



**DEPARTMENT OF DEFENSE  
DEFENSE OFFICE OF HEARINGS AND APPEALS**



In the matter of:	)	
	)	
	)	ISCR Case No. 18-00762
	)	
Applicant for Security Clearance	)	

**Appearances**

For Government: Andre M. Gregorian, Esq., Department Counsel  
For Applicant: *Pro se*

01/10/2019

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**Decision**

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MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant owes approximately \$241,503 in defaulted Federal student-loan debt, charged-off credit-card debts totaling more than \$5,000, and some collection debts. Unemployment and low income were factors in the delinquencies, but more progress is needed toward resolving his debts to find that his financial problems are safely behind him. Clearance is denied.

**Statement of the Case**

On April 17, 2018, the Department of Defense Consolidated Adjudications Facility (DOD CAF) issued a Statement of Reasons (SOR) to Applicant, detailing security concerns under Guideline F, financial considerations. The SOR explained why the DOD CAF was unable to find it clearly consistent with the national interest to grant or continue security clearance eligibility for him. The DOD CAF took the action under Executive Order (EO) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the *National Security Adjudicative*

*Guidelines for Determining Eligibility for Access to Classified Information or Eligibility to Hold a Sensitive Position (AG) effective within the DOD on June 8, 2017.*

Applicant responded to the SOR on May 10, 2018, and requested a hearing before an administrative judge from the Defense Office of Hearings and Appeals (DOHA). On September 7, 2018, the case was assigned to me to conduct a hearing to determine whether it is clearly consistent with the national interest to grant or continue a security clearance for Applicant. On October 5, 2018, I scheduled a hearing for November 16, 2018.

At the hearing, five Government exhibits (GEs 1-5) were admitted. A May 31, 2018 letter (HE 1) and a November 5, 2018 email (HE II) forwarding the proposed GEs to Applicant, and a list of the GEs (HE III) were marked as hearing exhibits (HE) for the record but not admitted in evidence. Five Applicant exhibits (AEs A-E) were admitted in evidence. Applicant testified, as reflected in a transcript (Tr.) received on November 29, 2018.

I held the record open for one month for post-hearing documentation from Applicant. No documents were received by the December 16, 2018 deadline, and I closed the record on that date.

### **Summary of SOR Allegations**

The SOR alleges under Guideline F that, as of April 17, 2018, Applicant was delinquent on Federal student loans totaling \$189,722 (SOR ¶¶ 1.a-1.j); owed charged-off credit-card debts of \$3,252 (SOR ¶ 1.k) and \$2,743 (SOR ¶ 1.l); a \$1,086 collection debt for music and arts (SOR ¶ 1.m); and three medical collection debts for \$447 (SOR ¶ 1.n), \$435 (SOR ¶ 1.o), and \$121 (SOR ¶ 1.p). In his Answer to the SOR allegations, Applicant admitted the debts without explanation with the exception of the \$435 collection debt (SOR ¶ 1.o), which he indicated “was paid effective 3/6/2018.”

### **Findings of Fact**

After considering the pleadings, exhibits, and transcript, I make the following findings of fact.

Applicant is a 45-year-old defense-contractor employee with a bachelor’s degree awarded in 1995 and a master’s degree awarded in 1997. More recently, he took some online courses between October 2011 and May 2012 and night classes in person at a local private university. Applicant has worked for his employer since November 2017, initially learning electrical drafting. In April 2018, he transferred to detail planning for a full-time salaried position, and in December 2018, he was scheduled for another transfer to quality control. (GEs 1-2; Tr. 29-31.) Applicant has never previously held a DOD security clearance and understands that he does not need clearance eligibility to keep his current job. (Tr. 33.)

Applicant and his spouse married in 1998, and they have two children ages 13 and 16. (GE 1; Tr. 30.) Applicant's spouse has a bachelor's degree and also a law degree, which she earned in 1998. She practiced law for only about 1.5 years. In approximately February 2002, she stopped working while pregnant with their daughter and was a stay-at-home mom for the next 15 years. (Tr. 33-35.)

In 2003, Applicant moved his family to their current state of residence for him to work at a new private boarding school as a teacher. His salary decreased by \$10,000 to about \$30,000, but housing was provided. (Tr. 26-37.) In January 2009, Applicant and his spouse purchased their residence in a short sale for \$175,000 to \$180,000. (GE 1; Tr. 46-47.)

While employed at the boarding school, Applicant began taking college classes part time at night and also online. (GE 1; Tr. 57-59.) Between August 2009 and January 2014, he obtained Federal student loans totaling approximately \$115,951.<sup>1</sup> (SOR ¶¶ 1.a-1.j). (GEs 2-5.) In August 2011, Applicant left his employment at the boarding school. (GE 2.) He taught at a magnet school for the next academic year with a temporary teacher certification. His contract was not renewed after the school year because he had not finished his schooling for his teacher certification. (GE 1; Tr. 36-39.) Applicant was unemployed during the summer of 2012, but then taught at another school from August 2012 to June 2014. (GE 1.) In July 2013, his vehicle was repossessed for nonpayment of a car loan obtained for \$20,497 in October 2007. With funds obtained from his parents, he paid off the debt and redeemed the vehicle in January 2014. (GEs 2-5.)

In August 2014, Applicant began teaching in a public school system. He was allergic to the mold in the building and resigned for health reasons when the school year ended in June 2015. Applicant began working as a teacher for another public school system in July 2015, but he left the job in February 2016 because his daughter had been diagnosed with a disability. Over the next 21 months, he worked on and off as a substitute teacher for several school districts earning \$75 to \$85 an hour. (GEs 1-2; Tr. 36-42.) Due to lack of income and medical bills (Tr. 71), he did not make any payments on his Federal student loans which he was obligated to repay starting in July 2015. Nine of his student loans were rated as seriously delinquent as of October 2016. (GEs 2-5.) Applicant and his spouse became delinquent on their mortgage loan in October 2015, and foreclosure proceedings commenced in approximately April 2016. (GEs 2-3; AE A.) A lien was placed on their home in July 2017 for nonpayment of a medical judgment debt of approximately \$360. (AE E; Tr. 25, 53-54.)

In April 2017, Applicant's spouse began working during the day as a school para-professional 18 hours per week at \$17 an hour and nights and weekends at a public library four to eight hours per week at \$11 an hour. (Tr. 27-28, 44-45.) In September 2017,

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<sup>1</sup> Applicant testified that one or two of his student loans are consolidated loans for his undergraduate education, but that most of his loans were incurred for his graduate school and his education coursework. (Tr. 57, 60.) Two of his student loans are consolidated loans obtained on July 6, 2012. (GEs 3-5.) The loans consolidated in 2012 may be from his undergraduate education.

Applicant began working as a part-time math teacher at a night school three hours per week at \$60 an hour. (Tr. 33.) He was otherwise unemployed. (Tr. 42.)

On August 16, 2017, Applicant completed and certified to the accuracy of a Questionnaire for National Security Positions (SF 86). In response to an inquiry concerning any financial delinquency involving enforcement in the last seven years, Applicant indicated that a lien was against his house for nonpayment of a medical debt that had been brought to judgment. He indicated that he had arranged to pay \$150 by the end of August 2017 and to pay the \$157 remaining by the end of September 2017. He disclosed no other past-due debts. (GE 1.)

As of September 12, 2017, Applicant's student loans were \$119,910 past due and in collection (SOR ¶¶ 1.a-1.j). A credit-card account opened in February 2013 was past due and in collection for \$2,743 (SOR ¶ 1.l). A second credit card with the same creditor, obtained in December 2014, was in collection for \$3,252 (SOR ¶ 1.k). A music and arts debt for \$1,086 was in collection as of August 2017 (SOR ¶ 1.m). Medical collection debts of \$435 from July 2015 (SOR ¶ 1.o), \$121 from August 2015 (SOR ¶ 1.p), and \$447 assigned in May 2017 (SOR ¶ 1.n) were also outstanding. (GE 2.)

On September 27, 2017, Applicant was interviewed by an authorized investigator for the Office of Personnel Management (OPM). Applicant explained about the medical debt disclosed on his SF 86 that he and his spouse could not pay the bill because they were unemployed at the time. When asked whether he owed any other delinquencies, Applicant volunteered that his home loan was in foreclosure, and that he had several other outstanding past-due balances. When confronted with the details of his debts, Applicant averred that he thought his student loans were in deferment because of his unemployment. He acknowledged the outstanding credit card and music debts, and explained that the music debt was for a saxophone for his son. Applicant acknowledged that he owed medical debts, and that one medical provider had obtained a judgment lien on his home. He indicated that he had paid \$187.70 toward the debt but still owed \$180.15. As for the mortgage, Applicant admitted that his mortgage loan was in foreclosure for the last 18 months, but that he was in mediation to resolve the delinquency.<sup>2</sup> He indicated that he was seeking full-time employment for the income to allow him to begin repaying his delinquent debts. (GE 2.)

In November 2017, Applicant began his defense-contractor employment at an hourly wage of approximately \$16 while continuing to work nights as a math teacher until June 2018. (GE 2; Tr. 31-33.) Applicant was re-interviewed by the investigator on November 13, 2017. He was unable to provide any update to his financial situation other than to indicate that he could try to pay off his debts now that he had full-time employment. (GE 2.)

A check of Applicant's credit on January 9, 2018, revealed no progress toward resolving his Federal student loans, which totaled \$189,722 and were \$134,911 past due. The credit card debts in SOR ¶¶ 1.k and 1.l had been charged off. Applicant also owed

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<sup>2</sup> Applicant testified that he was paying an attorney \$500 a month until December 2018 to assist him and his spouse in obtaining a modification of their home mortgage loan. (Tr. 65-66.)

three medical collection debts for \$435, \$326, and \$121. Applicant was making payments on six consumer credit accounts with balances totaling \$2,465. (GE 4.) On March 6, 2018, Applicant paid the \$435 medical collection debt (SOR ¶ 1.o).

In April 2018, Applicant underwent a department transfer at work for a salaried position at \$48,000 annually (approximately \$23 per hour). He routinely works five to ten hours per week in overtime. (Tr. 31-32.) During the summer of 2018, Applicant's spouse filled in for several employees at the library, and she worked extra hours. (Tr. 44.)

On July 20, 2018, Applicant agreed to pay \$5 per month for nine consecutive months as a trial rehabilitation for his defaulted Federal student loans. His first payment was due September 15, 2018. Under the agreement, Applicant agreed to continue to make monthly payments after the minimum nine payments until he is notified in writing by the loan servicer that the rehabilitation has been completed. The loan servicer would then establish a new monthly payment amount based on the balance owed at the time the loans are rehabilitated. (AE C.) In September 2018, Applicant made a payment of approximately \$249 that was disbursed among his Federal student loans. (GE 5.) As of November 2018, his Federal student loans totaled \$241,503. (AE C.)

On September 27, 2018, Applicant entered into a Federal Housing Authority Trial Repayment Plan for his delinquent mortgage loan with a principal balance of \$177,110. Under the terms, Applicant agreed to make monthly payments of \$1,703 from October 1, 2018, through December 1, 2018. Should Applicant miss a payment, the state housing authority reserved the right to a foreclosure action. Applicant made a \$1,703 payment posted on October 11, 2018. The housing authority acknowledged receipt of the payment but issued a delinquency notice billing Applicant for the \$57,205 past due on the loan. Applicant was informed that failure to pay the \$57,205 by November 1, 2018, could result in fees and foreclosure. (AE B.) Applicant testified that he made a second payment of \$1,703 in the week preceding his November 16, 2018 hearing (Tr. 48-49), but he provided no documentation of that payment.

The creditor owed the balances in SOR ¶¶ 1.k and 1.l filed to garnish Applicant's wages to recover a judgment awarded for the debt in SOR ¶ 1.k. On October 3, 2018, Applicant asked for a modification to repay the debt at \$75 per week. The creditor agreed to the modification on October 22, 2018. (AE D.) After the debt in SOR ¶ 1.k is satisfied, Applicant intends to have the garnishment continue until his other debt with the creditor (SOR ¶ 1.l) is paid off. (Tr. 66-69.)

As of early to mid-October 2018, Applicant had not paid the \$121 medical collection debt from August 2015 (SOR ¶ 1.p). He contacted the provider and was referred to the collection entity that has no record of the debt. (Tr. 75.) Two open credit-card accounts for gasoline were past due in amounts of \$111 on a balance of \$608 and for \$120 on a balance of \$607. He contacted the creditor owed the \$608 debt and has initiated a plan to address the delinquency in three installment payments. A retail charge card obtained in August 2015 was \$27 past due on a balance of \$361. Applicant has a plan in place to address that delinquency by January 2019. (Tr. 82-83.) He had made no payments on the

account in SOR ¶ 1.l since February 2017, and the past-due balance had accrued to \$2,743. After a September 2018 payment on the debt in SOR ¶ 1.k, he owed \$3,329 on that delinquent account. Applicant was making timely payments on four open consumer credit accounts with balances totaling \$1,783. (GE 5.) The music debt in collection (SOR ¶ 1.m) was no longer on Applicant's credit report. Applicant recalls that he may have mailed the creditor a check for \$700, but he provided no documentation to corroborate the payment even though I left the record open for post-hearing submissions. (Tr. 73-74.) The medical collection debt in SOR ¶ 1.n was no longer on his credit record as of November 2018. (GE 5.) Applicant believes that he made a payment to his daughter's psychologist (Tr. 75), but he provided no proof.

Applicant estimated that he had only \$3 in his bank accounts as of mid-November 2018. He has retirement assets "in the thousands" in one account that he cannot access before age 59½. He recently applied to close out an \$8,000 teacher's retirement account and was notified that it would be processed effective December 31, 2018. He plans to use the funds to pay some bills. (Tr. 77-78.) Applicant owes approximately \$580 in Federal income taxes for tax year 2017. When the taxes were due in April 2018, he entered into a repayment arrangement with the Internal Revenue Service to repay the debt in \$50 monthly installments, but there was a problem with debiting his account, so no payments had been withdrawn from his account as of mid-November 2018. (Tr. 79-80.) Applicant's household finances have improved since October 2017, as evidenced by the housing authority's willingness to grant him the loan modification. He had previously been denied modification because of insufficient income. (Tr. 80-81.)

Applicant estimates that he paid "thousands of dollars" in medical expenses for therapy visits for himself in 2005 and for his children since 2012 or 2013. His children see a therapist once a month, but it has been at no charge for the past year. (Tr. 84-85.) Applicant was diagnosed with a form of high-functioning autism and asks that it be considered in mitigation. (Tr. 52.)

## **Policies**

The U.S. Supreme Court has recognized the substantial discretion the Executive Branch has in regulating access to information pertaining to national security, emphasizing that "no one has a 'right' to a security clearance." *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). When evaluating an applicant's suitability for a security clearance, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are required to be considered in evaluating an applicant's eligibility for access to classified information. These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with the factors listed in the adjudicative process. The administrative judge's overall adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(a), the entire process is a conscientious scrutiny of a number of variables known as the "whole-person concept." The administrative

judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a decision.

The protection of the national security is the paramount consideration. AG ¶ 2(b) requires that “[a]ny doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security.” In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Under Directive ¶ E3.1.15, the applicant is responsible for presenting “witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by applicant or proven by Department Counsel. . . .” The applicant has the ultimate burden of persuasion to obtain a favorable security decision.

A person who seeks access to classified information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours. The Government reposes a high degree of trust and confidence in individuals to whom it grants access to classified information. Decisions include, by necessity, consideration of the possible risk that the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation about potential, rather than actual, risk of compromise of classified information. Section 7 of EO 10865 provides that decisions shall be “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” See also EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

## **Analysis**

### **Guideline F: Financial Considerations**

The security concerns about financial considerations are articulated in AG ¶ 18:

Failure to live within one’s means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise questions about an individual’s reliability, trustworthiness, and ability to protect classified or sensitive information. Financial distress can also be caused or exacerbated by, and thus can be a possible indicator of, other issues of personnel security concern such as excessive gambling, mental health conditions, substance misuse, or alcohol abuse or dependence. An individual who is financially overextended is at greater risk of having to engage in illegal or otherwise questionable acts to generate funds. . . .

The Appeal Board explained the scope and rationale for the financial considerations security concern in ISCR Case No. 11-05365 at 3 (App. Bd. May 1, 2012) (citation omitted) as follows:

This concern is broader than the possibility that an applicant might knowingly compromise classified information in order to raise money in satisfaction of his or her debts. Rather, it requires a Judge to examine the totality of an applicant's financial history and circumstances. The Judge must consider pertinent evidence regarding the applicant's self-control, judgment, and other qualities essential to protecting the national secrets as well as the vulnerabilities inherent in the circumstances. The Directive presumes a nexus between proven conduct under any of the Guidelines and an applicant's security eligibility.

Applicant's admissions and the available credit reports establish the delinquencies alleged in the SOR. Applicant defaulted on Federal student loans that were obtained for approximately \$115,951 and have accrued to \$241,503. Two credit-card accounts were charged off for \$3,329 and \$2,743. Some medical debts and a \$1,086 debt for his son's saxophone were placed for collection. Moreover, although not alleged in the SOR, the evidence shows that Applicant's mortgage loan on his home loan was past due for \$57,205 as of October 11, 2018. He had made only one payment on one loan since October 2015, of \$1,703 under a loan modification plan in September 2018. That delinquency cannot be considered for disqualifying purposes because it was not alleged.<sup>3</sup> Even without considering the mortgage, disqualifying conditions AG ¶¶ 19(a), "inability to satisfy debts," and 19(c), "a history of not meeting financial obligations," clearly apply.

Applicant has the burden of establishing matters in mitigation. One or more of the following conditions under AG ¶ 20 may apply:

- (a) the behavior happened so long ago, was so infrequent, or occurred under such circumstances that it is unlikely to recur and does not cast doubt on the individual's current reliability, trustworthiness, or good judgment;
- (b) the conditions that resulted in the financial problem were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, a death, divorce or separation, clear victimization by predatory lending practices, or identity theft), and the individual acted responsibly under the circumstances;

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<sup>3</sup> In ISCR Case No. 03-20327 at 4 (App. Bd. Oct. 26, 2006), the Appeal Board listed five circumstances in which conduct not alleged in a SOR may be considered, as follows:

- (a) to assess an applicant's credibility; (b) to evaluate an applicant's evidence of extenuation, mitigation, or changed circumstances; (c) to consider whether an applicant has demonstrated successful rehabilitation; (d) to decide whether a particular provision of the Adjudicative Guidelines is applicable; or (e) to provide evidence for the whole-person analysis under Directive Section 6.3.

Applicant's handling of his mortgage loan is relevant in assessing his financial situation generally and matters in reform.



(c) the person has received or is receiving counseling for the problem from a legitimate and credible source, such as a non-profit credit counseling service, and there are clear indications that the problem is being resolved or is under control;

(d) the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts; and

(e) the individual has a reasonable basis to dispute the legitimacy of the past-due debt which is the cause of the problem and provides documented proof to substantiate the basis of the dispute or provides evidence of actions to resolve the issue.

Applicant's delinquencies are too extensive and recent for mitigation under AG ¶ 20(a). His Federal student loans were first considered delinquent in July 2015. The credit-card debts in SOR ¶¶ 1.k and 1.l first became delinquent in October 2016 and were placed for collection in May 2017. Available credit reports do not show the date that the music debt was initially incurred, but it was still in collection as of August 2017. The \$121 and \$435 medical collection debts were assigned for collection in 2016 and were unpaid as of August 2017. The \$447 medical collection debt was assigned for collection in May 2017.

Regarding AG ¶ 20(b), Applicant's financial problems were caused in part by low income due to decisions that either he or his spouse made. An attorney by education, Applicant's spouse chose to stay at home to care for their children. She was unemployed for approximately 15 years before obtaining part-time work in April 2017 as a school para-professional and at a library. Applicant lost his full-time teaching position at a magnet school in 2012 because he failed to obtain his teaching certification. He resigned from his next teaching job in June 2015 because of health issues caused by mold in the building. He secured another full-time teaching position for the next academic year, but stayed only until February 2016 because his daughter was diagnosed with a disability. However, his spouse was unemployed at that time, so one has to question his financial judgment in giving up the income needed to support his family. He then worked as a substitute teacher on and off until November 2017 when he began his defense-contractor employment. AG ¶ 20(b) has some applicability in that his income as a substitute teacher after February 2016 was not enough to cover all of the household obligations, including non-discretionary medical expenses for his children. However, Applicant did not show sound financial judgment in his handling of his Federal student loans. He told an OPM investigator in September 2017 that he thought his student loans were deferred because he was unemployed. He had an obligation to keep himself apprised about the status of his sizeable student-loan debt, even if he could not afford to make payments. He has yet to resolve a \$121 medical collection debt, despite the increase in his income with his transfer to a salaried position in April 2018. He testified that the collection entity can find no record of the debt, but he did not provide the documentation from which I could conclude that he has done all he can to address the debt. He testified that he made payments toward the collection debts in SOR ¶¶ 1.m and 1.n but provided no proof.

In Applicant's favor, he satisfied the medical collection debt in SOR ¶ 1.o in March 2018. In July 2018, he made repayment arrangements toward rehabilitating his Federal student loans. A recent credit report of November 2018 shows that he paid \$249 in September 2018 toward his student loans. The charged-off credit card debt in SOR ¶ 1.k is being repaid through garnishment of his wages, although only after a judgment action was brought by the creditor. The garnishment is likely to continue until the judgment debt is satisfied. Yet, Applicant lacks a sufficient track record of timely debt repayments from which I could reasonably conclude that he can be counted on to continue to address his substantial delinquencies.

Student loans are considered an investment in one's future, but his \$241,503 in student-loan debt is a significant burden in relation to his annual income of \$48,000. While the \$5 monthly payments required of him through April 2019 are minimal, a new amount will be established by the loan servicer once his student loans are rehabilitated. Applicant testified that he is currently paying an attorney \$500 a month for assistance in resolving his delinquent mortgage loan, and that those payments to the attorney end in December 2018. However, even assuming that he will then have \$500 available to put toward his financial obligations, other debts may well take priority. His handling of his trial modification for his mortgage provides little assurance of timely debt repayment. Applicant was required to make three monthly payments \$1,703 due on the first of the month from October 2018 through December 2018. His October 2018 payment was not received until October 11, 2018. At his November 16, 2018 hearing, he testified that he mailed his second payment "a week ago," and so that payment would have been late as well. His application to withdraw retirement assets to pay off some debts is another indicator of financial stress. He was behind on some open credit-card accounts as of September 2018, perhaps because he paid \$249 toward his student loans that month. He estimated that he had only \$3 in checking deposits as of mid-November 2018. In April 2018, he entered into an installment agreement to repay his \$580 in Federal taxes owed for 2017, but no payments had been made as of November 2018 because of an issue with his automatic payments. Applicant's ongoing failure to address that problem is another example of questionable financial judgment that is not adequately explained by his disability. Applicant has yet to make any payments on the credit-card delinquency in SOR ¶ 1.l. He testified to his belief that he paid approximately \$700 for his son's saxophone (SOR ¶ 1.m), and that he made a payment to his daughter's psychologist (SOR ¶ 1.n), but he provided no proof. AG ¶ 20(c) and AG ¶ 20(d) are only minimally established. Applicant has not mitigated the financial considerations security concerns.

### **Whole-Person Concept**

In assessing the whole person, the administrative judge must consider the totality of an applicant's conduct and all relevant circumstances in light of the nine adjudicative process factors in AG ¶ 2(d). The analysis under Guideline F is incorporated in my whole-person analysis. Some of the factors in AG ¶ 2(d) were addressed under that guideline, but some warrant additional comment.

Applicant incurred out-of-pocket medical expenses for his children in recent years that strained his already tenuous finances. Due to factors outside of his control, but also to choices that he or his spouse made with regard to employment, Applicant defaulted on his mortgage loan, his Federal student loans, and on two credit-card accounts. One year into his employment with a defense contractor, Applicant has arrangements in place toward rehabilitating his student loans and his mortgage loan, but concerns persist about his financial stability and judgment. It is well settled that once a concern arises regarding an applicant's security clearance eligibility, there is a strong presumption against the grant or renewal of a security clearance. *See Dorfmont v. Brown*, 913 F. 2d 1399, 1401 (9th Cir. 1990). For the reasons noted, I cannot find that it is clearly consistent with the national interest to grant Applicant security-clearance eligibility at this time.

### **Formal Findings**

Formal findings for or against Applicant on the allegations set forth in the SOR, as required by section E3.1.25 of Enclosure 3 of the Directive, are:

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraphs 1.a-1.j:	Against Applicant
Subparagraph 1.k:	For Applicant
Subparagraphs 1.l-1.n:	Against Applicant
Subparagraph 1.o:	For Applicant
Subparagraph 1.p:	Against Applicant

### **Conclusion**

In light of all of the circumstances, it is not clearly consistent with the national interest to grant Applicant eligibility for a security clearance. Eligibility for access to classified information is denied.

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Elizabeth M. Matchinski  
Administrative Judge