If you are experiencing any technical problems
Speakers

Matthew Shindell

Matthew R. Shindell is Special Counsel in the law firm of Goldberg Segalla in Philadelphia, where he concentrates his practice in the defense of product liability matters involving industrial equipment and consumer products. He is a Fellow of the American Board of Trial Advocates and a member of the Counterfeit Avoidance Mark Alliance (CAMA).

Todd Kramer

Todd Kramer is the CEO of Secure Components LLC, which is located outside of Philadelphia, Pennsylvania. Todd is an industry veteran with vast experience working within the Department of Defense & Aerospace supply chain. He has become an expert in counterfeit avoidance by participating in various international groups and committees, including the United States National Committee/International Electrotechnical Commission (USNC/IECQ), serving as Chairman of USNC/IECQ Distributors Advisory Group and his work with the SAE G-19C committee.

Sidney Vianna

Sidney Vianna is the Director of Aviation, Space & Defense Services for DNV Business Assurance, a leading global Conformity Assessment Body. He is a member of the Leadership Team of the Americas Aerospace Quality Group and also involved with the AS9100 Revision D Rewrite effort and a long-standing and senior member of ASQ.
Agenda

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Q&A
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- Anti-Counterfeit Standards and Conformity Assessment Programs – Todd Kramer
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- Q&A
Counterfeit Parts in the Aviation, Space & Defense Sectors

November 8, 2011 United States Committee on Armed Services hearing regarding counterfeit electronic parts in the defense supply chain

Counterfeiting is not limited to the defense supply chain
Section 818 of the National Defense Authorization Act for Fiscal Year 2012

Signed into law by President Obama to fight product piracy on December 31, 2011

Purpose to establish inspection, testing, detection, reporting, and authentication requirements of electronic parts for Department of Defense (DOD) contractors
Potential Penalties under Section 818

Penalties are severe and could be crippling!

Whoever traffics goods knowing they are counterfeit goods that will malfunction or will likely cause serious injury or death to a member of the Armed Forces may be fined up to $5 million and imprisoned up to 20 years.

Whoever knowingly or recklessly causes or attempts to cause serious bodily injury from the distribution of counterfeit parts may be fined up to $15 million and imprisoned up to 30 years.

All segments of the supply chain are subject to penalties, not just the counterfeiters themselves.
AS6081

AS6081 recently adopted by the DOD

According to the Defense Standardization Office adoption of the standard is analogous to “Good Housekeeping Seal of Approval.”

It is a big deal to have the endorsement of the Department of Defense

Provides uniform requirements, practices, and methods to mitigate the risks of purchasing and supplying fraudulent or counterfeit parts
**AS5553A**

Similar standards to AS6081

Pertains to manufacturers

Manufacturers should look for AS6081 distributors for purchases outside authorized channels. (Authorized Distributors/Franchise Distributors have contractual agreements with the Original Component Manufacturer (OCM))
Strict Liability

Anyone in the supply chain can be sued under this theory

A manufacturer and/or supplier will be held liable if it is determined that a product is defective and this defect resulted in personal injuries

A manufacturer or supplier under this theory can be held strictly liable even if reasonable care was exercised to ensure the product is safe

The rationale is that the risk of loss for injury resulting from defective products should be borne by the suppliers because they are in a position to absorb the loss by distributing it as a cost of doing business
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Q&A
International Standards Are Now Available

**SAE AS 5553A**
- Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition

**SAE AS 6081**
- Counterfeit Electronic Parts for Distributors

**SAE AS 6174**
- Counterfeit Materiel; Assuring Acquisition of Authentic and Conforming Materiel
Counterfeit Electronic Parts; Avoidance, Detection, Mitigation

Eradicating the Counterfeit Electronic Parts Epidemic requires!
- International Supply Chain Certification System
- Technical standard(s) recognized worldwide
- Competency based training program
- International Accreditation of Certification Bodies
- International certification program

Centralized Database of Certificates

http://certificates.iecq.org/iecq/iecqweb.nsf/ce275c27388830f1c12579ab00298c9b/d939b1450df8f2ffc1257b9f002d56a9?OpenDocument
IEC Quality Assessment System (IECQ) covering Electronic Components, Assemblies, Related Materials and Processes

For rules and details of the IECQ visit www.iecq.org

IECQ Certificate of Conformity
Approved Process
Counterfeit Avoidance Programme

IECQ Certificate No.: IECQ-P DNVUS 13.0001
Supersedes: IECQ-P DNVUS 13.0001
CB Certificate No.: USA-CAP-0001

Issue No.: 1
Issue Date: 2013/07/05
Status: Current
Org. Issue: 2013/07/05
Expiration: 2016/07/04

Secure Components, LLC.
1000 E. Main Street
Norristown, PA, 19401
United States of America

The organization has developed and implemented procedures and related processes which have been assessed by the IECQ Certification Body issuing this certificate and found to comply with the applicable requirements of the IECQ Approved Process Scheme which is in accordance with the Basic Rules IECQ 01 “Rules of Procedure”, IECQ 03-1 “IECQ General Requirements for all Schemes” & IECQ 03-2 “IECQ Approved Process Scheme” of the IEC Quality Assessment System for Electronic Components (IECQ), and in respect of standard(s) or specification(s):
Aerospace Counterfeit Document Structure

**Aerospace Standards**
- SAE AS5553 Aerospace & Avionics Counterfeit Standard
- SAE AS6462 Compliance Criteria
- SAE AS6081 Aerospace & Avionics Distributor Standard
- SAE AS6301 Compliance Criteria

**Compliance Verification Operating Documents**
- IECQ 03-7 Counterfeit Program Rules of Procedure
- IECQ OD 706-1 & 706-2 Counterfeit Program Implementation Principles
- IECQ OD 707 Counterfeit Program SME Qualification Requirements
- IECQ OD 708 Counterfeit Program Witness Assessment Criteria & Report
- IECQ On-line Certificate of Compliance

**Accreditation Documents**
- ANAB Counterfeit Accreditation Requirements
- ANAB Counterfeit Surveillance Requirements
- ANAB Counterfeit Witness Assessment Requirements

**Certification Body Operating Procedures**
- ANAB Counterfeit Accreditation Requirements

**Requirements**

**Verification**
The Chain of Custody

What does “Component Chain of Custody” mean?

Demonstrable Authenticity
From the components qualified creator
Each change of ownership is documented
Component quality & integrity assured at all times
ESD protection is carefully managed
International Supply Chain Certification System

Procurement Route Examination
The Each level must know that their supplier is compliant

Note: Encircled Words indicate the name of the process or purchased goods
Anti-Counterfeit Certification with National & International Recognition

National & International Standards

SAE
AS5553 & AS6462 + Assessment Criteria
AS6081 & AS6301 + Assessment Criteria

US Accreditation Body +
International Conformity Assessment System

3rd Party International Accredited Certification Body =

Sample IECQ Certificate of Conformity

IEC QUALITY ASSESSMENT SYSTEM (IECQ)
covering Electronic Components,
Assemblies, Related Materials and Processes
For rules and details of the IECQ visit www.iecq.org

IECQ Certificate of Conformity
Electronic Component Management Plans

IEC Certificate No: IECQ-DRVS-16.0002 Issue 1
Issue Date: 2011/02/16
Status: Current
Supersedes: IECQ-DRVS-15.0002 Issue 1
CS Certificate No: 056591
Expiration: 2014/02/17

Honeywell Aerospace Urbana
500 State Route 55
Urbana, Ohio 43078
United States of America

The organization has developed and implemented Electronic Component Management Plans and related processes which have been assessed and found to comply with the applicable requirements for IEC Quality Assessment System for Electronic Components (IECQ) and in accordance with the Basic Rules ECO-01 and Rules of Procedures ECO-04 of "IECQ Quality Assessment System for Electronic Components (IECQ) and in respect of Process Management assessment(s)."

IEC GS 42328 6.1.1 Proposed Standard for Assessment - Preparation of an Electronic Components Management Plan

Plan reference:
IECQ-DRVS-16.0002 Electronic Component Management Program (ECMP)
Plan Scope:
The process management system associated with the preparation of an electronic components management plan for the design and production of components for aircraft, marine and ground transportation systems.

Approved by Certification Body (CB):
Certification Body: Honeywell Aerospace

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Q&A
Todd Kramer, CEO of Secure Components

AS9120

ISO9001-2008

AS6081

QTSL Certified
Buying Cheap – Selling High

What is wrong with this???

- Housing bubble – sub-prime mortgages
- Trading Places
- Components too good to be true
Secure Components Has A Different Mission – We Had To Do Better

- From lessons learned on buying cheap and selling high
- We educated ourselves on the problems associated with e-waste
- We recognized the risks and dangers for the men and women in our military that we were providing parts to.
Recognition for the DoD to Implement Radical Changes

• NDAA section 818 – Pres. Barack Obama
• Senate Arms Committee: Senators McCain and Levin
• Legal Ramifications
Actions Taken

We Joined:

• United States National Committee (USNC)
• International Electro-technical Committee Quality (IECQ)
• IECQ - Distributors Advisory Group (DAG)
• SAE – G19C – Develop of AS6301 – Auditing Criteria
• Counterfeit Avoidance Mark Alliance (CAMA)
Hurdles and Commitments to Implement AS6081 Procedures and a Counterfeit Avoidance Plan

Pain and Suffering

- Financial
- Resources (man hours)
- Energy – Many late nights
- Will – Investing now for tomorrow
- Hand to hand combat over terms and phrases with industry
- 6 ½ days of assessor time
- QMS and CAP by one CB
AS6081 Flow Down Chart
Successful Results

AS6081 and AS9120

- Improvement to business and quality systems
- Industry leadership roles – representing US distributors and brokers at the International level
- Learned how to buy from foreign entities effectively
- Participated in founding Not For Profit – CAMA Organization
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Anti-counterfeit auditing, the view from a CB

Counterfeit products undermine the safety and reliability of critical products in both commercial and military applications.

Interested parties are claiming for mechanisms that assist in the enhancement of assurance and confidence of counterfeit-free supply chains.

Industry standards, such as the SAE AS6081, AS5553 and AS6174 will assist stakeholders in mitigating counterfeit parts, as long as the conformity assessment process is robust and recognized.

To that effect, we are working to ensure that any attestation of conformity against the standards provides for confidence and assurance.
Anti-counterfeit auditing, the view from a CB

The IECQ has developed an accreditation process for AS6081 and AS5553

ANAB is developing accreditation programs for both of the standards

The SAE G19 is developing the standards we have been talking about, but many other stakeholders are increasingly involved

IAQG SCMH being developed

Combined certification

The Organization shall be certified to a quality management system standard, ISO 9001, SAE AS9120 or equivalent by a Certification Body accredited for the specific standard by an International Accreditation Forum (IAF) Multilateral Recognition Arrangements (MLA) Signatory Accreditation Body (http://www.iaf.nu/). Such certification and certification to this standard shall be accomplished by combined or integrated audit criteria, as determined by the Organization’s Quality Management System and 4.2 Fraudulent/Counterfeit Electronic Parts Control Plan herein.
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Q&A
Counterfeit Avoidance Mark Alliance® (CAMA®)

is a membership-based international organization bringing together business leaders, producers, regulators, standards development and conformity assessment organizations to address and mitigate the counterfeit epidemic worldwide. CAMA® members and associates are authorized to display the CAMA® alliance trust mark on their website and marketing material.

Networking and access to the following offerings and organizations:

- Independent and Franchised Distributors and Brokers covering a broad range of products/services;
- Design, manufacture, services, repair and test companies working in the component, material subassembly and finished goods industries;
- Standards Development organizations;
- Conformity Assessment and Laboratory Accreditation Organizations such as iLAC, IAF, IEC, ISO;
- Hazardous Substance Free Mark Alliance (HSF Mark);
- Accredited Conformity Assessment and Laboratory Testing Organizations;
- Training and Consulting Organizations;
- Small Business Development Centers.
Counterfeit Parts in Military Equipment

The US Senate Armed Services Committee held a hearing in November 2011 on the issue of counterfeit electronic components found in US military hardware—mostly found in electronic systems of helicopters and airplanes.

We welcome your interest in joining our organization. For membership information and application please follow the link.
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