

Does Australian Aviation Have a Counterfeit Problem?

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The Counterfeit Parts problem in the US military is being described in terms such as "epidemic", "plague" and "pandemic". This is in fact a global issue. The cost to the US military is around US\$6bn per year, but the bigger counterfeit picture is even more grim, where counterfeit goods including pharmaceuticals, consumer electronics and even food, generate over US\$250bn a year for organised crime, such as illicit drugs, human trafficking and terrorism. The United Nations Office on Drugs and Crime (UNODC) is running a campaign involving 179 countries to impose tougher laws and undertake various other collaborative efforts to bring the problem under control.

Australia is also experiencing a growing influx of counterfeit items being intercepted by Customs, with this year's discoveries nearly double that of the previous year. These items range from car parts to fashion items to toothbrushes, and of particular concern are food items, counterfeit medicines and electrical components, all of which can put lives at risk.

In regard to our aviation environment, the growing international abundance of counterfeit parts (known as "bogus parts" here in Australia), doesn't overtly appear to have raised a proportionate level of concern here, despite the fact that we are very much part of the global supply chain, and not just that of the US. So how much of a problem are counterfeits in Australian aviation, and have our supply management processes remained sufficiently robust to respond to an increasing level of suppliers with malicious intent who are constantly seeking new methods and opportunities to infiltrate supply chains?

A Counterfeit Awareness campaign has been run through the annual *Aircraft Airworthiness and Sustainment (Australia)* Conference since 2006 with the aid of numerous US speakers, and some Australians also. This campaign is being stepped up in an effort to achieve much greater awareness in our community.

Bogus parts are nothing new to Australia and we've been managing them here for decades. Nonetheless, the current problem is many times worse and the more isolated instances of the past are dwarfed by the levels the world is witnessing today. Yet, despite being an integral part of the international supply chain, we simply don't know to what extent our susceptibility has realised. Conversations with a number of organisations have revealed that most have had experience with counterfeit discoveries in their own systems, but the instances we hear about are those which have been picked up by existing processes and in a timely manner, prior to being installed in an aircraft (or ship or land vehicle). This is excellent news but is it the complete picture?

Experience from the US found that organisations would not share information relating to counterfeits they had discovered, especially if they'd slipped through and been fitted to an aircraft. The obvious embarrassment, together with the fear of impact from potential customer repercussions were enough to ensure silence. In the vast majority of cases these companies are well meaning ethical performers who were simply caught out by the wilyness of today's well organised counterfeit suppliers. This problem culminated in US legislation released in 2012 through the National Defense Authorization Act, Section 818, requiring that all organisations report all counterfeit discoveries, and whilst there is no penalty for the actual occurrence, there are stiff penalties for not reporting it so that others can be forewarned.

Here in Australia, whilst most organisations approached appear to be at least partially aware of the scope of the problem, there seems to be no element of urgency in combating it collaboratively. Raised eyebrows sometimes suggest the US statistics have been used to "sensationalise" our home situation; certainly not the intention, though conversely, the often tepid response to Conference awareness sessions from delegates over the years suggests complacency, an attribute which we've seen demonstrated in our aviation industry so often in the past, to our detriment. Sadly, we don't live in a perfect world and thus any efforts in preventing counterfeits from slipping through are not redundant.

So what needs to happen here in Australia? Firstly, the awareness campaign needs to be broadened to reach the ears and eyes of as many in our aerospace environment, together with land and sea, as possible.

Secondly, it would be of advantage to be able to "Australianise" the campaign to back-up these "sensational" statistics with real-life findings in our own systems, with organisations willing to show some industry leadership by being prepared to share their own experiences, especially significant ones. Only when we work together to identify and respond in a pro-active manner to problems such as this will we be truly prepared.

AA&S (Australia) has undertaken the role of Australian affiliate for the International Avoid Counterfeit Coalition (ACC) and the Hazardous Substance Safe Coalition (HSSC), and whilst the Australian versions will be tailored to our own needs, the sharing of data in a worldwide database, which is available as part of Coalition membership, is an example of where collaboration once again provides mutual benefit.

Another campaign run By AA&S (Australia) as part of the Conference and throughout the year is the promotion of "aerospace leadership" and this is certainly an example of where the two campaigns coincide.

So does Australia have a counterfeit problem? If every one of us is aware and constantly vigilant such that there is never an occurrence, then what a great outcome. If on the other hand we

experience a catastrophic event simply because our levels of complacency predominated, then we have failed to keep our warfighters and travelling public safe. We literally don't know how much of a problem we have here in Australia, so the aim of AA&S (Australia) is simply to maximise awareness of the world status and our own vulnerability to counterfeits, and to create widespread collaboration for the greater good - the next step towards seeing some true aerospace leadership in the community!