



# 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**

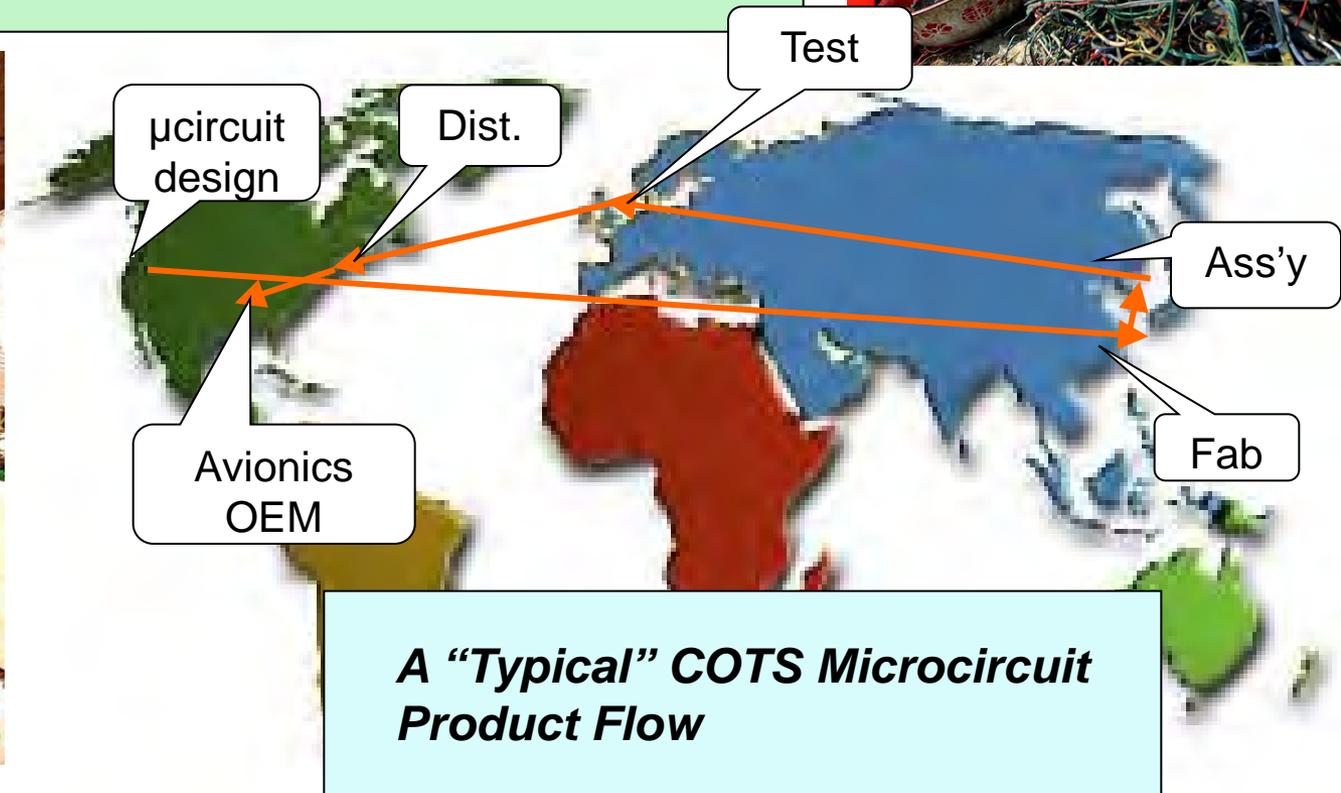
**Counterfeit items used to be confined to handbags and watches**

**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.



# AIA Counterfeit Parts Scope

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.

# AIA Counterfeit Parts IPT Membership

## Approximately 45 members

### OEM's

Boeing

BAE

Lockheed

Northrop

Raytheon

Rolls Royce

### Distributors

SMT

CTG

### Government

DLA

DSCC

Warner Robins

### Law Enforcement agencies

FBI

ICE

Customs

DCIS

CBP

# **AIA Counterfeit Parts IPT Committees**

**Policy and Acquisition**

**Counterfeit Parts Plan**

**Verification Processes**

**Program Managers Guide**

**Technical Guidance**

**Enforcement**

# AIA Counterfeit Parts IPT Committee Activities

## 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.**

# AIA Counterfeit Parts IPT Committee Activities (cont.)

- **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

# AIA Counterfeit Parts IPT Committees

## Verification Processes

- **Define requirement verification processes support the industry**
  - **1<sup>st</sup> Party**
  - **2<sup>nd</sup> Party**
  - **3<sup>rd</sup> Party**

## Program Managers Guide

- **DAU Module In Work**
- **Awareness Programs**
  - **Aging Aircraft Conference presentations and Panel**
  - **DMSMS conference**

# AIA Counterfeit Parts IPT Committees

## 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**