

# **COUNTERFEIT, FRAUDULENT AND SUSPECT ITEMS:**

The Risks of CFSI and how to identify dangerous goods and services.

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A Nuclear Industry Safety Directors Forum  
Publication

# WHAT ARE CFSI?

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Counterfeit, Fraudulent and Suspect Items (CFSI) are those that are illegally being labeled and represented as original goods.

We all have a part to play in the prevention of CFSI entering our industries.

Some simple examples include fake sunglasses, counterfeit medicines, electronics, and machined parts.

It might be tempting to get a lookalike for a fraction of the price? Does it really matter if it looks the part?



# WHY DOES IT MATTER?

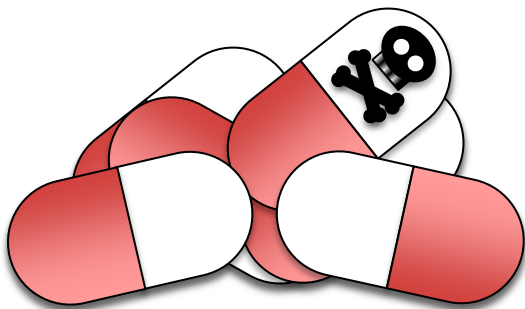
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Would you take paracetamol for a headache knowing that it was counterfeit?

These tablets wouldn't have been subject to the strict regulations followed by legitimate pharmaceutical companies.

They can be made however the illegal producer likes and could be both ineffective or worse. Dangerous.

They can appear real on the outside but upon further inspection contain highly toxic substances.



# ETHICAL PRACTICES

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**Buying CFSI products directly supports unacceptable working practices.**

## Human Trafficking

Counterfeit goods can't be regulated so human trafficking is common for cheap labour.

## Child Exploitation

Forcing children in deprived areas into work for unpaid or cheap labour is common practice in the production of counterfeit goods.



Organised Crime and Terrorism is funded with the profits of CFSI.

**Does this awareness change your view on counterfeit and fraudulent goods?**

# CFSI IN INDUSTRY

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Proving that something is fraudulent isn't always easy.

Until proven otherwise, goods are treated as suspect and treated with the same caution as counterfeit goods.

Almost anything can be copied.

Imagine counterfeit or fake components making their way into the nuclear or defence supply chain.

The consequences could be devastating for:

Those handling the goods

The Public

The Environment



# HOW CAN YOU AVOID CFSI

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For engineering and design roles, clearly define technical specifications, critical characteristics and acceptance criteria as early as possible.



For procurement teams, ensure that these requirements are passed down through the supply chain as they form an essential part in acceptance of goods upon delivery.



With the rise of online purchasing, the complexity of tackling CFSI in a modern supply chain has increased. Try to trade directly with the manufacturer.

Carry out thorough due diligence before engaging with a new supplier. If this isn't possible, find out where non-approved suppliers are sourcing from.

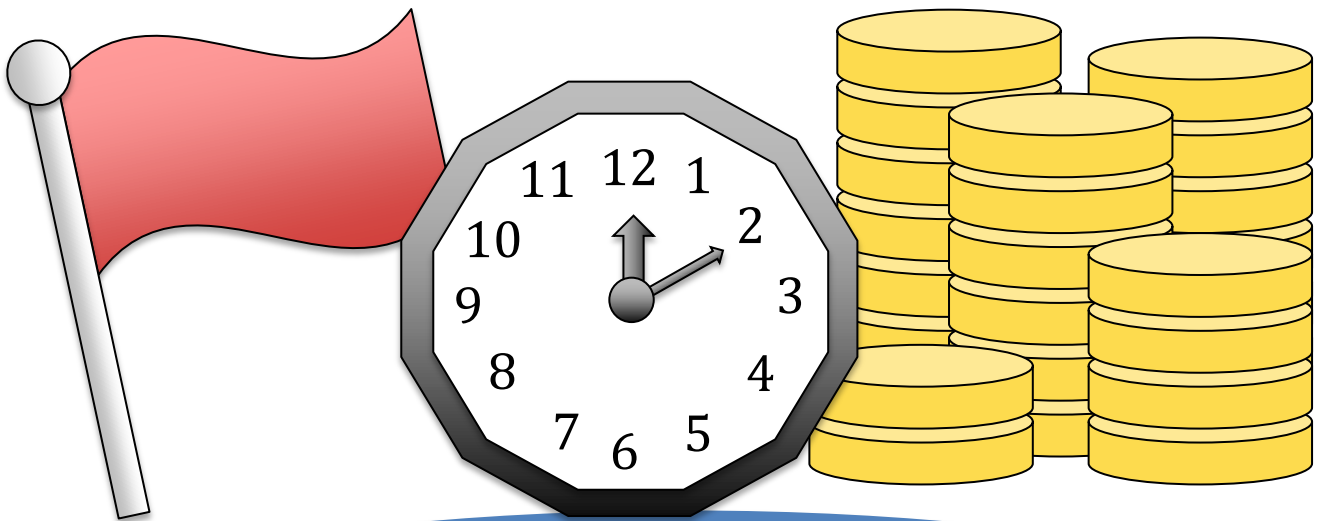
Promote awareness of CFSI and provide functional training within your business.

# LOOK FOR THE RED FLAGS

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- Shorter lead times than other suppliers.
- Sudden availability of obsolete or hard to source goods
- Cheaper than expected prices
- If it is too good to be true it probably is
- Slight differences in packaging or labels

Recognise the risk CFSI plays in your business and have the correct policy, plans and processes in place to address the risks.



# CFSI

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We all have a part to play in the prevention of CFSI entering our industries.

For further information on CFSI, please refer to...

**ONR TAG 77:** Supply Chain Management Arrangements for the Procurement of Nuclear Safety Related Items or Services

[http://www.onr.org.uk/operational/tech\\_asst\\_guides/ns-tast-gd-077.pdf](http://www.onr.org.uk/operational/tech_asst_guides/ns-tast-gd-077.pdf)

**Defence Standard 05-135:** Avoidance of Counterfeit Materiel

<https://www.dstan.mod.uk/StanMIS/Indexes/DefenceStandardDownload/4474?seriesId=5>

**IAEA 1169:** Managing suspect and counterfeit items in the nuclear industry

[http://www-pub.iaea.org/MTCD/publications/PDF/te\\_1169\\_prn.pdf](http://www-pub.iaea.org/MTCD/publications/PDF/te_1169_prn.pdf)

**AS5553:** Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition

<http://standards.sae.org/as5553/>