



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



In the matter of:)	
)	
REDACTED)	ISCR Case No. 20-00158
)	
Applicant for Security Clearance)	

Appearances

For Government: Allison Marie, Esq., Department Counsel
For Applicant: *Pro se*

08/25/2020

Decision

MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant did not present sufficient information to mitigate the security concerns raised by his record of delinquent debts, which includes a foreclosed mortgage loan. Clearance eligibility is denied.

Statement of the Case

On April 2, 2020, the Defense Counterintelligence and Security Agency Consolidated Adjudications Facility (DCSA CAF) issued a Statement of Reasons (SOR) to Applicant, detailing security concerns under Guideline F, financial considerations. The SOR explained why the DCSA CAF was unable to find it clearly consistent with the national interest to grant or continue security clearance eligibility for him. The DCSA 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 April 27, 2020, Applicant responded to the SOR allegations and requested a decision on the written record in lieu of a hearing before a Defense Office of Hearings and Appeals (DOHA) administrative judge. On May 20, 2020, the Government submitted a File of Relevant Material (FORM), including eight items consisting of its documentary evidence. On May 29, 2020, DOHA forwarded a copy of the FORM to Applicant, and instructed him that any response was due within 30 days of receipt. Applicant received the FORM on June 11, 2020. He submitted an undated response, which was received by DOHA on July 10, 2020. He objected to Item 4 of the FORM, but did not otherwise comment about the Government's evidence. On July 16, 2020, Department Counsel indicated that the Government had no objection to consideration of Applicant's response to the FORM.

On July 30, 2020, the case was assigned to me to determine whether it is clearly consistent with the interests of national security to grant or continue a security clearance for Applicant. I received the case file on August 5, 2020.

Evidentiary Rulings

Department Counsel submitted as Item 4 in the FORM a summary report of a personal subject interview (PSI) of Applicant conducted on May 1, 2019. The summary report was included in a DOD report of investigation (ROI) in Applicant's case. Under ¶ E3.1.20 of the Directive, a DOD personal background ROI may be received in evidence and considered with an authenticating witness, provided it is otherwise admissible under the Federal Rules of Evidence. The summary report did not bear the authentication required for admissibility under ¶ E3.1.20.

In ISCR Case No. 16-03126 decided on January 24, 2018, the DOHA Appeal Board held that it was not error for an administrative judge to admit and consider a summary of a PSI where the applicant was placed on notice of his or her opportunity to object to consideration of the summary; the applicant filed no objection to it; and there is no indication that the summary contained inaccurate information. In this case, Applicant was provided a copy of the FORM and advised of his opportunity to submit objections or material that he wanted the administrative judge to consider. In the FORM, Applicant's attention was directed to the following important notice:

NOTICE TO APPLICANT: The Report of PSI contains a summary of information you provided during your interview with an authorized investigator for the Office of Personnel Management, as recorded by the investigator. The Report is being provided to the Administrative Judge for consideration as part of the record evidence in this case. In your response to this FORM, you may comment on whether the Report accurately reflects the information you provided to the investigator, and you may make any corrections, additions, deletions, and updates necessary to make the Report clear and accurate. Alternatively, you may object to the use of this Report as evidence on the grounds [sic] that it is unauthenticated by a Government witness, and it may not be considered as evidence. If you do not object to the Report or if you do

not respond to this FORM, the Administrative Judge may determine that you have waived any objection to the Report's admissibility and consider it as evidence in your case.

In his response to the FORM, Applicant objected to consideration of the summary report of the PSI "on the grounds that it is of doubtful authenticity by a Government witness, and it may not be qualified as evidence." The Government did not request a hearing under ¶ E3.1.7 at which it could have presented the testimony of the investigator, and did not object to Applicant's FORM response. Accordingly, the unauthenticated PSI (Item 4) is not accepted in evidence and will not be considered. Items 1-3 and 5-8 are entered into the record. Applicant's response to the FORM is accepted in evidence as Applicant exhibit (AE) A.

Findings of Fact

The SOR (Item 1) alleges under Guideline F that, as of April 2, 2020, Applicant owed a \$179,4500 deficiency balance on a foreclosed mortgage loan (SOR ¶ 1.a) and five medical collection debts of \$951 (SOR ¶ 1.b), \$401 (SOR ¶ 1.c), \$103 (SOR ¶ 1.d), \$77 (SOR ¶ 1.e), and \$61 (SOR ¶ 1.f).

When he responded to the SOR, Applicant denied the alleged debts. He indicated that the balances were erroneous, and that the debts had been "cleared by the credit bureau" and no longer appeared on his credit reports. He provided no substantiating documentation but asked the DOD to retrieve his credit report for confirmation. (Item 2.)

After considering the FORM (excluding the PSI but including Applicant's Answer to the SOR), and Applicant's rebuttal to the FORM (AE A), I make the following findings of fact:

Applicant is a 45-year-old immigrant from Haiti who finished high school in the United States in 1992. He is twice married and divorced and has no children. Applicant earned a bachelor's degree in May 2006 while working as a risk and security administrator in the information technology sector. He began working for a defense contractor in March 2019 and seeks a security clearance for his duties as a senior cyber-security engineer. (Item 3.)

Applicant married his first wife in January 2001. It is unclear whether Applicant was employed at that time. In March 2003, he began working as a risk and security administrator for a large bank. (GE 3.) In January 2007, Applicant executed a promissory note, and he and his first wife obtained a \$123,971 30-year mortgage loan securing payment of the note. Monthly mortgage payments for their home were initially \$753 per month based on an interest rate of 6.125%. (Item 7.)

Applicant and his first wife's relationship ended in approximately January 2008. Applicant retained possession of the marital residence following their divorce. (Item 3.) In February 2009, Applicant obtained a modification of the promissory note and mortgage.

Under the new terms, he agreed to repay a principal loan balance of \$129,844, initially at \$552 per month, with the loan to mature on March 1, 2049. The interest rate on the loan was 4.125%. (Item 7.)

Applicant was married to his second wife from January 31, 2010 to December 1, 2012. From October 2011 to July 2012, Applicant was employed as an information security administrator in the maritime industry. During that time, he traveled to Haiti for less than a week in March 2012 to visit family or friends. (Item 3.) It is unclear whether his second wife, also a native of Haiti, accompanied him.

Applicant lost his job with the maritime company in July 2012 due to a corporate merger, but he started a new job as an information technology security analyst with an investment company in August 2012. Based on available address information for Applicant, he moved out of his home upon his divorce from his second wife in December 2012. (Item 3.) He continued to own the home, however, and, in December 2013, he obtained another modification of the mortgage on the marital home shared with his first wife. Under the new terms, he agreed to pay a principal loan balance of \$154,857, initially at \$647 per month. The loan's new maturity date was November 1, 2053, and its interest rate was 4.00%. (Item 7.) Applicant did not explain his rationale for increasing his mortgage obligation by approximately \$25,000.

In November 2014, Applicant traveled to Haiti for less than a week to visit family and friends. In February 2015, Applicant was laid off from his job with the investment company. Unemployed until October 2015, he went to Haiti for three or four weeks in March 2015 and for less than one week in September 2015 to visit family and friends. He also took two separate trips to Jamaica for volunteer activities for six to ten days in June 2015 and in October 2015. (Item 3.)

Applicant made no mortgage payments after May 2015. In late October 2015, his mortgage lender moved to foreclose on the property for nonpayment of the loan with a principal balance of \$151,644. In April 2017, the company servicing his loan obtained a final judgment of foreclosure. With interest, expenses, costs, and fees, the balance of his loan debt was \$177,621. (Item 7.) A judgment lien was filed against Applicant and his first wife in the amount of \$151,644, the principal due on the note secured by the foreclosed mortgage. (Item 8.) On August 28, 2017, the loan servicer acquired the property for \$80,600. (Item 7.)

From October 2015 to May 2018, Applicant worked as a contractor for a succession of three companies. He traveled to Haiti for little over a week in August 2016 for volunteer activities, and in December 2012, he went to Europe as a tourist. After his employment contract ended in May 2018, Applicant was unemployed until March 2019. He traveled to Cuba for tourism purposes in November 2018. (Item 3.)

In March 2019, Applicant began working for his defense-contractor employer. On March 29, 2019, he completed and certified to the accuracy of a Questionnaire for Investigations Processing (SF 86). Applicant responded negatively to the SF 86's financial

record inquiries concerning any delinquency involving enforcement, including whether he had a lien placed against his property for failing to pay taxes or other debts in the last seven years. He responded affirmatively to the financial record inquiries regarding any delinquency involving routine accounts in the last seven years and listed a \$49,267 mortgage delinquency on his marital home with his first wife and one medical debt that was placed for collection for \$501. He indicated that the mortgage had been resolved in December 2017 and that he was currently making payments on the medical debt. He gave the following explanation for the mortgage delinquency:

My financial mortgage circumstances started after the divorce of my wife. Prior to our divorce we were both working and contributing to the mortgage and household expenses. However, after our divorce the mortgage was still under my name and I struggled to pay the mortgage. Therefore, I made several attempts to sell the home, however, my ex-wife was not willing to collaborate in the process of selling the home. The situation got worse after losing my job and I ended [up] losing the home in foreclosure. Fortunately, the home has been sold at fair market value and the remaining debt of \$49,267.36 has been discharged by the bank resulting in zero debt. (Item 3.)

Regarding efforts to address that debt, Applicant stated:

I applied for mortgage modification which helped reduced [sic] the mortgage, however that was not enough to sustain my financial situation at the time. I spend [sic] a few days negotiating with the mortgage company on a resolution to stop the foreclosure process. However I did not have the total amount required by the bank to reverse the foreclosure. (Item 3.)

A check of Applicant's credit on April 12, 2019, showed Applicant's mortgage loan as \$32,081 past due on a balance of \$179,450 as of October 2017. Applicant had five medical collection debts on his record: \$951 from April 2019; \$401 from June 2014 in collection since September 2018; \$103 from October 2012 in collection since May 2013; \$77 from May 2014 in collection since December 2014; and \$61 from May 2014 in collection since December 2014. Applicant was reportedly making timely payments on a credit card with a disputed balance of \$2,710; on a secured loan obtained in September 2017 for \$16,483 with a balance of \$12,168; and on a credit card with a \$610 balance. Applicant owed \$26,819 on six deferred student loans that had been delinquent in 2017. (Item 6.)

As of November 16, 2019, Equifax was reporting Applicant's foreclosed mortgage loan as \$32,081 past due on a \$179,450 balance as of October 2017. His monthly mortgage payment obligation was reportedly \$895. Applicant was continuing to make timely payments of \$429 per month on a secured loan (balance \$10,902) and on two credit cards with balances of \$2,491 and \$49. The balance on his student loans had risen to \$28,478, and his student loans were last delinquent in 2017. The medical collection debts had been deleted from his credit record. (Item 5.)

The DCSA CAF issued an SOR to Applicant on April 2, 2020, because of the delinquent mortgage, alleging a deficiency balance of \$179,450 (SOR ¶ 1.a), and five medical collection debts totaling \$1,593 (SOR ¶¶ 1.b-1.f). (Item 1.) In response, Applicant stated on April 27, 2020, that the reported debt balances were erroneous, and that all of the debts had been “cleared by the credit bureau and [are] no longer showing in [his] credit report accounts.” (Item 2.) He did not provide with his SOR response any substantiating documentation to show that the debts have been resolved or that his liability for repayment was cancelled in whole or in part.

In response to the FORM, Applicant provided an incomplete copy of his credit report obtained from Experian on July 3, 2020. It showed a zero balance on his mortgage loan as of August 1, 2017, with the following payment status: “Credit grantor reclaimed collateral to settle defaulted mortgage.” No collection accounts were listed under the collections section. Applicant did not provide the section of his credit report listing his open accounts. The account summary shows that he has two open credit-card accounts with balances totaling \$3,354 (credit limits \$4,150) and seven installment loans (likely his six student loans and the September 2017 secured loan) with balances totaling \$34,911. Eight of his accounts had been late at some time. (AE A.)

Applicant presented no details about his income or expenses. There is no evidence that he has had any financial or budget counseling.

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 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.

Guideline F security concerns are established when an individual fails to pay financial obligations according to terms. Applicant admits that he defaulted on the mortgage loan that he obtained for \$123,971 in January 2007, which he had modified for \$129,844 in February 2009 and for \$154,857 in December 2013. In April 2017, the loan was foreclosed and a \$151,644 lien (then the principal balance on the mortgage) was filed against him. Applicant does not deny that he defaulted on the mortgage loan, but he disputes the alleged outstanding balance of \$179,450. Available records regarding the foreclosure and sale of the property indicate that the deficiency balance may well have been closer to the \$49,267 listed on his SF 86, given the loan servicer acquired the property for \$80,600 in August 2017, and the loan had a principal balance of \$151,644 in April 2017. Applicant's recent credit report shows a zero balance on the loan and the comment that the creditor reclaimed the collateral to settle the defaulted mortgage, which tends to substantiate his claim that his obligation to pay the deficiency balance has been discharged by the bank. While that debt may no longer be a source of undue financial pressure for Applicant, the federal government is still entitled to consider the facts and circumstances surrounding an applicant's conduct in incurring and failing to satisfy the debt in a timely manner. See, e.g., ISCR Case No. 14-03991 at 2 (App. Bd. Jul. 1, 2015.). The Appeal Board has held that the administrative judge is not precluded from considering whether the circumstances underlying a debt impugn an applicant's judgment or reliability. See, e.g., ADP Case No. 14-02206 at 3 (App. Bd. Oct. 15, 2015). His mortgage default establishes disqualifying conditions AG ¶¶ 19(a), "inability to satisfy debts," and 19(c), "a history of not meeting financial obligations."

The five medical collection debts alleged in the SOR totaling \$1,654 are all on his April 2019 credit report. Applicant asserts without explanation that the medical collection debts were all erroneous. It is unclear whether he denies the debts on grounds of no legal liability, payment, or other reason, such as an accounting mistake. Under ¶ E3.1.14, the Government bears the burden of establishing controverted issues of fact. The Appeal Board has held that adverse information from a credit report can normally meet the substantial evidence standard. See ISCR Case No. 14-03612 at 3 (App. Bd. Aug. 25, 2015) (citing, e.g., ISCR Case No. 03-20327 at 3 (App. Bd. Oct. 26, 2006)). The April 2019 credit report (Item 6) is sufficient to establish the medical collection debts in SOR ¶¶ 1.b-1.f. Furthermore, Applicant listed one medical collection debt on his March 2019 SF 86. Based on the creditor and account number, it appears to be the debt in SOR ¶ 1.c. AG ¶¶ 19(a) and 19(c) also apply because of the five medical collection debts.

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. One or more of the following conditions may apply in whole or in part:

(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 stopped paying on his modified mortgage loan in mid-2015, and his smaller medical collection debts were incurred more than five years ago. The record does not show when the \$951 medical collection debt was incurred or assigned for collection. Even so, there is no evidence that the medical debts have been paid or were listed on his credit report erroneously. Those debts are considered recent because an applicant's ongoing, unpaid debts evidence a continuing course of conduct. See, e.g., ISCR 17-03146 at 2 (App. Bd. July 31, 2018) (citing e.g., ISCR Case No. 15-08779 at 3 (App. Bd. Nov. 3, 2017)). AG ¶ 20(a) is not sufficiently established.

Regarding AG ¶ 20(b), Applicant explained on his SF 86 that his mortgage difficulties started because of the loss of his first wife's income after their divorce. He struggled to make his loan payments on his income alone, and while loan modifications provided some relief for a time, he could no longer afford to make the mortgage payments after he lost his job. He gave a date of January 2008 for his first divorce. Loan records show that he obtained his first loan modification in February 2009, while he was gainfully employed as a risk and security administrator in the financial sector, but he was unemployed for a year after he was laid off in September 2010. Applicant obtained a second modification in December 2013, while he was employed full time. He defaulted on that mortgage while unemployed after a February 2015 layoff. Applicant's divorce and unexpected job losses are circumstances outside his control that implicate AG ¶ 20(b) with respect to his mortgage default. AG ¶ 20(b) also has some applicability with respect to his medical debts, including SOR ¶ 1.b owed to a hospital, in that such debts are not considered discretionary.

For AG ¶ 20(b) to fully apply in mitigation, Applicant has to demonstrate that he acted responsibly under his circumstances to address his debts. His evidence in that regard falls somewhat short. Applicant indicated on his SF 86 that he tried several times to sell the home, but his ex-wife, who was on the mortgage but not the promissory note, would not cooperate. He did not elaborate about what efforts he made to sell the house or when he tried to sell the home. As for the mortgage modifications, which he indicated helped reduce his mortgage payment, available information shows that he took on about \$25,000 in additional mortgage debt with the December 2013 modification. Any unpaid late charges were waived through that modification, and he lowered the interest rate on his loan from 4.125% to 4.00%, although it was not shown that his monthly mortgage payment obligation was lowered. Applicant did not explain why he took out a substantial amount of the property's equity. During his unemployment from February 2015 to October 2015, Applicant took three separate trips to the Caribbean while the mortgage loan went unpaid. Records show that the bank holding the mortgage filed a complaint to foreclose on his loan in late October 2015. As the foreclosure process was proceeding, and the delinquency on his loan continued to mount, Applicant returned to traveled to Haiti in August 2016 to visit family and friends. Applicant indicates that he could not afford the payment required by the bank to avert foreclosure, but he provided no evidence of his income or expenses that could possibly mitigate the negative inferences for his financial judgment caused by his default. Likewise, Applicant stated on his SF 86 that he was making payments on a medical collection debt (SOR ¶ 1.c), but he provided no proof that the debt or the other medical collection debts have been repaid.

Neither AG ¶ 20(c) nor AG ¶ 20(d) is satisfied by the creditor's reclamation of property to settle the defaulted mortgage. Applicant acknowledged owing a deficiency balance on his loan of \$49,267 after the foreclosure sale, which he made no effort to repay. Even assuming that his liability for repayment of the deficiency has been discharged by the lender, not enough is known about his current financial situation to overcome the financial judgment concerns in this case. He presented no evidence of his current income or expenses, so a reasonable assessment of his financial situation is not possible. Moreover, he did not provide any proof that the medical collection debts have been addressed. The Appeal Board cogently explained why a credit report may not be sufficient to meet an applicant's burden, stating:

As we have previously stated, a credit report, in and of itself, may not be sufficient to meet an applicant's burden of persuasion as to mitigation, insofar as it provides little evidence regarding the underlying circumstances of the debt. Moreover, the fact that a debt no longer appears on a credit report does not establish a meaningful, independent evidence as to the disposition of the debt. See, e.g., ISCR Case No. 14-03612 at 3 (App. Bd. Aug. 25, 2015). For example, debts may fall off credit reports merely due to the passage of time. See, e.g., ISCR Case No. 03-20327 at 6 (App. Bd. Oct. 26, 2006).

ISCR Case No. 16-01338 at 3 (Jul. 13, 2018). Applicant has asserted with respect to each of the collection debts that they have been cleared by the credit bureau. He provided no

proof that the medical collection debts have been “cleared” either because they had been paid or because he disputed them, and they could not be verified.

The security clearance adjudication is not a proceeding aimed at collecting an applicant’s personal debts. It is a proceeding aimed at evaluating an applicant’s judgment, reliability, and trustworthiness with regard to his fitness or suitability to handle classified information appropriately. See ISCR Case No. 09-02160 (App. Bd. June 21, 2010). Less weight is afforded to Applicant’s July 2020 credit report because it is incomplete. What can be gleaned from the account summary is that eight of Applicant’s accounts have been late and that he has nine open accounts. He owes \$3,354 on two credit cards with credit limits totaling \$4,150. While he is under his credit limits, his overall credit usage is 81%. His student loans were delinquent in 2017 before being deferred. The current status of his student loans is unclear. A reasonably accurate assessment of Applicant’s financial situation cannot be made without knowing his present income and expenses. It cannot yet be determined that Applicant’s financial difficulties are behind him or unlikely to reoccur. The financial considerations security concerns are not fully mitigated.

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 his conduct and all relevant circumstances in light of the nine adjudicative process factors in 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), “[t]he ultimate determination of whether the granting or continuing of national security clearance eligibility is clearly consistent with the interests of national security must be an overall common sense judgment based upon careful consideration of the [pertinent] guidelines” and the whole-person concept. My comments under Guideline F are incorporated in my whole-person analysis.

It was incumbent on Applicant to show that his financial situation is sufficiently stable and not likely to present an ongoing security concern. As discussed above, too many unanswered questions exist about his financial situation. Moreover, because Applicant chose to have his security clearance eligibility evaluated without a hearing, I was unable to assess his sincerity and demeanor. He presented no employment or character references attesting to his judgment and reliability in handling his personal and work affairs. The Appeal Board has repeatedly held that the government need not wait until an applicant mishandles or fails to safeguard classified information before denying or revoking security

