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## 1.0 PURPOSE

The purpose of this document is to describe the procedure for preventing the purchase and / or use of counterfeit parts and to meet the requirements of the AS5553 Standard and related customer requirements.

## 2.0 SCOPE

This document applies to procurement activities at CIRCOR Aerospace, Inc (CAI) where applicable and to the extent specified herein.

## 3.0 DEFINITIONS / ACRONYMS

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

3.2 Counterfeit Part – A suspect 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 in the supply chain, including the lowest level of separately identifiable items. Counterfeit Part include but are not limited to:

- Parts not containing the proper internal construction that is consistent with the desired, producer, or ordered part.
- Used, refurbished, or reclaimed parts represented as new product.
- Parts with a different package style, type, or surface plating / finish than the required or order product.
- Parts not successfully completing the full production and / or test flow of the Original Component Manufacturer (OCM) or Original Equipment Manufacturer (OEM) that are represented as completed product.
- Parts sold or delivered with modified labeling or markings intended to misrepresent the form, fit, function, or grade of the intended product.

3.3 Aftermarket Manufacturer – A manufacturer meeting one or more of these criteria:

- A manufacturer authorized by the OCM / OEM to produce or provide replacement parts. The parts supplied are produced from originating from the OCM / OEM to the aftermarket
- Manufacturer or parts produced by an aftermarket manufacturer using the OCM / OEM tooling or intellectual property.
- The manufacturer produces parts using tooling or equipment manufactured by and traceable to an OCM / OEM that was properly stored until use. The parts are subsequently assembled, tested, and qualified using processes meeting the technical specifications without violating the intellectual property rights, patents, or copyrights of the OCM / OEM.
- The manufacturer produces parts by emulation, reverse engineering, or redesign using processes matching the OCM / OEM specification. The parts must meet the customer needs without violating the OCM / OEM intellectual property rights, patents, or copyrights.

Note: The Aftermarket manufacturer must label or otherwise identify the parts to ensure the “as shipped” product is not mistaken for the product manufactured by the OCM / OEM.



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- 3.4 Approved Supplier – Suppliers who are formally assessed and determined to have a low risk of providing counterfeit product.
- 3.5 Authorized Supplier – Aftermarket manufacturers and OCM / OEM authorized sources of supply for a specific part.
- 3.6 Broker – In the independent distribution market, brokers are professionally referred to as an Independent Distributor.
- 3.7 Certificate of Conformance (C of C) – A document provided by the supplier formally declaring the purchase order requirements are met. The document may include information relative to the manufacturer, distributor, Quantity, date code, inspection date that is signed by a responsible associate for the supplier.
- 3.8 Used – Electrically charged parts pulled / removed from a previous application. Receiving and Receiving Inspection should be wary of nonstandard packaging, mixed lots, mixed dates, parts from various sites, scratches, bends, test dots, faded marking, chemical residue, or other signs of use. Used parts may be sold with a limited warranty. Programmable product may still contain partial or complete programming capability that may affect part functionality. Used parts marketed as such should be declared accordingly.

#### 4.0 RESPONSIBILITIES

CAI is responsible for promptly replacing any counterfeit work delivered to a customer with genuine work acceptable to the customer that conforms to contract requirements, including the removal and replacement of such work. At a customer's request, CAI shall return any removed counterfeit parts to the customer in order that the customer may turn such parts over to its Government customer for further investigation.

- 4.1 Purchasing is responsible to procure the correct part using the applicable drawing, specification, description, or other information to meet the intended use.
  - 4.1.1 Purchasing shall identify when the statement. **“Suppliers must comply with the AS5553 Counterfeit Parts requirements and any customer flowdown requirements relating to counterfeit parts.”** on the purchasing document is necessary, is sufficient by itself or further details are required to be listed to meet customer requirements.
- 4.2 Engineering is responsible to ensure the drawing, specification, process, or other description identifies the applicable type, class, style, part number, manufacturer, or other related information so the correct part or product is identified.
- 4.3 Material is responsible for the examination, selection, kitting, and/or identifying the parts to mitigate receipt and / or use of counterfeit parts.
- 4.4 Quality is responsible for inspecting parts to identify whether or not they are counterfeit and for ensuring parts delivered under contract are not and/or do not contain counterfeit parts.



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4.5 The Director of Materials is responsible for maintaining the accuracy of this document and for the correct implementation of its key provisions.

### 5.0 PROCEDURE

5.1 Planning, Engineering, and Purchasing shall assess the availability of original or authentic product in support of manufacturing. To reduce the risk associated with counterfeit parts lifetime buys, multiple supply sources, and part substitutions may be considered.

5.2 Purchasing shall examine a potential source of supply to assess the risk of receiving counterfeit parts. Assessment may be a check against the Approved Supplier List (ASL), survey, audit, product alert review, and a review of the supplier quality data to determine performance.

5.2.1 When applicable, Purchasing must specify a preference to procure the parts directly from the OCM / OEM or authorized supplier listed as an approved supplier (including a customer approved distributor).

5.2.2 Purchasing shall assess the risk of procuring parts from other than the OCM / OEM or authorized supplier. Purchasing must document a reason whenever a part is procured from a source other than the OCM / OEM or other authorized supplier.

5.2.3 Purchasing shall perform some level of risk assessment if the supplier or subcontractor does not maintain a documented counterfeit part control plan compliant to the AS5553 Standard.

5.3 Quality shall identify on the ASL (via the PB checklist) any supplier that is a CAI unapproved independent distributor or part broker which cannot be used for military or Government purchases.

5.4 Purchasing may not buy any electrical, electronic and electro-mechanical parts from other than the OCM / OEM or their franchised distributor.

**Note 1:** Some customers maintain a list of suppliers, OEMs, and other approved sources for component parts.

**Note 2:** As an aid, Purchasing may reference Appendix B of the AS5553 Standard for additional purchasing process guidelines related to electronic parts.

5.5 Quality shall assure sources of supply maintain effective process controls to mitigate the risk of supplying counterfeit parts. Such assurance may be a survey, audit, product alert review, or a CAI review of the supplier quality data to verify performance.

5.6 Purchasing shall specify that the OCM / OEM or aftermarket manufacturer provide traceability requirements (identify the name / location of all supply chain intermediaries from the part manufacturer to the direct source of the product to the seller) when required.

5.6.1 At a minimum, a certificate of conformance and acquisition traceability is required. These certification requirements must be clearly identified on the purchase document as deliverable data.

5.7 Product with electronic components destined for Government or military use require a manufacturer certification referencing the applicable specification. Electronic components destined for commercial or industrial use may not require the same level of certification or traceability requirements.



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- 5.7.1 Electronic component requirements for the product may be identified from a review of the customer purchase order, specification, or flowdown requirements. It is always prudent for purchasing to request certification and traceability data as a deliverable item.
- 5.8 Purchasing must both identify customer flowdown requirements and then flowdown the applicable Counterfeit Parts requirements to the supplier or subcontractor.
- 5.9 The purchase document must specify the applicable requirements of the Counterfeit Part Procedure to the supplier to minimize the risk of receiving counterfeit parts.
- 5.9.1 In order to minimize the risk of procuring counterfeit parts the purchasing document language should include requirements to ensure conforming, original, and authentic parts are provided.
- 5.9.2 The purchasing document may list certification or traceability requirements, test and / or inspection results, supplier Quality System requirement, a statement of financial responsibility, the length of obligation, and any penalties associated with fraud.
- 5.10 Receiving, inspecting, or otherwise processing the parts shall examine the product to ensure the drawing, specification, type, class, style, part number, manufacturer, or other related information is present to detect or identify suspect or counterfeit parts prior to acceptance per documented procedures. Suspect or counterfeit parts shall be documented on a nonconforming material document per CP 13-1.
- 5.10.1 Suspect or counterfeit parts identified after acceptance shall be segregated to a nonconforming part location and placed on a nonconforming material document using the same process.
- 5.10.2 Suspect or counterfeit parts shall be placed in the nonconforming part location for storage until the disposition of the nonconforming material document is completed.
- 5.11 When further investigation removes all doubt the parts are suspect or counterfeit, the nonconforming material document may be dispositioned "Acceptable". The reason for accepting the product must be recorded on the document as a reference to the due diligence work and / or activity performed.
- 5.12 When applicable, Purchasing will aid supplier quality in the possible disposition of the suspect or counterfeit parts as "Return to Vendor" or "Scrap".
- 5.13 Purchasing and Quality shall determine if a supplier corrective action is appropriate or required.
- 5.14 All documented and verified occurrences of counterfeit parts must be reported to Management. Using the documented details related to the counterfeit part detection, Management determines if the legal department must become involved to properly and legally address receipt of the counterfeit part with the supplier.
- 5.15 Management is responsible to determine how the counterfeit part occurrence is reported internally, to customers, to the Government, the Government Cooperative (GIDEP), other industry reporting programs (ERAI), and the criminal authorities.

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**6.0 Non-Electrical Parts – Additional Requirements**

- 6.1 Distributors that supply non-electrical standard parts, like fasteners, nuts, washers, springs, o-rings, inserts and pins shall have a certification from the CCM / OEM and the certification shall be delivered with each lot.
- 6.2 Purchasing may procure non-electrical parts from an independent distributor or part broker **only** when authorized by the customer or as a last resort.
  - 6.2.1 Prior to buying parts from these sources as a last resort, Purchasing shall review and obtain approval of any proposed purchase from the Director of Materials or the Director of Quality Assurance for any non-electrical standard parts from any such source.
  - 6.2.2 Purchasing shall contact Quality Assurance for determination if the customer must be contacted and / or their approval in writing is required prior to completing the procurement. When applicable, the written approval will be so obtained and filed with the associated purchasing records in accordance with CP 16-1.

**7.0 REFERENCES**

7.1 Parent Documents

- AS5553 Counterfeit Electronic Parts, Avoidance, Detection, Mitigation, and Disposition
- Apend.QX Lockheed Martin Supplier Quality Requirements (Paragraph 1.4)
- SQAR Northrop Grumman Paragraph 3.11 (Quality Clause 40)
- H900 Boeing Purchase Order Clause (item #25)

7.2 Related Documents

- AS9100:2009 Quality Systems-Aerospace- Model for Quality Assurance in Design, Development, Production, Installation and Servicing
- ISO9001:2008 Quality Management Systems – Requirements
- CM-02 Quality System Manual (QSM)
- CP 13-1 Control of Nonconforming Product
- CP 16-1 Control of Quality Records

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