



Procedure for Prevention,
Detection, and Control of
Counterfeit, Fraudulent, or
Suspect Items

Procedure:	W&T-005-CFSI
Revision:	0
Date:	October 19, 2023

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1 General

Counterfeit or fraudulent items can vary significantly from specified standards and requirements, even though the certification and records provided indicate that these requirements were met. As a result, suppliers may distribute items, knowingly or not knowingly, that do not meet the purchase requirements or provide documentation that misrepresents the actual conformance to published performance, technical specifications, and/or applicable standards.

The inadvertent use of a Counterfeit, Fraudulent, or Suspect Item (CFSI), within a nuclear facility, can pose potential threats to the safety of workers, the public, and the environment. CFSI, if installed, may result in the inability of a system, structure, or component to perform its intended safety function in case of an event or incident. Therefore, it is important to raise awareness about the potential threat caused by CFSI.

In this procedure provisions for the detection, prevention, and control of counterfeit and fraudulent items are described.

2 Definitions

Counterfeit items: a counterfeit item, as used in this procedure, is an item that is intentionally manufactured, or altered, to imitate an original item, without a legal right to do so.

Fraudulent items: a fraudulent item, as used in this procedure, is an item that is intentionally misrepresented, or altered, with the purpose to deceive the receiver of the Item. Fraudulent items include those items provided with incorrect identification, inaccurate records, and/or falsified certifications.

Suspect items: A suspect item, as used in this procedure, is an item which is suspected of being counterfeit or fraudulent, and additional information or investigation is needed to determine whether the item is acceptable, nonconforming to requirements, or in fact counterfeit or fraudulent.


3 Identification Of Potential CFSI

In the following a list of common discrepancies are described. If one or more is/are identified, it/they shall be investigated to determine the authenticity:

- a nameplate, label, or tag that appears to have been altered, copied, or painted over; is unusual in location; has an uncommon method of attaching or marking; shows discrepant or incomplete data; or is missing
- indications of removal of previous marking in the marking area (e.g. grind marks, remains of adhesives, or labels)
- surface irregularities, such as corrosion or wear, where they should not appear.
- assembled items fit together poorly
- an item that is inconsistent with other items from the same supplier or reflects characteristics that vary from what the supplier has indicated in its catalogue
- items, sold as new, exhibiting evidence of prior use, beautification, remanufacturing, or refurbishment
- documentation that appears to be incomplete, altered, or lacking expected traceability with the item(s) provided

An item being evaluated would not be considered as CFSI, but rather nonconforming, when one or more of the following conditions exist:

- defects resulting from design errors or common production quality control failures
- damage during shipping, handling, or storage

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- improper installation
- deterioration during service

4 Situations Increasing the Risk Of CFSI

The following situations may increase the risk of CFSI:

- requirements are poorly defined in the purchasing specification(s)
- items are ordered or fabrication is started with incomplete or unapproved design information, with an increased risk when items are expensive to manufacture
- urgent delivery is requested for items that are known to need a certain time to be properly manufactured
- the financial, technical, and quality capabilities of the potential supplier(s) have not been checked thoroughly
- the price proposed by the potential supplier(s) is significantly below the market's price and/or competitor's price
- use of a new supplier, not properly qualified by the purchaser
- the supplier has a history of changes in name, ownership, and/or management

5 Prevention of CFSI

5.1 Indoctrination & Training

The topic CFSI is included on the Indoctrination & Training Schedule (QA Manual, Exhibit 2.1) of W&T for personnel performing or managing activities affecting quality. The Indoctrination and Training will be performed by the Quality Manager. Procurement, Receiving and Quality Inspection personnel shall receive a special training session on detection and reporting of CFSI.

5.2 Procurement Documents

Purchase Order of W&T are supplemented by the Purchaser

- to include contractual requirements that address CFSI for the supplier, including implementation of measures to prevent, detect, and control CFSI by means of NCR
- require the supplier to take measures to assure that their subtier suppliers notify them of CFSI
- to require direct shipment from the vendor and address listed on the AVL to W&T.

In addition, information will be requested from the supplier as to how the potential to inadvertently provide CFSI as part of the order is minimized.


5.3 Purchased Items and Services

At W&T all items affecting safety are purchased directly from Suppliers appearing on the Approved Suppliers List (QA Manual, Exhibit 7.1), that are certified or qualified as described in QA Manual Section 7. All items identified as "Safety Related" in the Parts List shall be purchased from ASL listed companies, from the listed locations only and shipment directly to W&T without warehousing, re-distribution, re-packaging or further subcontracting of items.

Purchasing from sales agents, dealers, distributors and warehouses should be avoided if possible. In such cases, special inspection, verification and testing shall be considered to reduce the risk of undetected CFSI.

6 Detection of CFSI

At W&T the identification of quality problems includes the detection of CFSI.

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Assessments of the adequacy and effectiveness of the quality assurance program includes the detection of CFSI and is performed by the Managing Director in the scope of the Management Review as described in QA Manual Section 1.5.

6.1 Control Of Purchased Items And Services & Inspection

During inspection (e.g. receiving inspection) the responsible personnel (see QA Manual Section 8.1 and 10) shall inspect items for signs of potential counterfeit or fraudulent attributes as described in Section 3 of this procedure.

When the authenticity of an item is in question the Quality Manager or Quality Inspector shall be involved.

6.2 Audits

For internal audits as well as for supplier audits, the audit checklists shall include verification that measures to prevent, detect, and control CFSI are adequate, effective, and implemented.

Audit personnel shall be selected to include knowledge in materials, processes, documents, and properties that permit detection of CFSI during audits.

7 Control of CFSI

Audit, Inspection, and Test Personnel shall report CFSI to the Quality Manager, who reports to the Managing Director.

7.1 Control of Nonconforming Items

An item suspected to be counterfeit or fraudulent shall be identified, segregated, and processed as a nonconforming item as described in QA Manual Section 15.

The disposition "use-as-is" shall only be implemented when the suspect item has been found not to be fraudulent or counterfeit and has been verified to meet specified requirements.

If an item is suspected to be counterfeit or fraudulent, the item shall be kept as evidence and not returned to the supplier until a decision is reached.

If an item is found to be counterfeit or fraudulent, notification shall be made to the affected internal entities and external organizations including suppliers, original equipment manufacturers, customers and relevant authorities.

7.2 Corrective Actions

In the scope of the Corrective Action described in QA Manual Section 16

- other items purchased from the same supplier shall be subject to adequate evaluation to determine if they shall be treated as CFSI
- like items provided by the supplier shall be removed from service or operations shall be restricted so as not to exceed technical safety limits.

The evaluation is performed by the Quality Manager.

Additional evaluations, inspections, or testing shall be performed to assure compliance with specified requirements for similar items in the organization's inventory supply system.

Restrictions shall be applied on further procurements from the affected supplier unless adequate controls are in place to eliminate the potential for CFSI.