

# OFAC Name Matching Service

*Experian's online assistance to comply with OFAC regulations*

The Office of Foreign Assets Control (OFAC), a government agency, maintains a list of Specially Designated Nationals (SDNs) and Blocked Persons. The OFAC list is updated periodically as new individuals and entities are identified. The U.S. government has classified the individuals and/or entities on the list as potentially dangerous and a threat to national security. Financial institutions, securities firms and insurance companies are required by law to block or freeze property, payment of any funds transfers and transactions with anyone on this list. Failure to comply would result in steep fines and/or jail time. In order to assist our clients in complying with the OFAC regulations, Experian® has decided to offer this online service to our valued clients. This new service is called OFAC Name Matching Service and can be added to a Credit Profile Report.

## How it works

Updates from the OFAC list are processed into the File One<sup>SM</sup> database on a regular basis. The OFAC Name Matching Service uses the consumer's name provided on the credit report inquiry and matches it against the OFAC name table stored in the File One database. If there's an **exact** name match, the following message will be returned on the report: "Spelling of name used to access report matches OFAC listing." For nonmatches, clients have the option of having a message returned indicating "OFAC Search Performed." This option is valuable in documenting compliance with the USA PATRIOT Act and OFAC database search.

Through the automated OFAC Name Matching Service, our clients now have a fast and convenient way to spot potential money-laundering or fraud schemes before they arise. Furthermore, the OFAC service will enhance our clients' existing internal controls for OFAC compliance. Finally, government regulators will further scrutinize this area of compliance, and OFAC service will show our clients' commitment to complying with these regulations.

## Client needs

Clients subject to USA PATRIOT Act and OFAC regulations are looking for additional tools to enhance their internal OFAC compliance programs. Specifically, they have identified a need for an automated OFAC screening tool for their lending or credit-granting operations.

Without an automated name matching service, our clients previously were limited to the following three options:

- Review the application manually against a printed OFAC list — a slow and labor-intensive process
- Do not make an offer of credit to the consumer — lost business and possible discrimination lawsuits
- Make an offer of credit to a consumer on the OFAC list — face possible fines, jail time, increased regulatory scrutiny and/or fraud-related losses (extending an offer of credit to an individual on the OFAC list is not necessarily prohibited; the individual client needs to determine the correct compliance procedure once an individual on the SDN list has been identified)

With the OFAC Name Matching Service, our clients now can quickly identify if further research is needed on a consumer in order to approve the application with confidence.

As the regulatory environment surrounding OFAC compliance intensifies, our clients will need the following:

- Solutions that quickly identify potential OFAC individuals
- Cost-effective solutions to strengthen existing internal OFAC compliance programs
- OFAC solutions that show government regulators a commitment to comply with the OFAC regulations

With OFAC Name Matching Service, our clients receive all three solutions in one in an online environment.

## Capabilities

The OFAC Name Matching Service will compare the consumer's name used on the inquiry against the U.S. Treasury Department's list of SDNs and Blocked Persons. SDNs are usually persons who are not nationals of a designated target country but who nonetheless are treated as nationals or representatives of the government in applying sanctions to their transactions. The OFAC list identifies and names numerous foreign agents. The list contains Specially Designated Terrorists and narcotics traffickers identified as Specially Designated Narcotics Traffickers.

When the OFAC message indicator is returned, the OFAC Name Matching Service **cannot** guarantee that the consumer is an actual Specially Designated National or Blocked Person. The OFAC Name Matching Service simply provides a warning flag indicating further investigation on the consumer should be considered before the transaction is completed. Clients must establish their own OFAC policy and procedures for handling the OFAC message indicator.

## Name matching logic

The OFAC list may contain name, Social Security number and year of birth. OFAC Name Matching Service matching rules are as follows: *(Note: Omissions are not considered conflicts.)*

- The consumer's name used on an inquiry must match the exact spelling of the name on the OFAC list
- The consumer's name and Social Security number, if provided on the inquiry, must match the exact spelling of a name and Social Security number on the OFAC list.
- The consumer's name, Social Security number and year of birth, if provided on the inquiry, must match the exact spelling of a name, Social Security number and year of birth on the OFAC list.

Examples:

Inquiry information message delivered	OFAC listing	OFAC indicator
Tom Smith	Tom Smith	Yes
Tom Smyth	Tom Smith	No
Tom Smith	Tom Smith 999-99-9990	Yes
Tom Smith 999-99-9990	Tom Smith 999-99-9990	Yes
Tom Smyth 999-99-9990	Tom Smith 999-99-9990	No
Tom Smith 999-99-9991	Tom Smith 999-99-9990	No
Tom Smith 999-99-9990	Tom Smith 1960	Yes
Tom Smith 999-99-9990 1950	Tom Smith 1960	No

## Features

The OFAC Name Matching Service offers the following features:

- Automated process provides early detection of potential OFAC problems
- Can be keyword driven for an inquiry-by-inquiry basis or subcode can be flagged to always check inquiries against OFAC list
- Message indicates match — or no match — to the OFAC database

## Benefits

The OFAC Name Matching Service offers the following benefits:

- Early detection of OFAC problems may mitigate government-imposed fines and possible jail sentences
- Cost-effective way to strengthen existing OFAC compliance programs
- Shows government regulators you're serious about OFAC compliance
- Can help reduce losses from money laundering and other fraudulent activities
- Complement to Experian's Fraud Shield<sup>SM</sup> and Fraud Shield<sup>SM</sup> Score

# Frequently asked questions

### 1. What is OFAC and what does it do?

The Office of Foreign Assets Control is a division of the U.S. Department of Treasury. OFAC administers and enforces economic and trade sanctions against targeted foreign countries and their agents, terrorism-sponsoring agencies and organizations, and international narcotics traffickers based on U.S. foreign policy and national security objectives. Many of the sanctions are based on United Nations or other international mandates, are multilateral in scope and involve close cooperation with allied governments. OFAC acts under presidential wartime and national emergency powers, as well as authority granted by specific legislation, to impose controls on transactions and freeze foreign assets under U.S. jurisdiction.

### 2. What must my clients do with this information?

All of our clients are responsible for maintaining their own compliance with OFAC laws. It's up to the individual client to determine a course of action with the OFAC information received. Experian cannot give advice to our clients regarding how to comply with OFAC laws. Each client should seek competent advice from his or her legal or compliance departments.

### 3. Is there an OFAC frequently asked question Web site?

Yes. Visit <http://www.bankinfo.com/ofacfaqs.html> or <http://www.ustreas.gov/ofac>.

### 4. Where does OFAC data originate?

The OFAC list comes from the U.S. Treasury Web site:  
<http://www.ustreas.gov/ofac>.

### 5. How often will the data be updated?

As often as we receive updates from the U.S. Treasury.

**6. Will OFAC data contain aka (as known as) names?**

All the aka names from the OFAC list will be included in our database. However, please note that the OFAC Name Matching Service uses only the consumer's name provided on the inquiry to match against the OFAC listing.

**7. When there's a match, what will the verbiage indicate?**

"Spelling of name used to access report matches OFAC list."

**8. How is the name match indicator determined?**

OFAC Name Matching Service matching rules are as follows. *(Note: Omissions are not considered conflicts.)*

- The consumer's name used on inquiry must match the exact spelling of a name on the OFAC list
- The consumer's name and Social Security number (if provided) on the inquiry must match the exact spelling of a name and Social Security number on the OFAC list
- The consumer's name, Social Security number and year of birth (if provided) on inquiry must match the exact spelling of a name and Social Security number and year of birth on the OFAC list.

**9. What is the consumer's recourse should his or her Experian Credit Profile Report indicate "Spelling of name used to access report matches OFAC list"?**

As with any information the consumer thinks is inaccurate, he or she can call the National Consumer Assistance Center at 888 397 3742.

**To find out more about Experian's OFAC Name Matching Service, contact your Experian sales representative or call 800 414 1120.**

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