



Division of A&R Enterprises
16511 Burke Lane, Huntington Beach, CA 92647
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COUNTERFEIT AND FRAUDULENT PARTS PREVENTION POLICY

In Compliance with SAE AS5553 Rev. C — Initial Issue

Policy No.	SFR-QMS-001
Revision	A
Effective Date	July 1, 2025
Supersedes	N/A — Initial Issue
Applies To	All Company personnel involved in procurement, parts handling, field service, and customer quoting
Standard	SAE AS5553 Rev. C — Fraudulent/Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition

Approved By

Chief Operating Officer

Date

July 1, 2025

Effective Date of This Revision



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1. Purpose

Adams & Robinson Enterprises, Inc. DBA Scientific Refrigeration ("the Company") is committed to supplying only authentic, traceable parts to our customers. This policy establishes the requirements and practices by which Scientific Refrigeration avoids, detects, mitigates, and disposes of fraudulent or counterfeit parts in all phases of procurement, inventory, quoting, and field service.

This policy is aligned with SAE AS5553 Revision C, the industry standard for Fraudulent/Counterfeit Electronic Parts, and reflects Scientific Refrigeration's longstanding operational philosophy: parts are sourced from the Original Equipment Manufacturer (OEM) or through authorized supply channels.

2. Scope

This policy applies to:

- All Scientific Refrigeration employees and management involved in purchasing, receiving, inventory, quoting, or field service activities
- All parts, components, and materials procured for use in customer equipment or for resale
- All supplier and vendor relationships maintained by Scientific Refrigeration
- All customer-facing communications related to parts sourcing, quoting, and replacement recommendations

3. Applicable Standards and References

Term	Definition
SAE AS5553 Rev. C	Fraudulent/Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition — primary governing standard for this policy.
SAE AS6174	Counterfeit Materiel; Assuring Acquisition of Authentic and Conforming Materiel — referenced for non-electronic parts handling.
SAE AS6081	Fraudulent/Counterfeit Electronic Parts: Avoidance, Detection, Mitigation, and Disposition — Independent Distributor Controls.
IDEA-STD-1010	Acceptability of Electronic Components Distributed in the Open Market — inspection guidance reference.



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4. Definitions

Term	Definition
Counterfeit Part	An unauthorized copy, imitation, substitute, or modified part that is represented (knowingly or unknowingly) as genuine and/or conforming to the original design. Includes parts with false or misleading marks, labels, or documentation.
Fraudulent Part	A part misrepresented in documentation, labeling, packaging, or performance, including items sold as new that are actually used, refurbished, or out-of-spec.
OEM (Original Equipment Manufacturer)	The company that originally designed and/or manufactured the equipment or component under its own brand or part number.
Authorized Source	A distributor, dealer, or manufacturer that is franchised or authorized by the OEM to distribute genuine parts.
OCM (Original Component Manufacturer)	The company that originally manufactured a specific component.
Crossover / Equivalent Part	A part from a different manufacturer that has been verified by Scientific Refrigeration or the OEM to meet the same form, fit, and functional specifications as the OEM part.
Independent Distributor (ID)	A supplier that is not authorized directly by the OEM but may obtain parts through secondary markets; use requires enhanced scrutiny per this policy.
Traceability	Documented evidence that a part was sourced from and through legitimate, authorized channels, from OCM/OEM through to the end customer.
Suspect Counterfeit Part	A part for which credible evidence exists that it may be counterfeit, even if not yet confirmed.



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5. Policy Statement

Core Commitment

Scientific Refrigeration's default and preferred practice is to source all parts directly from the OEM or an OEM-authorized supplier. Where direct OEM sourcing is not possible, Scientific Refrigeration obtains the OEM part number, documents an approved crossover or equivalent, and maintains full traceability from source to customer.

5.1 OEM-First Sourcing

Scientific Refrigeration shall:

- Default to purchasing parts directly from the OEM or an OEM-authorized distributor as the primary and preferred source
- Obtain official OEM part numbers for all regularly stocked and commonly ordered components
- Require OEM or authorized distributor invoices or certificates of conformance (CoC) as standard purchasing documentation

5.2 Crossover and Equivalent Parts

When an OEM part is unavailable or an approved equivalent is commercially preferable, Scientific Refrigeration shall:

- Identify the OEM part number first, then document the crossover to the alternative part number
- Verify the crossover through OEM published cross-reference tables, manufacturer interoperability statements, or direct OEM confirmation
- Maintain a written crossover log that records the OEM part number, the equivalent part number, the basis for the equivalency determination, and the date of verification
- Ensure the crossover chain is traceable and available for customer review upon request

5.3 Customer Transparency and Decision Rights

Scientific Refrigeration recognizes that parts decisions affect customer equipment reliability and warranty. Therefore:

- When quoting or performing service, Scientific Refrigeration shall clearly identify whether a part is OEM, OEM-equivalent (crossover), or an alternative (non-OEM, non-equivalent)



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- When an alternative that is neither OEM nor a verified equivalent is under consideration, Scientific Refrigeration shall present the option to the customer with full disclosure of the distinction, including any known differences in specification, warranty, or lead time
- The customer retains the right to make the final parts selection decision when alternatives are presented

6. Procurement Controls

6.1 Approved Supplier Requirements

Scientific Refrigeration shall maintain an Approved Supplier List (ASL). Suppliers shall be qualified before initial use and periodically re-evaluated. Qualification criteria include:

- Confirmation of OEM authorization or distributor status
- Availability of certificates of conformance, lot traceability, and country of origin documentation
- Responsiveness to counterfeit suspect notifications and returns

6.2 Purchasing from Independent Distributors

Purchasing from independent distributors (non-authorized sources) is discouraged and shall be a last resort. When use of an independent distributor is unavoidable due to part obsolescence, supply shortage, or emergency service needs:

- The purchase shall be approved by the COO or designated manager prior to order placement
- Scientific Refrigeration shall request and retain available traceability documentation as applicable. (prior invoices, distributor chain records, original OEM packaging)

6.3 Purchase Order Requirements

All purchase orders for parts shall include:

- The OEM part number (and crossover part number if ordering an equivalent)
- A requirement that parts meet original manufacturer specifications



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7. Receiving Inspection

7.1 Standard Incoming Inspection

All received parts shall undergo a visual and documentation inspection before acceptance into stock or direct use. The receiving inspection shall verify:

- Part number and quantity match the purchase order
- Packaging integrity (original OEM packaging preferred; repackaged items flagged for further review)
- Labeling accuracy: manufacturer name, part number, lot/date code, country of origin, etc.
- Physical condition: no evidence of prior use, rework, re-marking, or abnormal wear

7.2 Enhanced Inspection for Independent Distributor Sources

Parts sourced outside OEM-authorized channels require enhanced inspection, including:

- Comparison of markings against known-good reference samples or OEM published specifications
- Review of all available documentation for consistency and authenticity
- Inspection for evidence of remarking, resurfacing, or altered date codes
- Where feasible, functional testing before installation

7.3 Suspect Counterfeit Identification

Receiving personnel shall treat the following as indicators of potential counterfeit parts and flag them for management review before any further use:

- Packaging inconsistencies (incorrect logos, fonts, misspellings, missing barcodes)
- Markings that are blurred, uneven, or inconsistent with OEM standards
- Lot or date codes that are illogical or inconsistent with known product history
- Unusually low pricing inconsistent with market rates for the genuine article
- Excessive supply availability of parts known to be obsolete or scarce
- Documentation that is incomplete, inconsistent, or appears altered



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8. Inventory and Parts Handling

- All stocked parts shall be stored in their original or clearly labeled packaging with part number, source, and receipt date
- Parts sourced from non-authorized channels shall be physically segregated and clearly marked "HOLD – PENDING REVIEW" until enhanced inspection is complete and manager approval is granted.
- Confirmed or suspect counterfeit parts shall be physically quarantined, clearly labeled "NON CONFORMING- SUSPECT COUNTERFEIT," and secured pending disposition per Section 10
- Truck stock maintained by field technicians is subject to the same sourcing, traceability, and documentation requirements as shop inventory
- Parts removed from customer equipment (cores, returns) shall be labeled and tracked separately from new stock

9. Training and Awareness

- All personnel involved in procurement, receiving, inventory, quoting, or field service shall be briefed on this policy.
- This policy shall be accessible to all employees at all times

10. Suspect and Confirmed Counterfeit Part Disposition

10.1 Internal Reporting

Any employee who identifies or suspects a counterfeit or fraudulent part shall immediately:

- Remove the part from inventory or service use and place it in quarantine
- Label the part clearly as "SUSPECT COUNTERFEIT – DO NOT USE"
- Notify the COO or designated manager with a description of the part, the source, and the basis for suspicion
- Document the identification in the counterfeit parts log

10.2 Supplier Notification

Upon confirmation that a part is counterfeit or fraudulent:

- Scientific Refrigeration shall notify the supplying distributor or source in writing
- Scientific Refrigeration shall request a full refund or replacement with verified authentic parts



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- The supplier's response and resolution shall be documented and retained
- Suppliers who knowingly supply counterfeit parts, or who fail to resolve confirmed counterfeit events, shall be removed from the Approved Supplier List

10.3 External Reporting

Scientific Refrigeration shall consider reporting confirmed counterfeit parts to the following external bodies as appropriate:

- ERAI, Inc. (Electronic Resellers Association International) — industry counterfeit reporting database
- The original component manufacturer (OCM/OEM) — to enable supply chain investigation
- Relevant regulatory or law enforcement authorities where fraud is suspected

10.4 Disposition

Confirmed counterfeit parts shall not be returned to any usable inventory channel. Disposition options include:

- Return to the supplying source as part of a claim resolution (with physical controls to prevent re-entry into supply chain)
- Destruction, documented.

11. Records and Documentation

Scientific Refrigeration shall maintain the following records in support of this policy:

- Approved Supplier List with OEM authorization status and last review date
- Purchase orders with part number, source, and required documentation clauses
- Supplier invoices and certificates of conformance for all parts purchased
- Crossover/equivalency log documenting OEM part numbers, equivalent part numbers, and verification basis
- Receiving inspection records,
- Counterfeit parts log including suspect identifications, investigations, supplier notifications, and dispositions

All records shall be retained for a minimum of seven (7) years or the life of the relevant customer equipment, whichever is longer, unless otherwise required by contract.



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12. Non-Compliance

Violations of this policy, including knowingly sourcing, representing, or installing counterfeit or fraudulent parts, or misrepresenting part sourcing to a customer, may result in:

- Corrective action up to and including termination of employment
- Removal of supplier from the Approved Supplier List
- Notification of appropriate authorities where fraud or criminal conduct is involved

Scientific Refrigeration's commitment to its customers' equipment reliability and safety is not negotiable. This policy exists to protect customers, protect Scientific Refrigeration's reputation, and uphold the standards of the refrigeration service industry.

13. Revision History

Rev.	Date	Author	Description
A	July 1, 2025	COO	Initial issue.