



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



In the matter of:)
)
) ISCR Case No. 11-11050
)
Applicant for Security Clearance)

Appearances

For Government: Gina L. Marine, Esq., Department Counsel
For Applicant: *Pro se*

08/07/2013

Decision

COACHER, Robert E., Administrative Judge:

Applicant failed to mitigate the security concerns under Guideline F, financial considerations. Applicant's eligibility for a security clearance is denied.

Statement of the Case

On December 5, 2012, the Department of Defense (DoD) issued Applicant a Statement of Reasons (SOR) detailing security concerns under Guideline F, financial considerations. DoD acted under Executive Order 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; Department of Defense Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG), effective within DoD on September 1, 2006.

Applicant answered the SOR on January 15, 2013, and elected to have her case decided on the written record. Department Counsel submitted the Government's File of Relevant Material (FORM) on April 8, 2013. The FORM was mailed to Applicant and

she received it on May 1, 2013. Applicant was given an opportunity to file objections and submit material in refutation, extenuation, or mitigation. She declined to submit any additional information. The case was assigned to me on July 24, 2013.

Findings of Fact

In Applicant's answer to the SOR, she denied the allegations in SOR ¶¶ 1.a, 1.b, and 1.e. She admitted the allegations in SOR ¶¶ 1.c and 1.d, but denied that the amounts alleged were correct. The admissions are adopted as findings of fact. After a thorough and careful review of the pleadings and evidence submitted, I make the following additional findings of fact.

Applicant is 51 years old. She is married and has two adult children and two stepchildren. She has worked for her current employer, a defense contractor, since January 2004. She has a bachelor's degree. She has no military service, but has held a security clearance since 1986, apparently without incident.¹

The debts listed in the SOR are supported by credit reports from July 2011 and August 2012. The SOR sets out five debts amounting to about \$88,300. Applicant's finances became a concern when her health insurance provider required higher copayment amounts and several family members suffered illnesses or medical conditions that required treatment and incurred medical expenses (date not specified in the record). Additionally, one of her daughters is disabled and requires full-time care from Applicant.²

The delinquent debts alleged in SOR ¶¶ 1.a, 1.b, and 1.e are medical accounts in the amounts of \$787, \$583, and \$906 respectively. Applicant disputes all these debts by claiming that they have been paid (SOR ¶¶ 1.a and 1.b), or that the debt is not hers (SOR ¶ 1.e). She provided documentation disputing SOR ¶ 1.a on her credit report, but failed to provide any documentation disputing the other two debts. I find that SOR ¶ 1.a was resolved, but SOR ¶¶ 1.b and 1.e were not resolved.³

The delinquent debts alleged in SOR ¶¶ 1.c and 1.d are credit card accounts in the amounts of \$30,937 and \$55,091 respectively. Applicant admits to the underlying debt for each account, but claims that each creditor has tacked on interest and penalties in an unreasonable manner. She claims that she contacted the creditors in an attempt to resolve these debts, but the creditors would only accept full payment and she could not meet that term. She then contacted an attorney who advised her to let the debts

¹ Item 4.

² Items 3, 5.

³ Items 3, 5-7.

become a judgment and then attempt to settle with the judgment holder. She plans to follow that advice. These debts are unresolved.⁴

Applicant's financial worksheet indicates that she has negative disposable income after paying all expenses and debt obligations at the end of each month. Sometime in 2011, she informally contacted a debt counseling service. No further information is available regarding this contact.⁵

Policies

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 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, 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. 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 access to classified information will be resolved in favor of national security." In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record.

Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Under Directive ¶ E3.1.15, an "applicant is responsible for presenting witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by applicant or proven by Department Counsel, and 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

⁴ Item 3, 5.

⁵ Item 5.

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

Section 7 of Executive Order 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.” See *also* EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

Analysis

Guideline F, Financial Considerations

AG ¶ 18 expresses the security concern for financial considerations:

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.

The guideline notes several conditions that could raise security concerns. I have considered all of them under AG ¶ 19 and the following potentially apply:

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

Applicant has delinquent debts that remain unpaid or unresolved. I find both disqualifying conditions are raised.

The guideline also includes conditions that could mitigate security concerns arising from financial difficulties. I have considered all of the mitigating conditions under AG ¶ 20 and the following potentially apply:

- (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.

With the exception of the disputed debt listed in SOR ¶ 1.a, all of Applicant's debts remain unresolved. She did not provide sufficient evidence to show that the debts are unlikely to recur. I find mitigating condition AG ¶ 20(a) does not apply. Applicant provided evidence her family incurred medical expenses, which contributed to her financial problems. However, in order for mitigating condition AG ¶ 20(b) to fully apply, Applicant must demonstrate responsible behavior in light of the circumstances. Although she recently contacted creditors to settle the credit card debts and contacted an attorney, she provided insufficient evidence to show she acted on the remaining debts. On the contrary, she indicated she would follow the attorney's advice and allow the debts to become judgments and then try to settle them. This demonstrates a lack of responsible behavior. I find AG ¶ 20(b) partially applies. Applicant presented evidence of some financial counseling; however, there is no clear evidence that Applicant's financial problems are being resolved or under control because the remaining debts remain unpaid. There is no evidence that she has made a good-faith effort to pay the remaining debts. I find AG ¶¶ 20(c) and 20(d) only partially apply. Applicant documented her dispute concerning SOR ¶ 1.a consequently, AG ¶ 20(e) applies to that debt.

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.

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 guideline and the whole-person concept.

I considered the potentially disqualifying and mitigating conditions in light of all the facts and circumstances surrounding this case. I considered Applicant's family medical problems and how they contributed to her debt problems. However, she has not shown a track record of financial stability. The record lacks evidence that Applicant has made an overall good-faith effort to resolve her debts. Therefore, she failed to provide sufficient evidence to mitigate the security concerns.

Overall, the record evidence leaves me with questions and doubts as to Applicant's eligibility and suitability for a security clearance. For all these reasons, I conclude Applicant failed to mitigate the security concerns arising under Guideline F, financial considerations.

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
Subparagraph 1.a:	For Applicant
Subparagraphs 1.b – 1.e:	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.

Robert E. Coacher
Administrative Judge