



## DEFENSE SECURITY COOPERATION AGENCY

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WASHINGTON, D.C. 20301-2800

January 11, 2024

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR  
INTERNATIONAL AFFAIRS  
DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR  
DEFENSE EXPORTS AND COOPERATION  
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR  
INTERNATIONAL PROGRAMS  
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY  
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY  
DIRECTOR, DEFENSE LOGISTICS AGENCY  
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY  
DIRECTOR, MISSILE DEFENSE AGENCY  
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE  
AGENCY  
DIRECTOR FOR SECURITY ASSISTANCE, DEFENSE FINANCE  
AND ACCOUNTING SERVICE – INDIANAPOLIS  
OPERATIONS  
DIRECTOR OF CYBERSECURITY DIRECTORATE AND DEPUTY  
NATIONAL MANAGER FOR NATIONAL SECURITY  
SYSTEMS, NATIONAL SECURITY AGENCY

SUBJECT: Defense Security Cooperation Agency Policy Memorandum 23-62, Interim Case  
Closure for Cases with Associated Contracts in Litigation [SAMM E-Change 656]

This memorandum updates Chapter 16 and Appendix 7 of the Security Assistance Management Manual (SAMM) to allow Foreign Military Sales (FMS) cases with associated contracts in litigation to be interim closed if the country is eligible for and participates in case closure under accelerated case closure procedures, and if the relevant case has reached a Supply/Services Complete (SSC) status. Due to the long timelines associated with contract litigation claims, current DSCA policy prohibiting interim closure for cases associated with ongoing litigation results in many cases remaining ineligible for closure despite being SSC for years.

If a case is inactive or dormant solely due to its litigation status, yet remains open, it can skew closure metrics and make the case susceptible to the posting of erroneous transactions. Interim closing such cases would mitigate these risks and satisfy FMS customers, who will be able to receive excess funding that is on the case, thus demonstrating sound management of FMS programs to their internal country stakeholders.

No case may be final closed for any reason if there are associated contracts still subject to pending litigation.

The policy in the attachment is incorporated into the DSCA SAMM at <https://samm.dscamail.mil>. If you have questions concerning this guidance, please contact Mr. Samuel Malcolm, DSCA (Office of Business Operations, Financial Policy & Regional Execution Directorate, Financial Policy Division (OBO/FPRE/FP)) at (202) 603-9088, [samuel.j.malcolm.civ@mail.mil](mailto:samuel.j.malcolm.civ@mail.mil).

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J. Aaron Harding  
Chief Operating Officer and Chief Financial Officer

Attachment:  
As stated,

## Security Assistance Management Manual E-Change 656

### Interim Case Closure for Cases with Associated Contracts in Litigation

1. Delete SAMM Section C16.4.1.1.1.3. and renumber existing sections:

**Delete:**

~~C16.4.1.1.1.3. A case can close under ACCP for which a litigation judgment was issued, even if the settlement has not been paid.~~

2. Update existing SAMM Section C16.4.1.1.2.:

**From:**

**C16.4.1.1.2.** A case shall be direct final closed (i.e., not interim closed) if the ULO equals zero, even if supporting contracts remain open. The USG and purchaser both prefer that direct final closures are utilized to the fullest extent possible without impacting case closure standards.

**To:**

**C16.4.1.1.2.** A case shall be direct final closed (i.e., not interim closed) if the ULO equals zero, even if supporting contracts remain open, unless a contract associated with the case is the subject of pending litigation as set forth in Section C16.4.1.1.6. Direct final closures should be utilized to the fullest extent possible ~~without impacting case closure standards.~~

3. Update existing SAMM Section C16.4.1.1.6.:

**From:**

~~C16.4.1.1.6. A subcategory of ACCP is Enhanced Accelerated Case Closure (EACC). EACC targets ACCP candidates for first priority processing that have been SSC for at least 24 months. The DSCA (OBO) published the official EACC quarterly list of these cases to the IAs for action. As of 1 December 2008, EACC was suspended and has not been reactivated since.~~

**To:**

**C16.4.1.1.6. Cases with Associated Contracts in Litigation.** FMS cases that meet the ACCP closure eligibility conditions set forth in Section C16.4.1.1.1. may be interim closed (closure type 2) even if contracts associated with the relevant case are the subject of ongoing litigation. Such FMS cases shall be final closed after the litigation has concluded and a judgment has been issued.

4. Add new SAMM Section C16.4.1.1.6.1.:

**Add:**

**C16.4.1.1.6.1.** If cases with contracts subject to litigation are eligible for interim closure in accordance with Section C16.4.1.1.6., IAs shall notify partner nations of this fact, and that the case may not proceed to final closure until the litigation has been resolved.

5. Add new SAMM Section C16.4.1.1.7.:

**Add:**

**C16.4.1.1.7. Litigation Resolution.** No case shall be final closed prior to the resolution of any litigation involving an associated or supporting U.S. Government contract. At such time that the litigation has been concluded, the case shall be final closed if the litigation resolution did not have an adverse outcome for the relevant partner (see Section A7.C4.14.) or may be reopened as required to process any adverse judgments associated with the case in accordance with the criteria and procedures in Section A7.C4.15.

6. Update SAMM Section A7.C3.3.1.:

**From:**

**A7.C3.3.1. ACCP.** ACCP is the most common closure process. The USG goal is to close ACCP cases within 24 months following SSC as indicated in the LOA. The USG goal for training cases is 36 months following SSC. This type of closure allows a case to be closed after SSC, even if there are outstanding ULOs on the case (refer to (refer to Section A7.C3.13. for the details). For the purpose of this process, ULOs can be either contractual or miscellaneous/non-contractual. Purchaser funds are placed in a Case Closure Suspense Account (CCSA) pending final resolution of the ULOs. ACCP is voluntary, except for those countries with FMF-funded cases, which require mandatory participation in ACCP for all FMS cases regardless of the funding source. Most countries / international organizations participate, or are automatically included, in the ACCP process. The DSCA (Office of Business Operations, Financial Policy and Regional Execution Directorate) maintains the master list of countries participating in the ACCP program. Refer to Table A7.C3.T1. for a list of participating purchasers. There are two categories of ACCP closure: the standard process, and DSCA-directed force closures. The following are conditions necessary for a case to be closed utilizing ACCP:

**To:**

**A7.C3.3.1. ACCP.** ACCP is the most common closure process. The USG goal is to close ACCP cases within 24 months following SSC as indicated in the LOA. The USG goal for training cases is 36 months following SSC. This type of closure allows a case to be closed after SSC, even if there are outstanding ULOs on the case (~~refer to~~ (refer to Section A7.C3.13. for the details). For the purpose of this process, ULOs can be either contractual or miscellaneous/non-contractual. Purchaser funds are placed in a Case Closure Suspense Account (CCSA) pending final resolution of the ULOs. ACCP is voluntary, except for those countries with FMF-funded cases, which require mandatory participation in ACCP for all FMS cases regardless of the funding source. Most countries / international organizations participate, or are automatically included, in the ACCP process. The DSCA (Office of Business Operations, Financial Policy & Regional Execution Directorate (OBO/FPRE)) maintains the master list of countries participating in the ACCP program. Refer to Table A7.C3.T1. for a list of participating purchasers. There are two categories of ACCP closure: the standard process, and DSCA-directed

force closures. The following are conditions necessary for a case to be closed utilizing ACCP:

7. Update existing SAMM Section A7.C3.3.1.8.:

**From:**

**A7.C3.3.1.8.** A case is usually direct final closed (i.e., not interim closed) if the ULO equals zero, even if supporting contracts remain open. The USG and purchaser both prefer that direct final closures are utilized to the fullest extent possible if not adversely impacting closure standards.

**To:**

**A7.C3.3.1.8.** A case is usually direct final closed (i.e., not interim closed) if the ULO equals zero, even if supporting contracts remain open, unless a contract associated with the case is the subject of pending litigation as set forth in Section A7.C3.3.1.10. Direct final closures should be utilized to the fullest extent possible. ~~if not adversely impacting closure standards.~~

8. Add new SAMM Section A7.C3.3.1.10.:

**Add:**

**A7.C3.3.1.10. Cases with Associated Contracts in Litigation.** FMS cases that meet the ACCP closure eligibility conditions set forth in Section A7.C3.3.1. may be interim closed (closure type 2) even if contracts associated with the relevant case are the subject of ongoing litigation. Such FMS cases shall be final closed after the litigation has concluded and a judgment has been issued.

9. Add new SAMM Section A7.C3.3.1.10.1.:

**Add:**

**A7.C3.3.1.10.1.** If cases with contracts subject to litigation are eligible for interim closure in accordance with Section A7.C3.3.1.10., IAs shall notify partner nations of this fact, and that the case may not proceed to final closure until the litigation has been resolved.

10. Add new SAMM Section A7.C3.3.1.11.:

**Add:**

**A7.C3.3.1.11. Litigation Resolution.** No case shall be final closed prior to the resolution of any litigation involving an associated or supporting U.S. Government contract. At such time that the litigation has been concluded the case shall be final closed if the litigation resolution did not have an adverse outcome for the relevant partner (see Section A7.C4.14.) or may be reopened as required to process any adverse judgments associated with the case in accordance with the criteria and procedures in Section A7.C4.15.).

11. Delete SAMM Section A7.C3.3.1.3. and renumber following sections:

**Delete:**

~~**A7.C3.3.1.3.:** A case can close under ACCP for which a litigation judgment was issued, even if the settlement has not been paid.~~

12. Delete following row from SAMM Table A7.C3.T3:

Check	Item
	<del>No litigation actions are pending or judgments were already issued for all litigations.</del>

13. Update SAMM Table A7.C3.T5. to:

Inhibitor Code	Inhibitor Type	Estimated Timeframe for Clearing Inhibitor
LP	Litigation Pending	<del>Once a judgment is issued, ACCP cases can progress to C2 (interim) status.</del> Once all claims are settled, ACCP cases and non-ACCP cases can progress to C3 (final) and C1 (non-ACCP) status, respectively. Cases should be reviewed every six months.