

The Department of Defense (DoD) declined to grant Applicant a security clearance. On December 3, 2015, 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 decision on the written record. On August 3, 2016, after considering the record, Defense Office of Hearings and Appeals (DOHA) Administrative Judge Elizabeth M. Matchinski denied Applicant’s request for a security clearance. Applicant appealed pursuant to Directive ¶¶ E3.1.28 and E3.1.30.

Applicant raised the following issue on appeal: whether the Judge’s adverse decision was arbitrary, capricious, or contrary to law. Consistent with the following, we affirm.

The Judge’s Findings of Fact

Applicant has worked for a Defense contractor since 2003. This is his first effort to obtain a clearance. Applicant financed his education with student loans, which he has paid on time. However, he co-signed two student loans for his spouse and became jointly liable with her on a third. These loans form the basis of the three SOR allegations at issue here. The couple experienced some difficult circumstances that had an impact on their finances. Applicant’s spouse received reduced pay from her job while on maternity leave, and they began to struggle with their monthly expenses. Applicant’s spouse was unemployed for two months. She took another job at less pay but has been fully employed since early 2013. The creditors charged-off the loans alleged in the SOR. Applicant and his spouse made monthly payments for one of them, the largest, and initiated court challenges to the other two based on lack of privity of contract and/or the statute of limitations. The record contains no evidence about Applicant’s income, expenses, or personal family circumstances that affected their financial condition.

There is no evidence that Applicant addressed the two loans that were the subject of litigation during the pendency of the disputes. In addition, the couple took on new debt by obtaining car loans and by financing the purchase of furniture. The two loans that were the subject of litigation were acquired by a collection agency, which offered a settlement agreement that the couple could not afford. In early 2016, the couple set up automatic payments of \$75 on each of these two loans, that being all that they could pay. Applicant’s other loans and his ordinary expenses are being paid on time.

The Judge’s Analysis

The Judge stated that Applicant had provided little specific information about the circumstances that led up to their debts, except that his wife suffered a diminution in income and that a follow-on job entailed less pay. She stated that Applicant had provided no information about the extent of the income loss or of other difficult circumstances. She stated that generalized statements of financial struggle were not enough fully to mitigate the concerns arising from Applicant’s financial problems. The Judge made favorable findings about the one student loan that had been the subject of consistent payments. However, she stated that, without information about Applicant’s

income, savings, and expenses, it was not possible to determine whether the amounts he was paying on the other two were enough to mitigate the concerns arising from them. She concluded that the record contained insufficient evidence that Applicant's problems were resolved.

Discussion

Applicant cites to evidence concerning his effort at debt resolution and argues that his credit reports show that he is in good financial condition. Relying on a statement that he had submitted in response to the File of Relevant Material, Applicant's brief provides context for his debt situation. He contends that he is able to pay his current bills and that he has acquired no additional delinquencies. Applicant has not rebutted the presumption that the Judge considered all of the evidence in the record, nor has he shown that the Judge weighed the evidence in a manner that was arbitrary, capricious, or contrary to law. *See, e.g.*, ISCR Case No. 14-05795 at 2-3 (App. Bd. Apr. 26, 2016).

The Judge examined the relevant data and articulated a satisfactory explanation for the decision. The decision 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). *See also* Directive, Enclosure 2 ¶ 2(b): "Any doubt concerning personnel being considered for access to classified information will be resolved in favor of the national security."

Order

The Decision is **AFFIRMED**.

Signed: Michael Y. Ra'anan
Michael Y. Ra'anan
Administrative Judge
Chairperson, Appeal Board

Signed: Jean E. Smallin
Jean E. Smallin
Administrative Judge
Member, Appeal Board

Signed: James E. Moody
James E. Moody

Administrative Judge
Member, Appeal Board