



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



In the matter of:)	
)	
REDACTED)	ISCR Case No. 16-02733
)	
Applicant for Security Clearance)	

Appearances

For Government: Erin P. Thompson, Esq., Department Counsel
For Applicant: *Pro se*

02/14/2018

Summary Decision

MENDEZ, Francisco, Administrative Judge:

On October 29, 2016, the Department of Defense (DoD) sent Applicant a Statement of Reasons (SOR) alleging security concerns under the financial considerations guideline. Applicant answered the SOR and requested a hearing. A hearing was held on December 14, 2017. Applicant testified and both parties submitted exhibits for the record. Applicant timely submitted additional evidence post-hearing.

On February 12, 2018, after reviewing all the evidence, I informed the parties that the case appeared appropriate for summary disposition in Applicant's favor. Department Counsel did not object. (Appellate Exhibit I.)

Findings of Fact and Analysis

Applicant started experiencing financial trouble in 2009, when the small business he had opened a few years earlier failed. He was forced to declare bankruptcy to resolve his business-related debt. Before starting the business, Applicant had worked for many years as a cleared federal employee and contractor. He opened a business in the alternate energy field in State A after his wife's doctors informed them that her medical condition would be helped if they lived in a warmer climate near the ocean.

Applicant, like many others during the recession, was unable to attain gainful employment for many years. He worked low-paying jobs (fast food chain restaurants and large retail stores) to pay his bills, including the high premiums for his wife's medical insurance. He also withdrew money from his 401(k) retirement account to pay for everyday living expenses. He incurred delinquent debt, including tax-related debt.

In 2013, Applicant was hired by his current employer. He immediately began to address and resolve his delinquent debts. He submitted documentation showing that he received financial counseling and hired a certified public accounting firm, which helped him file overdue tax returns and establish payment plans to satisfy his tax debts. He either paid or is paying his debts. He self-reported the information about his financial issues. Recent credit reports reflect that Applicant pays his bills on time. The credit reports also reflect a good credit score (over 700).

Accordingly, the record evidence reflects that Applicant's past financial problems were caused or exacerbated by matters beyond his control. He provided documentation showing that he took responsible action to resolve his financial issues and, though he is still in the process of regaining his financial footing, his current financial situation does not raise a security concern. Additionally, the evidence reflects a favorable security record and several work and community references commented favorably about Applicant's reliability, trustworthiness, extensive volunteer work, and overall good character.

In evaluating the security concern at issue, I considered the applicable disqualifying and mitigating conditions, as well as the whole-person concept. Specifically, I find that the mitigating conditions found in the National Security Adjudicative Guidelines ¶¶ 20(a) – 20(d) apply.¹

Formal Findings

Paragraph 1, Guideline F (Financial Considerations): FOR APPLICANT

Subparagraphs 1.a – 1.c: For Applicant

Conclusion

In light of the record evidence, it is clearly consistent with the interests of national security to grant Applicant initial or continued eligibility for access to classified information. Applicant's request for a security clearance is granted.

Francisco Mendez
Administrative Judge

¹ The guidelines became effective on June 8, 2017, through Security Executive Agent Directive 4. The guidelines are incorporated into the current version of DoD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program*, and are publically available on the DOHA website.