		CORPORATE PROCEDURE	
Document Number: ABN-0027		Revision: B	
Document Name: Corporate Counterfeit Management Procedure		Written By: Christine Mason	
Effective (Initial Release) Date: 04/21/2016	Revision Date: 02/07/2020	Reference (ECN / ECO / DCRN) #: W62414	

1. PURPOSE

Procedure to provide the process of AirBorn supply chain management in regard to counterfeit product. Need for the procedure stems from the significant and increasing volume of counterfeit product entering the supply chain, posing significant performance, reliability and safety risks.

2. SCOPE

Assist AirBorn, Inc. in procuring parts from reliable sources; To ensure authenticity and conformance of procured parts; Control parts identified as counterfeit, if applicable; report counterfeit parts to Government Investigative Authorities.


3. DEFINITIONS

- Goods: consists of those parts delivered under a Purchase Order that are the lowest level of separately identifiable items (e.g., articles, components, product, work, materials, and assemblies).
- Counterfeit Goods: Goods that are or contain items misrepresented as having been designed and/or produced or procured under seller 's approved system, substitutes or unauthorized copies of a product, a product as defined by the manufacturers' part number identification, date code and manufacturers' identification (logo, trademark) in which the materials used or the performance of rite product has changed without notice by someone other than the original manufacturer of the product, a substandard component misrepresented by the supplier, products that have been re-topped (black-topped), remarked or otherwise fraudulently altered and/or misrepresented by a 3rd party.

4. DEPARTMENTS RESPONSIBLE

Purchasing / Buyer

- Contact and forward information to customer service that a part is not available from an authorized supplier, but can be purchased from an unauthorized supplier.
- Sets up supplier in ERP under conditional approved status.
- Request to engineering that a temporary number be assigned to the part to distinguish from existing stock
- Order a sample of the part from the conditional supplier for testing, if needed
- Ensure that Supplier remains conditionally approved on a part by part basis within the ERP System
- Retain testing documentation, waiver or deviation, if applicable, and any other documentation at X:\Common\Materials\Counterfeit Materials
- Cancel the remaining quantities ordered - parts cannot be used for application
- Contact the supplier about the counterfeit nature of the material. Where applicable, Buyer discusses options with the supplier for disposition of the affected material in order to prevent re-entry into the supply chain. This may include meticulously

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documenting the counterfeit product and then destroying the product as to render it useless and unsalable.

Customer / Service

- Contact the customer to receive approval to purchase parts from an unauthorized supplier. (Recommend a documented deviation or waiver be completed where the customers approval is on a signature line)
- Customer Service notifies customer that product cannot be manufactured by AirBorn based on part availability or lead time extension

Engineering


- Assign temporary part number within ERP system
- Complete required testing to ensure part is valid and not counterfeit. Testing may include x-ray, electrical test, functional test etc.
- Transfer part number from existing part number from temporary part number
 - Provide data to QA and instructs QA that parts are counterfeit.

Quality Assurance

- Segregates the product into MRB following the site control of nonconforming procedure and identify product as Counterfeit – Do Not Use.
- Notify Compliance to for AirBorn to report the incident to the appropriate government agencies (i.e. GIDEP).
- Counterfeit material shall not be returned to vendor in order to prevent the material from re-entering the supply chain.

Compliance

- Notify the appropriate government agencies (i.e. GIDEP) about the counterfeit incident, where applicable.

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5. PROCEDURE / PROCESS

Avoidance: AirBorn shall only buy product from authorized suppliers.

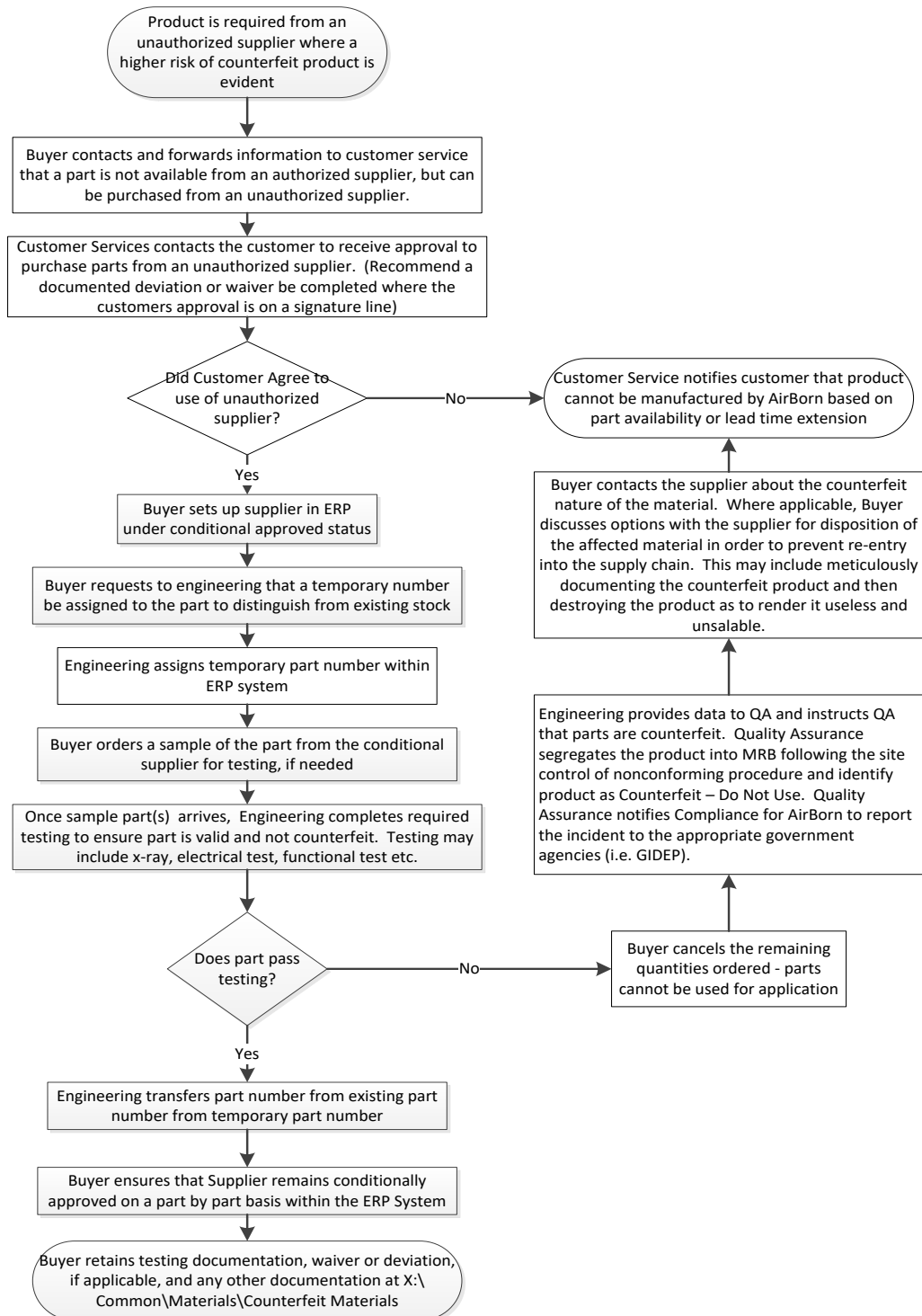
Detection / Mitigation:

If a need were to arise based on availability and or obsolescence of part whether design is AirBorn or customer owner, AirBorn shall follow the detection program listed in the PFD (Process Flow Diagram) of this procedure.

Disposition: If material is identified to be counterfeit, AirBorn will segregate the product into MRB following the site control of nonconforming procedure and identify product as Counterfeit – Do Not Use. AirBorn will contact the supplier furnishing the material and provide data supporting the counterfeit nature of the material. AirBorn will discuss options with the supplier for disposition of the affected material in order to prevent re-entry into the supply chain. This may include meticulously documenting the counterfeit product and then destroying the product as to render it useless and unsalable. AirBorn will also report the incident to the appropriate government agencies (i.e. GIDEP).

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6. PFD – PROCESS FLOW DIAGRAM





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7. FORMS - NA

8. RECORDS

RECORD	STORAGE LOCATION	RETENTION PERIOD
Testing documentation, waiver or deviation	X:\Common\Materials\ Counterfeit Materials	10 YEARS

9. KPIs – KEY PROCESS INDICATORS

KPI	FREQUENCY	CONTROL METHOD	RESPONSIBILITY
NA			

10. ASSOCIATED / REFERENCE DOCUMENTS

AS5553 – Fraudulent/Counterfeit Electronics Parts; Avoidance, Detection, Mitigation and Disposition.

AS6496 - Fraudulent/Counterfeit Electronics Parts; Avoidance, Detection, Mitigation and Disposition-Authorized/Franchised Distribution (not applicable to AESCO).

B AS6174 – Counterfeit Material; Assuring Acquisition of Authentic and Conforming Material.

11. OTHER

NA

12. REVISIONS

Revision	Reference # (DCRN/ECO/ECN)	Description of Revision	Revised By:	Date
-	NA	Initial Release	C. Mason	04/17/2016
A	W61690	Added 3 rd item under Quality	C. Mason	11/07/2019
B	ECN W62414	Added AS6174 to Section 10.	DLH	02/17/2020