



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



In the matter of:

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) ISCR Case No. 15-00407  
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Applicant for Security Clearance

**Appearances**

For Government: David F. Hayes, Esquire, Department Counsel  
For Applicant: *Pro se*

September 19, 2016

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**Decision**

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CEFOLA, Richard A., Administrative Judge:

Applicant submitted his Electronic Questionnaires for Investigations Processing (e-QIP) on March 4, 2014. On October 1, 2015, the Department of Defense (DOD) issued a Statement of Reasons (SOR) detailing the security concerns under Guideline F for Applicant. The action was taken 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 the Department of Defense after September 1, 2006.

Applicant answered the SOR in writing (Answer) on November 13, 2015, and requested an Administrative Determination by an administrative judge. Department Counsel issued a File of Relevant Material (FORM) on December 17, 2015. Applicant did not respond to the FORM. The case was assigned to me on April 26, 2016. Based upon a review of the pleadings and exhibits, eligibility for access to classified information is denied.

## **Findings of Fact**

In his Answer to the SOR, Applicant admitted the factual allegations in Paragraphs 1.a.~1.e., 1.o., and 1.r.~1.u. of the SOR, with explanations. He denied the factual allegations in Paragraphs 1.f.~1.n., 1.p., and 1.q. of the SOR.

### **Guideline F - Financial Considerations**

Applicant is a 50-year-old self-employed subcontractor, working for a government contractor. (Item 5 at pages 5 and 12.)

1.a.~1.c. Applicant admits three tax liens in favor of State A totaling about \$6,870, without further explanation. These allegations are found against Applicant.

1.d. Applicant admits a past-due debt to Creditor D in the amount of about \$72, without further explanation. This allegation is found against Applicant.

1.e., 1.m. and 1.n. These three allegations are one and the same debt. Applicant admits a past-due debt to Creditor E in the amount of about \$1,099, without further explanation. One past-due debt to Creditor E in the amount of \$987 also appears as past-due on the Government's most recent June 2015 credit report. These allegations are found against Applicant.

1.f. Applicant denies a past-due debt to Creditor F in the amount of about \$1,068, averring that the "debt was settled." This averment is supported by correspondence from legal counsel for the successor creditor to Creditor F. This allegation is found for Applicant. (Answer at page 2.)

1.g. Applicant denies a past-due debt to Creditor G in the amount of about \$466, averring that the "debt was settled." As there is no such past-due debt appearing on the Government's most recent June 2015 credit report, and as the credit report notes he is currently making monthly payments of \$21 towards this alleged past-due debt (Item 5 at page 4), this allegation is found for Applicant.

1.h.~1.l. Applicant denies five past-due student loan debts to Creditor H in an amount totaling about \$16,128 averring that his "payments are current." This averment is supported by documentation from Creditor H showing monthly payments of \$50.82 with a "Past due amount \$0.00." (Answer at page 3.) These allegations are found for Applicant.

1.m. and 1.n. These allegations have already been discussed, above.

1.o., 1.s., 1.t., and 1.u. Applicant admits four past-due medical debts to Creditor O totaling about \$1,010, without further explanation. These allegations are found against Applicant.

1.p. Applicant denies a past-due debt to Creditor P in the amount of about \$737, averring that the "debt was settled." As there is no such past-due debt appearing on the Government's most recent June 2015 credit report, this allegation is found for Applicant.

1.q. Applicant denies a past-due debt to Creditor Q in the amount of about \$150, averring that the “debt was settled.” As there is no such past-due debt appearing on the Government’s most recent June 2015 credit report, this allegation is found for Applicant.

1.r. Applicant admits a past-due debt to Creditor R in the amount of about \$122, without further explanation. This allegation is found against Applicant.

1.s.~1.u. These allegations have already been discussed, above.

## **Policies**

When evaluating an applicant’s suitability for a security clearance, the administrative judge must consider the adjudicative guidelines (AG). In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are useful 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. (AG Paragraph 2.) The administrative judge’s over-arching adjudicative goal is a fair, impartial and commonsense decision. According to AG Paragraph 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 Paragraph 2(b) requires that “[a]ny doubt concerning personnel being considered for access to classified information will be resolved in favor of the 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. Likewise, I have avoided drawing inferences grounded on mere speculation or conjecture.

Under Directive Paragraph E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Under Directive Paragraph E3.1.15, the applicant is responsible for presenting “witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by applicant or proven by Department Counsel. . . .” The applicant has the ultimate burden of persuasion as to obtaining 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 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.

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**

The security concern relating to the guideline for Financial Considerations is set out in AG Paragraph 18:

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. Under Subparagraph 19(a), an “*inability or unwillingness to satisfy debts*” is potentially disqualifying. Similarly under Subparagraph 19(c), “*a history of not meeting financial obligations*” may raise security concerns. Applicant has significant past-due debt, which he has not yet resolved. I can find no countervailing Mitigating Condition that is applicable here. Financial Considerations are found against Applicant.

### **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. Under AG Paragraph 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.

The Administrative Judge should also consider the nine adjudicative process factors listed at AG Paragraph 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.

I considered all of the evidence, including the potentially disqualifying and mitigating conditions surrounding this case. The record evidence leaves me with questions and doubts as to Applicant's eligibility and suitability for a security clearance. Applicant has failed to fully respond to the Government's concerns; and as such, has failed to address the alleged past-due debts. For this reason, I conclude Applicant has not mitigated the security concerns under the whole-person concept arising from his 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
Subparagraphs 1.a.~1.e.	Against Applicant
Subparagraphs 1.f.~1.l.	For Applicant
Subparagraphs 1.m.~1.o.	Against Applicant
Subparagraphs 1.p. and 1.q.	For Applicant
Subparagraphs 1.r.~1.u.	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.

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Richard A. Cefola  
Administrative Judge