



ITT

Aerospace Controls

QUALITY WORK INSTRUCTIONS

TITLE: Counterfeit Prevention Policy

PROCEDURE: QWI 19

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REVISION: A

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Counterfeit Prevention Policy

1.0 PURPOSE

- 1.1 The purpose of this procedure is to define the process and due diligence performed to prevent the purchase and/or use of counterfeit parts and meet the requirements of AS5553, AS6174, DODI 4140.67, and DFARS 252.246-7007

2.0 SCOPE

- 2.1 This procedure applies to ITTAC Aerospace Controls (ITTACAC) purchasing activities of materials, products and services, made by or provided by a Supplier including purchases made by sub-contractors on behalf of the Supplier.

3.0 REFERENCES & LINKS

- AS9100 Quality Management Systems, Requirements for Aviation, Space and Defense Organizations.
- AS5553 Fraudulent/Counterfeit Electronic Parts: Avoidance, Detection, Mitigation, and Disposition
- AS6174 Counterfeit Material; Assuring Acquisition of Authentic and Conforming Material
- DODI 4140.67 DoD Counterfeit Prevention Policy
- DFARS 252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System
- QRP 7.4.2 Purchasing
- QRP 8.3 Control of Nonconforming Product
- QRP 4.2.4 Control of Records
- QWI 8.1 Supplier Survey Program
- QWI 8.3 Supplier Evaluation and Risk Mitigation Procedure
- SR-1 Supplier Requirements

4.0 DEFINITIONS:

- 4.1 **Aftermarket Manufacturer:** A manufacturer that meets one or more of the following four criteria:
- 4.1.1 The manufacturer is authorized by the Original Component Manufacturer (OCM) to produce and sell replacement parts, usually due to an OCM decision to discontinue production of a part. Parts supplied are produced from dice that have been
 - 4.1.1.1 transferred from the OCM to the aftermarket manufacturer or,
 - 4.1.1.2 produced by the aftermarket manufacturer using OCM tooling and intellectual property (IP)
 - 4.1.2 The manufacturer produces parts using semiconductor dice and wafers, manufactured by and traceable to an OCM, that have been properly stored until use and are subsequently assembled, tested, and qualified using processes that meet technical specifications without violating the OCM's intellectual property rights, patents, or copyrights.
 - 4.1.3 The manufacturer produces parts through emulation, reverse-engineering, or redesign, that match the OCM's specifications and satisfy customer needs without violating the OCM's intellectual property rights (IPR), patents, or copyrights.
- In any case, the aftermarket manufacturer must label or otherwise identify its parts to ensure that the "as shipped" aftermarket manufactured parts should not be mistaken for the parts made by the OCM.
- 4.2 **Approved Supplier:** Supplier that are on ITTAC's Approved Supplier List (ASL). They are assessed and determined to provide low risk of providing counterfeit parts
- 4.3 **Authorized Supplier:** Aftermarket manufacturers as defined above, and OCM authorized sources of supply for the part.
- 4.4 **Certificates of Conformance (CoC):** A document provided by a supplier formally declaring that all buyer purchase order requirements have been met. The document may include information such as manufacturer, distributor quantity, lot and/or date code. Inspection date, etc., and is signed by a responsible part for the supplier.
- 4.5 **Counterfeit Part:** A part that is a copy or substitute without the legal right or authority to do so or one whose material, performance, or characteristics are knowingly misrepresented by a Supplier in the supply chain. Examples of counterfeit parts include, but not limited to:
- 4.5.1 Parts which do not contain the proper internal construction (die, Manufacturer, wire bonding, etc.) consistent with the ordered part.
 - 4.5.2 Parts which have been used, refurbished, or reclaimed parts represented as new product.
 - 4.5.3 Parts which have different package style or surface plating/ finish than the ordered parts.

4.5.4 Parts which have not successfully completed the Original Component Manufacturer's (OCM)'s full production and test flow, but are represented as completed product.

4.5.5 Parts sold as upscreened parts, which have not successfully completed upscreening

4.5.6 Parts sold with modified labeling or markings intended.

Parts which have been refinished, upscreened, or updated and have been identified as such, are not considered counterfeit.

4.6 GIDEP (Government-Industry Data Exchange Program): A corporative activity between government and industry participants seeking to reduce or eliminate expenditures of resources by sharing technical information essential during research, design, development, production and operational phases of the life cycle of systems, facilities and equipment.

4.7 Original Component Manufacturer (OCM): An organization that designs and/or engineers a part and is pursuing or had obtained the intellectual property rights to the part.

4.8 Suspect Part: A part which there is an indication by visual inspection, testing, or other information that it may have been misrepresented by the supplier or manufacturer and may meet the definition of counterfeit part.

5.0 RESPONSIBILITIES:

5.1 ITTAC Purchasing authority is responsible to procure from original Manufacturers when available, flow down the counterfeit prevention policy to the Supplier, and obtaining from the Supplier all applicable information requirements.

5.2 ITTAC Purchasing and Supplier Quality will periodically monitor the approved supplier list to assure they are maintaining an effective process to minimize the risk or receiving counterfeit parts per QWI 8.1 and QWI 8.3

5.3 ITTAC Quality team is responsible to examine and/or inspect parts to ensure no counterfeit parts are received from the supplier

5.4 ITTAC Engineering is responsible to ensure the drawing contains the correct specification, process, or other description identifies applicable to the part..

6.0 PROCEDURE:

6.1 Purchasing must examine a potential source of supply to assess the risk of receiving counterfeit parts. Purchasing should focus buying efforts to obtain parts directly from an OCM, approved distributor, or authorized reseller organization.

6.2 Purchasing and Supplier Quality need to maintain an ASL, including the scope of the approval, to minimize the risk of counterfeit parts supply.

6.3 The flow down of applicable engineering and manufacturing requirements to all sub-tier Suppliers is through the PO or drawing.

- 6.3.1 Change control process is required at Supplier to ensure no unauthorized change take place
- 6.4 All customer requirements are implemented as part of the contract review process.
 - 6.4.1 Change management processes are in place to prevent unapproved procurement sources.
 - 6.4.2 ITTAC and the supplier shall establish a risk assessment process. When potential risks for sources of raw materials is determined to be high in meeting the requirements, a 100% inspection plan shall be implemented. In addition, ITTAC and the supplier shall establish and define a method to ensure 100% compliance to the design requirements.
- 6.5 Quality Inspection needs to verify that purchased parts are from the OCM, by verifying the COC and acquisition traceability if called out on the drawings of the parts being purchased or on the PO. This will be provided by the distributor or the Aftermarket Manufacturer.
 - 6.5.1 The Quality Inspector will verify that the CoC provided by the supplier shows evidence that the product purchased complies with specification on the print and the purchase requirements.
 - 6.5.2 The Quality Inspector receiving, inspecting or processing parts must examine the product to ensure the drawing, specification type, class, style, part number, Manufacturer, or other related information is present to deter or identify suspect or counterfeit parts. Suspect or counterfeit parts are placed in rejection status and material physically placed on nonconforming material rack and segregated per QRP 8.3.
 - 6.5.3 Clear documentation is required with all material/ product purchased from Suppliers (examples: packing slips, CoC's, mfg logo, lot date codes, etc.).
- 6.6 A failed electrical or mechanical component does not mean the instance was caused by a counterfeit part. ITTAC must verify the cause of the nonconformance and disposition the defect per the QRP 8.3. This procedure will apply if the deficiency is suspected or attributed to a counterfeit part. The Quality Engineer shall follow AS5553 Appendix E or AS6174 Appendix E for further investigation to verify if the suspected material is a counterfeit part.
 - 6.6.1 When further investigation removes all doubt the parts are suspect or counterfeit, the nonconforming material/ part rejection in MRB can be dispositioned as "Accept". The reason for accepting the product must be recorded on the document as a reference to the due diligence work and/or activity performed.
 - 6.6.2 A suspect and verified counterfeit part must be reported in writing to ITTAC Quality Management. The part must remain at ITTAC Management who is responsible to determine how the counterfeit part occurrence is reported internally, to Customer, to GIDEP, to DoD or other industry reporting programs, and criminal authorities using the reporting process listed in the AS5553 standard, Appendix G and

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AS6174 standard, Appendix G. Reporting to GIDEP must be done within 60 calendar days after confirming the material is counterfeit.

6.7 The supplier is required to immediately notify ITTAC in the event the supplier becomes aware of or suspect counterfeit part may have been provided to ITTAC.

6.8 The Supplier will be liable for remedial costs associated with provided counterfeit part as well as potential federal penalties associated with fraud and falsification. At its expense, the supplier shall immediately replace the counterfeit part with genuine conforming product.

7.0 CONTROL OF RECORDS:

7.1 Documentation and records incorporated in this procedure are required to be maintained in accordance with QRP 4.2.4.

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REVISION HISTORY

The following table documents the changes made in this latest revision. It does not include changes in formatting or correction of typographical or grammatical errors.

Date	Revision	Section	Summary of Changes
5/5/17	A	1, 3, 5.4, 6.6.2, 6.7	Clarify Supplier and ITTAC role