WHITEPAPER

OFAC Sanctions Screening Best Practices

Multi-List Screening and Fuzzy Matching for Compliance Programs

Why single-list screening is no longer sufficient, and how screening across multiple lists with fuzzy name matching catches what basic systems miss.

OFAC SDN | BIS Entity List | EU FSF | UK Sanctions List

10
Years of Records

50%
Ownership Rule

SecurePoint USA

Procurement evidence during scoping | Built for Compliance

securepointusa.com

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01 Executive Summary

OFAC administers and enforces economic sanctions against targeted foreign countries, regimes, terrorists, narcotics traffickers, and proliferators of weapons of mass destruction. Compliance obligations are not limited to financial institutions. They apply broadly to U.S. persons and entities.

Many organizations screen against a single list and treat that as compliance. That approach can miss restricted parties on the BIS Entity List, EU sanctions targets, UK designations, DDTC Debarred Parties, and other restricted-party lists.

Basic exact-match screening also tends to miss name variations, transliterations, and aliases. OFAC can impose civil penalties on a strict liability basis, so a missed match can be a violation even if nobody knew. Intent still shapes the penalty: OFAC weighs whether conduct was willful or reckless and how strong the compliance program was. Penalty ceilings are inflation-adjusted; consult the current OFAC enforcement notices and qualified sanctions counsel.

This whitepaper examines limits of single-list screening, describes the multi-list landscape, walks through fuzzy name matching, summarizes the OFAC 50% ownership rule, and outlines adjudication workflows that scale.

02 Why Single-List Screening Fails

Organizations that screen only against the OFAC SDN list operate with significant blind spots.

- **BIS Entity List Gap**
  An entity can be on the BIS list requiring export licenses without appearing on the SDN list. SDN-only screening would clear them.
- **EU/UK Divergence**
  Post-Brexit, EU and UK maintain independent sanctions regimes. Entities sanctioned by the EU may not appear on OFAC lists, and vice versa.
- **Name Variation Gap**
  A name such as Mohammed is written many ways in English (Muhammad, Mohamed, Mohammad, and more). Russian Cyrillic names have multiple romanization standards. Exact-match catches none of these.
- **Ownership Gap**
  Under the 50 Percent Rule, an entity owned 50 percent or more in total by blocked persons is blocked whether or not it is named on a list. Name screening alone can miss it; ownership analysis finds it.

OFAC asks for a risk-based compliance program with screening tools calibrated to your risk profile and tested regularly. For organizations hosting foreign nationals, we recommend screening several lists with matching that catches spelling variants.

03 The Sanctions List Landscape

A comprehensive sanctions screening program covers multiple government sources across jurisdictions.

OFAC SDN (US Treasury)
Specially Designated Nationals and Blocked Persons. On by default in SecurePoint.

OFAC SSI (US Treasury)
Sectoral Sanctions Identifications. On by default in SecurePoint.

BIS Entity List (Commerce Dept)
Export license requirements under EAR. On by default in SecurePoint.

BIS Denied Persons (Commerce Dept)
Denied export privileges. On by default in SecurePoint.

DDTC Debarred (State Dept)
ITAR debarments. Off in SecurePoint until enabled.

UK Sanctions List (UK FCDO)
The only source of UK designations since January 28, 2026. On by default in SecurePoint.

EU FSF (European Union)
EU Financial Sanctions Files. On by default in SecurePoint.

UN Consolidated (UN Security Council)
Foundation for national programs. On by default in SecurePoint.

FBI Most Wanted (FBI)
Terrorism, kidnappings, fugitives. On by default in SecurePoint.

INTERPOL Red Notices (INTERPOL)
International wanted persons. On by default in SecurePoint.

SAM Exclusions (GSA)
Government contractor exclusions. Off in SecurePoint until enabled.

LEIE (HHS OIG)
Healthcare program exclusions. Off in SecurePoint until enabled.

Additional lists include UFLPA, World Bank Debarment, IADB Sanctions, French DGT, Federal Reserve Enforcement, and Singapore MAS, all on by default.

04 Fuzzy Matching: The Science of Name Resolution

Exact-match screening catches a meaningful portion of true matches but tends to miss transliterations, misspellings, aliases, name reordering, and abbreviated/expanded forms. Fuzzy matching algorithms address those gaps. Specific recall figures depend heavily on data quality and configuration; SecurePoint USA does not represent any single benchmark as universal.

- **Exact Match**
  Character-for-character comparison after normalization.
- **Normalized Exact**
  Matches after removing company suffixes (Inc., Ltd., GmbH, LLC).
- **Jaro-Winkler**
  Optimized for name-length strings. Catches transpositions and missing characters.
- **Levenshtein**
  Edit distance. Catches typos by measuring minimum single-character edits.
- **Double Metaphone**
  Phonetic matching. Catches transliterations across alphabets, including Arabic, Cyrillic, and CJK romanizations.
- **Trigram**
  3-character substring overlap. Effective for partial matches and name reordering.

How SecurePoint Scores a Name

Sanctions screening in SecurePoint scores each candidate with Jaro-Winkler similarity, compares the name in several orders so a surname-first entry still matches, and looks up each listed alias exactly. Common names must clear a stricter minimum. The default match threshold is 0.75, and candidates that screening rules dismiss are recorded in the decision trace.

SecurePoint uses a weighted composite of all six techniques in two other places: to match owners in the ownership graph against listed parties, and to match names in adverse-media monitoring.

05 The OFAC 50% Ownership Rule

Under OFAC's 50 Percent Rule (see OFAC FAQs 399 and 401), an entity owned 50 percent or more in total, directly or indirectly, by one or more blocked persons, including parties on the SDN List, is itself blocked, whether or not it is named on any list. Many such entities are not named on the SDN List, so name screening alone can miss them.

How SecurePoint Checks Ownership

- The entity to check, such as a vendor or counterparty, is submitted through the screening API or the ownership lookup; individual visitors are screened by name
- Ownership chains are traced through several levels of records drawn from OpenSanctions and Wikidata relationship data; coverage is limited to the entities those records include
- Stakes held by listed parties are added together, passing through an intermediate company only when it is itself 50 percent or more owned by them (FAQ 401)
- By default the result is recorded without changing the decision; with enforcement on, an entity at or above 50 percent is held for review
- The owners and their attributed stakes are recorded with the result

Entities blocked under the 50% Rule typically do not appear on any public sanctions list under their own name. Identifying them generally requires ownership-chain analysis using corporate registries (e.g., Companies House, SEC, GLEIF) and beneficial-ownership data; reasonable-inquiry thresholds vary by program and risk profile.

06 Adjudication Workflows That Scale

Screening produces candidate matches; adjudication determines what to do about them. A well-designed workflow clears noise by rule, holds genuine ambiguity for a person, and records both.

Automatic Disposition

Low-risk results are approved automatically when an organization allows it, and candidates that a rule dismisses, such as a common name whose country or date of birth does not match, are recorded in the decision trace. Results in the review range are held for a reviewer. A result at 0.90 or above blocks check-in until a person decides. No rule issues a final denial.

Human-in-the-Loop Review

Held records reach a reviewer with a decision trace: the screened name, each candidate's list source, program, and country, its similarity score, and why other candidates were dismissed. The reviewer approves, denies, escalates for senior review, or marks the result as not a match. Denials and escalations require a reason code, and the decision, the

reviewer, and the reason are written to the audit log.

07 Building Defensible Evidence

OFAC's enforcement actions have looked closely at how screening failed, citing outdated lists, name variations that screening tools missed, and matching logic that let close matches through. The existence, nature, and adequacy of your compliance program is one of the general factors OFAC weighs in an apparent violation. Defensible evidence documents every step.

What to Be Able to Show

- Which sanctions lists were screened and when they were last updated
- What matching methods were used and at what thresholds
- Complete screening results, not just pass/fail but match details
- Who made adjudication decisions and documented reasoning
- Whether AI recommendations were used and whether humans overrode them
- An append-only, tamper-evident audit trail from screening through disposition
- Record retention meeting or exceeding the 10-year period in 31 CFR 501.601

08 SecurePoint USA Screening Architecture

Consolidated Sanctions Sources, Refreshed on Schedule

Consolidated sanctions database covering OFAC SDN, OFAC SSI, BIS Entity List, BIS Denied Persons, DDTC Debarred, the UK Sanctions List, EU FSF, UN Consolidated, FBI Most Wanted, INTERPOL Red Notices, SAM Exclusions, LEIE, and additional government sources; the DDTC, SAM, and LEIE lists are off until an organization turns them on. OFAC SDN and SSI, the BIS Denied Persons List, and the UK, EU, and UN lists refresh daily; the BIS Entity List and most other sources refresh weekly. For several lists, including OFAC SDN and the UK list, the sync writes only the records whose content hash changed.

Fuzzy and Alias Name Matching

Candidates are scored with Jaro-Winkler similarity across several name orders, each listed alias is looked up exactly, and common names must clear a stricter minimum. Candidates that screening rules dismiss are recorded in the decision trace, so a reviewer can see why a name did not match.

OFAC 50% Ownership Graph Analysis

For entities such as vendors and counterparties, SecurePoint USA traces ownership chains through several levels of ownership records drawn from OpenSanctions and Wikidata relationship data, and adds up the stakes held by listed parties the way OFAC's guidance counts indirect ownership. By default the result is recorded with the screening result without changing the decision; an organization can turn enforcement on, which holds any entity at or above 50 percent for review. Ownership analysis runs through the screening API and the compliance team's ownership lookup, not on individual visitors at check-in.

Separately, BIS has stayed its Affiliates Rule, which applies Entity List and Military End-User List restrictions to entities owned 50 percent or more by listed parties, through November 9, 2026, as published in the Federal Register; it is scheduled to take effect November 10, 2026 absent further BIS action. Confirm its status at bis.gov before relying on it. A match against the BIS Entity List or Military End-User List is held for manager review, and reaching a scheduled date does not change that.

Adverse Media & PEP Screening

Adverse media runs as a monitoring source alongside sanctions screening. It draws on DOJ, SEC, FinCEN, and FCA enforcement material and news search, and its matches are recorded with the screening without blocking access or changing the decision. PEP screening is off until an organization turns it on.

Hash-Chained Audit Log

Screening completions and adjudication decisions are written to an append-only audit log in which each entry's SHA-256 hash includes the previous entry's hash, and a verifier checks the chain for breaks. Application users cannot edit or delete entries. Evidence and report exports cover screening activity, adjudication decisions, and the audit trail, with a SHA-256 checksum recorded for each export.

SRC Sources & Notes

The references below are the primary sources used in this paper. They are listed for traceability and verification; they are not endorsements, and SecurePoint USA does not represent any source as exhaustive. Confirm current text and guidance with the source itself before relying on any citation.

[1] OFAC: A Framework for OFAC Compliance Commitments (May 2019)
https://ofac.treasury.gov/media/16331/download
OFAC's own framework; underpins the "risk-based, well-documented program" expectations described in the paper.

[2] OFAC FAQ 401: The 50 Percent Rule
https://ofac.treasury.gov/faqs/401
Authoritative source for aggregate and indirect ownership under the 50 Percent Rule.

[3] 31 CFR § 501.601: Records and recordkeeping requirements
https://www.ecfr.gov/current/title-31/section-501.601
Ten-year record period, effective March 12, 2025.

[4] OFAC Enforcement Release: Bank of America, N.A. (October 13, 2026)
https://ofac.treasury.gov/recent-actions/20261013_33
$11,662,930 settlement of 475 apparent violations across several sanctions programs.

[5] OFAC Enforcement Release: IMG Academy, LLC (February 12, 2026)
https://ofac.treasury.gov/recent-actions/20260212
$1,720,000 settlement of 89 apparent violations of the Kingpin Act regulations.

[6] 15 CFR Part 744: Control Policy, End-User and End-Use Based (Entity List)
https://www.ecfr.gov/current/title-15/subtitle-B/chapter-VII/subchapter-C/part-744
The Entity List is Supplement No. 4 to Part 744.

[7] Consolidated Screening List (International Trade Administration)
https://www.trade.gov/consolidated-screening-list
Combined Commerce, State, and Treasury lists, including the Denied Persons List and the Unverified List.

[8] UK Sanctions List (Foreign, Commonwealth & Development Office)
https://www.gov.uk/government/publications/the-uk-sanctions-list
The only source of UK sanctions designations since OFSI closed its Consolidated List on January 28, 2026.

[9] European Commission: EU sanctions and the Financial Sanctions Files
https://finance.ec.europa.eu/eu-and-world/sanctions-restrictive-measures/overview-sanctions-and-related-resources_en
Overview of EU restrictive measures and the consolidated list of persons, groups, and entities subject to EU financial sanctions.

Revision history

2026-10-23 Renamed the UK source to the UK Sanctions List, the only UK source since OFSI closed its Consolidated List on January 28, 2026, and corrected the EU list's name to the Financial Sanctions Files. Added OFAC's October 2026 Bank of America settlement, which turned on watchlist updates and alert priority, and replaced an unsourced transliteration figure with examples.

2026-10-17 The BIS Affiliates Rule paragraph now takes its status from a dated status record on the page and in the PDF.

2026-09-27 Replaced the source count with the name of each list screened, corrected product, regulatory and enforcement statements, and stated OFAC's ten-year recordkeeping period.

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Beyond Single-List

Screening Programs

OFAC can impose civil penalties on a strict liability basis, so "we only checked the SDN list" is not a defense. OFAC does not prescribe lists, algorithms, or match thresholds, but it expects risk-based screening that is kept current, calibrated, and tested.

SecurePoint USA screens against sanctions and denied-party sources with fuzzy and alias name matching, OFAC 50% ownership analysis for entities (recorded without changing the decision by default), human adjudication, and a hash-chained audit log.

Schedule a Screening Demo

securepointusa.com/request-demo

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