

## Student Guide

### Guideline F: Financial Considerations

Objective	To help the learner identify Financial Considerations security concerns as outlined in the Security Executive Agent Directive (SEAD) 4, National Security Adjudicative Guidelines, effective June 08, 2017.
Estimated Completion Time	20 Minutes

#### Screen 1

Meet Judith Bruton. She is a 57-year old mechanical engineer employed by a U.S. Government contractor. Judith recently received a promotion to a position that requires Secret eligibility and access. Judith submitted the required paperwork to initiate her security background investigation through her security office.

Now, your task is to review Judith's completed background investigation files and make an eligibility determination. Please note that other Adjudicative Guidelines may apply. In this case you will focus only on Guideline F: Financial Considerations.

#### Screen 2

The most important part of an adjudicator's job is to examine a sufficient period of a person's life to determine whether or not the person is an acceptable security risk.

This task should never be taken lightly as cleared personnel may eventually have access to classified information.

Adjudicators take into consideration all relevant information, both favorable and unfavorable from a person's past and present to form the "whole-person concept," when making an eligibility determination.

#### Screen 3

In evaluating the relevance of an individual's conduct, the adjudicator should consider the following factors:

- The nature, extent, and seriousness of the conduct;
- The circumstances surrounding the conduct to include knowledgeable participation;
- The frequency and recency of the conduct;
- The individual's age and maturity at the time of the conduct;
- The extent to which participation is voluntary;

- The presence or absence of rehabilitation and other permanent behavior changes;
- The motivation for the conduct;
- The potential for pressure, coercion, exploitation, or duress; and
- The likelihood of continuation or recurrence.

#### Screen 4

Guideline F: Financial Considerations, states that failure or inability to live within one's means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise questions about an individual's reliability, trustworthiness and ability to protect classified or sensitive information. Financial distress can also be caused or exacerbated by, and thus can be a possible indicator of, other issues of personnel security concern such as excessive gambling, mental health conditions, substance misuse, or alcohol abuse or dependence. An individual who is financially overextended is at greater risk of having to engage in illegal or otherwise questionable acts to generate funds. Affluence that cannot be explained by known sources of income is also a security concern insofar as it may result from criminal activity, including espionage.

While reviewing Judith's investigative file, you read that she recently petitioned the court for bankruptcy.

[2] Click on the folder to review the details in Judith's file.

(File folder information.)

#### Judith Bruton: Investigative File

- Approximately two years ago, Judith set up a business to make fittings for oil-well drilling machinery.
- She borrowed \$200,000 to buy equipment.
- She received a contract for fittings and gaskets, but it was canceled in an oil industry downturn.
- The bank repossessed and sold the equipment leaving Judith responsible for repaying the loan balance of \$140,000.
- She could not make the payments because her take-home pay left her little extra money after her normal expenses.
- Before she lost the contract Judith had been able to handle all her financial responsibilities and pay all her bills.
- The court arranged a payment schedule to repay the loan.
- Judith is making the payments arranged by the court and provided the receipts and court papers during her subject interview.
- She accurately reflected all financial information on her SF-86.

**Screen 5**

Does the information in Judith's file raise a valid security concern under Guideline F: Financial Considerations?

Click on the file folder to review the file and select the disqualifier(s) that apply to Judith's case.

Then click on the Submit button.

**Screen 6**

Judith's petition for bankruptcy is a security concern, but each Adjudicative Guideline has specific mitigating conditions that sometimes allow an applicant to be cleared in spite of the concern.

Do any mitigating conditions apply to Judith's case?

Click on the file folder to review the file and select the mitigator(s) that apply to Judith's case.

Then click on the Submit button.

**Screen 7**

The information from Judith's background investigation raised a concern under Guideline F: Financial Considerations.

However, this security concern is mitigated as Judith suffered a loss of business-related income that was beyond her control. In addition, the financial loss only occurred once and under circumstances unlikely to recur. Lastly, she demonstrated no problems handling her bills and financial responsibilities up to that point, and is meeting the court arranged payment schedule.

But this does not mean she will automatically receive secret eligibility. Her case needs to be adjudicated against all the Adjudicative Guidelines before a final eligibility decision can be made.

This training Short focused on Adjudicative Guideline F: Financial Considerations.

For more information on the other Adjudicative Guidelines, please see the other Shorts developed by CDSE.

To review Guideline F: Financial Considerations, click the Job Aid button.