



VECTOR ELECTRONICS & TECHNOLOGY, INC
11115 VANOWEN ST., NORTH HOLLYWOOD, CA. 91605 Tel: (818) 985-8208, Fax: (818) 985-7708

VECTOR IS ISO 9001:2008 & AS9100 CERTIFIED

Counterfeit Parts Prevention Program

Policy Letter 13-2013

1.0 Purpose

The purpose of this document is to describe the process and due diligence performed by

Vector Electronics and Technology, Inc. (VET) to prevent the purchase and / or use of Counterfeit Parts and meet the requirements of the AS5553 Standard for Counterfeit Electronic Parts Avoidance, Detection, Mitigation and Disposition in order to:

- ☐ Maximize availability of authentic parts.
- ☐ Procure parts from reliable sources.
- ☐ Assure authenticity and conformance of procured parts
- ☐ Control parts identified as counterfeit.
- ☐ Report counterfeit parts to other potential users and Government investigative authorities.

2.0 Scope

This document applies to the purchasing/procurement activities within VET to the extent specified herein.

3.0 Applicable Documents

The following publications shall be applicable to the extent specified herein, or as defined on the contract or purchase order. In the case of a conflict between this document or any of the documents referenced herein and the customers stated requirements in their contract or purchase order, the customer's requirements shall take precedence.

- ☐ AS5553, Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition
- ☐ AS9100, Quality Management System Requirements – Aerospace Unapproved Parts
- ☐ VET Quality Manual
- ☐ VET Procedures Manual



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4.0 Definitions

4.1. **Suspect Part (AS5553)** – A part in which there is an indication by visual inspection, testing, or other information indicating the item may have been misrepresented by the Supplier or Manufacturer and may in turn meet the definition of a Counterfeit Part.

4.2. **Suspected Unapproved Part (SUP) (FAA)** – A part, component, or material that is suspected of not meeting the requirements of an approved part. A part that, for any reason, a person believes is not approved. Reasons may include findings such as different finish, size, color, improper or lack of identification, incomplete or altered paperwork, or any other questionable indication.

4.3. **Counterfeit Part (AS5553)** – A suspect 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 in the Supply Chain. The Counterfeit Parts include but are not limited to:

1. Parts not containing the proper internal construction (die, manufacturer, wire bonding, etc.) consistent with the ordered part.
2. Used, refurbished, or reclaimed parts represented as new product.
3. Parts with a different package style, type, or surface plating/finish than the required or order product.
4. Parts not successfully completing the full production and/or test flow of the **Original Component Manufacturer (OCM)** that are represented as completed product.
5. Parts sold or delivered with modified labeling or markings intended to misrepresent the form, fit, function, or grade of the intended product. Note: Refinished, upscreened, or updated parts identified accordingly are not considered counterfeit product.

4.6. **Approved Supplier** – Suppliers who are formally assessed and determined to have a low risk of providing counterfeit product.

4.7. **Authorized Supplier** – Aftermarket manufacturers (reference Section 4.3) and OCM authorized sources of supply for a specific part.

4.8. **Broker** – In the independent distribution market, brokers are professionally referred to as an Independent Distributor.



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4.9. **Franchised Distributor** – A distributor with which VET has a contractual agreement to buy, stock, re-package, sell and distribute its product lines. When a distributor does not provide products in this manner, then for the purpose of AS5553, the distributor is considered an independent distributor for those products. Franchised distributors normally offer the product for sale with fully manufacturer flow-through warranty. Franchised contracts may include clauses that provide for the Original Component Manufacturer's (OCM) marketing and technical support inclusive of, but not limited to, failure analysis and corrective action, exclusivity of inventory, and competitive limiters.

4.10. **Independent Distributors** – A distributor the purchases new parts with the intention to sell and redistribute them back into the market. Purchased parts may be obtained from original equipment manufacturers (OEM's) or contract manufacturers (typically from excess inventories), or from other independent distributors. Re-sale of the purchased parts (re- distribution) may be to OEM's, contract manufactures, or other independent distributors. Independent distributors do not have contractual agreements or obligations with OCMs.

4.11. **Certificate of Conformance (C of C)** – A document provided by the supplier formally declaring the purchase order requirements are met. The document may include information relative to the manufacturer, distributor, Quantity, date code, inspection date that is signed by a responsible associate for the supplier.

4.12. **Certificate of Conformance and Traceability (C of CT)** – A certificate of conformance applicable to some military specifications requiring documented traceability of the product from the Qualified Parts List / Qualified Materials manufacturer through the product delivery to the Government.

4.13. **ERAI** – A privately held global trade associates who monitors, investigates, reports, and mediates issues affecting the global supply chain of electronics including the supply of counterfeit and substandard parts.

4.14. **GIDEP** – a cooperative activity between government and industry participants seeking to reduce or eliminate expenditures of resources by sharing technical information essential during research, design, development, production and operational phases of the life cycle of systems, facilities and equipment.

4.15. **Packaging** – Component packaging refers to the manner in which individual or grouped parts are packaged in preparation for distribution and use.

4.16. **Refinishing** – Using a plating process method after manufacture to alter the original plating composition on a parts lead or lead wire.



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4.17. **Refurbished** – Subjecting parts to a process to brighten, polish, or renovate the item in an effort to restore the item to a “like new” condition. Refurbished electronic parts may have the leads realigned and tinned.

4.18. **Upscreened** – Additional part testing performed to produce parts verified beyond the specification parameters of the manufacturer.

4.19. **Used** – Electrically charged parts removed from a prior application. Parts should be examined for nonstandard packaging, mixed lots / dates, parts from various sites, scratches, bends, test dots, faded marking, chemical residue, or other signs of use. Used parts may be sold with a limited warranty. Programmable product may still contain partial or complete programming capability that may affect part functionality. Used parts marketed as such should be declared accordingly.

Note: Additional definitions may be found in the references listed in paragraph 3.0.

5.0 Responsibility

5.1. The Quality Manager is responsible for implementation, oversight and training related to this document. All VET employees involved in purchasing, procurement, receiving and inspection activities are responsible to comply with the requirements and processes identified in this document.

5.2. Purchasing is responsible to procure the correct part/material using the applicable drawing, specification, description, or other information to ensure the product meets the customer’s requirements and the intended use.

5.3. Receiving/Inspection is responsible to examine, inspect, and/or control the parts to identify or mitigate the receipt and/or use of counterfeit parts.

6.0 Procedure

The processes shall maximize availability of authentic, originally designed and/or qualified parts throughout the product’s life cycle, including management of parts obsolescence. Additional information and guidance for ensuring parts availability is provided in Appendix A, Parts Availability of AS5553.



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6.1. Purchasing must examine a potential source of supply to assess the risk of receiving counterfeit parts. Assessment may be a survey, audit, product alert review, and a review of the supplier quality data to verify past performance. The goal is to ensure that approved sources of supply are maintaining effective processes for mitigating the risks of supplying counterfeit parts

6.2. Purchasing must maintain a list of approved suppliers along with their scope of approval in order to minimize the risk associated with the supply and/or receipt of counterfeit parts.

6.3. Purchasing shall place a priority on obtaining parts directly from an OCM, approved distributor, authorized resell organization, or franchised aftermarket supplier. These companies are reviewed and approved by the original component manufacturer as well as monitored under NWRs vendor approval process.

Note 1: Purchasing may reference Appendix C of the AS5553 Standard or AC 00-56A (as relevant) for guidelines and information related to Supply Chain Traceability. At a minimum, the OCM, distributor or the aftermarket manufacturer should be required to provide certificates of conformance and acquisition traceability. These certification requirements must be clearly identified on the Purchase Order document as deliverable data.

Note 2: In general, product with electronic components destined for

Government or military use requires a manufacturer certification.

Note 3: The specific requirements for the product may be identified from a review of the Customer purchase order, specification, or flowdown requirements. It is always prudent for purchasing to request certification and traceability data as a deliverable item even if not specifically required by the Customer.

6.4. Purchasing must specify the flowdown requirements from the Counterfeit Parts Procedure applicable to the supplier or subcontractor. Purchasing must perform some level of risk assessment if the supplier or subcontractor does not maintain a documented counterfeit part control plan compliant to the AS5553 Standard. See VET's Risk Management Procedure for risk assessment requirements.



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6.5. The Purchase Order must specify to the supplier the applicable requirements of the Counterfeit Part Procedures. In order to minimize the risk of procuring counterfeit parts the Purchase Order shall include requirements to ensure conforming, original, and authentic parts are provided. The Purchase Order may list requirements for certification and traceability; deliverable record of test and/or inspection results; and quality management system requirement for the supplier.

6.6. Persons receiving, inspecting, or processing parts/material must examine the product to ensure the drawing, specification, type, class, style, part number, manufacturer, Certificate of Conformance or other related information is present to detect or identify suspect or counterfeit parts. Suspect or counterfeit parts shall be recorded on Form #F-310, Non-Conforming Materials Report

Nonconforming Material Report so the items may be identified and segregated in accordance with VET's QP 8.3-1, Nonconformance Control quality procedure.