DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	
	)	ISCR Case No. 17-02192
	)	
Applicant for Security Clearance	)	

Appearances

For Government: Robert B. Blazewick, Esq., Department Counsel
For Applicant: Robert L. Lombardo, Esq.

07/17/2018

Decision

MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant incurred medical collection debts because of a lack of income. He satisfied some of the debts after they became an issue for his security clearance eligibility. Other medical collection debts have been dropped from his credit record, but he did not provide sufficient information to disprove their validity. Some concerns about his financial judgment persist. Falsification of his security clearance application was not established. Clearance is denied.

Statement of the Case

On July 10, 2017, the Department of Defense Consolidated Adjudications Facility (DOD CAF) issued a Statement of Reasons (SOR) to Applicant, detailing security concerns under Guideline F (financial considerations) and Guideline E (personal conduct). The SOR explained why the DOD CAF was unable to find it clearly consistent with the national interest to grant or continue security clearance eligibility for him. The DOD CAF took the action 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 *National Security Adjudicative Guidelines for Determining Eligibility for Access to Classified Information or Eligibility to Hold a Sensitive Position* (AG) effective within the DOD on June 8, 2017.

Applicant responded to the SOR on August 29, 2017, and requested a decision on the written record without a hearing. On October 18, 2017, counsel for Applicant entered his appearance and requested a hearing for Applicant before an administrative judge from the Defense Office of Hearings and Appeals (DOHA). On January 9, 2018, the case was assigned to me to conduct a hearing to determine whether it is clearly consistent with the national interest to grant or continue a security clearance for Applicant. On January 11, 2018, I scheduled a hearing for February 8, 2018.

At the hearing, five Government exhibits (GEs 1-5) were admitted under ¶ E3.1.19 and ¶ E3.1.20 of the Directive over Applicant's objections on grounds of hearsay and lack of authentication. Eight Applicant exhibits (AEs A-H) were admitted in evidence. Applicant testified, as reflected in a transcript (Tr.) received on February 16, 2018.

I held the record open initially until March 1, 2018, for additional documents from Applicant. On March 1, 2018, at the request of Applicant's Counsel, I extended the deadline for post-hearing submissions to March 15, 2018. On March 13, 2018, Applicant submitted an additional exhibit, which was accepted into the record without objection as AE I.

Summary of SOR Allegations

The SOR alleges under Guideline F that, as of July 10, 2017, Applicant owed medical collection debt totaling $10,337 (SOR ¶¶ 1.a-1.c, 1.e-1.k, and 1.m-1.n), $836 in school collection debt (SOR ¶ 1.d), and a $2,293 judgment from May 2010 (SOR ¶ 1.l). Under Guideline E Applicant allegedly falsified his April 2016 Electronic Questionnaire for Investigations Processing (e-QIP) by not disclosing the 2010 judgment (SOR ¶ 2.a). When he answered the SOR allegations, Applicant admitted that he had been unable to meet some of his financial obligations because of a lack of income while on disability pay for health reasons at times between 2011 and 2015. Applicant denied all of the debts: ten because they had been or would soon be removed from his credit report due to errors or discrepancy (SOR ¶¶ 1.a-1.f, 1.h, 1.j-1.k, and 1.m); two because of payment in August 2017 (SOR ¶¶ 1.g and 1.i); and two because he was disputing them (SOR ¶¶ 1.l and 1.n). Applicant also denied that he falsified his e-QIP. When he appeared in court about the judgment, he indicated that it was not his debt. He heard nothing further after he completed an identity-theft affidavit and was not aware that a judgment had been entered against him.

Findings of Fact

After considering the pleadings, exhibits, and transcript, I make the following findings of fact.

Applicant is 40 years old and unmarried. While working as a store manager in retail, he earned an associate's degree in surgical technology awarded in May 2002. He obtained a student loan of $8,597 that he was required to repay at $55 per month once it was no longer deferred. (GEs 1, 3.)

In October 2006, Applicant resigned from his job of six years to take a position as an assistant manager with an authorized agent for a wireless-services provider. (GE 1.) He earned about $500 a week. (Tr. 81.) From April 2009 to November 2015, Applicant had health issues that left him unable to work at times. (AE B; Tr. 75.) He had medical insurance but a high deductible. (Tr. 81.)

In April 2009, Applicant had minor surgery at a local hospital (hospital #1). Applicant then had abdominal surgery in March 2012 at the same facility. In May 2014, Applicant had spinal surgery at another hospital (hospital #2) to alleviate severe back and leg pain. (AE B.) His income was about $550 to $570 a week, and he moved back home with his parents rent free because he was "broke." (Tr. 82-83.)

In May 2015, Applicant had surgery at hospital #1 for a different medical issue. He tolerated the operation well, although he had a follow-up surgical procedure at the hospital six days later. In November 2015, he had back surgery at hospital #2. While out of work on temporary disability, his income was barely enough to satisfy a quarter of his bills. (Tr. 84-85.) On July 21, 2017, Applicant was billed $1,148 by a physician group for medical care between May 8, 2014, and September 25, 2015. (AE B.) Applicant had been previously billed for the services, but he claims he was told to hold off on payment because "they messed up," and he needed the second surgery. (Tr. 70.) Applicant had not paid the $1,148 as of his hearing in February 2018. Applicant attests that the physician service agreed to waive his medical fees to avoid a possible malpractice case. (Tr. 72.) He provided no substantiation for his claim, and it is noted that some of the services for which he was billed were routine in nature. His medical co-payment was only $2.36 for some procedures. (AE B.)

On April 6, 2016, Applicant completed and certified to the accuracy of a Questionnaire for National Security Positions (SF 86) incorporated in an e-QIP. He responded negatively to all the financial record inquiries, including questions concerning any financial judgments entered against him in the last seven years and any debts turned over to a collection agency in the last seven years. (GE 1.) In June 2016, Applicant began working as a materials technical aide with a defense contractor. (Tr. 59, 83.)

As of June 8, 2016, one or more of the credit reporting agencies was reporting several outstanding medical collection accounts on Applicant's credit record: debts of $3,000 (SOR ¶ 1.m), $495 (SOR ¶ 1.e), $392 (SOR ¶ 1.f), $182 (SOR ¶ 1.h), and $63 (SOR ¶ 1.i) from 2010; $2,927 (SOR ¶ 1.a), $1,075 (SOR ¶ 1.c), $278 (SOR ¶ 1.g), and $38 (SOR 1.j) from 2012; and $1,622 (SOR ¶ 1.b) from 2014. A $223 medical debt (SOR 1.n) was reported as being in collection in April 2016. Applicant's student loan from 2005 was $221 past due on a balance of $4,292 (not alleged). His credit report showed a $2,293 judgment filed in May 2010 (SOR ¶ 1.l). (GE 2.) Regarding that judgment, available records

show a hearing was held on February 19, 2010 (GE 5), at which Applicant attests he denied any knowledge of the debt. (Tr. 41-47.) On that day, a collection attorney issued a letter asking Applicant to complete an affidavit of fraud within 30 days so that it could investigate his claim for identity theft. Applicant completed a theft affidavit on November 2, 2010, which he provided to the collection attorney. (AE H; Tr. 48.) Applicant heard nothing further about the debt, and he assumed the matter was "settled." He denies any knowledge of a judgment being awarded in that case. (Tr. 47.) Case information from the state's judiciary shows that another hearing on the matter was held on August 27, 2015, on a motion to attach wages with the stated result "Granted Under Rule of Court" (GE 5), but it does not show that a judgment was entered at any time. Applicant denies ever being notified of a hearing to attach his wages or that his wages were attached. (Tr. 49-50.)

On December 2, 2016, Applicant was interviewed about the debts on his credit record by an authorized investigator for the Office of Personnel Management (OPM). When asked about the specific debts on his credit record, Applicant responded that he was unaware of them. (Tr. 53-55.)

On February 23, 2017, an anesthesia provider was awarded a default judgment of $1,621 against Applicant (SOR ¶ 1.b). With fees and costs, he owed $1,739. (GE 4.) Applicant fully satisfied the judgment as of August 1, 2017. (AE F; Tr. 30.)

As of April 6, 2017, Equifax was reporting that Applicant had brought current his student loan for his associate's degree. He had made timely payments of $55 a month for five months as of February 2017. Medical collection debt totaling $7,114 (SOR ¶¶ 1.a-1.c, and 1.e-1.k) was still being reported on his credit record. Additionally, an $836 education debt from September 2014 for an online certification program had been referred for collection in May 2016 (SOR ¶ 1.d). (GEs 1-2.)The judgment debt from May 2010 (SOR ¶ 1.l) and the $3,000 (SOR ¶ 1.m) and $223 (SOR ¶ 1.n) medical debts were not on his credit report. (GE 3.) On April 7, 2017, Applicant paid a "necessary fee" of $282 to cancel his agreement for the online course. On February 26, 2018, the creditor confirmed Applicant owes no additional money. (AE I.)

On May 3, 2017, Applicant had a follow-up interview with the same OPM investigator. Applicant took no action to investigate the adverse credit information because there had been no action taken against his clearance. No one had told him to follow through on the debts and he had never seen his credit report. The investigator gave him five days to submit additional information after the interview. Applicant did not submit anything, reportedly because he did not know how to go about and do it. (Tr. 57-58.) However, Applicant subsequently testified that he asked the investigator how to obtain his credit report and the investigator told him how. Applicant did nothing because he thought he would not have a problem obtaining a security clearance. (Tr. 60-61.)

On July 10, 2017, the DOD CAF issued a SOR to Applicant because of the judgment debt and medical collection debts on his credit record. After Applicant received the SOR, he obtained his credit report from Credit Karma and attempted to verify the debts, several of which were not identified by creditor on his credit record. (Tr. 30.) He

disputed those debts he did not recognize with the credit bureaus who then investigated the debts. (Tr. 50.) According to Applicant, the $2,927 medical collection debt (SOR ¶ 1.a) "came back as it wasn't on [his] report anymore." Applicant lacked enough information about the debt to address it. (Tr. 30-31.) Similarly, the credit reporting agencies were unable to verify the medical collection debts in SOR ¶¶ 1.c ($1,075), 1.e ($495), 1.f ($392), 1.h ($182), 1.j ($38), 1.k ($25), 1.m ($3,000), and 1.n ($223). They no longer appear on his credit report. (Tr. 32-46.) Applicant testified about the notification process as follows:

> It just says that after your investigation—it comes up on the app itself that it was cleared and that's all it says. That's it. You just mark a box. It has a bunch of reasons on it and I disputed it for discrepancies. And then in the box they put my information and that was it. They had 30 days to object. And I'm assuming that they go and try to contact whoever is owed on it. Most of the time, it comes back within 15 days and it just says—has been taken off your credit report. That's all it says. It doesn't say that they contacted them. It doesn't say who—it just says it's removed off your credit report—has been removed. (Tr. 51.)

Applicant has lived with his parents for most of his life, including for the last three to four years. He denies receiving any collection notices for any of the debts. He received a billing notice from a hospital that he paid because he knew where to send payment. (Tr. 62-63.) His bank statement from April 2017 shows that he paid $168 to a physician service on April 7, 2017. (AE I.) Applicant explained about the older medical collection debts that he cannot now recall the dates for many of his medical procedures. He was "knocked out" for a while because of his surgeries, and he had no employment. He acknowledged that there were times when he incurred medical bills that he could not pay and speculated that they are the ones on his credit report. (Tr. 75.) He asserts that he paid off those debts when he had a creditor to contact and make payment. (Tr. 76.)

Applicant recognized the debt for online schooling from 2014 (SOR ¶ 1.d). He testified that he paid the debt by credit card and does not understand why it appeared on his credit report. (Tr. 32-34, 76.) He was able to verify the $295 medical collection debt (SOR ¶ 1.g), which was for anesthesia services. He had paid the debt in full as of August 24, 2017. (AE G; Tr. 36, 39.) Applicant also testified that he satisfied the $63 medical collection debt (SOR ¶ 1.i) by credit card. (Tr. 40.) As of October 2017, the $25 and $223 medical collection debts were on his credit record, but listed as under active dispute. (Tr. 87-88.) As of December 2017, the credit bureaus were reporting no judgments, no collection accounts, and no open revolving accounts on his credit record. He had two installment accounts on his credit record: his student loan from 2005, which was current with a balance of $3,251, and a closed car loan obtained in December 2005 for $25,025, which he paid off in March 2011. (AEs C-E.) As of February 2018, his income from his defense contractor job was $1,100 a week, which is sufficient to pay his medical bills. He indicated that he would pay the medical bills where he can identify the provider. (Tr. 85-86.)

Policies

The U.S. Supreme Court has recognized the substantial discretion the Executive Branch has in regulating access to information pertaining to national security, emphasizing that "no one has a 'right' to a security clearance." *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). When evaluating an applicant's suitability for a security clearance, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are required to be considered in evaluating an applicant's eligibility for access to classified information. These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with the factors listed in the adjudicative process. The administrative judge's overall adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(a), the entire process is a conscientious scrutiny of a number of variables known as the "whole-person concept." The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a decision.

The protection of the national security is the paramount consideration. AG ¶ 2(b) requires that "[a]ny doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security." In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Under Directive ¶ E3.1.15, the applicant is responsible for presenting "witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by applicant or proven by Department Counsel. . . ." The applicant has the ultimate burden of persuasion to obtain a favorable security decision.

A person who seeks access to classified information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours. The Government reposes a high degree of trust and confidence in individuals to whom it grants access to classified information. Decisions include, by necessity, consideration of the possible risk that the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation about potential, rather than actual, risk of compromise of classified information. Section 7 of EO 10865 provides that decisions shall be "in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned." *See also* EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

Analysis

Guideline F: Financial Considerations

The security concerns about financial considerations are articulated in AG ¶ 18:

> Failure to live within one's means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise questions about an individual's reliability, trustworthiness, and ability to protect classified or sensitive information. Financial distress can also be caused or exacerbated by, and thus can be a possible indicator of, other issues of personnel security concern such as excessive gambling, mental health conditions, substance misuse, or alcohol abuse or dependence. An individual who is financially overextended is at greater risk of having to engage in illegal or otherwise questionable acts to generate funds. . . .

The Appeal Board explained the scope and rationale for the financial considerations security concern in ISCR Case No. 11-05365 at 3 (App. Bd. May 1, 2012) (citation omitted) as follows:

> This concern is broader than the possibility that an applicant might knowingly compromise classified information in order to raise money in satisfaction of his or her debts. Rather, it requires a Judge to examine the totality of an applicant's financial history and circumstances. The Judge must consider pertinent evidence regarding the applicant's self-control, judgment, and other qualities essential to protecting the national secrets as well as the vulnerabilities inherent in the circumstances. The Directive presumes a nexus between proven conduct under any of the Guidelines and an applicant's security eligibility.

The $13,466 in delinquent debts alleged in the SOR were listed on Applicant's credit record as of June 2016 (GE 2) or April 2017 (GE 3). Applicant acknowledges his legal liability only for those medical collection debts in SOR ¶¶ 1.b ($1,622), 1.g ($295), and 1.i ($63). He does not dispute that he incurred a debt (SOR ¶ 1.d) for online schooling, but evidence shows that the matter was resolved in April 2017. He disputes some $8,357 in "medical" collection debts, which he disputed with one or more of the credit reporting agencies and no longer appear on his credit report. Applicant disputes the $2,293 credit-card judgment (SOR ¶ 1.l), which appears on his June 2016 credit report, on the basis of identity theft.

Under ¶ E3.1.14 of the Directive, the government has the burden of presenting evidence to establish controverted facts. The Appeal Board held in ISCR Case No. 08-12184 at 7 (App. Bd. Jan. 7, 2010) that a credit report is sufficient to meet the government's burden of producing evidence of delinquency:

> It is well-settled that adverse information from a credit report can normally meet the substantial evidence standard and the government's obligations under [Directive] ¶ E3.1.14 for pertinent allegations. At that point, the burden shifts to applicant to establish either that [he or] she is not responsible for the debt or that matters in mitigation apply.

Applicant relies upon the absence of delinquent debts from his latest credit report of December 2017 to disprove the validity of the disputed medical collection debts. The Fair Credit Reporting Act requires removal of most negative financial items from a credit report seven years from the first date of delinquency or the debt becoming collection barred because of a state statute of limitations, whichever is longer.[1] Debts may be dropped from a credit report upon dispute when creditors believe the debt is not going to be paid or when the debt has been charged off. The mere fact that debts have been deleted from a credit report does not necessarily mean that they were not owed at one time, and in that regard, it is noted the Applicant admitted that he incurred medical debt in the past that he could not pay because of lack of income. He surmised that the older medical collection debts in the SOR could be debts that he failed to pay. Applicant testified that he used an app to dispute the debts with the credit reporting agencies, and that the only response he received was that they had been removed from his credit record.

Inquiries by Department Counsel revealed that the $25 (SOR ¶ 1.k) and $223 (SOR ¶ 1.n) medical collection debts were reported on Applicant's credit record as being under active dispute as of October 2017. This lends some credence to his assertion that he disputed the medical collection debts on his credit record with one or more of the credit reporting agencies. However, the evidence before me does not prove that the debts were never his debts and erroneously reported on his credit record. Even if the debts are no longer legally collectible under some statute of limitations barring collection, they remain relevant to assessing an individual's security clearance eligibility. *See* ISCR Case No. 14-02394 at 3-4 (App. Bd. Aug. 17, 2015); ISCR Case No. 08-01122 at 4 (App. Bd. Feb. 9, 2009); ISCR Case No. 07-08049 at 5 (App. Bd. Jul. 22, 2008); ADP Case No. 07-13041 at 5 (App. Bd. Sep. 19, 2008); ISCR Case No. 07-11814 at 2 (App. Bd. Dec. 29, 2008) ADP Case No. 06-14616 at 3 (App. Bd. Oct. 18, 2007) (stating, "reliance upon legal defenses such as the statute of limitations does not necessarily demonstrate prudence, honesty, and reliability; therefore, such reliance is of diminished probative value in resolving trustworthiness concerns arising out of financial problems. *See, e.g*., ISCR Case No. 03-20327 at 4 (App. Bd. Oct. 26, 2006).").

As for the online school debt (SOR ¶ 1.d, $836), it was still being reported as past due and in collection as of March 2017. Applicant testified that he paid the debt. He presented evidence after his hearing showing that he resolved the debt with a payment of $282 on April 7, 2017. Regarding the $2,293 credit-card judgment (SOR ¶ 1.l), available information shows that a hearing was held on February 19, 2010. Applicant testified that he completed a fraud affidavit, but the date of the identity-theft affidavit provided to the collection entity is November 2, 2010. As of June 2016, the credit reporting agencies were reporting a May 2010 judgment award. It is possible that a judgment was filed in May 2010 because Applicant did not submit the identity-theft affidavit timely, but court information does not show a judgment award. A motion was granted in August 2015 to attach wages,

[1] Title 15 U.S.C. § 1681c. *See* Federal Trade Commission website, Summary of Fair Credit Reporting Act Updates at Section 605, https://www.consumer.ftc.gov/articles/pdf-0111-fair-credit-reportingact.pdf.

but not enough information was provided to confirm a judgment award or wage garnishment. Recent credit reports, including an April 2017 credit report relied on by the Government, do not show a judgment. The evidence falls short of establishing the credit-card judgment debt in SOR ¶ 1.l.

Applicant is not required to be debt free, but he is required to manage his finances in a way as to exhibit sound judgment and responsibility. The evidence of medical collection debt and of the delinquency for his online schooling implicate two disqualifying conditions: AG ¶ 19(a), "inability to satisfy debts," and AG ¶ 19(c), "a history of not meeting financial obligations."

The burden is on Applicant to mitigate the evidence of financial delinquency. One or more of the following conditions under AG ¶ 20 may apply:

> (a) the behavior happened so long ago, was so infrequent, or occurred under such circumstances that it is unlikely to recur and does not cast doubt on the individual's current reliability, trustworthiness, or good judgment;
>
> (b) the conditions that resulted in the financial problem were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, a death, divorce or separation, clear victimization by predatory lending practices, or identity theft), and the individual acted responsibly under the circumstances;
>
> (c) the person has received or is receiving counseling for the problem from a legitimate and credible source, such as a non-profit credit counseling service, and there are clear indications that the problem is being resolved or is under control;
>
> (d) the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts; and
>
> (e) the individual has a reasonable basis to dispute the legitimacy of the past-due debt which is the cause of the problem and provides documented proof to substantiate the basis of the dispute or provides evidence of actions to resolve the issue.

AG ¶ 20(a) has limited applicability. While some of the medical debts are from 2010, other debts were incurred more recently. The $1,622 medical debt (SOR ¶ 1.b) was for anesthesia services in May 2014. It was placed for collection in May 2015. In February 2017, the medical provider obtained a judgment of $1,621 against him, which Applicant did not satisfy until August 1, 2017. The school debt is from September 2014. The $223 medical debt, which Applicant asserts he cannot locate, was on his credit record as of October 2017. The $295 and $63 medical debts that he does not dispute are from 2012 and 2010, respectively, but they were not paid until late August 2017.

Applicant has a case for some mitigation under AG ¶ 20(b). Except for the school debt, he incurred the debt for non-discretionary medical procedures. Medical records in evidence show that he had medical issues between April 2009 and November 2015, including spinal surgeries that led to lost income. He was not specific about the dates when he was out of work, but he testified to his temporary disability income being barely enough to cover a quarter of his expenses. Even if Applicant's financial difficulties initially arose, in whole or in part, due to circumstances outside of his control, I have to consider whether Applicant acted in a reasonable manner when dealing with his financial difficulties. *See* ISCR Case No. 05-11366 at 4 n.9 (App. Bd. Jan. 12, 2007) (citing ISCR Case No. 99-0462 at 4 (App. Bd. May 25, 2000); ISCR Case No. 99-0012 at 4 (App. Bd. Dec. 1, 1999); ISCR Case No. 03-13096 at 4 (App. Bd. Nov. 29, 2005)). A component is whether Applicant maintained contact with his creditors and attempted to negotiate partial payments to keep debts current. Applicant doubled his income when he began working for his current employer in June 2016. Assuming he was then unaware of the medical collection debts on his record, he was informed about the adverse credit information on his record during his December 2016 OPM interview. When queried about his interview, Applicant admitted that he was then told about the debts on his credit record. He did nothing to investigate the medical debts until August 2017, after the SOR was issued, even though he was told how to obtain his credit report. Had he acted expeditiously to investigate his debts, he might have been able to avoid the default judgment against him in late February 2017.

Applicant's satisfaction of the $1,622 and the $295 medical collection debts are documented in AEs F and G, respectively. Applicant asserts that he also paid, by credit card, the $63 collection debt (SOR ¶ 1.i) in August 2017. His uncorroborated claim of satisfaction is accepted, given the small amount of the debt. AE I shows that he satisfied the online school debt in April 2017. AG ¶ 20(c) applies in mitigation of those debts. Applicant has less of a good-faith claim under AG ¶ 20(d) because of the timing of the payments. Appeal Board precedent indicates that the concept of good faith "requires a showing that a person acts in a way that shows reasonableness, prudence, honesty, and adherence to duty or obligation." *See* ISCR Case No. 02-30304 (App. Bd. Apr. 20, 2004.) Applicants who only begin to address their financial issues when their personal interests are at stake may not comply with laws, rules, and regulations when their immediate interests are not imperiled. *See* ISCR Case No. 17-01382 (App. Bd. May 16, 2018) and ISCR Case No. 16-01211 (App. Bd. May 30, 2018). There is no evidence that Applicant has had any financial counseling contemplated within AG ¶ 20(c). Neither AG ¶ 20(c) nor AG ¶ 20(d) fully mitigates the security concerns without firm evidence of some payments or proof that the remaining alleged medical collection debts were not his debts. He did not present the evidence needed to establish AG ¶ 20(e) except with respect to the alleged credit-card judgment and the school debt. The school debt was satisfied before he received the SOR.

Guideline E: Personal Conduct

The security concerns about personal conduct are set out in AG ¶ 15:

> Conduct involving questionable judgment, lack of candor, dishonesty, or unwillingness to comply with rules and regulations can raise questions about an individual's reliability, trustworthiness, and ability to protect classified or sensitive information. Of special interest is any failure to cooperate or provide truthful and candid answers during national security investigative or adjudicative processes. The following will normally result in an unfavorable national security eligibility determination, security clearance action, or cancellation of further processing for national security eligibility:
>
> (a) refusal, or failure without reasonable cause, to undergo or cooperate with security processing, including but not limited to meeting with a security investigator for subject interview, completing security forms or releases, cooperation with medical or psychological evaluation, or polygraph examination, if authorized and required; and
>
> (b) refusal to provide full, frank, and truthful answers to lawful questions of investigators, security officials or other official representatives in connection with a personnel security or trustworthiness determination.

Applicant was alleged to have deliberately falsified his April 2016 e-QIP by not reporting that a May 2010 credit-card judgment had been entered against him in the last seven years. Applicant denies any knowledge of a judgment, and as previously discussed, the evidence falls short of proving the validity of the credit-card debt that led rise to the court action which led to Applicant's filing of an identity-theft affidavit. Personal conduct security concerns were not established.

Whole-Person Concept

In assessing the whole person, the administrative judge must consider the totality of an applicant's conduct and all relevant circumstances in light of the nine adjudicative process factors in AG ¶ 2(d). The analysis under Guideline F is incorporated in my whole-person analysis. Some of the factors in AG ¶ 2(d) were addressed under that guideline, but some warrant additional comment.

The security clearance adjudication involves an evaluation of an applicant's judgment, reliability, and trustworthiness in light of the security guidelines in the Directive. *See* ISCR Case No. 09-02160 (App. Bd. Jun. 21, 2010). The amount of SOR debt that has not been resolved is less than $10,000. Applicant is not required to pay off every one of his past-due debts before he can be granted security clearance eligibility. Applicant testified that he would pay those debts if they were proven to be his debts, and he knew whom to pay. Applicant has a valid point in one aspect in that the credit reports on which the Government relied do not name the creditor or the collection entity for the medical debt in several cases.

However, Applicant raised doubts about his financial judgment and willingness to comply with his obligations by not keeping himself adequately apprised of his medical debts and by continuing to fail to take adequate steps to pay or otherwise resolve them once he learned of them. Among the medical records presented to substantiate his medical problems, Applicant included a billing statement from a physician service showing that, as of July 2017, he had payment responsibility for $1,148 in medical expenses incurred between May 2014 and September 2015. Some of the services provided were routine in nature, and his medical co-payment was only $2.36 for some procedures. He had not made any payments toward the $1,148 balance by February 2018. He claimed without any substantiation that the physician service is willing to excuse the debts in return for him not suing for medical malpractice.

Applicant initially testified that he has paid those medical bills that he has received, although the evidence raises some doubt in that regard. The anesthesia debt (SOR ¶ 1.b) that went to judgment in February 2017 appears to have been from his surgery in May 2014. He has lived with his parents for over three years, and his address on the judgment award is his present address. It is difficult to believe that he would not have received a billing for the anesthesia charges at his home address before the creditor resorted to collection and then judgment. He is credited with making a medical payment of $168 in April 2017 to another physician, and he has no record of consumer credit overextension. He paid off a car loan in March 2011. The security clearance adjudication is not intended as a debt collection process. Yet it is well settled that once a concern arises regarding an applicant's security clearance eligibility, there is a strong presumption against the grant or renewal of a security clearance. *See Dorfmont v. Brown*, 913 F. 2d 1399, 1401 (9th Cir. 1990). Applicant's evidence falls short of dispelling the security concerns raised by his handling of financial matters.

Formal Findings

Formal findings for or against Applicant on the allegations set forth in the SOR, as required by section E3.1.25 of Enclosure 3 of the Directive, are:

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraph 1.a:	Against Applicant
Subparagraph 1.b:	For Applicant
Subparagraph 1.c:	Against Applicant
Subparagraph 1.d:	For Applicant
Subparagraphs 1.e-1.f:	Against Applicant
Subparagraph 1.g:	For Applicant
Subparagraph 1.h:	Against Applicant
Subparagraph 1.i:	For Applicant
Subparagraphs 1.j-1.k:	Against Applicant
Subparagraph 1.l:	For Applicant
Subparagraphs 1.m-1.n:	Against Applicant

Paragraph 2, Guideline E:	FOR APPLICANT
Subparagraph 2.a:	For Applicant

Conclusion

In light of all of the circumstances, it is not clearly consistent with the national interest to grant or continue Applicant's eligibility for a security clearance. Eligibility for access to classified information is denied.

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Elizabeth M. Matchinski
Administrative Judge