



Time Critical Procurement Due Diligence Checklist

The below high-level checklist is intended to assist your procurement teams to help mitigate the heightened risk of purchasing fraud due to the shortage of, and urgent need for, supplies in the COVID-19 market environment.



Authentication of Supplier / Intermediary

Is the supplier an established entity with a verifiable trading history?

Key data points to be checked include the following (information can be sourced from combination of free web searches and/or commercial vendor screening services):

- Company registration, business activity details and audited financial statements
- Identity of company principals, directors, shareholders etc
- Business activities should be aligned with the goods being sourced
- Open source intelligence on the supplier / names associated with the supplier
- Missing / newly registered / lookalike websites or inconsistent/incomplete domain registration

Can the supplier provide a level of comfort that they have the necessary expertise in the type of equipment being sourced?

Has the supplier provided any references? Have you checked/ confirmed these references?

Cyber-forensics (to check for impersonation of genuine supplier):

- Check the email header information carefully to determine whether it originated from the specified domain, or if it has been spoofed
- Does the website potentially mimic a legitimate supplier e.g. www.bosf.com v www.basf.com (legitimate site)?

COVID-19 Procurement Checklist

- If the supplier is a known supplier, check carefully if the bank account details changed
- Is the supplier an intermediary? If so, where have the goods been sourced from? Are the company details of the ultimate supplier available?
- If you are a member, is the name known to the ICC-Commercial Crime Service?



Validation of Transaction

- Is the price of the equipment in line with the current market level?
- Does the quantity offered seem reasonable (having regard to the current world shortage)?
- What level of detail has been provided with respect to the source and description of goods? Details that should be sought include: manufacturer, technical details, batch info, expiry date etc. Is it possible to check for reasonableness with a known manufacturer?
- Does the contract contain red flag terminology eg any terms which represent a material departure from the norm, particularly with respect to payment timing?
- Has supplier provided details of origin of goods, how shipped (air-freight, shipping containers etc.) and routing?
- Other considerations: have other more secure payment arrangements been considered/discussed, or did the supplier strongly resist these options? E.g. payment on account (better for buyer), or Letter of Credit with the requirement of an inspection certificate by a client appointed entity at the discharge port, or guarantee (SBLC) issued by a reputable Financial Institution for non-performance.