



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



In the matter of:)	
)	
)	ISCR Case No. 20-01139
)	
Applicant for Security Clearance)	

Appearances

For Government: Raashid S. Williams, Esq., Department Counsel
For Applicant: *Pro se*

08/01/2023

Decision

PRICE, Eric C., Administrative Judge:

Applicant failed to mitigate the security concerns under Guideline F (financial considerations). Eligibility for access to classified information is denied.

Statement of the Case

On December 3, 2019, Applicant submitted a security clearance application (SCA). On August 31, 2021, the Defense Counterintelligence and Security Agency Consolidated Adjudications Facility issued to Applicant a Statement of Reasons (SOR) detailing security concerns under Guideline F. The action was taken under Department of Defense (DOD) Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive), and the adjudicative guidelines (AG) promulgated in Security Executive Agent Directive 4 (SEAD 4), *National Security Adjudicative Guidelines* (December 10, 2016), for all adjudicative decisions on or after June 8, 2017.

Applicant responded to the SOR (Answer) on September 2, 2021, and requested a hearing before an administrative judge. The case was assigned to me on August 25, 2022. On February 17, 2023, the Defense Office of Hearings and Appeals (DOHA) issued

a notice of hearing scheduling the hearing via video teleconference. I convened the hearing as scheduled on March 7, 2023. My case management order, the Government's exhibit list, and the pre-hearing disclosure letter are marked as Hearing Exhibits (HE) I through III. Department Counsel offered three exhibits marked as Government Exhibits (GE) 1 through 3. Applicant testified and offered seven exhibits marked as Applicant Exhibits (AE) A through G. The record was held open until April 6, 2023, to permit Applicant to submit additional documents. He timely submitted AE H and I. I sustained Applicant's objection to GE 2 (summary report of his January 2020 interview with a government investigator) and there were no other objections to the proffered exhibits. GE 1, GE 3, and AE A through I are admitted in evidence. DOHA received the hearing transcript (Tr.) on March 21, 2023.

Findings of Fact

Applicant is a 35-year-old Advanced Distributed Learning Specialist employed by a federal contractor since April 2018. He was employed as a school band director from August 2012 to April 2019, and he owned a small retail business from 2016 to early 2017. He was unemployed from August 2006 to August 2012 while attending college. He has never held a security clearance. (GE 1; AE F, I; Tr. 10-11, 32-33, 57-58)

Applicant earned a bachelor's degree in 2013 and a master's degree in 2016. He has taken college courses as recently as September 2018. He married in September 2013 and has three children, ages 11, 9, and 8 months. (GE 1; Tr. 55-58, 79)

The SOR alleges 29 delinquent accounts totaling approximately \$85,000. (SOR ¶¶ 1.a through 1.cc). In Applicant's Answer to the SOR, he admitted all SOR allegations with explanation.

Applicant attributes his financial problems to his purchase of a retail business franchise in 2016 and that business' failure in early 2017. (Answer; GE 1 at 35, 38; Tr. 31-34, 65-67; AE I) He used unsecured personal credit to finance the purchase of the business, including credit card balance transfers of about \$59,500. (Answer; GE 1 at 35, 38; Tr. 31-34, 65-67; AE F, AE G, AE I at 1-7)

In his December 2019 SCA, Applicant disclosed approximately \$20,000 of delinquent credit card debt used to finance his retail business and said that those issues were being resolved. (GE 1 at 35, 38) He testified that after the business failed, he entered a debt negotiation agreement with a debt consolidation company (DCC1) in January 2017, to address about \$38,000 of unsecured debt, and he made payments in accordance with that agreement of \$566 monthly for a couple of years. (Tr. 34-35, 62; AE A) He reported that after DCC1 stopped operating in his state, he resolved some debts himself, and worked with a credit repair company to remove some accounts from his credit report. (Answer; Tr. 34-35) Applicant was informed of the importance of submitting documentary evidence of debt payments, efforts to contact creditors or to resolve or otherwise address delinquent debts. (Tr. 7, 13, 34, 42, 48-54, 63-73, 77-86)

Applicant enrolled his debt with another debt consolidation company (DCC2) in about March 2021. (Tr. 34-38, 62, 69, 76-77, 85-86; AE C at 4-7) As of March 6, 2023, 15 accounts (SOR ¶¶ 1.a, 1.b, 1.d, 1.f-1h, 1.j-1.n, 1.q, 1.t, 1.v, 1.w) were subject to that program. (AE C at 4-7) As of March 6, 2023, twelve SOR accounts were “enrolled . . . 0%”, one account was “enrolled . . . 100%”, one account offer was being “reworked,” and one account was paid in full. (AE C at 4; Tr. 70, 74)

As of March 6, 2023, Applicant’s “Total Deposits” under the program with DCC2 were about \$11,060, and he was scheduled to make deposits of \$426.50 on March 10, March 26, and April 10, 2023. (AE C at 1-2; Tr. 70) He said that he paid \$840 monthly under the terms of his 60-month program with DCC2. (Tr. 37-38) He submitted an agreement dated March 11, 2022, which authorized deposits into an account to pay DCC2 and debts enrolled in the program. (AE B; Tr. 27, 85) That agreement reflects a recurring deposit of \$840 but does not specify when payments began or were to begin, or the periodicity of those payments. (AE B at 4-5; Tr. 79-81)

When Applicant was questioned about the discrepancies between his total deposits under the program and his claimed monthly payments to DCC2, he acknowledged the importance of providing documentary evidence of his actual payments. I find that Applicant has not made payments of \$840 per month since entering an agreement with DCC2 in March 2021. It is unclear from the evidence whether he failed to make some required payments or whether the required monthly payments were something other than \$840 prior to March 2022. (Tr. at 77-79; AE B-C)

The evidence concerning the specific SOR allegations is summarized below.

SOR ¶ 1.a: credit card collection account for \$10,649. Applicant admitted the allegation. (Answer; Tr. 39-40) A January 2020 credit report shows the account was placed for collection for \$10,649, and that “Dispute Resolved-Consumer Disagrees.” (GE 3 at 30) He testified that the debt was with DCC2 and that payments were being made in accordance with an agreement with the creditor. (Tr. 40, 77-78) Applicant submitted evidence that the creditor agreed to settle the debt then totaling \$7,076 for \$5,566 in September 2022. The terms of the agreement included monthly payments of \$253 from September 9, 2022, to May 28, 2024. (AE D) He submitted a screenshot dated March 6, 2023, reflecting this account was “Enrolled . . . 100%” in the amount of “\$10,872”. (AE C at 4; Tr. 39-41) He noted that he “ha[d] been making payments”, and submitted evidence updated on March 19, 2023, showing “33% paid off”, a balance of “\$7,087,” status as “Collection account. \$7,087 past due as of Mar 2023”. (AE I at 9) Undated extracts from credit reports that he said were from April 6, 2023, showed the account with a balance of \$7,087. (AE I at 13-14) This debt is being resolved.

SOR ¶ 1.b: credit card collection account for \$9,763. Applicant admitted the allegation. (Answer; Tr. 41) A January 2020 credit report shows the account was charged off for \$9,763 in September 2017 and placed for collection in that amount. (GE 3 at 30) He testified that the debt was with DCC2, that he did not know the current status, and he believed it should be resolved soon. (Tr. 41) Screenshots from his DCC2 account showed

the account as enrolled “0%” in the amount of \$9,763. (AE C at 4) He did not submit documentary evidence of payment on this account.

SOR ¶ 1.c: credit card collection account for \$7,877. Applicant admitted the allegation. (Answer; Tr. 41-42) A January 2020 credit report shows the account was charged off for \$7,877 in January 2018. (GE 3 at 30-31) He testified that the debt was with DCC2 and that he believed it was being resolved or worked on. (Tr. 41) Screenshots from his online account with DCC2 did not identify or otherwise reflect this account. (AE C, I) This debt is not resolved.

SOR ¶ 1.d: credit card collection account for \$6,252. Applicant admitted the allegation and testified that the debt was with DCC2 for resolution. (Answer; Tr. 41-42) A January 2020 credit report shows the account was charged off for \$6,252 in September 2017 and with a remaining balance in that amount. (GE 3 at 31) Screenshots from his online account with DCC2 showed the account as enrolled “0%” in the amount of \$6,252. (AE C at 4-5) He did not submit documentary evidence of payment on this account.

SOR ¶ 1.e: auto loan collection account for \$5,739. Applicant admitted the allegation and stated the debt was with DCC2 for resolution. (Answer) A January 2020 credit report shows the account was placed for collection for \$5,739 and that the consumer disputes the account. (GE 3 at 31-32) Screenshots from his online account with DCC2 did not identify or otherwise reflect this account. (AE C, I) He testified that he had resolved the debt on his own and should be able to find documentation, but he did not submit evidence of payment. (Tr. 42) This debt is not resolved.

SOR ¶ 1.f: credit collection account for \$5,468. Applicant admitted the allegation and testified that the debt was with DCC2 for resolution. (Answer; Tr. 43) A January 2020 credit report shows the joint loan account was placed for collection for \$5,468. (GE 3 at 32) Screenshots from his online account with DCC2 showed the account as enrolled “0%” in the amount of \$7,414. (AE C at 4-5) He did not submit documentary evidence of payment on this account.

SOR ¶ 1.g: credit card collection account for \$5,026. Applicant admitted the allegation and testified that the debt was with DCC2 for resolution. (Answer; Tr. 43) A January 2020 credit report shows the account was charged off for \$5,483 in August 2017, with a remaining balance of \$5,026. (GE 3 at 32) He submitted evidence dated March 6, 2023, showing that DCC2 had paid the creditor about \$1,100 and was “Reworking Offer,” that the account was “100%” enrolled, and that DCC2 received about \$1,055 in fees. (AE C at 7) After the hearing, he submitted an undated screenshot showing a “settlement” of about \$1,100, four payments of about \$157 from August to November 2021, and “\$1,055” in fees paid to DCC2 in August 2021. (AE I at 9) He noted that the account had been settled for about \$1,100 and that the creditor had been paid. (AE I at 9, 13-14) This debt is resolved or is being resolved.

SOR ¶ 1.h: credit card collection account for \$4,339. Applicant admitted the allegation and testified that the debt was with DCC2 for resolution. (Answer; Tr. 43) A

January 2020 credit report shows the account was charged off for \$4,339 in January 2018 and placed for collection in that amount. (GE 3 at 33) A screenshot from his DCC2 account dated March 6, 2023, showed the account as enrolled “0%” in the amount of “\$4,339.” (AE C at 5) He did not submit documentary evidence of payment on this account.

SOR ¶ 1.i: credit card collection account for \$3,628. Applicant admitted the allegation and testified that the debt was with DCC2 for resolution. (Answer; Tr. 43) A January 2020 credit report shows the account was charged off for \$3,369 in September 2017, and placed for collection for \$3,628 (GE 3 at 33) Screenshots from his DCC2 account do not list or otherwise reference this account. (AE C, I) This debt is not resolved.

SOR ¶ 1.j: credit card collection account for \$3,587. Applicant admitted the allegation and testified that the debt was with DCC2 for resolution. (Answer; Tr. 43) A January 2020 credit report shows the account was charged off for \$3,587 in November 2017 and placed for collection in that amount. (GE 3 at 34) A screenshot from his DCC2 account dated March 6, 2023, shows the account as enrolled “0%” in the amount of “\$3,587.” (AE C at 6) He did not submit documentary evidence of payment on this account to corroborate his testimony.

SOR ¶ 1.k: credit card collection account for \$2,972. Applicant admitted the allegation and testified that the debt was with DCC2 for resolution. (Answer; Tr. 43-44) A January 2020 credit report shows the account was placed for collection for \$2,972 and that the consumer disputes the account. (GE 3 at 34) A screenshot from his DCC2 account shows the account as enrolled “0%” in the amount of “\$2,972.” (AE C at 6) He did not submit documentary evidence of any payments on this account.

SOR ¶ 1.l: telecommunications collection account for \$2,892. Applicant admitted and testified that the debt was with DCC2 for resolution. (Answer; Tr. 44) A January 2020 credit report shows the account was placed for collection for \$2,892. (GE 3 at 34-35) A screenshot from his DCC2 account dated March 6, 2023, shows the account as enrolled “0%” in the amount of “\$2,892.” (AE C at 6) He did not submit documentary evidence of payment on this account.

SOR ¶ 1.m: credit card collection account for \$2,398. Applicant admitted the allegation and testified that the debt was with DCC2 for resolution. (Answer; Tr. 43-44) A January 2020 credit report shows the account was charged off for \$2,398 in December 2019 and placed for collection in that amount. (GE 3 at 35) A screenshot from his DCC2 account dated March 6, 2023, shows the account as enrolled “0%” in the amount of “\$2,398”. (AE C at 6) He did not submit documentary evidence of payment on this account.

SOR ¶ 1.n: credit collection account for \$1,646. Applicant admitted the allegation and said that the debt had been paid through DCC2. (Answer; Tr. 45-47) A January 2020 credit report shows the account was placed for collection for \$1,646 and

that the account was in dispute. (GE 3 at 35-36) He submitted evidence this debt was settled by DCC2 for \$658 on April 30, 2021. (AE C at 7, AE I at 8-9) This debt is resolved.

SOR ¶ 1.o: credit collection account for \$1,377. Applicant admitted the allegation and testified that he thought the debt was with DCC2 for resolution. (Answer; Tr. 47) A January 2020 credit report shows the account was placed for collection for \$1,377. (GE 3 at 36) Screenshots from his DCC2 account do not list or otherwise reference this account. (AE C, I) This debt is not resolved.

SOR ¶¶ 1.p: medical collection account for \$1,368. Applicant admitted the allegation and said that the debt was attributable to a car accident and was either with DCC2 for resolution or that he had paid it. (Answer; Tr. 47-51) A January 2020 credit report shows the account was placed for collection for \$1,368. (GE 3 at 36) Screenshots from his DCC2 account do not list or otherwise reference this account, and he did not submit documentary evidence of payment. (AE C, I) This debt is not resolved.

SOR ¶¶ 1.q, 1.t: medical collection accounts for \$1,311, \$1,134. Applicant admitted the allegations, said that the debts were attributable to a car accident and were either with DCC2 for resolution or that he had paid them. (Answer; Tr. 47-51) A January 2020 credit report shows the accounts were placed for collection in the amounts alleged in the SOR. (GE 3 at 37-38) Screenshots from his online account with DCC2 showed the accounts were enrolled “0%” in the amounts of “\$1,311” and “1,134.” (AE C at 6-7) He did not submit documentary evidence of payment on these accounts.

SOR ¶ 1.r: credit collection account for \$1,288. Applicant admitted the allegation and testified that he may have enrolled the debt with a DCC or that the debt may have been removed from his credit report by a credit repair company. (Answer; Tr. 49-50) A January 2020 credit report shows the account was placed for collection for \$1,288. (GE 3 at 37) Undated extracts from credit reports submitted by Applicant that he said were from April 6, 2023, show the account as in collection with a balance of \$1,288. He claimed this debt would be paid in May 2023. (AE I at 13-14) He did not submit evidence this account was paid or otherwise resolved. This debt is not resolved.

SOR ¶ 1.s: credit card collection account for \$1,171. Applicant admitted the allegation and said that the debt had been paid. (Answer) A January 2020 credit report shows the account was charged off for \$1,171 in November 2017 and placed for collection in that amount. (GE 3 at 37) He testified that he had three accounts with this creditor and had paid one or two of them himself and that some of them were enrolled with a DCC. He submitted evidence an account with this creditor in the amount of \$965 was included in the agreement he signed in January 2017 with DCC1. (AE A at 5) He did not submit documentary evidence of payment on this account.

SOR ¶ 1.u: credit collection account for \$982. Applicant admitted the allegation and said the debt had been paid. (Answer) He testified that the debt was with DCC2 for resolution. (Tr. 51-52). A January 2020 credit report shows the account was placed for collection for \$982 and that the account was in dispute. (GE 3 at 38) Screenshots from

his DCC2 account do not list or otherwise reference this account, and he did not submit documentary evidence of payment. (AE C, I) This debt is not resolved.

SOR ¶ 1.v: credit card collection account for \$975. Applicant admitted the allegation and testified that the debt was with DCC2 for resolution. (Answer; Tr. 52) A January 2020 credit report shows the account was charged off for \$975 in August 2017 and placed for collection in that amount. (GE 3 at 38-39) A screenshot from his DCC2 account dated March 6, 2023 shows the account was enrolled “0%” in the amount of “\$975”. (AE C at 7) He did not submit documentary evidence of payment on this account.

SOR ¶ 1.w: credit collection account for \$683. Applicant admitted the allegation and testified that the debt was with DCC2 for resolution or that he had paid the debt. (Answer; Tr. 52) A January 2020 credit report shows the account was charged off for \$683 in September 2017 and placed for collection in that amount. (GE 3 at 39) A screenshot from his DCC2 account dated March 6, 2023, shows the account was enrolled “0%” in the amount of “\$683”. (AE C at 7) He did not submit documentary evidence of payment on this account.

SOR ¶¶ 1.x-1.aa and 1.cc: collection accounts for \$670, \$647, \$555, \$329, and a delinquent medical account for \$78. Applicant admitted the allegations and said the debts had been paid. (Answer) He testified that he had paid the debts and needed to contact the creditors for proof of payment. (Tr. 52-54) A January 2020 credit report shows the accounts were placed for collection in the amounts alleged in the SOR. (GE 3 at 39-41) He did not submit documentary evidence of payment on these accounts.

SOR ¶ 1.bb: collection account for \$201. Applicant admitted the allegation and said the debt had been paid. (Answer) He testified that he had paid the debt and needed to contact the creditor for proof of payment. (Tr. 52-54) A January 2020 credit report shows the account was placed for collection. (GE 3 at 41) He submitted documentary evidence that he paid this debt on or before April 1, 2022. (AE I at 8, 14) This debt is resolved.

Applicant testified that his financial situation had improved and stabilized in 2022. He submitted undated extracts from three credit reports that he said were from April 6, 2023, reflecting 2-5 accounts in collection, and claimed those debts were resolved, being resolved, or would be resolved. (AE I at 10-14) His gross annual salary is currently \$67,600, and his net monthly pay is about \$4,200. (Tr. 54) He earns about \$350 per month as a part-time musician and estimated that his wife earns \$1,500 to \$2,500 monthly. (Tr. 55-56, 59)

Appellant testified that he has a written budget but did not submit a copy of it. (Tr. 62-63) His estimated monthly expenses include: rent (\$1,900); utilities (\$250); food (more than \$200); and payments to DCC2 (\$840). He has no childcare expenses because he works from home and other family members also watch their children. (Tr. 55-58) He has not received formal financial counseling but has discussed financial management with

family members. (Tr. 59-60). He estimates that he has approximately \$1,000 in a savings account and \$12,000 to \$15,000 in a retirement account. (Tr. 57)

Policies

A person who seeks access to classified information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours. The Government reposes a high degree of trust and confidence in individuals to whom it grants access to classified information. Decisions include, by necessity, consideration of the possible risk that an 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.

Eligibility for a security clearance is predicated upon the applicant meeting the criteria contained in the adjudicative guidelines (AG). 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 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." 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 security clearance." ISCR Case No. 01-20700 at 3 (App. Bd. Dec. 19, 2002). "[S]ecurity clearance determinations should err, if they must, on the side of denials." *Department of the Navy v. Egan*, 484 U.S. 518, 531 (1988); see AG ¶ 2(b).

The protection of the national security is the paramount consideration. Under AG ¶ 2(b), any doubt "will be resolved in favor of the national security." Section 7 of EO 10865 provides that decisions shall be "in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned." See *also* EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

Analysis

Guideline F: Financial Considerations

The security concern under this guideline 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.

This concern is broader than the possibility that a person might knowingly compromise classified or sensitive information to raise money. It encompasses concerns about a person's self-control, judgment, and other qualities essential to protecting classified or sensitive information. A person who is financially irresponsible may also be irresponsible, unconcerned, or negligent in handling and safeguarding classified or sensitive information. See ISCR Case No. 11-05365 at 3 (App. Bd. May 1, 2012).

Applicant's admissions and record evidence establish two disqualifying conditions under this guideline: AG ¶ 19(a) ("inability to satisfy debts") and AG ¶ 19(c) ("a history of not meeting financial obligations"). The following mitigating conditions are potentially applicable:

(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.

The SOR alleges 29 delinquent accounts totaling approximately \$85,000. Applicant's financial difficulties began when he used personal credit to finance the purchase of a small business franchise in 2016 and that business failed within a year. He entered a debt negotiation agreement with DCC1 in 2017 that addressed about \$38,000 of debt and claimed that he made payments for a couple of years. He said that after DCC1 stopped operating in his state, he resolved some debts himself, and worked with a credit repair company to remove some accounts from his credit report. Although informed of the importance of submitting documentary evidence of payments to DCC1 or his creditors, and of an agreement with or actions by a credit repair company, he did not do so.

Applicant entered an agreement with DCC2 in March 2021 and submitted evidence that DCC2 resolved the debts alleged in SOR ¶¶ 1.n and 1.g, totaling \$6,672 in April 2021 and August 2021, respectively. In September 2022, DCC2 negotiated a settlement with the creditor alleged in SOR ¶ 1.a, and his payments reduced the past-due balance of that debt from \$10,649 to \$7,087, as of March 19, 2023. He also paid the \$201 debt alleged in SOR ¶ 1.bb on or before April 1, 2022. I find SOR ¶¶ 1.a, 1.g, 1.n and 1.bb for Applicant.

From March 2021 to March 6, 2023, Appellant deposited about \$11,060 for DCC2 to apply towards 15 delinquent accounts alleged in the SOR, including the debts alleged in SOR ¶¶ 1.a, 1.g, and 1.n. When questioned about discrepancies between his total deposits under the program and his claimed monthly payments of \$840 to DCC2, Applicant acknowledged the importance of providing documentary evidence of his actual payments, but the evidence he submitted did not clarify whether he failed to make some required payments or whether his required monthly payments were something other than the \$840 he claimed prior to March 2022. (AE B; Tr. 27, 85) He did not provide documentary evidence of any agreement with or of payments made to creditors listed in his agreement with DCC2 for the 12 debts alleged in SOR ¶¶ 1.b, 1.d, 1.f, 1.h, 1.j-1.m, 1.q, 1.t, 1.v, and 1.w.

Applicant submitted undated extracts from credit reports that he claimed were from April 2023 that did not reflect delinquent debts alleged in the SOR. However, evidence that some debts have dropped off recent credit reports is not meaningful evidence of debt resolution. See ISCR Case No. 14-05803 at 3 (App. Bd. July 7, 2016) (citation omitted). The absence of unsatisfied debts from an applicant's credit report does not extenuate or mitigate a history of financial difficulties or constitute evidence of financial reform or rehabilitation. See ISCR Case No. 15-02957 at 3 (App. Bd. Feb. 17, 2017). The evidence is insufficient to establish that he has contacted the creditors, paid, or otherwise resolved the debts alleged in SOR ¶¶ 1.c, 1.i, 1.o-1.p, 1.r-1.s, 1.u, 1x-1.aa, and 1.cc.

AG ¶ 20(a) is not fully established. Although Applicant's behavior that resulted in his financial problems happened long ago and is unlikely to recur, the delinquent debts are long-standing, ongoing, and cast doubt on his current reliability, trustworthiness, or good judgment.

AG ¶ 20(b) is not fully established. Applicant's decision to use personal, unsecured credit to purchase and operate a business was within his control. The failure of that

business less than one year later was not. His unemployment from 2006 to 2012 while attending school, and underemployment prior to April 2018 were also conditions largely beyond his control. However, he has not produced sufficient evidence that he acted responsibly under the circumstances.

AG ¶¶ 20(c) and 20(e) are not established. Applicant denied receiving financial counseling and did not assert a reasonable basis to dispute the legitimacy of any delinquent debt alleged in the SOR or provide documented proof of his actions to resolve any disputes.

AG ¶ 20(d) is not established. Applicant paid the debt alleged in SOR ¶ 1.bb. He entered an agreement with DCC2 to address 15 SOR debts. From March 2021 to March 6, 2023, he deposited \$11,059 that DCC2 used to resolve the debts alleged in SOR ¶¶ 1.g and 1.n, and to make payments on the debt alleged in SOR ¶ 1.a. However, the timing of his actions, limited evidence regarding the details of that agreement including payments due, and discrepancies between his claimed payments and documented payments made, are insufficient to fully establish that he has adhered to a good faith effort to resolve the delinquent debts alleged in SOR ¶¶ 1.b, 1.d, 1.f, 1.h, 1.j-1.m, 1.q, 1.t, 1.v, and 1.w. The timing of an Applicant's actions, including repayment of delinquent debts, impacts upon the degree to which the mitigating factors apply. ISCR Case No. 08-06058 at 5 (App. Bd. Sep. 21, 2009). Waiting to pay legitimate debts until forced to do so by the security clearance process does not constitute good-faith debt resolution. See ISCR Case No. 10-05909 at 3 (App. Bd. Sep. 27, 2012).

Additionally, Appellant provided insufficient evidence to support a conclusion that he has initiated or is adhering to a good-faith effort to repay his creditors, or otherwise resolve the debts alleged in SOR ¶¶ 1.c, 1.i, 1.o-1.p, 1.r-1.s, 1.u, 1x-1.aa, and 1.cc.

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.

I have incorporated my comments under Guideline F in my whole-person analysis and applied the adjudicative factors in AG ¶ 2(d). After weighing the disqualifying and

mitigating conditions under Guideline F and evaluating all the evidence in the context of the whole person, I conclude Applicant has not mitigated the security concerns raised by his delinquent debts.

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 a longer track record of financial responsibility, he may be able to demonstrate persuasive evidence of his security clearance worthiness. Overall, the record evidence leaves me with questions and doubts as to his eligibility and suitability for a security clearance.

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
Subparagraphs 1.a, 1.g, 1.n, 1.bb:	For Applicant
Subparagraphs 1.b-1.f, 1.h-1.m 1.o-1.aa, 1.cc:	Against Applicant

Conclusion

In light of all of the circumstances presented by the record in this case, it is not clearly consistent with the national security to grant Applicant's eligibility for a security clearance. Eligibility for access to classified information is denied.

Eric C. Price
Administrative Judge