



Export Controls Guidance: Specially Designated National List Screening Process and Follow-Up

1. Introduction

The Office of Foreign Assets Control ("OFAC") of the US Department of the Treasury¹ administers and enforces economic and trade sanctions based on US foreign policy and national security goals against targeted foreign countries and regimes, terrorists, narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States. As part of its enforcement efforts, OFAC publishes a list² of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries or organizations. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers, designated under programs that are not country-specific. Collectively, such individuals and entities are called "Specially Designated Nationals" or "SDNs." Their assets are blocked, and U.S. Persons³ are generally prohibited from dealing with them without a specific license. Thus, the U.S. Government recommends that individuals and entities that intend to conduct business with non-U.S. individuals or organizations check the name of the individual or the organization against the SDN List.

As host to researchers and students from around the globe, Harvard University hires individuals, provides educational and other services broadly to U.S and non-U.S. individuals alike, conducts research outside of the U.S., hosts international meetings, workshops and conferences, and is engaged in a spectrum of international activities. This includes, but is not limited to:

- The purchase of equipment or services from a foreign corporation;
- Enrolling foreign nationals in:
 - professional or continuing education courses, or
 - on-line courses or executive programs, or
 - otherwise providing services to or receiving funds from foreign nationals;
- Conducting international research collaborations

It is important to note that U.S. economic and trade sanctions may apply to both the provision of services to foreign nationals as well as financial transactions with foreign nationals. Therefore it is necessary to understand when and how to screen such individuals against the SDN list. Such screens may be conducted by your school's export liaison through the use of the Visual Compliance on-line platform, or by referencing the SDN and country-specific sanctions lists

¹ Source Treasury Website: <http://www.treasury.gov/resource-center/sanctions/Pages/default.aspx>

² The SDN List is published at OFAC's Website:
<http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>

³ A U.S. person means: a lawful permanent resident who 1) a citizen, 2) a permanent resident (i.e. green card holder) or, 3) is a protected individual. It also means any corporation, business association, partnership, society, trust, or any other entity, organization or group that is incorporated to do business in the United States. It also includes any governmental (federal, state or local) entities.

See: http://www.pmdtc.state.gov/regulations_laws/documents/official_itar/2013/ITAR_Part_120.pdf



found on the [OFAC website](#). For additional information about when and how to screen, export liaisons or others engaged in the screening process may consult with the Office of the Vice Provost for Research.

This document is intended to provide guidelines for Harvard schools and institutes who need to perform SDN searches related to their research activities for addressing any possible match or “hit” as a result of that screen.

2. SDN List Screening

Harvard University has an institutional site license to a comprehensive software program called Visual Compliance (see Appendix I for details) and strongly recommends the use of this software to perform SDN List screening. If you need to establish access to Visual Compliance for your unit or school, please contact your [School Export Control Liaison](#) or the Office of the [Vice Provost for Research](#).

When screening an individual or a company against the SDN List, it is important to recognize that the SDN List contains many attributes for both companies and individuals, including names, “doing business as” names (DBAs), aliases (AKAs), date of birth (DOB), place of birth (POB), country of citizenship, and address. It is not unusual for a company or individual to have multiple attributes listed; therefore, completeness of an entry will increase significantly the accuracy of the checks. For example, if checking a company, use the company’s full name, address, and acronym; for individuals, use all the information provided (e.g. full names, aliases, if any, home address, province, DOB, etc.). In transcribing the information, pay particular attention to the spelling of the names.

3. Positive Match

The SDN List may contain many names that are identical or very similar to the names you are searching resulting in a positive match or “hit.” Therefore, once a positive match is made, it is a prudent practice to continue with a diligent search⁴ to determine if it is valid OFAC match. Generally, the process includes two distinct steps:

a. Rechecking the Name

The first step is to review the information used for the screening and validate the accuracy of the information by evaluating the quality of the hit. To do so:

- i. Compare the name in the transaction with the name on the SDN List. For example, is the name in the transaction an individual while the name on the SDN List is a vessel, organization or company (or vice-versa)? If the

⁴Source, Treasury Department Website FAQ:
<http://www.treasury.gov/resource-center/faqs/Sanctions/Pages/directions.aspx>



- answer is yes (e.g. not the individual but the vessel name), it is not a valid match.
- ii. If the answer is no (e.g. the individual name is the “hit”), then obtain additional information by asking the individual or entity to provide a certified copy of its official identification documents (e.g. birth certification, national identify card, passport, certificate of registration or incorporation, etc.); a full list of all aliases used (e.g. individual’s nicknames or DBAs), full DOB, POB, etc.
- iii. Recheck the information against the SDN List. How much of the SDN’s name is matching against the name in the transaction? Is just one of two or more names matching (i.e., just the last name)? If yes, it is not a valid match.
- iv. If more than one or two names match, compare the complete SDN entry with all of the information that you have available to you for the transaction. An SDN entry often will have a broader range of information such as a full name, address, nationality, passport, tax ID or personal identification number, POB, DOB, and former names and aliases. If the comparison of complete information against the SDN entry is not identical, then it may not be a valid match.
- v. If the rechecking still results in a “hit,” contact your [School Export Control Liaison](#) or forward the information to [Vice Provost for Research](#) office to assist with the steps below.

b. Contacting the “Keeper” of the List

If rechecking the name still yields a positive match, the next step is to determine the source of the “hit” and contact the “keeper” of the list. The vendor you use to conduct the screening will provide information about the specific source list on which the name appears, including:

Source List	Contact Info
OFAC’s SDN List or Targeted Countries	OFAC hotline: 1-800-540-6322
The Denied Persons List and the Entities List	BIS: 202-482-4811
The FBI’s Most Wanted List or any other FBI-issued watch List	Local Federal Bureau of Investigation office: http://www.fbi.gov/contact/fo/fo.htm
The Debarred Parties List	Office of Defense Trade Controls: 202-663-2700
The Bank Secrecy Act and the USA PATRIOT Act	Financial Crimes Enforcement Network (FinCEN): 1-800-949-2732

Note: If unsure of whom to contact or can’t tell what the “hit” is, contact the screening provider.

4. Interim Actions



As indicated above, OFAC regulations prohibit U.S. persons from engaging in trade, financial transactions, and other dealing with individuals or entities on the SDN List unless authorized by OFAC or expressly exempted by statute. In order to ensure compliance with the OFAC regulations and sanctions, the following steps should be taken when name check results in a “hit”:

- a. All transactions with the individual or entity should be put on temporary hold while the “hit” is being validated.
- b. If the first recheck (Step 3(a)(i) above) yields a “hit,” then the individual or entity should be notified that there is a problem with the transaction and that we need more details, such as those listed in Step (3)(a)(iv) above.
- c. If the recheck still yields a “hit,” then the individual or entity should be notified that its name has appeared on a SDN List and that we have placed a temporary hold on the proposed activity until the details of the “hit” can be verified. *Note: The “keeper” of the list should be consulted before releasing the specific list on which the individual is listed.*

5. Final Action

If the internal checks continue to result in a “hit,” then you cannot enter into the transaction until (TBD) consults with the source or “keeper” of the list. After such consultation, if the check indicates that:

- a. The individual or entity is not on the SDN List, then the results of the review should be documented and the transaction entered.
- b. The individual or the entity is actually on the SDN List, then the individual or entity should be notified and informed that the transaction cannot be completed. The source or “keeper” of the list should be consulted as to how much detail (e.g. the specific list on which they appear) may be released to the individual.

Resources:

HU Export Controls Policies & Procedures

<http://vpr.harvard.edu/pages/export-controls-policies-and-procedures>

HU Export Control Guidance Document for Outsourcing Information Technology Services

http://files.vpr.harvard.edu/files/vpr-documents/files/ec_guidance_for_it_outsourcing_and_cloud_computing.pdf

U.S. Department of Treasury Specially Designated Nationals List (SDN)

<http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>

Appendices

Appendix I: Visual Compliance Platform



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Visual Compliance is a password protected, web-based, export compliance tool that integrates multiple export control regulatory requirements into one automated system. Harvard University has a license for the platform that is available for use by Harvard employees or consultants who have a business need to use the software.

The platform may be used to:

- Conduct Restricted Party and Specially Designated Nationals (SDN) Screening
- Search current Federal Export Control Regulations and Sanctions
- Determine categories of hardware subject to export controls
- Determine exemption, exception, exclusion or licensing requirements

Visual Compliance SDN lists are updated daily and include all government lists. It provides a comprehensive, easy-to-use solution for screening foreign nationals and organizations, including the ability to conduct exact match, fuzzy match and phonetic match searches. The system also simplifies recordkeeping requirements by allowing one to print or email various searches and search results.

Visual Compliance is password protected and each individual needing access must have an individual user name and password to gain access to Visual Compliance.

To obtain these, please follow the link below and fill in the required information:

<https://www.visualcompliance.com/usr>. Once you have completed the submittal of the information you will receive an e-mail link to the site for completion of your registration.

When entering this information, please make sure to use standard characters and avoid accented characters. If your school, institute or center is not listed for registration or you are unsure as to which to select, please contact [Melissa Lopes](#).

Once you have entered these details, a confirmation e-mail will be sent. To complete the registration process, open the confirmation e-mail and click on the link located within and your Internet browser will open to the Visual Compliance logon page. Your Username is your full email address and use the Password that you created when registering.

To recover your Password at any time, visit the Visual Compliance website at

<https://www.visualcompliance.com/logon.cfm>. Click on "Forgot your password? Enter your e-mail address and your password will be emailed to you right away.

All new users should visit the Visual Compliance Training Center for helpful tips and training videos on how to use Visual Compliance. The training videos are all approximately 2-3 minutes long, and are an excellent way to quickly introduce new users to Visual Compliance. To request access to the training center, please [click here](#), or call 1-855-630-3200.