

DOGECOIN AND YOUR CLEARANCE

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Cryptocurrency is a hot topic for SNL sketches and hot fodder for Silicon Valley personalities. Elon Musk made headlines for his weekend SNL appear both for saying he had Asperger's (was anyone surprised?) and for joking that the Dogecoin cryptocurrency he's previously backed is a 'hustle.' It's another example of how the cryptocurrency market can giveth, and taketh away. And another reminder that when it comes to cryptocurrency, there is still a lot of ambiguity when it comes to what is allowed.

Back in 2018 some poor Defense Security Service rep sent a response in regards to bitcoin saying that it should be reported as foreign currency by security clearance holders. As that email went 'viral' the Office of the Undersecretary of the Defense for Intelligence and the Director of National Intelligence said: hold up. Those offices said they would provide future clarification on if bitcoin needed to be reported, but in the two years since no such clarification on any cryptocurrencies have been delivered.

Legal experts have since weighed in clarifying that bitcoin should not be considered foreign currency, and even if it were, would not be reportable as a part of the security clearance process – but that doesn't mean it's not a security risk.

What is Dogecoin?

Dogecoin is just the latest, faddiest, meme-ist cryptocurrency to spike to popularity. It was launched in 2013 as a 'satirical' cryptocurrency named after a dog meme. But over the past 6-months, it has climbed by 26,000% to a market capitalization of \$92 billion. Woof.

Elon Musk is clearly a key part of the dogecoin phenomenon. As the market follows Musk's whims, and he mentions the currency over the past few years, it has helped it spike – that, along with the fact that unlike other cryptocurrencies, there isn't a cap. That's good for dogecoin; potentially bad for investors looking for stability – which is the biggest issue for security clearance holders.

Can Clearance Holders Invest in Dogecoin?

Dogecoin, like all cryptocurrencies, remains a policy gray area for security clearance holders. With financial issues being the top reason for security clearance denial and revocation for security clearance holders, it's good advice to stay cautious. A recent RAND report about changing dynamics and risks for young people in national security noted cryptocurrency as an emerging/unaddressed issue. The report noted that young people are more likely to use cryptocurrency – which isn't necessarily an issue – but also that an estimated 46% of all bitcoin transactions are used for illegal activity. That's where the issue comes in.

Clearance holders who invest in dogecoin, bitcoin or any cryptocurrency should ensure they're not also providing funds or participating in any illegal activity. The high fluctuations in dogecoin can also make it a financial considerations issue for security clearance holders – investors should never make risky moves when it comes to dogecoin investments. The rewards may seem great, but so are the risks. As a currency designed to play fun at the system, security clearance holders need to ensure they're not the butt of the joke – and the losses

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