



**DEFENSE SECURITY COOPERATION AGENCY  
WASHINGTON, DC 20301-2800**

**AUG 15 2008**

**In reply refer to:  
USP010528-08**

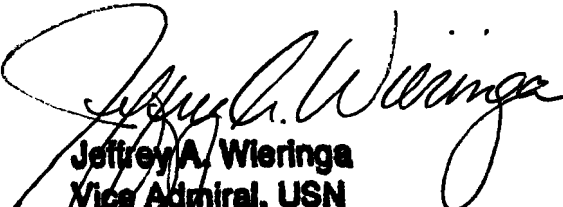
**MEMORANDUM FOR SEE DISTRIBUTION**

**SUBJECT: Procedures for Providing Services on Iraq Foreign Military Sales (FMS) and Pseudo Cases, DSCA Policy 08-23**

Increasingly, the Security Assistance/Cooperation community is being tasked to use the Foreign Military Sales (FMS) systems, infrastructures, and procedures to process "pseudo cases" in support of Security Cooperation Programs. These cases, done under a variety of legislative authorities, often involve U.S. appropriated dollars, authorized for specific purposes, with specific funds expiration dates. While many of the traditional FMS procedures apply, there are some unique policies required to ensure "pseudo cases" are written and managed according to their unique program requirements.

FMS cases routinely include lines to provide specific services requested by the purchaser. Under traditional FMS, where the purchaser is requesting and funding these services, lines detailing specific services to be provided are included on a single case following standard policies and procedures for case writing and case implementation. There are instances, however, where the U.S. DoD (or other USG entity) requests specific services be done in support of these programs. While these requirements are related to the execution and management of the case, they have been requested by an entity other than the purchaser and, therefore, must be processed, tracked, funded, and managed separately.

This has been of particular concern with Iraq cases being supported with a variety of funding sources (e.g., Security Forces Funds (ISFF)). The attached procedures have been developed to assist specifically with the preparation of ISFF-related cases to ensure requirements for specific services are properly documented and funded. These procedures are in addition to the Standard Level of Service information provided in SAMM Table C5.T6 which still applies. These procedures are effective immediately. If you have any questions or need additional information, please contact Beth Baker, (703) 601-3839, e-mail: [beth.baker@dscamail](mailto:beth.baker@dscamail).

  
**Jeffrey A. Wieringa  
Vice Admiral, USN  
Director**

Attachment  
As stated

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Procedures for Writing FMS-related Cases for Services “Requested by Iraq or Others”

Country Code	Funding for case provided by:	Specific services (e.g., special transportation, acceleration, etc.) requested by:	Specific services funded by:	Method
IQ (e.g. IQ-B-XXX)	Iraq or other than USG	Iraq	Iraq	<ul style="list-style-type: none"> <li>• Articles and services requested: on an FMS case (IQ-B-XXX)</li> <li>• Specific defense services requested: on the same FMS case (IQ-B-XXX)</li> <li>• Number of lines and notes on the FMS case will vary depending on the services requested.</li> </ul>
IQ	Iraq	DoD	DoD	<ul style="list-style-type: none"> <li>• Articles and services requested: on an FMS case (IQ-B-XXX)</li> <li>• Specific defense services requested: on a pseudo case (B7-B-YYY)</li> <li>• Pseudo case notes identify the FMS case(s) being supported.</li> </ul>
Pseudo (e.g., B7-B-ZZZ)	ISFF	Iraq or DoD	DoD	<ul style="list-style-type: none"> <li>• Articles and services requested: on a pseudo case (B7-B-ZZZ)</li> <li>• Specific defense services requested: on a the same pseudo case (B7-B-ZZZ)</li> </ul>

The following information and restrictions apply to the Iraq pseudo cases:

(1) Each pseudo case must be funded by a single “color” of money from a single U.S. appropriation. If separate sources of funding are identified, separate pseudo cases must be written for each source. This requirement is necessary to ensure all funds used on a case expire at the same time and can be tracked more accurately.

(2) Pseudo cases written to support IQ-funded cases may provide support for more than one IQ-funded case as long as the requirements in (1) above are met. For example, if the U.S. Army is providing specific services to support 5 separate IQ-funded cases, that support may be provided on a single Army-managed, ISFF-funded, pseudo case as long as the ISFF funding is from a single U.S. appropriation. The U.S. Military Department has discretion to determine whether it is more efficient in specific circumstances to manage separate cases for these actions or a single case with separate lines for each IQ case supported.

(3) Customer signature is not required on pseudo cases. When the pseudo case is signed by the Implementing Agency, it will be forwarded to MNSTC-I. MNSTC-I must issue a MIPR for the entire case value of the pseudo case. That MIPR must be sent to DSCA/DBO-CFM and be accepted before the pseudo case can be implemented. No services listed on the pseudo case will be performed before implementation.

(4) When an ISFF-funded pseudo case is written to support an IQ case, the IQ case for the articles and services is written, accepted, and implemented as if the acceleration services will not be performed. Once the pseudo case is written and the MIPR has been received and approved, the IQ case will be modified as necessary to reflect the accelerated timelines, any required updates to notes, etc. If the MIPR is not received, the IQ case will continue to be executed as it is written – without the acceleration services that were proposed on the pseudo case.

(5) When DoD desires to request and fund specific services (such as acceleration), the person/organization making the request must identify (a) its authority for making the request and (b) the appropriate funding source. Requests made without authority or identified funding will be held until this information is provided.

(6) It is to everyone’s benefit to fully understand requirements for specific services and/or acceleration as early in the case development process as possible. To help ensure this takes place, the following language must be included in each Letter of Request (LOR):

(a) For IQ cases where the articles and services will be funded on the IQ-funded case and the specific services will be funded by the U.S. DoD: “MNSTC-I requires defense services that are under the “FMS Case” column as defined in SAMM Chapter 5, Table C5.T6. for this IQ-funded case [*insert designator of IQ case*]. These defense services will be charged directly to a separate pseudo case funded using [*insert funding source (e.g., ISFF funds)*]. The following defense services are required: [*insert services required – for example: accelerated case preparation (including target offer date), accelerated contract award (including target*

*contract award date), accelerated delivery of material (including target delivery date), other specific services, etc.]*

(b) For ISFF-funded pseudo cases for articles and services where both the articles and services as well as the specific services will be funded directly on the ISFF-funded pseudo case: “For purposes of this case, MNSTC-I requires defense services that are under the “FMS Case” column as defined in SAMM Chapter 5, Table C5.T6. These defense services will be charged directly to this pseudo case funded using [*insert funding source (e.g., ISFF funds)*]. The following defense services are required: [*insert services required – for example, accelerated case preparation (including target offer date), accelerated contract award (including target contract award date), accelerated delivery of material (including target delivery date), other specific services, etc.*]

(7) When the pseudo case is written, it must include the following additional information (provided by the Implementing Agency to the Case Writing Division):

(a) A note emphasizing that prices included on the document are “estimates.” The note should re-iterate that the customer, in this case MNSTC-I, is responsible for all costs. If the costs estimated on the document are exceeded, the document will be modified or amended accordingly and a new MIPR, providing additional funding, must be provided. As with the basic pseudo case document, work on the additional services will not be performed until the MIPR has been received and accepted.

(b) A description of the services that will be provided, including reference to the document or tasking that requested these services.

(c) A reference to the IQ case(s) that are being supported. If multiple cases are supported on a single pseudo case, the support for each case should be broken out as a separate line item for tracking and management purposes.