



DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF HEARINGS AND APPEALS



In the matter of:)
)
) ISCR Case: 21-02101
)
Applicant for Security Clearance)

Appearances

For Government: Tovah Minster, Esquire, Department Counsel
For Applicant: *Pro se*

June 7, 2022

Decision

CEFOLA, Richard A., Administrative Judge:

Statement of Case

On April 26, 2021, Applicant submitted a security clearance application (SF-86). On October 22, 2021, the Department of Defense Consolidated Adjudications Facility (DoD CAF) issued Applicant a Statement of Reasons (SOR), detailing security concerns under Guideline F, Financial Considerations. (Item 1.) The action was taken 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 June 8, 2017.

Applicant answered the SOR on December 22, 2021. He admitted all of the SOR allegations, with very brief comments, and requested that his case be decided by an administrative judge on the written record without a hearing. (Item 2.) On January 13, 2022, Department Counsel submitted the Government’s written case. A complete copy

of the File of Relevant Material (FORM), containing six Items, was mailed to Applicant on January 18, 2022, and received by him on January 24, 2022. The FORM notified Applicant that he had an opportunity to file objections and submit material in refutation, extenuation, or mitigation within 30 days of his receipt of the FORM. Applicant did not respond to the FORM. Items 1 through 6 are admitted into evidence.

Findings of Fact

Guideline F – Financial Considerations

Applicant is 35 years old. He is divorced, with a 17-year-old child. (Item 3 at pages 7, 26 and 30.)

1.a. and 1.b. Applicant admits that he had past-due student loans totaling about \$63,110, but avers they were “taken care of.” He submits nothing in support of his averment; and they appear as past-due on his most recent January 2022 credit report. These allegations are found against Applicant.

1.c. Applicant admits that he owes Creditor C a past-due debt for about \$5,127, and avers it “was racked up after . . . [his] separation from his ex-wife. Applicant further avers he “plans . . . to take care of this debt within the next 5 years working with . . . [his] credit repair solutions representative,” but offers nothing in support of his averment. This allegation is found against Applicant.

1.d. Applicant admits that he owes Creditor D a past-due debt for about \$3,978, and avers it “was racked up after . . . [his] separation from his ex-wife. Applicant further avers he “plans . . . to take care of this debt within the next 5 years working with . . . [his] credit repair solutions representative,” but offers nothing in support of his averment. This allegation is found against Applicant.

1.e. Applicant admits that he owes Creditor E a past-due debt for about \$2,929, and avers he “plans . . . to take care of this debt within the next 5 years working with . . . [his] credit repair solutions representative,” but offers nothing in support of his averment. This allegation is found against Applicant.

1.f. Applicant admits that he owes Creditor F a past-due debt for about \$2,240, and avers it “was racked up after . . . [his] separation from his ex-wife. Applicant further avers he “plans . . . to take care of this debt within the next 5 years working with . . . [his] credit repair solutions representative,” but offers nothing in support of his averment. This allegation is found against Applicant.

1.g. Applicant admits that he owes Creditor G a past-due debt for about \$953, and avers he “plans . . . to take care of this debt within the next 5 years working with . . . [his] credit repair solutions representative,” but offers nothing in support of his averment. This allegation is found against Applicant.

1.h. and 1.i. Applicant admits that he owes Creditor H a past-due debts totaling about \$1,006, and avers he “plans . . . to take care of . . . [these debts] within the next 5 years working with . . . [his] credit repair solutions representative,” but offers nothing in support of his averment. These allegations are found against Applicant.

1.j. Applicant that he owed Creditor J a past-due debt totaling about \$168, but avers he “was unaware of this debt.” As this alleged debt appears as disputed on the Applicant’s most recent January 2022 credit report, this allegation is found for Applicant.

1.k. Applicant admits that he owes Creditor K a past-due debt for about \$2,240, and avers it “was racked up after . . . [his] separation from his ex-wife.” Applicant further avers he “plans . . . to take care of this debt within the next 5 years working with . . . [his] credit repair solutions representative,” but offers nothing in support of his averment. This allegation is found against Applicant.

1.l. Applicant admits that he owes Creditor L a past-due debt for about \$5,127, and avers it “was racked up after . . . [his] separation from his ex-wife.” Applicant further avers he “plans . . . to take care of this debt within the next 5 years working with . . . [his] credit repair solutions representative,” but offers nothing in support of his averment. This allegation is found against Applicant.

Policies

When evaluating an applicant’s suitability for national security eligibility, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines (AG) 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, these guidelines are applied 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. The entire process is a conscientious scrutiny of applicable guidelines in the context 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. I have not drawn inferences based on mere speculation or conjecture.

Directive ¶ E3.1.14, requires the Government to 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 the applicant or proven by Department Counsel, and has the ultimate burden of persuasion as to obtaining a favorable clearance decision.”

A person applying for national security eligibility 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 national security eligibility. 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 or sensitive information. Finally, as emphasized in Section 7 of EO 10865, “[a]ny determination under this order adverse to an applicant shall be a determination 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 relating to the guideline for financial considerations are set out in AG ¶ 18, which reads in pertinent part:

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. . . .

AG ¶ 19 describes three conditions that could raise security concerns and may be disqualifying 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 has substantial past-due indebtedness. These facts establish prima facie support for the foregoing disqualifying conditions, and shift the burden to Applicant to mitigate those concerns.

The guideline includes four conditions in AG ¶ 20 that could mitigate the security concerns arising from Applicant's alleged financial difficulties:

- (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;
- (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.

None of these apply. Although Applicant can attribute some debts to his divorce, and is disputing one small debt, there are no clear indications that his financial issues are under control. He still has significant past-due indebtedness. Financial Considerations is found against 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.

According to AG ¶ 2(c), the ultimate determination of whether to grant national security eligibility must be an overall commonsense judgment based upon careful consideration of the applicable guidelines and the whole-person concept. Overall, the record evidence leaves me with questions and doubts as to Applicant's judgment, eligibility, and suitability for a security clearance. He has not met his burden to mitigate the security concerns arising under the guideline for financial considerations.

Formal Findings

Formal findings for or against Applicant on the allegations set forth in the SOR, as required by ¶ E3.1.25 of Enclosure 3 of the Directive, are:

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraphs 1.a. through 1.i:	Against Applicant
Subparagraph 1.j:	For Applicant
Subparagraphs 1.k. and 1.l:	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 Applicant national security eligibility and a security clearance. National security eligibility is denied.

Richard A. Cefola
Administrative Judge