

# Fraudulent/Counterfeit Parts Mitigation Policy



## POLICY TOWARDS FRAUDULENT/COUNTERFEIT ELECTRONIC PARTS: AVOIDANCE, DETECTION, MITIGATION, AND DISPOSITION

TranSpec Fasteners, Inc. (“TranSpec”) understands and appreciates the ever-growing concern to the significant and increasing volume of fraudulent/counterfeit electronic parts entering the aerospace supply chain, posing significant performance, reliability, and safety risks. Because of the growing number of fraudulent/counterfeit electronic parts entering the supply chain, TranSpec has established requirements and practices to mitigate the risk of buying, receiving, and selling fraudulent/counterfeit electronic parts. Some of which are related to supplier management, procurement, inspection, test/evaluation, as well as response strategies when suspect or confirmed fraudulent/counterfeit electronic parts are discovered.

To begin, TranSpec is currently certified to a comprehensive quality management system STANDARD ISO 9001:2015 and AS 9120B:2016, accredited by ABS Quality Evaluations, Inc., expiration date March 6, 2019 (Certification #43200). Secondly, TranSpec has initiated the process of complying with the new STANDARD SAE AS6081, as well as SAE AS5553. Currently, our policy to prevent the purchase, acceptance, and distribution of fraudulent/counterfeit electronic parts is in the documentation stage. There is also a strict policy on the disposition and reporting of parts determined to be suspect, fraudulent, and/or confirmed counterfeit. Management is ensuring that its policy is communicated, understood, implemented, and maintained at all levels of the Organization.

TranSpec maintains a register of Approved Suppliers, including the scope and criteria for approval. Approval includes: historical experience with procuring product from that particular source, a listing or reference to any unresolved documented problems noted by external sources (ERAI, GIDEP, IDEA), Statistical techniques are used in the approval process. First (and best) step of mitigation, items that are procured for our customers are obtained directly from either an authorized, franchised source, or directly from the Original Component Manufacturer (OCM). Our processes will require the retention of records providing supply chain traceability back to the OCM.

In the event our customers purchase electronic products from us where there is no supplied traceability available, then the following procedures may be implemented to mitigate any fraudulent/counterfeit electronic parts: Minimum required tests for ACTIVE Components • Documentation and Packaging (non-destructive) • Solderability testing on components with date codes 2+ years • External Visual Inspection • Remarking and Resurfacing (destructive) • Solvent Test for Remarking • Radiological (X-Ray) Inspection • Lead Finish Evaluation • Delid/Decapsulation Internal Analysis (destructive) Minimum required tests for PASSIVE Components.

After all such tests, the test report is to be accompanied with the material. The country of purchase will also be disclosed. Another important aspect of controlling the counterfeit issues in our industry is the disposition of non-conforming product. If suspected unapproved or counterfeit products are received by TranSpec, the supplier will be notified and, upon agreement, a sample will be sent to an independent third party test laboratory for additional evaluation and testing. Should the supplier not agree to additional testing or if the product fails such testing, product will be destroyed at TranSpec at the supplier’s cost. It is understood that fraudulent/counterfeit electronic parts have no value, and any Limitations of Warranties provision contained in the Supplier’s Terms and Conditions will be declared null and void if it is later determined that fraudulent/counterfeit electronic parts or suspect fraudulent/counterfeit electronic parts were received by TranSpec from the supplier.

Concerns regarding this policy, or violations, can be reported as follows:

By mail to the attention of Sales Manager at the following address:

**TranSpec Fasteners, Inc.**  
**2700 Handley Ederville Road**  
**Fort Worth, TX 76118**  
**(817) 462-9300**

Or by email to [salesmgr@transpec.com](mailto:salesmgr@transpec.com)

Suppliers are encouraged to first contact TranSpec if they have any questions concerning this policy. This policy will be reviewed and updated as needed.