

Date: July 31, 2023

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In the matter of:	)	
	)	
-----	)	ISCR Case No. 22-00377
	)	
Applicant for Security Clearance	)	
	)	

**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 April 19, 2022, DoD issued a Statement of Reasons (SOR) advising Applicant of the basis of that decision – security concerns raised under Guideline F (Financial Considerations) of the National Security Adjudicative Guidelines (AG) in Appendix A of Security Executive Agent Directive 4 (effective June 8, 2017) and DoD Directive 5220.6 (Jan. 2, 1992, as amended) (Directive). On July 7, 2023, Defense Office of Hearings and Appeals Administrative Judge Roger C. Wesley denied Applicant’s security clearance eligibility. Applicant appealed pursuant to Directive ¶¶ E3.1.28 and E3.1.30.

The SOR, as amended, alleged seven financial concerns, including two delinquent federal student loans, credit card debt, and a minor medical account, all totaling approximately \$56,000. The Judge found favorably on one credit card debt, but against Applicant on the remaining six allegations.

## Judge's Findings of Fact and Analysis

Applicant is in his early 60s. He has been married since 1982 and has two adult children. Applicant earned an associate degree in 1993. He has worked for his current employer since 2007 and has held a security clearance since 2010. As of the hearing, Applicant's annual income was approximately \$148,000 and he had a monthly net remainder of about \$3,000 after all other expenses were paid.

The Judge found that none of the mitigating conditions were fully applicable. Applicant displayed "no well-developed financial plan or refined budget in place to aid him in mitigating the Government's financial concerns over his delinquent student loans," and that, with the exception of one consumer debt resolved for under \$2,000 (SOR ¶ 1.f), Applicant had "made no concerted efforts to resolve any of his delinquent consumer and medical debts with the ample resources available to him over the past three years." Decision at 7. The Judge concluded that, in consideration of the foregoing, Applicant had not mitigated the security concerns raised by his financial delinquencies.

## Discussion

On appeal, Applicant first challenges the amount alleged as delinquent for his student loan at SOR ¶ 1.c and asserts that the correct balance is about \$10,455. Indeed, when the SOR was originally issued, a typographical error inaccurately alleged that this debt carried a balance of about \$16,309. In recognition of this, the Government moved to amend SOR ¶ 1.c to reflect the correct amount of \$10,455, and that motion was granted. Applicant's challenge in this regard is therefore moot. Applicant also asserts that the debt alleged at SOR ¶ 1.f has been paid; however, the Judge found favorably on this allegation and therefore this challenge is also moot.

Applicant next takes issue with the Judge's finding that his annual income was \$148,000, arguing that this amount includes benefits paid by his employer and that his annual income is actually only about \$138,000. When asked about his income and expenses at hearing, Applicant testified that his annual salary was \$148,000 and that his monthly net income was roughly \$8,000. Tr. at 38, 51. The findings regarding Applicant's income and available financial resources were therefore based on substantial evidence, namely Applicant's own unrebutted testimony. To the extent that Applicant is attempting to revise that amount on appeal, such a revision amounts to new evidence and fails, as set forth further below.

Finally, Applicant submits new evidence in the form of a narrative and documentary update on the status of his student loans and other debts. The Appeal Board does not review cases *de novo* and is prohibited from considering new evidence on appeal. Directive ¶ E3.1.29.

Applicant has not established that the Judge committed harmful error. Our review of the record reflects that the Judge examined the relevant evidence and articulated a satisfactory explanation for the decision, which is sustainable on this record. "The general standard is that a clearance may be granted only when 'clearly consistent with the interests of the national security.'" *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). "Any doubt concerning personnel

being considered for national security eligibility will be resolved in favor of the national security.”  
AG ¶ 2(b).

**Order**

The decision is **AFFIRMED**.

Signed: James F. Duffy  
James F. Duffy  
Administrative Judge  
Chair, Appeal Board

Signed: Gregg A. Cervi  
Gregg A. Cervi  
Administrative Judge  
Member, Appeal Board

Signed: Allison Marie  
Allison Marie  
Administrative Judge  
Member, Appeal Board