



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



In the matter of:	)	
	)	
XXXXXX, XXXXXXXX XXXXXX	)	ISCR Case No. 14-04431
	)	
Applicant for Security Clearance	)	

**Appearances**

For Government: Philip J. Katauskas, Esquire, Department Counsel  
For Applicant: *Pro se*

03/28/2016

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**Decision**

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METZ, John Grattan, Jr., Administrative Judge:

Based on the record in this case,<sup>1</sup> I deny Applicant's clearance.

On 24 January 2015, the Department of Defense (DoD) sent Applicant a Statement of Reasons (SOR) raising security concerns under Guideline F, Financial Considerations.<sup>2</sup> Applicant timely answered the SOR, requesting a decision without hearing by the Defense Office of Hearings and Appeals (DOHA). The record in this case closed 21 November 2015, when Applicant's response to the FORM was due. Applicant provided no additional documents. DOHA assigned the case to me 3 March 2016.

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<sup>1</sup>Consisting of the File of Relevant Material (FORM), Items 1-7.

<sup>2</sup>DoD acted under Executive Order 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 adjudicative guidelines (AG) effective within the DoD on 1 September 2006.

## Findings of Fact

Applicant admitted the SOR financial allegations, except for SOR 1.I, which she denied because she claimed to be unaware what the debt was for. She is a 31-year-old payroll administrator employed by a U.S. defense contractor since May 2013. She was previously employed in similar jobs within the defense sector from April 2004 to April 2013, alternating with brief periods of unemployment.<sup>3</sup> She has not previously held a clearance. She has never-married, and has two dependent children, ages four and six.

The SOR alleges, and Government exhibits (Items 5-7) substantiate, 12 delinquent debts totaling over \$36,000. Applicant admits all but the \$55 debt at SOR 1.I. Record evidence suggests that SOR 1.a is a duplicate of 1.c, but the debt at issue is still \$33,626. The debts consist of a \$14,249 judgment for a repossessed automobile (SOR 1.b), a \$5,659 collection account for past-due rent and attorneys fees (SOR 1.c), three collection accounts totaling \$1,261 for two telephone accounts and a cable account (SOR 1.d, 1.h, and 1.j), four medical collection accounts totaling \$2,086 (SOR 1.e-1.g and 1.k), a \$10,316 credit card collection account (SOR 1.I), and a delinquent traffic ticket (SOR 1.I). Applicant disclosed SOR debts 1.a-1.b, 1.e-1.I, and 1.k on her January 2014 clearance application (Item 5), and claimed to be working toward making payment plans with the creditors. She confirmed all the SOR debts, except SOR 1.I, during a February 2014 interview with a Government investigator (Item 6), and claimed she was working with a debt consolidator to resolve her debts. In her February 2015 Answer to the SOR, she stated that she was going to file for Chapter 7 bankruptcy protection. She provided no documentation that she had done so, or had had any contacts with any of her creditors or debt consolidation companies.

Applicant attributes her financial problems to losing her job in June 2010. However, she told the investigator that she had been late with her rent several times between November 2007 and December 2010, and at least one of her debts (SOR 1.h) dates to 2007, when she cancelled her telephone contract early.

Applicant provided no budget or financial statement. She has not documented any financial or credit counseling. She provided no work or character references, or evidence of community involvement. She has not documented any of her claimed plans for resolving her debts.

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<sup>3</sup>Applicant was first laid off in June 2010, when her job was relocated to another state. She was unemployed until October 2010, when she obtained a new job that she left in November 2010, because the location was inconvenient. She obtained a new job in February 2011, but was fired from it in October 2011 because of attendance and tardiness issues. She was unemployed until December 2011, when she took a job with a temporary employment agency hoping that the assignment would turn into permanent employment. It did not do so because the company was experiencing financial problems. However, Applicant obtained another job in January 2012. She left that job in March 2013 under mutual agreement after receiving notice of unsatisfactory performance. She took another temporary position from March to April 2013, and was again unemployed from April to May 2013 before obtaining her current position.

## Policies

The adjudicative guidelines (AG) list factors for evaluating a person's suitability for access to classified information. Administrative judges must assess disqualifying and mitigating conditions under each issue fairly raised by the facts and situation presented. Each decision must also reflect a fair, impartial, and commonsense consideration of the factors listed in AG ¶ 2(a). Any one disqualifying or mitigating condition is not, by itself, conclusive. However, specific adjudicative guidelines should be followed where a case can be measured against them, as they represent policy guidance governing access to classified information. Considering the SOR allegations and the evidence as a whole, the relevant adjudicative guideline is Guideline F (Financial Considerations).

Security clearance decisions resolve whether it is clearly consistent with the national interest to grant or continue an applicant's security clearance. The Government must prove, by substantial evidence, controverted facts alleged in the SOR. If it does, the burden shifts to applicant to refute, extenuate, or mitigate the Government's case. Because no one has a right to a security clearance, the applicant bears a heavy burden of persuasion.

Persons with access to classified information enter into a fiduciary relationship with the Government based on trust and confidence. Therefore, the Government has a compelling interest in ensuring each applicant possesses the requisite judgement, reliability, and trustworthiness of those who must protect national interests as their own. The "clearly consistent with the national interest" standard compels resolution of any reasonable doubt about an applicant's suitability for access in favor of the Government.<sup>4</sup>

## Analysis

The Government established a case for disqualification under Guideline F, and Applicant did not mitigate the security concerns. Applicant has an extensive history of financial difficulties dating back to at least 2007.<sup>5</sup>

Applicant meets none of the mitigating conditions for financial considerations, given that she has taken no action to address them.<sup>6</sup> Applicant's loss of employment in June 2010 was beyond her control, but her intermittent employment between then and May 2013 was due either to choices she made or poor work performance. Moreover, under any circumstances she cannot be said to have dealt with her finances

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<sup>4</sup>See, *Department of the Navy v. Egan*, 484 U.S. 518 (1988).

<sup>5</sup>¶19(a) inability or unwillingness to satisfy debts; (c) a history of not meeting financial obligations;

<sup>6</sup>¶20(a) the behavior happened so long ago, was so infrequent, or occurred under such circumstances that it is unlikely to recur . . .

responsibly, even after becoming employed full time in May 2013.<sup>7</sup> Applicant has had no credit or financial counseling, and there is no evidence any of the debts are being resolved.<sup>8</sup> Her lack of effort does not constitute a good-faith effort to address her debts.<sup>9</sup> In addition, Applicant has not demonstrated a track record of living within her means. Furthermore, Applicant provided no information upon which I could conduct a favorable “whole-person” analysis. Accordingly, I conclude Guideline F against Applicant.

### Formal Findings

Paragraph 1. Guideline F:	AGAINST APPLICANT
Subparagraph a:	For Applicant (duplicate)
Subparagraphs b-l:	Against Applicant

### Conclusion

Under the circumstances presented by the record in this case, it is not clearly consistent with the national interest to grant or continue a security clearance for Applicant. Clearance denied.

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JOHN GRATTAN METZ, JR  
Administrative Judge

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<sup>7</sup>¶20(b) the conditions that resulted in the financial problem were largely beyond the person’s control . . . and the individual acted responsibly under the circumstances;

<sup>8</sup>¶20(c) the person has received or is receiving counseling for the problem and there are clear indications that the problem is being resolved or is under control;

<sup>9</sup>¶20(d) the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts.