



DoD INSTRUCTION 4140.67

DoD COUNTERFEIT PREVENTION POLICY

Originating Component:	Office of the Under Secretary of Defense for Acquisition and Sustainment
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Approved by:	William A. LaPlante, Under Secretary for Acquisition and Sustainment

Purpose: In accordance with the authority in DoD Directive (DoDD) 5135.02, this issuance:

- Establishes policy and assigns responsibilities necessary to prevent the introduction of counterfeit materiel at any level of the DoD supply chain, including special requirements related to electronic parts prescribed by:
 - Section 818 of Public Law 112-81 as amended by Section 817 of Public Law 113-291.
 - Section 885 of Public Law 114-92.
- Provides counterfeit prevention policy and procedures for:
 - DoD Components to prevent counterfeit materiel from entering the DoD supply chain.
 - DoD weapon and information systems, equipment, spares, repair, and replacement parts.
- Assigns responsibilities for prevention, detection, remediation, investigation, and restitution to defend the DoD against counterfeit materiel that poses a threat to personnel safety and mission assurance.

TABLE OF CONTENTS

SECTION 1: GENERAL ISSUANCE INFORMATION	3
1.1. Applicability.	3
1.2. Policy.	3
SECTION 2: RESPONSIBILITIES	5
2.1. Under Secretary of Defense for Acquisition and Sustainment (USD(A&S)).....	5
2.2. Assistant Secretary of Defense for Sustainment.	6
2.3. Assistant Secretary of Defense for Acquisition.	6
2.4. USD(R&E).....	7
2.5. Under Secretary of Defense for Intelligence and Security.	7
2.6. DoD Chief Information Officer (DoD CIO).....	7
2.7. DoD Component Heads.	8
GLOSSARY	10
G.1. Acronyms.	10
G.2. Definitions.....	10
REFERENCES	11

SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY.

This issuance applies to:

- a. OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this issuance as the “DoD Components”).
- b. All life-cycle phases of acquisition and materiel management:
 - (1) Identifying and defining an operational requirement for an item’s or equipment’s introduction into the DoD supply chain.
 - (2) Initial and follow-on acquisition of items or equipment.
 - (3) Operation and maintenance.
 - (4) Disposition, phase-out, and retirement.

1.2. POLICY.

It is DoD policy to:

- a. Prevent the introduction of counterfeit materiel into DoD weapon and information systems, equipment, spares, repair, and replacement parts.
- b. Employ a risk-based approach to reduce the frequency and impact of counterfeit materiel within DoD acquisition systems and DoD life-cycle sustainment processes by:
 - (1) Applying prevention and early detection procedures to minimize the presence of counterfeit materiel within the DoD supply chain as the primary strategy in eliminating counterfeit materiel within the DoD.
 - (2) Strengthening the oversight, surveillance, continuous monitoring, and auditing procedures for materiel to ensure its integrity throughout its life cycle.
- c. Include counterfeit risk mitigation processes in contracts when required.
- d. Document all occurrences of suspect and confirmed counterfeit materiel in the appropriate reporting systems including the Government-Industry Data Exchange Program (GIDEP), in accordance with DoD Instruction (DoDI) 5200.49.
- e. Make information about counterfeit and suspect counterfeit materiel accessible at all levels of the DoD supply chain as a method for counterfeit prevention.

f. Identify items in the GIDEP and other appropriate reporting systems as suspect counterfeit materiel when items are non-conforming, i.e., do not meet a specification requirement(s) and are unapproved or unauthorized substitutions.

g. Investigate, analyze, and assess all cases of all suspect counterfeit materiel.

h. Seek restitution when materiel is confirmed as counterfeit and obtain remedies prescribed by relevant authority including DoDI 7050.05, Part 46 of the Federal Acquisition Regulation, and Clause 231.205-71 of the Defense Federal Acquisition Regulation Supplement (DFARS).

i. Notify DoD criminal investigative organizations, or intelligence authorities, and those who use the suspect and confirmed counterfeit materiel, of incidents at the earliest opportunity.

j. Align DoD counterfeit prevention processes to support the DoD supply chain goals for materiel, weapon systems, and information systems:

(1) Availability.

(2) Support effectiveness and efficiency.

k. Provide DoD workforce with counterfeit prevention education and training.

l. Provide technical personnel and support to organizations that are developing industry standards for counterfeit prevention.

SECTION 2: RESPONSIBILITIES

2.1. UNDER SECRETARY OF DEFENSE FOR ACQUISITION AND SUSTAINMENT (USD(A&S)).

The USD(A&S):

a. Establishes integrated DoD policy on all matters relating to counterfeit prevention and develops implementing guidance in appropriate issuances, including:

- (1) DoDIs 4140.01, 5000.02, 5000.91, 8320.04, and 4151.19.
- (2) Volume 1 of DoD Manual (DoDM) 4160.21.
- (3) Volume 3 of DoDM 4140.01.
- (4) Defense logistics manuals.
- (5) The DFARS.

b. Maintains DoD enterprise focus on counterfeit materiel risk reduction, as the designated office of primary responsibility, for coordinating the development and implementation of an integrated DoD enterprise counterfeit prevention strategy.

c. Develops acquisition and procurement policies, procedures, regulations, and guidance to prevent, detect, remediate, and seek restitution for the procurement and delivery of counterfeit materiel. Implements acquisition procedures for all materiel management and weapon systems program managers to:

- (1) Prevent the acquisition of counterfeit materiel in the DoD supply chain.
- (2) Protect the DoD supply chain prior to delivery of materiel.
- (3) Identify and protect counterfeit detection capabilities and mitigation procedures through application of the operations security process, in accordance with DoDM 5205.02. Ensure critical information and indicator lists are reviewed and updated in accordance with DoDD 5205.02E.
- (4) Require remediation for counterfeit materiel discovered after delivery of materiel.
- (5) Seek restitution and recover costs incurred from all failures and damages caused by counterfeit materiel.

d. Develops and implements workforce education and training programs to deter, detect, analyze, report, and manage the disposition of counterfeit materiel. Incorporates education on counterfeit materiel in Defense Acquisition University programs.

e. Ensures collaboration and consultation with other Federal agencies, international coalition partners, and industry on counterfeit prevention measures.

f. Coordinates with the Under Secretary of Defense for Research and Engineering (USD(R&E)) and other DoD Component heads to establish a risk-based approach to identify materiel susceptible to counterfeiting and to procure authentic materiel.

2.2. ASSISTANT SECRETARY OF DEFENSE FOR SUSTAINMENT.

Under the authority, direction, and control of the USD(A&S), the Assistant Secretary of Defense for Sustainment:

a. Acts as the principal point of contact for DoD procedures for the prevention, detection, reporting, and disposition of counterfeit materiel in the DoD supply chain.

b. In coordination with the USD(R&E)'s designated representatives, aligns and maintains DoD materiel and maintenance management issuances to implement the policies contained in this issuance. This includes, but is not limited to, procedures for:

(1) Intensive item management.

(2) Critical item traceability.

(3) Counterfeit materiel identification and reporting in the GIDEP.

(4) Supply chain materiel management.

(5) Materiel disposition decisions.

c. Monitors the overall effectiveness and efficiency of the DoD logistics system and continually assesses counterfeit prevention measures to drive improvement.

d. Acts as the principal point of contact for accountable equipment policy pursuant to DoDI 5000.64.

2.3. ASSISTANT SECRETARY OF DEFENSE FOR ACQUISITION.

Under the authority, direction, and control of the USD(A&S), the Assistant Secretary of Defense for Acquisition develops and modifies procurement policies, procedures, regulations, and guidance to support the counterfeit prevention policies in this issuance and supporting issuances.

2.4. USD(R&E).

The USD(R&E):

- a. Coordinates with the DoD Component heads to develop and implement risk-based procedures to identify materiel susceptible to counterfeiting. Aligns these procedures with existing processes such as those used to identify critical components in accordance with DoDI 5200.44.
- b. Leads the development and modification of quality assurance policy and procedures to support the policies in this issuance.
- c. Incorporates design considerations to support counterfeit prevention in its engineering references for program offices found on the USD(R&E) website, <https://ac.cto.mil/erpo/>, and other guidance as appropriate.
- d. Collaborates with the DoD Component heads to establish technical counterfeit prevention qualification standards and procedures for suppliers to deliver authentic materiel.
- e. Acts as the principal point of contact for the GIDEP. Determines and implements enhancements to the GIDEP to expand its usefulness and robustness to support counterfeit prevention in the DoD global supply chain.
- f. Provides appropriate research and development support tools and techniques to deter and detect counterfeit materiel.

2.5. UNDER SECRETARY OF DEFENSE FOR INTELLIGENCE AND SECURITY.

In accordance with DoDI 5200.39 and Section 254 of Public Law 110-417, the Under Secretary of Defense for Intelligence and Security:

- a. In accordance with DoDI O-5240.24, advises the USD(A&S) of counterfeiting risks in the DoD supply chain that may impact operations.
- b. Aids in the implementation of risk assessment in accordance with:
 - (1) DoDD 5135.02.
 - (2) DoDIs 5200.44 and O-5240.24.

2.6. DOD CHIEF INFORMATION OFFICER (DOD CIO).

The DoD CIO:

- a. In accordance with DoDI 5200.44 and in coordination with the USD(R&E), assists the DoD Component heads in the development and governance of an integrated strategy for

counterfeit prevention and protection for information systems and information and communications technology.

b. Integrates the counterfeit prevention requirements prescribed by this issuance into information assurance and other relevant policies and processes.

2.7. DOD COMPONENT HEADS.

DoD Components heads:

a. Integrate counterfeit prevention requirements into all relevant issuances, regulations, guidance, contract requirements, and procedures to comply with this issuance.

b. Implement DoD counterfeit prevention policies, procedures, practices, and contract requirements for the prevention, detection, disposition, remediation, investigation, reporting, and restitution remedies for counterfeit materiel.

c. Throughout the acquisition life cycle, identify and document materiel that is susceptible to counterfeiting.

d. For all applicable contracts and solicitations, address counterfeit-related procedures in accordance with:

(1) Section 231.205-71, Section 246.870, and Clauses 252.246-7007 and 252.246-7008 of the DFARS.

(2) Clause 52.246-26 of the Federal Acquisition Regulation.

e. For materiel that is susceptible to counterfeiting, implement counterfeit prevention measures, strategies, plans, and programs that balance the risks and impacts to readiness and cost of implementing the counterfeit prevention measures.

f. Procure materiel from suppliers that:

(1) Can demonstrate the ability to map and identify authorized sources for parts and materiel.

(2) Procure products currently in production from authorized sources (e.g., original manufacturers or their legally authorized suppliers in accordance with the DFARS).

(3) Implement risk-based testing, inspection, and authentication practices that are acceptable to the U.S. Government.

g. Apply additional counterfeit risk management measures in accordance with Volume 3 of DoDM 4140.01 when suppliers do not meet the appropriate counterfeit avoidance standards and procedures in Paragraph 2.7.f. of this issuance.

h. Use item unique identification when required in accordance with DoDI 8320.04.

- i. Detect counterfeit materiel using sampling techniques, materiel testing, and auditing.
- j. Investigate suspect and confirmed counterfeit materiel.
- k. Report all occurrences of suspect and confirmed counterfeit materiel to:
 - (1) Appropriate authorities immediately upon discovery.
 - (2) Deficiency reporting systems and the GIDEP within 60 calendar days.
 - (3) DoD criminal investigative organizations and other DoD law enforcement authorities at the earliest opportunity.
- l. When materiel is identified as suspect counterfeit that potentially poses imminent danger to personnel, expeditiously disseminate a notification to other DoD Components.
- m. Remedy the consequences of counterfeit materiel in the DoD supply chain following existing processes and procedures for non-conforming materiel in accordance with DoDI 5000.64 and the DFARS.
- n. Mutilate counterfeit materiel in accordance with Volume 1 of DoDM 4160.21 after all related investigations and litigations are complete.
- o. In coordination with the USD(A&S) and DoD CIO:
 - (1) Implement workforce education and training programs for both civilian and military personnel according to DoD policy to prevent, detect, dispose, remediate, investigate, report, and recover losses incurred from counterfeit materiel in the DoD supply chain.
 - (2) Update training to incorporate new developments in industry related to counterfeit materiel (e.g., cloning, tampering, cyber system security, or other new approaches used by counterfeiters).
- p. Develop, establish, and maintain performance metrics to assess the risks posed by counterfeit materiel and monitor the effectiveness and efficiency of counterfeit prevention measures and actions.
- q. Identify and establish standardized guidelines and requirements in contracts for contractors to employ in their processes for the detection and avoidance of counterfeit materiel into the DoD supply chain.

GLOSSARY

G.1. ACRONYMS.

ACRONYM	MEANING
DFARS	Defense Federal Acquisition Regulation Supplement
DoD CIO	DoD Chief Information Officer
DoDD	DoD directive
DoDI	DoD instruction
DoDM	DoD manual
GIDEP	Government-Industry Data Exchange Program
USD(A&S)	Under Secretary of Defense for Acquisition and Sustainment
USD(R&E)	Under Secretary of Defense for Research and Engineering

G.2. DEFINITIONS.

A complete glossary of DoD supply chain terms and definitions is maintained on the Deputy Assistant Secretary of Defense for Logistics website at https://www.acq.osd.mil/log/LOG_SD/policy_vault.html.

REFERENCES

- Defense Federal Acquisition Regulation Supplement, current edition
- DoD Directive 5135.02, “Under Secretary of Defense for Acquisition and Sustainment (USD(A&S)),” July 15, 2020
- DoD Directive 5205.02E, “DoD Operations Security (OPSEC) Program,” June 20, 2012, as amended
- DoD Instruction 4140.01, “DoD Supply Chain Materiel Management Policy,” March 6, 2019
- DoD Instruction 4151.19, “Serialized Item Management (SIM) for Life-Cycle Management of Materiel,” January 9, 2014, as amended
- DoD Instruction 5000.02, “Operation of the Adaptive Acquisition Framework,” January 23, 2020, as amended
- DoD Instruction 5000.64, “Accountability and Management of DoD Equipment and Other Accountable Property,” April 27, 2017, as amended
- DoD Instruction 5000.91, “Product Support Management for the Adaptive Acquisition Framework,” November 4, 2021
- DoD Instruction 5200.39, “Critical Program Information (CPI) Identification and Protection Within Research, Development, Test, and Evaluation (RDT&E),” May 28, 2015, as amended
- DoD Instruction 5200.44, “Protection of Mission Critical Functions to Achieve Trusted Systems and Networks (TSN),” November 5, 2012, as amended
- DoD Instruction 5200.49, “Oversight of the Collection and Exchange of Information Using the Government-Industry Data Exchange Program,” August 18, 2022
- DoD Instruction O-5240.24, “Counterintelligence (CI) Activities Supporting Research, Development, and Acquisition (RDA),” June 8, 2011, as amended
- DoD Instruction 7050.05, “Coordination of Remedies for Fraud and Corruption Related to Procurement Activities,” May 12, 2014, as amended
- DoD Instruction 8320.04, “Item Unique Identification (IUID) Standards for Tangible Personal Property,” September 3, 2015, as amended
- DoD Manual 4140.01, Volume 3, “DoD Supply Chain Materiel Management Procedures: Materiel Sourcing,” October 9, 2019, as amended
- DoD Manual 4160.21, Volume 1, “Defense Materiel Disposition: Disposal Guidance and Procedures,” October 22, 2015, as amended
- DoD Manual 5205.02, “DoD Operations Security (OPSEC) Program Manual,” November 3, 2008, as amended
- Federal Acquisition Regulation, current edition
- Public Law 110-417, Section 254, “Duncan Hunter National Defense Authorization Act for Fiscal Year 2009,” October 14, 2008
- Public Law 112-81, Section 818, “National Defense Authorization Act for Fiscal Year 2012,” December 31, 2011
- Public Law 113-291, Section 817, “Carl Levin and Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015,” December 19, 2014

Public Law 114-92, Section 885, “National Defense Authorization Act for Fiscal Year 2016,”
November 25, 2015