

Counterfeit Part Prevention Program

Quality System Reference: 7.4 Purchasing Department



Approved by: _____
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Revision History

Revision	Effectivity Date	Initiated By	Reason
A	8/1/12	J. Hinkle	Initial Release
B	12/1/12	J. Hinkle	Para 8.0 Clarified removal of supplier from approved supplier list if they shipped any product found to be counterfeit.

1.0 *Purpose*

To provide a system and instructions to prevent the purchase of Counterfeit Parts.

2.0 *Scope*

This document applies to the procurement activities at Fastener Dimensions to the extent specified herein.

3.0 *Responsibility*

Primary: Purchasing Department

Support: Sales

Quality Assurance

4.0 *References*

SP-PR-01 Purchasing Process

SP-QU-04 Control of Nonconforming Product

FD-39 Approved Supplier List

5.0 *Definitions*

Suspect Part- any part that shows indication it has been misrepresented by the Supplier or Manufacturer during inspection that may meet the criteria of a Counterfeit Part.

Counterfeit Part- any suspect part identified as a substitute or copy.

These parts have been knowingly misrepresented by a Supplier by characteristics, material or performance.

The Counterfeit Parts may include:

- Improper internal construction not consistent with the desired, producer or ordered part.
- Refurbished or used parts represented as new
- Different packaging, type or surface plating than required
- Parts not fully completing production cycle or testing by Manufacturing.
- Parts that have not completed inspection process
- Parts with modified markings or labeling intended to misrepresent the form, fit, or function of the product

OEM – Original Equipment Manufacturer

6.0 *Procedure*

6.1 All employees involved in buying, receiving, or warehousing product will be trained in Counterfeit Product Prevention.

Purchasing should focus obtaining parts directly from the Original Equipment Manufacturer (OEM), approved distributors, authorized resellers, franchised aftermarket supplier or suppliers that have a history with FDI with no evidence of counterfeit product. These companies have been reviewed and approved by the OEM.

6.2 Purchasing must maintain a list of suppliers to minimize the risk associated with receipt of counterfeit parts. See procedure for Supplier Selection, Evaluation, and Rating.

6.3 Prior to placement on the “Approved Supplier List”, purchasing must assess the potential risk of receiving counterfeit parts.

The supplier will be immediately approved if it is the OEM, or an authorized/franchised distributor.

If it is an independent broker/distributor, the assessment may be from a survey, audit, or a review of the supplier quality information through independent testing.

6.4 Purchasing will specify any applicable flowdown requirements from this procedure which will apply to the supplier.

6.5 Receiving must examine product to ensure drawing, specification, part number, manufacturer or other related information is present to detect or identify suspect or counterfeit parts. If suspect or counterfeit parts are identified, the parts are written up as nonconforming material, identified and segregated to Quality Assurance in accordance with the procedure for Control of Nonconforming Product.

6.6 Verified suspect or counterfeit parts must be reported to the Quality Assurance Manager and parts must remain at Fastener Dimensions. Management will determine what actions need to be taken.

7.0 *Receiving Inspection*

Any Certificates of Conformance or other documentation should be examined for originality and applicability to the delivered material including:

- Lot and/or date codes on the packaging do not match the lot and/or date codes on the parts.
- Manufacturer's logo or label is absent or does not match that shown on their website or on previous shipments.
- Poor use of English, misspelled words, alterations, or changes to the documentation.
- Package materials are inconsistent with the description on the shipment documentation.

If there is an elevated concern for product integrity, it may be possible to verify with the original manufacturer that the date, lot codes, or quantities listed on the documentation are valid.

7.1 *Visual Inspection*

Visual examinations should be completed during receiving process to check for obvious damage, repackaging, labeling, marking, or other indicator of counterfeit product.

Examples of counterfeits include:

- Poor quality part ink or laser marking.
- Presence of numerous date codes.
- Markings not consistent with standard marking content and format.
- Lot or date codes not consistent with OEM production records.

8.0 *Verification of Effectiveness*

A defective product does not mean it was caused by a suspect or counterfeit part. If it is determined to be counterfeit, the supplier will be removed from the Approved Supplier List and the part destroyed. The President will decide on any further action necessary.

Incoming product and Returns will be monitored for potential counterfeit product. If no suspect products have been found or returned, the process will be considered effective.