



Mitigating Counterfeit Parts: Awareness, Deterrents, and Prevention

We make what matters work.*

Tom Grace, Brand Protection Manager, Electrical

March 14, 2018

About Eaton

Eaton is a global power management company focused on providing safe, reliable, efficient and sustainable power management solutions for our global customers.

- Mechanical Power (vehicles, trucks, transportation)
- Fluid Power (aerospace, industrial hydraulics)
- Electrical Power (distribution, control, lighting)

Mitigating Counterfeit Parts: Awareness, Deterrents, and Prevention

Brand Protection at Eaton

- We recognize the risks that counterfeit products pose to health and safety of our customers
- We invest significant resources in fighting the proliferation of counterfeit products
- We share knowledge and best practices within Eaton and with industry organizations

Mitigating Counterfeit Parts: Awareness, Deterrents, and Prevention

- Counterfeit parts are a growing, global, problem affecting every well known product or brand
- Mitigating counterfeit parts is a collaborative effort with industry, public and private sectors, and government
- Stopping Counterfeit parts will require acknowledging that the risks exist and taking steps to eliminate them

Mitigating Counterfeit Parts: Awareness Counterfeit 10 years ago – easy to spot



Mitigating Counterfeit Parts: Awareness Counterfeit today



Mitigating Counterfeit Parts: Awareness

Department of Commerce Survey Findings

BIS Counterfeit Electronics Survey – Preliminary Data

Type of Company/Organization		Encountered Counterfeits	No Counterfeit Incidents	Total
OCMs	Discrete Electronic Components	18	21	39
	Microcircuits	24	20	44
Distributors	Authorized Distributors	10	35	45
	Independent Distributors	36	8	44
	Brokers	8	1	9
Board Assemblers		11	21	32
Prime/Sub Contractors		31	90	121
Department of Defense	DLA Organizations	3	16	19
	Non-DLA Organizations	11	23	34
Total		152	235	387

22%

82%

89%

U.S. Department of Commerce – Preliminary Data (as of March 4, 2009)

Mitigating Counterfeit Parts: Awareness SASC/GAO Report

“Counterfeit parts often change hands many times before being purchased by defense contractors.”

112TH CONGRESS } SENATE { REPORT
2nd Session

**JURY INTO COUNTERFEIT
ELECTRONIC PARTS IN THE
DEPARTMENT OF DEFENSE
SUPPLY CHAIN**

REPORT

of the
COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

MAY 21, 2012

GAO

United States Government Accountability Office
Report to the Committee on Armed
Services, U.S. Senate

February 2012

DOD SUPPLY CHAIN

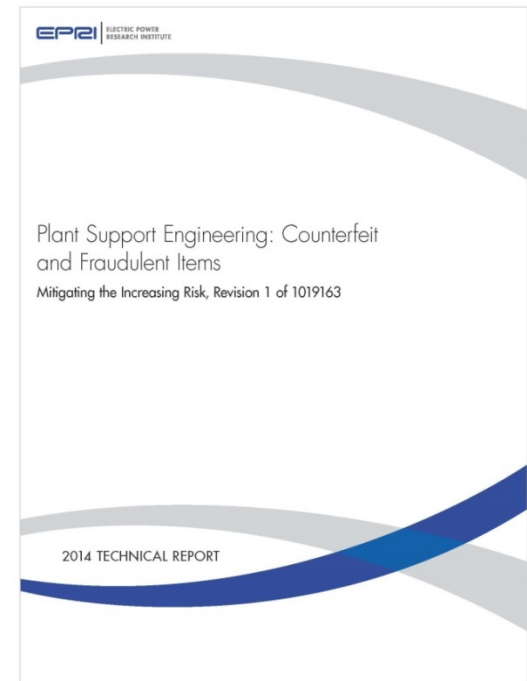
**Suspect Counterfeit
Electronic Parts Can
Be Found on Internet
Purchasing Platforms**

“...the Committee found that unvetted independent distributors are the source of the overwhelming majority of suspect parts...”

Mitigating Counterfeit Parts: Awareness Resources - EPRI

The contents of this report summarize valuable insights gleaned by the Electric Power Research Institute (EPRI)...

...to combat the growing problem of counterfeit and fraudulent items.



Product Enhancements

- 
- Powering Business Worldwide

9720171026165652

32 AMPS 50°C 1 Pole
C# FWF1032VL
S# FWF1032VL

171027T

NOT FOR RESALE IN U.S. OR

9720171026165652

Mitigating Counterfeit Parts: Deterrent Industry actions at the source



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Mitigating Counterfeit Parts: Prevention

Stopping the demand

- Over-whelming evidence supports that channels unintended by the manufacturer are at a greater risk of supplying counterfeit parts.
- Scrutinize the supply chain with traceability of a product back to the original manufacturer – authorized resellers mitigate the risk of counterfeit products
- Authenticate whenever possible using the manufacturer's published information and alert them to suspect parts when encountered – collaborate with original manufacturers

Thank you

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