



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



In the matter of:	)	
	)	
	)	ISCR Case No. 20-00932
	)	
	)	
Applicant for Security Clearance	)	

**Appearances**

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

September 1, 2021

**Decision**

CEFOLA, Richard A., Administrative Judge:

**Statement of the Case**

On June 22, 2020, in accordance with DoD Directive 5220.6, as amended (Directive), the Department of Defense issued Applicant a Statement of Reasons (SOR) alleging facts that raise security concerns under Guideline F. The SOR further informed Applicant that, based on information available to the government, DoD adjudicators could not make the preliminary affirmative finding it is clearly consistent with the national interest to grant or continue Applicant’s security clearance.

Applicant answered the SOR soon thereafter, and requested a hearing before an administrative judge. (Answer.) The case was assigned to me on June 2, 2021. The Defense Office of Hearings and Appeals (DOHA) issued a notice of hearing on June 14, 2021, scheduling the hearing for July 15, 2021. The hearing was convened as scheduled. The Government offered Exhibits (GXs) 1 through 5, which were admitted into evidence without any objection. Applicant testified on his own behalf. The record was left open until August 13, 2021, for receipt of additional documentation. Applicant offered two pages of documents, which I marked Applicant’s Exhibit (AppX) A, which

was admitted into evidence without any objection. DOHA received the transcript of the hearing (TR) on July 23, 2021.

### **Findings of Fact**

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

Applicant is a 28-year-old employee of a defense contractor. He served in the U.S. Navy from about November of 2013 until August of 2015, and received a General Discharge. Applicant has been employed with a defense contractor since 2019. He currently holds no security clearance. Applicant is unmarried, and has no children. He has a high school education. Applicant attributes his financial difficulties to being unemployed or underemployed from the time he left the Navy until his present employment. (TR at page 14 line 5 to page 19 line 6, and GX 1 at pages 7, 12, and 20-21.)

### **Guideline F - Financial Considerations**

1.a. Applicant admits that he has a past-due debt to Creditor A, as the result of an automobile repossession, in the amount of about \$15,847. In his Answer, Applicant shows that he has “Enrolled” this admitted debt in a “Debt Relief” program. (Answer at page 4.) At his hearing, Applicant further avers that this debt was settled for \$4,400, and that he is making monthly payments of \$574 towards this, his only remaining past-due debt. (TR at page 19 line 14 to page 26 line 21.) I find this to be a good-faith effort to address this admitted debt.

1.b. Applicant admits that he had a past-due debt to Creditor B in the amount of about \$1,353. In his Answer, Applicant shows that he has “Enrolled” this admitted debt in the “Debt Relief” program, and that “Payments [were] Completed” and settled for \$677. (TR at page 31 line 20 to page 32 line 13, and Answer at page 4.) This allegation is found for Applicant.

1.c. Applicant admits that he had a past-due debt to Creditor C in the amount of about \$6,243. In his Answer, Applicant shows that he has “Enrolled” this admitted debt in the “Debt Relief” program, and that “Payments [were] Completed” and settled for \$2,498. (TR at page 32 line 14 to page 33 line 24, and Answer at page 4.) This allegation is found for Applicant.

1.d. Applicant admits that he had a past-due debt to Creditor D in the amount of about \$283. He has submitted documentation in support of his averment that this debt has been paid. (TR at page 34 lines 1-8, and AppX A at page 1.) This allegation is found for Applicant.

1.e. Applicant admits that he had a past-due debt to Creditor E in the amount of about \$457. He has submitted documentation in support of his averment that this debt

has been paid. (TR at page 30 line 16 to page 31 line 17, and AppX A at page 2.) This allegation is found for Applicant.

## **Policies**

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

These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, administrative judges apply the guidelines in conjunction with the factors listed in AG ¶ 2 describing the adjudicative process. The administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(a), the entire process is a conscientious scrutiny of a number of variables known as the whole-person concept. The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a decision.

The protection of the national security is the paramount consideration. AG ¶ 2(b) requires that "[a]ny doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security." In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record.

Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Directive ¶ E3.1.15 states the "applicant is responsible for presenting witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by the applicant or proven by Department Counsel, and has the ultimate burden of persuasion as to obtaining a favorable clearance decision."

A person who applies for access to classified information seeks to enter into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours. The Government reposes a high degree of trust and confidence in individuals to whom it grants access to classified information. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to protect or safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified information.

Section 7 of Executive Order (EO) 10865 provides that adverse decisions shall be "in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned." See *also* EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

## Analysis

### Guideline F - Financial Considerations

The security concern relating to the guideline for Financial Considerations is set out in AG ¶ 18:

Failure to live within one's means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise questions about an individual's reliability, trustworthiness, and ability to protect classified or sensitive information. Financial distress can also be caused or exacerbated by, and thus can be a possible indicator of, other issues of personnel security concern such as excessive gambling, mental health conditions, substance misuse, or alcohol abuse or dependence. An individual who is financially overextended is at greater risk of having to engage in illegal or otherwise questionable acts to generate funds. Affluence that cannot be explained by known sources of income is also a security concern insofar as it may result from criminal activity, including espionage.

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

- (a) inability to satisfy debts;
- (b) unwillingness to satisfy debts regardless of the ability to do so; and
- (c) a history of not meeting financial obligations.

Applicant had an automobile repossessed, and other significant past-due debt. The evidence is sufficient to raise these disqualifying conditions.

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

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

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

Applicant has addressed all of his alleged past-due debt, and has demonstrated that future financial problems are unlikely. Applicant attributed his recent delinquencies to the four year period of unemployment or underemployment that Applicant endured after he left active duty with the U.S. Navy. These are circumstances beyond his control. Mitigation under AG ¶ 20 has been established. Financial Considerations is found for Applicant.

### **Whole-Person Concept**

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

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

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

I considered the potentially disqualifying and mitigating conditions in light of all facts and circumstances surrounding this case. Overall, the record evidence leaves me without questions or doubts as to Applicant's eligibility and suitability for a security clearance. For all these reasons, I conclude Applicant mitigated the Financial Considerations security concerns.

### **Formal Findings**

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

Paragraph 1, Guideline F:

FOR APPLICANT

Subparagraphs 1.a.~1.e:

For Applicant

## **Conclusion**

In light of all of the circumstances presented by the record in this case, it is clearly consistent with the national interest to grant Applicant national security eligibility for a security clearance. Eligibility for access to classified information is granted.

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Richard A. Cefola  
Administrative Judge