DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	
REDACTED	)	ISCR Case No. 21-01784
	)	
Applicant for Security Clearance	)	

Appearances

For Government: Andrew H. Henderson, Esq., Department Counsel
For Applicant: *Pro se*

05/10/2022

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Decision

_____

MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant defaulted on six accounts totaling approximately $116,500. He sold his house and used the equity to settle some of the debts for less than their full balances. The concerns about his financial judgment are not fully mitigated, however. Clearance eligibility is denied.

Statement of the Case

On August 20, 2021, 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; 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.

Applicant responded to the SOR allegations on September 17, 2021, and requested a decision on the written record in lieu of a hearing before an administrative judge from the Defense Office of Hearings and Appeals (DOHA). On January 5, 2022, the Government submitted a File of Relevant Material (FORM) consisting of a statement of the Government's position and nine documents pre-marked as Item 1 through Item 9. The SOR and Applicant's SOR response were included as Item 1. On January 7, 2022, 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 January 18, 2022. Applicant responded to the FORM on January 26, 2022, and February 3, 2022.

On March 18, 2022, 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 and assignment on March 28, 2022. Applicant's FORM response was entered into evidence without any objections as an Applicant exhibit (AE A.) On April 12, 2022, I *sua sponte* reopened the record for additional documentation from Applicant to corroborate his assertion that the debts at issue in the SOR have been paid. Applicant forwarded documents on April 12, 2022, which were accepted into the record without objection as AE B and AE C.

Evidentiary Rulings

Department Counsel submitted as Item 3 in the FORM a summary report of a personal subject interview (PSI) of Applicant conducted on October 19, 2020, by an authorized investigator for the Office of Personnel Management (OPM). The summary report of the PSI 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 notice regarding Item 3:

> Also, please note that the attached summary of your Personal Subject Interview (PSI) — 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 can comment on whether [the] PSI summary accurately reflects the information you provided to the authorized OPM investigator(s) and you can make any corrections, additions, deletions, and updates

> necessary to make the summary clear and accurate. Alternatively, you can object on the ground that the report is unauthenticated by a Government witness. If no objections are raised in your response to this FORM, or if you do not respond to the FORM, or if you do not respond to the FORM, the Administrative Judge may determine that you have waived any objections to the admissibility of the summary and may consider the summary as evidence in your case.

Concerning whether Applicant understood the meaning of authentication or the legal consequences of waiver, Applicant's *pro se* status does not confer any due process rights or protections beyond those afforded if he was represented by legal counsel. *Pro se* applicants are not expected to act like lawyers, but they are expected to take timely and reasonable steps to protect their rights under the Directive. *See* ISCR Case No. 12-10810 at 2 (App. Bd. Jul. 12, 2016). *See also* ADP Case No. 17-03252 (App. Bd. Aug. 13, 2018) (holding that it was reasonable for the administrative judge to conclude that any objection had been waived by an applicant's failure to object after being notified of the right to object).

Applicant was advised in ¶ E3.1.4 of the Directive that he may request a hearing. In ¶ E3.1.15, he was advised that he is responsible for presenting evidence to rebut, explain, or mitigate facts admitted by him or proven by Department Counsel and that he has the ultimate burden of persuasion as to obtaining a favorable clearance decision. While the Directive does not specifically provide for a waiver of the authentication requirement, Applicant was placed on sufficient notice of his opportunity to object to the admissibility of the interview summary report, to comment on the interview summary, and to make any corrections, deletions, or updates to the information in the report. Applicant did not raise any objections to the PSI in his response to the FORM.

Government officials are entitled to a presumption of regularity in the discharge of their official responsibilities. *See, e.g.*, ISCR Case No. 15-07539 (App. Bd. Oct. 18, 2018). Applicant can reasonably be held to have read the PSI summary in Item 3, and there is no evidence that he failed to understand his obligation to file any objections to the summary if he did not want the administrative judge to consider it. Accordingly, I find that Applicant waived any objections to the PSI summary. Items 1 through 9 are accepted as evidentiary exhibits subject to issues of relevance and materiality in light of the entire record.

Findings of Fact

The SOR alleges that, as of June 29, 2021, Applicant owed charged-off debts of $3,110 (SOR ¶ 1.b); $15,894 (SOR ¶ 1.d); $29,951 (SOR ¶ 1.e); and $23,545 (SOR ¶ 1.f). Additionally, the SOR alleges that Applicant owed collection debts of $1,770 (SOR ¶ 1.a) and $42,233 (SOR ¶ 1.c). When Applicant answered the SOR, he admitted the alleged debts but stated that he had sold his home and paid them off. (Item 1.)

After considering Items 1 through 9, and Applicant's exhibits A through C, I make the following findings of fact:

Applicant is 54 years old and twice divorced. He was married to his first wife from December 1989 to July 1999 and to his second wife from December 2006 to January 2022. He has one daughter, age 17, from his second marriage. (Item 2; AE A.)

Applicant served honorably on active duty in the United States military from June 1987 to April 1997. He was granted a DOD security clearance for his military duties and retained clearance eligibility throughout his career. (Item 3.) On his discharge from the military, he became employed by a defense contractor as a site manager. Over the next 17 years, he worked at various remote field sites overseas. He has been with his current employer, also a defense contractor, since September 2014. (Item 2.) He has no education beyond his general education diploma (GED). (Item 3.)

Shortly after returning to the United States in September 2014 for his current job, Applicant purchased a home in October 2014. He obtained a mortgage solely in his name for $459,675. In February 2017, that loan was paid off, likely through a refinancing, as he took on a mortgage of $485,510 with another lender at that time. The monthly payments on that mortgage loan were $2,899. (Item 4.) In May 2016, Applicant was granted a top secret security clearance. (Items 8, 9.)

In May 2017, Applicant and his second wife separated. In June 2020, they entered into a formal separation agreement under which Applicant agreed to pay his now ex-wife $1,000 per month for 120 months. Applicant was given exclusive use and possession of their marital residence, which was deeded in his name. He also assumed sole legal and physical custody of their daughter and agreed to cooperate with his ex-wife on all matters concerning their daughter. He was responsible for all outstanding credit-card debts in his name and on those credit-card debts listed in his spouse's name as of the date of their separation agreement, but not for any debts incurred by her subsequent to the agreement. (Item 3.)

In February 2020, Applicant's employer was informed that the DOD Continuous Evaluation Program developed unreported information that Applicant was delinquent on three accounts totaling $57,523. (Item 8.) On April 4, 2020, Applicant completed and certified to the accuracy of a Questionnaire for National Security Positions (SF 86). In response to SF 86 inquiries into his financial record, Applicant stated that he was working with a bankruptcy lawyer to file a Chapter 13 bankruptcy petition as he had a hard time paying all his bills in the past year and a half. Regarding any delinquency involving routine accounts, Applicant listed one debt — a debt consolidation loan for $42,233 (SOR ¶ 1.c) — that he planned to include in a bankruptcy filing. (Item 2.)

As of June 17, 2020, Applicant was making his mortgage payment according to terms, although his account had been 30 days past due in February 2020 and March 2020. His credit report showed that the $42,233 debt (SOR ¶ 1.c, account opened June 2016) was placed for collection in October 2018. Additionally, a credit union had charged off credit-card balances of $29,951 in April 2020 (SOR ¶ 1.e, account opened July 2002) and $15,894 in May 2020 (SOR ¶ 1.d, account opened April 2009). An unsecured loan with the

same credit union, obtained for $30,000 in June 2017, was past due $3,689 on a balance of $23,305 (SOR ¶ 1.f). Credit-card debts of $3,110 (SOR ¶ 1.b, account opened September 2017) and $12,180 (not alleged, account opened August 2006) were charged off in December 2018 and January 2019, respectively. (Item 4.) In July 2020, a fast cash lender placed a $1,770 debt (SOR ¶ 1.a) for collection. (Item 5.)

When asked during his October 2020 PSI about the finances, Applicant stated that he was in the process of filing for a Chapter 13 bankruptcy so that could consolidate his debts totaling between $120,000 and $130,000. He explained that his second wife had bad spending habits, opened multiple credit-card accounts without his knowledge, and ran up balances that she did not pay. He stated that he obtained a loan from a credit union to pay off some of his second wife's debts, although when confronted about the adverse information on his credit report, he stated that the loan in SOR ¶ 1.c (which was not obtained from the credit union) was that debt. He asserted that his then spouse opened up new credit-card accounts and ran up more debt. When he could not get his mounting debt under control, he obtained legal counsel to file for bankruptcy.

When confronted with the delinquencies on his credit report by the investigator, Applicant stated that the $3,110 credit-card debt (SOR ¶ 1.b) was paid. He expressed his belief that the charged-off balances in SOR ¶¶ 1.d through 1.f were on credit cards used by his second wife, but added that he may also have used the credit cards to pay some bills. (Item 3.) He asserted that the $12,180 charged-off credit-card debt (not alleged) was also a debt incurred by his second wife, and that she opened most of the credit-card accounts without his knowledge. However, he had accepted repayment responsibility for all of the debts. (Item 3.)

During his PSI, Applicant reported annual gross income from his employment of $197,000 while his spouse's income was inconsistent. He estimated her earnings at $30,000 in 2019. He related that in addition to spousal support at $1,000 a month, he had monthly expenses totaling $7,390, which left him discretionary income of $3,214 per month. He stated that he was living within his means and was willing and able to pay his debts. (Item 3.)

Applicant's credit reports show that all of the SOR debts as well as the $12,180 unalleged delinquency were opened as individual accounts in his name. (Items 4-6.) He did not explain how his spouse could have opened accounts in his name and run up balances without his knowledge.

On October 26, 2020, Applicant was re-contacted by the OPM investigator. He explained that his separation agreement with his second wife, which was executed in June 2020, was not filed with the court until late October 2020. He explained that he had not filed for bankruptcy as he had been advised to wait until his divorce was final to ensure that his ex-wife was not included in his bankruptcy. (Item 3.) In December 2020, a default judgment was granted against Applicant for the debt in SOR ¶ 1.c. Court records reflect that Applicant had been served with the complaint on November 3, 2020. (Item 7.)

On November 19, 2020, Applicant's employer was informed that the DOD Continuous Evaluation Program had developed unreported information about six delinquent accounts totaling $126,913. His employer was advised to file an incident report. (Item 9.) It is unclear whether an incident report was filed with the DCSA CAF.

In October 2020, Applicant paid off in a lump sum the $5,022 balance on a $39,430 car loan obtained in June 2015. In December 2020, he paid off his mortgage balance of $449,501 and took on a new mortgage for $461,579. (Item 5.)

As of July 30, 2021, Applicant had made no payments on the debts in the SOR. It is unclear whether Applicant knew about the judgment debt at that time. The $12,180 charged-off debt (unalleged) was paid off in May 2021. Applicant was making timely payments on a credit-card account opened in May 2019 which had a $1,146 balance, and on an automobile loan obtained for $32,629 in October 2015. The balance of the automobile loan was $2,027 after his June 2021 payment. He was making timely payments of $2,421 per month on his mortgage. (Item 5.)

Applicant asserted on September 17, 2021, that he sold his house, and with the proceeds paid off all of the debts alleged in the SOR. (Item 1.) A check of his credit on January 5, 2022, reflected no progress toward resolving the $3,110 debt (SOR ¶ 1.a). However, his credit report showed that his mortgage loan was paid off in August 2021, and that the $15,894 charged-off credit-card balance (SOR ¶ 1.d) was settled for less than its full balance at that time. The $23,545 unsecured loan delinquency (SOR ¶ 1.f) and $29,951 credit-card delinquency (SOR ¶ 1.e) were settled for less than their full balances in October 2021. The consolidation loan in SOR ¶ 1.c was listed as having a zero balance after charge off. His credit report reflected zero payments on that account since September 2018. (Item 6.)

On January 26, 2022, Applicant asserted in response to the FORM that he had settled and paid all his debts at issue with the proceeds from selling his house in lieu of a Chapter 13 bankruptcy filing. He added that he was able to obtain a mortgage on a new home for him and his daughter; that he had no other outstanding debt obligations; and that with the finalization of their divorce, his second wife no longer had access to any of his accounts. (Item 1.)

The final order of divorce, entered in late January 2022, indicates that Applicant's ex-wife was not required to pay child support for their daughter. The terms of their separation agreement were incorporated within the divorce decree. Accordingly, Applicant is obligated to continue paying spousal support to his ex-wife of $1,000 a month until June 2030. (AE A.)

Applicant's current credit report shows that he bought a new home in January 2022, taking on a mortgage obligation of $352,240 with repayment at $1,909 per month. He obtained an automobile loan of $22,756 in late February 2022, to be repaid at $410 per month. He also opened a new cellphone account in March 2022, incurring a $230 debt. With the intention of rebuilding his credit, Applicant opened a credit-card account in

October 2021 with a $1,000 credit limit and a credit-card account in March 2022 with a $3,000 limit. Those accounts had zero balances as of April 2022. (AEs B, C.) The debt in SOR ¶ 1.a was no longer on his credit report. The credit-card debt in SOR ¶ 1.b was reported as having been settled for less than its full balance in January 2022. The debt in SOR ¶ 1.c was on his current credit report as having a zero balance, but with no indication of any payments since the October 2018 charge off. (AE B.) Applicant completed a homeownership education course in December 2021 as well as a financial management course. (AE C.)

Applicant indicated in response to the FORM that he did not intend to be in debt or use credit in the future unless he must. He regards dealing with the financial issues as a "life changing event for [him] that resulted in a long divorce battle with [his] ex-wife so [he] could change [his] life and take care of [his] daughter and provide for her better." (AE B.)

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. . . .

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 does not pay financial obligations according to terms. Applicant admits that the six accounts in the SOR became seriously delinquent and were charged off or placed for collection. He attributes his financial problems to his second wife, having stated during his PSI that she incurred most of the debt without his knowledge. Available credit reports in evidence indicate the six accounts in the SOR, including the credit-card accounts (SOR ¶¶ 1.b, 1.d, and 1.e), were opened as individual accounts, so he was solely legally liable for repayment. He provided

no proof that his ex-wife opened the credit-card accounts or took on loans in his name without his authorization. It was his responsibility to monitor the use of his credit cards, and pay for credit extended on his accounts. Disqualifying condition AG ¶ 19(c), "a history of not meeting financial obligations," applies. The evidence for ¶ 19(a), "inability to satisfy debts," is less clear. Applicant indicated during his PSI that he had $3,214 in discretionary income each month. Presumably, he could have used some of those funds to make payments directly to one or more of his SOR creditors and perhaps avoided collection on one or more of the SOR accounts, such as the $1,770 debt in SOR ¶ 1.a was placed for collection in July 2020.

Applicant has the burdens of production and persuasion in establishing sufficient mitigation to overcome the financial concerns raised by his loan and credit-card defaults. One or more of the following conditions under AG ¶ 20 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 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; and
>
> (d) the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts.

Regarding AG ¶ 20(a), Applicant had more than $116,000 in consumer-credit debts go into default between October 2018 and July 2020. His record of delinquency is too recent to conclude that it happened so long ago to not cast doubt on his current reliability, trustworthiness, or good judgment. AG ¶ 20(b) has some applicability. Applicant did not prove that his ex-wife incurred the SOR debts without his knowledge. However, he and his second wife began living apart in May 2017. In June 2020, he took responsibility for repaying not only his debts, but also her debts incurred before their formal separation. He agreed to per her $1,000 a month in spousal support for the next ten years.

Yet Applicant did not demonstrate financial responsibility in some aspects. Assuming that his second wife incurred significant debt in her name during their marriage that he had to repay, he handled some of his loans irresponsibly. He obtained the loan in SOR ¶ 1.f in June 2017, when he and his second wife were no longer cohabiting. The loan was charged off around June 2020.The creditor in SOR ¶ 1.c obtained a default judgment

against him in December 2020. He was served with notice on November 3, 2020, and then apparently elected to not appear in court. He listed the debt on his April 2020 SF 86 and indicated that he planned to include it in a bankruptcy filing, so he clearly knew about that $42,233 delinquency. A component of financial responsibility is keeping one's creditors informed and attempting to resolve debts. As previously discussed, his income was sufficient to make some debt payments, and there is no evidence that he tried to negotiate repayment terms with his creditors or informed them of his intention to file a Chapter 13 bankruptcy petition once his divorce was final.

AG 20(c) is partially established in that Applicant settled the debts owed the credit union: the credit-card debt in SOR ¶ 1.d in August 2021, and the credit-card and loan debts in SOR ¶¶ 1.e and 1.f in October 2021, apparently with some of the proceeds from the sale of his marital home. The credit-card debt in SOR ¶ 1.b was settled for less than its full balance in January 2022. The record is unclear as to the amounts paid to settle those accounts, but they are no longer a source of financial pressure for Applicant.

Applicant asserts that his April 2022 credit report (AE B) establishes that all of the SOR debts have been either settled under terms acceptable to his creditors or paid in full. The $1,770 debt in SOR ¶ 1.a was no longer on his credit report. The debt in SOR ¶ 1.c was on his credit report as having a zero balance, but as a transferred or sold charged-off debt. Date of last payment reported is May 2018. The fact that a debt has dropped off a credit report is not meaningful evidence of debt resolution. *See* ISCR Case No. 14-05803 at 3 (App. Bd. July 7, 2016) (citing ISCR Case No. 14-03612 at 3 (App. Bd. Aug. 25, 2015)). Debts may be dropped from a credit report when creditors believe the debt is not going to be paid, a creditor fails to timely respond to a credit reporting company's request for information, a debt has been charged off, or for another reason. His credit report does not prove that the debts in SOR ¶¶ 1.a and 1.c have been resolved, although I note that Applicant was able to obtain a new mortgage of $352,240 in January 2022 and a car loan of $22,756 in late February 2022, so the $42,233 charge-off did not prevent him from obtaining new credit in significant amounts.

As for his delay in resolving his known debts, Applicant explained that he was told to wait for his divorce to be final to file a Chapter 13 bankruptcy petition. Before his divorce was final, he elected instead to sell his marital home because it was a faster way to resolve his financial issues. Information of record about his mortgage loans shows he sold the house in August 2021 and settled the $15,894 debt in SOR ¶ 1.d at that time. In October 2021, the credit union accepted less than the full balances for the debts in SOR ¶¶ 1.e and 1.f, so those accounts were resolved under terms favorable to Applicant. The $3,110 credit-card debt in SOR ¶ 1.b went unpaid until January 2022. Applicant did not provide an explanation for the delay in debt resolution. There is no evidence showing that the default judgment for the $42,233 debt (SOR ¶ 1.c) has been satisfied. AG ¶ 20(c) has not been shown to apply to the debts in SOR ¶¶ 1.a and 1.c.

Applicant exhibited some good faith under AG ¶ 20(d) with respect to the debts that have been settled. He obtained financial counseling at the advice of an attorney. While that evidence is viewed favorably, I remain concerned about his financial judgment, given the

recency of his financial problems and the extent to which his finances were out of control. He had a sizeable mortgage obligation in recent years ($459,675 loan in October 2014, $485,510 loan in February 2017, and $461,579 loan in December 2020). In June 2015, he obtained a vehicle loan for $39,430 that he paid off with a $5,022 payment in October 2020 while other debts were delinquent, such as the $1,770 cash loan that went to collection in July 2020.

Applicant indicated in response to the FORM that he had to file for divorce so that he could better care for his daughter, and that he was on track toward a simpler life. In that regard, he purchased a new home and a small commuter car for work. His April 2022 credit report shows that, in January 2022, he took on a mortgage of $352,240, to be repaid at $1,909 per month. In February 2022, he obtained a car loan for $22,971, to be repaid at $404 per month. It is unclear what happened to the vehicle that he paid off with a lump-sum payment of $5,022 in October 2020. That being said, Applicant has reduced his expenses. Yet he lacks proof that the default judgment for the debt in SOR ¶ 1.c has been paid, and lacks a recent track record of timely payments to ensure that he can manage his finances responsibly going forward. The financial considerations security concerns are not sufficiently mitigated at this time.

Whole-Person Concept

In assessing the whole person, the administrative judge must consider the totality of Applicant's conduct and all relevant circumstances in light of the nine adjudicative process factors in AG ¶ 2(d). Those factors are:

> (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.

The analysis under Guideline F is incorporated in my whole-person analysis. Some of the factors in AG ¶ 2(d) were addressed under that guideline, but some warrant additional comment.

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. 09-92160 at 5 (App. Bd. June 21, 2010). I do not doubt that Applicant's ex-wife's spending habits causes significant issues for Applicant. At the same time, he did not show sound financial judgment in taking control of the issue. He allowed his accounts totaling more than $116,000 to go into default. He

demonstrated serious financial irresponsibility, which is inconsistent with the judgment expected of someone holding a top secret clearance.

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). Perhaps at some future date, Applicant will be able to show a track record of timely adherence to his financial obligations sufficient to warrant a favorable adjudication. Based on the evidence of record, it is not clearly consistent with the interests of national security to grant or continue security clearance eligibility for Applicant at this time.

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
Subparagraph 1.a:	Against Applicant
Subparagraph 1.b:	For Applicant
Subparagraph 1.c:	Against Applicant
Subparagraphs 1.d-1.f:	For Applicant

Conclusion

In light of all of the circumstances, it is not clearly consistent with the interests of national security to grant or continue Applicant's eligibility for a security clearance. Eligibility for access to classified information is denied.

_____
Elizabeth M. Matchinski
Administrative Judge