



U. S. Government Anti-Counterfeiting Inter-Agency Working Group



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Background



- Based on studies by the Department of Commerce and the Government Accountability Office, it was recognized that there is a significant increase in counterfeit products in the government supply chain
- In March 2011, the Office of Intellectual Property Enforcement Coordinator (IPEC), within the Executive Office of the President, established a working group



Purpose



- Ensure that the United States Government (USG) has the necessary tools to protect itself from the purchase or use of counterfeit goods
- Identify any gaps in legal authority, regulation, policy and guidance that undermine the security of the USG supply chain from counterfeit parts



Working Group Members



- Chaired by IPEC

Members include representation from the following,

- Department of Commerce
- Department of Defense
- Department of Energy
- Department of Health and Human Services
- Department of Homeland Security
- Department of Justice
- Department of Transportation
- Environmental Protection Agency
- General Services Administration
- Missile Defense Agency
- National Aeronautical and Space Agency
- Nuclear Regulatory Commission
- National Reconnaissance Office
- Small Business Administration



Objectives



- **Objective 1: Risk Assessment**

Establish procedures for program managers to identify items at risk for counterfeiting or requiring authentication of legitimacy. These procedures will, to the greatest extent practicable, utilize current industry standards.

- **Objective 2: Supplier Requirements**

Examine whether regulations are needed to require suppliers to take stronger anti-counterfeiting measures

- **Objective 3: Traceability**

Examine when and how product and package traceability, reporting and marking processes can be used by prime contractors, their suppliers, federal government personnel and potentially other customers to confirm production authority by the original manufacturer of at-risk items.



Objectives (continued)



- **Objective 4: Testing and Evaluation**
Examine government/industry evaluation capabilities and determine whether improvement is needed.
- **Objective 5: Training and Outreach**
Establish an anti-counterfeiting training and outreach strategy for the Federal workforce.
- **Objective 6: Enforcement and Remedies**
Examine whether additional measures are needed to protect the rights and interests of the U.S., recoup costs and prosecute offenders.



Proposed Recommendations Under Deliberation



1. Develop a Federal Acquisition Guide on Identification and Mitigation of Counterfeit Risk
2. Require Agencies to Assess the Risk of Counterfeiting for All Products they Procure
3. Require Management of Counterfeiting Risks Early in the Acquisition Planning Process
4. Develop Common Anti-Counterfeiting Standards within the U.S. Government, with Industry and International Standards Bodies
5. Require Use Risk Management Plans as a Criterion For Evaluating Potential Vendors of At-Risk Products
6. Require—For Products Assessed To Be At-Risk—Suppliers To Apply Rigorous Traceability Requirements To Enable the Tracking of Products Throughout the Supply Chain



Proposed Recommendations Under Deliberation (continued)



7. Provide Guidance For Agencies To Implement Qualification Requirements For Manufacturers and Distributors To Reduce the Risk of Counterfeit Products From Entering the Government Supply Chain
8. Improve Counterfeit Reporting Throughout the U.S. Government and With Supply Chain Partners By Amending Acquisition Regulations and Updating Reporting Policies.
9. Publish Requirements and Procedure For Private Industry Test Facilities to Become Qualified to Conduct Testing and Verification of Suspected Counterfeits
10. Provide Guidance on the Authority and Responsibility of U.S. Government Agencies to Detain, Test, Store, and Dispose of Suspected Counterfeit Goods, as well as on How Costs For These Activities Should be Allocated



Proposed Recommendations Under Deliberation (continued)



11. Provide Guidance on Authority of U.S. Government Agencies to Withhold or Recoup Payments Associated with Suspected Counterfeits and Confirmed Counterfeit Goods in the Supply Chain
12. Provide guidance on reporting cases of suspected counterfeits for further investigation to seek civil or criminal remedies
13. Launch a Federal Anti-Counterfeiting Website to Provide Greater Awareness of Threats Posed to Federal Government by Counterfeiting
14. Develop web-based anti-counterfeiting awareness course available to entire federal workforce and encourage agencies to develop additional specialized training as needed



Next Steps



- The Executive Office of the President will issue a final report and present recommendations to the President of the United States (no date is announced)
- DOE Quality Council will develop a Task Planning Document (TPD) that will outline plans to review all recommendations and will make new recommendations for the Department if necessary



Questions?



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