Aerospace Industries Association (AIA) Counterfeit Parts IPT

PSMC Meeting
Nov. 2009

Boeing Research & Technology
Seattle, Wa
WHAT IS A COUNTERFEIT PART?

A product produced or altered to resemble a product without authority or right to do so, with the intent to mislead or defraud by passing the imitation as original or genuine.
THE PROBLEM

Estimated counterfeit market size for all products exceeds $10B

Counterfeit items used to be confined to handbags and watches

Today anything and everything is counterfeited from components to companies

The AIA Counterfeit Parts IPT is focused on Preventing counterfeit parts and materials from entering the aerospace supply chain
WHERE DO COUNTERFEIT SEMICONDUCTORS COME FROM?

Most counterfeit parts are purchased from unauthorized distributors & brokers but they can enter anywhere in the supply/distribution network.
The Counterfeit Parts IPT (CP-IPT) shall be responsible for the identification, development, education and implementation of actionable items on counterfeit parts including risk mitigation during procurement, inspection, detection and reporting, for aerospace, space and defense industry stakeholders.
Approximately 45 members

OEM’s
- Boeing
- Northrop
- BAE
- Lockheed
- Raytheon
- Rolls Royce

Distributors
- SMT
- CTG

Government
- DLA
- DSCC
- Warner Robins

Law Enforcement agencies
- FBI
- ICE
- CBP
- Customs
AIA Counterfeit Parts IPT Committees

Policy and Acquisition
Counterfeit Parts Plan
Verification Processes
Program Managers Guide
Technical Guidance
Enforcement
Policy and Acquisition

Government Policy Recommendations

– Specify a preference for procurement from OCMs or their authorized/franchised distributors.

– Specify extra measures when procuring from Independent Distributors

– Require the Government to support and fund approaches to eliminate or mitigate the use of obsolete components.
– Require proposals for production and support contracts to identify obsolete components and establish a plan to assure trusted sources of supply, re-manufacturing, replacement, and/or redesign.

– Establish a program to escrow IP for discontinued products

– Establish a program to consign or sell surplus material with original component manufacturer or franchised distribution traceability to a "trusted source" entity.
Counterfeit Parts Plan

Coordinate with industry standard bodies to develop standards to mitigate the risks posed from counterfeit parts and materials

- **SAE AS 5553** - Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition
- **SAE AS TBD** - Distributor and Broker requirements to mitigate counterfeit parts
- **SAE AS 9120** – General requirements for Distributors
- **IEC TS TBD** – Counterfeit part risk mitigation
- **TBD Std** - counterfeit mechanical parts and materials
Verification Processes

• Define requirement verification processes support the industry
  – 1st Party
  – 2nd Party
  – 3rd Party

Program Managers Guide

• DAU Module In Work
• Awareness Programs
  – Aging Aircraft Conference presentations and Panel
  – DMSMS conference
Technical Guidance

• Assemble technical directives that apply to mitigating the risk of receiving counterfeit parts and materials
  – FAA Documentation
  – QPL’s
  – Material and Parts Standards
  – Quality Processes

Enforcement

• Identify single government contact for counterfeit part reporting
Other Issues

- IEC Development of parallel counterfeit parts industry standard
- Chinese “Mil-Spec” parts