

## **CFSI – Counterfeit, Fraudulent and Suspect Items – Prevention Policy**

Source Reference OECD Report NEA/CNRA/R (2012)7; Nuclear Industry Good Practice Guide to Supply Chain Quality Requirements, September 2018

### **What are CFSI?**

CFSI are counterfeit, fraudulent or suspect items or ones that contain non - genuine items as part of their construction and they can emerge at any stage of the supply chain, including design, manufacturing, storage, and transportation

### **Intentionally**

Non-genuine - counterfeit or fraudulent items, which are fake copies or substitutes produced deliberately without legal right or authority or ones whose material, performance, or characteristics are knowingly misrepresented. CFI are mostly delivered from alternate sources due to economic reasons, or because of the lack of traditional certified nuclear-grade suppliers and/or manufacturers of original genuine items etc. Probability of nonconformance with applicable standards, specifications and/or technical requirements for this group of components usually is much higher.

### **C Counterfeit Items**

Items that are intentionally manufactured or altered to imitate a legitimate product without the legal right to do so.

### **F Fraudulent Items**

Items that are intentionally misrepresented to be something they are not - whose material, performance, or characteristics are knowingly misrepresented. Fraudulent items include items provided with incorrect identification or falsified/inaccurate certification, including the actual date of manufacture or estimated end-of-life values. Fraudulent items also include items sold by entities that have acquired the legal right to manufacture a specified quantity of an item (such as an integrated circuit), but produce a larger quantity than authorised and sell the excess as legitimate inventory.

### **S Suspect Items**

Suspect items are items about which there is an indication by visual inspection, testing, or other preliminary information that they may not conform to the accepted standards, specifications and/or technical requirements and there is a suspicion that the item may be counterfeit or fraudulent. Additional information or investigation is needed to determine whether the suspect item is acceptable, nonconforming, counterfeit or fraudulent. It is possible for legitimate suppliers, unknowingly, to provide a suspect item due to the use of raw materials or sub parts from sub tier suppliers that for some reason did not meet the applicable specifications. After the adequate inspection and/or testing suspect items are attributed either to acceptable or to non-conforming, counterfeit or fraudulent components.

An item that does not conform to established requirements is not normally considered CFSI if the nonconformity results from one or more of the following conditions, which should be controlled by site procedures as nonconforming items:

- Defects resulting from inadequate design or production quality control
- Damage during shipping, handling, or storage
- Improper installation
- Other controllable causes

As a consequence of the Triple Bar training undertaken by key members of staff there is an awareness of the possible consequences of CFSI products entering the nuclear supply chain and the company shall take measures to guard against CFSI. Our risk assessment indicates that the more likely scenario for intentionally fraudulent items is counterfeit material and fake copies of material certificates. Our best protection against this is:

1. To only use established and approved EU material suppliers
2. To make sure we have original copy of any certificate including free issue material
3. Train our staff about authentication of materials EN10204: material certificates and the need to be vigilant

#### **In the event of CFSI being found**

The Company shall immediately quarantine the item, notify the customer in case a similar item is in use. In the pursuance of Nuclear Safety, all such CFSI events will be communicated to the Customer and instruction taken from the customer on how to prevent confirmed CFSI from re-entering the supply chain. The information should be treated as Learning from Experience and disseminated to all UK Licence holders by the customer



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