



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



In the matter of: )  
)  
) ISCR Case No. 21-01273  
)  
)  
Applicant for Security Clearance )

**Appearances**

For Government: Jeff Nagel, Esq., Department Counsel  
For Applicant Brittany Forester, Esq., Applicant's Counsel

January 12, 2023

**Decision**

CEFOLA, Richard A., Administrative Judge:

**Statement of the Case**

On July 1, 2021, in accordance with DoD Directive 5220.6, as amended (Directive), the Department of Defense issued Applicant a Statement of Reasons (SOR) alleging facts that raise security concerns under Guideline F. The SOR further informed Applicant that, based on information available to the government, DoD adjudicators could not make the preliminary affirmative finding it is clearly consistent with the national interest to grant or continue Applicant's security clearance.

Applicant answered the SOR on July 16, 2021, and requested a hearing before an administrative judge. (Answer.) The case was assigned to me on April 12, 2022. The Defense Office of Hearings and Appeals (DOHA) issued a notice of hearing on April 22, 2022, originally scheduling the hearing for June 16, 2022. However, Applicant contracted the Covid Virus; and as such, the hearing was convened on August 15, 2022, as rescheduled. The Government offered Exhibits (GXs) 1 through 6, which were admitted into evidence. Applicant testified on his own behalf and offered ten documents, which I marked Applicant's Exhibits (AppXs) A through J, and admitted into evidence.

The record was left open until September 14, 2022, for receipt of additional documentation. On September 8, 2022, Applicant offered six additional exhibits, marked as AppXs K~M, which were admitted into evidence. DOHA received the transcript of the hearing (TR) on August 24, 2022. The record was closed on September 14, 2022.

### **Findings of Fact**

Applicant admitted to the allegations in SOR ¶¶ 1.b, 1.c., 1.h., and 1.i. He denied SOR allegations ¶¶ 1.a, and 1.d.~1.g. After a thorough and careful review of the pleadings, exhibits, and testimony, I make the following findings of fact.

Applicant is a 51-year-old employee of a defense contractor. He has been employed with the defense contractor, off and on, since December of 2018. He is twice divorced, and has one child, age 14, and two adult children. (GX 1 at pages 7, 14, and 25~27, and TR at page 13 line 4 to page 15 line 2.) Applicant attributes the alleged financial difficulties to a loss of employment “in 2019/2020,” due to the “Covid-19 Pandemic.” (TR at page 19 lines 2~5.)

### **Guideline F - Financial Considerations**

1.a. and 1.e. Applicant denies past-due medical accounts totaling about \$614. He never received medical bills, and these two alleged debts do not appear on the Government’s most recent June 2022 credit report. (TR at page 15 line 14 to page 17 line 2, at page 20 line 23 to page 22 line 3, and GX 6.)

1.b. and 1.c. Applicant is current with his student loans. (TR at page 17 line 3 to page 18 line 15, and AppXs I and J.)

1.d. Applicant denies that he has back child support totaling about \$2,143. He has submitted documentation in support of his contention. (TR at page 18 line 16 to page 20 line 21, and AppXs A and H.)

1.e. has been discussed, above.

1.f. Applicant denies that he has a past-due cellular phone bill in the amount of \$182. (TR at page 22 line 4 to page 23 line 12.) He has offered documentation showing it is “paid in full.” (AppXs K and L.)

1.g. Applicant denies that he has a past-due debt to Creditor G in the amount of about \$321. (TR at page 23 line 13 to page 24 line 22, and AppX M.) Furthermore, this debt does not appear on the Government’s most recent June 2022 credit report (GX 6.)

1.h. Applicant has submitted documentation that he has filed his Federal income tax returns for tax years 2014 and 2016. (AppXs D and E.) Initially, his former spouse filed joint returns for three years, which precluded Applicant from filing an individual return, despite his best efforts. (TR at page 24 line 23 to page 27 line 10.)

1.i. Applicant avers credibly that he filed his state income tax return for tax year 2014, when he was able to file his Federal return for that tax year. (TR at page 27 line 11 to page 28 line 5.)

### **Policies**

When evaluating an applicant's national security eligibility, the administrative judge must consider the adjudicative guidelines (AG). In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are to be used in evaluating an applicant's national security eligibility.

These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, administrative judges apply the guidelines in conjunction with the factors listed in AG ¶ 2 describing the adjudicative process. The administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(a), the entire process is a conscientious scrutiny of a number of variables known as the whole-person concept. The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a decision.

The protection of the national security is the paramount consideration. AG ¶ 2(b) requires that "[a]ny doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security." In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record.

Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Directive ¶ E3.1.15 states the "applicant is responsible for presenting witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by the applicant or proven by Department Counsel, and has the ultimate burden of persuasion as to obtaining a favorable clearance decision."

A person who applies for access to classified information seeks to enter into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours. The Government reposes a high degree of trust and confidence in individuals to whom it grants access to classified information. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to protect or safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified information.

Section 7 of Executive Order (EO) 10865 provides that adverse decisions shall be "in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned." See *also* EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

## Analysis

### Guideline F - Financial Considerations

The security 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. Four are potentially applicable in this case:

- (a) inability to satisfy debts;
- (b) unwillingness to satisfy debts regardless of the ability to do so;
- (c) a history of not meeting financial obligations; and
- (f) failure to file or fraudulently filing annual Federal, state, or local income tax returns or failure to pay annual Federal, state, or local income tax as required.

Applicant had significant past-due indebtedness and late income tax filings. The evidence is sufficient to raise these disqualifying conditions.

AG ¶ 20 provides conditions that could mitigate security concerns. I considered all of the mitigating conditions under AG ¶ 20 including:

- (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;

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

(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; and

(g) the individual has made arrangements with the appropriate tax authority to file or pay the amount owed and is in compliance with those arrangements.

Applicant has addressed all of his alleged past-due indebtedness and delinquent income tax filings. These delinquencies are attributed to a period of unemployment due to Covid-19. He has demonstrated that future financial problems are unlikely. Mitigation under AG ¶ 20 has been established. Financial Considerations is found for Applicant.

### **Whole-Person Concept**

Under the whole-person concept, the administrative judge must evaluate an applicant's eligibility for a security clearance by considering the totality of the applicant's conduct and all relevant circumstances. The administrative judge should consider the nine adjudicative process factors listed at AG ¶ 2(d):

(1) the nature, extent, and seriousness of the conduct; (2) the circumstances surrounding the conduct, to include knowledgeable participation; (3) the frequency and recency of the conduct; (4) the individual's age and maturity at the time of the conduct; (5) the extent to which participation is voluntary; (6) the presence or absence of rehabilitation and other permanent behavioral changes; (7) the motivation for the conduct; (8) the potential for pressure, coercion, exploitation, or duress; and (9) the likelihood of continuation or recurrence.

Under AG ¶ 2(c), the ultimate determination of whether to grant eligibility for a security clearance must be an overall commonsense judgment based upon careful consideration of the guidelines and the whole-person concept.

I considered the potentially disqualifying and mitigating conditions in light of all facts and circumstances surrounding this case. I have incorporated my comments under Guideline F in my whole-person analysis. Overall, the record evidence leaves me without questions or doubts as to Applicant's eligibility and suitability for a security clearance. For all these reasons, I conclude Applicant mitigated the Financial Considerations security concerns.

## **Formal Findings**

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

Paragraph 1, Guideline F: FOR APPLICANT

Subparagraphs 1.a.~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 national security eligibility for a security clearance. Eligibility for access to classified information is granted.

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Richard A. Cefola  
Administrative Judge