



How to Handle a “Hit” on the OFAC List

The Office of Foreign Assets Control (OFAC) was established to keep companies from doing business with blocked parties & the enemy. OFAC enforces economic and trade sanctions against targeted foreign countries, their agents & blocked parties. Dealers must comply with the regulations administered by the Department of Treasury's Office of Foreign Assets Control. The restrictions require dealers and auto finance companies to check if the buyer is on the list of “blocked persons” before a transaction is completed. When an OFAC regulator examines your institution, you must provide written proof you have determined your customers do not appear on the OFAC list of blocked entities. This list includes drug traffickers, money-launderers, criminals, terrorists and even countries.

If a potential buyer’s name is on the list, the dealer must follow certain guidelines as outlined by the OFAC. The guidelines will help you verify whether you are dealing with a “possible match” or an “exact match”. In order to follow through with the guidelines you will need to click on the View Report link on the recap page to bring up the search report, which will show you the information on the “blocked persons” list so you can compare it to your customer’s information.

The OFAC guidelines are as follows:

1. Is the “hit” or “match” against OFAC’s SDN (Specially Designated National) list or targeted countries, or is it “hitting” for some other reason (i.e., “Control List” or “PEP,” “CIA,” “Non-Cooperative Countries and Territories,” “Canadian Consolidated List (OSFI),” “World Bank Debarred Parties,” “Blocked Officials File,” or “government official of a designated country”), or can you not tell what the “hit” is? If it’s hitting against OFAC’s SDN list or targeted countries, continue to 2 below.
2. Now that you’ve established that the hit is against OFAC’s SDN list or targeted countries, you must evaluate the quality of the hit. Compare the name in your transactions with the name on the SDN list. Is the name in your transaction an individual while the name on the SDN list is a vessel, organization or company (or vice-versa)?
 - If yes, you do not have a valid match.
 - If no, please continue to 3 below.
3. How much of the SDN’s name is matching against the name in your transaction? Is just one of two or more names matching (i.e., just the last name)?
 - If yes, you do not have a valid match.
 - If no, please continue to 4 below.
4. Compare the complete SDN entry with all of the information you have on the matching name in your transaction. An SDN entry often will have, for example, a full name, address, nationality, passport, tax ID or cedula number, place of birth, date of birth, former names and aliases. Are you missing a lot of this information for the name in your transaction?
 - If yes, go back and get more information and then compare your complete information against the SDN entry.
 - If no, please continue to 5 below.



5. Are there a number of similarities or exact matches?

- If yes, please call the hotline at 1-800-540-6322.
- If no, you do not have a valid match.

If after taking these steps, if the customer is still a valid match, the dealer must report the customer to OFAC's compliance hotline at 800-540-6322. OFAC will further screen the name and direct the dealer on how to proceed, either by indicating it is not an exact match and authorizing the sale, or deciding what further action needs to be taken if it still appears to be a valid match.

Whatever the final outcome is, you should keep that record in the customers file along with a copy of the OFAC report.