

NOTE: Changes to this document require the new document revision to be uploaded to the TDGO website, www.teledynemarine.com/dgo, to replace the obsolete version located under the SUPPLIERS Tab.

Dear Valued Supplier,

Teledyne is built on a foundation of integrity to always do the right thing and has an obligation to uphold those principles throughout our supply chain partnerships. We strive to be the best in the industries in which we compete, but not at the price of violating the law, acting unethically or losing its reputation. Central to these core principles is a steadfast commitment not to engage in, facilitate or condone any form of corruption, including Fraud and Falsification.

Teledyne expects all its Distributors, Value-Added Suppliers, Manufacturers, and all other Service Providers, acting on Teledyne's behalf, to adhere to these standards. This notice is intended to clearly communicate the business ethics and standards of conduct that apply to all aspects of our supply chain delivered product and services, and the importance of compliance with all applicable Teledyne Quality and Procurement written requirements.

Teledyne Suppliers and their Sub-Tiers (management and employees) are contractually obligated to meet all PO requirements, including but not limited to adherence to all applicable laws, regulations, and contract terms and conditions.

Suppliers and their Sub-Tiers shall be vigilant in their efforts to prevent fraud and falsification as it affects contract compliance, impacts costs, and can cause grave safety issues.

NOTE: Suppliers and their Sub-Tiers are made aware through terms and conditions that any falsification, concealment, gross mistake tantamount to fraud, alteration of any material fact, or any false, fraudulent or fictitious statement or representation in connection with the work under the PO resulting in fraud or falsification is not only prohibited by the Purchaser's policy but may also be punishable under law.

Suppliers must ensure that employees and Sub-Tier Suppliers are provided all the proper and pertinent documentation necessary to perform work in compliance with all contractual requirements, including letters and posters.

Contract Compliance

To demonstrate contract compliance with this specification, the Supplier is required to perform, and maintain records for, the following:

- a) Alert all employees to this (Fraud and Falsification) document during new hire indoctrination.
- b) Annually provide refresher training to this (Fraud and Falsification) document for all employees.
- c) A Fraud and Falsification notification poster serves as a visible reminder notice, and provides contact information should malpractice or fraud & falsification be observed or suspected. *Suppliers are to post a DOD sanctioned reminder notice* in conspicuous and prominent locations throughout the facility, especially work areas, at a minimum rate of one (1) copy for every fifty (50) employees. An example of a hotline poster can be found at https://www.dodig.mil/Portals/48/Hotline%20Poster_072022_11x17_v3_1.pdf
- d) Include verification during internal quality audits that malpractice and F&F training is performed, and reminder notices are posted.
- e) Include in audit requirements that auditors be alert for F&F during internal and external quality audits.
- f) Perform periodic and independent over-checks of final inspections and testing.
- g) Alert all Sub-Tier Suppliers of their F&F prevention obligations through pass down of this specification in Supplier POs.
- h) While performing on-site quality audits at Sub-Tier Supplier's facilities confirm and verify Sub-Tier awareness of F&F prevention.

Examples of Fraud or Falsification

- Issuing a procedure or instructions known to contain unauthorized deviation(s) to contractual requirements.
- Knowingly waiving or eliminating a contractual requirement without authority to do so.
- Deliberately accepting unsatisfactory work.
- Intentionally performing unacceptable work.
- Failing to report problems or unsatisfactory conditions in one's own workmanship.
- Verifying by signature that an action was taken, knowing in fact the action was not taken, or not performing the required checks or verifications to ensure the action was taken.
- Verifying performance of action based on hearsay, not personal observation.
- Tampering with calibrated instruments to avoid rejection of work.
- Falsifying dates on records to comply with frequency or deadline requirements.
- Falsifying data to cover-up a procedure or drawing deviation.
- Falsifying data to have work accepted, thereby avoiding further work or rework.
- Concealing or not reporting information on fraud, or falsification known to have been committed by others.

Reporting Fraud and Falsification

Any party aware of, or having reason to suspect, **FRAUD & FALSIFICATION** is obligated to report this violation anonymously or in person to the Teledyne Quality Manager, Supplier Quality Analyst, Procurement Supervisor, or Buyer. Should such a notification be necessary, include location, date(s), time, names of people involved, and suspected violation. Please do not hesitate to contact us if you have any questions regarding this Malpractice Prevention Awareness Notice.

Paul Varney

Teledyne DGO
Quality Assurance Manager