COUNTERFEIT AVOIDANCE IN THE AEROSPACE INDUSTRY

PRI CAAP

COUNTERFEIT AVOIDANCE ACCREDITATION PROGRAM

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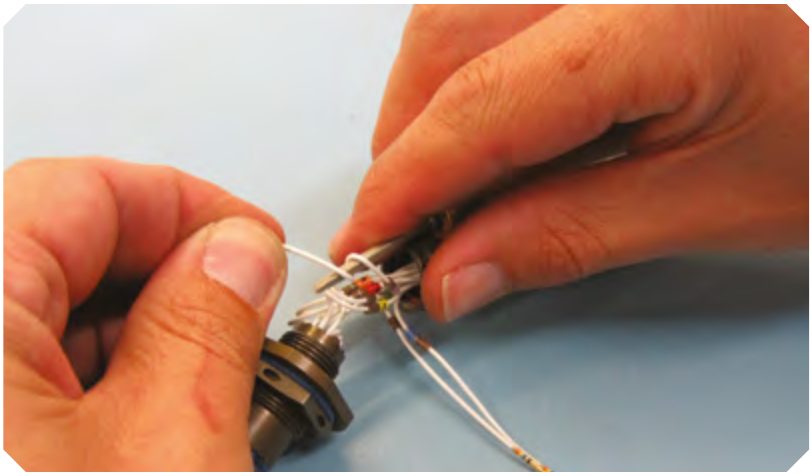


"WITH THE INCREASED FOCUS ON COUNTERFEIT PARTS IN THE AEROSPACE INDUSTRY, OUR WORK ESTABLISHING A SYSTEM OF ENSURING COMPLIANCE TO GOVERNMENTAL AND INDUSTRY REQUIREMENTS IS OF CRITICAL IMPORTANCE."

BOB BODEMULLER, SUPPLY CHAIN QUALITY PRINCIPAL ENGINEER, LOCKHEED MARTIN

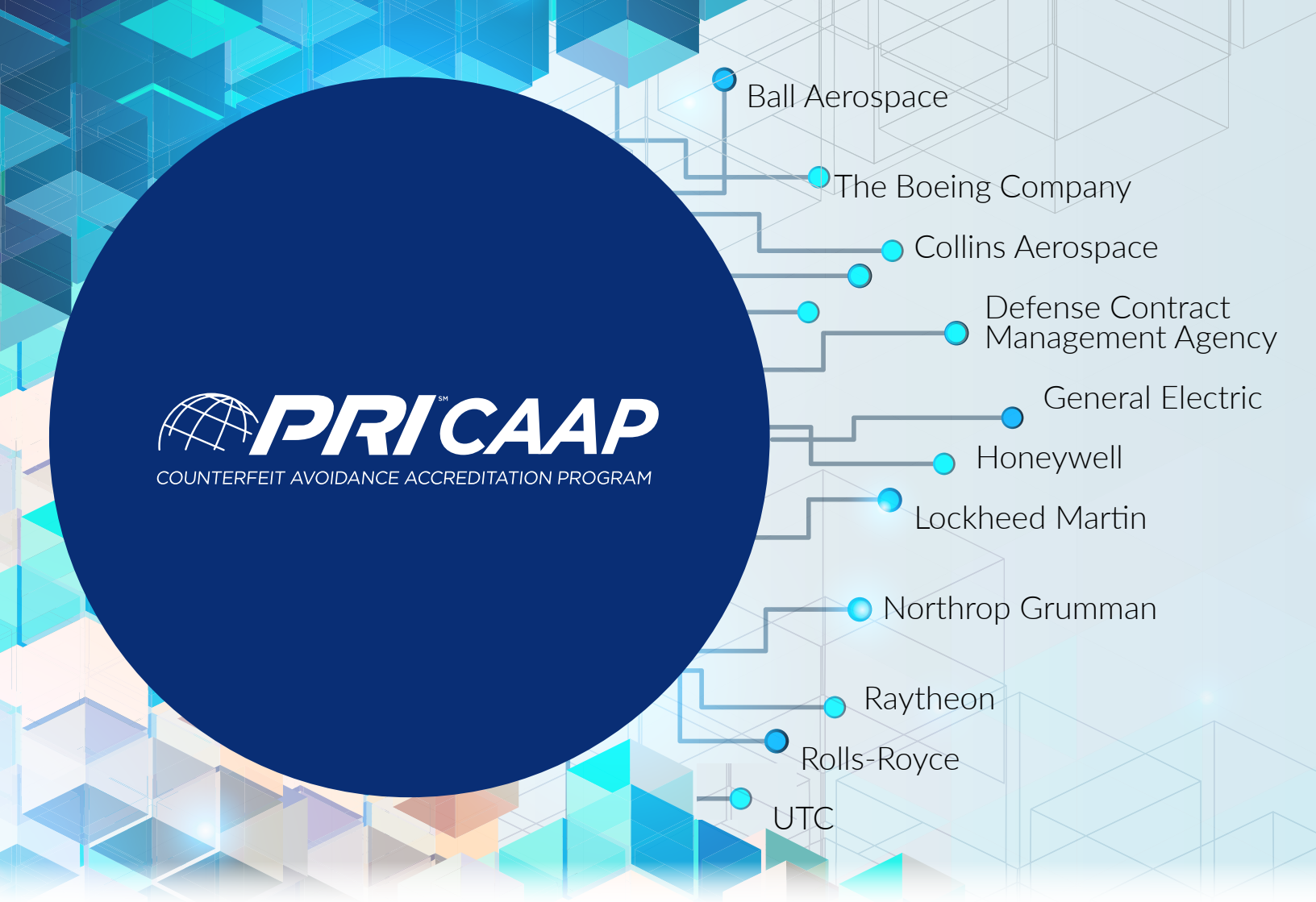
The PRI Counterfeit Avoidance Accreditation Program (CAAP) is a cooperative industry effort to mitigate the risk of introducing counterfeit parts into the supply chain and minimize the cost for compliance throughout the aviation, space, and defense industries.

WHAT IS PRI CAAP?

As the aerospace industry becomes more global, budgets become more pressured and counterfeiters become more sophisticated, the challenge of preventing counterfeit parts from entering the supply chain continues to grow. Modelled on the success of the Nadcap* program, PRI CAAP mitigates that risk through a stringent audit and accreditation process that validates the processes companies have in place to protect their business against the introduction of counterfeit parts, and shows them where they need to implement improvements.

PRI CAAP was established to enable organizations to demonstrate that they have systems in place to identify counterfeit products, and to minimize the risks associated with them. PRI CAAP accreditation reassures their customers of their vigilance and ability to act appropriately. The Defense Federal Acquisition Regulation Supplement (DFARS) issued by the US Department of Defense has made this activity even more important.

* Nadcap is another aerospace industry-managed program administered by the not-for-profit Performance Review Institute.



INDUSTRY PARTICIPATION

HOW PRI CAAP WORKS

To obtain PRI CAAP accreditation, a company contacts PRI and requests an audit. The audit is scheduled for a suitable date, with an appropriately qualified auditor.

Once the audit has been performed, the auditor submits a report summarizing the audit scope and any nonconformances identified during the audit.

The audit report is reviewed by the auditee, who is required to address any non-conformances (NCRs) identified in the report.

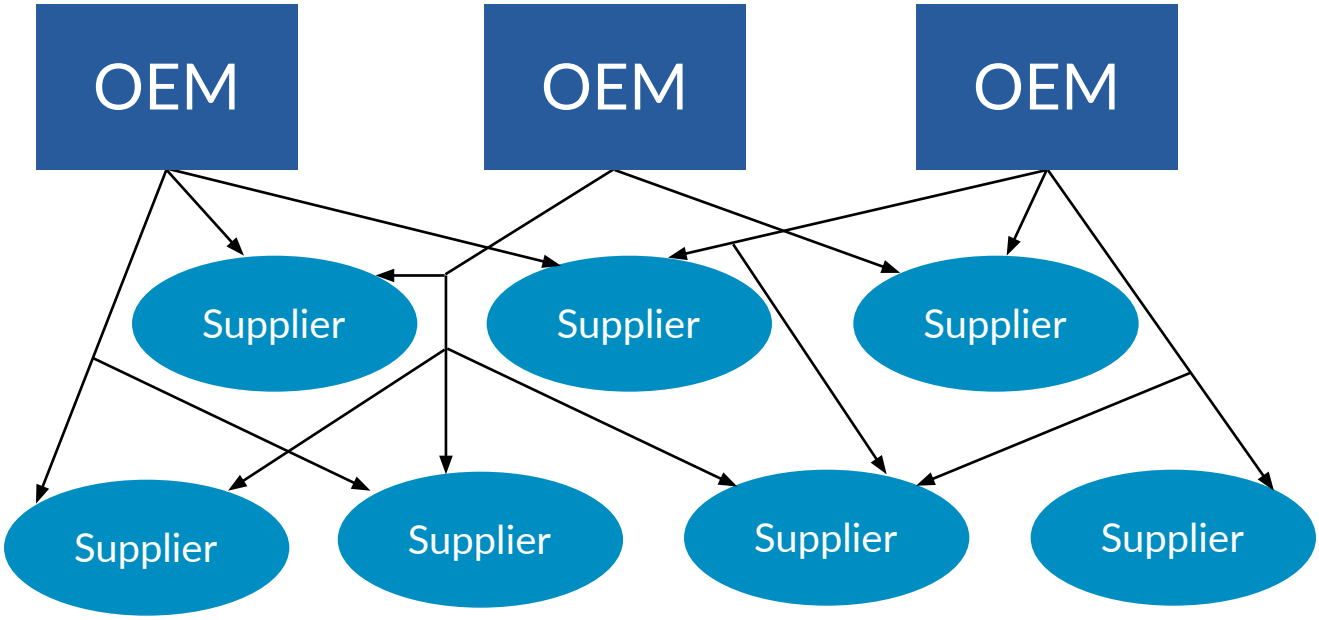
The audit report and NCR responses are reviewed by a PRI Staff Engineer, who is a process specialist. The Staff Engineer may request more information from the auditee.

When the Staff Engineer is satisfied, the audit report and NCR responses are shared with the Task Group for review. They are technical specialists from Industry. They may also request more information.

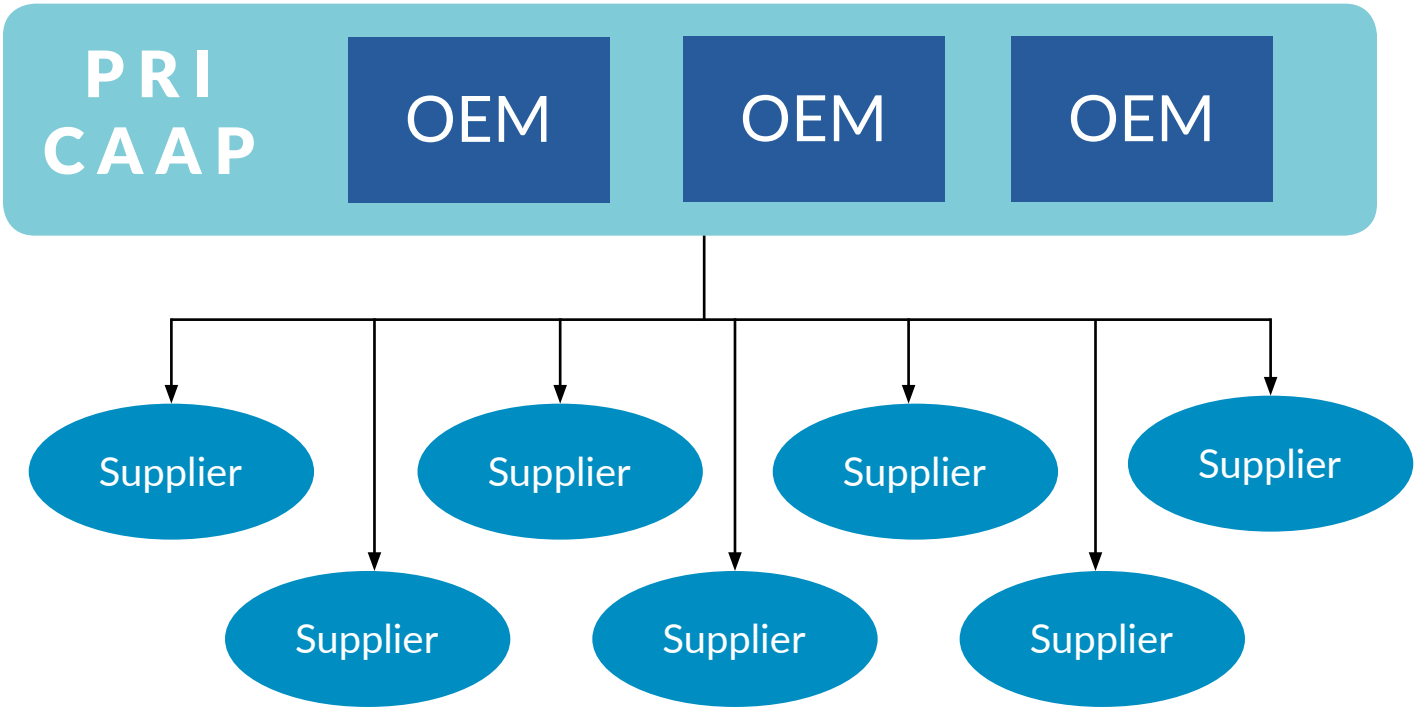
Once the Task Group is satisfied, they authorize a time-limited accreditation and a certificate is issued to the auditee.

The next audit is arranged prior to the certificate expiration date to ensure continuous accreditation.

CURRENT SUPPLIER OVERSIGHT



SUPPLIER OVERSIGHT USING PRI CAAP



PROGRAM SCOPE

Electrical, Electronic and Electromechanical (EEE) Parts

AC7401 Audit Criteria for Accreditation to AS5553 (Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition)

AC7401/1 Audit Criteria for Compliance to DFARS 252.246-7007 (Contractor Counterfeit Electronic Part Detection and Avoidance System) and DFARS 252.246-7008 (Sources of Electronic Parts)

Distributors

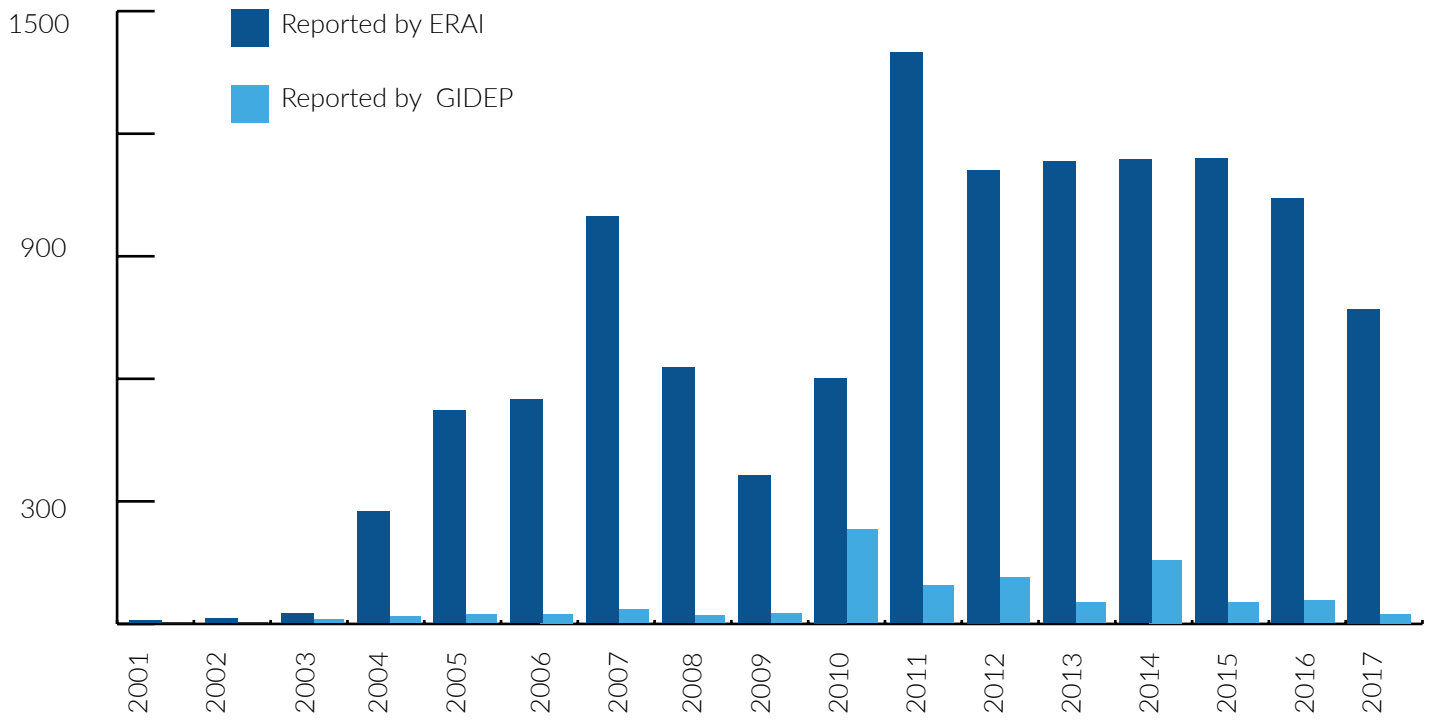
AC7402 Audit Criteria for Accreditation to AS6081 (Fraudulent/Counterfeit Electronic Parts: Avoidance, Detection, Mitigation, and Disposition - Distributors)

AC7403 Audit Criteria for Accreditation to AS6496 (Fraudulent/Counterfeit Electronic Parts: Avoidance, Detection, Mitigation, and Disposition - Authorized/Franchised Distribution)

"THE AUDIT CHECKLIST VERIFIES THAT THERE IS A SYSTEM IN PLACE WHICH SHOULD PREVENT COUNTERFEIT PARTS FROM GETTING INTO THE SUPPLY CHAIN."

DON ELARIO, VICE PRESIDENT FOR INDUSTRY PRACTICES, ELECTRONIC COMPONENTS INDUSTRY ASSOCIATION

SUSPECT COUNTERFEIT & HIGH RISK PARTS



HOW PRI CAAP ADDRESSES INDUSTRY CONCERNS

Industry Harmonization

As the counterfeit market expands and becomes more sophisticated, there is a growing need for companies to identify a consistent, integrated solution that can be implemented across all their business units, and throughout their supply chain. PRI CAAP satisfies this need as it supports internal and industry-wide counterfeit risk mitigation.

Supply Chain Compliance & Control

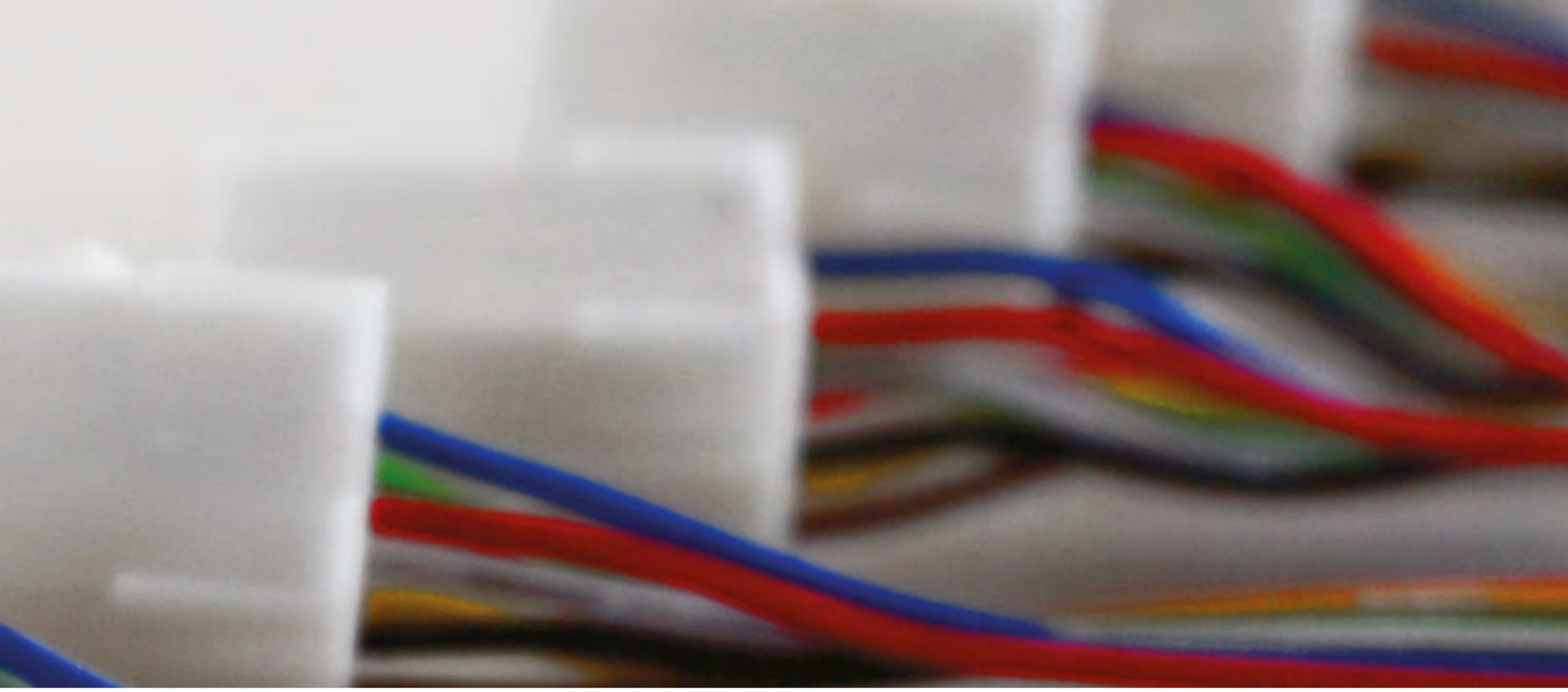
It is imperative that companies maintain control of their supply chain, and ensure compliance at every level to mitigate the risk of introducing counterfeit parts into the end product. PRI CAAP supports this effort by facilitating cooperation, communication and transparency throughout the supply chain. This also helps improve business relationships and identify high performing suppliers who are dedicated to excellence.

Budget Pressures

Similar to Nadcap, PRI CAAP offers cost savings for all participants because of the collaborative nature of the program. One Nadcap participant reports savings in excess of $1million annually.

By working together to share expertise and best practices through the program, industry participants achieve superior technical audits while reducing the cost and effort required to administer and operate a compliance program.

Suppliers also experience cost reductions as PRI CAAP harmonizes cross-industry requirements into one accreditation, rather than one per customer.



Government & Regulatory Approval

While current practices may be acceptable, complacency is a counterfeiter's dream. Speaking in 2012, the Acting Assistant Defense Secretary for the US Government, George Little, commented:

"We take seriously this very important issue"

while the Chairman of the US Senate Armed Forces Committee, which conducted an investigation into counterfeit parts in US military and other equipment, added:

"It is just something that must be stopped for the security and safety of our troops"

The industry must continue to lead the way in coordinating their efforts and demonstrating control over the counterfeit issue. Participation in the PRI CAAP program, and achieving accreditation, evidences this commitment.

The Industry Needs Oversight Now

Companies are already collaborating to generate standards to define best practices for mitigating the risk of counterfeit parts. With increasing pressure from the Industry and Government, there is a growing momentum to establish a mechanism for ensuring compliance to those standards throughout the supply chain, not just at the OEM or first tier level.

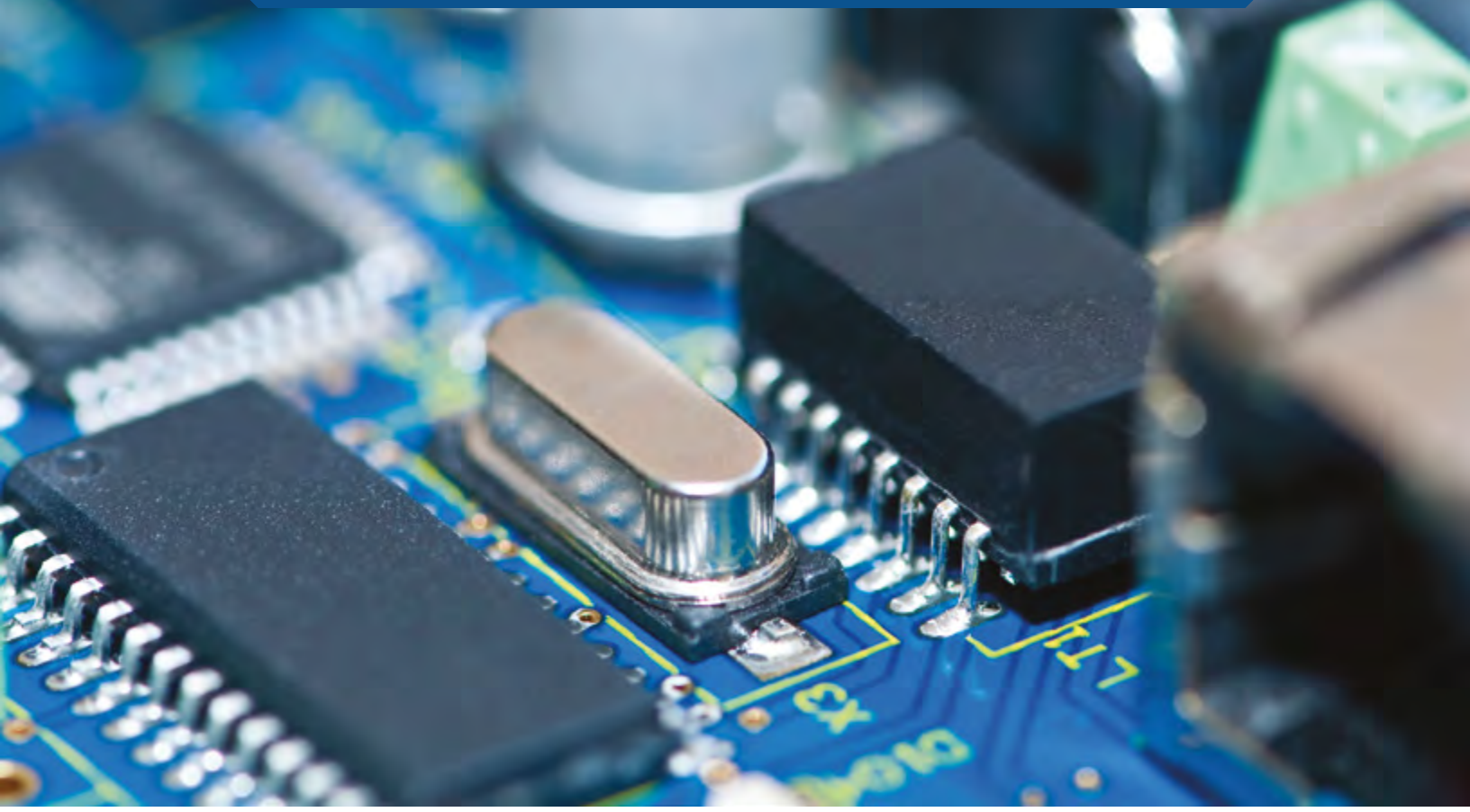
PRI CAAP provides the industry-wide, supply chain oversight that is needed in a cost-effective way that minimizes internal resource requirements.

Major Companies Are Already Benefiting

Many of the largest international commercial and military companies are already benefiting from participation. For those not yet involved, this represents an opportunity to work with them as equal partners to fight a common enemy that threatens to undermine the integrity and reputation of the industry as a whole.

"BY ENSURING COMPLIANCE TO THE DEMANDING CAAP AUDIT CRITERIA, ROCKWELL COLLINS IS SENDING A CLEAR MESSAGE TO OUR CUSTOMERS THAT WE HAVE THE SYSTEMS IN PLACE TO ENSURE HIGH-QUALITY MANUFACTURING OF OUR PRODUCTS. OUR TEAMS ACROSS THE BUSINESS HAVE WORKED EXTREMELY HARD TO EARN THIS ACCREDITATION, WHICH POSITIONS OUR COMPANY AS AN INDUSTRY LEADER IN COUNTERFEIT AVOIDANCE."

BRUCE KING, SENIOR VICE PRESIDENT OF OPERATIONS, ROCKWELL COLLINS



Rolling Out Implementation

While the idea of launching a new accreditation to your supply chain may seem daunting, PRI has an established approach that has already proved successful with Nadcap. From evaluating the readiness of your supply chain to determining how to communicate your expectations, and establishing a suitable time frame for compliance, PRI has the experience to support you through the process.

Building Relationships Throughout the Supply Chain

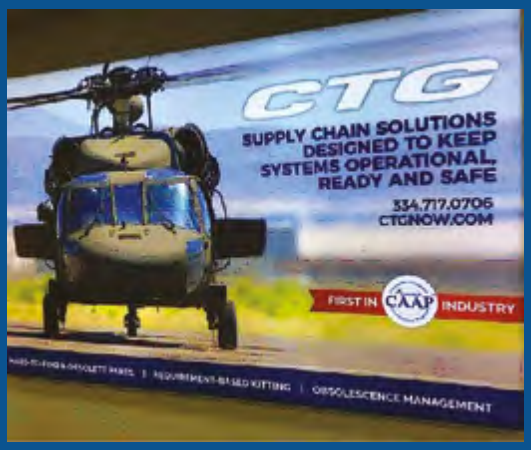
The value of the program is that it does not focus solely on the visible relationships from customer to supplier, but also on those that reach all the way through the sub-tiers of the supply chain. PRI CAAP helps to provide oversight in the areas where it is most challenging to achieve.

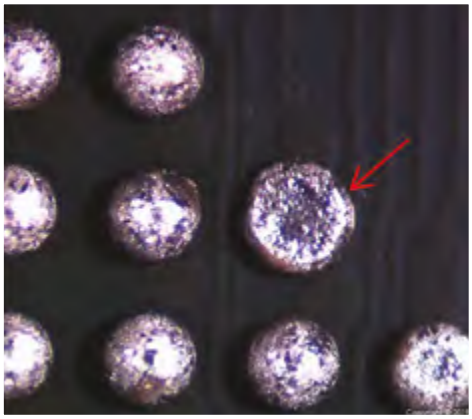
Consolidating Efforts in 9100

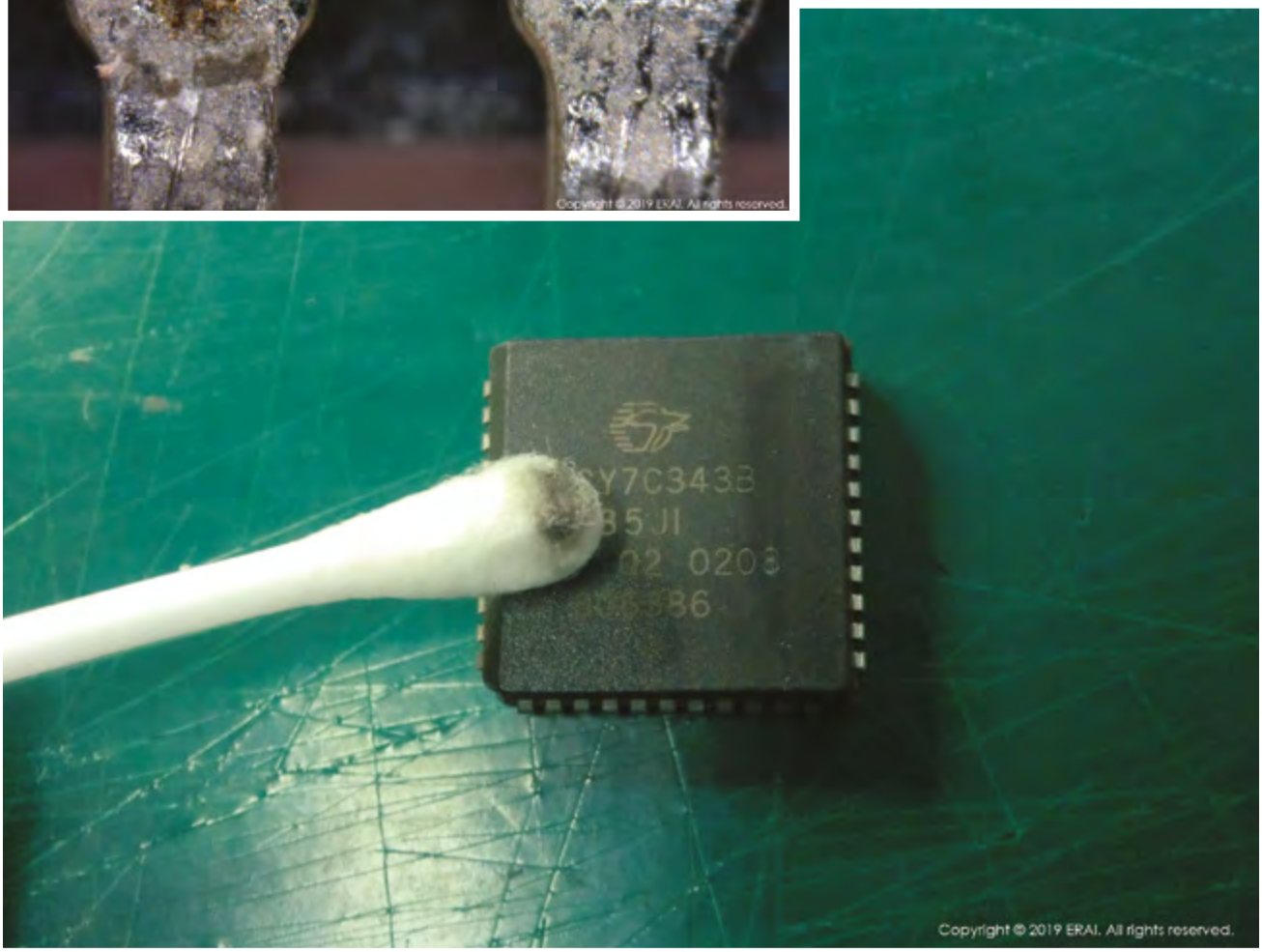
91XX only requires that counterfeit prevention be accounted for, and it is just one part of the entire QMS audit. This leaves many gaps, especially in critical areas like electronics. The PRI CAAP audit focuses specifically on the counterfeit prevention system and reviews it in detail with additional industry supported requirements.

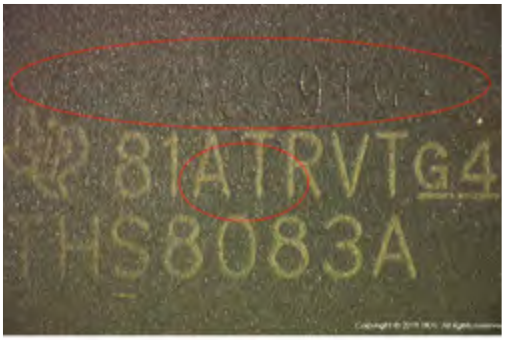
"COMPLETION OF THE RIGOROUS CAAP AUDIT IS A TESTAMENT TO OUR DEDICATION TO QUALITY AND BEING ON THE FOREFRONT OF COUNTERFEIT AVOIDANCE."

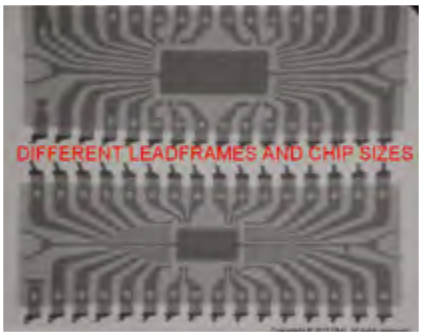
JOSEPH MANCINO
CHIEF EXECUTIVE OFFICER
CRESTWOOD TECHNOLOGY GROUP











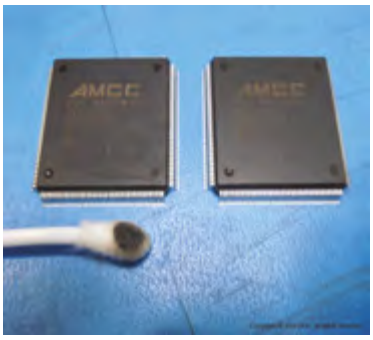
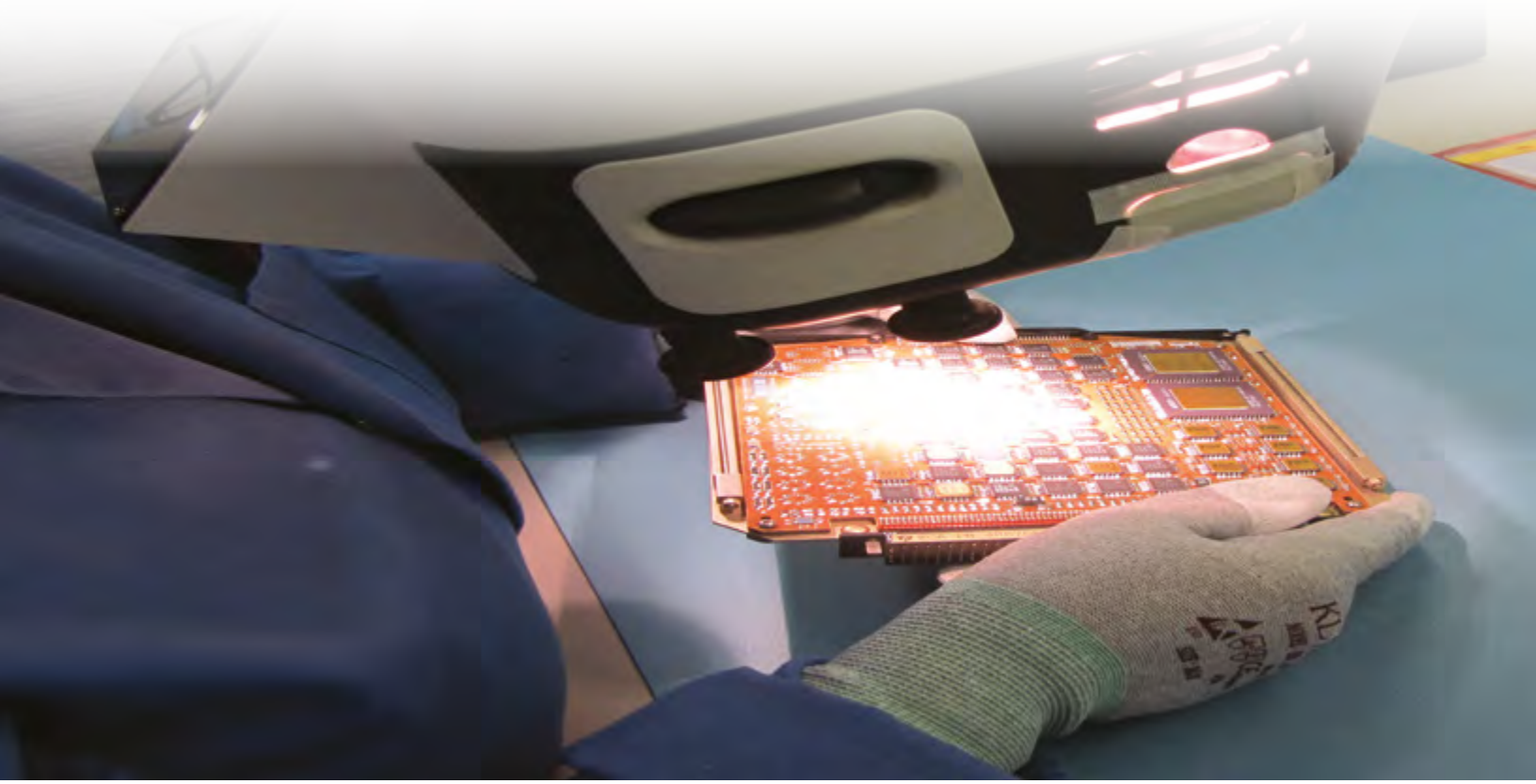
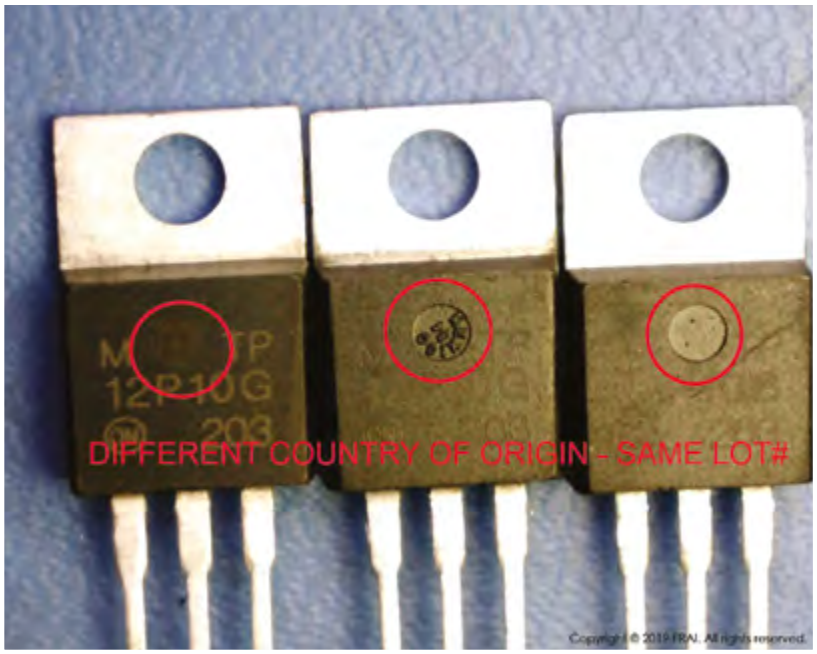


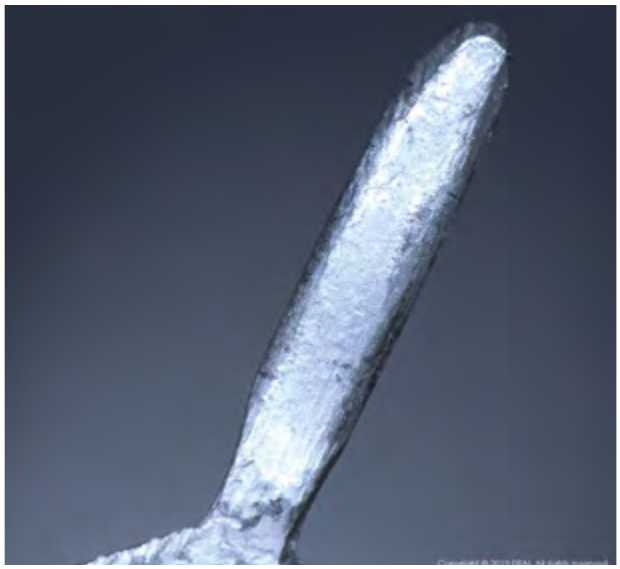
Figure 10. Ghost markings are visible on part 2 (circled)

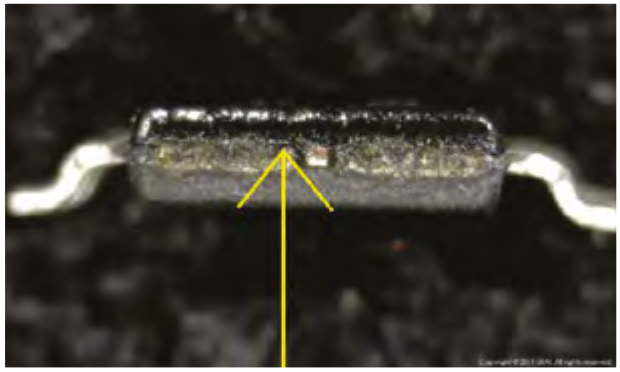
HOW PRI CAAP BENEFITS COMPANIES

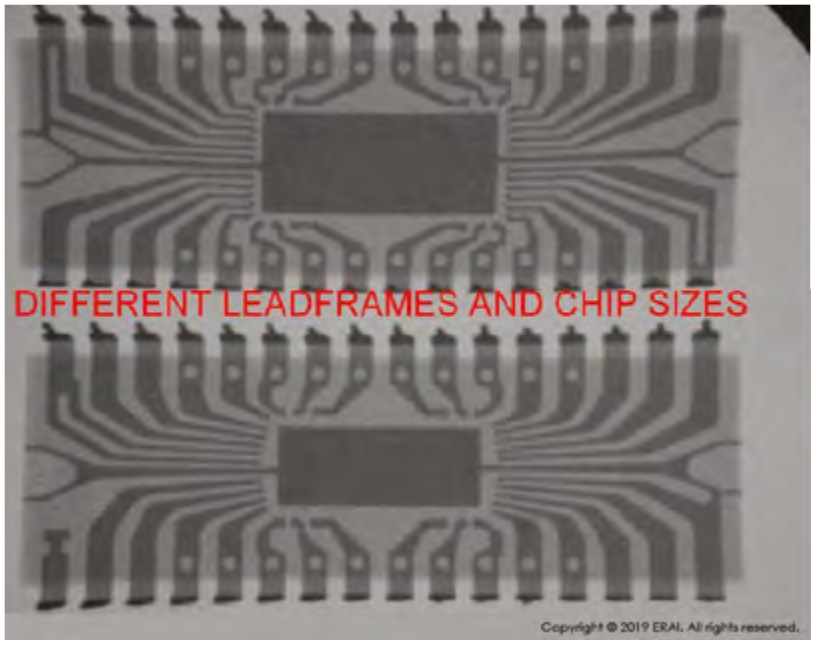


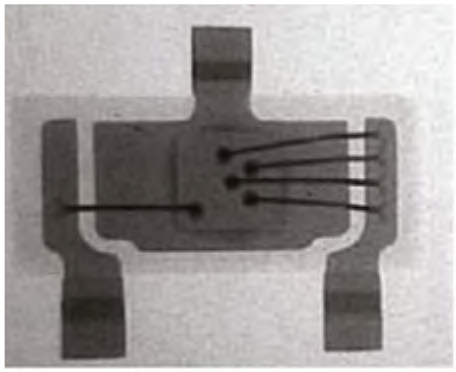
Without PRI CAAP	With PRI CAAP
Every customer must independently audit their suppliers to mitigate the risk of counterfeit parts, resulting in a high number of customer audits	Fewer customer audits because companies work together to develop shared audit criteria to mitigate the risk of counterfeit parts
Duplication of audit scope between customers	No duplication of audit scope as requirements are streamlined into one industry audit via the program
Top-down relationship of customers and suppliers with regard to counterfeit parts	Collaborative relationship between customers and suppliers with regard to counterfeit parts
Significant cost commitment of customers and suppliers, due to number of audits required	Reduced auditing cost due to streamlined process
Staff time required to prepare for, close out and host multiple customer audits; ditto for customers sending out auditors	Less time required by customers and suppliers as there are fewer audits, allowing them to repurpose their expertise for value-added activities
Each customer audit represents recognition by that customer only	Accreditation is internationally recognized as the gold standard in counterfeit avoidance
Customer satisfaction achieved on a one-by-one basis	Multiple customers satisfied through one audit



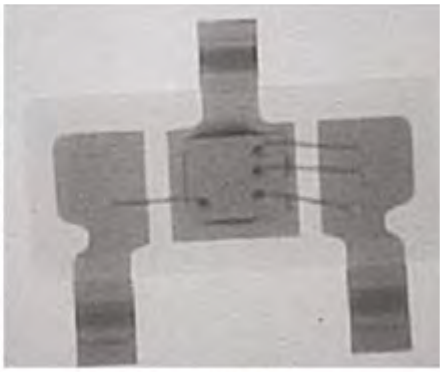




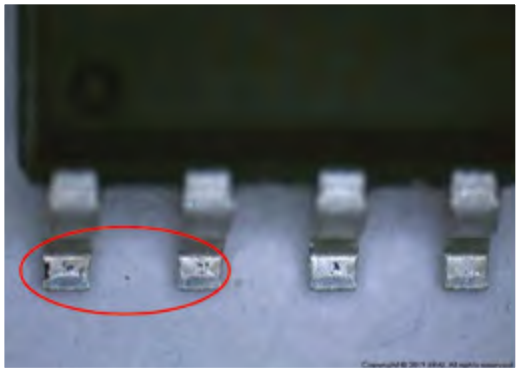




Suspect part



Known good reference part



GET INVOLVED

For more information on the PRI Counterfeit Avoidance Accreditation Program, or to learn how to participate, please contact

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PRI CAAP

COUNTERFEIT AVOIDANCE ACCREDITATION PROGRAM

PRI CAAP is administered by the Performance Review Institute (PRI), a not-for-profit trade association founded in 1990 by SAE International. PRI is a global provider of customer-focused solutions designed to improve process and product quality by adding value, reducing total cost, and promoting collaboration among stakeholders in industries where safety and quality are shared values.

https://p-r-i.org/