



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



In the matter of: )  
 )  
 ) ISCR Case No. 23-01906  
 )  
Applicant for Security Clearance )

**Appearances**

For Government: Alison O'Connell, Esq., Department Counsel  
For Applicant: Matthew Thomas, Esq.

12/20/2024

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**Decision**

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HYAMS, Ross D., Administrative Judge:

Applicant provided sufficient information to mitigate the financial considerations security concerns. Eligibility for access to classified information is granted.

**Statement of the Case**

Applicant submitted a security clearance application (SCA) on January 6, 2021. On August 21, 2023, the Defense Counterintelligence and Security Agency Consolidated Adjudication Services (DCSA CAS) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F (financial considerations). Applicant answered the SOR on November 13, 2023, and requested a hearing before an administrative judge. The case was assigned to me on September 5, 2024.

The hearing convened on November 20, 2024. Department Counsel submitted Government Exhibits (GE) 1-4, which were admitted in evidence without objection. Applicant submitted Applicant Exhibits (AE) A-M, which were admitted in evidence without objection.

## Findings of Fact

In his answer, Applicant admitted both SOR allegations. Based on my review of the pleadings, evidence submitted, and testimony, I make the following findings of fact.

Applicant is 37 years old. He married in 2006 and divorced in 2010. He married for the second time in 2011 and divorced in 2012. He has been with his current partner for more than two years. He has three minor children, and three minor stepchildren. He earned a high school diploma in 2005. He served as an aviation electronic technician while on active duty in the Marine Corps from 2005-2015. He left service due to an injury and he received an honorable discharge. Since 2020, he has worked as an aviation mechanic for a defense contractor. (Tr. 13-16; GE 1; AE K)

When Applicant left military service, his transition into the civilian employment world was difficult. Before he left active duty, he received a housing allowance for his dependents, which totaled \$1200 monthly, and his annual earnings were \$60,000. When he left, he was unable to find work for about six months. He eventually found a warehouse job with no benefits, earning \$36,000 annually. Since he was barely able to cover his basic expenses, his vehicle and credit card payments went unpaid. (Tr. 17-75)

Applicant lost the warehouse job after a year. He found another job that paid \$36,000 annually with a healthcare company. During this employment he started a romantic relationship with a traveling nurse. He quit his job in mid-2018 to accompany her on her next assignment. He admitted this was a bad decision. While she covered their living expenses, he had no income to resolve his delinquent debt. He remained unemployed about 18 months. (Tr. 17-75)

Applicant and the nurse separated in February 2020. When he looked for a new job, he was only able to find low paying work at a hardware store for \$11 an hour. He no longer had a vehicle, as it had been repossessed in 2016. He found a small cheap apartment to rent and walked to work. He had no possessions or furniture and was unable to visit his kids often. He started looking for new employment. (Tr. 17-75)

In November 2020, he found aviation work with his current employer, and was using the skills he learned in the military. He earns \$65,000 annually. He found a new home to rent closer to work, and slowly started bringing his life back together. He had been listening to a well-known financial advisor, Dave Ramsey. Ramsey is a legitimate and credible source, who has a radio show, YouTube channel, and podcasts. He also has a get out of debt program, which Applicant followed to get his finances back in order. Per Ramsey's financial advice, he kept his housing expenses to only 25% of his take home pay. He purchased a bed for his daughter, but he slept on a small couch he found curbside, and eventually upgraded to an air mattress from a friend. He managed his expenses and saved for a bed of his own. He saved money for a year and purchased a 15-year-old vehicle for \$5,000. He was able to repair and maintain the vehicle himself to save money. (Tr. 17-75; AE J)

He eventually moved in with his girlfriend and they share expenses. They shop at a discount grocery store and grow their own produce. He continues to follow Ramsey's advice, and maintains a savings account, reduced his expenses, and opened a health savings account. He is current on his child support payments. In October 2023, he was financially stable enough to start paying down his two delinquent debts. Both debts are from the same creditor, and he makes \$660 payments monthly. This amount is auto paid from his bank account. He provided documentation of the payments and has not missed any payments. He has already paid \$10,000 of debt. He spends about 18% of his take home pay to resolve his debt. (Tr. 17-75; AE A, B, C, D, E)

Applicant plans to use future raises to increase his debt payments. His debts will be completely paid within in a few years at the current rate. He no longer uses credit cards and is up to date on his monthly bills. He has about \$250 left over monthly after his expenses and debt payments. He saves that money in an emergency expenses fund. In addition to financial advisor Dave Ramsey, he had financial counseling when he was in the Marine Corps. He asserted he has learned his lesson about his finances and will not get in financial trouble again. He lives modestly and has reasonable expenses. He continues to build his savings. (Tr. 17-75; AE F, G, H )

He submitted five professional character letters which state he is a good employee, skilled in his field, reliable, trustworthy, and possess good judgement. (Tr. 17-75; AE M)

The SOR alleges two charged off debts. The status of the allegations is as follows:

SOR ¶ 1.a alleges a charged off auto loan for \$18,349. The loan was for a 2010 vehicle that Applicant purchased in 2014. It was purchased while he was still on active duty and was able to make the \$650 monthly payments. He reported that he missed his first loan payment within a year of leaving the military. The vehicle was repossessed in 2016. He is now making monthly payments on a payment plan and the balance is now about \$13,000. This debt is being resolved. (Tr. 17-75; GE 2, 3, 4; AE A, C)

SOR ¶ 1.b alleges a charged off credit card account for \$15,741. Applicant opened this credit card in 2012. He used it while on active duty to pay for gas and other monthly expenses. He claimed that it was usually paid off at the end of every month until he left the military, then had payment difficulties. He is now making monthly payments on a payment plan and the balance is now about \$11,500. This debt is being resolved (Tr. 17-75; GE 2, 3, 4; AE B, C)

## **Policies**

This case is adjudicated under Executive Order (EO) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG), which became effective on June 8, 2017.

When evaluating an applicant's suitability for a security clearance, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are to be used in evaluating an applicant's eligibility for access to classified information.

These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, administrative judges apply the guidelines in conjunction with the factors listed in the adjudicative process. The administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(c), the entire process is a conscientious scrutiny of a number of variables known as the "whole-person concept." The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a decision. The protection of the national security is the paramount consideration. AG ¶ 2(b) requires that "[a]ny doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security."

Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Under Directive ¶ E3.1.15, 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." The applicant has the ultimate burden of persuasion to obtain a favorable security decision.

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 the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation of potential, rather than actual, risk of compromise of classified information.

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

## **Analysis**

### **Guideline F, Financial Considerations**

The security concern 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.

The guideline notes conditions that could raise security concerns under AG ¶ 19. The following are potentially applicable in this case:

- (a) inability to satisfy debts; and
- (c) history of not meeting financial obligations.

The financial considerations security concerns are established by the credit reports. AG ¶¶ 19(a) and 19(c) apply.

Conditions that could mitigate the financial considerations security concerns are provided under AG ¶ 20. The following 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; and
- (d) the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts.

AG ¶ 20(a) applies. The alleged debts became delinquent under circumstances unlikely to recur, and no longer cast doubt on his current reliability, trustworthiness, and judgment.

AG ¶ 20(b) applies. The conditions that resulted in the financial problem were largely beyond his control and he acted responsibly under the circumstances. As soon as

his finances were stable enough to address his debts, he established a payment plan and has maintained his payments.

AG ¶ 20(c) applies. Applicant received financial counseling and continues to seek financial advice from a legitimate and credible source, and there are clear indications the problem is being resolved and under control.

AG ¶ 20(d) applies. Applicant has initiated a good-faith effort to repay overdue creditors and resolve debt.

Applicant's finances suffered after he left the military in 2015. He was unemployed for six months and then unable to find employment that paid enough to meet his expenses. Reasonable debts he incurred while on active duty went unpaid within a year of his discharge. Applicant lost everything and had to start from the ground up. He has followed sound financial advice and maintained a frugal lifestyle. His efforts to minimize his expenses have been excellent. As soon as he was financially stable, he instituted a payment plan with the creditor to resolve the two charged off debts. He has been faithfully making payments on that plan. He is current on his bills and there are no signs of financial irresponsibility. Applicant has demonstrated the appropriate reliability, trustworthiness, and judgement. Applicant has mitigated the financial considerations security concerns.

### **Whole-Person Concept**

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

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

Under AG ¶ 2(c), the ultimate determination of whether to grant eligibility for a security clearance must be an overall commonsense judgment based upon careful consideration of the guidelines and the whole-person concept. I considered his military service and character letters. I considered the potentially disqualifying and mitigating conditions in light of all the facts and circumstances surrounding this case. I have incorporated my comments under Guidelines F in my whole-person analysis.

I had the chance to observe Applicant's demeanor and assess his credibility. He adequately explained the circumstances surrounding the SOR allegations, and I found

his testimony and explanations to be credible and substantially corroborated by documentary evidence.

Overall, the record evidence leaves me without questions or doubts about Applicant's eligibility for a security clearance. I conclude that Applicant mitigated the financial considerations security concerns.

### **Formal Findings**

Formal findings for or against Applicant on the allegations set forth in the SOR, as required by section E3.1.25 of Enclosure 3 of the Directive, are:

Paragraph 1, Guideline F:	FOR APPLICANT
Subparagraphs 1.a-1.b:	For Applicant

### **Conclusion**

It is clearly consistent with the national interest to grant Applicant a security clearance. Eligibility for access to classified information is granted.

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Ross D. Hyams  
Administrative Judge