



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



In the matter of: )  
 )  
XXXXXXXXXXXXXXXXXXXX ) ISCR Case No. 15-00729  
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Applicant for Security Clearance )

**Appearances**

For Government: Carroll J. Connelley, Esquire, Department Counsel  
For Applicant: *Pro Se*

03/22/2017

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**Decision**

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METZ, John Grattan, Jr., Administrative Judge:

Based on the record in this case,<sup>1</sup> I deny Applicant's clearance.

On 3 August 2015, the Department of Defense (DoD) sent Applicant a Statement of Reasons (SOR) detailing security concerns under Guideline F, Financial Considerations.<sup>2</sup> Applicant timely answered the SOR, requesting a hearing before the Defense Office of Hearings and Appeals (DOHA). DOHA assigned the case to me 7 June 2016 and I convened a hearing 29 August 2016. DOHA received the transcript 7 September 2016.

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<sup>1</sup>Consisting of the transcript (Tr. I), Government exhibits (GE) 1-6, and Applicant exhibits (AE) A-G. AE G was timely received post hearing. The record in this case closed 19 September 2016, when Department Counsel stated no objection to AE G.

<sup>2</sup>DoD acted under Executive Order 10865, *Safeguarding Classified Information Within Industry* (February 20, 1960), as amended; 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 admitted the SOR financial allegations. She is a 54-year-old lead travel administrator employed by a defense contractor since August 2013. She was previously employed in a similar position from October 2005 to August 2013 (GE 1; Tr. 27). She has been continuously employed since at least June 2000. She has been married since March 1987, and she and her husband have one adult son. She seeks to retain the clearance she has held since October 2005.

The SOR alleges, Government exhibits (GE 1-6) substantiate, and Applicant admits, four delinquent debts totaling nearly \$92,000. The bulk of the debt is for education loans she co-signed for her son. There is also a delinquent joint credit card account. Applicant's son attended two different colleges during his college career. He graduated in January 2014, and obtained full-time employment in August 2015.

On her July 2013 clearance application (GE 1), Applicant reported no financial problems. During her August 2013 interview with a Government investigator (GE 2), she was asked eight times if she had any delinquent debts, and she answered "no" each time. She was then confronted with the eight accounts listed in her August 2013 credit report (GE 4). She acknowledged that the listed accounts were education loans and a credit card she had cosigned for her son, but claimed that she was unaware that the accounts were delinquent. She stated that her son had obtained a deferment until December 2013, and would begin repaying the education loans then. In response to DOHA interrogatories in January 2015 (GE 3), she documented that in November 2014 her son obtained a forbearance on one of his loans until June 2015. She also documented that her son had another education loan in forbearance until December 2014.

In August 2016, Applicant's son acknowledged that the education debt was his, although cosigned by his mother, but his financial situation was such that he could only make \$35 monthly payments on one account (AE A, C), and \$75 monthly payments on another (AE A, B), beginning in August 2016.<sup>3</sup> He hoped to eventually have his mother removed as a cosigner from the account. Applicant submitted additional documentation (AE G) purporting to show the status of SOR debt 1.e. However, the document is largely illegible, and in any event only shows the status through February 2015.

Applicant and her husband have made payments from time to time on their son's education loans. The periods have varied through times when the loans were in deferment or forbearance. However, it has not been a regular occurrence. Applicant's position is that her adult son is responsible for dealing with the education loans on which he is the primary obligor. She has maintained this position even after August 2013,

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<sup>3</sup>He documented \$35 payments in February, March, and May 2016, a \$60 payment in June 2016, and a \$35 payment in August 2016 (AE D). He documented that the other account was current as of August 2016 (AE E).

when it became clear to her that her son's delinquent loans were an issue for her clearance renewal.

Applicant's supervisor, coworker, and current and former user-agency personnel consider Applicant honest and trustworthy, and recommend her for her clearance. However, none of them appears to be aware of the SOR issues (AE F). Applicant has received no financial or credit counseling, and did not submit a budget. She reported \$2,300 positive monthly cashflow in January 2015 (GE 3), including monthly payments on a couple of otherwise unidentified student loans. However, she did not provide a detailed breakdown of the loans being paid. Their positive monthly cash flow has improved since then.

### **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.<sup>4</sup>

### **Analysis**

The Government established a case for disqualification under Guideline F, and Applicant failed to mitigate the security concerns. Applicant cosigned a series of education loans and a credit card application for her son to attend college. However, because he changed colleges, repayment would be required on the loans from the first

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<sup>4</sup>See, *Department of the Navy v. Egan*, 484 U.S. 518 (1988).

college, once any periods of deferment and forbearance expires. Moreover, her son was still in college, and otherwise unable to make payments on his loans. Applicant and her husband paid on the loans for a time, but they all eventually became delinquent.<sup>5</sup> Applicant denied that she was aware the loans had fallen delinquent, but she was notified of that fact during her August 2013 interview with a Government investigator. Yet, she apparently took no action, either to press her son to make arrangements for the loans, or to make arrangements herself for the interim. The record does not clearly reflect the ebb and flow of payments, deferments, and forbearances. The best that can be said is that Applicant's son has undertaken to begin regular payments on his education loans in August 2016.

Applicant meets none of the mitigating factors for financial considerations. Her financial difficulties are both recent and multiple, and given her son's track record to date, cannot be said to be unlikely to recur.<sup>6</sup> Further, her worthy efforts to hold her son accountable for his debts are not really circumstances beyond her control. Her failure to press for any resolution once she became aware of the potential ramifications to her security clearance in August 2013 was not responsible.<sup>7</sup> Applicant has received no financial or credit counseling, and her son's belated efforts do not demonstrate that the debts are being resolved.<sup>8</sup> Moreover, none of the efforts to resolve the debts appear to have been undertaken until after Applicant received the SOR, not a good faith effort to satisfy them.<sup>9</sup>

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.<sup>10</sup> Applicant's efforts to date do not constitute such a plan, or at least not a demonstrated track record suggesting that the plan will be successful. Moreover, while she provided significant evidence that would support a "whole-person" assessment arguing for granting her clearance notwithstanding her financial issues, I find the evidence submitted insufficient to overcome the security concerns, particularly where none of the references were aware of Applicant's financial issues. I conclude Guideline F against Applicant.

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<sup>5</sup>¶ 19 (a) inability or unwillingness to satisfy debts; (c) a history of not meeting financial obligations

<sup>6</sup>¶ 20 (a) the behavior happened so long ago, was so infrequent, or occurred under such circumstances that it is unlikely to recur . . .

<sup>7</sup>¶ 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;

<sup>8</sup>¶ 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;

<sup>9</sup>¶ 20 (d) the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts.

<sup>10</sup>ISCR Case No. 07-06482 (App. Bd. 21 May 2008).

### **Formal Findings**

Paragraph 1. Guideline F:                   AGAINST APPLICANT

Subparagraphs a-d:                   Against Applicant

### **Conclusion**

Under the circumstances presented by the record in this case, it is not clearly consistent with the national interest to grant or continue a security clearance for Applicant. Clearance denied.

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JOHN GRATTAN METZ, JR.  
Administrative Judge