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	Counterfeit Material Avoidance For FCP Suppliers	Revision: -
Process Owner: Purchasing		Management:

1. Scope:

This document describes a process for FCP suppliers to follow to mitigate the risk of providing counterfeit parts or materials to FCP. In addition, this document outlines the processes use in mitigating the risk, disposition, and reporting of counterfeit parts. This process applies to FCP’s first tier supplier and all sub-tier suppliers utilized in performance of fulfilling an FCP purchase order.

2. Definitions:

- 2.1. Counterfeit Product - Product produced or altered to resemble another product without authority or right to do so and with the intent to mislead or defraud by presenting the imitation as original or genuine
- 2.2. Suspect Part – A part in which there is an indication by visual inspection, testing, or other information indicating the item may have been misrepresented by a supplier or manufacturer and may in turn meet the definition of a Counterfeit Part.
- 2.3. Counterfeit Part – A part identified as a copy or substitute without the legal right or authority to do so or a part whose material, performance, or characteristics are knowingly misrepresented by a supplier. Counterfeit Parts include but are not limited to:
 - 2.3.1. Parts not containing the proper internal construction that is consistent with the desired, producer, or ordered part.
 - 2.3.2. Used, refurbished, or reclaimed parts represented as new product.
 - 2.3.3. Parts with a different package style, type, or surface finish than the product ordered.
 - 2.3.4. Parts not successfully completing the full production and / or test flow of the Original Component Manufacturer (OCM) that are represented as completed product.
 - 2.3.5. Parts sold or delivered with modified labeling or markings intended to misrepresent the form, fit, function, or grade of the intended product.
 - 2.3.6. Parts sold as refinished, or uprated and have been identified as such are not considered counterfeit product.
- 2.4. Original Equipment Manufacturer (OEM) - An organization that manufactures a part and has obtained the intellectual property rights to that part.
- 2.5. Original Component Manufacturer (OCM) - An organization that designs and/or engineers a part and has obtained the intellectual property rights to that part.
- 2.6. Authorized Supplier/Distributor - OEM or OCM authorized source of supply for a specific part that has a contractual agreement to stock, repackage, sell, and distribute OEM or OCM product. Authorized distributors normally offer the product for sale with a full OEM or OCM flow-through warranty.
- 2.7. GIDEP – Government Industry Data Exchange Program.

3. Purchasing Processes:

- 3.1. Products to be delivered or to be incorporated into deliverables shall only be purchased from one of the following:
 - 3.1.1. OCM or OEM, or through an OCM/OEM authorized distributor chain
 - 3.1.2. From companies listed on Qualified Provider lists maintained by FCP’s customers.

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- 3.1.3. Materials, parts, or special processes shall not be acquired from independent distributors or brokers unless approved in advance in writing by FCP. Approval from FCP may be subject to approval by FCP’s customer.
- 3.2. Purchasing documents shall require the tier supplier to supply at least one of the following with each shipment. This document shall be forwarded to FCP with the applicable shipment.
 - 3.2.1. Certification of Conformance
 - 3.2.2. Material Certification or Test Certification
- 3.3. The supplier shall maintain and make available to FCP documentation that authenticates traceability of material or supplied parts throughout the supply chain to the applicable OEM/OCM. FCP has the right to request this documentation which shall be provided within 48 hours of the request. Documentation shall be maintained for a minimum of ten years after either final delivery of all items on the purchase order or final payment of all items on the purchase order, whichever is later. The supplier must request FCP’s permission to dispose of any documentation.
- 3.4. The supplier shall notify FCP in writing immediately, but in no event later than 10 days, if the supplier becomes aware or suspects that it has delivered Counterfeit or Suspect Parts or materials.

4. Identification of Counterfeit or Suspect Parts or Material:

The supplier shall notify FCP in writing within 48 hours in the event that the supplier receives or has received suspect parts/materials or counterfeit materials/parts.

5. Handling of Counterfeit or Suspect Parts or Material:

- 5.1. The supplier shall quarantine or impound any and all counterfeit or suspect parts/materials it receives.
- 5.2. FCP has the right to require that the supplier turn over the impounded counterfeit and suspect parts/materials to the appropriate authorities and to withhold payment for the parts pending the results of potential investigation.
- 5.3. Impounded parts may not be returned to the supplier’s source pending the results of any investigation. If the impounded parts/material are determined by investigation to be counterfeit, they will not be returned. Disposition will be determined by the appropriate investigating entity.

6. Due Diligence:

- 6.1. The supplier shall provide due diligence by reviewing their sub-tier suppliers including the status of any 3rd Party or 2nd Party certifications and surveillance or audit documentation as needed.
- 6.2. Any scrap parts or materials shall be rendered unusable to prevent misrepresentation. Rendering unusable includes grinding, burning, removal of a major integral feature, permanent distortion of parts and materials, cutting a significant size hole with a cutting torch or saw, melting, sawing into many small pieces, and removing manufacturer identification, part, lot, batch and serial number. Removing the identification and part markings without rendering the part unusable is not an acceptable option.



Fluid Conditioning Products, Inc.
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Revision History

Training Required?	Rev	Pages or sections affected			Date
		Revised	Added	Removed	
YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	-	NA	Initial	NA	04/04/17
YES <input type="checkbox"/> NO <input type="checkbox"/>					
YES <input type="checkbox"/> NO <input type="checkbox"/>					
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