

DEPARTMENT OF DEFENSE DEFENSE OFFICE OF HEARINGS AND APPEALS



In the matter of:)	
)	
)	ADP Case No. 14-02077
)	
Applicant for Public Trust Position)	

Appearances

For Government: Pamela Benson, Esq., Department Counsel For Applicant: *Pro se*

02/09/2015

Decision

HARVEY, Mark, Administrative Judge:

Applicant's statement of reasons (SOR) alleges 36 delinquent, collection, or charged-off accounts, totaling \$11,699. She was also convicted of writing checks with insufficient funds in 2000, 2007, 2008, 2010, and 2013 as well as other misdemeanor-level offenses. She did not make sufficient progress resolving her financial problems to mitigate financial considerations concerns. Criminal conduct concerns are not mitigated. Her eligibility to occupy a public trust position is denied.

Statement of the Case

On December 12, 2013, Applicant submitted an Electronic Questionnaires for Investigations Processing (e-QIP) version of an application for a public trust position (SF 86). (GE 1) On July 28, 2014, the Department of Defense (DOD) Consolidated Adjudications Facility (CAF) issued an SOR to Applicant, pursuant to Department of Defense Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (Directive), dated January 2, 1992, as amended; Department of Defense (DoD) Regulation 5200.2-R, *Personnel Security Program*, dated Jan. 1987, as amended (Regulation); and the adjudicative guidelines (AG) promulgated by the President on December 29, 2005.

The SOR alleges trustworthiness concerns under Guidelines J (criminal conduct) and F (financial considerations). (HE 2) The SOR detailed reasons why DOD was unable to find that it is clearly consistent with national security to grant or continue Applicant's eligibility to occupy a public trust position, which entails access to sensitive information. (HE 2) The DOD CAF recommended referral to an administrative judge to determine whether such access to sensitive information should be granted, continued, denied, or revoked.

On August 28, 2014, Applicant responded to the SOR and requested a hearing. (HE 3) On December 15, 2014, Department Counsel indicated she was ready to proceed on Applicant's case. On December 18, 2014, the Defense Office of Hearings and Appeals (DOHA) assigned Applicant's case to me. On January 9, 2015, DOHA issued a hearing notice, setting her hearing for January 13, 2015. (HE 1) Applicant's hearing was held as scheduled using video teleconference. Applicant waived her right to 15 days of notice of the date, time, and place of the hearing. (Tr. 17-19) Department Counsel offered four exhibits, and Applicant offered seven exhibits, which were admitted without objection. (Tr. 21-24; GE 1-4; AE A-G) The transcript was received on January 22, 2015.

Findings of Fact¹

In her Answer to the SOR, Applicant admitted the SOR allegations in ¶¶ 1.a-1.d, 1.f-1.j, and 2.a-2.kk by writing "I admit" next to each allegation. However, some of her comments indicate she was attempting to verify the authenticity of the debts alleged in some of the SOR paragraphs or had paid the debt. She also provided mitigating information. Her admissions are accepted as findings of fact.

Applicant is a 48-year-old customer service representative employed by a defense contractor for several years. (Tr. 6-8) She has not been unemployed for at least five years. (Tr. 8) She received her general educational development or GED in 2000. (Tr. 6) She has about 10 college credits. (Tr. 7) In 1985, she was married, and in 1990, she was divorced. (Tr. 8) In 1991, she was married, and in 2006, she was divorced. (Tr. 8) In 2009, she married, and in 2010, her husband deserted her. (Tr. 8) Her two children are ages 22 and 27. (Tr. 9) Her children do not reside with her. (Tr. 9) There is no evidence of rule violations or drug or alcohol abuse.

Criminal Conduct

In 2000, Applicant was charged with two counts of theft by deception, including cold checks. She was convicted of one count and fined \$50. (Tr. 28-29; SOR response ¶ 1.a) A "cold check" is defined as a check written by a person who knew there were no funds in the account to cover the check or the account was closed. (Tr. 29)

¹Some details have been excluded in order to protect Applicant's right to privacy. Specific information is available in the cited exhibits.

Applicant's dog had a birth defect. In 2007, her dog fell on her stairs and was seriously injured. (Tr. 31-33) Her dog was diagnosed as being malnourished and with being infested with fleas. (Tr. 30-33) Veterinary care would have been \$750, and instead of being treated, the dog was euthanized. (Tr. 31-32) Applicant was charged with cruelty to animals. She was convicted and sentenced to 30 days in jail (suspended) and probation for two years. (SOR response ¶ 1.b) She expressed sincere regret and remorse concerning this offense. (Tr. 31-33)

In November 2007, April 2008, August 2008, March 2010, and May 2013, Applicant was charged with theft by deception, including cold checks, and she was convicted of one count on each occasion. (Tr. 35-37; SOR response ¶¶ 1.c, 1.d, 1.f, 1.i, 1.j) Applicant said the signatures on the checks in 2013 were hers; however, the amounts on the checks were altered and name of the payee on the checks was changed. (Tr. 38-42; SOR response) Nevertheless, Applicant took responsibility for the checks and paid the restitution for all of the checks. (Tr. 38-42, 71) In most instances, the bad checks were written a year or two before she was arrested. (Tr. 35-42, 71-72)

In June 2008, the police stopped Applicant for a traffic infraction and arrested her for probation violation. (Tr. 33-34) She was sent to jail for seven days. (Tr. 34; SOR response ¶ 1.e) Applicant was unsure how she violated probation, but her new probation officer may not have received a \$50 probation payment. (Tr. 34-35) Applicant could not locate the paperwork associated with her probation. (Tr. 35)

In May 2009 and September 2009, she was charged with operating a vehicle on a suspended or revoked license. (SOR response ¶¶ 1.g and 1.h) Applicant said she was unsure about why her license was suspended, and she did not specifically indicate whether she was convicted of these two offenses. (SOR response)

Financial Considerations

Applicant's credit reports reflected and SOR alleges 13 delinquent non-medical debts, totaling \$5,020 as follows: (1) 1.b (\$1,200) is a judgment from a landlord; 1.c (\$120), 1.d (\$1,148), 1.h (\$587), and 1.kk (\$60) are collection debts; 1.g (\$31) is a collection debt from a book club; 1.t (\$358), 1.y (\$264), 1.z (\$263), and 1.jj (\$329) are collection debts being collected by the same creditor; 1.v (\$115) and 1.w (\$110) are collection debts originating from a tanning studio; and 1.x (\$435) is a collection debt originating from a college.

Applicant's credit reports and SOR include 23 medical debts, totaling \$6,679 as follows: 1.e (\$219); 1.f (\$382); 1.i (\$277); 1.j (\$1,175); 1.k (\$294); 1.I (\$130); 1.m (\$390); 1.n (\$53); 1.o (\$36); 1.p (\$36); 1.q (\$47); 1.r (\$556); 1.s (\$480); 1.u (\$361); 1.aa (\$308); 1.bb (\$110); 1.cc (\$165); 1.dd (\$110); 1.ee (\$192); 1.ff (\$135); 1.gg (\$350); 1.hh (\$395); and 1.ii (\$478).

Applicant's annual salary was less than \$20,000 in 2013, and in 2014, it was \$16,434. (Tr. 25; AE G) She earns \$10 an hour. (Tr. 26) She also earned a few hundred dollars last year working part time as a photographer. (Tr. 27)

Applicant had knee surgery and gastric bypass surgery in 2007. (Tr. 42-43) Her medical insurance covered the gastric bypass surgery. (Tr. 44) Applicant had to go to the emergency room for a staph infection, and she had a dental emergency. (Tr. 45) Applicant contacted several of the creditors on the statement of reasons and offered \$10 monthly payments; however, everyone she talked to rejected her offers. (Tr. 46, 64) In December 2013, Applicant pulled a credit report and was shocked at the number of delinquent debts on her credit report. (Tr. 47) She has not made any arrangements to pay any of her SOR debts.

Applicant is making payments on several non-SOR debts. Applicant's pay is being garnished 15% for her student-loan debt of about \$9,000, and in 2014, she paid \$1,714 to address this debt. (Tr. 48-51; AE G) Applicant's pay is being garnished 10% for medical debts, and in 2014, she paid \$1,502 to address this debt. (Tr. 49, 51) She owes about \$1,200 on her medical garnishment. (Tr. 51) The medical garnishment might address some of the SOR medical debts; however, Applicant could not identify any of the SOR medical debts being paid by the garnishment. (Tr. 61-63; AE G) She pays \$40 every two weeks on a \$2,000 debt for pain treatments. (Tr. 54) Applicant conceded that after the SOR was issued, she generated additional delinquent medical debts. (Tr. 60)

In April 2014, she purchased a 2009 vehicle, and her monthly car payment is \$318 for 42 months. (Tr. 52) Her monthly car insurance is \$222. (Tr. 55) Her other expenses do not leave any extra money to pay her creditors. (Tr. 56-57) She is current on her taxes. (Tr. 57-58) Applicant has not had financial counseling. (Tr. 58) She plans to pay her delinquent debts. (Tr. 59) Once her smaller garnishment is resolved, she plans to use the extra funds to pay some of her debts. (Tr. 59)

Applicant's pastor, supervisors, and coworkers provided character references. (AE A-F) They described her as being devoted to her church, intelligent, dedicated, leadership, trustworthy, loyal, compassionate, professional, honest, forthright, efficient, and a mentor for younger women. (AE A-F) She makes important contributions to her employer and provides excellent customer service. (AE B-D)

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). The Government's authority to restrict access to classified information applies similarly in the protection of sensitive, unclassified information. As Commander in Chief, the President has the authority to control access to information bearing on national security or other sensitive information and to determine whether an individual is sufficiently trustworthy to have access to such information. See *Id.* at 527.

Positions designated as ADP I and ADP II are classified as "sensitive positions." Regulation \P C3.1.2.1.1.7 and C3.1.2.1.2.3. "The standard that must be met for . . .

assignment to sensitive duties is that, based on all available information, the person's loyalty, reliability, and trustworthiness are such that . . . assigning the person to sensitive duties is clearly consistent with the interests of national security." Regulation ¶ C6.1.1.1. Department of Defense contractor personnel are afforded the right to the procedures contained in the Directive before any final unfavorable access determination may be made. See Regulation ¶ C8.2.1.

When evaluating an applicant's suitability for a public trust position, an administrative judge must consider the disqualifying and mitigating conditions in the 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.

A person who seeks access to sensitive 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 sensitive information. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to protect or safeguard sensitive information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of sensitive information.

Initially, the Government must establish, by substantial evidence, conditions in the personal or professional history of the applicant which may disqualify the applicant from being eligible for access to sensitive information. See Egan, 484 U.S. at 531. "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 guidelines presume a nexus or rational connection between proven conduct under any of the criteria listed therein and an applicant's security and trustworthiness suitability. See ISCR Case No. 95-0611 at 2 (App. Bd. May 2, 1996).

Once the Government establishes a disqualifying condition by substantial evidence, the burden shifts to the applicant to rebut, explain, extenuate, or mitigate the facts. Directive ¶ E3.1.15. An applicant "has the ultimate burden of demonstrating that it is clearly consistent with the national interest security to grant or continue his or her security clearance [or access to sensitive information]." ISCR Case No. 01-20700 at 3 (App. Bd. Dec. 19, 2002). The burden of disproving a mitigating condition never shifts to the Government. See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005). "[S]ecurity clearance [or trustworthiness] determinations should err, if they must, on the side of denials." Egan, 484 U.S. at 531; see AG ¶ 2(b).

The protection of the national security and sensitive records is of paramount consideration. AG ¶ 2(b) requires that "[a]ny doubt concerning personnel being considered for access to [sensitive] information will be resolved in favor of national

security." Section 7 of Executive Order (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."

Analysis

Criminal Conduct

- AG ¶ 30 expresses the trustworthiness concern pertaining to criminal conduct, "Criminal activity creates doubt about a person's judgment, reliability, and trustworthiness. By its very nature, it calls into question a person's ability or willingness to comply with laws, rules and regulations."
- AG ¶ 31 describes two conditions that could raise a trustworthiness concern and may be disqualifying in this case, "(a) a single serious crime or multiple lesser offenses," and "(c) allegation or admission of criminal conduct, regardless of whether the person was formally charged, formally prosecuted or convicted."
- AG ¶¶ 31(a) and 31(c) apply. Applicant has six misdemeanor-level convictions for writing checks with insufficient funds. In 2000, November 2007, April 2008, August 2008, March 2010, and May 2013, Applicant was charged with theft by deception, including cold checks, and she was convicted of one count on each occasion. She was convicted of cruelty to her pet dog in 2007, and a probation violation in 2008. She was arrested for operating a vehicle on a suspended or revoked license in May 2009 and September 2009.
- AG ¶ 32 provides four conditions that could potentially mitigate trustworthiness concerns:
 - (a) so much time has elapsed since the criminal behavior happened, or it happened under such unusual circumstances that it is unlikely to recur and does not cast doubt on the individual's reliability, trustworthiness, or good judgment;
 - (b) the person was pressured or coerced into committing the act and those pressures are no longer present in the person's life:
 - (c) evidence that the person did not commit the offense; and
 - (d) there is evidence of successful rehabilitation; including but not limited to the passage of time without recurrence of criminal activity, remorse or restitution, job training or higher education, good employment record, or constructive community involvement.

Although none of the mitigating conditions fully apply, there are important mitigating factors. She was convicted of cruelty to her pet dog in October 2007. She sincerely felt remorse for the injury and death of her dog, and such conduct has not

recurred. This offense is mitigated by the passage of time. I am confident she would not be cruel to a pet in the future. I am also crediting her with mitigating the two driving with a suspended license offenses in 2009. They occurred more than five years ago and have not recurred.

Significant factors weighing against mitigating criminal conduct concerns remain. Applicant has six misdemeanor-level convictions for writing checks with insufficient funds. She also has a probation violation conviction. More time without any criminal misconduct is necessary to establish rehabilitation and to assure that criminal conduct and similar behavior raising trustworthiness concerns is unlikely to recur. Applicant is not ready to be entrusted with access to sensitive information at this time.

Financial Considerations

AG ¶ 18 articulates the trustworthiness concern relating to financial problems:

Failure or inability 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 [sensitive] information. An individual who is financially overextended is at risk of having to engage in illegal acts to generate funds.

AG ¶ 19 provides two disqualifying conditions that could raise a trustworthiness concern and may be disqualifying in this case: "(a) inability or unwillingness to satisfy debts;" and "(c) a history of not meeting financial obligations."

In ISCR Case No. 08-12184 at 7 (App. Bd. Jan. 7, 2010), the Appeal Board explained:

It is well-settled that adverse information from a credit report can normally meet the substantial evidence standard and the government's obligations under [Directive] ¶ E3.1.14 for pertinent allegations. At that point, the burden shifts to applicant to establish either that [he or] she is not responsible for the debt or that matters in mitigation apply. (internal citation omitted).

Applicant's history of delinquent debt is documented in her credit reports, her SOR response, and her hearing record. Her SOR alleges 36 delinquent, collection, or charged-off accounts, totaling \$11,699. The Government established the disqualifying conditions in AG ¶¶ 19(a) and 19(c), requiring additional inquiry about the possible applicability of mitigating conditions.

Five mitigating conditions under AG ¶ 20 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, or a death, divorce or separation), and the individual acted responsibly under the circumstances;
- (c) the person has received or is receiving counseling for the problem and/or there are clear indications that the problem is being resolved or is under control;
- (d) the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts;² 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.

Applicant's conduct in resolving her delinquent debt does not warrant full application of any mitigating conditions to all of her SOR debts; however, she provided some mitigating information. She receives some credit for the funds paid to her creditors through garnishment³ and to non-SOR creditors. I have credited her with mitigating

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." Accordingly, an applicant must do more than merely show that he or she relied on a legally available option (such as bankruptcy) in order to claim the benefit of [the "good faith" mitigating condition].

(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. June 4, 2001)).

²The Appeal Board has previously explained what constitutes a "good faith" effort to repay overdue creditors or otherwise resolve debts:

³Of course, Applicant loses some mitigating credit because some debt payments were made through garnishment of her salary even though her opportunity to establish a payment plan was limited because of her limited income and other financial commitments. Payment of a debt "though garnishment rather than a voluntary effort diminishes its mitigating force." *Compare* ISCR Case No. 08-06058 at 4 (App. Bd. Aug. 26, 2010) *with* ISCR Case No. 04-07360 at 2-3 (App. Bd. Sept. 26, 2006) (payment of two of four debts through garnishment did not bar mitigation of financial considerations concerns).

SOR ¶ 1.a because she made restitution for the bad checks she wrote. She made some payments to her non-SOR creditors.

Applicant did not act responsibly under the circumstances. She received ample notice of her delinquent debts raising trustworthiness concerns. Applicant did not provide sufficient information about her finances to establish her inability to pay her SOR creditors anything. She continued to accrue more delinquent debts after she completed her SF 86. She did not receive financial counseling.

In sum, Applicant conceded that she did not make any payments to any of her SOR creditors. She did not establish that some of her wages being garnished for a medical debt were sent to some of her SOR medical creditors. There is no financial documentation relating to any of her SOR creditors showing maintenance of contact with creditors⁴ or other evidence of progress or resolution of her SOR debts. There is insufficient evidence that her financial problems are being resolved, are under control, and will not occur in the future.

Whole-Person Concept

Under the whole-person concept, the administrative judge must evaluate an Applicant's eligibility for a public trust position 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 \P 2(a):

(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 \P 2(c), the ultimate determination of whether to grant eligibility for a public trust position must be an overall commonsense judgment based upon careful consideration of the guidelines and the whole-person concept. I have incorporated my comments under Guidelines J and F in my whole-person analysis. Some of the factors in AG \P 2(a) were addressed under those guidelines, but some warrant additional comment.

⁴"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.

There is some evidence supporting approval of Applicant's clearance. Applicant is a 48-year-old customer service representative employed by a defense contractor for several years. She has not been unemployed for at least five years. There is no evidence of trustworthiness violations, or drug or alcohol abuse. Applicant's pastor, supervisors, coworkers, and friends described her as being devoted to her church, intelligent, dedicated, a leader, trustworthy, loyal, compassionate, professional, honest, forthright, efficient, and a mentor for younger women. Twenty-five percent of Applicant's pay is being garnished to address student loan and medical debts. She makes important contributions to her employer and provides excellent customer service. She contributes to her company and the Department of Defense.

The financial evidence against approval of Applicant's clearance is more substantial at this time. Applicant has a history of financial problems. Applicant's credit reports and SOR allege 36 delinquent, collection, or charged-off accounts, totaling \$11,699. She admitted all of the SOR debts. She was also convicted of writing checks with insufficient funds in 2000, 2007, 2008, 2010, and 2013 as well as other misdemeanor-level offenses. Her failure to show greater progress by at least paying some of her SOR debts that were less than \$100 or to address some SOR debts without the imposition of garnishment shows a lack of financial responsibility and judgment and raises unmitigated questions about Applicant's reliability, trustworthiness, and ability to protect sensitive information. See AG ¶ 18. More financial progress and time without criminal offenses is necessary to mitigate trustworthiness concerns.

It is well settled that once a concern arises regarding an applicant's eligibility for a public trust position, there is a strong presumption against the grant or renewal of a public trust position. Unmitigated criminal conduct and financial considerations concerns lead me to conclude that reinstatement of Applicant's access to sensitive information is not warranted at this time. This decision should not be construed as a determination that Applicant cannot or will not attain the state of reform necessary to justify the award of a public trust position in the future. With more effort towards resolving her past-due debts, and a track record of behavior consistent with her obligations, including compliance with criminal laws, she may well be able to demonstrate persuasive evidence of her worthiness for access to sensitive information.

I have carefully applied the law, as set forth in *Department of Navy v. Egan*, 484 U.S. 518 (1988), Exec. Or. 10865, the Directive, and the AGs, to the facts and circumstances in the context of the whole person. Criminal conduct and financial considerations concerns are not mitigated. For the reasons stated, I conclude Applicant is not eligible for access to classified information at this time.

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 J: AGAINST APPLICANT

Subparagraph 1.a:

Subparagraph 1.b:

Subparagraphs 1.c to 1.f:

Subparagraphs 1.g and 1.h:

Subparagraphs 1.i and 1.j:

Against Applicant

For Applicant

Against Applicant

Against Applicant

Paragraph 2, Guideline F: AGAINST APPLICANT

Subparagraph 2.a: For Applicant Subparagraphs 2.b to 2.kk: Against Applicant

Conclusion

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

Mark Harvey
Administrative Judge