



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



In the matter of:)
)
) ISCR Case No. 20-00005
)
Applicant for Security Clearance)

Appearances

For Government: Tara R. Karoian, Esq., Department Counsel
For Applicant: *Pro se*

07/22/2022

Decision

HARVEY, Mark, Administrative Judge:

Applicant did not provide sufficient documentary evidence of progress resolving the delinquent debts alleged in her statement of reasons (SOR). Guideline F (financial considerations) security concerns are not mitigated. Eligibility for access to classified information is denied.

Statement of the Case

On April 23, 2018, Applicant completed and signed an Electronic Questionnaire for National Security Positions (SF 86) or security clearance application (SCA). (Government Exhibit (GE) 1). On April 10, 2020, the Defense Counterintelligence and Security Agency (DCSA) Consolidated Adjudications Facility (CAF) issued a statement of reasons (SOR) to Applicant under Executive Order (Exec. Or.) 10865, *Safeguarding Classified Information within Industry*, February 20, 1960; Department of Defense (DOD) Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (Directive), January 2, 1992; and Security Executive Agent Directive 4, establishing in Appendix A the *National Security Adjudicative Guidelines for Determining Eligibility for Access to Classified Information or Eligibility to Hold a Sensitive Position* (AGs), effective June 8, 2017. (Hearing Exhibit (HE) 2)

The SOR detailed reasons why the DCSA CAF did not find under the Directive that it is clearly consistent with the interests of national security to grant or continue a security clearance for Applicant and recommended referral to an administrative judge to

determine whether a clearance should be granted, continued, denied, or revoked. Specifically, the SOR set forth security concerns arising under Guideline F. (HE 2)

On an unspecified date, Applicant provided a response to the SOR, and she requested a hearing. (Transcript (Tr.) 12-13; HE 3) On July 24, 2020, Department Counsel was ready to proceed. On August 6, 2020, the case was assigned to me. The processing of the case was delayed due to the COVID-19 pandemic. On April 12, 2022, the Defense Office of Hearings and Appeals (DOHA) issued a notice of hearing, setting the hearing for June 15, 2022. (HE 1) The hearing was held as scheduled.

Department Counsel offered four exhibits into evidence, and there were no objections to Government Exhibits 1 and 4. (Tr. 15-16) Applicant objected to admission of her June 21, 2018 and November 19, 2019 credit reports because they were not the most recent reports. (Tr. 16-17) Her objections were overruled because those reports are historical snapshots in time showing the status of her finances at the time the reports were issued, and she was advised she could submit more recent evidence of the status of her debts. (Tr. 16) Department Counsel provided a June 15, 2022 credit report after the hearing, and Applicant did not object to the admissibility of GE 5. (Tr. 16-17, 56-57; GE 5) In sum, Applicant did not provide any exhibits before her hearing, and all proffered exhibits were admitted into evidence. (Tr. 15-16; GE 1-GE 5)

On June 27, 2022, DOHA received a transcript of the hearing. The record was initially held open until July 15, 2022, to enable Applicant to provide documentation. (Tr. 18-19, 52) During her hearing, Applicant said she had four letters describing her good character that she wished to submit into evidence after her hearing. (Tr. 10-11, 19, 59) On July 16, 2022, I sent Applicant an email advising her that I had not received any post-hearing documents, and I extended the suspense for her submission of documentary evidence until July 20, 2022. (HE 4) On July 19, 2022, she provided five exhibits, which were admitted into evidence (Applicant Exhibit (AE) A-E). Her email forwarding her exhibits is AE F. The record closed on July 20, 2022.

Some details were excluded to protect Applicant's right to privacy. Specific information is available in the cited exhibits and transcript.

Findings of Fact

In Applicant's SOR response, she admitted the allegations in SOR ¶¶ 1.a through 1.j, 1.l through 1.q, and 1.s through 1.w. (HE 3) She denied the allegations in SOR ¶¶ 1.k and 1.r. (*Id.*) She also provided mitigating information. (*Id.*) Her admissions are accepted as findings of fact.

Applicant is a 43-year-old administrative secretary who has worked for DOD contractors since July 2017. (Tr. 6, 8, 20-21) In 1996, she graduated from high school. (Tr. 6) She attended college; however, she did not receive a degree. (Tr. 6) She honorably served in the U.S. Navy from 1996 to 2010, and she was a petty officer second class when she left active duty. (Tr. 6-7, 22) She has not served in any combat zones. (Tr. 7) She received severance pay from the Navy. (Tr. 54) Her Navy specialty was Yeoman.

(Tr. 7) She has never married, and she has a 22-year-old son who is serving in the U.S. Air Force. (Tr. 7)

Financial Considerations

Applicant was underemployed in 2013 and 2014 after moving away from the West Coast to assist her father. (Tr. 23-24) She and her son moved in with her father and then into a trailer park. (Tr. 25-26) Several of the SOR debts became delinquent in the 2013 to 2014 time period. (Tr. 25) After living in the area with her father for about 15 months, Applicant returned to the West Coast and obtained better employment. (Tr. 26) Her current monthly net income is \$4,200. (Tr. 45) She has a monthly remainder of roughly about \$1,000 left after paying her expenses and debts. (Tr. 47) She agreed to provide a personal financial statement and five years of IRS Form 1040s to enable me to assess her income and available remainder after her hearing. (Tr. 51-52) After her hearing she provided three character letters, a personal statement, and an email from a creditor. (AE A-AE E) Applicant wrote that after her hearing she contacted or attempted to contact several creditors on her SOR. (AE A) She received an email from one creditor that her email was blocked. (AE A; AE E) She is in the process of moving to the state where her father lives and intends to resign from her employment with the DOD contractor on August 12, 2022. (AE A)

The SOR alleges 23 delinquent debts totaling \$53,420 as follows: 1.a is a charged-off credit union debt for \$3,268; 1.b, 1.u, and 1.v are Department of Education (D. Ed.) student loans placed for collection for \$3,192, \$1,864, and \$4,482; 1.c is a debt placed for collection for \$2,788; 1.d, 1.n, 1.o, and 1.p are Department of Veterans Affairs (VA) debts placed for collection for \$1,862, \$474, \$151, and \$250; 1.e, 1.f, 1.s, and 1.t are delinquent medical debts for \$1,789, \$1,332, \$1,588, and \$1,182; 1.g through 1.m are accounts placed for collection for \$1,002, \$733, \$484, \$437, \$212, \$208, and \$1,018; 1.q and 1.r are accounts placed for collection for \$6,704 and \$818; and 1.w is a charged-off debt resulting from a vehicle repossession for \$17,892. (HE 2; GE 3)

On May 15, 2020, Applicant said she called the creditor for the charged-off credit union debt in SOR 1.a for \$3,268; however, all she received was a recording. (HE 3) She was unable to reach the creditor to arrange a resolution. (*Id.*) At her hearing, she said she contacted the creditor to set up a payment plan, and the creditor did not have a record of the debt. (Tr. 38-39) She suggested the debt was dropped from her credit report. (Tr. 38) Applicant's June 15, 2022 credit report does not show this debt. (GE 5)

Applicant's D. Ed. student loans in SOR ¶¶ 1.b, 1.u, and 1.v for \$3,192, \$1,864, and \$4,482 were placed for collection. On May 22, 2019, Applicant told an Office of Personnel Management (OPM) investigator that she was making \$75 monthly payments to address the debts in SOR ¶¶ 1.u and 1.v. (GE 4 at 2) On May 15, 2020, she said her student loan total was \$4,574, and she said she submitted a financial hardship request to the creditor. (HE 3) She said if the financial hardship request was denied, she intended to submit a request for a payment plan. (*Id.*)

At her hearing, Applicant said she asked D. Ed. to set up a consolidation and waiver for her student-loan debts. (Tr. 31-32) She believed her student loans totaled \$4,482; however, she had not heard from D. Ed. (Tr. 32-33) She disputed her responsibility for the student-loan debt because she believed she was the victim of identity theft when she was living with her father in 2013 to 2014. (Tr. 33-34) She did not apply for the student loans, and she believed the college applied for them without her consent. (Tr. 33) However, her June 15, 2022 credit report reflects the student loans were borrowed in 2011, which was before she moved to assist her father. Two delinquent student loans are listed for \$1,289 and \$3,277. (GE 5 at 5) The high credit for the \$1,289 debt was \$1,750, which is an indication of some payments, and the high credit for the \$3,277 debt is \$3,000. (*Id.*) The date for the most recent payment on either of the two debts is February 2019. (*Id.*) At her hearing, she said she submitted the request for a repayment plan about three months before her hearing. (Tr. 34) She said she would provide her request for a payment plan after her hearing (Tr. 34); however, she did not provide it.

SOR ¶¶ 1.c for \$2,788 and 1.l for \$208 are being collected by the same collection agent. On May 15, 2020, Applicant said she would contact the creditor in the next 30 days to make arrangements to pay the remaining balance. (HE 3) At her hearing, Applicant said the debt for \$208 was paid in full, and she provided a confirmation number. (Tr. 37; SOR response, Encl. 2) She could not remember whether she ever addressed the debt for \$2,788. (Tr. 38) Applicant's June 15, 2022 credit report does not show a debt owed to this collection agent. (GE 5)

Applicant had four delinquent debts owed to the VA in connection with her education expenses. (Tr. 37) On April 23, 2020, Applicant paid the VA debts placed for collection in SOR ¶¶ 1.d, 1.n, 1.o, and 1.p for \$1,862, \$474, \$151, and \$250. (Tr. 35-36; SOR response, Encl. 3) Applicant's June 15, 2022 credit report does not show any debts owed to the VA. (GE 5)

On May 15, 2020, Applicant said she was seeking financial assistance to resolve the four delinquent medical debts alleged in SOR ¶¶ 1.e, 1.f, 1.s, and 1.t for \$1,789, \$1,332, \$1,588, and \$1,182. (HE 3) She said if she did not receive financial assistance, she would pay \$150 monthly until the debt is paid in full. (*Id.*) At her hearing, she said the four debts were paid. (Tr. 30-31) Applicant's June 15, 2022 credit report does not show any medical debts. (GE 5)

For the SOR debts in ¶¶ 1.g through 1.k for \$1,002, \$733, \$484, \$437, and \$212, Applicant mistakenly kept the equipment for television services when she moved. On May 15, 2020, she said she planned to start payment plans for the debts in SOR ¶¶ 1.h, 1.i, and 1.j, and she planned to dispute the debt in SOR ¶ 1.k because she did not receive services from the company. (HE 3) At her hearing, she said she paid the debts in SOR ¶¶ 1.h and 1.j for \$733 and \$437. (Tr. 41-42) Of the five debts, the only debt shown in her June 15, 2022 credit report is her charged-off debt in SOR ¶ 1.j for \$437. (GE 5 at 4)

Applicant disputed the debts in SOR ¶¶ 1.m for \$1,018 and 1.r for \$818 allegedly owed to telecommunications companies. (Tr. 41-42) On May 15, 2020, she said she

planned to inquire about and possibly dispute the debt in SOR ¶ 1.m, and she said the debt on SOR ¶ 1.r did not appear on her current credit report. (HE 3) Her June 15, 2022 credit report does not show any debts owed to either of the creditors or their collection agents. (GE 5)

Applicant's collection debt in SOR ¶ 1.q for \$6,704 related to damages to an apartment she rented. (Tr. 39-40) On May 22, 2019, she told an OPM investigator that she was unaware the debt had gone to collections, and she would follow up on the debt. (GE 4 at 2) On May 15, 2020, she said the debt was paid in full in 2017 and is no longer showing on her credit report. (HE 3) At her hearing, she said in 2019, she paid the debt through her monthly paycheck. (Tr. 39, 41) Her June 21, 2018 credit report reflects this debt in the collections section with an assignment date of March 2017 and an activity date of June 2018. (GE 3 at 7) Her November 19, 2019 and June 15, 2022 credit reports do not show this debt. (GE 2; GE 5) After her hearing she emailed the creditor and was advised by email that her email was blocked. (AE E)

Applicant's delinquent debt in SOR ¶ 1.w for \$17,892 related to the repossession of her truck in 2014. Her June 21, 2018 credit report reflects a charged-off account for this debt. (GE 3 at 9) On May 22, 2019, Applicant told an OPM investigator that when the vehicle was repossessed she thought the sale of the vehicle covered the balance. (GE 4 at 2) She promised to "follow up" on this account. (*Id.*) On May 15, 2020, Applicant said the debt is no longer on her credit report. (HE 3) At her hearing, she said she set up an automatic payment plan through her employer and had made 36 monthly payments of \$230. (Tr. 29) Applicant said she would contact the creditor to obtain proof of her payments. (Tr. 30) Her June 15, 2022 credit report does not show this debt. (GE 5) Department Counsel suggested she could also provide her pay stubs to show her payments. (GE 5)

Character Evidence

Applicant provided three character statements from coworkers. (AE B-AE D) They indicate she is trustworthy, diligent, and professional. She made important contributions to her company. Their letters support granting her continued access to classified information.

Policies

The U.S. Supreme Court has recognized the substantial discretion of the Executive Branch in regulating access to information pertaining to national security emphasizing, "no one has a 'right' to a security clearance." *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). As Commander in Chief, the President has the authority to control access to information bearing on national security and to determine whether an individual is sufficiently trustworthy to have access to such information." *Id.* at 527. The President has authorized the Secretary of Defense or his designee to grant applicant's eligibility for access to classified information "only upon a finding that it is clearly consistent with the national interest to do so." Exec. Or. 10865, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960), as amended.

Eligibility for a security clearance is predicated upon the applicant meeting the criteria contained in the adjudicative guidelines. These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with an evaluation of the whole person. An administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. An administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable.

The Government reposes a high degree of trust and confidence in persons with access to classified information. This relationship transcends normal duty hours and endures throughout off-duty hours. Decisions include, by necessity, consideration of the possible risk 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. Clearance decisions must be "in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned." See Exec. Or. 10865 § 7. Thus, nothing in this decision should be construed to suggest that it is based, in whole or in part, on any express or implied determination about applicant's allegiance, loyalty, or patriotism. It is merely an indication the applicant has not met the strict guidelines the President, Secretary of Defense, and Director of National Intelligence have established for issuing a clearance.

Initially, the Government must establish, by substantial evidence, conditions in the personal or professional history of the applicant that may disqualify the applicant from being eligible for access to classified information. The Government has the burden of establishing controverted facts alleged in the SOR. See *Egan*, 484 U.S. at 531. "Substantial evidence" is "more than a scintilla but less than a preponderance." See *v. Washington Metro. Area Transit Auth.*, 36 F.3d 375, 380 (4th Cir. 1994). The guidelines presume a nexus or rational connection between proven conduct under any of the criteria listed therein and an applicant's security suitability. See ISCR Case No. 95-0611 at 2 (App. Bd. May 2, 1996).

Once the Government establishes a disqualifying condition by substantial evidence, the burden shifts to the applicant to rebut, explain, extenuate, or mitigate the facts. Directive ¶ E3.1.15. An applicant "has the ultimate burden of demonstrating that it is clearly consistent with the national interest to grant or continue his [or her] security clearance." ISCR Case No. 01-20700 at 3 (App. Bd. Dec. 19, 2002). The burden of disproving a mitigating condition never shifts to the Government. See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005). "[S]ecurity clearance determinations should err, if they must, on the side of denials." *Egan*, 484 U.S. at 531; see AG ¶ 2(b).

Analysis

Financial Considerations

AG ¶ 18 articulates the security concern for financial problems:

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.

AG ¶ 19 includes disqualifying conditions that could raise a security concern and may be disqualifying in this case: "(a) inability to satisfy debts"; and "(c) a history of not meeting financial obligations."

In ISCR Case No. 08-12184 at 7 (App. Bd. Jan. 7, 2010), the Appeal Board explained:

It is well-settled that adverse information from a credit report can normally meet the substantial evidence standard and the government's obligations under [Directive] ¶ E3.1.14 for pertinent allegations. At that point, the burden shifts to applicant to establish either that [he or] she is not responsible for the debt or that matters in mitigation apply.

(internal citation omitted). The record establishes the disqualifying conditions in AG ¶¶ 19(a) and 19(c), requiring additional inquiry about the possible applicability of

mitigating conditions. Discussion of the disqualifying conditions is contained in the mitigation section, *infra*.

The financial considerations mitigating conditions under AG ¶ 20 are as follows:

- (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.

In ISCR Case No. 10-04641 at 4 (App. Bd. Sept. 24, 2013), the DOHA Appeal Board explained Applicant's responsibility for proving the applicability of mitigating conditions as follows:

Once a concern arises regarding an Applicant's security clearance eligibility, there is a strong presumption against the grant or maintenance of a security clearance. See *Dorfmont v. Brown*, 913 F. 2d 1399, 1401 (9th Cir. 1990), *cert. denied*, 499 U.S. 905 (1991). After the Government presents evidence raising security concerns, the burden shifts to the applicant to rebut or mitigate those concerns. See Directive ¶ E3.1.15. The standard applicable in security clearance decisions is that articulated in *Egan, supra*. "Any doubt concerning personnel being considered for access to classified information will be resolved in favor of the national security." Directive, Enclosure 2 ¶ 2(b).

Applicant experienced underemployment and illness in her family, which are circumstances largely beyond her control. These circumstances adversely affected her finances. However, "[e]ven if applicant's financial difficulties initially arose, in whole or in part, due to circumstances outside his [or her] control, the judge could still consider

whether applicant has since acted in a reasonable manner when dealing with those financial difficulties.” ISCR Case No. 05-11366 at 4 n.9 (App. Bd. Jan. 12, 2007) (citing ISCR Case No. 03-13096 at 4 (App. Bd. Nov. 29, 2005); ISCR Case No. 99-0462 at 4 (App. Bd. May 25, 2000); ISCR Case No. 99-0012 at 4 (App. Bd. Dec. 1, 1999)).

Another component under AG ¶ 20(a) is whether Applicant maintained contact with creditors and attempted to negotiate partial payments to keep debts current. She did not prove that she maintained contact with several of her creditors and the timing and amount of any offers to make partial payments to them.

A debt that became delinquent several years ago is still considered recent because “an applicant’s ongoing, unpaid debts evidence a continuing course of conduct and, therefore, can be viewed as recent for purposes of the Guideline F mitigating conditions.” ISCR Case No. 15-06532 at 3 (App. Bd. Feb. 16, 2017) (citing ISCR Case No. 15-01690 at 2 (App. Bd. Sept. 13, 2016)).

Several of Applicant’s delinquent debts have been either charged off or dropped from her credit report or both. “[T]hat some debts have dropped off his [or her] credit report is not meaningful evidence of debt resolution.” 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)). The DOHA Appeal Board has explained why this is so:

[T]here is more than one plausible explanation for debts dropping off a credit report, such as the removal of debts due to the passage of time, and the absence of unsatisfied debts from an applicant’s credit report does not extenuate or mitigate an overall history of financial difficulties or constitute evidence of financial reform or rehabilitation.

ISCR Case No. 19-03757 at 3 (App. Bd. Aug. 18, 2021) (citing ISCR Case No. 15-02957 at 3 (App. Bd. Feb. 17, 2017)).

The Fair Credit Reporting Act requires removal of most negative financial items from a credit report seven years from the first date of delinquency or the debt becoming collection barred because of a state statute of limitations, whichever is longer. See Title 15 U.S.C. § 1681c. See Federal Trade Commission website, *Summary of Fair Credit Reporting Act Updates at Section 605*, <https://www.consumer.ftc.gov/articles/pdf-0111-fair-credit-reporting-act.pdf>. Debts may be dropped from a credit report upon dispute 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, or when the debt has been charged off. Applicant’s failure to provide more evidence of debt resolution precludes mitigation of the charged-off debts on her credit report.

The Appeal Board has previously explained what constitutes a “good faith” effort to repay overdue creditors or otherwise resolve debts:

In order to qualify for application of [the “good faith” mitigating condition], an applicant must present evidence showing either a good-faith effort to repay

overdue creditors or some other good-faith action aimed at resolving the applicant's debts. The Directive does not define the term "good-faith." However, the Board has indicated that the concept of good-faith "requires a showing that a person acts in a way that shows reasonableness, prudence, honesty, and adherence to duty or obligation." Accordingly, an applicant must do more than merely show that he or she relied on a legally available option (such as bankruptcy) in order to claim the benefit of [the "good faith" mitigating condition].

(internal citation and footnote omitted) ISCR Case No. 02-30304 at 3 (App. Bd. Apr. 20, 2004) (quoting ISCR Case No. 99-9020 at 5-6 (App. Bd. June 4, 2001)).

Applicant mitigated seven SOR debts and reduced the SOR debt total to \$45,419. The following SOR debts are not listed on her June 15, 2022 credit report and they are mitigated for the following additional reasons: 1.b for \$3,192 and 1.u for \$1,864 are mitigated because they are duplications of and merged into the student-loan debt in 1.v for \$4,482; the debt in 1.l for \$208 is mitigated because she said it was paid, and it may have been a payment for the debt in 1.c for \$2,788; and the VA debts in 1.d, 1.n, 1.o, and 1.p for \$1,862, \$474, \$151, and \$250 are mitigated because she provided proof that she paid them.

The remaining SOR debts are not mitigated because Applicant did not provide proof of payment plans, payments, releases or forgiveness of indebtedness, or documentation sent to the creditor disputing the debts. For example, she said she had monthly payment plans and made payments to pay the debts in SOR ¶¶ 1.q for \$6,704 and 1.w for \$17,582. She said she paid the debt in SOR ¶ 1.q and made 36 monthly payments of \$230 to address the debt in SOR ¶ 1.w. She failed to provide proof of these payments. "In this regard, the Appeal Board has previously stated that it is reasonable for a Judge to expect an applicant to present documentation corroborating actions taken to resolve debts." ISCR Case No. 19-03757 at 3 (App. Bd. Aug. 18, 2021) (citing ISCR Case No. 19-01599 at 3 (App. Bd. Jan. 15, 2020)).

Applicant did not establish that she was unable to make more documented progress resolving her delinquent debts. She did not provide a budget or other documentation about her financial resources or show she was unable to make greater progress resolving her delinquent SOR debts. She did not provide readily available documentation to support her claims of payments to address several large debts. There is insufficient assurance that her financial problems will not recur in the future. Under all the circumstances, she failed to establish mitigation of financial considerations security concerns.

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), “[t]he ultimate determination” of whether to grant a security clearance “must be an overall commonsense judgment based upon careful consideration of the guidelines” and the whole-person concept. My comments under Guideline F are incorporated in my whole-person analysis. Some of the factors in AG ¶ 2(d) were addressed under that guideline but some warrant additional comment.

Applicant is a 43-year-old administrative secretary who has worked for DOD contractors since July 2017. She honorably served in the Navy from 1996 to 2010, and she was a petty officer second class when she left active duty. Her Navy specialty was Yeoman. Applicant's finances were adversely affected in 2013 and 2014 when she was underemployed. Most of her delinquent SOR debts are not listed on her June 15, 2022 credit report.

The evidence against grant of a security clearance is more substantial at this time. The SOR alleges 23 delinquent debts totaling \$53,420. Applicant mitigated seven SOR debts and reduced the SOR delinquent debt total to \$45,419. She had ample time to gather documentation to support her claims of paying several of the large debts. She did not provide documentation showing a track record of consistent payments to address 16 SOR debts. Her financial history raises unmitigated questions about her reliability, trustworthiness, and ability to protect classified information. See AG ¶ 18.

It is well settled that once a concern arises regarding an applicant's security clearance eligibility, there is a strong presumption against granting a security clearance. See *Dorfmont*, 913 F. 2d at 1401. “[A] favorable clearance decision means that the record discloses no basis for doubt about an applicant's eligibility for access to classified information.” ISCR Case No. 18-02085 at 7 (App. Bd. Jan. 3, 2020) (citing ISCR Case No.12-00270 at 3 (App. Bd. Jan. 17, 2014)).

This decision should not be construed as a determination that Applicant cannot or will not attain the state of reform necessary for award of a security clearance in the future. With more effort towards documented resolution of her past-due debts, and a better track record of behavior consistent with her obligations, she may well be able to demonstrate persuasive evidence of her security clearance worthiness.

I have carefully applied the law, as set forth in *Egan*, Exec. Or. 10865, the Directive, the AGs, and the Appeal Board's jurisprudence to the facts and circumstances in the context of the whole person. Applicant failed to mitigate financial considerations security concerns.

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
Subparagraph 1.d:	For Applicant
Subparagraphs 1.e through 1.k:	Against Applicant
Subparagraph 1.l:	For Applicant
Subparagraph 1.m:	Against Applicant
Subparagraphs 1.n through 1.p:	For Applicant
Subparagraphs 1.q through 1.t:	Against Applicant
Subparagraph 1.u:	For Applicant
Subparagraphs 1.v and 1.w:	Against Applicant

Conclusion

I conclude that it is not clearly consistent with the interests of national security of the United States to grant or continue Applicant's eligibility for access to classified information. Eligibility for access to classified information is denied.

Mark Harvey
Administrative Judge