

**Investigation Report Regarding the Complaint of
'Lusahn Pet Products cc' to INTERNATIONAL
COMMITTEE FOR ANIMAL RECORDING (ICAR)**

28th. Sep 2016

Dear Sir/Madam,

This report is in response of the complaint of Lusahn Pet Products cc on the duplicate of injectable transponders. After receiving the email from Lusahn Pet Products cc about the duplicate of injectable transponder in early 2015, we were aware of how serious the problem was, we apologized in the first place and we tried all that we could to help them to resolve the issue, and make sure that they are happy with solution. In the meanwhile, we conducted a formal investigate on the duplicate issue internally later that year, aimed to find the root cause of the issue and then we changed our production process and enhanced the inspection and quality control on production, and some company policies to eliminate the duplicate issue on our products.

A. Understanding the Problem of Duplicate Injectable Transponder of Lusahn

In order to help all parties included better understand the problem, we retrieved all order records from Lusahn from 2015 to 2016 (see appendix 1), and there were totally 4 duplicate issue happened, shipped during Feb to May 2015. The first two duplicate found 900250000229625 and 900250000229621, since the microchips were already injected into dogs, it is impossible for us take them out, that's way we offered to send a RFID writer to Lusahn so that the issue can be fixed. And later, unfortunately, 2 more injection transponders ID were found duplicated, we felt astonished as well, we offered them to replace the injection transponders with duplicate ID for free or rewrite with the old ones with the RFID writer we sent to them and Lusahn confirmed that they already destroyed the duplicate ones. In addition, in order to compensate for the huge mistake we made and we offer a 5% discount to Lusahn on their order, Lusahn accepted our solution, and was satisfied. We believe that is why after the occurrence of this issue, Lusahn continued their business with us and kept ordering the injectable transponders.

Appendix 1
2015-2016 Lusahn Pet CC Sales Record

Year	Order Date	ICAR ID	Shipment Date	Duplicate ID
2015	01/09/15	900250000220010-225009	02/10/15	900250000221116
	02/19/15	900250000228110-230709	03/12/15	900250000229625, 900250000229621
	04/14/15	900250000261160-266159	05/14/15	900250000261804
	06/23/15	900250000285730-290729	07/23/15	
	08/05/15	900250000316530-320529	09/14/15	
		900250000313430-314429		
	11/04/15	900250000337440-339939	12/07/15	
900250000360050-362549		12/23/15		
2016	01/08/16	900250000343850-348849	01/15/16	
	02/16/16	900250000367290-372289	03/09/16	
	04/06/16	900250000394020-398019	05/10/16	

B. Investigation on the Root Cause of the Duplicate ID Transponders

Our company truly understand that the duplicate ID issue might ruin our business reputation and the credibility of the quality of our products, and the whole company trade the issue very seriously. Once we received the escalation from sales people of this issue, our business operations team did a fully investigate on this issue and below are our findings for the root causes:

1. The sales people who is responsible for final inspection of the products was on maternity leave, and no person was assigned to finish the re-inspection process.
2. The whole batch of orders were produced during the spring festival in 2015, and many of our employees were on vacation during that period. In order to make sure the shipment of order, we hired a few part time workers to help on the production, who are not properly trained.
3. Although we maintained a database of the sales record of ICAR-certified transponders, the management team failed to emphasize the importance of using techniques to double check whether there are any duplicate values, and the employees lacked the knowledge and skills to do that.

C. Corrective Action to Eliminate Duplicate Injection Transponders

After our company recognized the root causes of the duplicate ID issue, several actions were taken to optimize our production process, to make sure the duplicate will not happen again.

1. Enhance the inspection process of products.

After the occurrence of this issue, our company establish a new quality control team, this team's responsibility is to conduct the final inspection of all orders, make sure there is no duplicate happen. Sales people will continue to inspect the orders, but their inspection would not be the final quality control step. Additionally, our company established a policy, whoever take leave must find a backup for him/her to finish the inspection process, skipping this process will render a result of no commission received, and receiving a warning letter.

2. Using technologies to eliminate the duplicate issue

Another action we conducted was that after the record are made, we used excel to double if there are any duplicate values found, all of our employees received the training on excel in Jun 2015 and all of them are skilled at this method already.

3. Employee Vacation Policy Made and more training provided to part-time workers

Part-time worker was another cause of the duplicate issue, now we have been very careful on hiring part time workers, our company would like to make sure we have enough experienced people to handle our orders, therefore, we issued the employee vacation policy that no more than 20% of our employee may take vacation in the same period of time, first come first served. However, whenever there is a need for part time workers, more trainings must be given, and a supervisor must be assigned to inspect the works by the part time workers.

4. Quality Superior to Speed Policy

Since our duplicate issue were caused due to the urgent shipment before Spring Festival. Our management team also emphasized that all quality control process must complete before any shipment. Whenever there is a conflict, quality superior to speed.

D. Result after Corrective Actions are Taken

Our value the business of all of our clients, and “value”, “quality” and “credibility” are our company’s principles. Therefore, we sincerely apologize for the issue we brought up to Lusahn Pet Products. The duplicate issue from Lusahn Pet Products was the only problem we received, and after the corrective actions were taken in 2015 Jun, we had successfully eliminate the duplicate issue, and we haven’t received any issue from any of our clients, we believe we won’t. Going forward, our company will work continuously on improving our service and quality to our clients.

Best regards,

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