



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



In the matter of:)	
)	
)	ISCR Case No. 15-03181
)	
Applicant for Security Clearance)	

Appearances

For Government: Andre M. Gregorian, Esq., Department Counsel
For Applicant: Michael J. Harris, Esq.

12/06/2016

Decision

COACHER, Robert E., Administrative Judge:

On May 8, 2016, the Department of Defense (DOD) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F, financial considerations. The action was taken under Executive Order (EO) 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) implemented by the DOD on September 1, 2006.

Applicant responded to the SOR on May 25, 2016, and requested a hearing before an administrative judge. The case was assigned to me on July 15, 2016. The hearing was held as scheduled on October 26, 2016. On November 30, 2016, I proposed that this case was appropriate for a summary disposition in Applicant's favor. Department Counsel did not object.

Applicant cosigned a mortgage loan for his stepson in 2008 for approximately \$86,000 (the sole SOR allegation). His stepson ran into some legal difficulties and was unable to make the required mortgage payments. Applicant made the payments on this loan and on his own mortgage for some time until he could no longer afford to do so.

The creditor foreclosed on the loan in 2013. The debt was turned over to a collection agency in 2014. From October 2014 through April 2016, Applicant's stepson made \$250 monthly payments on the debt. In August 2016, Applicant settled the outstanding debt to the collection agency with a payment of \$15,000 and was released from further liability. Applicant settled, or otherwise resolved the debt alleged in the SOR. He had a plan to resolve his financial problems, and he has taken significant action to implement that plan. Based on the record evidence as a whole, I conclude that the security concerns are mitigated under the following mitigating conditions: AG ¶¶ 20(a), 20(b), 20(c), and 20(d).

The concerns over Applicant's history of financial problems do not create doubt about his current reliability, trustworthiness, good judgment, and ability to protect classified information. In reaching this conclusion, I weighed the evidence as a whole and considered if the favorable evidence outweighed the unfavorable evidence. I also gave due consideration to the whole-person concept. Accordingly, I conclude that he met his ultimate burden of persuasion to show that it is clearly consistent with the national interest to grant his eligibility for access to classified information. This case is decided for Applicant.

Robert E. Coacher
Administrative Judge