



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



In the matter of:)
)
) ISCR Case No. 18-02820
)
)
Applicant for Security Clearance)

Appearances

For Government: Andrew Henderson, Esq., Department Counsel
For Applicant: *Pro se*

September 9, 2019

Decision

CEFOLA, Richard A., Administrative Judge:

Statement of the Case

On February 1, 2019, in accordance with DoD Directive 5220.6, as amended (Directive), the Department of Defense issued Applicant a Statement of Reasons (SOR) alleging facts that raise security concerns under Guideline F. The SOR further informed Applicant that, based on information available to the government, DoD adjudicators could not make the preliminary affirmative finding it is clearly consistent with the national interest to grant or continue Applicant’s security clearance.

Applicant answered the SOR on February 25, 2019, and requested a hearing before an administrative judge. (Answer.) The case was assigned to me on March 27, 2019. The Defense Office of Hearings and Appeals (DOHA) issued a notice of hearing on April 15, 2019, scheduling the hearing for May 7, 2019. The hearing was convened as scheduled. The Government offered Exhibits (GXs) 1 through 7, which were admitted into evidence. Applicant testified on her own behalf and offered four documents, which I marked Applicant’s Exhibits (AppXs) A through D, and admitted into evidence. The record was left open until July 8, 2019, for receipt of additional

documentation. On July 8, 2019 Applicant offered documents that were marked as AppX E, and admitted into evidence. DOHA received the transcript of the hearing (TR) on May 17, 2019.

Findings of Fact

Applicant admitted all the allegations in the SOR, except for ¶ 1.o. After a thorough and careful review of the pleadings, exhibits, and testimony, I make the following findings of fact.

Applicant is a 43-year-old employee of a defense contractor. (GX 1 at page 5.) She has been employed with the defense contractor since September of 2014. (GX 1 at page 14.) She has held a security clearance since July of 2007. (GX 1 at page 45.) She is pending divorce from “a horrible marriage,” has three adult children, and another child, age 9. (TR at page 16 line 14 to page 21 line 23.) Despite her current financial difficulties, Applicant has taken short weekend vacations with her children, with her “boyfriend to Mexico,” and has “a cruise coming up.” (TR at page 35 line 19 to page 38 line 2.)

Guideline F - Financial Considerations

1.a. Applicant admits that she owed a past-due debt to Creditor A in the amount of \$13,175, as the result of an automobile repossession. (TR at page 22 line 5 to page 24 line 8.) She has reached a settlement agreement with Creditor A to “make 24 payments in the amount of [\$]200.00 to total \$4,800.00” (AppX A), but has offered nothing to show she is making said payments. This allegation is found against Applicant.

1.b. Applicant admits that she owed a past-due debt to Creditor B in the amount of \$2,037. (TR at page 24 line 9 to page 25 line 13.) Applicant avers that she has “paid \$611.00” towards this delinquent “phone” bill, and was “told . . . that . . . [her] balance is \$611.00.” (*Id.*) Despite having two months to submit documentation in support of this averment, Applicant has submitted nothing. This allegation is found against Applicant.

1.c. Applicant admits that she owes a past-due debt to Creditor C in the amount of \$1,856. (TR at page 25 line 14 to page 26 line 11.) Applicant avers, “I did not get a chance to call them,” prior to her hearing. (*Id.*) Despite having two months to submit documentation in support of Applicant making a good-faith effort to contact this creditor, Applicant has submitted nothing. This allegation is found against Applicant.

1.d. Applicant admits that she owes a past-due debt to Creditor D in the amount of \$315. (TR at page 26 lines 12~19.) Applicant admits that she has not yet addressed this debt. (*Id.*) Despite having two months to submit documentation in support of Applicant making a good-faith effort to contact this creditor, Applicant has submitted nothing. This allegation is found against Applicant.

1.e. Applicant admits that she owes a past-due debt to Creditor E in the amount of \$305. (TR at page 26 line 20 to page 29 line 6.) Applicant admits that she has not yet addressed this debt. (*Id.*) Despite having two months to submit documentation in support of Applicant making a good-faith effort to contact this creditor, Applicant has submitted nothing. This allegation is found against Applicant.

1.f. ~1.h. Applicant admits that she owes past-due student loans to Creditor F in an amount totaling about \$13,888. (TR at page 29 line 7 to page 30 line 22.) Applicant avers that she has “been making payments on those [student loans] every month.” (*Id.*) Despite having two months to submit documentation in support of this averment, Applicant has submitted nothing. These allegations are found against Applicant.

1.i. Applicant admits that she owed a past-due debt to Creditor I in the amount of \$210. (TR at page 30 line 23 to page 32 line 11.) Applicant avers that she is “paying towards it.” (*Id.*) Despite having two months to submit documentation in support of this averment, Applicant has submitted nothing. This allegation is found against Applicant.

1.j. Applicant admits that she owed a past-due debt to Creditor J in the amount of \$848. (TR at page 31 line 22 to page 31 line 16.) Applicant avers that she “believe[s] that’s paid in full.” (*Id.*) Despite having two months to submit documentation in support of this averment, Applicant has submitted nothing. This allegation is found against Applicant.

1.k. Applicant admits that she owed a past-due debt to Creditor K in the amount of \$502. (TR at page 32 line 12 to page 33 line 6.) Pursuant to a payment plan (AppX B), Applicant avers that she has “two more payments left on that one.” (*Id.*) Despite having two months to submit documentation in support of this averment, Applicant has submitted nothing. This allegation is found against Applicant.

1.l. Applicant admits that she owed a past-due debt to Creditor L in the amount of \$439. (TR at page 33 lines 7~17.) Pursuant to a payment plan (AppX C), Applicant avers that she is paying this debt. (*Id.*) Despite having two months to submit documentation in support of this averment, Applicant has submitted nothing. This allegation is found against Applicant.

1.m. and 1.p. Applicant admits that she owes past-due medical debts to Creditor M in an amount totaling about \$129. (TR at page 33 line 18 to page 34 line 10.) Applicant avers that she is unsure of their status. (*Id.*) Despite having two months to submit documentation as to their status, Applicant has submitted nothing. These allegations are found against Applicant.

1.n. Applicant admits that she owes a past-due medical debt to Creditor N in an amount of about \$114. (TR at page 33 line 18 to page 34 line 10.) Applicant avers that she is unsure of its status. (*Id.*) Despite having two months to submit documentation as to its status, Applicant has submitted nothing. This allegation is found against Applicant.

1.o. . Applicant denies that she owes a past-due debt to Creditor O in an amount of about \$60. (TR at page 34 line 12 to page 35 line 2.) Applicant avers that she “paid” this debt. (*Id.*) Despite having two months to submit documentation as to its status, Applicant has submitted nothing. This allegation is found against Applicant.

Policies

When evaluating an applicant’s national security eligibility, the administrative judge must consider the adjudicative guidelines (AG). In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are to be used in evaluating an applicant’s national security eligibility.

These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, administrative judges apply the guidelines in conjunction with the factors listed in AG ¶ 2 describing the adjudicative process. The administrative judge’s overarching 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. Directive ¶ E3.1.15 states the “applicant is responsible for presenting witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by the applicant or proven by Department Counsel, and has the ultimate burden of persuasion as to obtaining a favorable clearance decision.”

A person who applies for access to classified information seeks to enter 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 the applicant may deliberately or inadvertently fail to protect or safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified information.

Section 7 of Executive Order (EO) 10865 provides that adverse 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 concern relating to the guideline for Financial Considerations is set out 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. Affluence that cannot be explained by known sources of income is also a security concern insofar as it may result from criminal activity, including espionage.

The guideline notes several conditions that could raise security concerns under AG ¶ 19. Four are potentially applicable in this case:

- (a) inability to satisfy debts;
- (b) unwillingness to satisfy debts regardless of the ability to do so;
- (c) a history of not meeting financial obligations; and
- (e) consistent spending beyond one's means or frivolous or irresponsible spending, which may be indicated by excessive indebtedness, significant negative cash flow, a history of late payments or of non-payment, or other negative financial indicators.

Applicant has significant past-due indebtedness, but manages to take weekend vacations with her family, with her boyfriend, and has a cruise planned. The evidence is sufficient to raise these disqualifying conditions.

AG ¶ 20 provides conditions that could mitigate security concerns. I considered all of the mitigating conditions under AG ¶ 20 including:

- (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;

(c) the individual has received or is receiving financial 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.

None of these apply. Applicant's financial problems are ongoing. She has a history of delinquencies. She has not demonstrated that future financial problems are unlikely. Mitigation under AG ¶ 20 has not been established.

Whole-Person Concept

Under the whole-person concept, the administrative judge must evaluate an applicant's eligibility for a security clearance by considering the totality of the applicant's conduct and all relevant circumstances. The administrative judge should consider the nine adjudicative process factors listed at AG ¶ 2(d):

(1) the nature, extent, and seriousness of the conduct; (2) the circumstances surrounding the conduct, to include knowledgeable participation; (3) the frequency and recency of the conduct; (4) the individual's age and maturity at the time of the conduct; (5) the extent to which participation is voluntary; (6) the presence or absence of rehabilitation and other permanent behavioral changes; (7) the motivation for the conduct; (8) the potential for pressure, coercion, exploitation, or duress; and (9) the likelihood of continuation or recurrence.

Under AG ¶ 2(c), the ultimate determination of whether to grant eligibility for a security clearance must be an overall commonsense judgment based upon careful consideration of the guidelines and the whole-person concept.

I considered the potentially disqualifying and mitigating conditions in light of all facts and circumstances surrounding this case. I have incorporated my comments under Guideline F in my whole-person analysis. Some of the factors in AG ¶ 2(d) were addressed under those guidelines, but some warrant additional comment. Applicant performs well at her job. (AppX D.)

Overall, the record evidence leaves me with questions and doubts as to Applicant's eligibility and suitability for a security clearance. For all these reasons, I conclude Applicant failed to mitigate the Financial Considerations security concerns.

Formal Findings

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

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraphs 1.a.~1.p:	Against Applicant

Conclusion

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

Richard A. Cefola
Administrative Judge