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# **Ben Richardson**

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**Industrial Policy & Programs**





# FOCI Developments & Objectives

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- **FY11 Developments**

- New Electronic Communications Plan (ECP) Template
- Advance Approval of Visits clarification
- New FOCI Annual Conference for FSOs
- New FOCI web based training
- BRAC move to Quantico

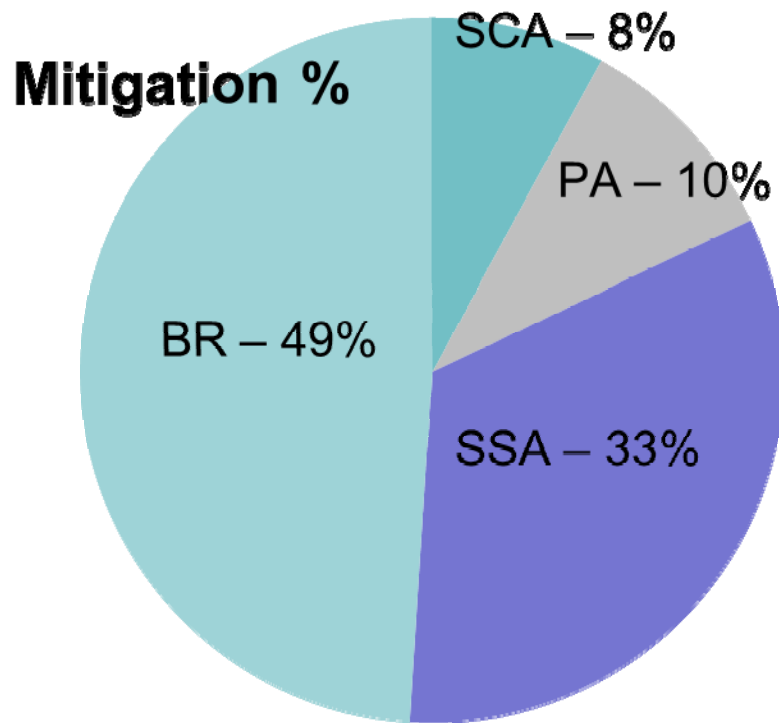
- **FY12 Objectives**

- New FOCI mitigation agreement templates
- NID process improvements
- Introduction of Administrative Services Agreement Template
- Small OD/PH Meeting



# FOCI Statistics

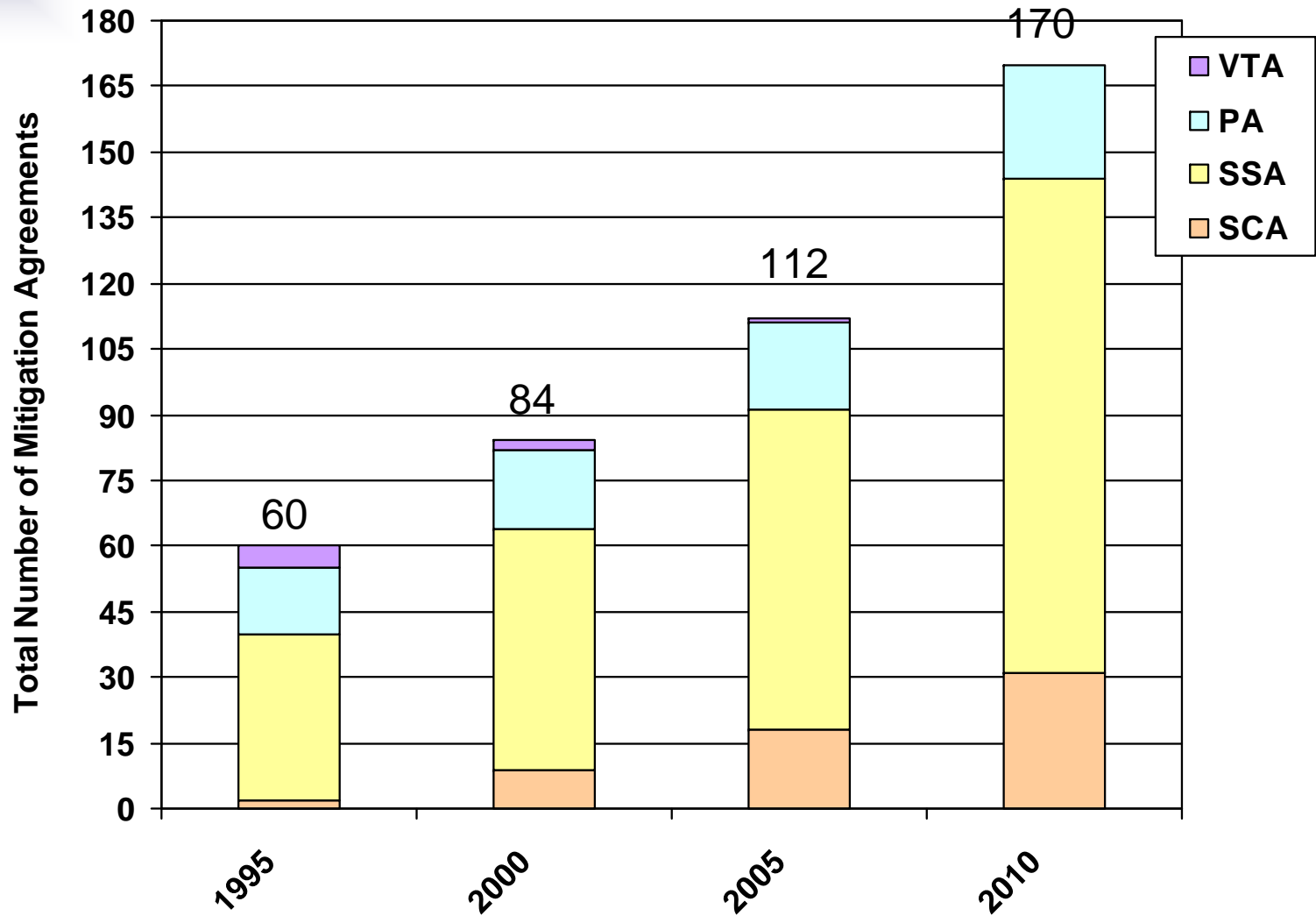
- **NISP: 9,500+ companies, 13,000+ facilities**
- **FOCI: 331 mitigation agreements, 784 facilities**
  - 32 Proxy Agreements, 109 facilities
  - 110 SSAs, 321 facilities
  - 28 SCAs, 52 facilities
  - 161 Board Resolutions, 302 facilities





# FOCI Mitigation Over Time

FY Total Number of FOCI Mitigation Agreements, 1995 - 2010





## Top FOCI concerns

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- **Intentional control and influence over classified work resulting in unauthorized access**
- **Undue influence adversely affecting contract performance**
- **Restructuring without considering security requirements**
- **Foreign government control**
- **Unidentified indirect foreign ownership**
- **Foreign subsidiaries and affiliates under mitigation agreements**
- **Unreported material changes**
- **Government customer involvement**



# Top FOCI Questions from Industry

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- **Visit Requests and Contact Reports**
- **Annual Reports**
- **Shared Services**
- **Co-location**
- **National Interest Determinations**
- **Renewals**
- **Electronic Communications Plan (ECP)**
- **Financial Transparency**



## ASA Template

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New template to assist in timely adjudication of services

- Comprised of 3 sections:
  - Service Description
  - Risk/FOCI Mitigation procedures – demonstrates that the GSC has properly considered risk and has a plan to mitigate those risks
  - Inspection of Service – what evidence is available to the ISR to ensure proper oversight of the services



# National Interest Determinations

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DSD Memo dated 9-14-11 provides the following direction to DSS and the GCAs regarding NIDs:

- GCAs are to inform DSS of its decision on the issuance of a NID within 30 calendar days
- NID issuance will be concurrent with the notification to DSS unless the concurrence of another department or agency is required (i.e. COMSEC, SCI, Restricted Data required within 30 days)
- DSS is to report monthly to USD(I) and USD(AT&L) on all pending NID requests that are more than 30 days old.





## New “Understanding FOCI” Course

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- Released September 2011
- Developed by DSS Center for Development of Security Excellence
- Course is web-based and is available through the DSS STEPP system
- Course is available to anyone in Industry



# FOCI Course Content

The screenshot shows a software interface for the FOCI course. At the top left, there are two circular logos: the Department of Defense and the Defense Security Service. The main title "UNDERSTANDING FOREIGN OWNERSHIP, CONTROL, OR INFLUENCE" is displayed in a dark brown header. Below the header, a list of course topics is presented in a vertical stack of white buttons with orange borders. The first button, "Course Introduction", is highlighted with a blue background. At the bottom of the interface, there is a blue bar containing the instruction "Select the next highlighted lesson to proceed in order." and an "EXIT" button with a small icon.

**UNDERSTANDING FOREIGN OWNERSHIP, CONTROL, OR INFLUENCE**

- Course Introduction*
- What is Foreign Ownership, Control, or Influence?*
- Identifying the Existence of FOCI*
- Adjudicating FOCI*
- Mitigating FOCI*
- Inspecting Facilities Under FOCI*
- The Committee on Foreign Investment in the United States (CFIUS)*

Select the next highlighted lesson to proceed in order.

EXIT



# FOCI Course Snapshots

DSSA - FOCI - Windows Internet Explorer

## UNDERSTANDING FOREIGN OWNERSHIP, CONTROL, OR INFLUENCE

What is Foreign Ownership, Control or Influence?  
1112000011E Add Comment View Comments Definition of FOCI

**F**oreign  
**O**wnership  
**C**ontrol, or  
**I**nfluence

DSSA - FOCI - Windows Internet Explorer

## UNDERSTANDING FOREIGN OWNERSHIP, CONTROL, OR INFLUENCE

The Committee on Foreign Investment in the United States (CFIUS)  
What is the Committee on Foreign Investment in the United States (CFIUS)?  
1112000063E Add Comment View Comments

**Active CFIUS Members**

- Department of the Treasury
- Department of Justice
- Department of Homeland Security
- Department of Defense
- Department of State
- Office of the U.S. Trade Representative
- Office of Science & Technology Policy

SOURCES GLOSSARY

DSSA - FOCI - Windows Internet Explorer

## UNDERSTANDING FOREIGN OWNERSHIP, CONTROL, OR INFLUENCE

Identifying the Existence of FOCI  
1112000022E Add Comment View Comments The SF 328

**QUESTIONS AND ANSWERS**

	YES	NO
1. Does the U.S. parent or subsidiary of any of your organization's subsidiaries own or control the U.S. parent or subsidiary of any of your organization's subsidiaries?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Does your organization have any subsidiaries or divisions in foreign countries?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Do any foreign persons have the power, direct or indirect, to control the division, department, or source of revenues of your organization or to control the operation of your organization, or have the power to control or influence the operation of your organization?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Does your organization have any contracts, agreements, or arrangements with a foreign person?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Does your organization, whether as licensee, jointly, guarantee or otherwise have any contractual, technical or other foreign products?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Does your organization have any contracts, agreements, or arrangements with a foreign person?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Is it possible that any of your organization's subsidiaries or divisions are controlled or influenced by a foreign person?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Is it possible that any of your organization's subsidiaries or divisions are controlled or influenced by a foreign person?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Do any of the members of your organization's board of directors or senior management have any contractual, technical or other foreign products?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Do any of the members of your organization's board of directors or senior management have any contractual, technical or other foreign products?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Identification