



P814 – Fraudulent/Counterfeit Parts

1.0 Purpose

This procedure establishes Broadline Component’s policy on the prevention, mitigation and distribution of counterfeit products and their inclusion in products delivered to the customer.

- This procedure will be used as the guideline to communicate Broadline Component’s policy and stance on counterfeit products to all Employees, Customers and Suppliers. Its requirements must be understood, implemented and maintained as applicable by those affected.
- This procedure addresses the procurement requirements for assuring traceability of parts and components to their original authorized manufacturers.

2.0 Responsibilities and Authorities

- Top Management – responsible for ensuring that the requirements defined in this procedure are implemented at Broadline Components.
- Quality Manager – responsible for Disposition of Counterfeit Parts.
- All Employees – responsible to notify the Quality Manager if they suspect any products that they are working on are suspected counterfeit parts.

3.0 Definitions

- Suspect Part-
A part in which there is an indication that it may have been misrepresented by the supplier or manufacturer and may meet the definition of fraudulent part or counterfeit part provided below.
- Fraudulent Part-
Any suspect part intentionally misrepresented to the Customer as meeting the Customer’s requirements.
- Counterfeit Part-
A fraudulent part that has been confirmed to be a copy, imitation, or substitute that has been represented, identified, or marked as genuine, and/or altered by a source without legal right with intent to mislead, deceive, or defraud.

4.0 Procedure



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- Broadline Components specifies the requirements for the review, approval and execution of Customer contract requirements relating to the mitigation of counterfeit products.
- In the event that Customer requirements cannot be satisfied, Broadline Components shall notify the customer in writing and mutually agree to suitable contract modifications, within five days of customer request.
- The following actions are documented and shall be performed before parts can be procured.
- Unless otherwise stated, the Approved Vendor List (AVL) is reviewed for sources when parts are not directly procured from an approved OEM.
- If at any time, the source of supply changes, Broadline Components shall perform a risk assessment of the new source of supply
- Issue a revised quotation & obtain customer approval prior to shipment.
- When specific supply chain traceability documents cannot be obtained from the Supplier or parts cannot be procured from authorized sources, the customer is notified within the quote.
- Additional testing is recommended to validate part compliance. The customer purchase order will define the required testing.

5.0 Supplier Approval and Source Selection- Suppliers are evaluated per the requirements of P-840 Control of External Providers.

- Broadline Components maintains a list of Approved Suppliers including their scope and criteria for the approval.
- Assessment of the potential sources of supply to determine the risk of receiving suspect, fraudulent or confirmed counterfeit parts. This assessment requires a review of Suppliers via industry sources such as GIDEP, FAA, PDREP, JDRS & AHJ for any negative comments relating to counterfeit parts or material.
- Broadline Component's assessment of sources of supply ensures that parts and material are not purchased from sources of supply who historically failed to exercise due diligence in the detection and avoidance of such parts or material.
- Requires ongoing reviews of Suppliers and includes a formal process for assessment, corrective actions and the removal of nonconforming Suppliers.

6.0 Purchasing Requirements –

- Whenever possible and applicable Broadline Components will take an effective proactive approach to obsolescence management Purchasing shall only order parts from the Original



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Manufacturer or their Authorized Distributor. At minimum the following actions are documented, performed and considered before parts can be procured:

- Ensure that all applicable Customer PO requirements are flowed down to Suppliers via the Broadline Components PO.
- Ensure that revised Customer PO's are reviewed and approved per the same guidelines and requirements as the original Customer PO.
- Ensures that material marked for use by Military and/or Aerospace projects are not be sourced from China, India, Africa or other areas of the world known to supply counterfeit military parts or material except from the Original Manufacturer or their Authorized Distributors.
- Verify that Suppliers are authorized for the materials being procured, delivery of documents providing full Supply Chain Traceability.

7.0 Preservation of Product P-854- defines the requirements for Product Handling, Storage and Preservation of product.

8.0 Verification of Purchased Product- is addressed in P-840 Control of External Providers. The requirements for the verification of purchased product based on Customer contract requirements. The extent of the verifications, inspections and tests performed are based on customer requirements

- All verifications, inspections and tests are sampled per customer requirements.
- The results of each inspection and test performed are documented, retained, and traceable to product identification information.
- In the event that Broadline Components subcontracts the inspections or testing to laboratories. They may meet one of the following criteria:
- The laboratory shall be on DLA Laboratory Suitability List, The laboratory shall be on the DLA QTSL – Qualified Testing Suppliers List;
- The laboratory shall be ISO 9001 certified, have a completed vendor survey and a review of test reports if the lab has been used in the past.
- The laboratory has been audited and found to be acceptable by Broadline Components personnel and an audit report has been written.
- The records required to show that the subcontracted laboratory meets the criteria will be maintained electronically.
- If requested by the test facility, a copy of the summary report of any previously completed inspections and tests shall be provided.



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- Require the test facility to report to Broadline Components any discovery of suspect/fraudulent/counterfeit parts discovered in conjunction with the contracted inspection and/or tests.
- Broadline Components is responsible for evaluating and reporting the information, in the event that a suspect/fraudulent/counterfeit parts are detected.
- Broadline Components will issue an Inspection Report with each shipment and includes the requirements for reporting if required by the customer.

9.0 Material Control & Control of Nonconforming Product - In order to control the material within Broadline Component's inventory, they shall: Not alter, obliterate or redact any information from the OCM's labeling or part marking relevant to supply chain traceability. Adhesive labels may cover the OCM marking provided that the OCM marking is clearly legible after the label removal;

- Control excess and nonconforming parts to prevent them from entering the supply chain under fraudulent circumstances
- Control suspect or confirmed fraudulent/counterfeit parts to preclude their use or reentry into the supply chain by physically segregating the parts from acceptable non-suspect parts and placing in quarantine.
- Quarantine will consist of physical barriers and controlled access for a minimum of five (5) years or maintained in accordance with Customer, statutory and regulatory requirements.
- This procedure defines the requirements and methods used to control suspect, fraudulent or confirmed counterfeit parts to preclude their reentry into the supply chain or being supplied to Customers.
- The Quality Manager or Designee is authorized to disposition material deemed to be suspect, fraudulent or confirmed counterfeit. Under no circumstances may any personnel, other than the Quality Manager or designee, disposition suspect, fraudulent or confirmed counterfeit as Use-As-Is. Such disposition can only be approved by the Customer and must be communicated in writing.
- When faced with the challenge of dealing with suspect, fraudulent or confirmed counterfeit materials Broadline Components shall identify the parts as rejected with a 'Rejected' Label. Physically segregate the parts from acceptable non-suspect parts.
- Confirm the status of materials in inventory when becoming aware of that possible suspect, fraudulent or confirmed counterfeit may be held in Broadline Component's inventory.



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- Take any action deemed appropriate to eliminate the possibility of the part reentering the supply chain.
- Authorize the shipment, return or release of parts only when approved by the Customer.
- In the event that materials are discovered to be suspect or confirmed counterfeit after delivery, every effort shall be made to notify the Customer. If needed, other material of the same part number and date code will be recalled. .At the request of the supplier, Broadline Components will release a sample of the parts to the supplier so that they can perform additional testing on the product. The default return sample size shall be the lessor of ten (10) parts or 50% of each suspect lot/date code. Under no other circumstances will confirmed counterfeit parts be returned to the supplier.
- When directed to scrap materials by the Customer, Broadline Components shall render the material unusable and provide a certificate along with photos providing objective evidence that materials were destroyed.

10.0 Returned Product-

- Returns shall not be made from suppliers without proper return material authorization. All traceability paperwork must be included with the returned parts.
- Returned parts shall be handled as incoming inventory and must be inspected per P-840 and the customer requirements prior to shipment to a customer.

11.0 Reporting-

- This Procedure details the requirements for reporting all counterfeit detection tests and inspections. These reports are called Part Verification Reports
- In the event that the Organization subcontracted any of the inspections and testing to a third party test laboratory, the Organization shall forward the subcontracted inspection and test reports to the customer with no modification or transcribing of the inspection and test data.
- Include a high level summary of the all tests performed Broadline Components and third party test laboratories;
- State if any re-inspection or re-test of previously performed inspection and testing is recommended.
- All occurrences of suspect, fraudulent and confirmed counterfeit parts shall be reported within sixty days of identification to Internal Organizations Customers Applicable Government reporting



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organizations (GIDEP or equivalent) Industry supported programs (FAA or equivalent) Authorities having Jurisdiction.

12.0 Personnel Training-

- All relevant personnel, including Executive Management, Department Heads, Purchasing, Sales and Quality Inspection Personnel have been trained as appropriate to their function, in the avoidance, detection, mitigation and disposition of suspect, fraudulent or confirmed counterfeit product.
 - All Employees inspecting the materials have been trained to identify suspect/counterfeit parts.
 - When available, Broadline Components may attend industry symposiums or training and participate in industry committees to stay current with the counterfeit detection test methods and protocols.
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13.0 Internal Audit -This policy will be audited once per year and included in the audit schedule. The audit will be performed per the requirements of P-920– Internal Audits.

14.0 Records Requirements –

- All records which related to the customer purchase order and sales order will be retained electronically. All e-mails/communications with the customer will be stored electronically on the server.
 - All records which relate to the test/inspection activities will be stored electronically.
 - All records shall be retained for a minimum of 15 years.
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15.0 Attachments

None

16.0 Related Quality Documents

None

17.0 References

- P-820 – Customer Related Process
- P-840 – Control of External Providers
- P-920 – Internal Audits
- ISO 9001 Quality Management Systems – Requirements
- AS9120 QMS – Requirements for Aviation, Space and Defense Distributors
- AS6081 Fraudulent/Counterfeit Electronic Parts: Avoidance, Detection, Mitigation, and Disposition - Distributors



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- AS6174- Counterfeit Materiel; Assuring Acquisition of Authentic and Conforming Material
- DLA QSLD – Defense Logistics Agency – Criteria and Provisions for Qualified Suppliers List of Distributors
- DLA QTSL – Defense Logistics Agency – Criteria and Provisions for Qualified Testing Suppliers List
- ESD S20.20 Protection of Electrical and Electronic Parts, Assemblies and Equipment
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18.0 Revision History

Revision	Change Order Number	Date Approved	Authorizing Agent
A	N/A	6/28/17	GB