



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



In the matter of:)	
)	
)	ISCR Case No. 15-01392
)	
Applicant for Security Clearance)	

Appearances

For Government: Eric H. Borgstrom, Esq., Department Counsel
For Applicant: *Pro se*

03/24/2016

Decision

MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant defaulted on approximately \$70,000 in student-loan debt for his undergraduate education in part because he helped his mother pay the mortgage on her home. Applicant made good-faith efforts toward rehabilitating his student loans in recent years. Clearance is granted.

Statement of the Case

On September 14, 2015, the Department of Defense Consolidated Adjudications Facility (DOD CAF) issued a Statement of Reasons (SOR) to Applicant, detailing the security concerns under Guideline F, Financial Considerations, and explaining why it was unable to find it clearly consistent with the national interest to grant or continue his security clearance eligibility. The DOD CAF took the action under Executive Order 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; Department of Defense (DOD) Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG) effective within the DOD on September 1, 2006.

On October 7, 2015, Applicant answered the SOR allegations, and he requested a hearing before an administrative judge from the Defense Office of Hearings and Appeals

(DOHA). On January 15, 2016, 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 18, 2016, I scheduled the hearing for February 11, 2016.

At the hearing, seven Government exhibits (GEs 1-7) and 16 Applicant exhibits (AEs A-P) were admitted into evidence without objection. A chart prepared by Department Counsel as a supplement to his oral closing argument was incorporated in the record as a hearing exhibit (HE 1) but not entered as an evidentiary exhibit. Applicant and two of his managers testified, as reflected in a transcript (Tr.) received on February 19, 2016.

At Applicant's request, I held the record open for a month for post-hearing submissions. Applicant timely submitted 20 documents, which were admitted as AEs Q-JJ without objection.

Findings of Fact

The SOR alleges that as of September 14, 2015, Applicant owed delinquent student-loan debt totaling \$73,309 (SOR ¶¶ 1.a-1.i). Applicant provided a detailed response in which he admitted the debts. He indicated that he had been making payments on some loans and had repayment plans in place for the other loans. After considering the pleadings, exhibits, and transcript, I make the following findings of fact:

Applicant is a 28-year-old college graduate, who has worked for a defense contractor as a financial analyst since July 2011. (GE 1; Tr. 64.) He is seeking to retain his secret clearance for his duties. (AE Z.)

After graduating from high school, Applicant pursued studies at a local community college from September 2005 to May 2006. He paid for his classes in part with income earned the previous summers as a grill cook at a sports stadium and as a camp counselor and from part-time work as a restaurant while in college. (GEs 1, 5-6; Tr. 68.)

The first in his family to attend college (AE M; Tr. 60), Applicant pursued his bachelor's degree at a four-year college in another state from September 2006 to May 2010. He did not work during the academic semesters to focus on his academics and because he played a sport for the college. (Tr. 69.) He returned home to live with his mother and his sister during the summers of 2007 and 2008,¹ working full time as a camp counselor both summers and holding a second part-time job as a restaurant server in 2008. Applicant held an internship near his college from June 2009 to December 2009 and graduated in May 2010. (GE 1.) Applicant paid for his education in part with student loans totaling approximately \$64,525 (SOR ¶¶ 1.a-1.i). (GEs 2-4, 7.) Applicant's student loans were deferred while he was in college. However, because he had taken a semester leave of absence to continue his internship, he had to start making payments immediately on his graduation. (GEs 1, 5-6; Tr. 58.)

¹ Applicant's parents divorced when he was 7 years old. (Tr. 63,) He and his sister, who is now 25, lived with their mother. (GE 1; Tr. .)

Applicant moved home after graduation. His mother was struggling financially at the time and fearful of losing her home. Applicant contributed \$500 per month on average toward his mother's mortgage for about two years. (Answer; AE J; Tr. 58, 66.) Applicant worked as a part-time manager at a skating rink at \$11 an hour from June 2010 to October 2010, when he was hired as a full-time employee by a logistics company at an annual salary of \$30,000. (GE 1; Tr. 67.) In July 2011, he started his present employment at a salary of \$38,000 annually. (GE 1; AE Y.)

On September 8, 2011, Applicant completed and certified to the accuracy of a Questionnaire for National Security Positions (QNSP) in application for a security clearance with his present employer. Applicant answered affirmatively to whether he had defaulted on any loans in the last seven years; whether he had any bills or debts turned over for collection in the last seven years; and whether he was currently over 90 days delinquent on any debts. He disclosed that he had defaulted on a \$14,000 student loan (SOR ¶ 1.a) "due to not finding work out of college," but that he was currently making payments. He explained that he took a leave of absence from college his senior year, which reduced his grace period. He expressed his hope that he would be caught up in the near future. (GE 1.)

A check of Applicant's credit on September 21, 2011, showed that Applicant was 60 days past due on the student loan in SOR ¶ 1.a. The student loan in SOR ¶ 1.h was reported to be in collection. Additionally, Applicant was behind over 120 days on the student loans in SOR ¶¶ 1.e and 1.g. He was late 60 days on the loan in SOR ¶ 1.b and 90 days on the loan in SOR ¶ 1.d. (GE 4.)

On October 19, 2011, Applicant was interviewed by an authorized investigator for the Office of Personnel Management (OPM). At the close of his interview, Applicant was asked about the delinquent student loans. Applicant denied any knowledge of any student loans being referred for collection. He explained that he had two separate accounts with the lender in SOR ¶ 1.a, of \$9,000 and \$5,000. Applicant expressed his intent to pay the \$259 past-due balance to bring the loan current. About the other student loans that were reportedly past due, he explained that in November 2010 he began paying \$450 a month to the student-loan lender in SOR 1.a. He assumed that his payment was being distributed among all his student loans except for a \$1,000 loan that he had opened directly with this college (SOR ¶ 1.i). He indicated that he had paid \$379 to the college in October 2011 to avoid that loan being placed for collection. Applicant expressed intent to obtain his credit report for contact information so that he could then arrange repayment terms. Applicant related that he had fallen behind on his student loans because he was helping his mother with her mortgage payment. His mother's boyfriend had moved out of the home, and she could not afford the payment on her own. Applicant was living from paycheck to paycheck. (GE 6.) Applicant's adjusted gross income for 2011 was \$34,357. (AE Q.)

Around 2012, Applicant began working as a part-time coach at a college. He takes home \$2,700 a year after taxes. (AE K; Tr. 88-89.) In late January 2012, Applicant was arrested for a drunk-driving offense that he regrets. It cost him financially in that he had to pay over \$6,000 for legal representation. (GE 5; Tr. 59-60.) In April 2012, Applicant's mother was granted a bankruptcy discharge. (AEs J, HH.) Applicant moved nearer to his

work shortly thereafter so that his mother could rent a room to her friend. (AE J; Tr. 65-66.) Applicant continued to help his mother with her mortgage for five months after he moved. (AE II.) He ignored collection calls about his student loans because he did not know that his creditors would accept payments that he could afford. (Tr. 60.)

On July 16, 2012, Applicant was re-interviewed by an OPM investigator. He admitted that he had not made any payments toward some of his student loans because of his attorney fees for his arrest. Once the charge was resolved, Applicant planned to make payments toward his student loans. Although his finances were currently strained, he had not fallen behind on his other financial obligations. (GE 5.)

Applicant had a challenging but successful first year with his employer. On his annual performance review in October 2012, Applicant met his employer's expectations for productivity and technical knowledge but exceeded expectations for judgment. He was given an increase in salary to \$41,800 from \$38,000. (AEs S, Y.) With his part-time coaching duties, he earned \$44,737 in 2012. (AE Q.)

In December 2012, Applicant started working as an administrative manager for his defense contractor employer. For his duties in inventory control, database management, and shipping and receiving, Applicant's salary was raised to \$46,000 annually. (AEs T, Y.) He proved to be an indispensable member of the team. (AE T). He was given an increase in salary to \$48,500 in late September 2013. (AE Y.)

Creditor records for the student loans in SOR ¶¶ 1.a and 1.d reflect that Applicant made eight payments totaling \$789.80 between September 2010 and November 2012 on the loan in SOR ¶ 1.d. He paid \$4,830.68 toward the student loan in SOR ¶ 1.a between September 27, 2010, and October 18, 2013. (AE R,) On March 26, 2013, Applicant's federal income tax refund of \$972 for 2012 was intercepted and applied to his federal student-loan debt. In 2014, he made nine payments totaling \$1,541 toward his federal student loans, including SOR ¶¶ 1.e and 1.f. (AE E.) Additionally, his \$1,360 federal income tax refund for tax year 2013 (AE Q) was taken and applied to his federal student loans on April 15, 2014. (AE E.) With the \$3,000 earned from his college coaching duties and his defense contractor salary, Applicant earned \$46,784 in 2014. (AE Q.) Applicant made no payments on some of his student loans because he wanted to make sure that he could make the payments already promised to his other creditors. He believed he had only one opportunity to rehabilitate his student loans. (AE II.)

In June 2015, Applicant's salary was increased to \$61,000 annually in recognition of his contributions at work. (AE Y; Tr. 27-28.) His monthly take-home pay increased from \$2,100 to \$2,960. (AE G.) Applicant arranged repayment terms for his remaining defaulted student loans, as set forth in the following table:

Student loan debt	Delinquency history	Payment Status
1.a. \$17,455 charged-off loan	Account opened Sep. 2006 for \$13,500, \$126 monthly payments; \$259 past due on	Paid \$480 Sep. 2010-Dec. 2010, eight payments totaling \$1,949 in 2011; four

	\$17,370 balance Aug. 2011; \$16,581 balance Dec. 2012; \$17,455 charged-off Jul. 2013 (GEs 2-4); \$14,726 balance Jan. 2016. (AE A.)	payments totaling \$1,036 in 2012, five payments totaling \$1,364 in 2013; one payment of \$987 Sep, 2015; \$186 monthly payments Oct. 2015-Jan. 2016, to continue at \$186 monthly to at least Aug. 2016. (AEs A, H, R, EE, II; Tr. 69-70.)
1.b. \$13,526 charged-off loan	Account opened Oct. 2007 for \$12,220, 60 days past due Aug. 2011, \$13,526 charged off May 2012; \$13,415 past-due balance Nov. 2015 (GEs 2-4, 7); \$13,428 balance Feb. 2016. (AE B.)	Paid \$50 monthly Sep. 2015-Feb. 2016, in repayment plan to Jan. 2017; intends to increase payment around Oct. 2016. (AEs B, H, EE; Tr. 74-75.)
1.c. \$10,771 past-due federal loan	Three Stafford Subsidized loans totaling \$8,125 opened Oct. 2006-Dec. 2007, \$8,168 total balance Aug. 2011; 180 days past due Dec. 2012; consolidated \$10,429 balance Oct. 2014; \$10,771 balance Dec. 2014; \$10,808 balance Jan. 2016. (GEs 2-4, 7; AE C.)	Payments at \$61.93 monthly since Jul. 2014, to increase to \$71.84 monthly Feb. 2017, and then increasing every 24 months. (AEs C, H, EE; Tr. 75-77.)
1.d. \$9,268 loan in collection	Account opened Jul. 2008 for \$9,000, first delinquency Jan. 2011, \$9,694 charged off; \$9,732 balance Aug. 2011, \$9,907 default balance Nov. 2011; \$9,268 for collection Dec. 2013, \$9,068 balance Dec. 2015. (GEs 2-4, 7); \$8,868 balance Jan. 2016. (AE D.)	Three payments totaling \$238.86 in 2010, three payments totaling \$189.56 in 2011, and payments of \$267.40 and \$93.98 in 2012 before loan sold in 2014 (AE R); paid \$100 monthly Oct. 2015-Feb. 2016, to continue to Sep. 2020. (AEs D, H, EE, JJ; Tr. 77-78.)
1.e. \$5,812 federal loan in collection	Account opened Sep. 2008 for \$5,500; \$5,812 balance Sep 2010; \$6,395 in collection Jun. 2012; \$5,196 past-due balance Dec. 2015. (GEs 2-4, 7.)	Four federal loans consolidated for repayment; \$972 tax refund applied Mar. 26, 2013, \$1,360 tax refund applied Apr. 15, 2014, \$169 monthly Apr. 2014-Feb. 2015, \$1,796 tax refund applied Mar. 2015, \$169 Apr. 2015; \$79 monthly Jul.

		2015-Jan. 2016 under new loan rehabilitation program; total balance \$17,765 after Jan. 2016 payment. (AEs E, H, Q; Tr. 79-80.)
1.f. \$5,526 federal loan in collection	Account opened Feb. 2010 for \$5,500, \$5,526 for collection Mar. 2011, \$6,140 in collection Jun. 2012; \$4,911 past-due balance Dec. 2015. (GEs 2-4, 7.)	See SOR ¶ 1.e.
1.g. \$5,500 past-due federal loan	Two student loans of \$2,000 opened in Sep. 2008 and Feb. 2010. ²	See SOR ¶ 1.e.
1.h. \$4,601 charged-off loan	Account opened Nov. 2009 for \$4,200, \$4,780 charged off; \$5,250 balance Dec. 2012; \$4,601 past due as of Dec. 2014; \$4,513 past-due balance Nov. 2015 (GEs 2-4); \$4,693 balance Feb. 2016. (AE B.)	Payments at \$50 monthly Sep. 2015-Feb. 2016, to continue to Jan. 2017; plans to increase payment around Oct. 2016. (AEs B, H.)
1.i. \$860 loan in collection	Perkins loan opened May 2009 for \$1,000, \$254 past due Aug. 2011, \$860 past due as of Jan. 2015, \$440 past-due balance Jan. 2016. (GEs 2, 4, 7.)	\$50 monthly payments Aug. 2015-Jan. 2016, paid \$393.70 to pay off loan Feb. 2016. (AEs F, H, AA, EE; Tr. 84.)

Applicant's current annual salary with his defense contractor employer is \$63,500. (AE Y.) As of February 2016, Applicant had rented his apartment for three years. He paid his rent on time. (AE I.) He had to cover the \$1,100 monthly rent himself for a couple of months after his roommate moved out in September 2015. (Tr. 85, 99-100). Applicant's monthly expenses totaled between \$2,300 and \$2,500 after paying \$575 per month toward his delinquent student loans. (AE G.) On January 17, 2016, Applicant bought for \$4,500 cash a 1997 model-year car with 178,000 miles on the odometer. His previous vehicle was a newer model (2002), but it needed about \$2,000 in mechanical work. (AE O; Tr. 61, 94.)

² Applicant indicates that he is repaying a new debt servicer \$79 per month toward four student loans, including SOR ¶¶ 1.e and 1.f. (AEs E, II.) The debt servicer's records show that as of July 2015, Applicant owed principal balances of \$5,141 (SOR ¶ 1.e), \$4,869 (SOR ¶ 1.f), \$2,088 and \$1,952. (AE E.) Available credit reports shows two student loans of \$2,000 each opened in September 2008 and February 2010. While he owes additional federal student loan debt beyond that alleged in SOR ¶¶ 1.e and 1.f that may be collectively covered in SOR ¶ 1.g, it is no longer held by the creditor in SOR 1.g (AE BB), and it is being repaid.

Applicant does not have a credit card, so he tries to save a little each month for any emergency expenses. (AE G.) Applicant has \$4,911 in checking and savings deposits. (AE DD.) Applicant moved into his girlfriend's home on March 1, 2016, at \$300 per month in rent. They have both agreed that he should put the \$300 per month in rent savings toward his student loans. Applicant plans to consult with his uncle about whether he should continue to save to pay off some of his smaller loans in full or increase his monthly payments. (AE II; Tr. 62.) Applicant had sought out his uncle's advice in February 2015 when he learned that his uncle was a part-time financial advisor, and on his advice has reduced some expenses. (AE X; Tr. 62-63.) He has received some offers to settle his private loans for 75%, but has not saved enough to settle them. (Tr. 62.)

Work and character references

Applicant displayed leadership, dedication, and hard work as a student athlete when he was in college. He had a reputation for being "a solid role model and an extremely caring person." (AE L.) As an assistant coach for a local college team for the past four years, Applicant has similarly shown discipline, responsibility, and a willingness to help whenever needed. (AE K.)

Applicant's performance appraisals in his defense contractor employment have been uniformly positive. Applicant has met or exceeded his employer's expectations in all categories. A quick learner, Applicant was eager to accept new challenges from the start of his employment. After performing superbly as a financial analyst in the business area, he transferred to an administrative manager position where he continued to need minimal supervision. (AEs S, T; Tr. 22, 26.) As of his annual review in September 2014, he had become a key member of his team. In the opinion of his direct supervisor, Applicant's attention to detail, professionalism, and strong work ethic have contributed to the continued success of their business. (AE U.) This manager requested and received authorization for the \$10,000 merit increase in salary that Applicant received effective June 2015. (Tr. 36.) On receipt of the SOR, Applicant asked his direct supervisor whether he should consider borrowing from his 401(k) at work to increase his student loan payments. The supervisor advised him against taking a loan. He felt Applicant was "on the right track," in that he was already making payments toward his student loans. (Tr. 42-43.) This manager has no reservations about Applicant holding a DOD security clearance. (Tr. 43.)

A second-level manager, who was involved in hiring Applicant, also testified to the exemplary quality of Applicant's work and to his reliability. (Tr. 23-28.) This manager is aware that Applicant fell behind in repaying his student loans, but also knows that Applicant has taken steps to remediate arrearages. (Tr. 30.) He has seen no evidence of extravagant expenditure by Applicant and believes Applicant will repay his loans. (Tr. 31.) Applicant's task manager also considers Applicant to be a trusted colleague. (AE Z.)

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(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. AG ¶ 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. 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 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 about financial considerations is articulated in AG ¶ 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 F concerns are established by Applicant's failure to make timely payments on about \$63,025 in student-loan debt for his undergraduate studies. While he made some payments on the student loans when he could, he also ignored collection notices when he could not afford to make payments. His loan in SOR ¶ 1.a was charged off for \$17,455 in July 2013. His loan in SOR ¶ 1.b was charged off for \$13,526 in May 2012. Three Subsidized Stafford loans totaling \$8,125 were 180 days past due as of December 2012. His private student loan in SOR ¶ 1.d was charged off for \$9,624 in 2011. As of June 2012, four federal student loans, including two \$5,500 loans (SOR ¶¶ 1.e and 1.f) were in collection. His private student loan in SOR ¶ 1.h was charged off for \$4,780. Additionally, he fell \$860 past due on his \$1,000 Perkins loan (SOR ¶ 1.i). Disqualifying conditions AG ¶ 19(a), "inability or unwillingness to satisfy debts," and AG ¶ 19(c), "a history of not meeting financial obligations," are implicated.

The student loans were opened between September 2006 and February 2010, and there is no record of delinquency on other accounts, such as utilities or rent. Even so, it is difficult to apply AG ¶ 20(a), "the behavior happened so long ago, was so infrequent, or occurred under circumstances that it is unlikely to recur and does not cast doubt on the individual's current, reliability, or good judgment." As of the date of the SOR, all of the loans were in delinquency status.

Applicant struggled to pay his loans initially because of low income after he graduated from college. He worked part time at \$11 an hour as an assistant manager at a skating rink from June 2010 to October 2010. He gained employment at \$30,000 annually with a logistics company in November 2010, but he contributed \$500 a month toward the mortgage on his mother's home in lieu of timely payments on his student loans. His mother was struggling financially, his sister was still in high school, and he was living at home. Applicant continued to support his mother financially for about five months even after he moved out of the home so that she could rent out his room. Applicant understandably gave priority to helping his mother under those circumstances. AG ¶ 20(b) applies in mitigation of his failure to make consistent payments on his student loans from 2011 into 2012. AG ¶ 20(b) provides:

(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, or a death, divorce or separation), and the individual acted responsibly under the circumstances.

Yet AG ¶ 20(b) does not mitigate his inability to make payments on his student loans because of \$6,000 in legal bills incurred as a result of a January 2012 drunk-driving offense or his lack of student loan payments from 2013 into 2014. He earned wages of \$48,085 for 2013 and yet made only five payments totaling \$1,364 toward the student loan in SOR ¶ 1.a. He made no payments on that loan in 2014; on the loan in SOR ¶ 1.b

between May 2012 and September 2015; or on his loans in SOR ¶¶ 1.d, 1.h, and 1.i in 2013 or 2014. The lone payment on his student loans in SOR ¶¶ 1.e-1.g in 2013 was from the interception of his tax refund of \$972. Applicant made no payments toward his Stafford loans (SOR ¶ 1.c) in 2013. I cannot conclude that he acted fully responsibly when he ignored collection notices from creditors. He may not have understood that the creditors would accept lower payments from him, but he also did not make a concerted effort to address his student-loan delinquencies before April 2014.

Applicant is credited with making monthly payments since April 2014 toward rehabilitating the federal student loans covered in SOR ¶¶ 1.e-1.g and since July 2014 toward the Stafford loans in SOR ¶ 1.c. Repayment on other loans did not start until after he received the SOR in September 2015. However, he has consistently made monthly payments on all of his student loans since that time. The Perkins loan in SOR ¶ 1.i has been paid off. His recent efforts to address his student loan debts establish mitigating conditions AG ¶¶ 20 (c) and 20(d), which provide as follows:

(c) the person has received or is receiving counseling for the problem and/or there are clear indications that the problem is being resolved or is under control, and

(d) the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts.

Applicant still owes approximately \$70,288 in student-loan debt, which is a substantial debt burden. However, student loans are an investment in one's future and do not carry the same judgment concerns as would excessive credit card debt. Applicant has no record of irresponsible spending or reliance on consumer credit card debt. When he needed a vehicle in January 2016, he bought a 1997 model-year vehicle outright rather than take on more debt through a vehicle loan. Applicant is not required to pay off each debt in the SOR to be eligible for a security clearance. He is required to demonstrate that he has an established plan to resolve his financial issues and that he has taken significant actions to implement his plan. See ISCR Case No. 07-06482 (App. Bd. May 21, 2008). He has made only five or six months of payments on some of his student loans, but he has made more than a year of payments on his federal student loans alleged in SOR ¶¶ 1.c and 1.e-1.g. He has paid off his Perkins student loan. Applicant expressed a credible intent to increase the amount of his monthly payments on the student loans in SOR ¶¶ 1.b and 1.h in the near future. With the increase in his annual salary since mid-2015 and lower rent starting March 1, 2016, his financial situation is likely to continue to improve going forward. I am persuaded that he will make the payments required to fully rehabilitate his student loans. The financial considerations concerns are mitigated by his organized and consistent efforts since April 2014 to address his student-loan delinquencies.

Whole-Person Concept

Under the whole-person concept, the administrative judge must evaluate an applicant's eligibility for a security clearance by considering the totality of his conduct and

all the circumstances. The administrative judge should consider the nine adjudicative process factors listed at AG ¶ 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.

The analysis under Guideline F is incorporated in my whole-person assessment, but some aspects warrant additional comment. Applicant exhibited poor judgment with regard to his student loans, but he has otherwise been responsible in fulfilling his obligations. He was a leader on his college team. He continues to display qualities of good character, dedication, and reliability as a defense contractor employee and as an assistant coach for a college team. Applicant demonstrated such competence at work to earn a \$10,000 merit increase in his salary effective June 20, 2015. Applicant responsibly took the increase in his take-home pay and applied it to his student-loan debt and savings.

The payments Applicant has made toward resolving his student loans provide assurance that he can be counted on to continue to address his debts. The Government can re-validate Applicant's financial status at any time through credit reports, investigation, or interrogatories. Approval of classified access to Applicant now would not bar the Government from revoking it, if required.³ After considering all the evidence, I conclude that it is clearly consistent with the national interest to continue Applicant's security clearance eligibility.

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
Subparagraphs 1.a.-1.i:	For Applicant

³ The DOHA Appeal Board has held that the Government has the right to reconsider the security significance of past conduct or circumstances in light of more recent conduct that has negative security significance. See ISCR Case No. 10-06943 at 4 (App. Bd. Feb. 17, 2012).

Conclusion

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

Elizabeth M. Matchinski
Administrative Judge