



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



In the matter of:)
)
) ISCR Case No. 15-03764
)
Applicant for Security Clearance)

Appearances

For Government: Julie R. Mendez, Esq., Department Counsel
For Applicant: Gregory F. Greiner, Esq.

05/18/2017

Decision

NOEL, Nichole, Administrative Judge:

On April 27, 2016, the Department of Defense (DOD) issued a Statement of Reasons (SOR) detailing security concerns under the financial considerations guideline.¹ DOD adjudicators were unable to find that it is clearly consistent with the national interest to continue Applicant's security clearance and recommended that the case be submitted to an administrative judge for a determination whether to revoke her security clearance. Applicant timely responded to the SOR and requested a hearing.

The hearing was held on April 26, 2017. After the close of the record, I proposed to the parties that this case was appropriate for a summary disposition in Applicant's favor. Neither party objected.

¹ This case is adjudicated under Executive Order (EO) 10865, *Safeguarding Classified Information within Industry*, signed by President Eisenhower on February 20, 1960, as amended; as well as DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program*, dated January 2, 1992, as amended (Directive). In addition, the *Adjudicative Guidelines for Determining Eligibility for Access to Classified Information* (AG), effective within the Defense Department on September 1, 2006, apply to this case. The AG were published in the Federal Register and codified in 32 C.F.R. § 154, Appendix H (2006). The AG replace the guidelines in Enclosure 2 to the Directive.

The SOR alleged that Applicant was indebted to five creditors for approximately \$27,000. The debt became delinquent between 2007 and 2012 during a period of underemployment. Although Applicant returned to full employment in 2012, he could not afford to resolve his delinquent accounts. In 2016, Applicant received a 46% increase in pay. He obtained a debt-consolidation loan to resolve the delinquent accounts alleged in the SOR. Applicant is financially stable, lives within his means, and is comfortably able to repay the debt consolidation loan.

The Government presented sufficient evidence to establish its *prima facie* case that Applicant exhibited a history of financial problems and an inability to repay his creditors. AG ¶¶ 19 (a) and (c) apply. However, Applicant presented sufficient evidence to explain, extenuate, or mitigate the financial concerns. Applicant's financial problems were caused by events largely beyond his control, under a set of circumstances that are unlikely to recur. He made a good-faith effort to resolve his delinquent accounts as soon as he became financially able to do so. Applicant's finances are under control. AG ¶¶ 20 (a) – (d) apply.

Applicant's past 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 or *vice versa*. I also gave due consideration to the whole-person concept. Accordingly, I conclude that Applicant met his ultimate burden of persuasion to show that it is clearly consistent with the national interest to grant him eligibility for access to classified information. This case is decided for Applicant.

Nichole L. Noel
Administrative Judge