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Department of Defense
OFFICE OF PREPUBLICATION AND SECURITY REVIEW



INTELLIGENCE
AND SECURITY

UNDER SECRETARY OF DEFENSE
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MEMORANDUM FOR SENIOR PENTAGON LEADERSHIP (SEE DISTRIBUTION)
DEFENSE AGENCY AND DOD FIELD ACTIVITY DIRECTORS

SUBJECT: Implementation of Security Executive Agent Directive 3, Reporting Requirements for Personnel with Access to Classified Information or Who Hold a Sensitive Position

References: (a) Security Executive Agent Directive (SEAD) 3, "Reporting Requirements for Personnel with Access to Classified Information or Who Hold a Sensitive Position," June 12, 2017
(b) Security Executive Agent Directive (SEAD) 4, "National Security Adjudicative Guidelines," June 8, 2017

This memorandum directs the implementation of Reference (a). Reference (a) defines "covered individuals" and establishes reporting requirements for all covered individuals who have access to classified information or hold a sensitive position, which supersede previously issued guidance. This memorandum also expands on reporting requirements related to contact with the media, cryptocurrency, mental health treatment and counseling, concerning behavior and/or conduct, foreign travel, foreign contacts, marriage, and cohabitation.

1. Covered Individuals

Covered individuals, regardless of national security eligibility, access to classified information, or the sensitivity level of their position, will report all reportable activities about themselves or other covered individuals, to designated security management personnel, outlined in Reference (a) and information, addressed in paragraphs a – h, below. If it is proven that an employee failed to report facts about a co-worker, an adverse national security eligibility action may be initiated against the employee who failed to report it.

- a. **Media Contact:** Contact with the media if the media seeks or shows interest in classified information, controlled unclassified information, or information otherwise prohibited from public disclosure.
- b. **Cryptocurrency:** Ownership of foreign state-backed, hosted, or managed cryptocurrency and ownership of cryptocurrency wallets hosted by foreign exchanges. Diversified investments (index funds, mutual funds, etc.) do not need to be reported unless they are entirely composed of holdings in this sector.
- c. **Mental Health Treatment and Counseling:** Consistent with Section 21 of the Questionnaire for National Security Positions (SF-86), mental health treatment and counseling that involves the following situations:

- A court or administrative agency issued order declaring the individual to be mentally incompetent.
 - A court or administrative agency ordering the individual to consult with a mental health professional (psychiatrist, psychologist, licensed clinical social worker, etc.). An order by a military court would fall within the scope of this reporting requirement, but an order for a military member from a superior officer would not.
 - Hospitalization of the individual for a mental health condition.
 - Diagnosis of the individual by a mental health professional (psychiatrist, psychologist, licensed clinical social worker, etc.) of psychotic disorder, schizophrenia, schizoaffective disorder, delusional disorder, bipolar mood disorder, borderline personality disorder, or antisocial personality disorder.
 - Occasions within the last seven years where the individual did not consult with a medical professional before altering, discontinuing, or failing to start a prescribed course of treatment for any of the above diagnoses. Details of any current treatment must be reported.
 - Any mental health or other health condition that substantially and adversely affects the individual's judgment, reliability, or trustworthiness regardless of current symptoms.
- d. **Concerning Behavior and/or Conduct:** Behavior and/or conduct that may constitute a disqualifying condition under any of the national security guidelines in Reference (b). Reports of concerning behavior or conduct must be based on credible information, not solely on rumor, innuendo, or unsubstantiated hearsay (i.e., statement of persons relating what someone else may have heard or observed that have not been independently corroborated by other facts).
- e. **Foreign Travel:** Foreign travel by covered individuals must be reported in accordance with Reference (a) and the following additional guidelines:
- Travel solely for U.S. Government business or military overseas assignment on official government orders does not need to be reported. Personal trips, in conjunction with official U.S. Government business, must be pre-approved.
 - Personnel stationed overseas in support of Department of Defense (DoD) missions taking unplanned personal day trips to foreign countries, with the exception of high risk countries listed in the Director of National Intelligence's Worldwide Threat Assessment of the U.S. Intelligence Community (this year's assessment is available at <https://www.dni.gov/files/ODNI/documents/2019-ATA-SFR---SSCI.pdf>) need not report prior to the travel. Instead, these personnel will report a consolidated list of their travel no less than once every 90

days. DoD Components may require their personnel to provide more frequent reports or request pre-approval for additional countries at their own discretion.

- Personnel employed in the transportation industry (pilots, couriers, etc.) that routinely require non-U.S. Government foreign travel do not require pre-approval for trips to foreign countries associated with their employment, with the exception of high risk countries listed in the Director of National Intelligence's Worldwide Threat Assessment of the U.S. Intelligence Community. These personnel will report a consolidated list of their travel no less than once every 90 days. DoD Components may require their personnel to provide more frequent reports or request pre-approval for additional countries at their own discretion.
- f. **Foreign Contacts:** Foreign contacts will be reported by covered individuals in accordance with Reference (a) and the following additional guidelines:
- Contact with foreign nationals occurring solely as part of a covered individual's official duties, and absent any bonds of affection or obligation, are not required to be reported.
 - Contact with foreign nationals based solely on the obligations incurred as a result of a covered individual residing in a foreign country due to government employment (payment of rent, utilities, etc.), and absent any additional bonds of affection or obligation, are not required to be reported.
- g. **Marriage:** All civil marriages, legally recognized civil unions, and legally recognized domestic partnerships, not already listed on a covered individual's SF-86 or previously reported.
- h. **Cohabitation:** All persons with whom a covered individual cohabitates, not already listed on a covered individual's SF-86 or previously reported. A cohabitant is defined as a person with whom a covered individual presently resides, other than a spouse or legally recognized civil union/domestic partner, with whom you share bonds of affection, obligation, or other commitment. It does not mean persons with whom a covered individuals currently resides solely for reasons of convenience (e.g., a roommate).

2. Commanders and Supervisors of Covered Individuals and Security Management Personnel

Commanders and supervisors of covered individuals and supporting security management personnel who receive information from a covered individual or other source as required by Reference (a) or the above additional reporting requirements, shall forward that information or send an incident report to the appropriate adjudication facility as indicated in paragraphs 2.a - 2.h. "Non-incident reports" will not be considered inherently derogatory in nature and will be provided as directed by the adjudication facility.

Loss of a security manager's cognizance of a covered individual does not remove their responsibility to report information covered by Reference (a) or this memorandum if the reportable behavior or situation occurred while under the security manager's cognizance. Commanders, supervisors, or supporting security management personnel are not authorized to mitigate potentially derogatory information nor are they authorized to restrict reporting of information based on its source. Deliberate failure to report information may trigger an adverse security action against the individual that failed to report the information.

- a. **Media Contact:** Report this information as an incident report if an associated investigation/inquiry reveals a mishandling and/or unauthorized disclosure of classified information; otherwise, do not report.
- b. **Cryptocurrency:** Forward this information as an incident report and ensure the name of the currency and/or exchange, country of concern, and value of the asset is included.
- c. **Mental Health Treatment and Counseling:** Send this information as an incident report.
- d. **Concerning Behavior or Conduct:** Send credible information as an incident report. This information may be obtained from covered individuals or other sources including, but not limited to:
 - Command-directed inquiries and investigations.
 - Reports of security violations and compromises of classified information.
 - Reports of investigation, to include: Law Enforcement reports, Inspector General Reports of Investigation, and Equal Employment Opportunity Commission Complaints.
 - Information provided to insider threat programs/officials.
 - Information provided to human resources.
- e. **Foreign Travel:** Will pre-approve and report all foreign travel information as a non-incident report in accordance with the timeframes specified by SEAD 3 and the additional guidance in section 1.e.
- f. **Foreign Contacts:** Will be forwarded as a non-incident report consistent with SEAD 3 and the additional guidance in section 1.f.
- g. **Marriage:** When a covered individual's spouse/partner holds foreign citizenship, to include dual citizenship with the United States and a foreign nation, forward as a non-incident report.

- h. **Cohabitation:** When the covered individual's cohabitant(s) hold(s) foreign citizenship, to include dual citizenship with the United States and a foreign nation, forward the information as a non-incident report.

This guidance does not apply to contractors operating under the National Industrial Security Program (NISP) unless applied by contract. NISP personnel under DoD security cognizance will continue to comply with the reporting requirements outlined in DoD 5220.22-M, "National Industrial Security Program Operating Manual," and any applicable Industrial Security Letters.

This memorandum is effective immediately, and will be incorporated into a future update of DoD Manual 5200.02, "Procedures for the DoD Personnel Security Program (PSP)." My point of contact is Mr. Patrick Hogan at (703) 692-3720 or patrick.m.hogan22.civ@mail.mil.



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