Counterfeit Parts Avoidance Plan

1. SCOPE

1.1 Purpose

This document describes the plan for the avoidance, detection, mitigation, and disposition of counterfeit parts by Dielectric Laboratories. All employees of Dielectric Laboratories are responsible to comply with the requirements and processes identified in this plan.

1.2 Application

This plan outlines the procurement activities at Dielectric Laboratories. If a particular purchase warrants departure from this plan, the best practice is to make the purchase only after considered evaluation of the risk of receiving counterfeit parts, with increased scrutiny of the procured parts, and in consultation with management and/or the customer.

2. APPLICABLE DOCUMENTS

SAE AS5553	Counterfeit Electronic Parts; Avoidance, Detection, Mitigation and Disposition
ISO 9001	Quality Management Systems – Requirements
AS 9100	Quality Management Systems – Requirements for Aviation, Space and Defense Organizations

3. DEFINITIONS

3.1 Suspect Part

A part in which there is an indication by visual inspection, testing, or other information indicating that the item may have been misrepresented by the supplier or manufacturer and may meet the definition of a Counterfeit Part.

3.2 Counterfeit Part

A part identified as a copy or substitute, without the legal right or authority to do so, or a part whose material, performance, or characteristics are knowingly misrepresented by a supplier. Counterfeit Parts include but are not limited to:

- Used, refurbished, or reclaimed parts represented as new product.
- Parts with a different package style, type, construction, or surface plating/finish than the required or ordered product.
- Parts that have not successfully completed the full production and/or test flow of the Original Component Manufacturer (OCM) or Original Equipment Manufacturer (OEM) and are represented as completed product.
- Parts sold or delivered as up-screened products that have not successfully completed the up-screening process.
- Parts sold or delivered with modified labeling or markings intended to misrepresent the form, fit, function, or grade of the product.

Note: Refurbished, up-screened, or up-rated parts identified accordingly are not considered counterfeit product.

3.3 Approved Vendor

Vendors identified on Dielectric Laboratories Approved Vendor List (AVL). Dielectric Laboratories AVL includes vendors that have been assessed and determined to be a low risk for supplying counterfeit parts and, where appropriate, vendors approved by the customer.

Note: For reference only, other definitions are available in Section 3.3 of the AS5553 Standard.

4. REQUIREMENTS

4.1 Counterfeit Parts Control Plan

4.1.1 Parts Availability

Dielectric Laboratories aims to keep originally designed and/or qualified parts available throughout a product's life cycle. Dielectric Laboratories uses the management tools recognized in its ISO 9001 certification to address part availability.

4.1.2 Purchasing

Procuring parts from an Approved Vendor is Dielectric Laboratories Purchasing Department's standard practice. Approved Suppliers are primarily OCM/OEMs and approved distributors.

Purchasing is responsible to flow down the following clause with all purchase orders:

> Counterfeit Parts Avoidance: In order to mitigate counterfeit parts entering the supply chain, the seller must fill this purchase order using only parts from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM) or authorized distributors. Independent distributors, brokers, or other secondary sources shall not be used for items on this purchase order. If counterfeit parts are furnished under this purchase order, such items shall be impounded. The seller shall promptly replace such items with items acceptable to Dielectric Laboratories and the seller shall be liable for all costs relating to impoundment, removal, and replacement.

4.1.3 Purchasing Information

Receiving Inspection will review the supplier documentation against the purchase order terms and conditions and the quality requirements flowed with the order.

4.1.4 Verification of Purchased Product

Receiving Inspection will examine the product to ensure the drawing, specification, part number, manufacturer, and/or other related information is accurate as a means to identify suspect counterfeit parts prior to acceptance. Increased scrutiny should be applied if the following are observed: nonstandard packaging, mixed lots, mixed dates, parts from various sites, scratches, bends, test dots, faded marking, chemical residue, or other signs of use.

4.1.5 In-Process Investigation

Suspect or counterfeit parts are placed on a nonconforming material document. Suspect or counterfeit parts identified after acceptance are segregated to a nonconforming part location and documented in the Corrective Action System.

4.1.6 Material Control

If the Corrective Action System determines that a part is a counterfeit, the part will be designated as "Scrap" to ensure that the counterfeit part does not re-enter the supply chain.

4.1.7 Reporting

All verified occurrences of counterfeit parts must be reported to Management. Management determines if the legal department must become involved to properly and legally address receipt of the counterfeit parts with the supplier. Management is responsible to determine how the occurrence is reported internally and to customers, the government, Government Industry Data Exchange Program (GIDEP), and other industry reporting programs.
For reference, Guidelines for Reporting Counterfeit Parts are listed in Appendix G of the AS5553 Standard.
Note: DLI track records incidents using form MAT-F-046 and logs the records on the DLI Communication Log.