

The Defense Counterintelligence and Security Agency (DCSA) has provided new updates about the highly anticipated changes that will apply foreign ownership, control or influence (FOCI) mitigation requirements to unclassified contracts.

DCSA recently posted updates to a central webpage dedicated to the forthcoming expansion of FOCI reviews to contractors seeking to perform on certain unclassified contracts pursuant to Section 847 of the FY20 National Defense Authorization Act (NDAA) (Section 847). According to the DCSA's update, Section 847 is likely to be implemented in the next 12 to 18 months, following publication of the corresponding Defense Federal Acquisition Regulation Supplement (DFARS) clause.¹ The corresponding Department of Defense (DoD) Instruction 5205.87 was published last year – see our client alert from July entitled “[Foreign Ownership, Control or Influence \(FOCI\) Mitigation Specifically for Unclassified Contracts](#)”.

When implemented, Section 847 requires DCSA to assess beneficial ownership (i.e., individuals or entities who ultimately control a contractor, even if indirectly) for FOCI concerns, and mitigate those concerns if deemed necessary by the agency. This assessment will be conducted for contractors prior to contract award (for unclassified contracts), and again post-award if there are material changes to the information originally submitted during this phase or during the contract performance phase. For cases that may require mitigation, DCSA will leverage a commitment letter and interim measures in order to permit contract award, while governance and operational mitigations are negotiated. This is similar to the process for protecting facility security clearances in cases of foreign acquisitions of cleared contractors today.

Notably, the webpage states that classified contractors will still undergo FOCI review and mitigation post-award (versus pre-award).

Section 847 is widely considered to be a massive change, not only for industry, but for government acquisition personnel and DCSA. DCSA states that, respecting FOCI matters, it currently processes about 2,000 cases per year. DCSA estimates that, when fully implemented, Section 847 will result in processing approximately 41,000 cases annually (for classified and unclassified contract awards), and adding security requirements for up to US\$200 billion worth of acquisitions. To meet this demand, DCSA has been adding and training personnel, who will not only process the cases but also provide training and customer service to contractors.

For more information on how Section 847 could affect you and your contracts, please reach out to any of the following:

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¹ Per the open DFARS cases (as of April 3, 2025), the Defense Acquisition Regulations Council (DARC) Director tasked the Acquisition Technology & Information Team to draft the proposed DFARS rule for “Mitigation Risks Related to Foreign Ownership, Control or Influence.” That report is due on May 14, 2025, but that could be extended by the DARC Director.