



Photo-Sonics

QP 8.7.1

Revision A

COUNTERFEIT PARTS PREVENTION

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1.0 PURPOSE & SCOPE

The purpose of this document is to describe the process and due diligence performed to prevent the purchase and/or use of Counterfeit Parts.

The Counterfeit Parts Prevention procedure applies to all employees within the company and extends to our suppliers and outsourced services. The Counterfeit Parts Prevention procedure applies to items purchased for Production (components on the Bills of Materials) as well as for equipment used for test and measurement.

2.0 PROCEDURE

- 2.1 Purchasing must examine a potential source of supply to assess the risk of receiving counterfeit parts per **QP 8.4.0 – External Provider Evaluation**.
- 2.2 Purchasing will focus buying efforts to obtain parts directly from an Original Component Manufacturer or Original Equipment Manufacturer or their Authorized Distributor whenever possible per **QP 8.4 – Control of Externally Provided Processes, Products and Services**.
- 2.3 Purchasing will request that the OCM/OEM, their Authorized Distributor or the Aftermarket Manufacturer will be required to provide Certificates of Conformance and acquisition traceability. These certificate requirements will be clearly identified on the purchase document as deliverable data.
- 2.4 Purchasing will reference and/or attach the following statement to each purchase order:
Seller shall not deliver any Products to Buyer that contain any "Counterfeit Parts" as defined in Buyer's Operating Procedure - Counterfeit Parts Prevention (QP 8.7.1)

Seller shall indemnify and hold harmless Buyer and its officers, directors and affiliated companies from any and all losses, damages, claims, cost and expenses for Seller's failure to comply with (QP 8.7.1)
- 2.5 Quality/Inspection will inspect incoming parts per section 2.4.2 of **QP 8.4 – Control of Externally Provided Processes, Products and Services**. As part of the inspection, Quality will ensure Certificates of Conformance are present, and the information on the Certificates of Conformance matches the information on the Purchase Order, as well as the characteristics of the item received.
- 2.6 Quality/Inspection will generate a Nonconforming Material Report (NCMR) per **QP 8.7.0 – Control of Nonconforming Outputs**, and quarantine the item, if any item fails Inspection, or if any item is that is considered a **suspect part** or a **counterfeit part** is discovered.

3.0 DEFINITIONS

- 3.1 **Original Equipment Manufacturer (OEM)** - is generally identified as a company that produces parts and equipment that may be marketed by another manufacturer.
- 3.2 **Original Component Manufacturer (OCM)** - an entity that designs and/or engineers a Part and is entitled to any intellectual property rights to that Part. The Part and/or its packaging is typically identified with the OCM's trademark. OCMs may contract out manufacturing and/or distribution of their Part.
- 3.3 **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.

- 3.4 **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. The Counterfeit Parts include but are not limited to:
- 3.4.1 Parts not containing the proper internal construction that is consistent with the desired, producer or ordered part,
 - 3.4.2 Unused, refurbished or reclaimed parts represented as new product,
 - 3.4.3 Parts with different packaging style, type or surface plating/finish than the required or ordered product,
 - 3.4.4 Parts not successfully completing the full production and/or test flow of the Original Component Manufacturer (OCM) that are represented as completed product,
 - 3.4.5 Parts sold or delivered as up-screened product that have not successfully completed the up-screening process,
 - 3.4.6 Parts sold or delivered with modified labeling or markings intended to misrepresent the form, fit, function or grade of the intended product.
- 3.5 **Aftermarket Manufacturer** - A manufacturer meeting one or more of these criteria:
- 3.5.1 A manufacturer authorized by the OCM/OEM to produce or provide replacement parts. The parts supplied originate from the OCM/OEM to the aftermarket manufacturer or an aftermarket manufacturer using the OCM/OEM tooling or intellectual property produces the parts,
 - 3.5.2 The manufacturer produces parts using tooling or equipment manufactured by and traceable to an OCM/OEM that was properly stored until used. The parts are subsequently assembled, tested and qualified using processes meeting the technical specifications without violating the intellectual property right, patents or copyrights,
 - 3.5.3 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.
- 3.6 **Approved Supplier** - Suppliers who are formally assessed and determined to have a low risk of providing counterfeit product,
- 3.7 **Authorized Supplier/Distributor** - Aftermarket Manufacturers and OCM/OEM authorized sources of supply for a specific part. The OEM/OCM's Authorized Distributor list will be validated prior to placement of order and placed in the supplier file.
- 3.8 **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 or OCM/OEM Authorized Distributor, quantity, date code and inspection date that is signed by a responsible associate for the supplier
- 3.9 **Government Industry Data Exchange Program (GIDEP)** - A cooperative activity between the Government and industry participants seeking to reduce or eliminate resource expenses by sharing technical information essential for research, design, development, production and operational phases of the life cycle of the system, facility or equipment,
- 3.10 **Up-screened** - Additional part testing performed to produce parts verified beyond the specification parameters of the Manufacturer



4.0 RESPONSIBILITY OVERVIEW

4.1 General

- 4.1.1 Purchasing, Engineering, Quality and other employees as appropriate are responsible to comply with the requirements and processes identified in this document.
- 4.1.2 Quality and Purchasing will ensure all suppliers are evaluated before placing a new order. Such evaluation includes quality, services and price, with an emphasis on maintaining effective processes for mitigating the risks of supplying counterfeit parts.
- 4.1.3 Any Employee who encounters an item that is considered a **suspect part** or a **counterfeit part** must bring the item to Inspection so the item can be quarantined and an NCMR created.

4.2 Purchasing

- 4.2.1 Purchasing is responsible to procure the correct parts using the applicable drawing, specification, description, supplier or other information to meet the intended use.
- 4.2.2 Whenever possible, Purchasing will procure parts directly from OCM/OEM's or their Authorized Distributors who are on the Photo-Sonics Approved Supplier List.
- 4.2.3 Purchasing is responsible to reference and/or attach the following statement to each purchase order:
 - 4.2.3.1 **Seller shall not deliver any Products to Buyer that contain any "Counterfeit Parts" as defined in Buyer's Operating Procedure - Counterfeit Parts Prevention (QP 8.7.1)**
 - 4.2.3.2 **Seller shall indemnify and hold harmless Buyer and its officers, directors and affiliated companies from any and all losses, damages, claims, cost and expenses for Seller's failure to comply with (QP 8.7.1)**

4.3 Quality

- 4.3.1 Quality will work with Purchasing will ensure all suppliers are evaluated before placing a new order. Such evaluation includes quality, services and price, with an emphasis on maintaining effective processes for mitigating the risks of supplying counterfeit parts,
- 4.3.2 Quality and Inspection are responsible to examine and/or inspect the parts to identify or mitigate the receipt and/or use of counterfeit parts,
- 4.3.3 Quality and Inspection are responsible to generate an NCMR and quarantine any item that is that is considered a **suspect part** or a **counterfeit part**.

4.4 Engineering

- 4.4.1 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



5.0 REFERENCES

5.1 Forms Supporting this Procedure

5.1.1 None at this time

5.2 Work Instructions Supporting this Procedure

5.2.1 None at this time

5.3 References

5.3.1 QP 8.4.0 – External Provider Evaluation

5.3.2 QP 8.4 – Control of Externally Provided Processes, Products and Services

5.3.3 QP 8.7.0 – Control of Nonconforming Outputs

5.3.4 AS9146 - Foreign Object Damage (FOD) Prevention Program - Requirements for Aviation, Space, and Defense Organizations

6.0 RECORDS

Record Name	Physical Location	Electronic Location
Vendor Item Cards	Not Applicable / Reference Only	Navision/Order Processing/Vendors/[Vendor_Name]/Approve Status
Supplier Quality System Certificates / Supplier Questionnaires	Not Applicable / Reference Only	Navision/Order Processing/Vendors/[Vendor_Name]/Approve Status/Attachments

7.0 REVISIONS:

Change Request #	Revision Level	Effective Date	Description of Change	Originator
3	A	9/27/2021	Added Vendor Item Cars and Supplier Quality System Certificates / Supplier Questionnaires to Records. Added AS9146 to references.	R. Mosey
2	A-1	9/24/2021	Initial Release. Added types of purchased components subject to this QP in the Purpose and Scope section. Added Navision Item card information to Records.	R. Mosey
1	01	8-18-21	Initial Draft for review	R. Mosey