
WORK INSTRUCTION AND INSPECTION

Document: WII 14.17
Revision: 1
Responsible: Supplier Quality

Title: Counterfeit Parts/Materials Avoidance, Detection, Mitigation and Disposition

Process Organization: SP 14 - Purchasing and Procurement

Document

1 PURPOSE

1.1 This procedure establishes the control practices used for Counterfeit Parts/Materials avoidance, detection, mitigation and disposition.

2 APPLICABILITY

2.1 This procedure addresses supplied components and materials utilized by Allied Motion for incorporation into finished products supplied by Allied to our Customers.

3 DEFINITIONS

Counterfeit part/materials - an unlawful or unauthorized reproduction, substitution, or alteration that has been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified part /material from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used parts represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics.

Electronic part - an integrated circuit, a discrete electronic component (including, but not limited to, a transistor, capacitor, resistor, or diode), or a circuit Assembly. The term "electronic part" includes any embedded software or firmware.

Obsolete part/material - part or material that is no longer in production by the original manufacturer or an aftermarket manufacturer that has been provided express written authorization from the current design activity or original manufacturer.

Suspect counterfeit part/material - part or material for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the part or material is authentic.

4 RESPONSIBILITY

4.1 The facility Purchasing Manager and Quality Manager are jointly responsible for the administration of this procedure.

5 PROCEDURE

5.1 Allied Purchasing and Supplier Quality personnel will be aware and cognizant of specific activities and trends relative to Counterfeit Parts/Material Avoidance, Detection, Mitigation and Disposition practices. This will occur through use of Seminars, Industry and Governmental Communications and Quality System Standards.

5.2 Original Equipment Manufacturers (OEM), Original Component Manufacturers (OCM) or their authorized distributors/aftermarket Manufacturers or suppliers that obtain parts/materials from these sources are intended to be utilized for products and components supplied to Allied Motion for incorporation into products supplied by Allied to our Customers.

When parts are not available from any of these sources, use of suppliers that meet applicable counterfeit detection and avoidance system criteria may be utilized. Supplier Selection and Approval will be utilized to coordinate the necessary activities which will include AS9102 FAI/PPAP approvals, Customer approvals and subsequent addition to the Allied approved supplier list. Supplier and corresponding part number approvals are maintained.

The Allied quality management system is electronically integrated with the MRP system and prohibits purchase of components from either Unapproved sources or unapproved source/part number combinations.

This approach of supplier selection mitigates associated risks for Counterfeit componentry/materials receipt by Allied, therefore protecting Customers and further eliminates the proliferation of counterfeit components and materials.

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- 5.3** Allied has limited internal testing capabilities for Parts and Materials and therefore relies upon the OEM, OCM or their authorized distributors/aftermarket manufacturers for part testing. Materials testing will either occur by the OEM, OCM or 3rd party certified laboratories. All Allied finished products receive 100% functional testing prior to Shipment corresponding to agreed upon / Customer approved test criteria. Risks are further mitigated based upon this approach.
- 5.4** Parts and Materials are traceable through the supply chain back to the OEM, OCM or authorized distributor/aftermarket manufacturer via lot receipts, corresponding lot documentation and/or component serialization if applicable. Allied utilizes FIFO production activities and product traceability through our processes to the Customer occurs via applicable date code, lot code or product serialization. Allied procedure WII 13.07 Product Identification and Traceability coordinates this activity.
- 5.5** If a concern for counterfeit parts, suspect counterfeit parts or materials becomes evident, material quarantine will be coordinated by Allied Procedure WII 13.05 Control of Nonconforming Material and reporting will occur to the Contracting Officer and to the Government-Industry Data Exchange Program (GIDEP) when Allied becomes aware of, or has reason to suspect that, any part or end item, component, part, or assembly containing parts or materials purchased by the DoD, or purchased by a Contractor for delivery to, or on behalf of, the DoD, contains counterfeit parts or suspect counterfeit parts. Counterfeit parts, suspect counterfeit parts or materials will not be returned to the seller or otherwise returned to the supply chain until such time that the parts are determined to be authentic.
- The parts or material in question will be validated for authenticity via OEM, OCM or authorized distributor/aftermarket manufacturer testing or 3rd party certified laboratory.
- 5.6** This procedure is revision level controlled electronically within the Allied Quality management system and is audited annually. When need arises for procedural update, an electronic change request is generated and the revised procedure is circulated for approval by the facility Purchasing and Quality Managers.
- 5.7** Counterfeit Parts/Material avoidance, detection, mitigation and disposition requirements are flowed down through the Allied supply chain via SPM 14.02 Supplier Quality Manual and PO.

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- 5.8** Allied Purchasing and Quality receive industry publications, Customer correspondence, applicable Quality system standard(s) communications etc... and utilize to remain continually informed of current counterfeiting information and trends, including detection and avoidance techniques contained in appropriate industry standards, and using such information and techniques for continuously upgrading internal processes.
 - 5.9** Allied receives GIDEP reports and other credible sources of counterfeiting information and reviews in order to avoid the purchase or use of counterfeit parts and materials.
 - 5.10** Parts and Materials obsolescence is monitored annually in order to maximize the availability and use of authentic, originally designed, and qualified parts and materials throughout the product's life cycle.

Revision Log

| Revision | Description | Authorization | Date |
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| 1 | Initial Release | Steve Strickland | 11/1/2017 |