



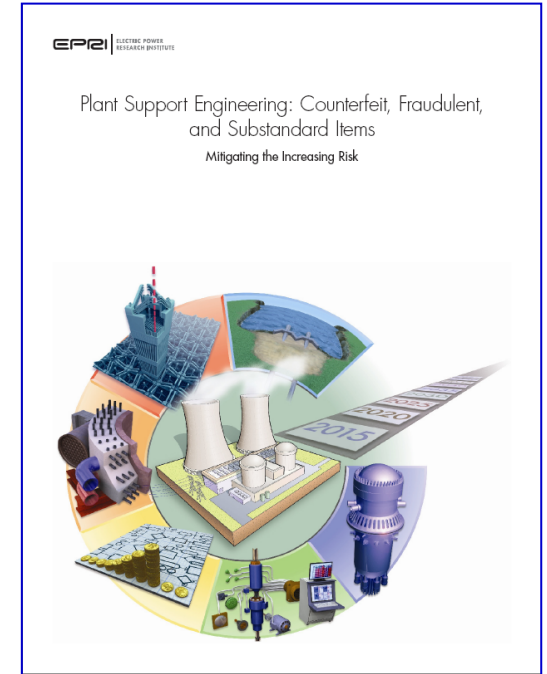
Prevention of CFSIs

Industry Tools and Initiatives

Marc Tannenbaum
EPRI Project Manager
NRC Public Meeting
February 13, 2013

EPRI 1019163

- Counterfeit, Fraudulent and Substandard Items: Mitigating the Increasing Risk (2009)
- Available to the public at www.epri.com
- Procurement and sourcing practices
- Identification of “at-risk” procurements
- Standard contract language (developed by supplier and licensee team)
- Incident response process
- Can be revised / updated as warranted



Standard CFSI Procurement Clause

Delivery of Suspect/Counterfeit Items

Seller is hereby notified that the delivery of suspect/counterfeit items is of special concern to (Utility Name). If any items specified in this Order are described using a part or model number, a product description, and/or industry standard referenced in the Order, Seller shall assure that the items supplied by Seller meet all requirements of the latest version of the applicable manufacturer data sheet, description, and/or industry standard unless otherwise specified. If the Seller is not the manufacturer of the goods, the Seller shall make reasonable efforts to assure that the items supplied under this Order are made by the original manufacturer and meet the applicable manufacturer data sheet or industry standard. Should Seller desire to supply an alternate item that may not meet the requirements of this paragraph, Seller shall notify Purchaser of any exceptions and receive Purchaser's written approval prior to shipment of the alternate items to Purchaser.

If suspect/counterfeit items are furnished under this order or are found in any of the goods delivered hereunder, such items will be dispositioned by (Utility Name) and / or the original manufacturer, and may be returned to the Seller in accordance with the warranty provisions applicable to the Order. The Seller shall promptly replace such suspect/counterfeit items with items meeting the requirements of the Order. In the event the Seller knowingly supplied suspect/counterfeit items, the Seller shall be liable for reasonable costs incurred by the Purchaser for the removal, replacement and reinstallation of said goods in accordance with the warranty provisions applicable to the Order.

EPRI 1021493

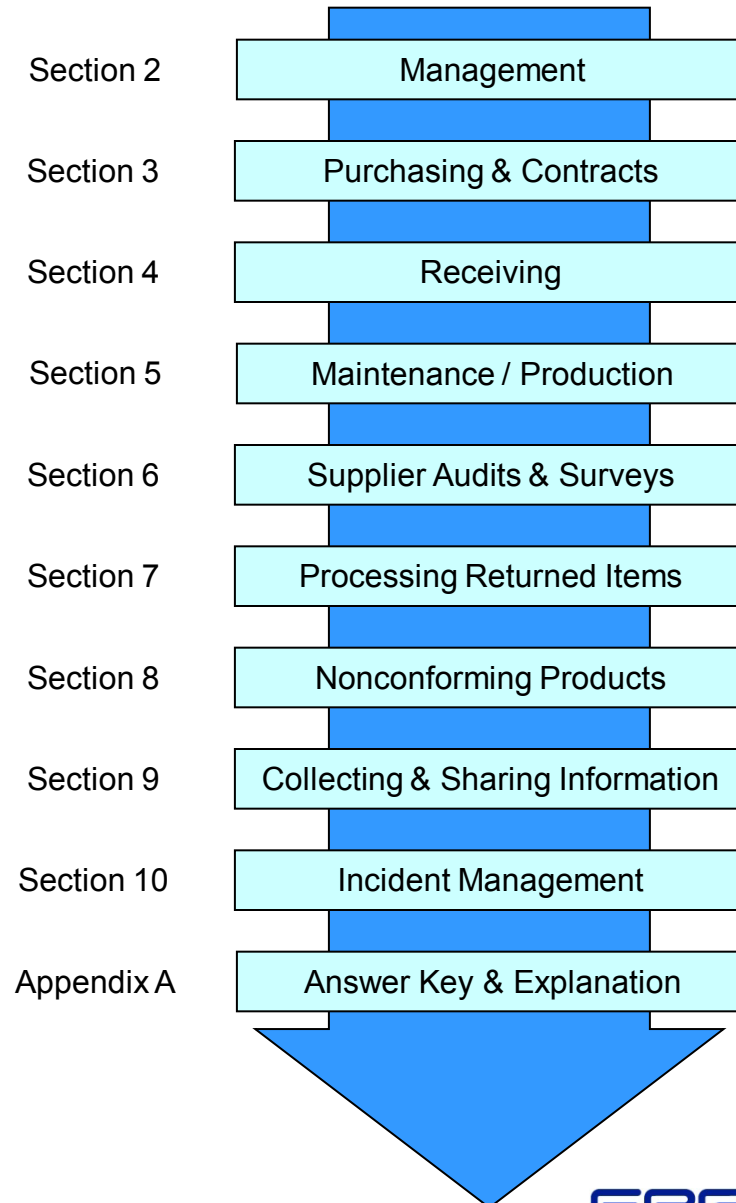
- 1021493, Counterfeit and Fraudulent Items: A Self-Assessment Checklist (2010)
- Available to the public at www.epri.com



- Applicable to any organization (supplier or licensee)
- Focus goes far beyond “receiving inspection”
- Questions organized by activity / organization
- Can be revised / updated as warranted

EPRI 1021493

- Key activities / organizations
- Initial round of self-assessments / benchmarking is complete
 - 3 licensees
 - 11 sites



Training Resources

- EPRI Nuclear Utility Procurement Course
 - CFSI module
- EPRI Nuclear Vendor Procurement Course
 - CFSI module
- EPRI Annual Suspect Counterfeit and Fraudulent Items Seminar
- Much more captured in U.S. NRC IN 2012-22, Counterfeit, Fraudulent, Suspect Item (CFSI) Training Offerings

EPRI 1020955 – Computer-based CFSI training

- Available to EPRI members

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Counterfeit, Fraudulent, and Substandard Items

Historical Perspectives on Counterfeiting and Fraud

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Documented Incidents and Guidance

The commercial nuclear industry has documented incidents of counterfeiting and fraud and published related guidance over the past 2 1/2 decades.

Click the buttons below to view a timeline for each decade, then move your mouse pointer over each timeline's red markers to view reported incidents and guidance. An explanation of each marker is provided below the timeline.

1980 1980 Timeline

1990

2000

1984 1985 1986 1987 1988 1989

NRC 88-05 Supp. 2

1988 August: NRC Bulletin 88-05, Supplement 2, Nonconforming Materials Supplied by Piping Supplies, Inc. at Folsom New Jersey and West Jersey Manufacturing Company at Williamstown, New Jersey

[Click here](#) to print a list of the documents listed in the timeline in table form.

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EPRI/NEI Self Assessment / Survey

- Based upon EPRI 1021493
- 96 Questions
- Distributed to licensees and suppliers
- Results will:
 - Identify gaps
 - Capture good practices
 - Drive improvements



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Questions?



A world map is centered on the slide, showing the continents of North America, South America, Europe, Africa, Asia, and Australia. The map is overlaid with a white grid of vertical and horizontal lines. The map itself is a light blue color, contrasting with the dark blue background of the slide.

Together...Shaping the Future of Electricity