



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



In the matter of: )  
 )  
----- ) ISCR Case No. 09-00503  
SSN: ----- )  
 )  
Applicant for Security Clearance )

**Appearances**

For Government: Daniel F. Crowley, Esquire, Department Counsel

For Applicant: *Pro Se*

December 10, 2009

**Decision**

HARVEY, Mark, Administrative Judge:

Applicant’s statement of reasons (SOR) listed 20 delinquent debts, totaling \$26,848. She paid two debts. Seven student loans were duplicated in the SOR. She consolidated her student loans into one debt for \$7,784, and established a payment plan. She has established payment plans on all of the other SOR debts, except for three debts, which total \$6,867. Financial considerations concerns are mitigated, and eligibility for access to classified information is granted.

**Statement of the Case**

On September 26, 2008, Applicant submitted an Electronic Questionnaire for Investigations Processing (e-QIP) or security clearance application (SF-86) (Government Exhibit (GE) 1). On May 28, 2009, the Defense Office of Hearings and Appeals (DOHA) issued an SOR (GE 8) to Applicant, pursuant to Executive Order 10865, *Safeguarding Classified Information Within Industry*, dated February 20, 1960, as amended and modified; Department of Defense Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (Directive), dated January 2, 1992, as amended and modified; and the revised adjudicative guidelines (AG) promulgated by

the President on December 29, 2005, and effective within the Department of Defense for SORs issued after September 1, 2006.

The SOR alleged security concerns under Guideline F (Financial Considerations). The SOR detailed reasons why DOHA could not make the preliminary affirmative finding under the Directive that it is clearly consistent with the national interest to grant or continue a security clearance for Applicant, and recommended referral to an administrative judge to determine whether Applicant's clearance should be granted, continued, denied, or revoked.

On June 22 and July, 23, 2009, Applicant responded to the SOR (Transcript (Tr.) 14-15; GE 9). On September 18, 2009, Department Counsel announced he was ready to proceed on his case. On September 28, 2009, DOHA assigned Applicant's case to me. On October 1, 2009, DOHA issued a hearing notice (GE 7). On October 23, 2009, Applicant's hearing was held. At the hearing, Department Counsel offered six exhibits (GE 1-6) (Tr. 29-30), and Applicant offered eight exhibits (Tr. 31-35; AE A-H). There were no objections, and I admitted GE 1-6 (Tr. 30), and AE A-H (Tr. 35-36). Additionally, I admitted the hearing notice, SOR, and response to the SOR (GE 7-9). On November 2, 2009, I received the transcript. After her hearing, Applicant provided nine exhibits (AE I-Q), which were admitted into evidence without objection.

### **Findings of Fact<sup>1</sup>**

In Applicant's SOR response, she admitted the debts in SOR ¶¶ 1.a and 1.d to 1.i (GE 9). She established that that she paid the debt in SOR ¶ 1.c (\$45) (GE 9 at 3-4). The debts in SOR ¶¶ 1.d to 1.i and 1.n and 1.o pertained to delinquent student loans (GE 9 at 5-7).<sup>2</sup> On March 23, 2009, she received an offer of a repayment schedule with a \$125 monthly payment starting on March 27, 2009, to address a balance owed on six student loan accounts of \$8,302 (GE 9 at 6). A handwritten note indicated the medical debt of \$228 in SOR ¶ 1.p was settled for \$148 and paid using a money gram (GE 9 at 9-10). A March 18, 2009, letter from the creditor in SOR ¶¶ 1.r (\$1,671), 1.s (\$2,110), and 1.t (\$563) indicated the debts were transferred to a different creditor (GE 9 at 19).

Applicant is a 38-year-old employee of a defense contractor (Tr. 6). In 1989, she graduated from high school, and she has completed some credits towards her bachelor's degree (Tr. 6, 36). She majored in business administration (Tr. 7). She has never been married and does not have any children (Tr. 7). Her September 26, 2008, security clearance application describes her delinquent debts and two judgments (GE 1). It does not list any other reportable incidents involving illegal drugs, alcohol, the police, or courts (GE 1).

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<sup>1</sup>Some details have not been included in order to protect Applicant's right to privacy. Specific information is available in the cited exhibits.

<sup>2</sup> Department Counsel conceded in his opening statement that there were duplications of her student loans and the actual number of student loans was seven totaling about \$8,000, as opposed to the 14 student loans listed on the SOR (Tr. 20, 89).

## Financial considerations

The SOR listed 20 delinquent debts, totaling \$26,848. Six SOR debts are unrelated to student loans: ¶ 1.a (apartment lease—\$1,222); ¶ 1.b (apartment lease—\$4,315); ¶ 1.c (pizza—\$45); ¶ 1.k (telecommunications—\$356); ¶ 1.l (judgment medical—\$1,330); and ¶ 1.p (medical—\$228). The remaining 14 SOR debts are all from student loans: ¶ 1.d (\$423); ¶ 1.e (\$579); ¶ 1.f (\$2,168); ¶ 1.g (\$1,717); ¶ 1.h (\$1,084); ¶ 1.i (\$1,648); ¶ 1.j (\$1,013); ¶ 1.m (\$2,720); ¶ 1.n (\$991); ¶ 1.o (\$1,061); ¶ 1.q (\$1,604); ¶ 1.r (\$1,671); ¶ 1.s (\$2,110); and ¶ 1.t (\$563) (Tr. 64-71).

After graduation from high school, Applicant worked at a drug store, for the airlines, at a bank, at a hotel, and in the travel industry (Tr. 37-38, 43-44). She was unemployed from July 2002 to March 2003 and from about November 2004 to August 2005 and in 2007 for several months (Tr. 44-46; GE 1). After she lost her job in 2007 she was financially devastated (Tr. 46). In July 2007, she was evicted and her car was repossessed (Tr. 24, 28-29). She received her current employment in July 2007 as a temporary employee, and then was hired as a full-time employee in September 2007 (Tr. 47-49). On February 27, 2009, she paid the \$5,229 debt related to her repossessed vehicle (Tr. 47-48; GE 4 at 4).

Fourteen SOR debts are related to Applicant's student loans: ¶ 1.d (\$423); ¶ 1.e (\$579); ¶ 1.f (\$2,168); ¶ 1.g (\$1,717); ¶ 1.h (\$1,084); ¶ 1.i (\$1,648); ¶ 1.j (\$1,013); ¶ 1.m (\$2,720); ¶ 1.n (\$991); ¶ 1.o (\$1,061); ¶ 1.q (\$1,604); ¶ 1.r (\$1,671); ¶ 1.s (\$2,110); and ¶ 1.t (\$563) (Tr. 64-71). Applicant attended college for about five semesters from 1989 to 1990 and then part time from 2001 to 2002 (Tr. 37-40). From 2001 to 2002, she received six student loans totaling \$6,624 under the Stafford program in the amounts of: \$458; \$1,750; \$1,333; \$875; \$1,333; and \$875 (GE 9 at 11). The seventh student loan was for about \$2,000 and was evidently paid off in 2008 when her \$2,600 federal tax refund was diverted and applied to her delinquent student loans (Tr. 65-73, 84-85; GE 2 at 12-18; GE 9 at 11). She had difficulty locating the current creditor of her student loans because the loans were transferred to different collection companies (Tr. 25, 28-29). Over the last seven years, she made some payments and received some deferments on her student loans (Tr. 40).

Applicant said she could not afford her student loan payments because her rent expenses and car payments did not leave enough money to make payments on her student loan (Tr. 22, 28-29). On March 23, 2009, she received a payoff figure of \$8,302 for all of her education loans with a \$125 per month payment plan (AE J). She agreed to this payment plan (AE B, J, K). On September 11, 2009, she received an updated payoff figure of \$7,784 for her education loans (AE K). Her loan statement of October 29, 2009, showed outstanding interest owed of \$6, indicating her payment plan was current (AE L at 2).

Applicant promised to begin addressing her debt in SOR ¶ 1.a (apartment lease—\$1,222) after she pays some of her other debts (Tr. 50-51). The creditor offered to settle the debt for \$800 (Tr. 51). She made a \$25 payment on November 9, 2009 (AE P).

The creditor for the debt in SOR ¶ 1.b (apartment lease—\$4,315) offered to settle for a \$3,600 lump sum (Tr. 52). The collection agency has obtained a judgment for \$2,398 for the debt in SOR ¶ 1.b (Tr. 53; GE 2 at 27).

The debt in SOR ¶ 1.c (pizza—\$45) resulted from a check returned for insufficient funds (Tr. 54). She established that that she paid this debt (Tr. 54-55; GE 9 at 3-4).

The debt in SOR ¶ 1.k (\$356) related to a telecommunications account (Tr. 55). She has been paying \$100 per month for about seven months, and had reduced the debt from \$900 to \$200 (Tr. 55-56).

The debt in SOR ¶ 1.l (judgment—\$1,330) relates to medical treatment Applicant received at an emergency room in 2006 (Tr. 57-59). She did not have medical insurance (Tr. 57-59). Applicant has made two \$125 payments to this creditor (Tr. 58).

The debt in SOR ¶ 1.p (medical—\$228) relates to Applicant's visit to an emergency room (Tr. 61). She did not have medical insurance. Applicant paid this debt (Tr. 61-64; GE 9 at 10).

Applicant's monthly gross pay is \$5,039 and her monthly net pay is \$3,456 (AE M). Her monthly expenses total \$2,424 (AE M, O). Her monthly rent is \$1,099, and her rent is current (AE M, Q). Her debt payments include the following monthly payments: \$125 for her student loan; \$50 for the debt in SOR ¶ 1.a; \$157 for a debt consolidation loan; \$487 for her car loan (Tr. 83); and \$100 for the debt in SOR ¶ 1.k (AE M). Her monthly remainder after deducting her expenses and debt payments is \$113 (AE M). Her car loan amount is \$13,000 (Tr. 83; AE O). Applicant received financial counseling as documented by her personal finance management information sheet and personal financial statement (AE M, O).

### **Character evidence**

Applicant's evaluations describe her as an exceptional employee with a positive, can-do attitude (AE C). She treats others with respect, and accepts responsibility for her actions and decisions (AE C). She is diligent, responsible, competent, and professional (AE D). She shows flexibility, adaptability, appropriate initiative, and good judgment (AE D).

A July 23, 2009, email from a customer lauded Applicant's hard work, organization skills, and attention to detail (AE H). A U.S. Navy Captain, who has known Applicant from June 2007 to September 2008, was impressed with Applicant's positive attitude, hard work, and desire to improve herself and her organization (AE F). He noted her increasing competence and value to her organization (AE F). He highly recommended her for employment in administration (AE F).

## 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.” *Id.* at 527. The President has authorized the Secretary of Defense or his designee to grant 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.

Eligibility for a security clearance is predicated upon the applicant meeting the criteria contained in the revised adjudicative guidelines (AG). These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with an evaluation of the whole person. An administrative judge’s overarching adjudicative goal is a fair, impartial, and commonsense decision. An administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable.

The government reposes a high degree of trust and confidence in persons with access to classified information. This relationship transcends normal duty hours and endures throughout off-duty hours. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to protect or 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. 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. See also Executive Order 12968 (Aug. 2, 1995), Section 3. 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 not met the strict guidelines the President and the Secretary of Defense have established for issuing a clearance.

Initially, the government must establish, by substantial evidence, conditions in the personal or professional history of the applicant that may disqualify the applicant from being eligible for access to classified information. The government has the burden of establishing controverted facts alleged in the SOR. 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 (4<sup>th</sup> 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 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 to grant or continue his security clearance.” 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 determinations should err, if they must, on the side of denials.” *Egan*, 484 U.S. at 531; see AG ¶ 2(b).

### **Analysis**

Upon consideration of all the facts in evidence, and after application of all appropriate legal precepts, factors, and conditions, I conclude the relevant security concerns are under Guideline F (Financial Considerations).

### **Financial Considerations**

AG ¶ 18 articulates the security 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 classified information. An individual who is financially overextended is at risk of having to engage in illegal acts to generate funds.

AG ¶ 19 provides two conditions that could raise a security concern and may be disqualifying in this case: “(a) inability or unwillingness to satisfy debts”; and “(c) a history of not meeting financial obligations.” The Appeal Board has noted, “Applicant’s credit report was sufficient to establish the Government’s prima facie case that Applicant had . . . delinquent [SOR] debts that are of security concern.” ISCR Case No. 03-20327 at 3 (App. Bd. Oct. 26, 2006). Applicant’s history of delinquent debt is documented in her credit reports, her OPM interview, her responses to DOHA interrogatories, her SOR response, and her oral statement at her hearing. She failed to ensure her creditors were paid as agreed. The government established the disqualifying conditions in AG ¶¶ 19(a) and 19(c). Further inquiry about the applicability of mitigating conditions is required.

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; 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 does not warrant full application of AG ¶ 20(a) because she did not act more aggressively and responsibly to resolve her delinquent debts. Her delinquent debts are "a continuing course of conduct" under the Appeal Board's jurisprudence. See ISCR Case No. 07-11814 at 3 (App. Bd. Aug. 29, 2008) (citing ISCR Case No. 01-03695 (App. Bd. Oct. 16, 2002)). She did not resolve all of her delinquent SOR debts through payment, established payment plans or disputes.

AG ¶¶ 20(b) and 20(c) apply. Applicant had three periods of unemployment in the period July 2002 to July 2007, with her most recent unemployment causing the most adverse financial impact. She was evicted from her apartment, her student loans became delinquent, and her vehicle was repossessed.

The Appeal Board's discussion of AG ¶ 20(b) in ISCR Case No. 08-06567 (App. Bd. Oct. 29, 2009) clarifies the applicability of this mitigating condition when an Applicant is unable to make substantial progress on delinquent debts after circumstances outside an applicant's control cause delinquent debt. In ISCR Case No. 08-06567 (A.J. July 27, 2009), the applicant had a judgment against him in June 2001 for \$7,948; an IRS tax lien in January 2001 for \$25,441 from tax years 1993 to 1997 (since released), and a state tax lien in September 1999 for \$6,701 (since released). These three delinquent debts established a history of financial problems, which included significant tax problems extending over eight years (1993 to 2001). *Id.* at 2. In 2007, the applicant's business faltered (the circumstance beyond his control), and he generated about \$21,000 in additional delinquent debt. *Id.* at 3-4. He paid six of his new debts, and three debts totaling about \$17,000 remain for resolution. ISCR Case No. 08-06567 at 2 (App. Bd. Oct. 29, 2009). He obtained financial counseling, developed a repayment plan, and took reasonable actions to effectuate his repayment plan. *Id.* at 3. The Appeal Board at 3 determined that administrative judge erred when he failed to explain,

. . . what he believes that Applicant could or should have done under the circumstances that he has not already done to rectify his poor financial

condition, or why the approach taken by Applicant was not “responsible” in light of his limited circumstances.

Once Applicant returned to full-time employment in September 2007, she worked diligently to pay their creditors.<sup>3</sup> For example, she paid the \$5,229 debt related to her repossessed vehicle. She received financial counseling, and generated a budget. She paid two debts (SOR ¶¶ 1.c and 1.p). She established a payment plan for her consolidated student loan, and paid her telecommunications debt from \$900 down to \$200 over the seven months prior to her hearing (SOR ¶ 1.k). She paid \$250 towards the debt in SOR ¶ 1.l and \$25 to the creditor in SOR ¶ 1.a. She has not made any payments to the creditor in SOR ¶ 1.b, who wants a \$3,600 lump sum payment. She has contacted all of her SOR creditors and knows what she must do to resolve her debts. Applicant has acted responsibly under the circumstances. There are clear indications that her financial problem is being resolved or is under control. She has established her financial responsibility.

Applicant does not receive full mitigation under AG ¶¶ 20(d) or 20(e). She did not establish good faith<sup>4</sup> in the resolution of her SOR debts because she did not adequately demonstrate her efforts to pay her debts in the first year after she received her current employment. She did not show sufficient adherence to her obligations. AG ¶ 20(e) applies to the student loans that were duplicated. The record establishes that the seven student loans were duplicated in the SOR. In 2009, her student loans were consolidated into one debt, which in September 2009 amounted to \$7,784.

In sum, Applicant should have been more diligent and made greater efforts sooner to resolve her delinquent debts. Her debts resulted from unemployment, (two

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<sup>3</sup>“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 the Applicant maintained contact with his or her creditors and attempted to negotiate partial payments to keep debts current.

<sup>4</sup>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.’ Accordingly, an applicant must do more than merely show that he or she relied on a legally available option (such as bankruptcy [or statute of limitations]) 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)).



debts were due to medical problems, and she did not have medical insurance). Her SOR listed 20 delinquent debts, totaling \$26,848. She paid two debts. Fourteen of the SOR debts related to student loans, which were consolidated into a single payment plan, in which she owes \$7,784. She has established payment plans on all of the other SOR debts, except for three debts, which total \$6,867 (her total of \$275 in payments towards these three debts are not sufficient to establish a payment plan). I am confident she will keep her promise to pay her delinquent debts<sup>5</sup> because of her sufficient track record of financial progress shown over the last year.

### **Whole Person Concept**

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

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. AG ¶ 2(c). I have incorporated my comments under Guideline F in my whole person analysis. Some of the factors in AG ¶ 2(a) were addressed under that guideline, but some warrant additional comment.

The whole person factors against reinstatement of Applicant's clearance are significant; however, they do not warrant revocation of her security clearance. Applicant's failure to pay or resolve her just debts in accordance with contacts she signed was not prudent or responsible. She has a history of financial problems. Her 2008 and 2009 credit reports listed delinquent debts including two judgments.

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<sup>5</sup> Of course, the government can re-validate Applicant's financial status at any time through credit reports, investigation and/or additional interrogatories. Approval of a clearance now does not bar the government from subsequently revoking it, if warranted. Violation of a promise made in a security context to pay legitimate debts also raises judgment concerns under Guideline E, and may support future revocation of a security clearance. An administrative judge does not have authority to grant a conditional clearance. ISCR Case No. 99-0901, 2000 WL 288429 at \*3 (App. Bd. Mar. 1, 2000). See also ISCR Case No. 04-03907 at 2 (stating, "The Board has no authority to grant [a]pplicant a conditional or probationary security clearance to allow her the opportunity to have a security clearance while she works on her financial problems." and citing ISCR Case No. 03-07418 at 3 (App. Bd. Oct. 13, 2004)). This footnote does not imply that this Applicant's clearance is conditional.

The rationale for granting or reinstating Applicant's clearance is more substantial. She was forthright and candid in her security clearance application, her responses to DOHA interrogatories, her responses to an OPM investigator, her SOR response, and at her hearing about her financial problems. Several problems beyond her control adversely affected her financial status. Her debts resulted from unemployment, (two debts were due to medical problems, and she did not have medical insurance). Fourteen of the SOR debts related to student loans, which were consolidated into a single payment plan, in which she owes \$7,784. She paid two debts. She has established payment plans for all of her other SOR debts, except for three debts, which total \$6,867 (her total of \$275 in payments towards these three debts are not sufficient to establish a payment plan). I am confident she will keep her promise to pay her delinquent debts. The Appeal Board has 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 has paid off each and every debt listed in the SOR. All that is required is that an applicant demonstrate that he has ' . . . established a plan to resolve his 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 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.

ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008) (internal citations omitted).

Applicant is 38 years old. She has achieved some important educational and employment goals, demonstrating her self-discipline, responsibility and dedication. Her financial problems were caused by her unemployment, rather than by her misconduct or irresponsible spending. Before her employment problems, she did not have any delinquent debts. Applicant is an intelligent person, and she understands how to budget and what she needs to do to establish and maintain her financial responsibility. Clearly, she could have acted more aggressively to resolve her debts, after receiving employment with a government contractor in September 2007. There is, however, simply no reason not to trust her. Moreover, she has established a "meaningful track record" of debt re-payment.

Applicant has demonstrated her loyalty, patriotism and trustworthiness through her service to the Department of Defense as a contractor. A character witness described Applicant as highly professional and diligent. Her evaluations document her solid work performance and good character. She is an asset to her corporation. Her security clearance application does not list any other reportable incidents involving illegal drugs, alcohol, the police, or courts.

I take this position based on the law, as set forth in *Department of Navy v. Egan*, 484 U.S. 518 (1988), my “careful consideration of the whole person factors,”<sup>6</sup> and supporting evidence, my application of the pertinent factors under the Adjudicative Process, and my interpretation of my responsibilities under the Guidelines. I conclude she has shown sufficient responsibility and rehabilitation to mitigate the financial considerations security concerns. For the reasons stated, I conclude she is eligible for access to classified information.

### **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 to 1.t: For Applicant

### **Conclusion**

In light of all the circumstances presented by the record in this case, it is clearly consistent with the national interest to grant or continue Applicant’s eligibility for a security clearance. Eligibility for a security clearance is granted.

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MARK HARVEY  
Administrative Judge

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<sup>6</sup>See ISCR Case No. 04-06242 at 2 (App. Bd. June 28, 2006).