



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



In the matter of:)	
)	
XXXXXXXX, XXXXXXXX XXXXX)	ISCR Case No. 11-03217
)	
Applicant for Security Clearance)	

Appearances

For Government: Raashid S. Williams, Esquire, Department Counsel
For Applicant: *Pro se*

10/31/2012

Decision

METZ, John Grattan, Jr., Administrative Judge:

Based on the record in this case,¹ I grant Applicant's clearance.

On 20 April 2012, the Defense Office of Hearings and Appeals (DOHA) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F, Financial Considerations.² Applicant timely answered the SOR, requesting a hearing. DOHA assigned the case to me 9 August 2012, and I convened a hearing 11 September 2012. DOHA received the transcript (Tr.) 17 September 2012.

¹Consisting of the transcript (Tr.), Government exhibits (GE) 1-4, and Applicant exhibits (AE) A-B.

²DOHA acted under Executive Order 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; Department of Defense (DoD) Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG) effective within the DoD on 1 September 2006.

Findings of Fact

Applicant denied the SOR allegations. She is a 32-year-old office manager employed by a defense contractor since April 2010. She will also be the company facility security officer (FSO) if she gets her clearance. She has not previously held a clearance.

The SOR alleges, and Government exhibits confirm, eight delinquent debts totaling over \$15,000. Nearly \$12,000 of the delinquent debt is for an education loan.

According to her Answer and supporting documents, Applicant entered into repayment plans on SOR debts 1.a (\$1,388), 1.b (\$664), and 1.c (\$11,558). She paid SOR debt 1.d (\$194) in April 2012. Applicant paid SOR debt 1.e (\$534) in May 2006. The listed creditor for SOR debt 1.f (\$677) could find no record of the account, and it has been removed from her credit report. She paid SOR debt 1.g (\$120) in April 2012. She paid SOR debt 1.h (\$305) with two payments made in May and July 2012 (Answer, AE 1).

Applicant's financial problems were largely the result of her financial naivete and her decision to actively participate in the political process after graduating from college in December 2003. From July 2004 to November 2004, she worked as a youth campaign director for a state political party. From July 2006 to November 2006, she worked as the finance director for a congressional campaign. From August 2007 to August 2008, she worked as a regional field director for a presidential campaign.

Before and after campaigns, Applicant worked at a variety of jobs that can best be described as temporary, lower-paying jobs, even if she was employed full time at them. The job she obtained in April 2010 is the first truly permanent employment that she has had since graduating college.

In addition to the lower-paying jobs she had between campaigns, Applicant's campaign jobs did not pay particularly well, and her finances were further complicated by the campaign financing used by her employers. She traveled extensively and was responsible for setting up local campaign offices and getting her own temporary housing. Although these expenses were subject to reimbursement, payments were not made until a given event passed—e.g. primary election. For example, in the presidential campaign, she began working in August 2007, but the state presidential primary was not until February 2008. In addition, reimbursements were also not always timely made. Although Applicant fronted the money to the campaigns, by the time she was reimbursed she would typically have what she considered more pressing financial matters, and did not always use the reimbursements to pay those debts.

In 2007, Applicant began to realize her impending financial disaster, but it was not until 2009 that she really began to focus on addressing her financial issues. She started by moving her finances to a strictly cash basis. Once she began her current job in April 2010, she was better positioned to address her delinquent debts. When she

completed her clearance application in May 2010 (GE 1), she disclosed five of the eight debts alleged in the SOR, and one debt not alleged in the SOR. In addition to the debts alleged in the SOR, Applicant's June 2010 credit report (GE 2) showed three paid collection accounts and a past-due account that she brought current by the time the SOR was issued. Her March 2012 response to DOHA interrogatories showed that she had already begun repayment on her education loan and provided a detailed schedule of planned debt payments for each of her bi-weekly paychecks from March 2013 to January 2013, when she projected to have paid all her debts except for the education loan. However, as she claimed she would do in her response to DOHA interrogatories if her finances permitted, she was able to accelerate her payments to pay all her debts except the education loan before the hearing.

Applicant has not received any formal financial counseling, but has read two self-help books by a nationally-recognized financial advisor. She established a detailed budget and is current on her day-to-day living expenses. The vice-president and FSO of her company finds her honest and trustworthy, and recommends her for her clearance.

Policies

The adjudicative guidelines (AG) list factors for evaluating a person's suitability for access to classified information. Administrative judges must assess disqualifying and mitigating conditions under each issue fairly raised by the facts and situation presented. Each decision must also reflect a fair, impartial, and commonsense consideration of the factors listed in AG ¶ 2(a). Any one disqualifying or mitigating condition is not, by itself, conclusive. However, specific adjudicative guidelines should be followed where a case can be measured against them, as they represent policy guidance governing access to classified information. Considering the SOR allegations and the evidence as a whole, the relevant adjudicative guideline is Guideline F (Financial Considerations).

Security clearance decisions resolve whether it is clearly consistent with the national interest to grant or continue an applicant's security clearance. The Government must prove, by substantial evidence, controverted facts alleged in the SOR. If it does, the burden shifts to applicant to refute, extenuate, or mitigate the Government's case. Because no one has a right to a security clearance, the applicant bears a heavy burden of persuasion.

Persons with access to classified information enter into a fiduciary relationship with the Government based on trust and confidence. Therefore, the Government has a compelling interest in ensuring each applicant possesses the requisite judgement, reliability, and trustworthiness of those who must protect national interests as their own. The "clearly consistent with the national interest" standard compels resolution of any reasonable doubt about an applicant's suitability for access in favor of the government.³

³See, *Department of the Navy v. Egan*, 484 U.S. 518 (1988).

Analysis

The Government established a case for disqualification under Guideline F, but Applicant mitigated the security concerns. Applicant experienced financial problems because of her financial inexperience and employment choices she made after college. Consequently, she neglected her financial responsibilities.⁴

The mitigating factors for financial considerations have mixed applicability. While her financial difficulties are recent and numerous, the circumstances under which they occurred were unique and unlikely to recur.⁵ Similarly, her financial problems were not due to circumstances beyond her control. They were caused by Applicant's decision to work on political campaigns, and her failure to use her reimbursements to satisfy the debts she had incurred on the campaigns. However, she was not living an extravagant lifestyle, and her desire to participate in political campaigns is a different motivation for neglecting her finances than is typical in a financial case. Further, once Applicant decided to focus on her finances, she acted quickly and responsibly in addressing her debts under the circumstances.⁶ While she has not sought credit counseling, she has improved her knowledge of financial matters on her own, operates from a detailed budget, and has clearly resolved all the debts, except for the education loan that she is making regular payments on.⁷ Finally, she started addressing her debts right after she obtained her first permanent job, before she received the DOHA interrogatories and the SOR. While those actions were pending, she continued to address her debts, and in the circumstances of this case, that action constitutes a good-faith effort to satisfy her debts.⁸ The record does not suggest that Applicant's financial problems will recur. The Appeal Board has stated that an Applicant need not have paid every debt alleged in the SOR, need not pay the SOR debts first, and need not be paying on all debts simultaneously. Applicant need only establish that there is a credible and realistic plan to resolve the financial problems, accompanied by significant actions to implement the plan.⁹ Applicant has such a plan and has taken such actions. Accordingly, I conclude Guideline F for Applicant.

⁴¶ 19(a) inability or unwillingness to satisfy debts; (c) a history of not meeting financial obligations;

⁵¶ 20(a) the behavior happened so long ago, was so infrequent, or occurred under such circumstances that it is unlikely to recur . . .

⁶¶ 20(b) the conditions that resulted in the financial problem were largely beyond the person's control . . . and the individual acted responsibly under the circumstances;

⁷¶ 20(c) the person has received or is receiving counseling for the problem and there are clear indications that the problem is being resolved or is under control;

⁸¶ 20(d) the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts.

⁹ISCR Case No. 07-06482 (App. Bd. 21 May 2008).

Formal Findings

Paragraph 1. Guideline F: FOR APPLICANT

Subparagraphs a-h: For Applicant

Conclusion

Under the circumstances presented by the record in this case, it is clearly consistent with the national interest to grant or continue a security clearance for Applicant. Clearance granted.

JOHN GRATTAN METZ, JR
Administrative Judge