

DIRECTOR OF NATIONAL INTELLIGENCE  
WASHINGTON, DC 20511

E/S 00544

MEMORANDUM FOR: Distribution

SUBJECT: Potential Impact of Furloughs on Security Clearances

REFERENCES: A. Executive Order 12968, as amended, Access to Classified Information  
B. White House Memorandum, Adjudicative Guidelines, dated 29 December 2005, signed by the Assistant to the President for National Security Affairs  
C. Intelligence Community Policy Guidance 704.2, Personnel Security Adjudicative Guidelines for Determining Eligibility for Access to Sensitive Compartmented Information and Other Controlled Access Program Information, 2 October 2008

My office has received a number of inquiries regarding the potential impact that sequestration-driven furloughs may have on cleared employees' ability to maintain security clearances due to resulting financial hardships. The guidance in this memorandum responds to those inquiries.

The national adjudicative guidelines reflected in references B and C address the financial considerations weighed when determining whether a person meets the guidelines for eligibility to hold a clearance. Intelligence Community Policy Guidance 704.2 (ICPG 704.2) Guideline F, *Financial Considerations*, lists potentially disqualifying criteria. However, these criteria are offset by corresponding mitigating factors, such as when *"the conditions that resulted in the financial problem were largely beyond the person's control, and the individual acted responsibly under the circumstances,"* and *"the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts."*

Furthermore, all agencies are required to consider the "whole person" when applying ICPG 704.2. This entails carefully weighing a number of variables and examining a sufficient period of an individual's life to make an affirmative determination that the individual is an acceptable security risk. If a cleared employee experiences difficulties in meeting financial obligations because of a mandatory furlough, the employee should promptly report the situation to their appropriate agency security official to ensure the hardship becomes a matter of record and to document any plans the employee has made with their creditor(s) to resolve the situation.

Given the policy guidance outlined in ICPG 704.2, no adverse clearance action should be taken against an individual solely on the basis of negative effects from sequestration, so long as the person complies with the above standards and has a history of meeting financial obligations prior to any adverse impact from a furlough.



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<del>SECDEF</del>	<del>DEPSECDEF</del>	<del>SPLASST</del>	<del>EXECSEC</del>	<del>USDP</del>
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I share the concern over this important issue, and trust that the continued eligibility of all cleared personnel will be made against these well-established guidelines. Attached are answers to frequently asked questions on this subject.

Questions pertaining to this memorandum should be directed to Ms. Pamela Dempsey at (571) 204-6505 or by email to SECEA@DNI.GOV(unclass) or SECEA@DNI.IC.GOV (secure).

  
James R. Clapper

5 Sep 2013  
Date

Attachment:

1. (U) Frequently Asked Questions Regarding the Impact of a Furlough on a Security Clearance

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Administrator, United States Agency for International Development  
Commissioner, United States Customs and Border Protection  
U.S. Trade Representative  
Director, White House Office of the National Drug Control Policy  
Office of Board of Governors, United States Postal Service

## Attachment 1

### Frequently Asked Questions Regarding the Impact of a Furlough on a Security Clearance

#### **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 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:

- Face bankruptcy
- Are unable to pay federal, state, or other taxes required by law or ordinance
- Require credit counseling
- Become delinquent on alimony or child support payments
- Have a judgment entered against you for failure to meet financial obligations
- Have liens placed against you
- Become delinquent on any debt
- Have possessions or property repossessed
- Default on loans
- Have accounts that are turned over to a collection agency
- Have credit accounts that are suspended, charged off, or cancelled for failure to pay as agreed
- Are evicted for non-payment
- Have wages that are garnished in order to satisfy a financial obligation
- Become over 120 days delinquent on a debt

Providing notification demonstrates responsibility, which can mitigate security concerns about the debts themselves.

#### **3. The 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 single course of action will suit every situation. 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 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.