



March 27, 2017

MEMORANDUM FOR: REGIONAL COMMISSIONERS, PBS
REGIONAL LEASING DIRECTORS
REGIONAL LEASE ACQUISITION OFFICERS

3/27/2017

X James C. Wisner

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Signed by: JAMES WISNER

FROM: JAMES C. WISNER
Assistant Commissioner for the Office of Leasing - PR

SUBJECT: LEASING ALERT (LA-FY17-06) – Implementing GAO’s
Recommendation Regarding Foreign Ownership of High-
Security Leased Space

1. **Purpose.** This Leasing Alert issues guidance requiring Leasing Specialists and Lease Contracting Officers (LCOs) to determine whether the beneficial ownership of leased space is identified as a foreign-owned entity and to notify the client agency in such instances, so that the agency can take any needed security mitigation measures.
2. **Background.** On January 30, 2017, the Government Accountability Office (GAO) issued Report Number GAO-17-195 entitled, “FEDERAL REAL PROPERTY - GSA Should Inform Tenant Agencies When Leasing High-Security Space from Foreign Owners.” This report examined GSA’s leasing of high-security space from foreign owners and identified risks posed by this ownership. Specifically, GAO reviewed the ownership of GSA leases in buildings that require a higher level of security (FSL III, IV, and V), and identified those buildings being leased by GSA that are foreign-owned. Based on its finding, GAO made the recommendation that GSA determine whether the beneficial owner of high-security leased space is a foreign entity and, if so, share that information with the tenant agency for any needed security mitigation measures. GSA agreed with GAO’s recommendation; this Leasing Alert implements GAO’s recommendation. At the request of congressional interests, application of this Leasing Alert expands beyond the report’s recommendation by including lease acquisitions for space designated at all facility security levels, including FSL I and II.

3. **Effective Date.** This Leasing Alert is effective immediately for all leasing actions subject to a System for Award Management (SAM) registration check.
4. **Applicability.** This Leasing Alert is mandatory and applies to all GSA real property leasing activities.
5. **Cancellation.** None.
6. **Instructions and Procedures.** Instructions and procedures are described under Attachment 1.

- Attachment 1: Instructions and Procedures
- Attachment 2: GAO Report Number GAO-17-195 entitled, "FEDERAL REAL PROPERTY - GSA Should Inform Tenant Agencies When Leasing High-Security Space from Foreign Owners"

COVER PAGE FOR ATTACHMENTS 1 AND 2