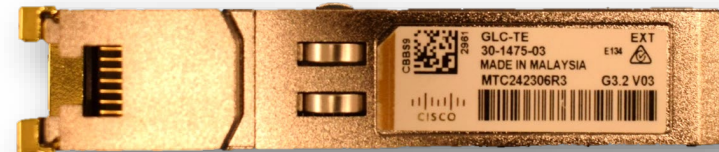


Suspect/Counterfeit Parts: Genuine or Fake and How it's Impacting Raytheon

ISSUE: Raytheon received assemblies that contained suspect/counterfeit parts. A Raytheon supplier purchased the counterfeit parts from a sub-tier who was not an authorized distributor or Original Equipment Manufacturer (OEM)

- Functional failures were reported due to the suspect/counterfeit parts
- Product has been delivered to the USG, required a recall
- \$300 parts resulted in \$3M rework
- GCAR issued to Raytheon

ROOT CAUSE: Supplier did not procure parts from an authorized distributor or OEM. The sub-tier supplier has a similar name to two (2) OEM Authorized Distributors (for example, Acme-tech vs Acme-tec)



The cost of introducing suspect/counterfeit parts into the supply chain is much greater than just the product replacement and can result in some or all of the following business impacts

 Decreased Product Safety

 Product Failure

 Reduced Revenue

 Audit Findings

 Product Recall / Escapes

 Loss of Trust and Reputation

 Inhibit Mission Readiness

 Warranty Costs

What YOU Must Do!

The **First Line of Defense** from preventing the introduction of suspect/counterfeit items into the Raytheon Supply Chain starts with those responsible for procurement decisions

DO's



Confirm OM's Company Website for the Authorized Distributor

Contact (phone/email) OM to confirm Authorized Distributor

Thorough search of parts from Authorized Distributors and OM, before considering procuring from a broker

Obtain written approval from the Raytheon Buyer prior to procuring from a broker

DON'Ts



Select a supplier without verifying authorized status from OM with Objective Evidence

Be deceived by Company Names that are similar to an Authorized Distributor

Trust Authorized Distributor websites alone

Rely on Purchase Order History or direction from the purchase requestor

Bottom Line

Items should only be procured from Authorized Distributors of the Original Manufacturer or directly from the Original Manufacturer