



OFFICE OF THE UNDER SECRETARY OF DEFENSE
5000 DEFENSE PENTAGON
WASHINGTON, DC 20301-5000

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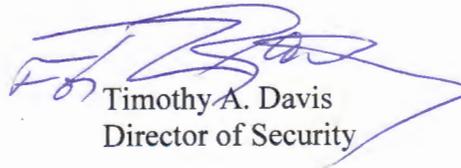
INTELLIGENCE

MEMORANDUM FOR DEPARTMENT OF DEFENSE SECURITY DIRECTORS

SUBJECT: Potential Impact of Furloughs on Security Clearances

We have received many questions from DoD Components regarding the potential impact of furloughs on security clearances. The attachment at TAB A provides relevant talking points as well as answers to frequently asked questions.

I recommend that you remind cleared DoD personnel of their individual responsibility to protect national security information and to report any information that may have a bearing on continued eligibility for access to classified information to appropriate management or security officials. My point of contact is Mr. Richard Weyrauch at (703) 604-1223 or Richard.Weyrauch@osd.mil.



Timothy A. Davis
Director of Security

Attachment:
As stated



A

Talking Points

- The Federal Adjudicative Guidelines require personnel security adjudicators to consider the circumstances that led to a financial problem as well as the individual's actions to responsibly address those issues both before and after they occur.
- Employees who encounter financial problems should, among other things: (1) work with their creditors to manage their debts in a responsible manner; (2) keep documentation of their financial situation and communications with creditors; and (3) keep their local security office informed.

Frequently Asked Questions

1. If a furlough directly impacts my ability to meet my financial obligations, how will that affect my clearance eligibility?

The Federal Adjudicative Guidelines for Determining Eligibility for Access to Classified Information specify that the adjudicative process is the careful weighing of a number of variables known as the whole person concept. Mitigating factors include whether or not the conditions that resulted in the concern were largely beyond the person's control and if the individual acted responsibly under the circumstances. As a proactive measure, you may wish to contact your local Employee Assistance Program (EAP) to see if financial counseling is available.

2. What kind of financial difficulties should be reported if they occur?

You should notify your security officer or supervisor in writing if you experience financial difficulties. For example, if you: (1) face bankruptcy; (2) are unable to pay Federal, state or other taxes required by law or ordinance; (3) require credit counseling; (4) become delinquent on alimony or child support payments; (5) have a judgment entered against you for failure to meet financial obligations; (6) have liens placed against you; (7) become delinquent on any debt; (8) have possessions or property repossessed; (9) default on loans; (10) have accounts turned over to a collection agency; (11) have credit accounts suspended, charged off, or cancelled for failure to pay as agreed; (12) are evicted for non-payment; (13) have wages garnished in order to satisfy a financial obligation; or (14) become over 120 days delinquent on a debt. Providing notification demonstrates responsibility which can mitigate security concerns about the debts themselves.

3. The Federal Adjudicative Guidelines reference an individual acting responsibly when faced with financial problems. If I experience financial difficulties, what actions should I take to demonstrate I am handling my situation responsibly?

Each individual's financial circumstances are different, so no one course of action will suit everyone's particular needs. When assessing the seriousness of financial issues, the cause of the debts and actions taken (or not taken) to pay debts are significant factors. Individuals should continue to pay their debts to the best of their ability and should maintain contact with

their creditors to make arrangements to pay their debts, even if this means delaying or reducing payments. You should also keep clear, written documentation of your financial situation, payments made, and communications with your creditors so that you can provide this information if needed in assessing your clearance.