

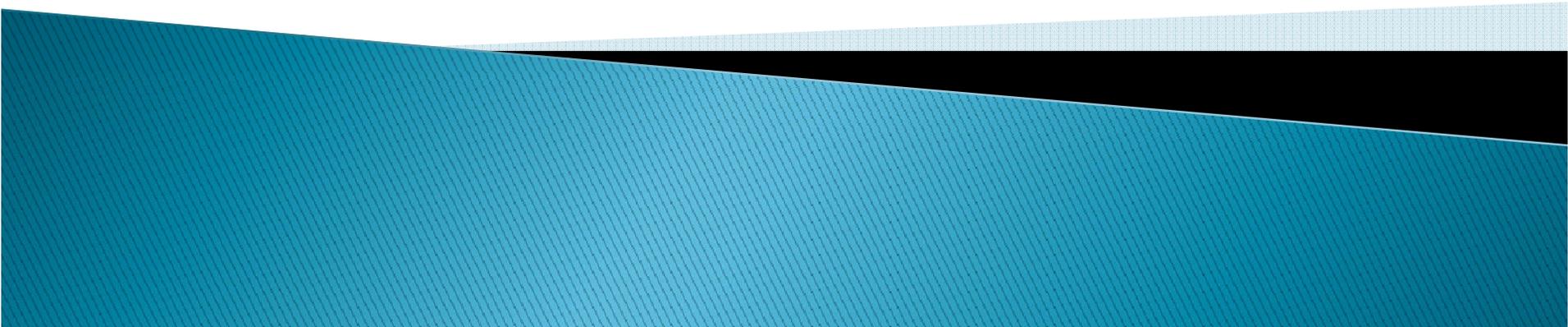
# Best Practices / Lessons Learned Suspect / Counterfeit Items

Presented to the DOE Quality Council

Germantown, MD

Steve Chalk, DOE/RL-QA

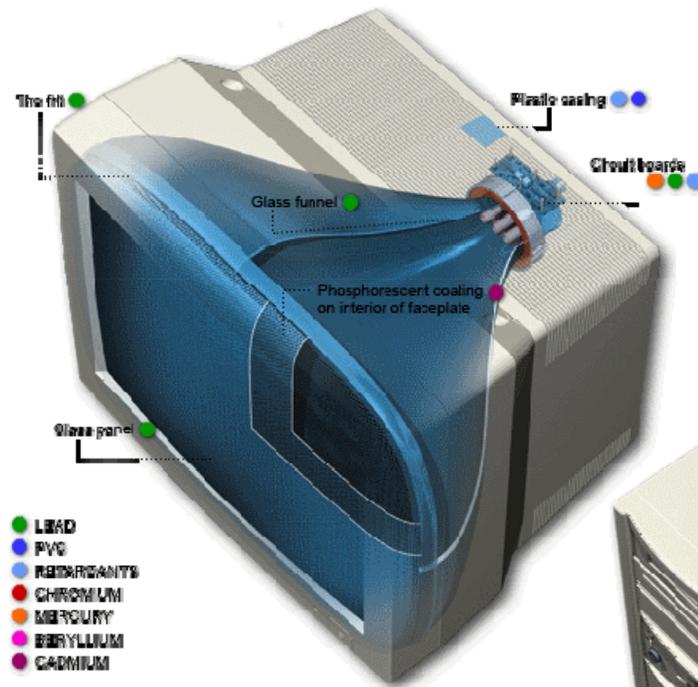
December 2011



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# The Solution that became a Problem

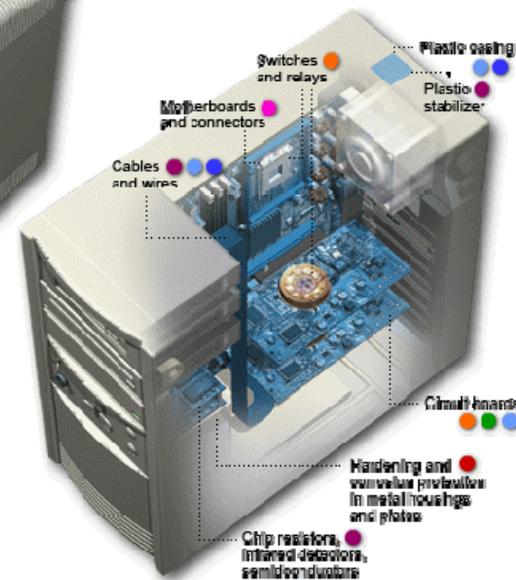


## Cathode-ray tube (CRT) monitor

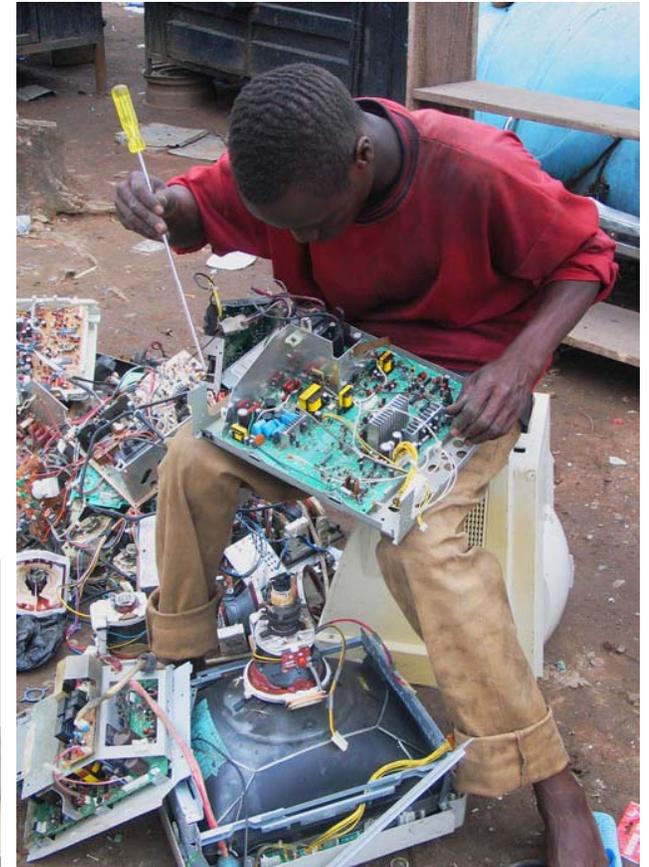
Cathode-ray tubes in computer-monitors and TVs hold up to eight pounds of lead. The federal government classifies broken monitors as hazardous waste and regulates their transport. Flat-panel LCD monitors, rapidly replacing bulky CRTs, have less toxic material overall but contain mercury in lamps that backlight the screens.

## Central processing unit (CPU)

Personal computers contain toxic substances such as lead, beryllium, and hexavalent chromium. Chlorine is released if PVC-coated wires are burned to extract copper. But new recycling technologies—especially in Europe, where recycling is mandatory—make it increasingly economical to safely recycle the valuable materials in PCs.



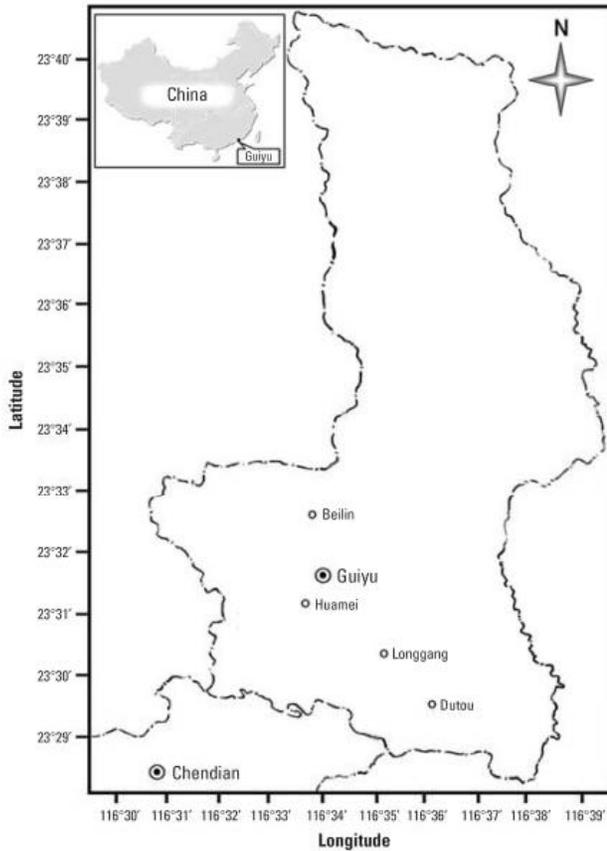
# Nigeria - 2005



# Ghana - 2009



# China – Guiyu



# China – Guiyu



# China – Guiyu



[http://images.businessweek.com/ss/08/10/1002\\_counterfeit\\_narrated/index.htm](http://images.businessweek.com/ss/08/10/1002_counterfeit_narrated/index.htm)

[http://www.businessweek.com/magazine/content/08\\_41/b4103034193886.htm](http://www.businessweek.com/magazine/content/08_41/b4103034193886.htm)

# China – Guiyu



# U.S. ICE Report

## Executive Summary

- In Fiscal Year (FY) 2009, there were 14,841 intellectual property rights (IPR) seizures with a domestic value of \$260.7 million (M).
- From FY 2008 to FY 2009, the domestic value of IPR seizures declined 4%, from \$272.7M to \$260.7M, which was significantly lower than the 25% decline in total imports.
- The number of IPR seizures declined by 1% to 14,841 in FY 2009 from 14,992 in FY 2008.
- China was the top trading partner for IPR seizures in FY 2009 with a domestic value of \$204.7M, accounting for 79% of the total value seized.
- Footwear was the top commodity seized in FY 2009 with a domestic value of \$99.7M, which accounted for 38% of the entire value of infringing goods.
- Three of the top ten categories of commodities seized include products posing possible safety or security risks.



U.S. Customs and  
Border Protection

**Disclaimer**  
The information contained on this page does not constitute the official trade statistics of the United States. The statistics, and the projections based upon those statistics, are not intended to be used for economic analysis, and are provided for the purpose of establishing CBP priorities and workload.

U.S. Immigration and  
Customs Enforcement



## Since our last meeting

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Approximately 103 Occurrence Reports

EM = 47

NNSA = 31

NE = 15

SC = 10

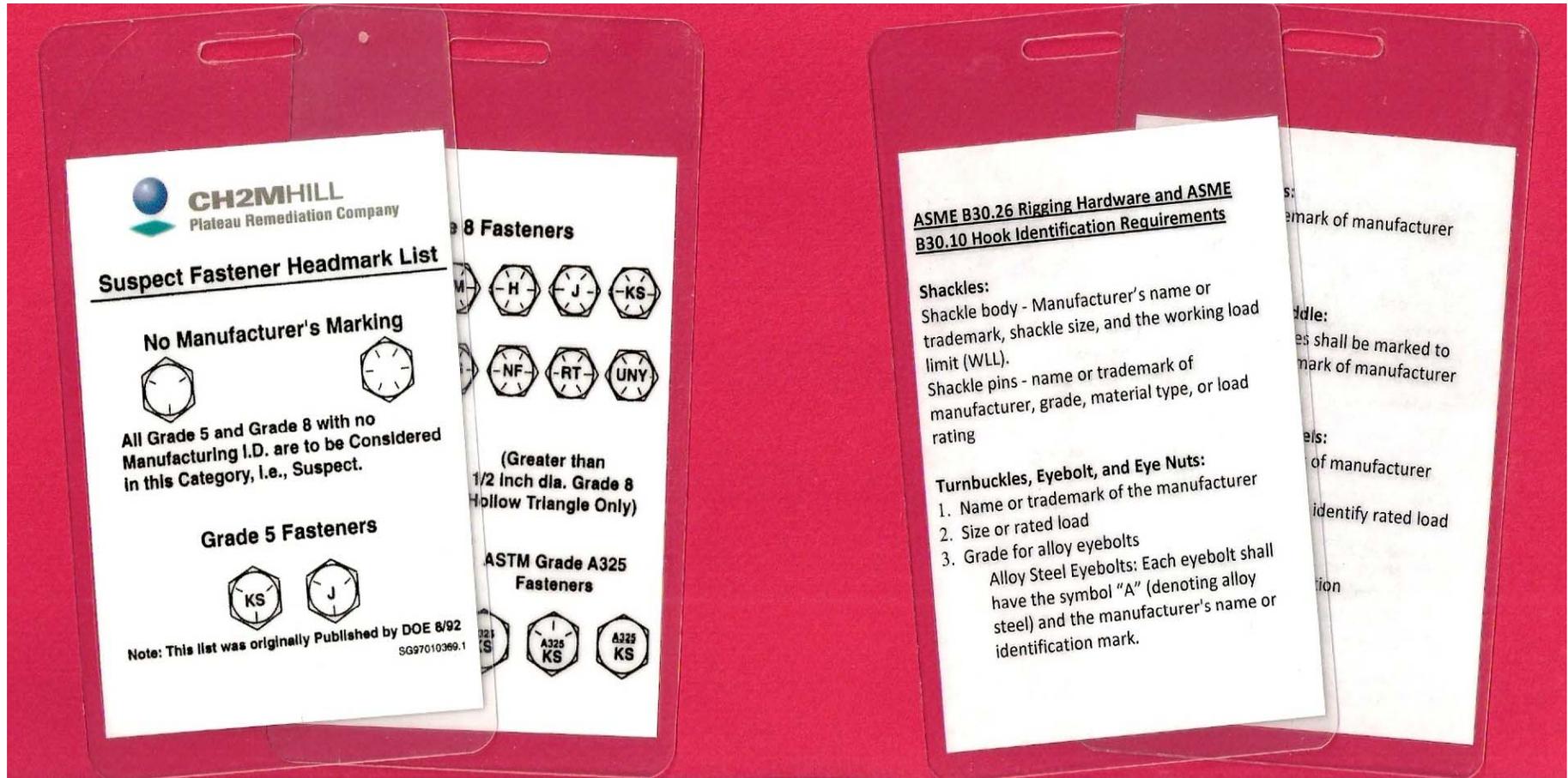
## Hanford Best Practices

- SC/I prohibitive clauses are included in each prime's contract
- Small subcontractors have insufficient resources and experience with SC/I items to consistently preclude them from being brought into Department of Energy facilities.
- Prime Contractors should ensure that sufficient SC/I prevention language is included in all subcontracts where standard commercial equipment will be brought into DOE facilities.
- Support by focused training of subcontractor staff on S/CI requirements and regular review of their field activities.

## Hanford Best Practices (cont'd)

- Contractors should consider providing field tools to aid in the identification of S/CI by all personnel. This is an effective way to discover additional areas where S/CI may be of a concern.
- When the personnel in all areas of a contractor's organization are provided with sufficient tools and training on how to identify S/CI, new areas of concern will be discovered.
- By educating all portions of the Company, as well as subcontractor personnel, S/CI can be identified or prevented from entering our respective DOE facilities.

# CHPRC Issued Badge Cards



# Tools

 <p><b><u>ASME B30.26 Rigging Hardware and ASME B30.10 Hook Identification Requirements</u></b></p> <p><b>Shackles:</b> Shackle body - Manufacturer's name or trademark, shackle size, and the working load limit (WLL). Shackle pins - name or trademark of manufacturer, grade, material type, or load rating</p> <p><b>Turnbuckles, Eyebolt, and Eye Nuts:</b></p> <ol style="list-style-type: none"><li>1. Name or trademark of the manufacturer</li><li>2. Size or rated load</li><li>3. Grade for alloy eyebolts Alloy Steel Eyebolts: Each eyebolt shall have the symbol "A" (denoting alloy steel) and the manufacturer's name or identification mark.</li></ol>	<p><b>Swivel Hoist Rings:</b></p> <ol style="list-style-type: none"><li>1. Name or trademark of manufacturer</li><li>2. Rated load</li><li>3. Torque value</li></ol> <p><b>Wire Rope Clips Saddle:</b> Wire rope clip saddles shall be marked to show name or trademark of manufacturer and size</p> <p><b>Links, Rings, And Swivels:</b></p> <ol style="list-style-type: none"><li>1. Name or trademark of manufacturer</li><li>2. Size or rated load</li><li>3. Grade, if required to identify rated load</li></ol> <p><b>Hooks:</b> Manufacturer's identification</p>
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# Revised Headmark List



## Revised Suspect/Counterfeit Headmark List

Tracking Number	Source of Issue	Source Tracking Number
DCS 1623	HSS	CED 12-20-2010

This DCS distributes the revised suspect/counterfeit headmark list which removes manufacturer names from the original list currently used throughout the DOE complex. The Department has determined that manufacturer names are no longer necessary. The headmark list was originally prepared by the U.S. Customs Service and has not been updated since 1992.

All reproductions of the previous headmark list that include manufacturer names posted online should be discarded and replaced with the new revised list. All training reference material should be updated as well.

This list should be used to identify and report legacy S/CI bolts and fasteners; and any fastener on this list should be treated as defective.

The Fastener Quality Act (FQA) of 1990 requires that certain fasteners sold in commerce conform to manufacturer specifications; provide laboratory accreditation; and require inspection, testing and certification in accordance with standardized methods to increase fastener quality and reduce the danger of fastener failure. In addition, the FQA Amendments of 1999 require manufacturers to register their fastener insignia with the U.S. Patent and Trademark Office (USPTO). This list should be used when making new purchases. To reference the Fastener Insignia Register, go to the USPTO website at [FQA Register of Active Fastener Insignia](#). Using this register will help prevent the introduction of S/CI bolts and fasteners into site inventories.

Questions concerning this issue should be directed to Sharon Brown of the Office of Analysis (HS-32) by telephone at (202) 586-6377 or by e-mail at [sharon.brown@hq.doe.gov](mailto:sharon.brown@hq.doe.gov).



# Revised Headmark List

**SUSPECT/COUNTERFEIT PART  
HEADMARK LIST**



ALL GRADE 5 AND GRADE 8 FASTENERS OF FOREIGN ORIGIN WHICH DO NOT BEAR ANY MANUFACTURERS' HEADMARKS

 Grade 5     
  Grade 8

GRADE 5 FASTENERS WITH THE FOLLOWING MANUFACTURERS' HEADMARKS:

	MARK J		MARK KS
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GRADE 8 FASTENERS WITH THE FOLLOWING MANUFACTURERS' HEADMARKS:

	MARK A		MARK KS
	NF		RT
	H		FM
	M		KY
	MS		J
	Hollow Triangle (CA TW JP YU) (Greater than 1/2 inch dia)		UNY
	E		

GRADE 8.2 FASTENERS WITH THE FOLLOWING HEADMARKS:

	MARK KS
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GRADE A325 FASTENERS WITH THE FOLLOWING HEADMARKS:

Type 1		MARK A325 KS
Type 2		
Type 3		

Headmarkings are usually raised – sometimes indented.  
KEY: CA-Canada, JP-Japan, TW-Taiwan, YU-Yugoslavia

ANY BOLT ON THIS LIST SHOULD BE TREATED AS DEFECTIVE.

Reference: This tool was derived from the 1992 U.S. Customs Service list.

Date: 12/21/2010

# S/CI External Website “Best-in-Class”

## HILLS Issues Best Practice (July 29, 2011)

- The use of an external website for disseminating important S/CI notifications and associated information to suppliers and subcontractors.
- The external WTP S/CI webpage was determined to be "Best in Class" by DOE/HQ, EM-23 assessment team.
- Website's intent is to disseminate current and relevant S/CI notifications to suppliers and subcontractors for information sharing.
- The S/CI website contains valuable information, including training materials and DOE orders associated with S/CI and links to associated websites.
- The information is public domain and accessible to anyone.
- The information containing the actual S/CI notifications is password protected and only available to suppliers and subcontractors with active contracts with Bechtel National Inc.
- Periodic notifications are sent to suppliers and subcontractors to keep the S/CI website visible.

# International Anticounterfeiting Coalition (IACC)

- ❑ Formed in 1979
- ❑ Based in Washington, D.C.
- ❑ The IACC believes that the best deterrent to counterfeiting and piracy is criminal penalties that result in actual imprisonment.
- ❑ Based on this policy, the IACC helped lead industry efforts that resulted in:
  - the passage of the 1984 Trademark Act that established federal criminal sanctions for trademark counterfeiting,
  - the passage of the Anticounterfeiting Consumer Protection Act of 1996, that increased civil penalties and provided U.S. Customs with the authority to assess administrative fines against those that import counterfeit products, and
  - the establishment of specific criminal provisions for trademark counterfeiting in approximately 36 states and the District of Columbia.

# IACC White Paper

## Main Concerns:

- ❖ The need for substantially greater political will and resources to combat IP crime;
- ❖ The need for increased use of criminal enforcement tools, which create substantially greater deterrence than administrative measures, such as customs seizures;
- ❖ The need for greater cooperation and coordination among different government enforcement bodies, including police, customs, and other administrative enforcement bodies, both within countries and across borders;
- ❖ The need for customs and other enforcement authorities to provide IP owners with earlier access to information needed to pursue investigations and legal actions;
- ❖ The need for greater support from governments and the judiciary regarding creative enforcement tools, including third-party- and landlord-liability strategies; and
- ❖ The need for greater transparency regarding the results of government enforcement work.

## Stand Alone Websites

Actions against stand-alone websites is simply not cost-effective, due to:

- the large number of infringers involved;
- the higher cost, and in some cases burdensome requirements, of conducting take-downs with relevant ISPs;
- the inherent difficulties and high cost of investigating the stand-alone websites through private investigators; and
- the lack of police resources to hunt down infringers in more significant numbers.

# Thoughts for the Quality Council White Paper

## On our end of the S/CI trail:

- We cannot overstate the importance of the education of site contractors, subcontractors, procurement officials, suppliers.
- Effective source inspection, receipt inspection, and testing programs have proven to substantially reduce the number of S/CI events.
- Consolidation of the information sources (HSS, ORPS, GIDEP, INPO, OIG, etc.) into one location would simplify searches.
- Increase the resources available to the Customs authorities.
- Educate the public

## At the Supply End:

Request the U.S. government urge the Chinese government to take stronger enforcement actions against counterfeiting and piracy in these physical and virtual markets.

Examine additional measures to prosecute offenders.

# A Quick Reminder

Rule of Thumb for any product you purchase  
Use the Three P's...

Price, Product and Place.

- ▶ **Price:** If the price is too good to be true, it probably is. Know the usual price range for your intended purchases.
- ▶ **Product:** Inspect the quality of the product – look at labels, detailing and packaging. Are there any misspellings? Does the country of origin match the country that normally produces the product? Does the packaging look banged-up, old or sloppy? If you see any of these warning signs, the product very well could be fake.
- ▶ **Place:** Legitimate product is not sold on street corners, in flea markets, mall kiosks, dark alleys or on online auction sites. Know who is an authorized dealer for the product you are planning to purchase and make your purchases from the most legitimate source possible.

Latest Recall from the  
U.S. Consumer Product Safety Commission  
(November 30, 2011)

- Product: Rocketfish™ Model RF-KL12 Mobile Battery Cases for iPhone 3G and 3GS
- Units: About 31,000 in the U.S. and about 1,000 in Canada
- Importer: Best Buy Co. Inc., of Richfield, Minn.
- Hazard: The battery case can overheat while charging, posing a fire hazard.

CPSC has received about 14 reports of the battery cases overheating in the United States, including three reports of minor burns to consumers and four reports of minor property damage.

Manufactured in: **CHINA**





# Any Questions?

