

	Document no: ASP-814
	Rev: A
	Rev. Date: 5/16/2018
Title: <h2 style="text-align: center;">Counterfeit Parts Prevention Procedure</h2>	

1.0 Purpose

The purpose of this document is to describe the process and due diligence performed to prevent the purchase and/or use of Counterfeit Parts and meet the requirements of AS5553 Standard for Counterfeit Electronic Parts; Avoidance, Detection, Mitigation and Disposition.

2.0 Scope

The Counterfeit Parts Prevention procedure applies to all employees within the company and extends to our suppliers and outsourced services.

3.0 Documentation References

AS5553	Counterfeit Electronic Parts: Avoidance, Detection, Mitigation and Disposition
AS9100	Quality Management System Requirements - Aerospace
IS09001	Quality Management System Requirements

4.0 Definitions

4.1 **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.

4.2 **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. The Counterfeit Parts include but are not limited to:

- 4.2.1 Parts not containing the proper internal construction that is consistent with the desired, producer or ordered part.
- 4.2.2 Unused, refurbished or reclaimed parts represented as new product.
- 4.2.3 Parts with different packaging style, type or surface plating/finish than the required or ordered product.



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- 4.2.4 Parts not successfully completing the full production and/or test flow of the Original Component Manufacturer (OCM) that are represented as completed product.
- 4.2.5 Parts sold or delivered as up-screened product that have not successfully completed the up-screening process.
- 4.2.6 Parts sold or delivered with modified labeling or markings intended to misrepresent the form, fit, function or grade of the intended product.

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

4.3 **Aftermarket Manufacturer** - A manufacturer meeting one or more of these criteria:

- 4.3.1 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.
- 4.3.2 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.
- 4.3.3 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.

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/OEM.

- 4.4 **Approved Supplier** - Suppliers who are formally assessed and determined to have a low risk of providing counterfeit product.
- 4.5 **Authorized Supplier/Distributor** - Aftermarket Manufacturers (reference Section 4.3) 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.

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- 4.6 **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.
- 4.7 **Certificate of Conformance and Traceability (C of CT)** - 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.
- 4.8 **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.
- 4.9 **Up-screened** - Additional part testing performed to produce parts verified beyond the specification parameters of the Manufacturer.
- 5.0 **Responsibility**

Purchasing, Engineering and other associates as appropriate are responsible to comply with the requirements and processes identified in this document. Additionally, training in identifying and preventing counterfeit parts entering the supply chain will be administered to all Quality, Purchasing and Shipping/Receiving employees in accordance with ASP-840

The HABCENTER Boca Raton maintains a long history of purchasing products from reputable suppliers. The HABCENTER Boca Raton will procure parts directly from OCM/OEM's or their Authorized Distributors who are on the HABCENTER's Boca Raton Approved Supplier List. A waiver must be approved by the Customer to use a supplier other than the OCM/OEM or their Authorized Distributor.

All suppliers will continue to be evaluated by Purchasing 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 electronic parts and includes researching industry website/forums regarding the supplier's performance and review of the HABCENTER's Boca Raton past experience with previous orders.

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- 5.1 Purchasing is responsible to procure the correct parts to include but not limited to wires, cables and connectors using the applicable drawing, specification, description, supplier or other information to meet the intended use.

The HABCENTER Boca Raton is registered with GIDEP (Government-Industry Data Exchange Program) and ERAI for purposes of verifying suppliers and parts and for reporting instances of confirmed counterfeit product. Where applicable (e.g., existing stock, new suppliers, lower-tier vendors, older date codes, highly suspected parts based on HABCENTER Boca Raton 's history or ERAI or GIDEP alerts), the HABCENTER Boca Raton reserves the right to send products to the test house for further inspection.

- 5.2 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.
- 5.3 Quality associates are responsible to examine and/or inspect the parts to identify or mitigate the receipt and/or use of counterfeit parts.
- 5.4 Purchasing is responsible to 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 Standard Operating Procedure - Counterfeit Parts (ASP-814) as such procedure may be amended from time to time. A copy of ASP-814 may be found at: www.habcenter.com/manufacturing.htm

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 ASP-814.

6.0 **Procedure**

- 6.1 Purchasing must examine a potential source of supply to assess the risk of receiving counterfeit parts. Purchasing must focus buying efforts to obtain parts directly from an OCM/OEM or their Authorized Distributor. Approval for non-OCM/OEM buys must be approved by Customer.
- 6.2 At a minimum, 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.

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6.3 The HABCENTER Boca Raton has adopted the industry standard for performing incoming receiving and inspection using the IDEA 1010 Standard for inspection of product. Any suspect product identified by the HABCENTER Boca Raton through the receiving and inspection process must be either validated as authentic and accepted or verified as counterfeit product and destroyed.

Associates 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 detect or identify suspect or counterfeit parts. Suspect or counterfeit parts are placed on a Nonconformance Report (ASF-870-001 **NEW FORM**) so the items may be identified and segregated to the MRB area.

6.4 When parts have been authenticated, the Nonconformance Report (ASF-870-001) may be disposition "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.

6.5 A suspect and verified counterfeit part must be reported to Management and must remain at the HABCENTER Boca Raton. 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 criminal authorities using the reporting process listed in the AS5553 Standard, Appendix G.

7.0 **Verification of Due Diligence - Electrical Components**

The HABCENTER Boca Raton considers the due diligence applied to the material purchase successful when this procedure is followed and when finished product meets the test or inspection requirements identified for the product.

Failed product does not mean the instance was caused by a counterfeit part. The HABCENTER Boca Raton must verify the cause of the non-conformance and disposition the defect per the Control of Non-Conforming Output ASP- 870. This procedure will apply if the deficiency is suspected or attributed to a counterfeit part.

8.0 **Warranty**

The HABCENTER Boca Raton offers a 30-day (and frequently much longer) warranty against faulty product unless otherwise discussed and so documented by both the buyer and the seller and reflected as such in both the purchase order and invoice agreements pertaining to the transaction.

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If parts are found to be defective, we ask our customers to return product on an authorized RMA and to include a full engineering report, in addition to the original C of C and traceability documentation and original packaging. Returned items will be inspected to confirm they are the same lot/batch of products originally delivered. Products may be sent to our approved third-party test house for further confirmation.

The HABCENTER Boca Raton notifies our customers of non-conforming parts if the discovery is made after the product is shipped.

Revision History

REV.	SECTION	SUB-SEC.	PARA.	DOCUMENT CHANGES	DATE	AUTHOR
A	All	All	All	Initial Release	5/16/18	Bob Gilbert

Author: Bob Gilbert	Reviewed and approved by: Joseph Rengen
Date: 5-16-18	Date: 8-07-2019