

Mitigating Counterfeit Parts: Awareness, Deterrents, and Prevention

We make what matters work.*

Tom Grace, Brand Protection Manager, Electrical
March 14, 2018




© 2017 Eaton. All Rights Reserved.

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)




© 2017 Eaton. All Rights Reserved.

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



© 2017 Eaton. All Rights Reserved.

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



© 2017 Eaton. All Rights Reserved.

4

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



© 2017 Eaton. All Rights Reserved.

5

Mitigating Counterfeit Parts: Awareness Counterfeit today



© 2017 Eaton. All Rights Reserved.

6

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	Domestic Electronic Components	18	21	39
	Microcircuits	24	20	44
	Authorized Distributors	10	35	45
Distributors	Independent Distributors	35	5	40
	Business	5	1	6
	Board Assemblers	11	21	32
Prime/Sub Contractors	31	90	121	
Department of Defense	CLAs Organizations	3	16	19
	Non-CLAs Organizations	11	23	34
Total	182	235	387	

22%

82%

89%



U.S. Department of Commerce, Bureau of Industry and Security, 2009

7

Mitigating Counterfeit Parts: Awareness SASC/GAO Report

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



8

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.



9

Mitigating Counterfeit Parts: Deterrent Product enhancements

Product Enhancements

- Branding, Labeling
- Serialization, Laser-Marking
- Authentication, Covert taggants
- Embedded technology



© 2017 Eaton. All Rights Reserved.

10

Mitigating Counterfeit Parts: Deterrent Industry actions at the source



© 2017 Eaton. All Rights Reserved.

11

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

© 2017 Eaton. All Rights Reserved.

12

Thank you

Tom Grace
Manager, Brand Protection
Eaton
1000 Cherrington Parkway
Moon Township, PA 15108
tomagrace@eaton.com
412-893-3814

report_fakes@eaton.com



© 2017 Eaton. All Rights Reserved.

13



Powering Business Worldwide
