



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



In the matter of:)	
)	
[REDACTED])	ISCR Case No. 15-06184
)	
Applicant for Security Clearance)	

Appearances

For Government: Braden M. Murphy, Esq., Department Counsel
For Applicant: *Pro se*

01/23/2017

Decision

HESS, Stephanie C., Administrative Judge:

On February 19, 2016, the Department of Defense (DOD) Consolidated Adjudications Facility (CAF) sent Applicant a Statement of Reasons (SOR) alleging concerns under the financial considerations guideline.¹ Applicant answered the SOR and requested a hearing to establish his eligibility for access to classified information.

On September 14, 2016, I convened a hearing. After I received the transcript, I reviewed the record in its entirety. I then provided written notice to the parties of my intent to resolve the case through a summary disposition in Applicant's favor. Department Counsel indicated that the Government had no objections. (See Appellate Exhibit I.)

¹ This action was taken under Executive Order (E.O.) 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) implemented by the Department of Defense on September 1, 2006.

Applicant's past financial problems were primarily attributable to matters beyond his control. Specifically, Applicant's first wife was financially irresponsible, incurred significant debt, and contributed little to the couple's financial obligations. Upon separating, Applicant's wife remained in the marital home but failed to pay the mortgage, and did not disclose this to Applicant. Applicant discovered the mortgage arrears after his wife abandoned the home. He took all reasonable actions to and was able to modify the mortgage, but not the equity line of credit because his wife refused to sign the required documents. Due to other financial obligations including child support, he ultimately lost the home to foreclosure in 2011. The deficiency balance on the home equity loan was charged off, is not in active collection, and does not appear on his September 2016 credit report. The mortgage lender for Applicant's current mortgage loan determined that he was not obligated on the line of credit. Applicant has not incurred any substantial delinquent debt since 2011. He has satisfied, successfully disputed, or otherwise resolved all the SOR debts, except the \$201 debt listed in SOR ¶ 1.d. He has contacted this creditor for verification of the amount due. He has taken significant steps to improve his financial situation, including moving to another state to reduce his cost of living, implementing and maintaining a written budget, and living within his means. He regularly contributes to his 401(k) account and a savings account.

Department Counsel presented sufficient evidence to establish the facts alleged in the SOR under Guideline F. I conclude that Applicant presented sufficient evidence to explain, extenuate, or mitigate the facts admitted by Applicant or proven by Department Counsel. In particular, I conclude that the security concerns are resolved under mitigating conditions AG ¶¶ 20(a) through 20(e).

Applicant's history of financial problems does 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, including Applicant's honorable military service. Accordingly, I conclude that Applicant met his burden of persuasion to show that it is clearly consistent with the national interest to grant his eligibility for access to classified information. Applicant's request for a security clearance is granted.

Stephanie C. Hess
Administrative Judge