



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



In the matter of: )  
)  
) ISCR Case No. 23-00907  
)  
Applicant for Security Clearance )

**Appearances**

For Government: Nicholas T. Temple, Esquire, Department Counsel  
For Applicant: *Pro se*

03/04/2024

**Decision**

GALES, Robert Robinson, Administrative Judge:

Applicant failed to mitigate the security concerns regarding financial considerations. Eligibility for a security clearance is denied.

**Statement of the Case**

On October 27, 2022, Applicant applied for a security clearance and submitted a Questionnaire for National Security Positions (SF 86). On May 2, 2023, the Defense Counterintelligence and Security Agency (DCSA) Consolidated Adjudication 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 May 23, 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 November 22, 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 November 30, 2023. Her response was due on December 30, 2023. Applicant timely submitted one document – a character reference – to which there was no objection, and it was marked and admitted as Applicant Exhibit (AE) A. The record closed on December 30, 2023. The case was assigned to me on February 7, 2024.

### **Findings of Fact**

In her response to the SOR, Applicant admitted, with comments, all the SOR allegations. (SOR ¶¶ 1.a. through 1.c.). 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 32-year-old employee of a defense contractor. She has been serving as a logistics manager since August 2015. She previously served briefly in a sales position with another employer (June 2015 – August 2015). She was unemployed once (September 2014 – May 2015). She is a 2010 high school graduate with some college credits, but no degree. She enlisted in the U.S. Navy in October 2010 and served on active duty until August 2014 when she was honorably discharged as a petty officer third class logistics specialist (E-4). She was granted a secret clearance in 2010, and it was renewed as recently as August 2020. She was married in 2015 and divorced in 2017. She remarried in 2021. She has two foster children, born in 2012 and 2021, and possibly one additional child born in 2023.

#### **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 May 23, 2023, with attachments); Item 4 (Equifax Credit Report, dated November 17, 2023); Item 5 (Combined Experian, TransUnion, and Equifax Credit Report, dated November 22, 2022); Item 6 (Combined Experian, TransUnion, and Equifax Credit Report, dated May 6, 2023); Item 7 (Combined Experian, TransUnion, and Equifax Credit Report, dated February 6, 2020); and Item 7 (Enhanced Subject Interview, dated February 7, 2023).

In her October 2022 SF 86, Applicant reported that in the last seven years she had several delinquent accounts that were either charged off or settled. She attributed some

of them to a divorce or associated with her ex-wife's medical issues. (Item 3 at 56-62) During her February 2023 interview with an investigator with the U.S. Office of Personnel Management (OPM), Applicant discussed her financial issues. She claimed they arose during her first marriage when she was the sole wage earner for the family, and the combination of low wages and high medical co-pays led to financial difficulties in about 2015. She noted that in her SF 86, she only reported the accounts that had not yet been resolved. She considers accounts that have been charged off by the original creditor as having been resolved. In about 2017, she wanted to repair her credit to qualify for a residence that she and her current spouse eventually intended to purchase. It is unclear if she took any corrective steps at that time. (Item 7 at 3)

During that OPM interview, Applicant acknowledged that she had not contacted any creditors. She conceded that she was currently earning enough income to pay off her charged-off debts but has "hesitated in doing so because she is in a good spot in her life and doesn't want to reopen that door. [She] does not want the mental stress of contacting creditors and making payment arrangements for old debt. [She] considered the charged off debts a closed issue and was not concerned with contacting the creditors." (Item 7 at 3) Nevertheless, she later indicated that she would contact the credit reporting agencies and dispute the charged-off accounts. Although she knows the accounts are hers, she intended to dispute them to ensure the requested amounts are correct. If the accounts are verified as correct, she stated that she would contact the creditor and attempt to make payment arrangements without specifying when and if such actions might occur. (Item 7 at 3) However, as of the date the SOR was issued – nearly three months later – Applicant had made no payments to any of her creditors on her delinquent accounts.

With respect to Applicant's position that charged-off debts are resolved that understanding is incorrect. A "charged-off debt" is an accounting entry. A creditor considers a debt owed to the creditor to be an asset. When the value of the asset is in doubt, the creditor is required to change the status of the debt to reflect its current status. When the debt appears to be uncollectible, the creditor should change the status for accounting purposes from being an asset to charged-off status. Notwithstanding the change to charged-off status, a creditor may still sell the debt to a collection agent, and in some instances the debtor may still pay or settle the debt. Eventually, the charged-off debts will be dropped from the debtor's credit report. "[T]hat some debts have dropped off his [or her] credit report is not meaningful evidence of debt resolution." ISCR Case No. 14-05803 at 3 (App. Bd. July 7, 2016) (citing ISCR Case No. 14-03612 at 3 (App. Bd. Aug. 25, 2015)). The Fair Credit Reporting Act requires removal of most negative financial items from a credit report seven years from the first date of delinquency or the debt becoming collection barred because of a state statute of limitations, whichever is later. (Title 15 U.S.C. § 1681c. See Federal Trade Commission website, Summary of Fair Credit Reporting Act Updates at Section 605.)

The SOR alleged three still-delinquent accounts totaling approximately \$22,588, as set forth below:

SOR ¶ 1.a. refers to a credit union credit-card account with an unpaid balance of \$10,787 that became delinquent in 2015 or 2016, was placed for collection, and in

January 2017, was charged off. (Item 5 at 5; Item 6 at 2; Item 6 at 9-10) Applicant stated to the OPM investigator that she intended to dispute the account and have it removed from her credit report. (Item 7 at 4) On May 8, 2023 – 6 days after the SOR was issued – Applicant and the creditor agreed to a settlement for the delinquent account. She made a \$3,236 payment and that account was considered settled. (Item 2, Attachment 8) The account is now resolved.

SOR ¶ 1.b. refers to a credit union credit-card account with an unpaid balance of \$5,255 that became delinquent in 2015 or 2016, was placed for collection, and in December 2016, \$4,968 was charged off. (Item 5 at 5) Applicant stated to the OPM investigator that she intended to dispute the account and have it removed from her credit report. (Item 7 at 4) On May 8, 2023 – 6 days after the SOR was issued – Applicant and the creditor agreed to a settlement for the delinquent account. She made a \$1,576 payment and that account was considered settled. (Item 2, Attachment 7) The account is now resolved.

SOR ¶ 1.c. refers to a credit union automobile loan account with an unpaid balance of \$6,546 that became delinquent in 2016 and was placed for collection. Applicant fell behind in her monthly payments and tried to make payment arrangements with the creditor. Her efforts were unsuccessful, and the vehicle was repossessed and sold at auction. The \$6,546 was her remaining balance after the auction, and in July 2018 that amount was charged off. (Item 5 at 6; Item 7 at 4) Applicant stated to the OPM investigator that she intended to dispute the account for “account validity.” (Item 7 at 5) On May 8, 2023 – 6 days after the SOR was issued – Applicant and the creditor agreed to a settlement for the delinquent account. She made a \$1,964 payment and that account was considered settled. (Item 2, Attachments 4, 6) The account is now resolved.

While not alleged in the SOR, Applicant’s credit reports also listed several other delinquent accounts that had either been settled for less than those actual delinquent balances or transferred or sold to other debt purchasers. (Item 5 at 6; Item 6 at 12-13) She acknowledged to the OPM investigator that they existed but contended that she had “resolved” them. (AE A)

During her February 2023 OPM interview, Applicant reported approximately \$5,870 in current net monthly income; and \$2,342 in monthly household expenses, leaving approximately \$3,528 as a monthly remainder available for savings or spending. (Item 7 at 5-6) In May 2023, she modified those numbers to indicate a net monthly income of approximately \$4,627, and monthly bills of approximately \$2,374. (Item 2 at 2) Applicant’s finances were sufficient to enable her to take several foreign trips for tourism, as follows: to the Bahamas for 1-5 days in October 2017; to the Dominican Republic and Turks and Caicos Islands for 1-5 days in July 2018; to Jamaica for 1-5 days in August 2019; to Mexico for 1-5 days in September 2019; and to Mexico for 6-10 days in May 2021. (Item 3 at 38-50) There is no clear evidence of financial counseling or an anticipated budget.

## Character Reference

The president of Applicant's employer wholeheartedly supports her based on her ethics, her trustworthiness, and her reliability. They have worked together since February 2022 and her integrity has never come into question. She owns up to mistakes, takes action, and holds herself and her team accountable to standards higher than any other manager. He routinely receives unsolicited positive feedback on her values and capability from various professionals with the parent organization. (Letter, dated December 15, 2023, attached to Response to the 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 (4<sup>th</sup> 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 three still-delinquent charged-off accounts totaling approximately \$22,588. Applicant's finances may have initially been negatively impacted by her unemployment during the period from September 2014 until May 2015, but she attributed most of her financial difficulties to being a sole wage earner for the family and the combination of low wages and high medical co-pays for her first spouse's medical issues in about 2015. She has held her current employment position since August 2015. She was divorced in 2017. The three accounts, including the repossessed automobile, alleged in the SOR have been delinquent since 2015 or 2016. Applicant's history of delinquent debts appears to present both an inability to satisfy debts and a history of not meeting financial obligations. AG ¶¶ 19(a) and 19(c) have been established.

It is noted that the issues associated with Applicant's delinquent accounts were first reported by Applicant in her SF 86 in October 2022, and discussed in detail in February 2023 when she was interviewed by OPM. Until the interview, approximately six or seven years after the debts became delinquent, Applicant made no efforts to resolve any of them despite acknowledging that the debts were hers. She explained her decision by claiming that she was currently earning enough income to pay off her charged-off debts but has hesitated to do so because she was in a good spot in her life and didn't want to reopen that door. Instead, she wanted to avoid the mental stress of contacting her creditors and making payment arrangements for what she considered "old debt." She considered the charged-off debts to be a closed issue and was not concerned with contacting her creditors. Instead, she intended to simply dispute the debts. At the time she explained her position, she had approximately \$3,528 as a monthly remainder available for paying her debts. During the period 2017 through 2021, she also had sufficient funds to enable her to take several tourism trips to Mexico and the Caribbean. In light of Applicant's declared position and lengthy period of inaction, AG ¶ 19(b) has also 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(b) and 20(d) partially apply. Applicant's earlier financial difficulties – some of which were associated with her period of unemployment (September 2014 – May 2015), her first spouse's medical issues, and her 2017 divorce, were in some measure at least somewhat beyond her control. However, upon righting her financial ship and receiving funds sufficient to enable her to take tourism trips to Mexico and the Caribbean and start resolving at least some of her delinquent accounts, she failed to act responsibly under the circumstances. Instead of doing so, she declared her charged-off debts to be old debts and considered them to be resolved. Applicant ignored her debts until she realized that her security clearance was in jeopardy because of her inaction. On May 8, 2023 – 6 days after the SOR was issued, she negotiated settlements with her creditors and paid them a total of \$6,776 to resolve her previously delinquent SOR-related debts totaling approximately \$22,588.

As noted above, Applicant acknowledged that, in addition to her SOR-related debts, she had several other delinquent accounts that were either charged off or settled in the last seven years. Unalleged conduct can be considered for certain purposes, as discussed by the DOHA Appeal Board. (Conduct not alleged in an SOR may be considered: (a) to assess an applicant's credibility; (b) to evaluate an applicant's evidence of extenuation, mitigation, or changed circumstances; (c) to consider whether an applicant has demonstrated successful rehabilitation; (d) to decide whether a particular provision of the Adjudicative Guidelines is applicable; or (e) to provide evidence for whole-person analysis under Directive § 6.3.). See ISCR Case No. 03-20327 at 4 (App. Bd. Oct. 26, 2006); (citing ISCR Case No. 02-07218 at 3 (App. Bd. Mar. 15, 2004); ISCR Case No. 00-0633 at 3 (App. Bd. Oct. 24, 2003)). See *a/so* ISCR Case No. 12-09719 at 3 (App. Bd. April 6, 2016) (citing ISCR Case No. 14-00151 at 3, n. 1 (App. Bd. Sept. 12, 2014); ISCR Case No. 03-20327 at 4 (App. Bd. Oct. 26, 2006)). Applicant's unlisted and unalleged delinquent accounts will be considered only for the five purposes listed above.



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))). Although Applicant self-reported and acknowledged her charged-off debts, until May 2023, she made no efforts to address any of those delinquent debts. It is apparent that Applicant intentionally ignored her delinquent accounts for a substantial multi-year period. 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 declared that she had no interest in addressing her delinquent accounts or dealing with her creditors and she followed that intentional path until she realized that her security clearance was in peril.

Clearance decisions are aimed at evaluating an applicant’s judgment, reliability, and trustworthiness. They are not a debt-collection procedure. Mere promises to pay debts in the future, without further confirmed action, are insufficient. In this instance, while claiming that she was currently earning enough income to pay off her charged-off debts, she hesitated to do so because she was in a good spot in her life and didn’t want to reopen that door. Instead, she wanted to avoid the mental stress of contacting her creditors and making payment arrangements for what she considered “old debt.” She considered the charged-off debts to be a closed issue and was not concerned with contacting her creditors. Instead, she intended to simply dispute the debts. And now that the SOR was issued, Applicant settled the three charged-off SOR accounts for less than their balance in one day.

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 or a budget. Applicant reported her current net monthly income and her monthly household expenses. She has a substantial monthly remainder available for savings or spending. She also had sufficient funds to spend on tourism trips to Mexico and the Caribbean. If she had made any good-faith efforts to negotiate with her creditors over a six- or seven-year period, or to make any payments associated with the accounts that she acknowledged were hers, it would reflect positive actions by her. However, Applicant's complete inaction for all those years, until the SOR was issued, and then followed up by her settlement of those accounts for less than their actual balances, under the circumstances continues to 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 mitigating evidence regarding Applicant's financial considerations under the whole-person concept. Applicant is a 32-year-old employee of a defense contractor. She has been serving as a logistics manager since August 2015. She previously served briefly in a sales position with another employer (June 2015 – August

2015). She is a 2010 high school graduate with some college credits, but no degree. She enlisted in the U.S. Navy in October 2010 and served on active duty until August 2014 when she was honorably discharged as a petty officer third class logistics specialist (E-4). She was granted a secret clearance in 2010, and it was renewed as recently as August 2020. Applicant’s delinquent accounts were first self-reported in her SF 86 in October 2022, and discussed in detail during her OPM interview in February 2023. She finally settled for less each of her delinquent accounts, and they are now considered resolved. The president of Applicant’s employer wholeheartedly supports her retaining her security clearance.

The disqualifying evidence under the whole-person concept is simply more substantial and compelling. When the SOR was issued, there were three still-delinquent charged-off accounts totaling approximately \$22,588. Until her OPM interview, approximately six or seven years after the debts became delinquent, Applicant made no efforts to resolve any of them despite acknowledging that the debts were hers. She explained her decision by claiming that she was currently earning enough income to pay off her charged-off debts but has hesitated to do so because she was in a good spot in her life and didn’t want to reopen that door. Instead, she wanted to avoid the mental stress of contacting her creditors and making payment arrangements for what she considered “old debt.” She considered the charged-off debts to be a closed issue and was not concerned with contacting her creditors. Instead, she intended to simply dispute the debts. At the time she explained her position, she had approximately \$3,528 as a monthly remainder available for paying her debts. Applicant ignored her debts until she realized that her security clearance was in jeopardy because of her inaction. On May 8, 2023 – 6 days after the SOR was issued, she negotiated settlements with her creditors and paid them a total of \$6,776 to resolve her previously delinquent SOR-related debts totaling approximately \$22,588.

Applicant’s track record of making no efforts for six or seven years to resolve the debts based on her decision that she was not responsible for old debts or charged-off debts, and her desire to avoid the stress of dealing with her creditors, is negative and discouraging. It was only after she realized that her security clearance was in jeopardy that she settled those debts for less than she actually owed. Overall, the evidence leaves me with substantial questions and doubts as to Applicant’s eligibility and suitability for a security clearance. Accordingly, I conclude Applicant has failed to mitigate the security concerns arising from his 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:                      AGAINST APPLICANT

Subparagraphs 1.a. through 1.c.:            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 interest to grant Applicant eligibility for a security clearance. Eligibility for access to classified information is denied.

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ROBERT ROBINSON GALES  
Administrative Judge