

## CLIENT ALERT

### DoD's Proposed Counterfeit Electronic Parts Rules Are Short on Details

May 22, 2013

Following up on its publication of an instruction on [counterfeit parts](#) on May 16, DoD issued a long-expected [proposed rule](#) on counterfeit electronic parts avoidance, detection, and liability, with comments due by July 15. As discussed on our [blog](#), the rule -- which applies only to CAS-covered prime contractors but will have a much broader impact on subcontractors and suppliers -- requires that business systems include DoD-approved avoidance and detection systems, but leaves the details of the newly required systems to be fleshed out, it would seem, by DCAA and/or DCMA, and, while it imposes potentially unlimited liability for counterfeit parts, it has an exceedingly narrow "safe harbor."

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

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