Does it sound too good to be true? Here’s how to vet suppliers.

1. Remain vigilant with any new vendor validation and follow your organization’s established due diligence procedures.

2. Research names, addresses, ownership structure, tax information, business licenses and other key details.

3. Vet third-party brokers that you use for procurement needs as you would a potential new business partner.

4. Obtain industry references for potential suppliers and third-party brokers from sources you trust.

5. When possible, send a company representative to visit the business partner.

6. Don’t agree to requests for upfront payments in full; use an escrow service if applicable.

7. Carefully review invoices to ensure the contact and business information matches your research.

8. Scrutinize emails from existing vendors who request changes to payment methods and/or bank account information.

9. Perform callbacks to phone numbers using a system of record to validate any request.

10. Report any suspicious activity to the FBI.

Visit jpmorgan.com/commercial-banking for more information on how to protect your business.

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