

Combating Counterfeits

Knowing Your Supply Chain

By Harry Frost



Is knowing your supply chain the same as the “old boys’ club”? Definitions, connotations, and semantics all play a role in answering that question. Combating counterfeit hardware, such as nuts, bolts, or screws, is similar to, but in many ways different than, combating counterfeit designer clothing, jewelry, CDs, prescription drugs, or electronics. Each industry must assess its needs and potential vulnerabilities with respect to the counterfeit issue. The intent of this article is to provide some insight into the qualified suppliers list (QSL) program used by Defense Logistics Agency (DLA) Troop Support’s industrial hardware supply chain and to show that the QSL program is an important contributor to the fight against counterfeit material.

DLA Troop Support’s QSL program encompasses the QSL for manufacturers and the QSL for distributors. The program satisfies one of the most highly identified, if not the most important, tenet of combating counterfeits: know and work with your supplier base—both manufacturers and distributors. So how does the old boys’ club reference fit in? We want to write to the suppliers and have them write to us. We want to e-mail them and have them e-mail in return. We want to talk with them and establish a rapport. And we want to visit with them. We want to know how they operate, and we want to be able to work out solutions while remaining confident that both parties are treated fairly and appropriately.

But does this mean that the supply chain is unfairly restrictive or provides some manner of favoritism or benefit, notions that are often used to characterize an old boys’ club? The answer to that question is an unequivocal “no.” The QSL program is *not* an old boy’s club.

DLA Troop Support’s QSL program is open to any applicant that can demonstrate compliance with criteria and provisions. Further, continued participation naturally requires continued compliance.

This qualification program encompasses the best industry practices and incorporates these elements into the DLA Troop Support Construction & Equipment (C&E) & Industrial Hardware Organization’s acquisition process. Under the program, we pre-qualify manufacturers and/or distributors to supply certain items based on an assessment of the provider’s applied process controls. Applicants must demonstrate that the controls which they have in-place and in-use on a daily basis comply with the established QSL Criteria, providing maximum assurance that the products procured conform to specification and contractual requirements.¹

For a subset of competitively procured items, suppliers are required to participate in the QSL program in order to sell those items to DLA. A qualified manufacturer can sell them directly to DLA. A qualified distributor can sell material that was produced by a qualified QSL manufacturer. Naturally, distributors must maintain accurate records to

demonstrate traceability directly to that manufacturer. They can even sell to DLA if they can demonstrate traceability through any qualified QSL distributor, as long as the item was manufactured by a qualified QSL manufacturer. This is referred to as “closed loop traceability.” Under no circumstances can distributors in the QSL program alter or modify the hardware in any way.

Six distinct commodity areas have QSL requirements. Table 1 lists them and shows the number of items, qualified manufacturers, and qualified distributors.

Table 1. Commodity Areas with QSL Requirements

Commodity area	Description
Class 3 threaded fasteners ^a	46,321 items 146 qualified manufacturers 113 qualified distributors
Class 2 threaded fasteners ^a	22,580 items 142 qualified manufacturers 109 qualified distributors
Rivets: blind aerospace and threaded pin rivets	5,824 items 23 qualified manufacturers 73 qualified distributors
Quick release pins	2,594 items 5 qualified manufacturers 43 qualified distributors
Rope: fiber rope, cordage, twine, and tape	415 items 20 qualified manufacturers 7 qualified distributors
Bulk metals	14,327 items 172 qualified distributors

^aThe class number refers to the class of thread fit.

Although the requirements for the commodity types have many similarities, each commodity type has its own tailored criteria and provisions. As an example, consider the quick release pin. Most people would recognize that these types of pins are used in exercise equipment. Weight lifting machines found at fitness centers use quick release pins to select a desired weight. However, many of these types of pins are used in more demanding applications, such as aircraft wing folds, ejection seat safety locks, ground vehicles, and ground support equipment tow attachments. Such applications require pins that have more robust performance. The industry standards that define the technical characteristics (shear strength, corrosion resistance, operability, resistance to sand and dust) have qualification test requirements. Therefore, the QSL program for quick release pins is

different than that for the other QSL commodities in that it has requirements for the review of each manufacturer's qualification test reports prior to their inclusion in the program.

The QSL program criteria address such topics as management responsibility, document control, purchasing, product traceability, lot control and marking, inspection of material, test control, test and measurement equipment, procedures for handling nonconforming material and corrective actions, packaging, training, records control, and audits (internal and external). Requirements to manage these areas are not unique to the QSL program. Examination of similar quality control systems defined by most consensus industry standards organizations reveals that controls in these same areas are required.

Not all industries face the same problems with counterfeits. Knowing our supply chain is a huge step in reducing the threat in the fastener arena, but there is no silver bullet to solve all problems. For example, the designer apparel industry has a "knowing" market for counterfeit garments, though not right, proper, or legal. Those interested in the counterfeit item are interested in the "look" only, at a deeply discounted price, of course. They would have no concern about the quality of a garment, the quality of a high-end watch (for example, whether it is actually waterproof to 2 atmospheres), or the wrong they are committing by purchasing the counterfeit. This same circumstance does not occur in the fastener community.

The QSL program at DLA Troop Support is not unique to DoD. The manufacturers and distributors that supply DLA also support the commercial aerospace, ground vehicle, and maritime community. And original equipment manufacturers (OEMs) in those industries institute their own quality programs for suppliers. The fact that our qualified suppliers have business relationships with OEMs in the non-DoD sector is a good thing. It demonstrates that the supplier (manufacturer or distributor) is in it for the long term; they are "on the grid," so to speak. And ultimately, that's what we want. To avoid standard counterfeit material, we want know "who we're dealing with."

¹See <http://www.troopsupport.dla.mil/Hardware/Technical/qs1.asp>.

About the Author

Harry Foster is a supervisory mechanical engineer at DLA Troop Support, Philadelphia, PA. 