DEPARTMENT OF THE ARMY
OFFICE OF THE DEPUTY CHIEF OF STAFF, G-2
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WASHINGTON, DC 20310-1000

DAMI-CDS

MEMORANDUM FOR SEE DISTRIBUTION APR 22 2013

SUBJECT: Furlough and Security Clearances

1. Reference:

a. Memorandum, Under Secretary of Defense (Intelligence), 30 Aug 06, subject: Implementation of Adjudicative Guidelines for Determining Eligibility for Access to Classified Information (December 29, 2005).

b. Memorandum, Office of the Deputy Chief of Staff, G-2, 5 Mar 13, subject: Economic Impact on Employees Affected by Furlough.

c. Memorandum, Office of the Under Secretary of Defense (Intelligence), 20 Mar 13, subject: Potential Impact of Furloughs on Security Clearances.

d. Memorandum, Assistant Secretary of the Army (Manpower and Reserve Affairs), 20 Mar 13, subject: Department of the Army Administrative Furlough Planning.

2. Sequestration may lead to furlough of Army civilian employees and other federal employees. This furlough may cause financial hardship for many Army civilians, including those who hold a security clearance. The Federal Adjudicative Guidelines require adjudicators to consider the circumstances that led to a financial problem as well as an individual's actions to responsibly resolve the problem. I encourage you to assess your personal situation, plan for financial difficulties, and take responsible action if you incur hardship. Attached are some Frequently Asked Questions to help you.

3. The Office of the Deputy Chief of Staff, G-2 points of contact are Ms. Olga Delgado, (703) 695-9610, email: olga.n.delgado.civ@mail.mil, and Ms. Andrea Upperman, (703) 695-3053, email: andrea.upperman.civ@mail.mil.

Encl

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SUPERINTENDENT, UNITED STATES MILITARY ACADEMY
DIRECTOR, U.S. ARMY ACQUISITION SUPPORT CENTER

Frequently Asked Questions
Furlough and Security Clearances

FAQ Highlights:

* A furlough could create financial strain or hardship for federal employees. Those holding a security clearance face the same financial strains as other federal employees.

* Employees who encounter financial problems due to furlough should (1) work with their creditors to maintain their debts in a responsible manner; (2) keep documentation of their financial situation and communication with creditors; and (3) keep their local security office informed if they are experiencing financial problems.

Question: What standards are used to grant a security clearance?
Answer: Federal standards known as the National Adjudicative Guidelines are used to grant a security clearance.

Question: What if I am furloughed and I face financial hardship; will this impact my security clearance?
Answer: The National Adjudicative Guidelines consider factors that are outside of an individual's control, such as loss of employment. A furlough is considered a temporary loss of employment. The actions you take to manage any financial obligations caused by a furlough are considered in the security clearance decision making process.

Question: What can I do to protect my security clearance?
Answer: You should take pro-active measures to get ahead of any financial hardship by notifying creditors (landlords, utility companies, credit card companies, etc.) of your financial situation to see what assistance they may provide. If you enter into a payment plan with creditors it is important that you meet the terms of the agreement. In addition, you should seek financial support if you are under financial hardship, even if you are meeting the terms of payment plans.

Question: Should I notify my Security Manager if I am having financial hardship as a result of a furlough?
Answer: Yes, in fact, reporting financial difficulty is considered a positive factor in the overall security clearance decision making process.

Question: What kind of financial hardship should be reported to my Security Manager?
Answer: Examples of financial hardship include: bankruptcy; inability to pay Federal, state or other taxes required by law or ordinance; default on a loan; accounts are placed in collections; delinquency in alimony or child support payments; a judgment is entered

against you for failure to meet financial obligations; a lien is placed against you or your property; or your possessions or property is repossessed.

Question: Am I required to report financial hardship in writing?
Answer: No, providing a written report is a completely voluntary action. However, it is important that you ensure your security manager is aware of any payment agreements you have made with creditors or any counseling you may have sought and/or are seeking to address your financial difficulty. Financial counseling, reporting financial hardship, and working with your creditors to resolve financial hardship are favorably considered in the security clearance decision making process.

Question: What financial supports services are available to me?
Answer: You should consult with your supporting human resources activity to determine what services are available. Some potential sources of support are listed below:

- Military One Source – is a free support service provided by the DoD offering assistances and resources to service member and their families on a variety of issues, including budgeting, debt reduction, credit counseling and tax preparation. Stateside: 800-342-9647, Overseas: 800-3429-6477, online: www.militaryonesource.com

- Financial Calculators: www.mymoney.gov/calculators.shtml

- FTC Bureau of Consumer Protection – to dispute credit report errors; www.ftc.gov/credit

- National Foundation for Credit Counseling, 800-388-2227,www.nfcc.org

- Substance Abuse & Mental Health Services Administration – Advice on how to deal with financial hardship that may be affecting your mental or physical health. www.samhsa.gov/economy/