



DEPARTMENT OF DEFENSE  
DEFENSE OFFICE OF HEARINGS AND APPEALS



In the matter of: )  
)  
) ISCR Case No. 15-01775  
)  
)  
Applicant for Security Clearance )

**Appearances**

For Government: Rhett Petcher, Esq., Department Counsel  
For Applicant: *Pro se*

March 23, 2016

**Decision**

GOLDSTEIN, Jennifer I., Administrative Judge:

Applicant remains indebted on 12 delinquent accounts in the total approximate amount of \$30,983. Resulting security concerns were not mitigated. Based on a review of the pleadings and exhibits, eligibility for access to classified information is denied.

**Statement of the Case**

Applicant submitted a security clearance application on October 19, 2012.<sup>1</sup> On September 30, 2015, 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). 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

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<sup>1</sup>Item 2.

(Directive); and the adjudicative guidelines that came into effect in the Department of Defense on September 1, 2006.

Applicant submitted a written response to the SOR, dated October 29, 2015 (Answer), and requested that his case be decided by an administrative judge on the written record without a hearing.<sup>2</sup> Department Counsel submitted the Government's written case on December 9, 2015, containing five Items. A complete copy of the File of Relevant Material (FORM) was provided to Applicant, and he was afforded an opportunity to file objections and submit material in refutation, extenuation, or mitigation within 30 days of his receipt of the FORM.

Applicant signed the document acknowledging receipt of his copy of the FORM on December 21, 2015. He submitted no additional material in response to the FORM, made no objection to consideration of any contents of the FORM, and did not request additional time to respond. I received the case assignment on March 15, 2016.

### **Findings of Fact**

Applicant is 31 years old, and has worked for a defense contractor since 2012. He is married, and has one child.<sup>3</sup>

The Government alleged that Applicant is ineligible for a clearance because he made financial decisions that indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which raise questions about his reliability, trustworthiness and ability to protect classified information. The SOR alleged that Applicant is delinquent on 12 debts in the total amount of \$30,983. In his Answer, Applicant admitted the delinquent debts as set forth in SOR ¶¶ 1.j through 1.l. He denied the allegations in SOR ¶¶ 1.a through 1.i. Applicant's delinquent accounts appeared on his credit reports dated October 31, 2012; February 2, 2015; and December 7, 2015.<sup>4</sup>

Applicant is alleged to be indebted on a delinquent student loan in the approximate amount of \$23,247, as alleged in SOR ¶ 1.a. Applicant denied this debt and claimed, "I don't know what this charge is from." This debt has been delinquent since 2008. Applicant's February 2015 credit report reflects it had been charged off. It is unresolved.<sup>5</sup>

Applicant is alleged to be indebted on a delinquent collection account in the approximate amount of \$1,456, as alleged in SOR ¶ 1.b. Applicant denied this debt and

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<sup>2</sup>Item 2.

<sup>3</sup>Item 2.

<sup>4</sup>Items 3, 4, and 5.

<sup>5</sup>Item 4.

claimed, "This debt has been satisfied." Applicant's February 2015 credit report reflects this debt has been delinquent since 2012 and remains unsatisfied. Applicant failed to present documentation that he paid or contested this debt. It remains unresolved.<sup>6</sup>

Applicant is alleged to be indebted on a delinquent credit card account in the approximate amount of \$321, as alleged in SOR ¶ 1.c. Applicant denied this debt and claimed, "This debt has been satisfied." Applicant's February 2015 credit report reflects this debt has been delinquent since 2012 and remains unsatisfied. Applicant failed to present documentation that he paid or contested this debt. It remains unresolved.<sup>7</sup>

Applicant is alleged to be indebted on a delinquent phone bill in the approximate amount of \$67, as alleged in SOR ¶ 1.d. Applicant denied this debt and claimed, "[Creditor] is currently reviewing this charge." Applicant's February 2015 credit report reflects this debt has been delinquent since 2012 and remains unsatisfied. Applicant failed to present documentation that he paid or contested this debt. It remains unresolved.<sup>8</sup>

Applicant is alleged to be indebted on a charged-off account in the approximate amount of \$1,066, as alleged in SOR ¶ 1.e. Applicant denied this debt and claimed, "This debt has been satisfied." Applicant's February 2015 credit report reflects this debt has been delinquent since 2012 and remains unsatisfied. Applicant failed to present documentation that he paid or contested this debt. It remains unresolved.<sup>9</sup>

Applicant is alleged to be indebted on a delinquent phone bill in the approximate amount of \$1,750, as alleged in SOR ¶ 1.f. Applicant denied this debt and claimed, "This charge is inaccurate." Applicant's October 2012 credit report reflects a judgment was obtained against Applicant by this creditor in 2006. Applicant failed to present documentation that he paid or contested this debt. It remains unresolved.<sup>10</sup>

Applicant is alleged to be indebted on two delinquent judgments for the same creditor in the approximate amounts of \$815 and \$956, as alleged in SOR ¶¶ 1.g and 1.h. Applicant denied these debt and claimed both debts were satisfied. Applicant's October 2012 credit report reflects these judgments were obtained against Applicant by this creditor in 2007. Applicant failed to present documentation that he paid or otherwise contested these debts. They remains unresolved.<sup>11</sup>

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<sup>6</sup>Item 4.

<sup>7</sup>Item 4.

<sup>8</sup>Item 4.

<sup>9</sup>Item 4.

<sup>10</sup>Item 3.

<sup>11</sup>Item 3.

Applicant is alleged to be indebted on a delinquent medical collection account in the approximate amount of \$26, as alleged in SOR ¶ 1.i. Applicant denied this debt without further explanation. Applicant's October 2012 credit report reflects this debt has been delinquent since 2008 and remains unsatisfied. Applicant failed to present documentation that he paid or contested this debt. It remains unresolved.<sup>12</sup>

Applicant is alleged to be indebted on a delinquent medical collection account in the approximate amount of \$973, as alleged in SOR ¶ 1.j. Applicant admitted this debt without further explanation. He failed to present documentation that he paid or contested this debt. It remains unresolved.

Applicant is alleged to be indebted on a delinquent student loan account in the approximate amount of \$20,576, as alleged in SOR ¶ 1.k. Applicant admitted this debt without further explanation. Applicant's October 2012 credit report reflects this debt has been delinquent since 2009. Applicant failed to present documentation that he paid or contested this debt. It remains unresolved.<sup>13</sup>

Applicant is alleged to be indebted on a delinquent gym membership account in the approximate amount of \$306, as alleged in SOR ¶ 1.l. Applicant admitted this debt without further explanation. Applicant's October 2012 credit report reflects this debt has been delinquent since 2008. Applicant failed to present documentation that he paid or contested this debt. It remains unresolved.<sup>14</sup>

## **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 (DCs) and mitigating conditions (MCs), which are to be used 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 AG ¶ 2 describing the adjudicative process. The administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶¶ 2(a) and 2(c), the entire process is a conscientious scrutiny of applicable guidelines in the context 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.

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<sup>12</sup>Item 3.

<sup>13</sup>Item 3.

<sup>14</sup>Item 3.

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 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. Likewise, I have avoided drawing inferences grounded on mere speculation or conjecture.

Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Under Directive ¶ E3.1.15, “[t]he applicant is responsible for presenting witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by the applicant or proven by Department Counsel, and has the ultimate burden of persuasion as to obtaining a favorable clearance decision.” Section 7 of Executive Order 10865 provides: “[a]ny determination under this order adverse to an applicant shall be a determination in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.”

A person applying for access to classified information seeks to enter 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.

## **Analysis**

### **Guideline F, Financial Considerations**

The security concerns under the guideline for financial considerations are set out in AG ¶ 18, which reads in pertinent part:

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.

Department Counsel asserted, and the record evidence established, security concerns under two Guideline F DCs, as set forth in AG ¶ 19:

- (a) inability or unwillingness to satisfy debts; and
- (c) a history of not meeting financial obligations.

Applicant has a long history of delinquent debt. From 2007 to present, he accumulated 12 delinquent accounts in the total approximate amount of \$30,983. His ongoing pattern of delinquent debt, and history of inability or unwillingness to pay his lawful debts, raise security concerns under DCs ¶¶ 19(a) and (c), and shifts the burden to Applicant to rebut, extenuate, or mitigate those concerns.

The guideline includes five conditions in AG ¶ 20 that could mitigate security concerns arising from Applicant's financial difficulties:

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

(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;

(d) the individual initiated 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.

Applicant failed to produce sufficient evidence that he has addressed his 12 delinquencies. He offered little evidence, from which to establish a track record of debt resolution. He did not produce evidence to show he is working toward the resolution of any of his delinquencies or that he had formally disputed any of the debts. He did not present documentation to show his debts were a result of a condition beyond his control, and he failed to demonstrate that he acted responsibly under such circumstances. He did not produce evidence that he received financial counseling. Accordingly, the record is insufficient to establish mitigation under any of the foregoing provisions.

### **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 the applicant's

conduct and all relevant 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.

Under AG ¶ 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.

I considered the potentially disqualifying and mitigating conditions in light of all pertinent facts and circumstances surrounding this case. Applicant is an accountable adult, who is responsible for his voluntary choices and conduct that underlie the security concerns expressed in the SOR. His SOR-listed delinquent debts arose over the past nine years and appear to remain unresolved. He offered insufficient evidence of financial counseling, rehabilitation, better judgment, or responsible conduct in other areas of his life to offset resulting security concerns. The potential for pressure, coercion, and duress from his financial situation remains undiminished. Overall, the record evidence leaves me with substantial doubt as to Applicant's present eligibility and suitability for a security clearance. He did not meet his burden to mitigate the security concerns arising from his financial considerations.

### **Formal Findings**

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

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraphs 1.a through 1.l	Against Applicant

## **Conclusion**

In light of all of the circumstances presented by the record in this case, it is not clearly consistent with the national interest to grant Applicant eligibility for a security clearance. Eligibility for access to classified information is denied.

Jennifer I. Goldstein  
Administrative Judge