

## Red flags when dealing with third parties

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- (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.

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

EXAMPLES