



**COUNTERFEIT,  
FRAUDULENT,  
SUSPECT  
ITEMS  
(CFSI) Project Update**

**June 28, 2012  
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**2012 Vendor Oversight Workshop**

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United States Nuclear Regulatory Commission

*Protecting People and the Environment*

**SECY-11-0154**  
**Overview of Actions to Address CFSI**



**19 Planned Actions to address the 24 Issues**

- 5 Categories used to consolidate similar Issues
1. *Industry process enhancements and best practices*
  2. *Regulatory guidance*
  3. *Communication*
  4. *Training*
  5. *Industry oversight for detecting & preventing CFSI*

# **SECY-11-0154**

## ***(Current status)***



### **Completed actions:**

1. *Revised the NRC Allegations training module to include CFSI*
2. *Developed CFSI awareness modules for NRC Inspectors*
  - *Presentations are currently underway at the Regions*
3. *Established outreach relationships with DHS/ICE*
  - *“Operation Chain Reaction”*
4. *Completed CFSI training research for Information Notice*

# **SECY-11-0154**

## **(Current status)**



### **Actions in development:**

1. *Developing CFSI Training Information Notice*
2. *Revising 10 CFR Part 21*
3. *Expanding the NRC's OpE/ConE program for CFSI*
4. *Monitoring ASME NQA-1 revisions to include CFSI language*
5. *Evaluating the need for a pilot program to inspect licensee procurement processes*
6. *Evaluating the need for additional CFSI guidance in NRC Inspection Procedures*
7. *Developing "proactive" CFSI strategies for the commercial nuclear industry*



# SECY-11-0154 PROACTIVE STRATEGIES

**For the next public meeting, the NEI Managed Industry Task Group will present plans to:**

- a) *Develop a plan for implementing “proactive” CFSI strategies*
- b) *Develop a method for sharing CFSI Information, including issues identified during receipt inspection and during commercial grade dedication*
- c) *Develop an industry accepted practice for using the corrective action program and nonconformance programs for entering CFSI related to safety related components*
- d) *Develop an industry accepted practice for using the corrective action program to enter non-safety related CFSI into the corrective action program*
- e) *Establish an industry CFSI database*



## SECY-11-0154 PROACTIVE STRATEGIES (cont'd)

- f) *Incorporate industry best practices for quarantining CFSI items and removing them from the supply chain without returning them to the supplier*
- g) *Incorporate industry best practices for identifying and informing the industry of CFSI trends*
- h) *Incorporate industry best practices for enhancing commercial-grade dedication, and receipt inspection practices to account for CFSI*
- i) *Incorporate industry best practices for product authentication of complex items that will provide additional assurance for preventing CFSI*
- j) *Incorporate industry best practices for using batch sampling with authentication testing*
- k) *Incorporate industry best practices for the use of standardized anti-CFSI language in procurement documents*

**SECY-11-0154**  
**(Current status)**



**Recurring actions:**

1. *Facilitate public meetings*
2. *Outreach efforts with U.S Government agencies & international regulators*

# SECY-11-0154 (Future activities)



## **CYBER Related Issues [FY2013]:**

1. *Determine the need for new inspection procedure for CDA suppliers*
2. *Determine the need for additional controls of non-safety related CDAs*
3. *Continue to develop NRC inspection guidance of licensee oversight of 10 CFR 73.54 suppliers*
4. *Evaluate the results from licensee/NRC inspections of 73.54 suppliers*
5. *Continue to develop NSIR's Temporary Instructions for inspecting CDA suppliers*

## **Perform agencywide CFSI program effectiveness review [FY2014]**

### **Issues dependant upon other events:**

1. *Issue Generic Communications for specific trends (as needed)*
2. *Evaluate the need to expand the CFSI program to FSME (upon request)*
3. *Evaluate the need to expand the CFSI program to NMSS (upon request)*
4. *NRC inspectors may need additional training to implement new CFSI guidance in NRC Inspection Procedures*





## **CFSI Resources**

- 1. *SECY-11-0154, “An Agency Wide Approach to Counterfeit, Fraudulent, and Suspect Items”*** **ML112200150**
- 2. *“Staff Review of Counterfeit , Fraudulent, and Suspect Items (CFSI)”*** **ML112130293**
- 3. *“Licensee Commercial-Grade Procurement and Dedication Programs (Generic Letter 91-05)”*** **GL91005**
- 4. *“Actions to Improve the Detection of Counterfeit and Fraudulently Marked Products (Generic Letter 89-02)”*** **GL89002**
- 5. *“Counterfeit Parts Supplied to Nuclear Power Plants (Information Notice 2008-04)”*** **IN2008-04**



# QUESTIONS ?

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