

1. PURPOSE

The purpose of the Counterfeit Parts Mitigation Process is to provide guidance for the effective and efficient procurement of required quality materials and parts, by describing how Airbus Helicopters mitigates the risk and prevents counterfeit parts from entering or maneuvering through the supply chain.

2. SCOPE

The scope of this process applies to all Procurement personnel as well as those in the value add stream assigned within Airbus Helicopters Inc.

3. REFERENCES

- a) Airbus Procedure EP 13-08 (A)
- b) Procurement Process Manual AED 006
- c) AS5553 (C) EEE Parts
- d) FAA Advisory AC 21-29D

4. DEFINITIONS

Suspected Counterfeit Part - A part in which there is an indication that it may have been misrepresented by the supplier or manufacturer and may meet the definition of counterfeit part.

Counterfeit Part - A part that has been confirmed to be a copy, imitation, or substitute that has been represented, identified, or marked as genuine, and/or altered by a source without legal right with intent to mislead, deceive, or defraud.

Counterfeit Work can be defined as “items that are or contain unlawful or unauthorized reproductions, substitutions or alterations that have been knowingly mismarked, misidentified or otherwise misrepresented to be an authentic.

Unlawful or unauthorized substitution includes used items represented as new or the false identification of grade, serial number, lot number and date code or performance characteristics.

EEE Parts – Electrical, Electronic and Electromechanical parts Components designed and built to perform specific functions using electric power and/or an electric or electromagnetic

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signal to demonstrate functionality, which are not subject to disassembly without destruction or impairment of design use

Authorized (Franchised) Distribution - Transactions conducted by an organization distributing product within the terms of a contractual agreement with the original component manufacturer.

Franchised distribution is considered synonymous with authorized distribution.

Authorized (Franchised) Distributor - An organization that performs authorized distribution. A franchised distributor is considered synonymous with an authorized distributor.

Authorized Source - Original component manufacturers and OCM-authorized sources of supply.

Design Authority - An organization with formal authority for the design, validation, and service support of a product.

Manufacturer - An organization that produces and sells products with legal right or authority under the organization's name or contracts with another to do so; includes original component manufacturer (OCM) and original equipment manufacturer (OEM).

5. RESPONSIBILITY & AUTHORITY

Strategic Purchasing in conjunction with Procurement Compliance

Strategic Buyers in conjunction with the Procurement Compliance are responsible for coordinating the overall process within the Supply Chain.

Supplier Quality

Supplier Quality is responsible for ensuring the Counterfeit Parts Program is applied throughout the Supply Chain organization and is in accordance with required directives; i.e. SAE AS5553C and FAA Advisory AC 21-29D as well as the Supplier Quality Manual.

Repairables/Maintenance Repair and Overhaul (MRO)

The Repairables and MRO shops are responsible for ensuring the original or authorized replacement parts are only entered into the Supply Chain.

Operational Purchasing

Operational Purchasing is responsible to support the actions outlined in the procedure.

Quality

Quality is responsible to support the actions outlined in the procedure and inform Strategic Purchasing about areas of concerns regarding supplier's performance.

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Engineering

Engineering is responsible to support the actions outlined in the procedure and inform Strategic Purchasing about areas of concerns regarding supplier's performance.

Warehouse

Warehouse assigned personnel are responsible for the review of the customer repair/purchase order, and physical product prior to service order creation and delivery to applicable shop for maintenance, repair, or overhaul. Inspection is responsible for inspecting all incoming raw materials and to ensure that only accepted raw materials that have passed through an incoming inspection by QA are consumed to the service orders.

6. PROCEDURE

6.1. OVERALL PROCESS

Sub-standard and unreliable parts present a serious threat to our goal of producing safe and reliable aircraft. Our Suppliers are required to implement an appropriate strategy to ensure that articles delivered to AHI are not counterfeit.

The Procurement Department shall develop and implement a risk-based counterfeit parts control plan that documents its processes used for risk identification, mitigation, detection, avoidance, disposition, and reporting of suspect counterfeit or counterfeit parts.

The Procurement Department shall utilize methods for identifying distributors and/or suppliers who have a certification and receiving inspection system that ensures the traceability of their parts to an FAA-approved source is essential. Strategic buyers shall be responsible to ensure the direct procurement of articles from OEMs or Authorized Suppliers, requiring the conducting of approved testing or inspections are performed to ensure their authenticity, and when articles are to be procured from non-authorized Suppliers, obtaining from such non-authorized Suppliers, appropriate certificates of conformance that provide one or more of the following:

- the OEM's original certificate of conformance for the article;
 - sufficient records providing unbroken supply chain traceability to the OEM; or
 - tests and inspection records demonstrating the article's authenticity
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- Processes may also include requiring a documented risk assessment and mitigation justification from the department with technical responsibility, for procurements from other than authorized sources. The risk assessment shall address the likelihood of

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receiving a suspect counterfeit or counterfeit part from the source and the consequences of a suspect counterfeit or counterfeit part being installed.

Should Strategic, Operational, Quality or Engineering departments become aware of or suspect that it has been furnished counterfeit parts, they shall immediately quarantine the suspect part and cause the Supplier to replace, at Supplier's expense, such counterfeit articles with OEM or buyer-approved conforming articles. The Supplier shall be liable for costs related to the replacement of counterfeit articles and any testing or validation necessitated by the installation of authentic articles after counterfeit articles have been replaced. The remedies contained in this section are in addition to any remedies AHI may have at law, equity, or under other provisions.

Should the organization become aware of a suspect or counterfeit part being received or identified in the supply chain, the Supplier Quality department shall conduct an investigation addressing the detection, verification, resolution, and control of the in-process (post acceptance) part. The documented processes shall enable tracking of procured parts(s) back to source acceptance. Authorized source/distributor records enable traceability/tracking to the manufacturer.

Supplier Quality department shall also ensure the parts are identified and segregated from acceptable non-suspect parts and placing in quarantine until dispositioned. Quarantine shall consist of controlled access space. Supplier Quality department shall also ensure permanently rendering as unusable all suspect counterfeit or counterfeit parts and dispositioning for scrap.

Reporting purchased or delivered parts which are suspect counterfeit or counterfeit in accordance with the organization's quality management system shall be accomplished by the appropriated departments in accordance with applicable contractual requirements.

The AHI Quality Department shall ensure efforts to combat counterfeit part infiltration into our products are established and monitored. Suppliers must have robust counterfeit part control plans that meet and or exceed industry and any applicable government standards. DFARS 246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System and 252.246-7008 Sources of Electronic Parts, both of which may be included as flow-down provisions, will impact AHI in how it selects suppliers and actions. AS 5553C is applicable for all EEE parts procured and FAA Advisory AC 21-29D applies on all FAA aviation community requirements.

7. TRAINING

The organization shall train employees in the awareness, avoidance, detection, mitigation, and disposition of suspect counterfeit or counterfeit parts, if relevant to their organizational role and/or function.

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NOTE: Relevant personnel may include those involved with customer interface, management, program and project management, procurement, quality assurance, inspection, receiving, manufacturing, and engineering activities.

REVISION RECORD

REV.	PAGES AFFECTED	DEPARTMENT APPROVAL		REASON FOR CHANGE
		NAME	SIGNATURE	
IR	All	Martin Gohr	On File	Initial release
A	All	Michael Niddam	On File	Program Update