



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



In the matter of:)
)
 REDACTED) ISCR Case No. 19-00022
)
 Applicant for Security Clearance)

Appearances

For Government: Carroll J. Connelley, Esq., Department Counsel
For Applicant: *Pro se*

06/05/2019

Decision

MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant defaulted on his Federal student loans, rent, and some minor consumer debts during periods of unemployment or low income. He recently made some debt payments, and in November 2018, he began a rehabilitation program for his student loans, but more progress is needed toward resolving his student loans and a judgment debt. Clearance is denied.

Statement of the Case

On February 11, 2019, the Department of Defense Consolidated Adjudications Facility (DOD CAF) issued a Statement of Reasons (SOR) to Applicant, detailing a security concern 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.

On March 4, 2019, Applicant responded to the SOR allegations and requested a hearing before an administrative judge from the Defense Office of Hearings and Appeals (DOHA). His case was assigned to me on March 22, 2019, to conduct a hearing to determine whether it is in the national interest to grant or continue a security clearance for Applicant. I scheduled a hearing for April 10, 2019.

At the hearing, four Government exhibits (GEs 1, 3-5) and six Applicant exhibits (AEs A-F) were admitted in evidence. A summary of subject interview, which the Government offered as GE 2, was not accepted into evidence on Applicant's objection for lack of the authentication required under ¶ E3.1.20 of the Directive. Applicant and a witness testified, as reflected in a hearing transcript (Tr.) received on April 30, 2019.

I held the record open to May 10, 2019, for post-hearing submissions from Applicant. On May 7, 2019, Applicant submitted a payment receipt (AE G) and two character reference letters (AEs H-I), which were admitted without any objection from the Government.

Findings of Fact

The SOR alleges under Guideline F that, as of February 11, 2019, Applicant owed \$47,741 in Federal student loans in collection (SOR ¶¶ 1.c-1.i); that he was \$1,429 past due on a student loan with a \$14,562 balance (SOR ¶ 1.k); and that he owed a collection balance of \$222 to a state (SOR ¶ 1.j). Additionally, he is alleged to owe a \$257 collection debt for cable services (SOR ¶ 1.a); a \$120 charged-off credit-card debt (SOR ¶ 1.b); a \$296 collection debt for storage services (SOR ¶ 1.l); and a \$5,635 judgment debt to a former landlord (SOR ¶ 1.m). When he responded to the SOR allegations, Applicant admitted the debts without explanation.

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

Applicant is a 43-year-old computer-aided design (CAD) designer with some college credits but no degree. He has never married and has no children. (GE 1.) In November 2017, he was offered a full-time position with a defense contractor (company X) contingent on him obtaining a DOD secret clearance. As an onsite drafter, he would access unclassified drawings and computer systems on a military base, but access to classified spaces on the base may be required to perform his duties. Company X has been holding the billet open for Applicant pending the adjudication of his security clearance eligibility. (AE H; Tr. 22-24.)

Applicant attended a community college from February 2003 to June 2006 to become a CAD designer while working full time for a builder. (Tr. 47.) He obtained a

Federal student loan for \$10,846 (SOR ¶ 1.c, duplicated in SOR ¶ 1.k) in February 2003.¹ He worked for an engineering company as a drafter from April 2006 until August 2008. From August 2008 to July 2009, he held full-time employment in a CAD position with an architect. He was laid off in July 2009, but then obtained a contract position with another employer that ended in December 2009. (GE 1.)

Between March 2008 and August 2010, Applicant took basic computer science classes offered online by a state university. (GE 1; Tr. 47.) He obtained Federal student loans for \$2,000 (SOR ¶ 1.h) and \$1,750 (SOR ¶ 1.i) in March 2008; \$6,000 (SOR ¶ 1.d) and \$3,500 (SOR ¶ 1.e) in January 2009; and \$6,000 (SOR ¶ 1.f) and \$3,500 (SOR ¶ 1.g) in May 2010. (GEs 1, 3.) He withdrew from college because he did not want to acquire more student debt to continue in a program in which he was not fully invested. (Tr. 48.) Applicant defaulted on his student loans when he had to begin repaying them in the spring of 2011. (GE 3.)

Applicant was unemployed for almost the entire year in 2010. He then held a temporary position with a staffing agency from December 2010 to December 2011. From January 2012 until August 2012, he worked in electronic commerce for a publishing company. Applicant resigned from that job following a notice of unsatisfactory performance. He could not keep up with the workload expected of him. (GE 1.)

Applicant collected unemployment benefits while out of work from August 2012 to October 2013. (Tr. 49.) In October 2013, he returned to work for the staffing agency until May 2014. (GE 1.) Applicant testified that he made a couple of \$100 payments toward his Federal student loans at that time, but he could not maintain the payments. (Tr. 42.) He had seasonal employment over the summer of 2014. From September 2014 to November 2014, Applicant worked on and off as a contractor for a CAD business. He had full-time contract work as a CAD technician from November 2014 until March 2015, when his contract was not renewed for reasons related to his performance. (GE 1.)

Applicant was unemployed from March 2015 to August 2015. He fell behind on his rent, and his then landlord filed for a judgment in May 2015. A judgment on affidavit was entered against Applicant for \$5,635 (SOR ¶ 1.m) in August 2015. Notice of the judgment was mailed to Applicant, although there is no evidence that he received it. (GE 5.)

Applicant regained full-time employment as a CAD designer in August 2015. He left that job in May 2016 for a temporary position at higher pay with another employer. His then cohabitant girlfriend wanted to relocate to be near her family. (Tr. 50-51.) In November 2017, Applicant was offered a full-time position with a defense contractor not far from his girlfriend's family. The position in CAD, which pays an annual base salary of \$42,203, was contingent on him obtaining a security clearance. (AE H.)

¹ Based on the available credit information and the total principal balance (\$34,959) of Applicant's Federal student loans, SOR ¶ 1.k alleges the balance of Applicant's student loan in SOR ¶ 1.c as of May 2012. (GE 3; AE A.)

On November 27, 2017, Applicant completed and certified to the accuracy of a Questionnaire for National Security Positions (SF 86). In response to financial record inquiries, Applicant listed no delinquencies involving enforcement. He responded negatively to a question concerning whether he had any judgments entered against him in the last seven years. He admitted that he had some delinquency involving routine accounts. He indicated that he was in default of approximately \$47,791 in Federal student loans, and explained that he was working to lift the default status of his student loans with a collection agency. He also disclosed a \$222 collection debt with the state (SOR ¶ 1.j) that he claimed was paid in November 2017. (GE 1.)

A check of Applicant's credit on December 16, 2017, corroborated that he owed \$47,791 in Federal student loans in collection (SOR ¶¶ 1.c-1.i).² The \$222 previously disclosed state debt, apparently for an unpaid parking ticket (Tr. 43), was reportedly in collection as of September 2017 (SOR ¶ 1.j). A \$296 debt owed to a storage facility from January 2014 (SOR ¶ 1.l) was placed for collection in March 2014. (GE 3.)

In January 2018, Applicant left his previous job, and he and his then cohabitant girlfriend relocated. He spent about 30 days settling in and then had temporary work for an architect until mid-March 2018. From April 2018 to early July 2018, Applicant was employed about 30 hours a week at \$15 an hour for a company updating their social media. When Applicant and his now ex-girlfriend's lease ended in approximately June 2018, Applicant moved in with a roommate, to whom he paid rent. (Tr. 63.) Applicant worked as a waiter for a local restaurant from July 2018 until February 10, 2019, when he was laid off. (Tr. 53.) His income averaged \$500 a week (Tr. 63), although he also testified that work was "super super slow" from December to February 2019. (Tr. 53.) Applicant also worked for company X on some technical tasks for about 40 hours total in 2018. (Tr. 27.)

A check of Applicant's credit on October 24, 2018, showed that he owed \$257 in collection debt for cable services incurred in October 2017 (SOR ¶ 1.a). A credit-card account that he had opened in November 2017 to improve his credit score became past due in March 2018 and was charged off for \$120 (SOR ¶ 1.b). (GE 4.) Applicant testified that he closed out his cable service account before he moved and was under the impression that he did not owe a balance. Applicant testified that after his work for a local architect "kind of dried up," he was not able to pay the credit-card debt. (Tr. 42.)

On November 28, 2018, Applicant entered into a rehabilitation program for his defaulted Federal student loans, which had accrued with interest and fees to \$59,245.³ Based on his reported adjusted gross income of \$14,406 in 2018, Applicant was required to make monthly payments of only \$5 for at least nine consecutive months starting November 29, 2018. Once his student loans are rehabilitated, they will be sold or

² Equifax was reporting Applicant's February 2003 Federal student loan as past due for \$1,429 as of February 2012 and as past due for \$19,823 as of November 2017. SOR ¶ 1.k alleges an earlier balance of the Federal student loan in SOR ¶ 1.c and is not an additional student loan.

³ The account numbers for the seven student loans covered by the rehabilitation program match those of the loans alleged in SOR ¶¶ 1.c-1.i, which is also another indication that the debt alleged in SOR ¶ 1.k is an earlier balance of the loan in SOR ¶ 1.c.

transferred to a new loan holder or loan servicer, and he will be required to select a repayment plan, which could be an income-based repayment plan. (AE A.) As of April 10, 2019, Applicant had made his payments in November 2018, December 2018, March 2019, and April 2019. (AEs F-G.) He contacted the loan rehabilitation service to make a payment by telephone in January 2019, but his payment was not processed. When he tried to make his February 2019 payment, he was advised that his program had lapsed because there was no record of a payment for January 2019. He had to restart the rehabilitation program with his March 2019 payment. (Tr. 38-40, 58.) Applicant had no explanation for his failure to address his student loans when he was employed full time in the past. (Tr. 61.)

Applicant had no income for two to three weeks after he was laid off from the restaurant job in February 2019. He collected unemployment benefits at \$340 per week from late February 2019 to early April 2019. (Tr. 54, 61.) On April 8, 2019, Applicant began a 30-day temporary assignment for company X at \$30 an hour. The job was expected to net him \$3,639 in wage income. (AE H; Tr. 24-26.)

On April 8, 2019, Applicant paid \$207 in full settlement of the \$296 debt in SOR ¶ 1.i. (AE D; Tr. 34.) On April 9, 2019, Applicant paid \$80 toward the cable services debt (SOR ¶ 1.a) (AEs B-C; Tr. 30), and \$50 toward the \$222 state debt (SOR ¶ 1.j). (AE E.) He plans to make payments on those debts until they are fully satisfied. (Tr. 30, 35, 57.) On April 10, 2019, Applicant paid the \$120 credit-card debt in full. (AE B; Tr. 30, 56.)

Applicant testified at his hearing that he tried several times since mid-March 2019 to reach the entity collecting the judgment debt in SOR ¶ 1.m. As of April 2019, he had no repayment plan in place for that debt. Applicant does not want to promise payments that he then cannot afford. (Tr. 44-45, 58.)

Company X invested training dollars for Applicant to gain knowledge of the space-management software needed for his temporary assignments. Company X management personnel attest that Applicant was very reliable and responsive in producing high quality products on schedule to meet customer delivery requirements. (AEs H, I.) Applicant provided the SOR to company X's facility security officer (FSO). She met with him four times about his financial issues. Applicant has expressed to her his intention to repay his debts, and that full-time employment with the defense contractor would give him the income needed to move forward in that regard. (AE H; Tr. 24-26.)

Since February 2019, Applicant has been sleeping on friends' couches to get by because his income was insufficient to obtain an apartment. (Tr. 55.) He gives his friends between \$50 and \$100 a week to cover their electricity or Internet costs. His contribution depends on his own expenses for food, gasoline, car insurance, and job search. He paid off a couple of parking tickets during the first week of April 2019 and so gave his friends only \$50 to \$60 that week. Applicant drives a 2003 model-year vehicle and pays \$80 a month for car insurance. (Tr. 62.)

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. . . .

An applicant is not required to be debt free, but is required to manage his finances in a way as to exhibit sound judgment and responsibility. The concern under Guideline F is broader than the possibility that an individual might knowingly compromise classified information in order to raise money. It encompasses concerns about an individual's self-control, judgment, and other qualities essential to protecting classified information.

Applicant's record of delinquent debts trigger security concerns under Guideline F. Applicant defaulted on his Federal student loans alleged in SOR ¶¶ 1.c-1.i. Due to interest and penalties, the balance of his student loans had accrued to \$59,245 as of November 2018. A \$5,635 judgment for nonpayment of rent was entered against him in late August 2015 (SOR ¶ 1.m). Debts of \$257 for cable services (SOR ¶ 1.a), \$222 for apparently a parking ticket (SOR ¶ 1.j), and \$296 for a storage facility rental (SOR ¶ 1.l) were placed for collection. A \$120 credit-card debt (SOR ¶ 1.b) was charged off in 2018. Disqualifying conditions AG ¶ 19(a), "inability to satisfy debts," and AG ¶ 19(c), "a history of not meeting financial obligations," apply.

The burden is on Applicant to mitigate the negative implications for his financial judgment raised by his delinquent debts. Application of the aforesaid disqualifying conditions triggers consideration of the potentially mitigating conditions under AG ¶ 20. Five of the seven mitigating conditions warrant some consideration and could potentially apply in whole or in part. They are:

(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 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 defaulted on his Federal student loans in 2011. His storage debt was placed for collection in March 2014, and the judgment debt for rent is from August 2015. These accounts first became delinquent some time ago. However, a debt that became delinquent several years ago is still considered recent because “an applicant’s ongoing, unpaid debts evidence a continuing course of conduct and, therefore, can be viewed as recent for purposes of the Guideline F mitigating conditions.” ISCR Case No. 15-06532 at 3 (App. Bd. Feb. 16, 2017) (citing ISCR Case No. 15-01690 at 2 (App. Bd. Sept. 13, 2016)). Applicant did not know about the cable services debt until he received the SOR. He may not have known about the judgment for past-due rent, but he knew that he had defaulted on his rent in 2015. He learned about the \$222 parking ticket in November 2017. He claimed payment of that debt in November 2017 but then began repaying the debt in April 2019. His default of his credit-card debt in March 2018 reflects recent financial delinquency. AG ¶ 20(a) is not fully established.

AG ¶ 20(b) has some applicability. When Applicant was supposed to begin repaying his Federal student loans in 2011, he held a temporary position with a staffing agency. He was employed by a publishing company from January to August 2012, when he lost his job due to poor performance. He collected unemployment compensation during the next year. He returned to work for the staffing agency from October 2013 to May 2014, had seasonal employment that summer, and then worked on and off until November 2014. He had full-time work as a CAD technician for a few months, but then his contract was not renewed in March 2015 for reasons related to his work performance. He could not make his rent payments that spring because he was unemployed.

Even if Applicant’s financial difficulties initially arose, in whole or in part, due to circumstances outside of his control, I have to consider whether Applicant acted in a reasonable manner when dealing with his financial difficulties. See ISCR Case No. 05-11366 at 4, n.9 (App. Bd. Jan. 12, 2007) (citing ISCR Case No. 99-0462 at 4 (App. Bd. May 25, 2000); ISCR Case No. 99-0012 at 4 (App. Bd. Dec. 1, 1999); ISCR Case No. 03-13096 at 4 (App. Bd. Nov. 29, 2005)). A component is whether Applicant maintained contact with his creditors and attempted to negotiate partial payments to keep debts current.

Applicant held full-time jobs from August 2015 until January 2018, when he chose to relocate to his present area with his then girlfriend. There is no evidence that he made any

effort during those two plus years to rehabilitate his Federal student loans. He had no explanation at his hearing for his failure to take responsible steps to address his student loans at that time, despite knowing that his loans were in default.

Applicant moved to his present locale in January 2018 with a contingent offer in hand for a position with a defense contractor in his new area. In his favor, Applicant did not wait for a decision on his security clearance eligibility to obtain income needed to support himself. He worked for an architect from February 2018 to mid-March 2018. From April 2018 to early July 2018, he was employed 30 hours a week at \$15 an hour by a company updating its social media. He then worked as a server at a restaurant, averaging \$500 per week in income, from July 2018 until February 10, 2019, when he was laid off after business at the restaurant had been slow for about two months. Applicant reported only \$14,400 in income for 2018 on an estimated tax worksheet provided to establish the payment required to rehabilitate his student loans. Even so, he should have been able to pay the \$120 credit-card balance before April 2019.

The Appeal Board recently reaffirmed that an applicant who begins to resolve his debts only after being placed on notice that his clearance was in jeopardy “may be disinclined to follow rules and regulations when [his] personal interests are not at stake.” See ADP Case No. 17-00263 at 3 (App. Bd. Dec. 19, 2018) (citing ISCR Case No. 16-03122 at 3-4 (App. Bd. Aug. 17, 2018)). In that regard, Applicant indicated on his November 27, 2017 SF 86 that he was working with a collection entity to remove the default on his student loans. While he took some steps to address his Federal student loans before the SOR was issued, he has not credibly explained the year-long delay in establishing the loan-rehabilitation program.

AG ¶¶ 20(c) and 20(d) has some applicability because of Applicant’s payments in full settlement of the credit-card debt in SOR ¶ 1.b, in partial satisfaction of the cable services and state debts in SOR ¶¶ 1.a and 1.j, and in full settlement of the storage facility debt in SOR ¶ 1.i. Applicant expressed an intention to continue to make payments to address the debts in SOR ¶¶ 1.a and 1.j. Applicant showed some good faith under AG ¶ 20(d) by making payments since November 2018 toward rehabilitating his Federal student loans. Yet, his documented payments totaling only \$20 are not enough to establish a clear indication that his student loans are being resolved under AG ¶ 20(c), or to establish a sufficient track record of payment compliance under AG ¶ 20(d). It is noted that he had to restart the rehabilitation program in March 2019. Applicant may have reasonably assumed that his January 2019 payment by telephone would be processed. At the same time, he would have had a stronger case in mitigation had he entered into the loan rehabilitation program a year earlier. Neither AG ¶ 20(c) nor AG ¶ 20(d) apply in mitigation of the \$5,635 judgment debt that has been outstanding since August 2015 with no efforts at repayment. Applicant is credited with attempting to contact the collection entity about the debt since March 2019, but as of the close of the evidentiary record in May 2019, he had no repayment plan in place for the debt.

AG ¶ 20(e) is established only for the student loan debt alleged in SOR ¶ 1.k. The \$14,562 alleged is the balance on the loan in SOR ¶ 1.c as of February 2012 and does not

represent an additional student-loan delinquency. After considering the AGs, the financial considerations security concerns are only partially mitigated.

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.

An applicant is not required, as a matter of law, to establish that he has paid off every debt in the SOR. He is required to demonstrate that he has established a plan to resolve his financial problems and taken significant actions to implement the plan. See ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008) (internal citations and quotation marks omitted). Student loans are an investment in one's future and do not carry the same judgment concerns as a record of irresponsible spending or overreliance on consumer credit cards. At the same time, it is difficult to conclude when, or even if, Applicant will alleviate the security significant financial burden of approximately \$59,245 in Federal student loan debt in collection and a \$5,635 judgment debt. He has lacked consistent employment in 2019. As soon as he had the 30-day temporary assignment with company X, he made some payments toward the smaller debts alleged in the SOR. This suggests that he will continue to address his debts if he is granted the security clearance that he needs to become an employee of company X.

In exceptional cases, an administrative judge may grant initial or continued eligibility for a security clearance, despite the presence of an issue(s) that can be partially but not completely mitigated.⁴ Applicant has been productive in his temporary work for the defense contractor. He appears to live within his means, which are presently limited because of his lack of full-time employment. However, once Applicant's Federal student loans are rehabilitated, his loans will be sold or transferred to a loan holder or loan servicer and a new monthly repayment amount will be established. It would be premature to apply the exception under Appendix C when repayment terms acceptable to his creditors are yet to be established for his student loan and judgment debts.

This decision should not be construed as a determination that Applicant cannot or will not attain the financial reform and rehabilitation necessary to be eligible for a security

⁴ Appendix C of Security Executive Agent Directive (SEAD) 4 grants DOHA administrative judges the discretionary authority to grant initial or continued eligibility for a security clearance *despite the presence of an issue(s) that can be partially but not completely mitigated* with the provision of additional security measures. See also Memorandum, Director for Defense Intelligence (Intelligence and Security), dated January 12, 2018 ("Appendix C identifies authorized exceptions that are to be utilized when making adjudicative decisions to grant initial or continued eligibility for access to classified information or to hold a sensitive position . . . Effective immediately, authority to grant clearance eligibility with one of the exceptions enumerated in Appendix C is granted to any adjudicative, hearing, or appeal official or entity now authorized to grant clearance eligibility when they have jurisdiction to render the eligibility determination.")

clearance in the future. After applying the disqualifying and mitigating conditions to the evidence presented, I conclude that it is not clearly consistent with the national interest to grant or continue security clearance eligibility for Applicant 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.b:	For Applicant
Subparagraphs 1.c-1.i:	Against Applicant
Subparagraphs 1.j-1.l:	For Applicant
Subparagraph 1.m:	Against Applicant

Conclusion

In light of all of the circumstances, it is not clearly consistent with the national interest to grant or continue Applicant's eligibility for a security clearance.

Elizabeth M. Matchinski
Administrative Judge