

CLIENT ALERT

DoD Broadens Allowability for Cost Associated with Counterfeit Electronic Parts

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On August 30, 2016, DoD published a [final rule](#) that expands allowability of costs of actual or suspect counterfeit electronic parts and the cost of rework or corrective action due to their use. Whereas, previously, such costs were only allowable if the parts were government-furnished property, effective August 30, 2016, such costs will also be allowable if the parts are obtained in accordance with the [newly added DFARS 252.246-7008](#) concerning sourcing of electronic parts; the contractor becomes aware of the part through inspection, testing, authentication, or other means; and it provides notice to the cognizant COs and GIDEP within 60 days of becoming aware.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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