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**The escalation of Cloned-  
Counterfeits requires  
“Trusted Source”  
be re-defined by the DoD  
for our  
WAR FIGHTERS!**



# Escalating **Clone** Threat!

- “Cloned” Components : Fraudulent component copies built from scratch that function and bear the part markings of large Original Component Manufacturers (OCM).
- In 2012 SMT labs positively identified **cloned**-components flooding into in the global supply chain.
- Many of these parts will pass DLA’s current AS6081 QTSL test requirements for non-trace components.
- This significant leap in the counterfeiters capability poses a growing “Clear & Present Danger” to our War Fighters and our National Security.
- We must re-define “Who” a “**Trusted Source**” is NOW.



# DLA - QSLD Supplier

- 2009 - DLA created “Qualified Suppliers List of Distributors” (QSLD) to provide parts with unbroken OCM-traceability from QSLD-certified suppliers only.
  - Comprised of DLA-vetted / approved:
    - Component Manufacturers
    - Authorized / Franchised Distributors
    - Authorized After-Market Distributors
    - Non-Authorized Distributors / Parts Brokers
- All DLA requirements had to pass through this tier first.



# DLA - QTSL Supplier

- 2012 - DLA created “Qualified Testing Suppliers List” (QTSL) to provide pre-tested parts without unbroken OCM-traceability.
  - Comprised of DLA-vetted / approved:
    - **Non-Authorized Distributors / Brokers** with a minimal degree of required in-house test capability. (QTSL suppliers can supplement certain required test capability deficiencies by utilizing services of approved 3<sup>rd</sup> party test labs)
- (A good program requiring authenticity & functional testing on non-trace parts prior to shipment to DLA.)



# Current QSLD & QTSL Procurement Model:

Today's QSLD Vendor Program gives **Non-Authorized Distributors / Brokers** EQUAL supplier-class status to the **Original Component Manufacturers and the Authorized Distributors.**

**DLA**  
Req. posted on DIBBS

**QSLD Suppliers - 1st**  
(Bid with trace to OCM or QSLD supplier only)

**Component Manufacturer**  
**Authorized Distributor**  
**Authorized After-Market**  
**Non-Authorized / Broker**

**QTSL Suppliers - 2nd**  
(Bid with trace to OCM, QSLD or with FULL testing)

**Non-Authorized / Broker**

**Open to Public - 3rd**  
(DLA - Product Verification Testing required )



# Necessary QSLD & QTSL Procurement Model:

All efforts should be made to buy from OCM or Authorized QSLD suppliers first.

**Non-Authorized Distributors / Brokers** should appear only in the QTSL 2nd tier.

**DLA**  
Req. posted on DIBBS

**QSLD Suppliers - 1st**  
(Bid with trace only)  
**TRUSTED SOURCES!!**

Component Manufacturer  
Authorized Distributor  
Authorized After-Market

(Parts are not available from QSLD)

**QTSL Suppliers - 2nd**  
(Bid with trace, OR -  
without trace & with testing)

**Non-Authorized / Broker**

(Parts are not available from QTSL)

**Open to Public - 3rd**  
(DLA - Product Verification  
Testing required )



# Bring Risk-Clarification to the “Trusted Source” title

- The very real and growing threat from **cloned**-devices is on a danger factor of 10x over the traditional “refurbished” counterfeit parts our most current detection standards have been written around.
- Currently there are 33 approved QSLD 1<sup>st</sup> tier suppliers – 26 of which are **Non-Authorized / Broker** companies.
- Mixing OCM, Authorized and **Non-Authorized / Broker** together in the same top tier supplier classification is exposing our War Fighters to ever-increasing & unnecessary serious risks.





# Bring Risk-Clarification to the “Trusted Source” title

- At the QSLD level DLA should only be placing orders with distributor companies whom are authorized to sell or remanufacture the specific OCM product being supplied.
- Authorized Distributors should be encouraged to fill all DoD requirements possible at the QSLD 1<sup>st</sup> tier Authorized-Only level without competing with **Non-Authorized / Broker** companies for this business.
- It is CRUCIAL that DoD re-set the bar now with clarity on what constitutes the “Trusted Source” title.
- **BUY FROM THE TRUSTED SOURCE FIRST!**

