



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



In the matter of: )  
)  
) ISCR Case No. 14-05593  
)  
)  
Applicant for Security Clearance )

**Appearances**

For Government: Jeff Nagel, Esquire, Department Counsel  
For Applicant: Jacob Ranish, Esquire

October 2, 2015

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**Decision**

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CEFOLA, Richard A., Administrative Judge:

Applicant submitted his Electronic Questionnaires for Investigations Processing (e-QIP) on November 25, 2013. On December 15, 2014, the Department of Defense (DOD) issued a Statement of Reasons (SOR) detailing the security concerns under Guideline F for Applicant. The action was taken under Executive Order 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), effective within the Department of Defense after September 1, 2006.

Applicant answered the SOR in writing on January 16, 2015, and requested a hearing before an Administrative Judge. The Defense Office of Hearings and Appeals (DOHA) received the request soon thereafter, and I received the case assignment on April 13, 2015. DOHA issued a notice of hearing on April 15, 2015, and I convened the hearing as scheduled on May 27, 2015. The Government offered Exhibits (GXs) 1 through 5, which were received without objection. Applicant testified on his own behalf

and submitted Exhibits (AppXs) A through H, which were received without objection. DOHA received the transcript of the hearing (TR) on June 4, 2015. I granted Applicant's request to keep the record open until June 26, 2015, to submit additional matters. On June 24, 2015, he submitted Exhibit I, which was received without objection. As the undersigned was on leave on June 26, 2015, the record closed on June 29, 2015. Based upon a review of the pleadings, exhibits, and testimony, eligibility for access to classified information is granted.

### **Findings of Fact**

In his Answer to the SOR, Applicant admitted the factual allegations in Subparagraphs 1.b., 1.c., and 1.g. of the SOR, with explanations. He denied the factual allegations in Subparagraphs 1.a. and 1.d.~1.f. of the SOR. He also provided additional information to support his request for eligibility for a security clearance.

### **Guideline F - Financial Considerations**

Applicant is 28 years of age. (GX 1 at page 5.) He is pursuing a Masters' Degree, and is very active in his community. (TR at page 26 line 3 to page 29 line 16.)

In 2003, when Applicant was 16 years old, his parents separated. (TR at page 30 lines 3~11.) In 2007, their divorce was finalized. (*Id.*) His mother, who provided most of their family's income; move out of their house, leaving Applicant, his older sister and their father to meet their household expenses. (TR at page 30 line 12 to page 33 line 2.) In 2007, once the divorce was finalized, his sister also "moved out of the household," and "stopped contributing" towards their expenses. (TR at page 33 lines 3~8.) As it turns out, "since the age of 12 or 13 . . . [their father] had been sexually assaulting her." (TR at page 35 line 19 to page 36 line 4.)

This left Applicant with additional financial burdens; and in addition, he and his father also shared joint credit card accounts. (TR at page 34 line 18 to page 35 line 15.) This had caused Applicant's financial difficulties; as his father has since fled the United States, leaving Applicant with their joint debts. (TR at page 35 line 16 to page 37 line 22.) He has now addressed his admitted past-due debts, and has a positive monthly cash flow. (TR at page 51 line 3 to page 52 line 17, and AppX F.)

1.a. and 1.g. It is alleged that Applicant is indebted to Creditor A in the amount of about \$76,885. He disavows this debt. (TR at page 39 line 3 to page 40 line 5.) This appears to be a clerical reporting error on the part of Creditor A, as evidenced by correspondence from Creditor A. (AppX A at pages 3 and 4). I find that this debt is not owed.

Applicant admits that he was indebted to Creditor A in the amount of about \$7,594. He has paid this joint credit-card debt he held with his father, as evidenced by the Government's most recent May 2015 credit report. (TR at page 40 line 6 to page 41

line 13, GX 5 at page 2, and AppX A at pages 1~2.) I find that this debt is not now owed.

1.b. Applicant admits that he was indebted to Creditor B in the amount of about \$1,218. He has settled and paid this joint credit-card debt he held with his father, and that his father used to flee the United States, as evidenced by correspondence from Creditor B. (TR at page 41 line 14 to page 43 line 2, AppX B, and AppX I at page 6.) I find that this debt is not now owed.

1.c. Applicant admits that he was indebted to Creditor C in the amount of about \$4,087. He “settled in full on 03-21-2014” this joint credit-card debt he held with his father, as evidenced by correspondence from Creditor C. (TR at page 43 line 3 to page 44 line 5, and AppX C.) I find that this debt is not now owed.

1.d. Applicant denies that he was indebted to Creditor D in the amount of about \$71. He “has completely satisfied . . . [his] obligation with” Creditor D, as evidenced by correspondence from Creditor D. (TR at page 44 line 6 to page 45 line 2, AppX C and AppX I at page 5.) I find that this debt is not now owed.

1.e. and 1.f. . Applicant denies that he was indebted to Creditor E in the amounts of about \$4,939 and \$649, respectively. He has paid these joint credit card debts he held with his father, as evidenced by correspondence from Creditor E showing remaining balances of “\$0.00.” (TR at page 45 line 3 to page 48 line 6, AppX E, and AppX I at pages 1~4.) I find that these debts are not now owed.

1.g. has already been discussed, above.

### **Policies**

When evaluating an applicant’s suitability for a security clearance, the administrative judge must consider the adjudicative guidelines (AG). In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are useful 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 over-arching adjudicative goal is a fair, impartial and commonsense decision. According to AG Paragraph 2(c), 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. Paragraph 2(b) requires that “[a]ny doubt concerning personnel being considered for

access to classified information will be resolved in favor of 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. Likewise, I have avoided drawing inferences grounded on mere speculation or conjecture.

Under Directive Paragraph E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Under Directive Paragraph 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 as to obtaining 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 the Applicant may deliberately or inadvertently fail to protect or safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified information.

Section 7 of Executive Order 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 concern relating to the guideline for Financial Considerations is set out in Paragraph 18:

Failure or inability 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 information. An individual who is financially overextended is at risk of having to engage in illegal acts to generate funds.

The guideline notes several conditions that could raise security concerns. Under Subparagraph 19(a), an “*inability or unwillingness to satisfy debts*” is potentially disqualifying. Similarly under Subparagraph 19(c), “*a history of not meeting financial obligations*” may raise security concerns. Applicant has had difficulty meeting his

financial obligations. However, I find two countervailing Mitigating Conditions that are applicable here. Under Subparagraph 20(b), it may be mitigating where “*the conditions that resulted in the financial problem were largely beyond the person’s control (e.g. . . . divorce or separation), and the individual acted responsibly under the circumstances.*” Applicant’s past-due indebtedness is directly attributed to his parents’ 2003 separation and 2007 divorce. Under Subparagraph 20(d), it may also be mitigating where “*the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts.*” Applicant has made a good-faith effort to address all of his past-due debts.

Under the whole-person concept, the administrative judge must evaluate an applicant’s eligibility for a security clearance by considering the totality of Applicant’s conduct and all the circumstances. Under Paragraph 2(c), the ultimate determination of whether to grant eligibility for a security clearance must be an overall commonsense judgment based upon careful consideration of the guidelines and the whole-person concept.

The administrative judge should also consider the nine adjudicative process factors listed at AG Paragraph 2(a):

- (1) the nature, extent, and seriousness of the conduct;
- (2) the circumstances surrounding the conduct, to include knowledgeable participation;
- (3) the frequency and recency of the conduct;
- (4) the individual’s age and maturity at the time of the conduct;
- (5) the extent to which participation is voluntary;
- (6) the presence or absence of rehabilitation and other permanent behavioral changes;
- (7) the motivation for the conduct;
- (8) the potential for pressure, coercion, exploitation, or duress; and
- (9) the likelihood of continuation or recurrence.

I considered all of the evidence, including the potentially disqualifying and mitigating conditions surrounding this case, and that Applicant is well respected in his workplace. (AppX H and AppX I at page 7.) The record evidence leaves me without questions and doubts as to Applicant’s eligibility and suitability for a security clearance. For this reason, I conclude Applicant has mitigated the security concerns arising from his Financial Considerations, under the whole-person concept.

### **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:	FOR APPLICANT
Subparagraph 1.a.	For Applicant
Subparagraph 1.b.	For Applicant

Subparagraph 1.c.	For Applicant
Subparagraph 1.d.	For Applicant
Subparagraph 1.e.	For Applicant
Subparagraph 1.f.	For Applicant
Subparagraph 1.g.	For Applicant

### **Conclusion**

In light of all of the circumstances presented by the record in this case, it is clearly consistent with the national interest to grant Applicant eligibility for a security clearance. Eligibility for access to classified information is granted.

Richard A. Cefola  
Administrative Judge