



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



In the matter of:)
)
) ISCR Case No. 23-00540
)
Applicant for Security Clearance)

Appearances

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

12/06/2023

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 August 15, 2022, Applicant applied for a security clearance and submitted a Questionnaire for National Security Positions (SF 86). On April 10, 2023, the Defense Counterintelligence and Security Agency (DCSA) Consolidated Adjudications Services (CAS) 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 19, 2023, 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 June 7, 2023, 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 June 15, 2023. Her response was due on July 17, 2023. On June 20, 2023, Applicant submitted several documents to which there were no objections. The record closed on July 17, 2023. The case was assigned to me on October 17, 2023.

Findings of Fact

In her response to the SOR, Applicant admitted, with comments, nearly all of the SOR allegations. (SOR ¶¶ 1.a. through 1.i., 1.k., 1.m., and 1.n.). 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 45-year-old former employee of a defense contractor. Until she was laid off upon receiving an SOR in April 2023, she had been serving as a senior analyst since September 2022. She previously served as a payroll solutions specialist (June 2021 – September 2022); a university office manager/financial services coordinator (May 2017 – June 2021); part-time tax preparer (December 2016 – May 2017); credit union assistant branch manager (April 2013 – October 2016); certified nursing assistant (CNA) (April 2012 – April 2013); and credit union support team leader and support representative (July 2002 – November 2011). She was laid off in October 2016 and remained briefly unemployed until December 2016. A 1995 high school graduate, she attended several different universities between November 2011 and May 2015, but did not receive a degree. She enlisted in the U.S. Marine Corps in November 1995 and served on active duty until November 1999 when she was honorably discharged as a corporal. She was granted a secret clearance while on active duty and it was renewed while she served as a CNA. She was married in 1996 and divorced in 2002. She and her ex-husband renewed their relationship and started cohabiting in 2020. She has one child, born in 2007.

Military Awards and Decorations

During her period of military service Applicant was awarded the Navy and Marine Corps Achievement Medal (three awards), and a Good Conduct Medal.

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 19, 2023); Item 3 (SF 86); Item 4 (Combined Experian, TransUnion, and Equifax Credit Report, dated September 8, 2022); Item 5 (Equifax Credit Report, dated May 26, 2023); and Item 6 (Enhanced Subject Interview, dated September 22, 2022).

In her August 2022 SF 86, while not specifying the causes of her financial issues, Applicant acknowledged that she had several delinquent accounts and that she was in the process of trying to resolve them. She claimed that “things have been a struggle over the last two years trying to keep up, but [her] intention is to get anything [she owes] cleared up. [She works] fulltime and even [does] part time work (door dash) when [she is] able to in order to get extra money.” (Item 3 at 42) During her September 2022 interview with an investigator with the U.S. Office of Personnel Management (OPM), Applicant discussed various delinquent accounts and claimed to be unaware of others. She indicated that she was participating in repayment plans and intended to set up other repayment plans. She disputed several of the accounts discussed. She provided documentation to corroborate her claimed actions pertaining to some of her financial accounts. (Item 6 at 4-9)

In her Answer to the SOR, Applicant stated that she had set up an overall repayment plan prioritizing accounts and was making monthly payments on several accounts, would start making payments on other accounts as soon as the prioritized accounts were resolved, and that her largest account would be addressed when she completed the other smaller accounts. She added:

I can admit to making several mistakes in regard to not paying bills on time or settling some financial debts in my past. This is true, but it is not at all a sign of other underlying issues. There were times when I was out of work but the bills kept coming, so I would have to choose one bill over another to pay and things continued to fall behind. In those situations, it does take time to make things right and that is what I have been trying to do along with making sure my current household bills are on track. As you will see in my response to each item below most of these items have either been addressed already or are being addressed because it is something I have been trying to clean up.

(Item 2 at 1)

The SOR alleged 17 still-delinquent accounts totaling approximately \$24,614, as set forth below:

SOR ¶ 1.a. refers to a credit union automobile loan with an unpaid balance of \$13,161 that was placed for collection and charged off. (Item 4 at 4; Item 5 at 8; Item 6 at 4-5) At the time she responded to the SOR Applicant said that she was not yet able to start making payments as doing so would overextend her financially but that once she

resolves her other delinquent debts, she would address this one. (Item 2 at 1) The account is not yet in the process of being resolved.

SOR ¶ 1.b. refers to a credit-card account with an unpaid balance of \$3,315 that was placed for collection and charged off. (Item 4 at 5; Item 5 at 5; Item 6 at 5) Applicant and the creditor agreed to a repayment plan in September 2022 – about seven months before the SOR was issued – and she has been making verified monthly payments of either \$150.80 or \$102.80 since September 2, 2022. (Item 2 at 7-10) The account is in the process of being resolved.

SOR ¶ 1.c. refers to an unspecified type of loan account with an unpaid balance of \$1,535 that was placed for collection and charged off. (Item 4 at 5; Item 5 at 6; Item 6 at 5) Although Applicant initially was unsure of the account, she and the creditor eventually agreed to a repayment plan in April 2023 – the same month the SOR was issued – and she started making verified monthly payments of \$127.93 on April 19, 2023. (Item 2 at 11-12). The account is in the process of being resolved.

SOR ¶ 1.d. refers to credit union personal loan account with an unpaid balance of \$1,481 that was placed for collection and charged off. (Item 4 at 5; Item 5 at 8; Item 6 at 5) At the time she responded to the SOR Applicant said that when she starts resolving her larger credit union automobile account, she intended to set up a repayment plan for this account. (Item 2 at 2) The account is not yet in the process of being resolved.

SOR ¶ 1.e. refers to a cable account with an unpaid balance (related to unreturned cable equipment) of \$1,086 that was placed for collection. (Item 4 at 6; Item 5 at 3; Item 6 at 5) The original debt was \$996.93, but \$131.23 in fees were added. Applicant was also credited with \$472, leaving a new balance of \$656.16 (Item 2 at 5-6). The account is in the process of being resolved.

SOR ¶ 1.f. refers to an unspecified type of account with an unpaid balance of \$875 that was placed for collection. (Item 4 at 6; Item 6 at 6) Although Applicant initially was unsure of the account, she subsequently intended to set up a repayment plan as soon as her other payment plans were completed. (Item 2 at 2) The account is not yet in the process of being resolved.

SOR ¶ 1.g. refers to a furniture store account with an unpaid balance of \$751 that was placed for collection and charged off. Applicant disputed the balance reported. (Item 4 at 6; 5 at 9; 6 at 6) Although the original unpaid balance was \$1,170.11, the collection agent added legal costs and attorney fees totaling \$837.32, and as of April 24, 2023, the new unpaid balance was \$443.65. (Item 2 at 16) In her Answer to the SOR, Applicant claimed that she had set up a repayment plan under which she was making monthly payments of \$172.57 and intended to resolve the debt within two months. (Item 2 at 2) However, she failed to submit any documentation to confirm that the stated payments have been made but did submit an itemized claim amount report reflecting two monthly (March and April 2023) payments of \$169.57. The account is in the process of being resolved.

SOR ¶ 1.h. refers to a credit-card account with an unpaid balance of \$691 that was placed for collection and sold. (Item 4 at 6; Item 5 at 5; Item 6 at 6) Applicant initially disputed the account but eventually stated that she would set up a repayment plan as soon as her other payment plans were completed. (Item 2 at 2) The account is not yet in the process of being resolved.

SOR ¶ 1.i. refers to a credit-card account with an unpaid balance of \$467 that was placed for collection and charged off. (Item 4 at 7; Item 5 at 6; Item 6 at 6) Applicant intended to set up a repayment plan as soon as her other payment plans were completed. (Item 2 at 2) The account is not yet in the process of being resolved.

SOR ¶ 1.j. refers to a medical account with an unpaid balance of \$272 that was placed for collection. Applicant disputed the account. (Item 4 at 6; Item 5 at 5; Item 6 at 6) She is unaware of the account and was not able to determine anything about it. (Item 2 at 3) The account has not been resolved.

SOR ¶ 1.k. refers to an automobile insurance account with an unpaid balance of \$260 that was placed for collection and charged off. (Item 4 at 7; Item 5 at 2; Item 6 at 7) Applicant intended to set up a repayment plan as soon as her other payment plans were completed. (Item 2 at 3) The account is not yet in the process of being resolved.

SOR ¶ 1.l. refers to a medical account with an unpaid balance of \$252 that was placed for collection. Applicant disputed the account. (Item 4 at 8; Item 6 at 7) She is unaware of the account and was not able to determine anything about it. (Item 2 at 3) The account has not been resolved.

SOR ¶ 1.m. refers to an automobile insurance account with an unpaid balance of \$136 that was placed for collection. (Item 4 at 8; Item 5 at 2; Item 6 at 7) Applicant paid the creditor \$136.38 on April 20, 2023, and the account has been satisfied. (Item 2 at 3, 13, 15; Payment statement attached to Response to FORM at 17) The account has been resolved.

SOR ¶ 1.n. refers to a store credit-card account with an unpaid balance of \$132 that was placed for collection and charged off. (Item 4 at 8; Item 5 at 7; Item 6 at 7) Applicant paid the creditor \$135.90 April 20, 2023, and the account has been resolved. (Item 2 at 3; Payment statement attached to Response to FORM at 17)

SOR ¶ 1.o. refers to an automobile insurance account with an unpaid balance of \$100 that was placed for collection. (Item 4 at 9; Item 5 at 2; Item 6 at 7) Applicant disputed the account claiming that the creditor is her current insurer and that the account is not delinquent. (Item 2 at 3; Item 6 at 7) Nevertheless, on November 19, 2022, she paid the creditor \$125.21. (Receipt attached to Response to FORM at 14) The account has been resolved.

SOR ¶¶ 1.p. and 1.q. refer to medical accounts with unpaid balances of \$50 each that were placed for collection. Applicant disputed both accounts claiming to have no

knowledge of the unidentified creditors which are not on her current credit report. (Item 2 at 3-4; Item 4 at 9; Item 6 at 8) Neither account has been resolved.

There is no evidence of financial counseling, a budget other than a prioritized repayment plan, or anything to describe with any specificity Applicant's current financial situation. Applicant did not report her current net monthly income or her monthly household expenses. In the absence of such information, I am unable to determine if she has any monthly remainder available for savings or spending. There is a paucity of evidence to indicate that her financial problems are now fully under control, and now that she has been at least temporarily suspended from her job it is difficult to determine if Applicant is currently in a better position financially than she had been.

Department Counsel noted that despite her financial issues, Applicant travelled internationally in September 2019 (1-5 days in Jamaica) and December 2021 (1-5 days in Dominican Republic) as well as earlier travel in September 2015 (1-5 days in Costa Rica and Nicaragua) and September 2016 (1-5 days in Mexico). (Letter, dated June 20, 2023, attached to Response to FORM) Applicant responded that the most recent (birthday) trip was paid for by her husband, and the three previous trips were with a group addressing relaxation for business professionals.

Character References

One of Applicant's on-site leads described her as one of the best employees to work with. Her work ethic was second to none in accounts receivables and, since her suspension, it is taking two personnel to cover her duties in her absence. He looks forward to having her return to work as soon as possible. (Character reference, dated June 21, 2023, attached to Response to FORM)

Applicant's supervisor characterized her as always reliable, resourceful, integrity-driven and dedicated. She is a team player with a positive, can-do attitude, and does the work of two people. She would not hesitate to have her back again and is currently keeping her position open in the hopes of having her return. (Character reference, dated June 22, 2023, attached to Response to FORM)

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 17 still-delinquent accounts totaling approximately \$24,614. On its face, without any background information, Applicant's history of delinquent debts appears to present either an inability to satisfy debts or a history of not meeting financial obligations. Despite her initial disputes regarding several of her debts, her eventual 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), and 20(d) apply. As noted above, Applicant claimed that things have been a struggle over the last two years trying to keep up, but her intention was to get anything she owes cleared up. She worked fulltime and even did part-time work when she was able to in order to get extra money. During her September 2022 OPM interview – seven months before the SOR was issued – she indicated that she was participating in repayment plans and intended to set up other repayment plans and provided documentation to corroborate her claimed actions pertaining to some of her financial accounts. She had set up an overall repayment plan prioritizing accounts and was making monthly payments on several accounts, would start making payments on other accounts as soon as the prioritized accounts were resolved, and that her largest account would be addressed when she completed the other smaller accounts.

Applicant noted that she made several mistakes regarding not paying bills on time or settling some financial debts in her past. There were times when she was out of work, but the bills kept coming, so she would have to choose one bill over another to pay and things continued to fall behind. In those situations, it does take time to make things right and that is what she has been trying to do along with making sure her current household bills are on track. It is obvious that Applicant experienced a paradigm shift to more positive financial responsibilities. Unfortunately, suspending her while she was in the process of resolving her financial situation, merely interrupted her efforts to do so.

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))). Before she was interviewed by the OPM investigator, Applicant made substantial claims, and in several 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 various issues may have delayed her responses. 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 verified evidence that she had begun making such efforts 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 guideposts (paying off other specified debts). 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 other than a prioritized repayment plan, or anything to describe with any specificity Applicant's current financial situation. Applicant did not report her current net monthly income or her monthly household expenses. She merely referred to receiving unemployment compensation since her suspension. In the absence of such information, I am unable to determine if she has any monthly remainder available for savings or spending. There is a paucity of evidence to indicate that her financial problems are now fully under control, and now that she has been at least temporarily suspended from her job it is difficult to determine if Applicant is currently in a better position financially than she had been. Nevertheless, while Applicant's good-faith efforts were interrupted by her financially relevant suspension, I conclude that if given the opportunity to resume those efforts once she is reinstated, she will do so. 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 17 still-delinquent accounts totaling approximately \$24,614. While the issues first arose several years earlier, Applicant apparently did not start to address any of them until mid-2022 – well before the SOR was issued. She acknowledged that she made several mistakes about not paying bills on time or settling some financial debts in her past.

The mitigating evidence under the whole-person concept is simply more substantial and compelling. Applicant is a 45-year-old former employee of a defense contractor. Until she was laid off upon receiving an SOR in April 2023, she had been serving as a senior analyst since September 2022. She previously served as a payroll solutions specialist; a university office manager/financial services; part-time tax preparer; credit union assistant branch manager; certified nursing assistant; and credit union support team leader and support representative. She was laid off in October 2016 and remained briefly unemployed until December 2016. A 1995 high school graduate, she attended several different universities between November 2011 and May 2015, but did not receive a degree. She enlisted in the U.S. Marine Corps in November 1995 and served on active duty until November 1999 when she was honorably discharged as a corporal. During her period of military service Applicant was awarded the Navy and Marine Corps Achievement Medal (three awards), and a Good Conduct Medal. She was granted a secret clearance while on active duty and it was renewed while she served as a CNA.

During her September 2022 OPM interview – seven months before the SOR was issued – Applicant indicated that she was participating in repayment plans and intended to set up other repayment plans and provided documentation to corroborate her claimed actions pertaining to some of her financial accounts. She had set up an overall repayment plan prioritizing accounts and was making monthly payments on several accounts, would start making payments on other accounts as soon as the prioritized accounts were resolved, and that her largest account would be addressed when she completed the other smaller accounts. Unfortunately, Applicant's good-faith efforts were interrupted by her financially relevant suspension. Based on her previous verified resolution efforts and her paradigm shift, she was on her way to resolving her delinquent debts and would have been closer to her goal had she not been suspended. Accordingly, 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, 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.q.:	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