C&H ENTERPRISES MACHINING. WELDING. FABRICATING	Document Title: Counterfeit Instruction		Document #: QMS3-QA-036	Rev B
	Document Owner: Quality Manager	Date: 10/8/18	Approved for Release By: Management Rep.	Date: 10/8/18

1. Purpose

1.1. The purpose of this document is to describe the process and due diligence performed by C&H to prevent the purchase and/or use of Counterfeit Parts and meet the requirements of the AS 9100 Rev. D. standard for counterfeit electronic and other category parts avoidance, detection, mitigation and disposition in order to:

1.1.1. Maximize availability of authentic electronics or other parts (fasteners, dowel pins, Heli-coils etc.)
1.1.2. Procure parts from reliable sources.
1.1.3. Assure authenticity and conformance of procured parts.
1.1.4. Control parts identified as counterfeit –segregate and remove from the floor in order to avoid mix-ups.
1.1.5. Report counterfeit parts to customers, other users, and government investigative authorities (if needed).

2. Scope

2.1. This document applies to the purchasing/procurement activities within C&H for aerospace and non-aerospace customers.

3. References

3.1. QMS-2-PLN-005 (F) Risk Management
3.2. QMS-2-PUR-001 (M) Purchasing
3.3. QMS-2-QA-002 (F) Verification of the Purchased Product
3.4. QMS-2-QA-006 (I) Control of Nonconforming Product

4. Definitions

4.1. Suspect Part:
4.1.1. 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.
4.2. Suspected Unapproved Part:
4.2.1. A part, component, or material that is suspected of not meeting the requirements of an approved part. A part that, for any reason, a person believes is not approved. Reasons may include findings such as different finish, size, color, improper or lack of identification, incomplete or altered paperwork, or any other questionable indication.
4.3. Counterfeit Part:
4.3.1. 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.
4.3.2. OR A part made or altered to imitate or resemble an approved part without authority or right, and with the intent to mislead or defraud by passing as original or genuine.
4.3.3. The Counterfeit Parts include but are not limited to:
4.3.3.1. Parts not containing the proper internal construction (die, manufacturer, wire bonding, etc.) in PCBs consistent with the ordered part.

4.3.3.2. Used, refurbished, or reclaimed parts represented as new product.

4.3.3.3. Parts with a different package style, type, or surface plating/finish than the required or order product.

4.3.3.4. Parts not successfully completing the full production and/or test flow of the Original Component Manufacturer (OCM) that are represented as completed product.

4.3.3.5. Parts sold or delivered with modified labeling or markings intended to misrepresent the form, fit, function, or grade of the intended product.

4.3.3.6. Note: Refinished, up screened, or updated parts identified accordingly are not considered counterfeit product.

4.4. Aftermarket Manufacturer:

4.4.1. A manufacturer meeting one or more of these criteria:

4.4.1.1. A manufacturer authorized by the OCM to produce or provide replacement parts. The parts supplied originate from the OCM to the aftermarket manufacturer or an aftermarket manufacturer using the OCM tooling or intellectual property produces the parts.

4.4.1.2. The manufacturer produces parts using tooling or equipment manufactured by and traceable to an OCM 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.

4.4.1.3. The manufacturer produces parts by emulation, reverse engineering, or redesign using processes matching the OCM specification. The parts must meet the Customer needs without violating the OCM intellectual property rights, patents, or copyrights. Note: The Aftermarket Manufacturer must label or otherwise identify a part to ensure the "as shipped" product is not mistaken for the product manufactured by the OCM.

4.5. Approved Supplier:

4.5.1. Suppliers who are formally assessed and determined to have a low risk of providing counterfeit product.

4.6. ASL:

4.6.1. Approved Supplier List maintained by C&H Purchasing

4.7. Authorized Supplier:

4.7.1. Aftermarket manufacturers and OCM authorized sources of supply for a specific part.

4.8. Broker:

4.8.1. In the independent distribution market, brokers are professionally referred to as an Independent Distributor.

4.9. Franchised Distributor:

4.9.1. A distributor with which the OCM has a contractual agreement to buy, stock, re-package, sell and distribute its product lines. When a distributor does not provide products in this manner.

4.10. Independent Distributors:

4.10.1. A distributor the purchases new parts with the intention to sell and redistribute them back into the market. Purchased parts may be obtained from original equipment manufacturers (OEM's) or contract manufacturers (typically from excess inventories), or from other independent distributors. Re-sale of the purchased parts (redistribution) may be to OEM's, contract manufactures, or other independent distributors. Independent distributors do not have contractual agreements or obligations with OCMs.

4.11. Certificate of Conformance (C of C):

4.11.1. 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.

4.12. Certificate of Conformance and Traceability (C of CT):

4.12.1. A certificate of conformance applicable to some military specifications requiring documented traceability of the product from the Qualified Parts List / Qualified Materials manufacturer through the product delivery to the Government.

4.13. ERAI:

4.13.1. A privately held global trade associates who monitors, investigates, reports, and mediates issues affecting the global supply chain of electronics including the supply of counterfeit and substandard parts.

4.14. GIDEP:

4.14.1. A cooperative 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.

4.15. Packaging:

4.15.1. Component packaging refers to the manner in which individual or grouped parts are packaged in preparation for distribution and use.

4.16. Refinishing:

4.16.1. Using a plating process method after manufacture to alter the original plating composition on a parts lead or lead wire.

4.17. Refurbished:

4.17.1. Subjecting parts to a process to brighten, polish, or renovate the item in an effort to restore the item to a "like new" condition. Refurbished electronic parts may have the leads realigned and tinned.

4.18. Up screened:

4.18.1. Additional part testing performed to produce parts verified beyond the specification parameters of the manufacturer.

5. Responsibility

5.1. The Quality Manager is responsible for implementation, oversight and training related to this document. All C&H employees involved in purchasing, procurement, receiving and inspection activities are responsible to comply with the requirements and processes identified in this document.

5.2. Purchasing is responsible to procure the correct part/material using the applicable drawing, specification, description, or other information to ensure the product meets the customer's requirements and the intended use.

5.3. Receiving/Inspection is responsible to examine, inspect, and/or control the parts to identify or mitigate the receipt and/or use of counterfeit parts.

6. Procedure

6.1. The processes shall maximize availability of authentic, originally designed and/or qualified parts throughout the product's life cycle, including management of parts obsolescence.

6.2. Purchasing must examine a potential source of supply to assess the risk of receiving counterfeit parts. Assessment may be a survey, audit, product alert review, and a review of the supplier quality data to verify past performance. The goal is to ensure that approved sources of supply are maintaining effective processes for mitigating the risks of supplying counterfeit parts

6.3. Purchasing must maintain a list of approved suppliers along with their scope of approval in order to minimize the risk associated with the supply and/or receipt of counterfeit parts.

6.4. Purchasing shall place a priority on obtaining parts directly from an OCM, approved distributor, authorized resell organization, or franchised aftermarket supplier. These companies are reviewed and approved by the original component manufacturer as well as monitored under C&H supplier approval process.

6.5. Traceability. At a minimum, the OCM, distributor or the aftermarket manufacturer should be required to provide certificates of conformance and acquisition traceability. These certification requirements must be clearly identified on the Purchase Order document as deliverable data.

6.5.1. Note: In general, product with electronic components destined for Government or military use requires a manufacturer certification.

6.5.2. Note: The specific requirements for the product may be identified from a review of the Customer purchase order, specification, or flow down requirements. It is always prudent for purchasing to request certification and traceability data as a deliverable item even if not specifically required by the Customer.

6.6. Purchasing must specify the flow down requirements from the Counterfeit Parts Procedure applicable to the supplier or subcontractor. Purchasing must perform some level of risk assessment if the supplier or subcontractor does not maintain a documented counterfeit part control plan compliant to the AS 9100 D requirements.

6.7. The Purchase Order must specify to the supplier the applicable requirements of the Counterfeit Part Procedures. In order to minimize the risk of procuring counterfeit parts:

6.8. The Purchase Order shall include requirements to ensure conforming, original, and authentic parts are provided.

6.9. The Purchase Order may list requirements for certification and traceability; deliverable record of test and/or inspection results; and quality management system requirement for the supplier.

6.10. Persons receiving, inspecting, or processing parts/material must examine the product to ensure the drawing, specification, type, class, style, part number, manufacturer, Certificate of Conformance or other related information is present to detect or identify suspect or counterfeit parts.

6.11. Suspect or counterfeit parts shall be recorded through the DMR (discrepant material reporting) process.

6.12. The Quality Manager will initiate an investigation and shall ensure that all occurrences of counterfeit parts are reported, as appropriate, to internal organizations, customers, government reporting organizations (e.g., GIDEP, FAA), industry supported reporting programs (e.g., ERAI), and criminal investigative authorities.

7. Verification

7.1. C&H considers the due diligence applied to a material purchase successful when this procedure is followed and when finished product meets the test or inspection requirements identified for the product by the Customer or the accepted industry standards established for the product.

7.2. Failure of a component or other nonconformance does not necessarily mean the instance was caused by a counterfeit part.

7.3. C&H Quality Assurance will investigate and verify the root cause of the nonconformance and take corrective and preventive actions as deemed necessary by the company.

REVISIONS HISTORY

Rev	Description	Requestor	Date	Approver	Date
A	New Process	Baqar Hasan	9/1/17	Jami Massey	9/7/17
B	Verbiage and formatting. Scope and Purpose clearly defined	Erik Torres	10/4/18	Jami Massey	10/8/18