



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

**3rd Public Meeting - Post
SECY-11-0154**

Aug. 16, 2012

Public Meeting

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SECY-11-0154

Overview of Actions to Address CFSI

19 Planned Actions (opportunities to enhance CFSI processes)

Five categories used to consolidate similar issues

- *Industry process enhancements and best practices*
- *Regulatory guidance*
- *Communication*
- *Training*
- *Industry oversight for detecting & preventing CFSI*



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Project status (since May 10, 2012)

1. Completed actions:.....**No change**
2. Actions in development:
 - Training IN ready to present to CFSI Steering Committee.... **(Aug 2012)**
 - Expand OpE/ConE program **(2013)**
 - Coordinate NRC CFSI Response Plan..... **(Dec 2012)**
 - Need for pilot program for licensee inspections **(2013)**
 - Need for additional NRC inspection guidance..... **(2013)**
 - *Develop program effectiveness review* **(2013)**
3. *Industry's voluntary initiatives*.....” **(TBD)**
4. *Recurring activities*
 - *Outreach - Coordinate National IPR center visit* **(2013)**
5. *Future activities*
 - *Public meetings – Working sessions with industry* **(TBD)**
 - *Perform Program effectiveness review*..... **(2013-2014)**
 - *Issue follow-up SECY to Commissioners*..... **(2014)**

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PROACTIVE STRATEGIES



**The NEI Managed Industry Task Group will
present the staff with 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*



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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*



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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