



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



In the matter of:)
)
) ISCR Case No. 20-00286
)
Applicant for Security Clearance)

Appearances

For Government: Gatha Manns, Esquire, Department Counsel
For Applicant: *Pro se*

10/20/2022

Decision

GALES, Robert Robinson, Administrative Judge:

Applicant mitigated the security concerns regarding financial considerations. Eligibility for a security clearance is granted.

Statement of the Case

On September 24, 2018, Applicant applied for a security clearance and submitted a Questionnaire for National Security Positions (SF 86). On March 31, 2022, the Defense Counterintelligence and Security Agency (DCSA) Consolidated Adjudications Facility (CAF) issued a Statement of Reasons (SOR) to her under Executive Order (Exec. Or.) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended and modified; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended and modified (Directive); and Directive 4 of the Security Executive Agent (SEAD 4), *National Security Adjudicative Guidelines* (December 10, 2016) (AG), effective June 8, 2017.

The SOR alleged security concerns under Guideline F (financial considerations) and detailed reasons why the DCSA adjudicators were unable to find that it is clearly consistent with the national interest to grant or continue a security clearance for Applicant.

The SOR recommended referral to an administrative judge to determine whether a clearance should be granted, continued, denied, or revoked.

On April 5, 2022, Applicant responded to the SOR and elected to have her case decided on the written record in lieu of a hearing. A complete copy of the Government's file of relevant material (FORM) was mailed to Applicant by the Defense Office of Hearings and Appeals (DOHA) on July 11, 2022, and she was afforded an opportunity after receipt of the FORM to file objections and submit material in refutation, extenuation, or mitigation. In addition to the FORM, Applicant was furnished a copy of the Directive as well as the Adjudicative Guidelines applicable to his case. Applicant received the FORM on July 20, 2022. Her response was due on August 19, 2022. While not timely, on September 8, 2022, Applicant submitted a number of documents to which there were no objections. The record closed on September 8, 2022. The case was assigned to me on October 3, 2022.

Findings of Fact

In her response to the SOR, Applicant admitted, with comments, three of the SOR allegations. (SOR ¶¶ 1.b., 1.c., and 1.e.). Applicant's admissions and comments are incorporated herein. After a complete and thorough review of the evidence in the record, and upon due consideration of same, I make the following findings of fact:

Background

Applicant is a 59-year-old employee of a defense contractor. She has been sponsored by a defense contractor for an unspecified position since about August 2021. She previously served as supply chain analyst with another employer from May 2018 until she was hired by her current sponsor. Her formal education was not reported, but as noted by Department Counsel, she may have attended higher educational institutions because her credit reports report student loans. She enlisted in the U.S. Navy Reserve in October 1988 and served on active duty until January 1993, when she was honorably discharged. In June 1997, she reenlisted in the U.S. Navy and served on active duty until June 2017, when she was honorably retired as a petty officer first class (E-6). She was granted a secret clearance while on active duty. She was married in 1990 and divorced in 1991. She remarried in 1991 and divorced in 1996. She did not report any children in her SF 86, but during an interview with an investigator from the U.S. Office of Personnel Management (OPM) she mentioned having a son.

Financial Considerations

General source information pertaining to the financial accounts discussed below can be found in the following exhibits: Item 2 (Answer to the SOR, dated April 5, 2022); Item 4 (Combined Experian, TransUnion, and Equifax Credit Report, dated November 3, 2018); Item 5 (Equifax Credit Report, dated August 29, 2019); Item 6 (Verato Credit Report, dated February 18, 2022); and Item 8 (Enhanced Subject Interview, dated December 4, 2018).

On August 22, 2008, the Department of the Navy (DON) CAF issued the then Appellant a Letter of Intent to Deny Eligibility for Security Clearance setting forth security concerns rising under the guideline for financial considerations (delinquent student loans and delinquent rent) and personal conduct. Based on the information furnished to the DON CAF, on December 18, 2008, the then Appellant was granted a conditional security determination with a caution to continue her student loan rehabilitation payments. In 2009, the conditions on her security clearance were released as she had already satisfied them. (Item 7) No other financial issues arose until the present ones.

In her September 2018 SF 86, although she denied having any delinquent debts, Applicant wrote:

I ask that you consider my security clearance. I've been in a medical hardship since 11/2015 which I had major surgery on my neck 1/2017 before my DUI. I truly was unaware of my actions and I have made every possible way to make good of a bad situation. During my illness I fell (sic) behind on bills being in the hospital from three weeks to a month learning to walk and talk again after recovering from my medical outcome and while in a coma awaiting for my retirement and disability check which put me on the outst with my normal responsibilities. Now I'm back on my feet making positive effort to get my life back. I am able to submit documentation of my downfall in the last year.

(Item 3 at 41)

During her December 2018 OPM interview, Applicant volunteered that she owed money to the hospital for medical bills as well as to several other creditors. She discussed other accounts, and while she acknowledged several of them, she also claimed to be unaware of others. She indicated that she had either paid, was negotiating proposed payments, or was paying off several accounts. She set up automatic payments which she said made her current financial situation much better. Although she was given the opportunity to provide documentation to corroborate her contentions pertaining to her financial accounts, she failed to do so during the interview or subsequent to the interview. (Item 6 at 5-6)

In her Answer to the SOR, Applicant again stated that she had struggled since 2017 when she fell into a coma for weeks in October. It took a lot of time for her to get up on many of her responsibilities and that she had taken care of them. (Item 2 at 1) Although I cannot find the actual source of portions of statements attributed by Department Counsel to her, the following was stated by Department Counsel:

Applicant states she initially ran into financial trouble after she was given an overdose of medication by medical professionals treating her for neck and back injuries in about 2017. After the overdose, Applicant states she was in a coma for a period of time, and that after the coma, she remained in medical rehabilitation where she had to learn to walk again. She was unable

to work during this period. She fell behind on debts while she awaited her Navy retired pay and Veterans Affairs disability pay.

(FORM at 3)

On August 9, 2022 – five months after the SOR was issued – for a monthly fee of \$737.33 to commence on September 30, 2022, Applicant engaged the professional services of a law firm to represent her in connection with ongoing disputes with certain creditors. **The representation was not a debt settlement or debt management program** nor any other form of debt relief or credit repair. (Emphasis added) (Retainer Agreement attached to Response to the FORM)

The SOR alleged nine still-delinquent accounts totaling approximately \$36,613, as set forth below:

SOR ¶ 1.a. refers to a note loan with an unpaid balance of \$11,078 that was placed for collection and charged off. (Item 4 at 6; Item 5 at 2; Item 6 at 2) Applicant attributed the delinquency to a loan officer who is no longer with the creditor who she claimed told her to stop making payments because her application for a refinance was being processed. A new loan officer disputed that scenario and told her she was delinquent. (Item 2 at 1-2) During her OPM interview, she indicated that she would either pay \$800 right away or make \$100 payments to pay off the account either by December 22, 2018, or by June 2019. (Item 8 at 5-6) Applicant did neither, and the account is listed among those with which she has a dispute with the creditor. (Retainer Agreement List of Creditors in Dispute) Applicant did not indicate the basis for the dispute, especially after stating that she intended to pay the account off. However, on May 24, 2019, Applicant started making periodic payments to a law firm representing the creditor, and as of February 11, 2021, she had paid them \$8,915.90. She made another payment of \$550 on July 16, 2021. (Payment Activity Report, attached to Answer to the SOR; Statement of Account, attached to Answer to the SOR) It is unclear if the account is still in the process of being resolved or if it has already been resolved.

SOR ¶¶ 1.b. and 1.h. refer to a loan account with an unpaid balance of \$9,194 that was placed for collection and sold to a debt purchaser who was seeking \$8,479. (Item 2 at 1; Item 4 at 6; Item 6 at 2; Item 8 at 6) During her OPM interview, she indicated that she would start making payments, and expected to satisfy the account in June 2019. (Item 8 at 6) She failed to do so. Instead, on April 8, 2022, she agreed to a payment arrangement under which, commencing on April 30, 2022, she would have 12 automatic monthly deductions of \$282.64 from her bank account to pay off the account. (Statement, attached to Answer to the SOR) Applicant did not submit any documentation to support her contentions that she is currently making payments to the debt purchaser. Moreover, the account is listed among those with which she has a dispute. (Retainer Agreement List of Creditors in Dispute) Applicant did not indicate the basis for the dispute, especially since she claims that she is making payments on the account. In the absence of proof of even one payment, I conclude that the account is not yet in the process of being resolved.

SOR ¶ 1.c. refers to a loan account with an unpaid balance of \$1,505 that was placed for collection. (Item 5 at 2; Item 6 at 2) Although Applicant initially disputed the account with the credit-reporting agency, it was not one of those listed with the law firm. She did not indicate the basis for the dispute. On April 11, 2022, she agreed to a payment arrangement under which, commencing on April 22, 2022, she would have six automatic monthly deductions of approximately \$251 from her bank account to pay of the account. (Statement, attached to Answer to the SOR) Applicant did not submit any documentation to support her contentions that she made the payments to the creditor. In the absence of proof of even one payment, I conclude that the account is not yet in the process of being resolved.

SOR ¶ 1.d. refers to medical account with an unpaid balance of \$85 that was placed for collection. (Item 4 at 13; Item 5 a 2; Item 6 at 3) Applicant contended that she paid the creditor on April 22, 2022, but she failed to submit any documentation to support her contention that she made the payment. In the absence of proof of any payment, I conclude that the account has not yet been resolved.

SOR ¶ 1.e. refers to a credit union credit-card account with a balance of \$14,755 of which \$1,435 was 120 days past due. (Item 5 at 3; Item 6 at 3) Applicant contends that the account is in the creditor's recovery department to set up a direct deposit payment in May 2022. (Item 2 at 1) However, she submitted no documents to support her contentions that such a repayment arrangement would be made or had actually been made. Moreover, the account is listed among those concerning which she has a dispute. (Retainer Agreement List of Creditors in Dispute) Applicant did not indicate the basis for the dispute, especially since she claims that she is making payments on the account. In the absence of proof of even one payment, I conclude that the account is not yet in the process of being resolved.

SOR ¶ 1.f. refers to a mortgage-loan account with a balance of \$298,550 of which \$4,362 was 90 days past due. (Item 5 at 1; Item 6 at 3) Applicant claims that the account is current as of April 2022, and that on April 29, 2022, she set up an unspecified payment for May 2022. (Item 2 at 1) She failed to submit any documentation to support her contention that she made the payment or set up a plan. In the absence of proof of any payment, I conclude that the account has not yet in the process of being resolved.

SOR ¶ 1.g. refers to a medical account with an unpaid balance of \$348 that was placed for collection. (Item 5 at 2) Applicant claims that the account is currently under dispute, but failed to indicate the basis for the dispute other than the verbal comment from an unnamed representative of the creditor that "they never put anything on my report no record founded." (Item 2 at 1) The account was not one of those disputed accounts listed with the law firm. In the absence of documentation regarding the account or a written statement from the creditor, I conclude that the account has not yet in the process of being resolved.

SOR ¶ 1.i. refers to a medical account with an unpaid balance of \$127 that was placed for collection. (Item 4 at 13) Applicant contended that she paid the creditor on April 22, 2022, but she failed to submit any documentation to support her contention that she

made the payment. In the absence of proof of any payment, I conclude that the account has not yet been resolved.

It should be noted that Applicant submitted some documentation that could not be aligned with any of the accounts alleged in the SOR. Along with her Answer to the SOR, she submitted the following from the same debt collector: a receipt for \$67.21, reflecting a balance to an unidentified creditor of \$224.03; a statement on an identified medical account with an original balance of \$827 (for which she was credited or paid \$699.46) and a remaining balance of \$127.54; and a statement on another identified medical account with an original balance of \$2,206 (for which she was credited or paid \$2,109.51) and a remaining balance of \$96.49.

There is no evidence of financial counseling, a budget, or anything to describe with any specificity her current financial situation. During mid-2021, Applicant was receiving retirement pay of approximately \$1,576 per month; disability pay of approximately \$3,258 per month; and salary of approximately \$2,311 twice per month, for a total of approximately \$9,456 per month. Department Counsel argued that Applicant's monthly income from those three sources in 2018 was not much below that amount, and that she was equipped with the financial means to start addressing her delinquent debts at that time. Applicant did not report her current net monthly income, her monthly household expenses, or any monthly debt payments (for even the most insignificant of her delinquent debts). In the absence of such information, I am unable to determine if she has any monthly remainder available for savings or spending. Despite her 2018 comments to the OPM investigator that she is much better financially as she has set up automatic payments, there is a paucity of evidence to indicate that her financial problems are now under control, and it is difficult to determine if Applicant is currently in a better position financially than she had been.

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. The President has authorized the Secretary of Defense or his designee to grant an applicant 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 and modified.)

When evaluating an applicant's suitability for a security clearance, the administrative judge must consider the guidelines in SEAD 4. In addition to brief introductory explanations for each guideline, the guidelines list potentially disqualifying conditions and mitigating conditions, which are used in evaluating an applicant's eligibility for access to classified information.

An administrative judge need not view the guidelines as inflexible, ironclad rules of law. Instead, acknowledging 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. 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 meaningful decision.

In the decision-making process, facts must be established by "substantial evidence." "Substantial evidence [is] such relevant evidence as a reasonable mind might accept as adequate to support a conclusion in light of all contrary evidence in the record." (ISCR Case No. 04-11463 at 2 (App. Bd. Aug. 4, 2006) (citing Directive ¶ E3.1.32.1)) "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 Government initially has the burden of producing evidence to establish a potentially disqualifying condition under the Directive, and has the burden of establishing controverted facts alleged in the SOR. Once the Government has produced substantial evidence of a disqualifying condition, under Directive ¶ E3.1.15, the applicant has the burden of persuasion to present evidence in refutation, explanation, extenuation or mitigation, sufficient to overcome the doubts raised by the Government's case. The burden of disproving a mitigating condition never shifts to the Government. (See ISCR Case No. 02-31154 at 5 (App. Bd. Sept. 22, 2005))

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 as well. It is because of this special relationship that the Government must be able to repose a high degree of trust and confidence in those individuals to whom it grants access to classified information. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified information. Furthermore, "security clearance determinations should err, if they must, on the side of denials." (*Egan*, 484 U.S. at 531)

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 I have based this decision, in whole or in part, on any express or implied determination as to Applicant's allegiance, loyalty, or patriotism. It is merely an indication the Applicant has or has not met the strict guidelines the President and the Secretary of Defense have established for issuing a clearance. In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. Likewise, I have avoided drawing inferences grounded on mere speculation or conjecture.

Analysis

Guideline F, Financial Considerations

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

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

The guideline notes several conditions that could raise security concerns under AG ¶ 19:

- (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.

The SOR alleged nine still-delinquent accounts totaling approximately \$36,613. On its face, without any background information, Applicant's history of still-delinquent debts appears to present either an inability to satisfy debts, or a history of not meeting financial obligations. Despite her disputes regarding several of her debts, her initial declared willingness to satisfy those debts is unambiguous. AG ¶¶ 19(a) and 19(c) have been established, but AG ¶ 19(b) has not been established.

The guideline also includes examples of conditions that could mitigate security concerns arising from financial difficulties under AG ¶ 20:

- (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

AG ¶¶ 20(a), 20(b), 20(c), and 20(d) apply, but AG ¶ 20 (e) does not apply. As noted above, Applicant attributed her current financial situation to one factor: her health struggles since 2017 when she fell into a coma for weeks in October, and the lengthy period of rehabilitation – situations that were largely beyond her control. Slowly she arrived at a point where she sought legal assistance to address her delinquent accounts. However, rather than seeking financial counseling, debt relief, or credit repair services, she chose to dispute certain accounts. She did not specify the reasons for her disputes, so I am unable to determine if she had a reasonable basis to dispute their legitimacy. But, at the same time she disputed some accounts, for reasons unexplained, she also started making payments. She claimed to have initiated a good-faith effort to repay several of her overdue creditors, and while she submitted documentation to support some of those claims, she also failed to support other claims.

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))). Between the date she first learned of her financial situation to the date she was interviewed by the OPM investigator in December 2018, and the date her response to the FORM was expected in October 2022, she made substantial claims, and in some cases, verifiable efforts, to address several of the delinquent debts as well as other debts.

Based on the evidence, it is apparent that Applicant did not intentionally ignore her delinquent accounts for a substantial multi-year period, but that her lingering health issues may have delayed her responses. While she may not have acted timely and responsibly for a fully medically-recovered individual, it is clear that she has made substantial efforts in eventually working with her creditors. The Appeal Board has previously commented on such a situation:

Even 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. 99-0462 at 4 (App. Bd. May 25, 2000); ISCR Case No. 99-0012 at 4 (App. Bd. Dec. 1, 1999); ISCR Case No. 03-13096 at 4 (App. Bd. Nov. 29, 2005)). A component is whether he or she maintained contact with creditors and attempted to negotiate partial payments to keep debts current.

An applicant who begins to resolve his or her financial problems only after being placed on notice that his or her security clearance is in jeopardy may be lacking in the judgment and self-discipline to follow rules and regulations over time or when there is no immediate threat to his or her own interests. (See, e.g., ISCR Case No. 17-01213 at 5 (App. Bd. Jun. 29, 2018); ISCR Case No. 17-00569 at 3-4 (App. Bd. Sept. 18, 2018) In this instance, Applicant has offered evidence, in some cases verified evidence, that she had begun making such efforts as early as May 2019 – well before the SOR was issued.

Clearance decisions are aimed at evaluating an applicant's judgment, reliability, and trustworthiness. They are not a debt-collection procedure. The guidelines do not require an applicant to establish resolution of every debt or issue alleged in the SOR. An applicant needs only to establish a plan to resolve financial problems and take significant actions to implement the plan. There is no requirement that an applicant immediately resolve issues or make payments on all delinquent debts simultaneously, nor is there a requirement that the debts or issues alleged in an SOR be resolved first. Rather, a reasonable plan and concomitant conduct may provide for the payment of such debts, or resolution of such issues, one at a time. Mere promises to pay debts in the future, without further confirmed action, are insufficient. In this instance, Applicant clearly stated that she intended to pay off her delinquent debts by certain dates. While those anticipated deadlines were not met, she did eventually move forward and established verifiable repayment plans with certain creditors, as well as verifiable evidence of payments to certain creditors.

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."

(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. Jun. 4, 2001)).

There is no verifiable evidence of financial counseling, a budget, or current financial information. There is evidence of her financial information that was current in 2021. Applicant's actions under the circumstances no longer cast doubt on her current reliability, trustworthiness, and good judgment. See ISCR Case No. 09-08533 at 3-4 (App. Bd. Oct. 6, 2010).

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 SEAD 4, App. A, ¶ 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 SEAD 4, App. A, ¶ 2(c), the 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. Moreover, I have evaluated the various aspects of this case in light of the totality of the record evidence and have not merely performed a piecemeal analysis. See *U.S. v. Bottone*, 365 F.2d 389, 392 (2d Cir. 1966); see also ISCR Case No. 03-22861 at 2-3 (App. Bd. Jun. 2, 2006).

There is some disqualifying evidence regarding Applicant's financial considerations under the whole-person concept. Her history of financial difficulties and delinquent debt is documented in the casefile. The SOR alleged nine still-delinquent accounts totaling approximately \$36,613. While the issues first arose in 2017, Applicant did not start to address any of them until 2019, and then apparently took no further action until she received the SOR in 2022.

The mitigating evidence under the whole-person concept is simply more substantial and compelling. Applicant is a 59-year-old employee of a defense contractor. She has been sponsored by a defense contractor for an unspecified position since about August 2021. She previously served as supply chain analyst with another employer from May 2018 until she was hired by her current sponsor. As noted by Department Counsel, she may have attended higher educational institutions because her credit reports report student loans. She enlisted in the U.S. Navy Reserve in October 1988 and served on active duty until January 1993, when she was honorably discharged. In June 1997, she reenlisted in the U.S. Navy and served on active duty until June 2017, when she was honorably retired as a petty officer first class (E-6). She was granted a secret clearance while on active duty. Applicant initially ran into financial trouble after she was given an

overdose of medication by medical professionals treating her for neck and back injuries in about 2017. After the overdose, she was in a coma for a period of time, and after the coma, she remained in medical rehabilitation where she had to learn to walk again. She was unable to work during this period. She fell behind on debts while she awaited her Navy retired pay and Veterans Affairs disability pay. In 2019, well before the SOR was issued in 2022, she started rehabilitating her delinquent debts. Some of her resolution claims are verified. There are no continuing doubts about her current reliability, trustworthiness, and good judgment.

In ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008), the Appeal Board addressed a key element in the whole-person analysis in financial cases stating:

In evaluating Guideline F cases, the Board has previously noted that the concept of “meaningful track record” necessarily includes evidence of actual debt reduction through payment of debts. However, an applicant is not required, as a matter of law, to establish that he [or she] has paid off each and every debt listed in the SOR. All that is required is that an applicant demonstrate that he [or she] has “. . . established a plan to resolve his [or her] financial problems and taken significant actions to implement that plan.” The Judge can reasonably consider the entirety of an applicant’s financial situation and his [or her] actions in evaluating the extent to which that applicant’s plan for the reduction of his outstanding indebtedness is credible and realistic. See Directive ¶ E2.2(a) (“Available, reliable information about the person, past and present, favorable and unfavorable, should be considered in reaching a determination.”) There is no requirement that a plan provide for payments on all outstanding debts simultaneously. Rather, a reasonable plan (and concomitant conduct) may provide for the payment of such debts one at a time. Likewise, there is no requirement that the first debts actually paid in furtherance of a reasonable debt plan be the ones listed in the SOR.

Applicant’s track record of claimed or verifiable efforts to resolve the debts, and the initial period of non-contact with her creditors brought about by her continuing health issues, but followed up by her resolution efforts, is positive and encouraging. Overall, the evidence leaves me without substantial questions and doubts as to Applicant’s eligibility and suitability for a security clearance. Accordingly, I conclude Applicant has mitigated the security concerns arising from her financial difficulties. See SEAD 4, App. A, ¶¶ 2(d) (1) through AG 2(d) (9).

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:	FOR APPLICANT
Subparagraphs 1.a. through 1.i.:	For Applicant

Conclusion

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

ROBERT ROBINSON GALES
Administrative Judge