Red flags when dealing with third parties

(i) The third party has a reputation for accepting or demanding bribes, and/or has requested to make or receive a bribe.

(ii) The third party has been the subject of previous enforcement action(s) for corruption-related offences.

(iii) The third party’s report of its business structure is unusual, incomplete, or overly complex with a lack of transparency.

(iv) The third party provides incomplete, false, or misleading business contact information.

(v) The third party requests unusual payments or financial arrangements e.g. requests to:
   - accept payments in cash or through a third party;
   - complete unnecessary, inaccurate or unexplained invoices;
   - payments in addition to ordinary commission or remuneration, or has a pattern of over-invoicing or incorrect invoicing, or overpayments and requests for refunds.

(vi) The third party requests a split of purchases to avoid procurement thresholds.

(vii) The third party proposes unnecessary change orders to increase contract values after award of the contract.

(viii) The third party is vague or elusive about source of funds for the transaction or activity.

(ix) The third party has large sums of cash or currency available for the transaction or business activity with no corresponding business that generates the high revenue stream.

(x) The third party seeks to make or receive payment from or to a foreign country account other than the location of the party’s business or the service performed, unless the third party has legitimate reasons for requesting for such arrangement.

(xi) An unnecessary middleman or local is involved in the contract or negotiations, and his addition has no obvious value to the performance of the contract.

(xii) The third party boasts about relationships with local government officials, such as immigration or customs officials, government officials.

(xiii) The third party engages questionable subcontractors or local agents.

(xiv) In a bid process, the request for proposals includes very narrow contract specifications that seem to favour a specific bidder and exclude others.

(xv) The third party requests that the University not report or disclose a particular activity or transaction.

(xvi) The third party threatens to withhold services or requests payments to individuals in addition to contractually agreed payments, or payments in cash or cash equivalents.
Red flags when dealing with third parties

(xvii) A Government Official insists on a specific person or company to serve as third party.

(xviii) The third party’s business is not listed in standard industry directories, or is unknown to people knowledgeable about the industry.

(xix) During negotiations, the third party seems indifferent to the price for the University’s products or services, or otherwise fails to act in a profit-seeking manner.

(xx) The third party insists that its identity remain confidential or refuses to divulge the identity of its owners or principals.

(xxii) The third party does not have offices or a staff, or frequently moves locations.