

Date: May 18, 2023

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Applicant for Security Clearance )  
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ISCR Case No. 22-00023

**APPEAL BOARD DECISION**

**APPEARANCES**

**FOR GOVERNMENT**

James B. Norman, Esq., Chief Department Counsel

**FOR APPLICANT**

*Pro se*

The Department of Defense (DoD) declined to grant Applicant a security clearance. On February 17, 2022, DoD issued a statement of reasons (SOR) advising Applicant of the basis for that decision – security concerns raised under Guideline F (Financial Considerations) of Department of Defense Directive 5220.6 (Jan. 2, 1992, as amended) (Directive). Applicant requested a hearing. On March 30, 2023, Defense Office of Hearings and Appeals Administrative Judge Pamela C. Benson denied Applicant’s request for a security clearance. Applicant appealed pursuant to Directive ¶¶ E3.1.28 and E3.1.30.

Applicant is in his early 30s. He earned a bachelor’s degree in 2012 and a master’s degree in 2015. The SOR alleged three delinquent student loan accounts totaling approximately \$55,000, which were opened between 2013 and 2014 to fund Applicant’s pursuit of his master’s degree. Except for a six-month period of unemployment in 2017, Applicant has been consistently employed since 2016, and he has been employed as a senior consultant with a federal contractor since late 2022. Applicant’s annual income is approximately \$100,000, and his monthly net remainder after expenses is approximately \$3,600.

The Judge noted that Applicant provided inconsistent statements regarding the status of his student loans over the course of his clearance investigation and hearing. Decision at 3. In his March 2021 background interview, Applicant was confronted with the delinquent loans and explained

that his forbearance had expired but he had not yet started to repay the loans. *Id.* at 2; Government Exhibit (GE) 2 at 3. In his October 2021 response to interrogatories, Applicant asserted that his student loans were deferred under the Coronavirus Aid, Relief, and Economic Security Act. Decision at 2-3; GE 3 at 7. At the March 8, 2023, hearing, Applicant first testified that his loans were placed into forbearance in about 2016 and, while he understood he would have to reapply for forbearance when the initial term expired in about two years, he “assumed the loans were still in forbearance because he had never received any notification from the student loan creditor that the forbearance term had ended.” Decision at 3; Tr. at 18-19, 25-27. He realized he needed to pay his student loans at some point but had not prioritized it. Decision at 3. Applicant later testified that “he thought his student loan forbearance term would expire in about 2018,” and “admitted he had looked up his student loans online and realized they were outstanding.” *Id.* at 3; Tr. at 29-30. As of the hearing, Applicant had not contacted the creditor to request another loan forbearance. Decision at 4.

Applicant testified and his post-hearing documentation supports that he contacted the Department of Education (ED) on February 23, 2023, about two weeks before the hearing, and applied for a program to assist him in getting his student loans out of default. *Id.* On March 3, 2023, ED confirmed receipt of the application and notified Applicant that his loans would be transferred to another loan creditor in about 15 days; however, as of the close of the record, “Applicant had not yet been contacted by the new loan creditor or notified of the specific amount of his monthly loan payments.” *Id.*

The Judge found that over the course of his security clearance investigation, which began when he completed his application in January 2020, Applicant “had plenty of opportunities to take responsible action to begin repaying his delinquent loans;” however, he did not initiate contact with ED until after the Judge contacted him in February 2023 to schedule his hearing. *Id.* at 7. The Judge found that Applicant’s financial problems did not result from conditions beyond his control and that he “did not act responsibly because he failed to dutifully address his delinquent student loans earlier.” *Id.* In finding against Applicant on all three SOR allegations, the Judge concluded that Applicant’s “conduct demonstrates a lack of fiscal responsibility and raises unmitigated questions about his reliability, trustworthiness, and ability to protect classified information.” *Id.* at 8.

On appeal, Applicant makes no assertion of error on the part of the Judge. Rather, he submits new evidence in the form of a narrative update on the status of his student loans. The Appeal Board does not review cases *de novo* and is prohibited from considering new evidence on appeal. Directive ¶ E3.1.29. The Board’s authority to review a case is limited to matters in which the appealing party has alleged that the Judge committed harmful error. Applicant has not alleged any such harmful error and therefore the Judge’s decision denying Applicant a security clearance is sustainable.

**Order**

The decision is **AFFIRMED**.

Signed: Jennifer I. Goldstein

Jennifer I. Goldstein  
Administrative Judge  
Member, Appeal Board

Signed: Moira Modzelewski

Moira Modzelewski  
Administrative Judge  
Member, Appeal Board

Signed: Allison Marie

Allison Marie  
Administrative Judge  
Member, Appeal Board