



DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF HEARINGS AND APPEALS



In the matter of:

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ISCR Case No. 19-03209

Applicant for Security Clearance

Appearances

For Government: Jeff Kent, Esq., Department Counsel
For Applicant: *Pro se*

06/10/2021

Decision

MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant defaulted on approximately \$96,827 in federal student-loan debt, more than \$15,000 in credit-card debt, and \$381 in utility charges. She is currently not required to make any payments on her student loans and has paid off some credit-card judgments. Yet, her financial situation remains tenuous, and several accounts remain delinquent with no payments. Clearance eligibility is denied.

Statement of the Case

On December 12, 2019, the Defense Counterintelligence and Security Agency (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 her. The DCSA CAF took the action under Executive Order (EO) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; Department of Defense (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 January 16, 2020, Applicant responded to the SOR allegations and requested a hearing before an administrative judge from the Defense Office of Hearings and Appeals (DOHA). Referral of the case to the Hearing Office was delayed because of the COVID pandemic. On February 17, 2021, Department Counsel indicated that the Government was ready to proceed to a hearing. On March 8, 2021, the case was assigned to me to conduct a hearing to determine whether it is clearly consistent with the national security interests of the United States to grant or continue a security clearance for Applicant. I received the case assignment and file on March 12, 2021. On March 15, 2021, I informed Applicant about an online video hearing, which she accepted. Following a successful test of the Defense Collaboration Services (DCS) platform on April 21, 2021, on April 23, 2021, I scheduled Applicant's DCS video teleconference hearing for May 12, 2021.

At the hearing, six Government exhibits (GEs 1-6) and nine Applicant exhibits (AEs A-I) were admitted without objection. A letter forwarding the proposed Government exhibits to Applicant was accepted as a hearing exhibit (HE 1). Applicant testified, as reflected in a hearing transcript (Tr.) received on May 25, 2021.

Findings of Fact

The SOR alleges under Guideline F that, as of December 12, 2019, Applicant owed \$96,827 in federal student-loan debt in collection (SOR ¶¶ 1.a-1.c, 1.g-1.h, and 1.j); \$19,074 in other loan or credit-card debt in collection (SOR ¶¶ 1.d, 1.i, 1.k, 1.m-1.n, 1.q-1.s, and 1.u-1.v) or charged off (SOR ¶¶ 1.e-1.f, 1.l, and 1.o-1.p); and a \$381 utility debt in collection (SOR ¶ 1.t). When Applicant responded to the SOR allegations, she admitted all of the debts. She also indicated that she was following a monthly payment plan to address her student loans, making payments on a \$1,253 credit-card debt (SOR ¶ 1.u), and seeking financial counseling to resolve her other consumer-credit obligations.

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

Applicant is a 58-year-old high school graduate who completed some classes at a technical institute in 2011 and has been studying on and off at a community college since January 2012, taking mostly online classes. She has yet to earn a degree. (GE 4; Tr. 36.) She and her spouse have been married since May 1989. They have a 31-year-old son and a 32-year-old daughter. (GE 1; Tr. 36-37.)

Applicant worked part time, about 25 hours per week at almost \$16 an hour (Tr. 35), as a school bus driver from September 2006 to December 2010. Her spouse worked in construction until the economic downturn of 2008-2009. (Tr. 30, 34.) He collected unemployment for about 60 weeks. (Tr. 34.) They made minimum payments on their credit-card accounts on her part-time income and his unemployment compensation until

his unemployment benefits ran out. Paying rent, utilities, and other living expenses took priority over paying their credit-card bills. (Tr. 30.)

In approximately January 2011, Applicant's spouse began operating his own home improvement business. Applicant stopped working as a school bus driver to become his full-time office manager. (GE 1; Tr. 30-31.) Her spouse's work was sporadic, and his business brought into their household less than \$500 a week. (Tr. 35.) They continued to live from paycheck to paycheck until late 2014 or early 2015, when her spouse took an opportunity at construction work in the Caribbean. (Tr. 35.) With an increase in his income from that work, their finances improved somewhat. She testified that she went on an income-based repayment plan for her student loans at that time. (Tr. 60.)

After a hurricane destroyed his business in the Caribbean in September 2017, Applicant's spouse moved back to the United States. He has been unemployed since then. (Tr. 30-32, 51.) Applicant testified that he has dealt with untreated post-traumatic stress because of living through the hurricane. (Tr. 51.)

Applicant earned no income as her spouse's office manager from January 2011 to September 2017. (Tr. 38.) After he lost his business, she was unemployed until December 2017, when she took a seasonal job as a tax preparer at \$10 an hour. (GE 1; Tr. 39, 60.) After the tax rush ended in May 2018, she was unemployed until February 2019, when she began working for her current employer, a defense contractor. (GE 1; Tr. 41.)

In November 2018, Applicant was hired by a defense contractor to learn the structural draftsman trade. She had not yet started working for the company when, on November 27, 2018, she completed a Questionnaire for National Security Positions (SF 86). In response to a financial record inquiry on the SF 86 concerning any delinquency involving enforcement, Applicant listed three credit-card judgment debts for \$2,513, \$2,735, and \$1,362, which she claimed were resolved in 2017 by monthly payments, and a \$1,207 credit-card judgment from January 2017 that she was repaying under a payment arrangement. She cited unemployment as the reason for the credit-card delinquencies. (GE 1.)

Available credit information shows that \$2,513 was charged off in August 2013 on a retail charge card obtained in June 2009. Last activity on the account was in March 2013. It was assigned for collection in April 2017. While she indicated on her SF 86 that the debt was paid off in approximately December 2017, a letter from the collection entity shows that she paid \$888 on July 20, 2020, which settled the debt. (AE F.) The \$2,735 debt had been deleted from Applicant's credit report by December 2018. Similarly, while she indicated that the debt was paid in December 2017, the February 2015 judgment debt was not satisfied until July 2020. (AE E.) Apparently, automatic payments from her bank account stopped without her knowledge. (Tr. 26-29.) The \$1,362 debt was incurred on another credit card obtained in June 2009. The debt was placed for collection in August 2014 after inactivity since March 2013. The \$1,207 judgment was on a revolving charge account opened with a retailer in August 2009. The account was in collection as of August 2014. (GE 3.) Applicant focused on satisfying her judgment debts first. (Tr. 48.)

As of December 29, 2018, Applicant had several outstanding delinquencies on her credit record. The history of those accounts and repayment efforts, if any, are set forth in the following table.

Debt alleged in SOR	Delinquency history	Payment status
1.a. \$72,360 student loan in collection	Federal unsubsidized consolidation student loan for \$42,375 obtained in June 2011, to be repaid at \$407 monthly; \$70,845 collection balance as of Dec. 2018 (GE 3); \$72,360 collection balance as of Apr. 2019 (GE 2); reported in Mar. 2021 as current since Mar. 2020. (AEs G-I.)	No payments on collection balance; in “national emergency forbearance” from Apr. 2020 to Sept. 2021; balance \$77,500 as of Mar. 2021. (AEs G-I; Tr. 18.)
1.b. \$13,686 student loan in collection	Student loan for \$7,863 obtained in July 2011, to be repaid at \$96 monthly; \$13,391 collection balance as of Dec. 2018 (GE 3); \$13,686 collection balance as of Apr. 2019 (GE 2); reported in Mar. 2021 as current since Mar. 2020. (AEs G-I.)	No payments on collection balance; in “national emergency forbearance” Apr. 2020 to Sept. 2021; balance \$14,220 as of Mar. 2021. (AEs G-I; Tr. 18.)
1.c. \$4,799 student loan in collection	Student loan for \$3,000 obtained in July 2011; \$4,707 collection balance as of Dec. 2018 (GE 3; AE B); \$4,799 collection balance as of Apr. 2019 (GE 2); reported in Mar. 2021 as current since Mar. 2020. (AEs G-I.)	No payments on collection balance; in “national emergency forbearance” Apr. 2020 to Sept. 2021; balance \$4,955 as of Mar. 2021. (GEs G-I; Tr. 18.)
1.d \$3,459 credit card in collection	Updated balance of SOR ¶ 1.e. (GEs 2-3; Tr. 54-56.)	No payments. See ¶ 1.e.
1.e. \$2,808 credit card charged off	Credit-card account opened in Feb. 2009; \$2,808 charged off in Sept. 2013; \$3,459 credit-card balance in collection as of Apr. 2019. (GEs 2-3.)	No payments. (GE 4; Tr. 45.)

1.f. \$2,689 credit card charged off	Revolving charge account opened in Aug. 2008; \$2,689 charged off Oct. 2012; unpaid as of May 2019. (GEs 2-3.)	No payments. (GE 4.)
1.g. \$2,361 student loan in collection	Student loan obtained in Sept. 2011 for \$1,500; \$2,315 collection balance as of Dec. 2018 (GE 3); \$2,361 collection balance as of Apr. 2019 (GE 2); in Mar. 2021 reported current since Mar. 2020. (AEs G-I.)	No payments on collection balance; in “national emergency forbearance” Apr. 2020 to Sept. 2021; balance \$2,438 as of Mar. 2021. (AEs G-I; Tr. 18.)
1.h. \$2,353 student loan in collection	Student loan obtained in June 2011 for \$1,750; \$2,304 collection balance as of Dec. 2018 (GE 3; AE B); \$2,353 collection balance as of Apr. 2019 (GE 2); reported in Mar. 2021 as current since Mar. 2020. (AEs G-I.)	In “national emergency forbearance” Apr. 2020 to Sept. 2021; balance reportedly \$2,002 as of Mar. 2021, but no evidence of payments. (AEs G-I.)
1.i. \$1,547 credit card in collection	Credit card debt from February 2013, \$1,547 for collection March 2016; unpaid as of Apr. 2019. (GEs 2-3.)	No payments. (GE 4; Tr. 47.)
1.j. \$1,268 student loan in collection	Student loan obtained in Sept. 2011 for \$1,125; \$1,268 collection balance as of Apr. 2019 (GEs 2-3; AE B); reported in Mar. 2021 as current since Mar. 2020. (AEs G-I.)	No payments on collection balance; in “national emergency forbearance” Apr. 2020 to Sept. 2021; balance \$1,281 as of Mar. 2021. (AEs G-I.)
1.k. \$1,113 credit card in collection	Credit card debt from Jan. 2013; charged off Aug. 2013; \$1,106 judgment Jan. 2017. (GEs 2-3, 5.)	Jan. 2017 agreed to make \$50 payments; judgment satisfied Sept. 2020. (GE 5; AE D: Tr. 47-48.)
1.l. \$937 credit card charged off	Credit card account opened July 2012; \$937 charged off Feb. 2013; unpaid as of May 2019. (GEs 2-3.)	Claimed in Jan. 2019 making payments on \$929 balance (GE 4); no payments have been made. (Tr. 48.)
1.m. \$850 credit card in collection	Credit card debt from Mar. 2013 for collection Oct.	No payments. (Tr. 48.)

	2013; \$850 unpaid as of May 2019. (GEs 2-3.)	
1.n. \$830 credit card in collection	Credit card debt from Mar. 2013 for collection Nov. 2014; \$830 collection balance as of May 2019. (GEs 2-3.)	No payments. (GE 4; Tr. 49.)
1.o. \$683 account charged off	Credit card opened Jan. 2008, last activity Feb. 2013; \$683 charged off Jan. 2017; unpaid as of Dec. 2018. (GEs 2-3.)	No payments. (GE 4; Tr. 49.)
1.p. \$664 credit card charged off	Credit card opened Dec. 2007, last activity Feb. 2013; \$664 in collection as of Nov. 2018. (GEs 2-3.)	No payments. (GE 4; Tr. 49.)
1.q. \$511 account in collection	Credit card debt from Apr. 2013; \$385 for collection Nov. 2014; unpaid as of May 2019. (GEs 2-3.)	No payments. (GE 4; Tr. 49.)
1.r. \$415 account in collection	Credit card debt from Mar. 2013; \$415 for collection Sept. 2013; unpaid as of May 2019. (GEs 2-3.)	No payments. (GE 4; Tr. 49.)
1.s. \$385 credit card in collection	Credit card debt from Apr. 2013; \$385 for collection Nov. 2014; unpaid as of May 2019. (GEs 2-3.)	No payments. (GE 4; Tr. 49.)
1.t. \$381 utility debt in collection	Utility services debt from June 2016; \$381 for collection Nov. 2017; unpaid as of Apr. 2019. (GEs 2-3.)	No payments as of Apr. 2021. (GE 4; AE G; Tr. 50.) She intends to pay that debt next. (Tr. 30.)
1.u. \$1,253 credit card in collection	Credit card debt from Mar. 2013; \$1,253 for collection Apr. 2017; unpaid as of Dec. 2018 (GEs 3-4); Feb. 2019 judgment for \$1,355 inclusive of costs. (GE 6.)	Court ordered to pay \$35 weekly from Mar. 2019; satisfied judgment July 2020. (GE 6; AE C; Tr. 50.)
1.v. \$930 credit card in collection	Credit card debt from Oct. 2013; \$930 for collection Feb. 2018; unpaid as of Dec. 2018. (GE 3.)	No payments. (GE 4; Tr. 50.)

Applicant had additional student loans taken out for herself or her son (Tr. 54), which she consolidated in May 2017 into an \$86,909 student loan, to be repaid at \$160

per month. That consolidated loan was 150 days past due for \$4,064 in December 2017. With income from part-time seasonal work as a tax preparer in 2019, she made a \$160 payment in July 2019, which she indicates removed the loan from default. (AEs A, G-I; Tr. 43.) She has made no payments on the student loan since then. (Tr. 43.) Available credit reports show that she has not been required to make any payments on the federal student loans since April 2020. (AEs G-I.)

On January 16, 2019, Applicant had a telephone interview with an authorized investigator for the Office of Personnel Management (OPM) about her financial delinquencies. Applicant volunteered information about some outstanding delinquent accounts (her student loans and the credit-card debts in SOR ¶¶ 1.k, 1.l, 1.p, and 1.o) that she had mistakenly not listed on her SF 86. She was confronted about the other past-due debts on her credit record and recognized some of them (SOR ¶¶ 1.f, 1.i, 1.n, 1.q-1.r, and 1.u-1.v), although she believed that some of them were duplicate listings of those accounts reported on her SF 86. Applicant cited unemployment and the downturn in the economy from 2008 to 2009 as the causes of her financial difficulties and stated that she planned to repay her debts once she started working full time. (GE 4.)

After the interview, Applicant looked into her credit-card accounts and provided an update to the investigator on January 22, 2019. She reported that she had paid two judgment debts, which available credit information shows had been placed for collection for \$1,084 (account ending x3206) and \$388 (account ending x8476). She indicated that she was making payments on the debts in SOR ¶¶ 1.l (balance \$929), 1.k (balance \$1,112), and 1.u (balance \$1,253). Applicant had also been able to confirm her liability for the nine debts in SOR ¶¶ 1.d, 1.i, 1.k, 1.n, 1.q-1.t, and 1.v. She admitted she had made no payments on those debts, but she planned to start making payments once she had a steady salary. (GE 4.) Applicant started her employment with the defense contractor in February 2019 at \$15.93 an hour. (Tr. 41, 57.) She also worked for the tax service during tax season at \$12 an hour. (Tr. 60.)

Except for the judgment debts, Applicant has not received any collection notices from her creditors in a couple of years. (Tr. 57.) In January 2020, Applicant opened a credit-card account with a \$1,000 limit and charged \$471. She missed one payment due in December 2020 but caught up of the account in January 2021. As of April 2021, the account was current with a balance of \$318. Applicant has two other active credit-card accounts with balances of \$1,268 and \$852. She has made monthly payments on the accounts since opening them in June 2017 and June 2018, respectively. (AEs G-I.)

In August 2020, Applicant was approved for an income-based repayment of her eligible student loans. The loan servicer required her to make no payments. (AE B.) As of May 2021, the total balance of Applicant's outstanding student-loan debt on loans obtained for her education and her son's education totaled about \$210,959. (AE A.) Due to the pandemic, Applicant is not required to make payments on her federal student loans until September 2021. At that time, Applicant intends to apply for another income-based repayment plan and then start paying what is required under that plan. (Tr. 18, 21, 41.)

She does not presently intend to pay anything toward her student loans if she is not required to do so unless she comes “into some money.” (Tr. 44.)

Applicant has received increases in her hourly wage since February 2019. Since February 2021, her hourly wage has been \$21. (Tr. 57.) After deductions, including for taxes, her take-home pay is between \$500 and \$550 a week. (Tr. 31-32.) As of May 2021, Applicant had not managed to set aside any money to repay her student loans. After paying their monthly living expenses, including rent of \$600 a month, she has little discretionary income, if any. (Tr. 42, 57-58.) She testified that her spouse has a couple of week-to-week job opportunities that “could be starting up mid to late summer.” (Tr. 51.) Her son, who works for the same defense contractor, will contribute financially to the household if she “really need[s] something badly.” He owns his home. (Tr. 58.)

Applicant consulted with an attorney who advised her to file for bankruptcy, but she was concerned about the impact of a bankruptcy filing on her employment with a defense contractor. Some people had told her that she would lose her clearance eligibility if she filed a bankruptcy petition. (Tr. 44-45.)

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 her 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 defaulted on some student loans,

several credit-card accounts, and a utility bill. Her credit reports from December 2018 and May 2019 establish a *prima facie* case of significant delinquency. Disqualifying conditions AG ¶¶ 19(a), “inability to satisfy debts,” and 19(c), “a history of not meeting financial obligations,” apply.

Application of the aforesaid disqualifying conditions triggers consideration of the potentially mitigating conditions under AG ¶ 20. The following 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; and
- (d) the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts.

Available credit information for Applicant shows that the credit-card debts in SOR ¶¶ 1.e (same debt as ¶ 1.d), 1.f, 1.i, and 1.k-1.s were charged off or placed for collection more than five years ago. Even so, AG ¶ 20(a), which provides for mitigation of debts that happened “so long ago,” cannot reasonably apply. Only the credit-card debts in SOR ¶¶ 1.k and 1.u have been resolved, and only after the creditors filed for judgments against her. The \$381 utility debt in collection (SOR ¶ 1.t) remains unaddressed. An applicant’s ongoing, unpaid debts evidence a continuing course of conduct and are considered recent. *See, e.g.,* ISCR 17-03146 at 2 (App. Bd. Jul. 31, 2018) (citing *e.g.,* ISCR Case No. 15-08779 at 3 (App. Bd. Nov. 3, 2017)).

AG ¶ 20(b) has some applicability because her financial problems started due to the economic downturn during the 2008-2009 time frame. Her spouse, who worked in construction, collected unemployment for about 60 months while she was working part time as a school bus driver. After his unemployment benefit ran out, he was unable to find work that would pay him a wage to maintain their household expenses. It led him to start his own business in January 2011. Applicant stopped working as a school bus driver and became his office manager at no pay. Their finances improved while he was living in the Caribbean for work from 2015 to 2017, but the September 2017 hurricane that “wiped him out” was an unforeseen circumstance that continues to adversely impact their household

finances in that Applicant's spouse has not worked since then. She testified that he suffers from PTSD, which has prevented him from considering employment until recently.

Even when the financial distress is caused or contributed to by circumstances beyond one's control, the administrative judge has to consider whether the applicant has acted reasonably. In that regard, Applicant is credited with obtaining stable, full-time employment with a defense contractor. She started working in February 2019 at almost \$16 per hour, and has received wage increases to her present income of \$21 per hour. She supplemented her income during tax season in 2019 through part-time income at \$12 per hour. With that part-time income, she made one \$160 payment on her \$108,000 consolidated student loan in July 2019. Applicant acted responsibly to apply for an income-based repayment plan with her federal loan servicer, which determined that she did not have to pay anything on her student loan. However, she did not exercise sound financial judgment in other aspects. While it is understandable that she focus her limited discretionary income on repaying the judgment debts, she failed to monitor the payments on some of the judgments, and failed to note that automatic payments had stopped. Those debts were eventually paid off in the summer of 2020, after the SOR was issued. As for the debts not brought to court, Applicant has made no effort to contact her creditors in an attempt to negotiate even minimal payments. As those creditors go unpaid, she has opened new credit-card accounts on which she incurred balances in an effort to rehabilitate her credit. Her failure to give priority to her old debts casts some doubt on her financial judgment.

Mitigation only minimally applies with respect to AGs ¶¶ 20(c) and 20(d). Applicant has satisfied some judgment debts, including the credit-card debts in SOR ¶¶ 1.k and 1.u. AG ¶ 20(c) is established with respect to those two debts. Applicant's student loans are not currently in default because of the CARES Act and the income-based repayment agreement with the loan servicer. Her present income-based repayment plan, which did not require her to pay anything on her federal student loans, expired on May 7, 2021. See AE A. The present extension of the CARES Act, which provides for the suspension of federal student-loan payments and collection actions on defaulted student loans, is scheduled to continue through September 30, 2021. Whenever those loans are no longer in "national emergency forbearance," Applicant intends to apply for another income-based repayment plan, which is considered a good-faith effort to resolve her debts. Even so, it would be premature to conclude that there is sufficient mitigation under either AG ¶¶ 20(c) or 20(d). The prospect of having to repay some \$210,959 in student-loan debts looms over Applicant, even if she is granted another repayment plan that does not require her to pay anything based on her income in the near future. She has made no effort to address more than \$14,000 in delinquent consumer-credit balances. Financial considerations security concerns are only partially 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 her 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.

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 her fitness or suitability to handle classified information appropriately. See ISCR Case No. 09-02160 (App. Bd. June 21, 2010). Applicant's financial struggles persist largely because her spouse has been unable or unwilling to look for work since September 2017. At the same time, it is not clear that she has done all that she can to work with her creditors to address obligations for which she remains legally liable. On her present household income, her \$210,959 in student-loan balances appear to be unmanageable. While the student loans are considered an investment in one's future, one has to question her financial judgment in taking on so much educational debt for herself and her son without a realistic prospect of repayment based on her household income. Several of the loans were obtained before her spouse moved to the Caribbean for more stable work. There is no evidence that Applicant has had financial counseling.

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 clearance eligibility. See, e.g., ISCR Case No. 08-09918 (App. Bd. Oct. 29, 2009), (citing *Adams v. Laird*, 420 F.2d 230, 238-239 (D.C. Cir. 1969)). 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). 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. This does not mean that, at some future date, Applicant's financial situation may stabilize sufficiently to enable a predictive judgment that she can make payments on her past-due debts and sizeable student loans. As the record stands, I have lingering doubts about her financial judgment.

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.d:	Against Applicant
Subparagraph 1.e:	For Applicant
Subparagraphs 1.f-1.j:	Against Applicant
Subparagraph 1.k:	For Applicant
Subparagraphs 1.l-1.t:	Against Applicant
Subparagraph 1.u:	For Applicant
Subparagraph 1.v:	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 or continue eligibility for a security clearance for Applicant. Eligibility for access to classified information is denied.

Elizabeth M. Matchinski
Administrative Judge