



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



In the matter of: )  
)  
) ISCR Case No. 20-03655  
)  
)  
Applicant for Security Clearance )

**Appearances**

For Government: Andre M. Gregorian, Esq., Department Counsel  
For Applicant: *Pro se*

10/20/2021

**Decision**

COACHER, Robert E., Administrative Judge:

Applicant has not mitigated the financial considerations security concerns. Eligibility for access to classified information is denied.

**Statement of the Case**

On April 20, 2021, the Defense Counterintelligence and Security Agency Consolidated Adjudications Facility (DCSA CAF) issued Applicant a Statement of Reasons (SOR) detailing security concerns under Guideline F, financial considerations. The DCSA CAF acted under Executive Order (EO) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; Department of Defense (DOD) 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines effective June 8, 2017 (AG).

Applicant answered the SOR June 3, 2021, supplemented by an email response to an adjudicator’s inquiry on June 11, 2021, and elected to have her case decided on

the written record in lieu of a hearing. Department Counsel submitted the Government's File of Relevant Material on June 17, 2021. The evidence included in the FORM is identified as Items 2-5 (Item 1 includes pleadings and transmittal information). The FORM was received by Applicant on July 8, 2021. Applicant was given an opportunity to file objections and submit material in refutation, extenuation, or mitigation. She did not file objections to the Government's evidence, nor submit any evidence in support of her position. Items 2-5 are admitted into evidence without objections. The case was assigned to me on October 6, 2021.

### **Findings of Fact**

Applicant admitted the SOR allegations concerning her student loans and the deficiency amount from a vehicle repossession, with explanations (SOR 1.a, 1.b, and 1.e). She denied the remaining allegations. The admissions are adopted as findings of fact. After a careful review of the pleadings and evidence, I make the following additional findings of fact.

Applicant is 58 years old. She has worked for her current government-contractor-employer since May 2019. She has a full employment history dating back to 2008 as a project manager master scheduler. She holds two associate's degrees and multiple professional certifications. She was married for the fourth time in 2019 (her dates of divorce: 1983, 2000 and 2017) and has three adult children. (Items 4-5)

The SOR alleged eight delinquent debts totaling approximately \$32,800. The debts are comprised of collections and charged-off accounts (credit card, consumer debt, student loans, and an auto repossession). The debts are established by Applicant's security clearance application (SCA), her background interview in May 2020, credit reports from April 2020 and June 2021, and her SOR admissions in her answer. (Items 1-5)

Applicant attributes her financial problems to her ex-husband (she does not identify which ex-husband) who she claims opened up several credit cards in her name without her knowledge (SOR 1.a, 1.b, 1.f, and 1.g). She claims only discovering these accounts during her divorce. Her credit reports show that these were individual accounts. She failed to produce documentation supporting her assertion that her ex-husband was responsible for these debts. Her most recent credit report shows that she disputed the debts alleged in SOR 1.a, 1.b, and 1.g. No evidence of resolution of these disputes was presented. In her SCA, she stated she would allow these accounts to "drop off my credit report." Applicant claims she paid the telecommunications account alleged in SOR 1.h and that account no longer is listed on her most recent credit card and appears to be less than seven years old. This account is resolved for Applicant. The remaining accounts remain unpaid. (Items 1-4)

Applicant claimed that she believed her student loans were in forbearance, but discovered in December 2019 that they were not. She further claimed that upon receiving this information she combined her student loans, paid the past-due amount,

and began making monthly payments of \$246. She did not present documentation for any of these actions. These accounts are not resolved. (Items 1, 5)

In her SOR answer, Applicant claimed she was forced into a voluntary repossession of a vehicle because her ex-husband would not relinquish the vehicle. During her background interview, she admitted that she could not make the \$800 monthly payments and therefore voluntarily turned in the vehicle. There is no evidence she made any payments toward the delinquency. This debt is unresolved. (Items 1, 5)

Applicant failed to present documentation showing that she made payments on any of her debts. She did not provide information about her current budget. She has not sought any financial counseling. (Item 5)

### **Policies**

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 used 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 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. Under Directive ¶ E3.1.15, an "applicant is responsible for presenting witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by applicant or proven by Department Counsel, and 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 an 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**

AG ¶18 expresses the security concern for financial considerations:

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. I have considered all of them under AG ¶19 and the following potentially apply:

- (a) inability to satisfy debts; and
- (c) a history of not meeting financial obligations.

All but one of Applicant’s delinquent debts remain unpaid or unresolved. She has a history of unpaid debts. I find the above disqualifying conditions are raised.

The guideline also includes conditions that could mitigate security concerns arising from financial difficulties. I have considered all of the mitigating conditions under AG ¶ 20 and the following potentially apply:

(a) the behavior happened so long ago, was so infrequent, or occurred under such circumstances that it is unlikely to recur and does not cast doubt on the individual's current reliability, trustworthiness, or good judgment;

(b) the conditions that resulted in the financial problem were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, a death, divorce or separation, clear victimization by predatory lending practices, or identity theft), and the individual acted responsibly under the circumstances;

(c) the individual has received or is receiving financial counseling for the problem from a legitimate and credible source, such as a non-profit credit counseling service, and there are clear indications that the problem is being resolved or is under control;

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

(e) the individual has a reasonable basis to dispute the legitimacy of the past-due debt which is the cause of the problem and provides documented proof to substantiate the basis of the dispute or provides evidence of actions to resolve the issue.

Applicant has a history of financial difficulties. The SOR debts are ongoing and therefore recent. Except for one telecommunication debt, all the remaining debts are unresolved. She did not provide sufficient evidence to show that her financial problems are unlikely to recur. AG ¶ 20(a) does not apply. Although her divorces and issues with an ex-husband are circumstances beyond her control, she failed to act responsibly in addressing her debts. I find AG ¶ 20(b) does not apply. She failed to seek financial counseling and has not put forth a good-faith effort to resolve her delinquent debts. She also failed to document the legitimacy of her debt disputes. AG ¶¶ 20(c), 20(d), and 20(e) do not apply.

### **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 the 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 guideline and the whole-person concept.

I considered the potentially disqualifying and mitigating conditions in light of all the facts and circumstances surrounding this case. Applicant has not established a track record of financial stability.

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

### **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.g:	Against Applicant
Subparagraph 1.h:	For Applicant

### **Conclusion**

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

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Robert E. Coacher  
Administrative Judge