLANTA Resident Office | (404) 670-0255**  
(AL, GA, FL, U.S. Virgin Islands, Puerto Rico)

**NEW YORK | (718) 370-0070**  
(NY, PA, NJ)

**SAN JOSE | (408) 291-4204**  
**PORTLAND Resident Office | (503) 326-3110**  
(WA, MT, OR, ID, WY, Northern CA, Northern NV, UT, AK)

**WASHINGTON | (703) 487-9300**  
(OH, WV, KY, DE, MD, VA, TN, NC, SC, District of Columbia)

For licensing assistance, please contact one of our Export Counselors at the following regional offices:

**WASHINGTON, D.C. | (202) 482-4811**  
**NORTHERN CALIFORNIA | (408) 998-8806**  
(San Jose, CA)

**WESTERN REGION | (949) 660-0144**  
(Irvine, CA)

# OFFICE OF EXPORT ENFORCEMENT



## INDUSTRY OUTREACH



U.S. Department of Commerce  
Bureau of Industry and Security  
Export Enforcement



# Keeping the Most Sensitive Goods Out of the Most Dangerous Hands.



## Our Mission

To protect U.S. national security, homeland security, foreign policy and economic interests through a law enforcement program focused on the exports of dangerous items to sensitive destinations or hostile entities and on activities in furtherance of prohibited foreign boycotts, as well as related public safety laws.

Export Enforcement (EE) is an elite law enforcement organization recognized for its expertise, professionalism, integrity and accomplishments. EE consists of the Office of Export Enforcement (OEE), Office of Enforcement Analysis (OEA) and the Office of Antiboycott Compliance (OAC). EE's core mission is to prevent and deter exports of the most sensitive items to proscribed end-users or proscribed end-uses and to embargoed countries. EE accomplishes its mission through preventative and investigative enforcement activities to include pursuing appropriate criminal and administrative sanctions against export violators. EE also works to ensure U.S. persons involved in commercial transactions do not engage in prohibited boycott-related activities.

## Exporter Compliance

Informed, voluntary compliance with U.S. export controls by the export trade community is an important contribution to U.S. national security and a key component of the Bureau of Industry and Security's (BIS) export administration and enforcement programs. All parties to U.S.

export transactions must ensure their exports fully comply with all statutory and regulatory requirements. Compliance not only involves being aware of controls on goods and technologies, but also restrictions on exporting or reexporting to certain countries, companies, organizations and/or individuals. BIS works closely with the export trade community to raise awareness about compliance best practices and "Red Flags" of potentially illicit export activities, and to identify and act on export violations. BIS also investigates "deemed export" violations, which involve the release or transfer of technology or source code controlled by the Export Administration Regulations (EAR) to foreign nationals in the United States without the required export license.

Visit [www.bis.doc.gov](http://www.bis.doc.gov) to view the following lists that may be relevant to your export or re-export transaction: **Denied Persons List, Entity List, Unverified List, Specially Designated Nationals List, Debarred List, and Nonproliferation Sanctions.**

You can receive e-mail notifications of major changes to the BIS website or receive notifications about regulatory changes and seminars by signing up for the e-mail notification service at [mailinglist.bis.doc.gov/lists/](mailto:mailinglist.bis.doc.gov/lists/).

## Voluntary Self-Disclosures

BIS encourages the submission of Voluntary Self-Disclosures (VSDs) by parties who believe they may have violated the EAR. VSDs are an excellent indicator of a party's intent to comply with U.S. export control requirements and may provide BIS important information on other ongoing violations. BIS carefully reviews VSDs received from disclosing

parties to determine if violations of the EAR have occurred and to determine the appropriate action when violations have taken place.

Additional information regarding VSDs can be found in Part 764.5 of the EAR or the enforcement section of our website, [www.bis.doc.gov](http://www.bis.doc.gov).

## Freight Forwarder Responsibilities

Members of the international freight forwarding community play a key role in ensuring the security of the global supply chain, stemming the flow of illegal exports, and preventing weapons of mass destruction (WMD) and other sensitive goods and technologies from falling into the hands of proliferators and terrorists.

Forwarding agents have compliance responsibilities under the EAR even when they operate based upon information or instructions provided by those who use their services, such as exporters. Forwarding agents must understand their obligations under the EAR, including responsibility for the representations they make in filing export data.

Moreover, no person, including an agent, may proceed with any transaction knowing that a violation of the EAR has occurred, is about to occur, or is intended. Hiring an agent to perform various tasks does not relieve a party of its compliance responsibilities. Agents and exporters alike must ensure suspicious circumstances are not ignored and exercise due diligence by determining whether "Red Flags" are present and inquiring about them. Failure to do so could result in a violation of the EAR, including a "knowledge" violation if Red Flags cannot be explained or justified and the agent or exporter proceeds with the transaction.

[www.bis.doc.gov](http://www.bis.doc.gov)





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Office of Export Enforcement

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