

# US NRC Proactive Approach to Counterfeit, Fraudulent, and Suspect Items (CFSI)

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# The NRC Regulates:

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**Nuclear Reactors** – commercial power reactors, research and test reactors

**Nuclear Materials** – radioactive materials for medical, industrial and academic use

**Nuclear Waste** – transportation, storage and disposal of nuclear material and waste

**Nuclear Security** – physical and cyber security of nuclear facilities and materials

# What We Don't Do:

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Regulate nuclear weapons, military reactors or space vehicle reactors

Lobby for nuclear power

Own or operate nuclear power plants

Procure the components that are installed into NRC-licensed facilities

# CFSI Remains High-Priority

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Indications of CFSI in the non-nuclear industrial supply chain

No recent evidence of significant counterfeit activity at U.S. nuclear facilities

Ongoing public meetings

Continued cooperation and information sharing for the nuclear community



# Initiatives to Address CFSI



- **International**

- International Atomic Energy Agency (IAEA)
- Nuclear Energy Agency (NEA)

- **Domestic**

- U.S. Government Agencies
- Industry Organizations
- Key Nuclear Suppliers
- Public Outreach



## National Intellectual Property Rights (IPR) Coordination Center

Protection is Our Trademark -The IPR Center manages and supports the ICE commercial fraud program. Successful cases have produced significant seizures, civil penalties and criminal prosecutions.

### Latest News

- Tijuana man charged with importing counterfeit pain pills containing potentially deadly chemical**  
Sergio Linyuntang Mendoza Bohon, 19, was arrested in February after he attempted to smuggle nearly 1,200 counterfeit oxycodone pills into the U.S. through the pedestrian lane at the Otay Mesa port of entry. During a secondary inspection and pat down, U.S. Customs and Border Protection (CBP) officers found the tablets along with a package containing several grams of white powder in Mendoza's...
- Rhode Island man sentenced for trafficking in counterfeit Viagra**  
A Pawtucket, R.I. man was sentenced Thursday in U.S. District Court in Boston for trafficking in counterfeit prescription medications following a joint investigation led by (ICE) Homeland Security Investigations (HSI), and the U.S. Postal Inspection Service.

### Consumer Alerts

- Pirated Software May Contain Malware**  
Software bought on the cheap from unknown sellers may contain hidden dangers.
- Counterfeit Auto Parts**  
PSA for counterfeit auto parts.

### Quick Links

- [National Crime Prevention Council \(NCPC\)](#)
- [Office of Intellectual Property Enforcement Coordinator \(IPEC\)](#)
- [Law-Enforcement Online \(For Law-Enforcement Only\)](#)
- [Acquisition Professional Training](#)
- [STOPfakes.gov](#)

### Report IP Theft

To report violations of intellectual property rights, including counterfeiting and piracy, to the National IPR Coordination Center, [click here](#)..



### Civil Anti-Counterfeiting and Piracy Banner

For more information or to request permission to use and place the official seizure banner on your website, please [click here](#).



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## Counterfeit, Fraudulent, and Suspect Items

The NRC requires U.S. nuclear power plants to use only those products and services exhibiting the highest quality in agency-regulated activities. This has always been a cornerstone in the NRC's mission of protecting public health and safety, promoting the common defense and security, and protecting the environment during the civilian use of radioactive materials. Vendors, suppliers and nuclear power plants must verify the quality of items destined for safety-related functions in NRC-regulated activities. Verification includes extensive inspections of an item's critical physical characteristics, combined with rigorous performance testing, to provide reasonable assurance that parts will perform their intended safety functions when required to do so.

Each of the various NRC-regulated industry sectors use similar regulatory language to meet the highest quality assurance standards for the products and services employed in NRC-regulated activities. The NRC advocates a proactive approach to detect and prevent the intrusion of counterfeit, fraudulent, and suspect items (CFSI) into agency-regulated equipment, components, systems, and structures. The NRC routinely interacts with regulated companies, other federal agencies, international organizations, industry trade associations (nuclear & industrial), and academia to stay abreast of emerging CFSI trends.

The NRC inspection staff works with these outside organizations in order to evaluate vulnerabilities in procurement processes and to share best practices for the prevention of CFSI in the supply chain. The NRC holds periodic public workshops to provide information and updates on CFSI issues and to solicit industry feedback and lessons learned. Finally, the NRC participates in Nuclear Energy Agency (NEA) [EXIT](#) and International Atomic Energy Agency (IAEA) [EXIT](#) meetings to share CFSI information and lessons learned with foreign regulators.

- [Guidance Documents and Background Information](#)
- [Safety Culture Policy Statement](#)
- [Public Presentations](#)

The [National Intellectual Property Rights Coordination Center](#) [EXIT](#) (IPR Center) stands at the forefront of the United States Government's response to global intellectual property (IP) theft and enforcement of its international trade laws. The mission of the IPR Center is to ensure national security by protecting the public's health and safety, the U.S. economy, and our war fighters, and to stop predatory and unfair trade practices that threaten the global economy. To accomplish this goal, the IPR Center brings together 23 partner agencies, including the NRC, in a task-force setting. The task force structure enables the IPR Center to effectively leverage the resources, skills, and authorities of each partner and provide a comprehensive response to IP theft.

To report violations of intellectual property rights, including counterfeiting and piracy, to the National IPR Coordination Center, [visit the IPR website.](#) [EXIT](#)



[EXIT](#)

# Regulations that Address CFSI

## Nuclear Reactors

10 CFR 50 Appendix B areas:

- 1) design control
- 2) procurement document control
- 3) control of purchased material, equipment, and services
- 4) identification and control of material, parts, and components
- 5) disposition of nonconforming materials, parts, or components
- 6) corrective action and program effectiveness reviews

## Nuclear Materials

10 CFR Part 32 for sealed source devices  
Parts 40, 70, and 76 for fuel cycle facilities

Radioactive Waste includes transportation, storage, and disposal

10 CFR Parts 71 and 72, both similar to App B QA

10 CFR Part 21 reporting



# An Agencywide Approach to CFSI

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Endorsement of Industry Process

Enhancements and Best Practices

Clarifying Regulatory Guidance

Communication

Training

Inspecting for Effective Industry Oversight  
for Detecting and Preventing CFSI

# Programs

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Vendor Inspections

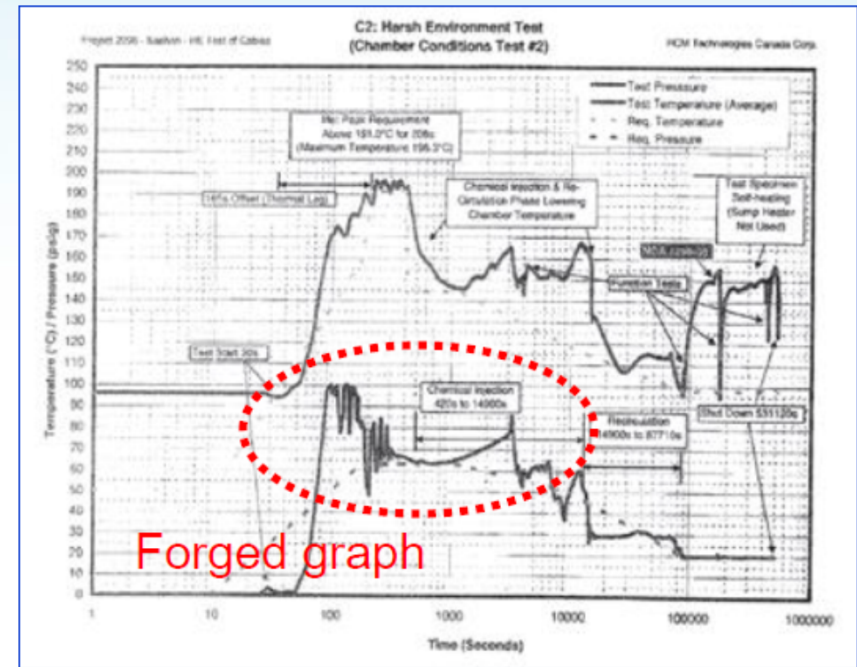
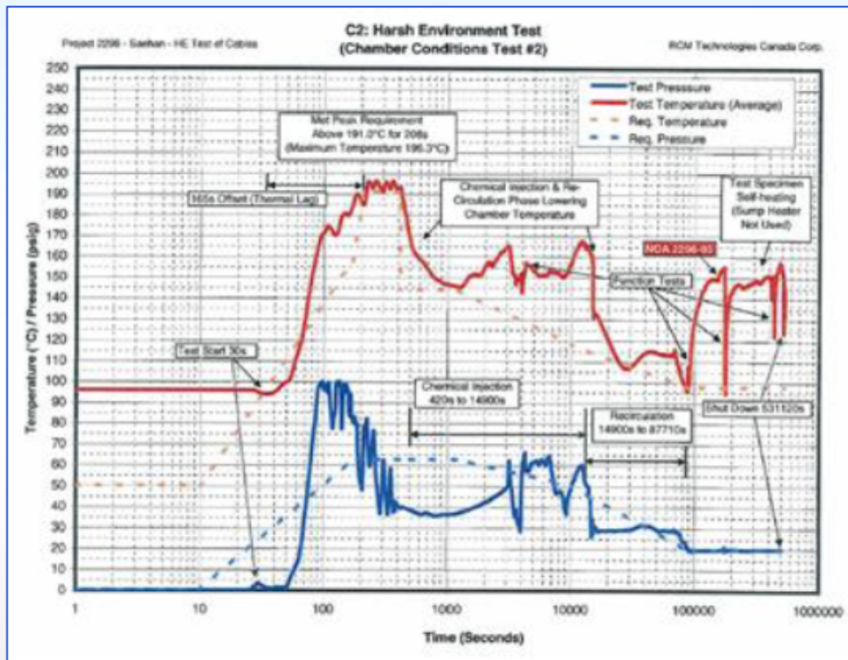
Industry Oversight Programs

Operating Experience

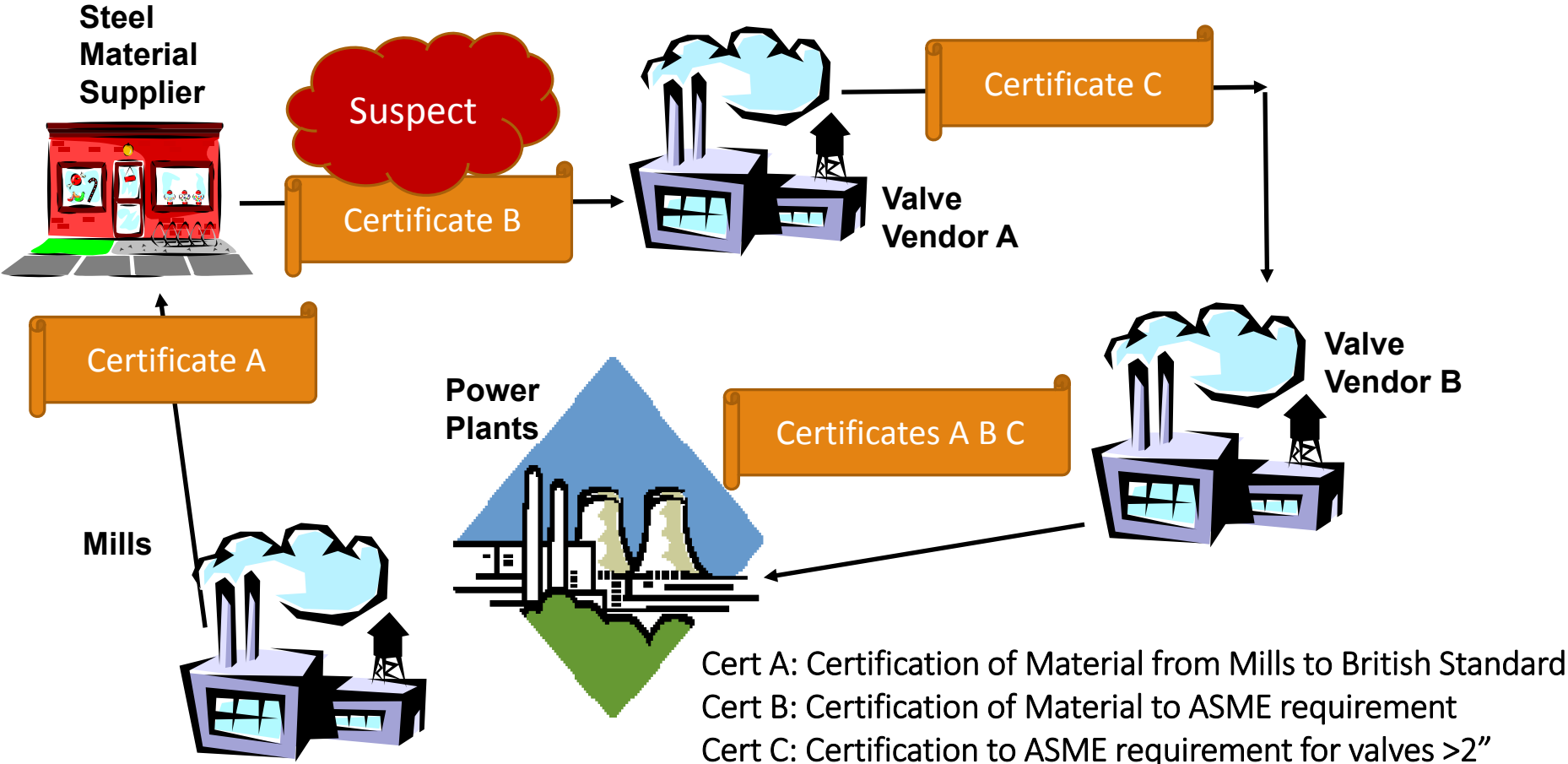
Inter-Government and International Initiatives

Promoting a robust Safety Culture

# Falsified Equipment Qualification Testing



# Valves with Suspect Materials



# NRC Documents Available On Our Website

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**Information Notice 2008-04**, “Counterfeit Parts Supplied to Nuclear Power Plants”

**Information Notice 2012-22**, “Counterfeit, Fraudulent, Suspect Items (CFSI) Training Offerings”

**Information Notice 2013-02**, “Issues Potentially Affecting Nuclear Facility Fire Safety”

**Information Notice 2013-15**, “Willful Misconduct/Record Falsification and Nuclear Safety Culture”

**Regulatory Issue Summary 2015-08**, “Oversight of Counterfeit, Fraudulent, and Suspect Items in the Nuclear Industry”