



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



In the matter of:)
)
) ISCR Case No. 21-00965
)
Applicant for Security Clearance)

Appearances

For Government: Benjamin R. Dorsey, Esquire, Department Counsel
For Applicant: *Pro se*

01/11/2022

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 November 6, 2020, Applicant applied for a security clearance and submitted a Questionnaire for National Security Positions (SF 86). On June 24, 2021, 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 August 2, 2021, Applicant responded to the SOR and elected to have her case decided on the written record in lieu of a hearing. (Item 2) 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 August 24, 2021, 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 her case. Applicant received the FORM on August 31, 2021. Her response was due on September 30, 2021. She timely submitted several documents to support her contentions that she contacted her creditors, and that she had made payments to them. In the absence of objections by the Government, those documents have been marked as Applicant Exhibits (AE) A through AE K, and accepted into evidence. The case was assigned to me on December 14, 2021. The record closed on September 30, 2021.

Findings of Fact

In her response to the SOR, Applicant admitted, without comment, all of the SOR allegations pertaining to financial considerations (SOR ¶¶ 1.a. through 1.d.). Applicant's admissions 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 43-year-old employee of a defense contractor. She has been serving as a senior associate in configuration management with her current employer since November 2020. She previously served as a configuration management specialist with another employer from January 2011 until October 2020. A 1997 high school graduate, she received an associate's degree in 2009 and a bachelor's degree in 2015. She has never served in the U.S. military. She has never been granted a security clearance. She was married in 2002 and divorced in 2009. She has no children.

Financial Considerations

General source information pertaining to the financial accounts discussed below can be found in the following exhibits: Item 3 (SF 86, dated November 6, 2020); Item 4 (Enhanced Subject Interview, dated January 12, 2021); Item 5 (Combined Experian, TransUnion, and Equifax Credit Report, dated December 1, 2020); and Item 6 (Equifax Credit Report, dated June 1, 2021).

While Applicant was dating her husband who was about 15 years older than she was, he was paying his mortgage, automobile loan, and dating expenses by using his credit cards. Although they were married in 2002, it was not until 2003 that they combined their bank accounts. She was shocked at the amount of debt he had accumulated, and

as an administrative assistant only earning \$15 per hour, she could not see a way to resolve the financial issues. The resolution was a joint bankruptcy under Chapter 7 of the U.S. Bankruptcy Code. She did so in January 2004, and the bankruptcy was discharged in April 2004. (Response to the FORM, at 4; Item 8)

While there was some marital debt when she was divorced in 2009, the next significant financial impact on her took place during the final phase of the recession remaining in 2010 when she lost her job. Although she was denied unemployment compensation for unspecified reasons, she survived on food stamps for about six months before she eventually obtained another job. During that period, she was evicted from her residence and her vehicle was repossessed. She sought the advice of her former bankruptcy attorney, and this time, he recommended that she file for bankruptcy under Chapter 13 of the U.S. Bankruptcy Code. She did so in October 2011, and the bankruptcy was discharged in October 2016. (Response to the FORM, at 4; Item 9)

The third and most recent phase of Applicant's financial difficulties arose in 2019 when she and her boyfriend decided to reside together. She qualified for a home loan and, in April 2019, purchased a residence in the school district where her boyfriend's daughter attended school. She exceeded her anticipated budget because of the low inventory of houses available. She soon learned that there were high energy costs but with two sources of income, they were sufficient to make the payments. Unfortunately, things did not go as anticipated, for they eventually broke up because of his infidelity. To make things worse, she found out that her ex-boyfriend had stopped making the automobile loan payments for which she had co-signed and the insurance payments. With rising costs, increased property taxes and insurance escrow payments, she prioritized her debts and chose to save her house over paying her credit-card accounts. She was able to sell the residence in May 2021, and has focused on resolving all her delinquent debt. She now has only two credit cards and has greatly reduced her expenses. She is intent on avoiding such situations in the future like those that led to her financial difficulties. (Response to the FORM, at 2; AE K)

In addition to her two bankruptcies, the SOR alleged nine delinquent accounts totaling approximately \$18,899, as set forth as follows:

SOR ¶ 1.a. is a credit-card account with an unpaid balance of \$1,571 that was placed for collection and charged off. (Item 3, at 42; Item 4, at 3; Item 5, at 6; Item 6, at 3) Shortly after she sold her house, in May 2021 and before the SOR was issued, Applicant made the full \$1,571 payment. (Response to the FORM, at 2; AE A; Item 2, at 1) The account has been resolved.

SOR ¶ 1.b. is a credit-card account with an unpaid balance of \$3,772 that was placed for collection, charged off, and sold to a debt purchaser. (Item 3, at 47-48; Item 4, at 4; Item 5, at 5; Item 6, at 3) Shortly after she sold her house, in July 2021 and one month after the SOR was issued, Applicant and the debt purchaser agreed to a settlement in full, and she made an agreed payment of \$2,683. The account now has a zero balance. (Response to the FORM, at 2; AE B; Item 2, at 1) The account has been resolved.

SOR ¶ 1.c. is a charge account with an unpaid balance of \$1,859 that was placed for collection and charged off. (Item 3, at 43; Item 4, at 3; Item 5, at 5; Item 6, at 4) Shortly after she sold her house, in May 2021 and before the SOR was issued, Applicant made the full \$1,859 payment. (Response to the FORM, at 3; AE C; Item 2, at 1) The account has been resolved.

SOR ¶ 1.d. is a credit-card account with an unpaid balance of \$809 that was placed for collection and charged off. (Item 3, at 48; Item 4, at 4; Item 5, at 6; Item 6, at 4) Shortly after she sold her house, in May 2021 and before the SOR was issued, Applicant made a \$1,213 payment. (Response to the FORM, at 3; AE D; Item 2, at 1) The account has been resolved.

SOR ¶ 1.e. is a credit-card account with an unpaid balance of \$5,207 that was placed for collection and charged off. (Item 3, at 49-50; Item 4, at 4-5; Item 5, at 6; Item 6, at 4) Shortly after she sold her house, in May 2021 and before the SOR was issued, Applicant and the creditor agreed to settle the account for less than the full balance, and she made a \$482 payment. (Response to the FORM, at 3; AE E; Item 2, at 1) The account has been resolved.

SOR ¶ 1.f. is a credit-card account with an unpaid balance of \$803 that was placed for collection and charged off. (Item 3, at 46-47; Item 4, at 4; Item 5, at 5; Item 6, at 5) Shortly after she sold her house, in May 2021 and before the SOR was issued, Applicant and the creditor agreed to settle the account for less than the full balance, and she subsequently made a \$2,083 payment. (Response to the FORM, at 3; AE F; Item 2, at 1) The account has been resolved.

SOR ¶ 1.g. is a credit-card account with an unpaid balance of \$3,194 that was placed for collection and charged off. (Item 3, at 49; Item 4, at 4; Item 5, at 6; Item 6, at 5) Shortly after she sold her house, in May 2021 and before the SOR was issued, Applicant and the creditor agreed to settle the account for less than the full balance, and she made a \$1,278 payment. (Response to the FORM, at 3; AE G; Item 2, at 1-2) The account has been resolved.

SOR ¶ 1.h. is a credit-card account with an unpaid balance of \$1,684 that was placed for collection and sold to a debt purchaser. (Item 3, at 45-46; Item 4, at 4; Item 5, at 7-8; Item 6, at 5) Shortly after she sold her house, in May 2021 and before the SOR was issued, Applicant and the creditor agreed to settle the account for less than the full balance, and she made a \$674 payment. (Response to the FORM, at 3; AE H; Item 2, at 2) The account has been resolved.

SOR ¶ 1.k. is a 2002 co-signed home refinance account on the residence that was solely owned by Applicant's husband before their marriage, and in which he continued to reside after their divorce in 2009. In April 2012, a notice of default was filed along with a notice of trustee sale. The notice was served solely on Applicant's ex-husband at the address of the residence. Although it was supposed to have been served on Applicant, she had not resided at that residence in three years since the divorce. Applicant initially denied any responsibility for the loan or the anticipated trustee sale. (Item 2, at 2; Item 7,

at 1-2; Response to the FORM, at 4) It was later determined that she had, in fact, co-signed the refinance paperwork in 2002. Applicant's ex-husband managed to save the house from foreclosure, and he still resides in it. Furthermore, a foreclosure action was never reported on Applicant's credit reports, and no such action ever appeared during her subsequent financing and purchase of her home in 2019. (Response to the FORM, at 4-5; AE I; Item 2, at 2) The alleged status of the account has been effectively refuted.

SOR ¶¶ 1.i. and 1.j. are the Chapter 7 bankruptcy that was discharged on April 28, 2004 (Item 8) and the Chapter 13 bankruptcy that was discharged on October 31, 2016. (Item 9). With respect to the Chapter 13 bankruptcy, Applicant received approved credit counseling as part of the process. She listed two creditors holding \$15,300 in secured claims (including one for a vehicle that she had co-signed for her ex-husband and which he possessed), and creditors holding \$33,070 in unsecured claims. She reported \$2,967 in an average monthly income, and \$2,357 in average monthly expenses. She had \$7,018 in student loans. While there is no trustee's report and repayment plan in the case file, as noted above, the bankruptcy was discharged on October 31, 2016, indicating that the payment plan had been successfully completed. (Item 9)

Character References

A systems engineering manager who was Applicant's supervisor during the period 2015 until 2020 noted that she always conducted herself professionally and he never had any reason to doubt her trustworthiness as an employee. She was dependable and thorough in her work and always conducted herself in a highly professional manner. One of her most important traits is her ability to understand and work within the rules that govern her position. As the data manager, she was relied upon as the last line of defense toward the security and proper administration of the company's technical data. She ensured high quality documents were prepared and that all company and government compliance rules were satisfied. He never observed any issues with her integrity, and she was always able to contribute to the company's mission by her faithful service. (AE J – Email, dated September 20, 2021)

Applicant's stepsister was an adult and Applicant was a teenager when their parents married, but they did not get to know each other until Applicant was an adult and they both resided in the same state. When Applicant lost her job in 2010, her stepsister offered her a room where she resided until she could get back on her feet. She was helpful around the house and respectful. Applicant did everything within her power to obtain new employment, and she was eventually successful. She is proud of Applicant as a person. (AE J – Letter, dated September 18, 2021)

In September 2021, Applicant's current employer recognized her contributions to the company when she was given an award because her actions have far exceeded expectations of her manager for a newly hired employee. (AE J – Email, dated September 18, 2021)

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.

In addition to her two bankruptcies, the SOR alleged nine delinquent accounts totaling approximately \$18,899. Applicant claimed that she had insufficient funds to maintain those accounts in a current status. In her Answer to the SOR, she admitted the two bankruptcies, but denied that as of the date the SOR was issued (June 24, 2021), the accounts were still delinquent. Subsequent submissions of documents by her confirm that before the FORM was issued, all of her formerly delinquent accounts had been resolved. AG ¶¶ 19(a) and 19(c) and have been established. With regard to being unwilling to satisfy her debts regardless of an ability to do so, the evidence leads to a conclusion that 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; and

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

AG ¶¶ 20(a), 20(b), 20(c), and 20(d) fully or partially apply. It appears that Applicant was too trusting in choosing her relationships and in co-signing financial obligations for her husband and subsequent boyfriend, for they left her with debts following their breakups. The Chapter 7 bankruptcy wiped out her debts in April 2004 – nearly 18 years ago. The lengthy period of unemployment towards the end of the recession in 2010 created unanticipated financial difficulties. The Chapter 13 bankruptcy enabled her to resolve those lingering debts as well as the debts associated with her broken relationship with her boyfriend. She managed to resolve those debts after five years of working with the bankruptcy trustee. Up until a month before the SOR was issued, Applicant had delinquent debts. 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)).

Based on the evidence, it appears that Applicant prioritized her delinquent accounts in order to preserve her residence. Finally, when she sold that residence in May 2021, within a matter of days, she settled or paid off most of her delinquent debts. She no longer has any delinquent debts, and she has resolved to never find herself in a similar financial situation. 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)). However, in this instance, Applicant nearly resolved all of her delinquent debts a month before the SOR was issued, within days of selling her residence.

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 successfully refuted one of the allegations and resolved all of the remaining accounts alleged in the SOR.

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)).

Applicant's actions in prioritizing her debts in order to preserve her interest in her residence until it could be sold before addressing her consumer debts 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 evidence against mitigating Applicant's financial considerations. Her history of financial difficulties and delinquent debt is documented in the casefile: a Chapter 7 bankruptcy discharged her debts in April 2004; a Chapter 13 bankruptcy enabled her to pay her debts until they were discharged in October 2016; and she subsequently accumulated nine additional delinquent accounts totaling approximately \$18,899.

The mitigating evidence under the whole-person concept is simply more substantial. Applicant is a 43-year-old employee of a defense contractor. She has been serving as a senior associate in configuration management with her current employer since November 2020, and she was already recognized for her outstanding performance. She previously served as a configuration management specialist with another employer from January 2011 until October 2020. A 1997 high school graduate, she received an associate's degree in 2009 and a bachelor's degree in 2015.

Although Applicant found herself in two difficult romantic relationships, she addressed the resultant financial issues as best she could with guidance from legal counsel. The Chapter 7 bankruptcy wiped out the family – mostly her husband’s – debts nearly 18 years ago. Her unemployment towards the end of the recession in 2010 was unanticipated, and she managed to eventually resolve her debts from that period. The unexpected turn of events with her boyfriend resulted in additional debts that she could not carry alone. However, in choosing to adopt the Chapter 13 bankruptcy route, she dedicated herself to making payments to creditors under the bankruptcy trustee repayment plan. She successfully did so until the bankruptcy was discharged in October 2016. The debts alleged in the SOR was largely resolved before the SOR was issued, and by the time the FORM was issued, all of her delinquent debts have been resolved.

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 current track record is positive and encouraging because it commenced before the SOR was issued. Overall, the evidence leaves me without substantial questions and doubts as to Applicant’s eligibility and suitability for a security clearance. For all of these reasons, I conclude Applicant has mitigated the security concerns arising from her financial considerations. 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.k. 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