



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



In the matter of: )  
 )  
----- ) ISCR Case No. 14-06701  
 )  
Applicant for Security Clearance )

**Appearances**

For Government: Candace L. Garcia, Esq., Department Counsel  
For Applicant: *Pro se*

02/10/2016

**Decision**

LEONARD, Michael H., Administrative Judge:

Applicant contests the Defense Department’s intent to deny her eligibility for access to classified information via a security clearance. Applicant presented sufficient evidence to explain and mitigate the concern stemming from her history of financial problems. Applicant did not deliberately omit, conceal, or falsify relevant facts about her financial history when she completed a security clearance application in May 2014. Accordingly, this case is decided for Applicant.

**Statement of the Case**

Applicant completed and submitted a Questionnaire for National Security Positions (SF 86 Format) on May 21, 2014.<sup>1</sup> About a year later on June 25, 2015, after reviewing the application and information gathered during a background investigation,

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<sup>1</sup> Exhibit 3 (this document is commonly known as a security clearance application).

the Department of Defense (DOD)<sup>2</sup> sent Applicant a statement of reasons (SOR), explaining it was unable to find that it was clearly consistent with the national interest to grant her eligibility for access to classified information.<sup>3</sup> The SOR is similar to a complaint. It detailed the reasons for the action under the security guidelines known as Guideline F for financial considerations and Guideline E for personal conduct. Applicant answered the SOR in a July 27, 2015 response consisting of a two-page memorandum.

Neither Applicant nor Department Counsel requested a hearing, and so, the case will be decided on the written record.<sup>4</sup> On September 9, 2015, Department Counsel submitted all relevant and material information that could be adduced at a hearing.<sup>5</sup> This so-called file of relevant material (FORM) was mailed to Applicant, who received it on September 29, 2015. Applicant replied in a timely manner and submitted a four-page memorandum along with seven enclosures. Those matters are admitted as Exhibit A. The case was assigned to me on December 1, 2015.

### Findings of Fact

Applicant is a 41-year-old employee who is seeking to retain a security clearance. She first received a security clearance in about 2003.<sup>6</sup> She is employed as a contracts manager for a large company in the defense industry. Her annual salary exceeds \$100,000 based on biweekly pay of \$4,499.<sup>7</sup> Income tax records show she earned wages of \$70,114 in 2012, \$123,004 in 2013, and \$95,382 in 2014.<sup>8</sup> She has had this particular job since relocating to her state of current residence in January 2013. She has worked for the same company since 2002.<sup>9</sup> Before that, she attended college

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<sup>2</sup> The SOR was issued by the DOD Consolidated Adjudications Facility, Fort Meade, Maryland. It is a separate and distinct organization from the Defense Office of Hearings and Appeals, which is part of the Defense Legal Services Agency, with headquarters in Arlington, Virginia.

<sup>3</sup> This case is adjudicated under Executive Order 10865, *Safeguarding Classified Information within Industry*, signed by President Eisenhower on February 20, 1960, as amended, as well as Department of Defense Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program*, dated January 2, 1992, as amended (Directive). In addition, the *Adjudicative Guidelines for Determining Eligibility for Access to Classified Information* (AG), effective within the Defense Department on September 1, 2006, apply here. The AG were published in the Federal Register and codified in 32 C.F.R. § 154, Appendix H (2006). The AG replace the guidelines in Enclosure 2 to the Directive.

<sup>4</sup> Directive, Enclosure 3, ¶ E3.1.7.

<sup>5</sup> The file of relevant material consists of Department Counsel's written brief and supporting documents, some of which are identified as evidentiary exhibits in this decision.

<sup>6</sup> Exhibit 4.

<sup>7</sup> Exhibit A at Enclosure 2.

<sup>8</sup> Exhibit A at Enclosures 5, 6, and 7.

<sup>9</sup> Exhibit 4 at 3.

while employed during 1997–2002, earning a bachelor’s degree in 2002.<sup>10</sup> She obtained a divorce from her husband in 2011,<sup>11</sup> and she has two teenage children at home.

Applicant has a history of financial problems, which she does not dispute. The SOR contains 15 factual allegations that fall into three groups: (1) bankruptcy cases; (2) ordinary collection accounts; and (3) student loan accounts. Applicant’s answer to the SOR was mixed, containing admissions, denials, and brief explanations. Before addressing those matters, the origin of Applicant’s financial difficulties is addressed.

## **1. Applicant’s financial difficulties began during her marriage**

Applicant addressed the reasons for her financial difficulties during her 2014 background investigation.<sup>12</sup> In 2004, she and her then husband had full-time employment with good salaries, and they were rebuilding their credit after a 1998 Chapter 7 bankruptcy case. In early 2005, her husband left his job with a firm and became self-employed. He established his business and did reasonably well until an economic downturn severely affected his business. He became depressed and did not receive appropriate medical care. He stayed at home and refused to look for work or take any type of job.

They liquidated assets (e.g., 401(k) accounts and personal property) to pay the mortgage loan, bills, and other living expenses and were living month-to-month on Applicant’s salary. In time, this situation resulted in Applicant using her employer’s credit card to pay for personal expenses such as buying food. She and her husband sought relief from their indebtedness by a Chapter 13 bankruptcy case, which was filed in December 2008. As noted below, the Chapter 13 case was voluntary dismissed by Applicant and her husband in 2010 when he refused to help make the monthly payment.

## **2. The bankruptcy cases**

Applicant’s financial problems date back to about 1998, when she and her then husband sought relief from indebtedness under a Chapter 7 bankruptcy case.<sup>13</sup> She was then about 23 years old, employed as an administrative assistant, and attending college. She disclosed the bankruptcy in her 2003 security clearance application, indicating it involved about \$10,000 of debt.<sup>14</sup> During a 2004 background investigation, she explained the Chapter 7 bankruptcy case was due to premarital credit card debt they were unable to repay after they married and both were pursuing college degrees

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<sup>10</sup> Exhibits 3 and 4.

<sup>11</sup> Exhibit A at Enclosure 1.

<sup>12</sup> Exhibit 5 at 13–14

<sup>13</sup> Exhibit 9.

<sup>14</sup> Exhibit 4.

while working low-paying jobs.<sup>15</sup> The bankruptcy case was successfully concluded in December 1998 when the bankruptcy court issued the discharge order.<sup>16</sup>

About ten years later in 2008, Applicant and her then husband sought relief from indebtedness under a Chapter 13 bankruptcy case, often referred to as a wage-earner payment plan.<sup>17</sup> The case was filed in December 2008, when Applicant was working for her current employer, albeit at a different location than today.

The Chapter 13 bankruptcy case was dismissed in September 2010 on the motion of Applicant and her then husband. They took that action due to ongoing marital troubles and her husband's refusal to share in the monthly bankruptcy payment. Applicant did not believe it was fair for her to make the entire monthly payment when her husband had incurred the majority of the debt.<sup>18</sup> When her husband refused to share in the monthly payment, they decided to dismiss the bankruptcy case and address their indebtedness in their divorce.<sup>19</sup>

### **3. *The collection accounts***

The SOR alleges six ordinary collections for a total of about \$2,580. Based on my review of the available evidence, the six collection accounts are unresolved.

The first account, in SOR ¶ 1.c, is a \$186 collection account for television service. She denies this debt on the basis that she returned the equipment to the television service company when she terminated service and received a refund.<sup>20</sup> She intends to dispute the debt.

The second, in SOR ¶ 1.f, is a \$117 collection account for television service with a different firm. She neither admitted nor denied this debt, explaining that she needed to contact the television service company as she believed she had taken care of the account when she relocated in 2013.<sup>21</sup> Her plan is to work on this account after December 2015, when she has sufficient cash flow to address it.<sup>22</sup>

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<sup>15</sup> Exhibit 6.

<sup>16</sup> Exhibits 6 and 9.

<sup>17</sup> Exhibit 8.

<sup>18</sup> Exhibits 5 and A.

<sup>19</sup> Exhibit A at Enclosure 1.

<sup>20</sup> Answer to SOR.

<sup>21</sup> Answer to SOR.

<sup>22</sup> Exhibit A.

The third, in SOR ¶ 1.g, is a \$144 collection account stemming from a gym membership. She explained that it was a corporate membership that was supposed to cancel once she no longer lived within a certain distance of a gym.<sup>23</sup> She cancelled the membership after her relocation in 2013, and she will dispute this account.

The fourth, in SOR ¶ 1.h, is a \$129 collection account for a utility service. She neither admitted nor denied this debt, explaining that she needed to contact the collection firm as she believes she had taken care of the account when she relocated in 2013.<sup>24</sup> Her plan is to work on this account after December 2015, when she has sufficient cash flow to address it.<sup>25</sup> Likewise, she has the same plan for the fifth account, in SOR ¶ 1.j, which is a \$1,342 collection account.<sup>26</sup>

And the sixth, in SOR ¶ 1.o, is a \$662 collection account stemming from a credit card account issued by a bank. Applicant believes this account was paid or resolved during the Chapter 13 bankruptcy case.<sup>27</sup> But a June 2014 credit report, which was obtained during the background investigation, shows otherwise.<sup>28</sup> Page five of the credit report shows the account (with account number last four 8789) as a collection account with the original creditor, and the account was charged off, closed, and purchased by another lender. Then at page nine of the credit report, the account (with account number last four 8789) is listed with a collection agency with a balance of \$662, and the account was open as of May 2014.

#### **4. The student loan accounts**

The SOR alleges seven student loan accounts, five of which are more than 120 or 180 days past due, and two of which are in collection. Several of the past-due accounts were transferred and consolidated with the creditor in SOR ¶ 1.i, which is in collection. Applicant presented documentary evidence that she is paying a total of \$823 biweekly, by wage withholding or garnishment orders, for two student loans accounts in SOR ¶¶ 1.i and 1.k.<sup>29</sup> She explained that she decided to not contest the orders because it was the right thing to do to pay off the loans. As of October 15, 2015, Applicant had paid about \$5,330.<sup>30</sup> The individual student loans are discussed further below.

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<sup>23</sup> Exhibit A.

<sup>24</sup> Answer to SOR.

<sup>25</sup> Exhibit A.

<sup>26</sup> Exhibit A.

<sup>27</sup> Answer to SOR; Exhibit A.

<sup>28</sup> Exhibit 7.

<sup>29</sup> Exhibit A; Exhibit A at Enclosures 2, 3, and 4.

<sup>30</sup> Exhibit A at Enclosure 2.

The past-due student loan in SOR ¶ 1.d is alleged without an amount past due. Applicant explained this account was transferred and consolidated with the creditor in SOR ¶ 1.i.<sup>31</sup> The June 2014 credit report describes the account (account number last four 6420) as a deferred student loan that had been 180 days past due with a past-due balance of \$81 and no balance due.<sup>32</sup> The report also states a claim was filed by the government for the insured portion of the balance of the loan, and it was last reported delinquent in August 2009.

The past-due student loan in SOR ¶ 1.e is alleged without an amount past due. Applicant explained this account was transferred and consolidated with the creditor in SOR ¶ 1.i.<sup>33</sup> The June 2014 credit report describes the account (account number last four 6421) as a deferred student loan that had been 180 days past due with a past-due balance of \$112 and no balance due.<sup>34</sup> The report also states a claim was filed by the government for the insured portion of the balance of the loan, and it was last reported delinquent in August 2009.

The past-due student loan in SOR ¶ 1.l is alleged without an amount past due. Applicant explained this account was transferred and consolidated with the creditor in SOR ¶ 1.i.<sup>35</sup> The June 2014 credit report describes the account (account number last four 3641) as a deferred student loan that was current but had been 120 days past due with a past-due balance of \$0 and a balance due of \$0.<sup>36</sup> The report also states the account was closed.

The past-due student loan in SOR ¶ 1.m is alleged without an amount past due. Applicant explained this account was transferred and consolidated with the creditor in SOR ¶ 1.i.<sup>37</sup> The June 2014 credit report describes the account (account number last four 2674) as a deferred student loan that had been 180 days past due with a past-due balance of \$0 and a balance due of \$0.<sup>38</sup> The report also states the account was closed and that it had been transferred to another office.

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<sup>31</sup> Answer to SOR.

<sup>32</sup> Exhibit 7.

<sup>33</sup> Answer to SOR.

<sup>34</sup> Exhibit 7.

<sup>35</sup> Answer to SOR.

<sup>36</sup> Exhibit 7.

<sup>37</sup> Answer to SOR.

<sup>38</sup> Exhibit 7.

The past-due student loan in SOR ¶ 1.n is alleged as \$3,987 past due. Applicant explained this account is currently paid by interception of any income tax refunds, and she is not in a financial position at this time to make monthly payments through a loan-rehabilitation program.<sup>39</sup> The June 2014 credit report describes the account (account number last four 8581) as a deferred student loan that had been 180 days past due with a past-due balance of \$565 and a balance of \$3,987.<sup>40</sup> Applicant further explained that the IRS intercepted federal income tax refunds of \$3,676 and \$209 for tax years 2012 and 2013.<sup>41</sup>

The student loan in SOR ¶1.i is alleged as a collection account for \$45,718, and that allegation is supported by the June 2014 credit report.<sup>42</sup> The account became subject to an order of withholding of earnings in about July 2015.<sup>43</sup> The balance at that time was about \$49,806, which is being paid at the rate of \$352 biweekly.<sup>44</sup> As of October 15, 2015, she had \$1,056 withheld from her wages for payment.<sup>45</sup>

The student loan in SOR ¶ 1.k is alleged as a collection account for \$5,095, and that allegation is supported by the June 2014 credit report.<sup>46</sup> The account became subject to a wage garnishment order in about April 2015.<sup>47</sup> The balance at that time was about \$6,380, which is being paid at the rate of \$471 biweekly.<sup>48</sup> Applicant estimates that she will pay off this account by December 2015.<sup>49</sup> As of October 15, 2015, she had \$4,273 withheld from her wages for payment.<sup>50</sup>

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<sup>39</sup> Answer to SOR.

<sup>40</sup> Exhibit 7.

<sup>41</sup> Exhibit A; Exhibit A at Enclosures 5 and 6.

<sup>42</sup> Exhibit 7.

<sup>43</sup> Exhibit A at Enclosure 4.

<sup>44</sup> Exhibit A at Enclosures 2 and 4.

<sup>45</sup> Exhibit A at Enclosure 2.

<sup>46</sup> Exhibit 7.

<sup>47</sup> Exhibit A at Enclosure 3.

<sup>48</sup> Exhibit A at Enclosures 2 and 3.

<sup>49</sup> Exhibit A.

<sup>50</sup> Exhibit A at Enclosure 2.

## **5. Applicant's May 2014 security clearance application**

In May 2014, Applicant completed a security clearance application as part of a periodic reinvestigation.<sup>51</sup> In doing so, she was required to disclose information about her background, including her financial record in Section 26 of the application. She artfully disclosed the 2008 Chapter 13 bankruptcy case; she checked the box indicating she had not filed a petition for bankruptcy in the last seven years; but she then stated that she and her husband had filed a Chapter 13 case that was subsequently dismissed (she used the incorrect term discharged), because her husband would not agree to pay half of the required monthly payment. But she did not disclose the collection accounts or student loan accounts, discussed above, in response to the relevant question.

Applicant has explained, during her background investigation, in response to the SOR, and in response to the FORM, that she did not deliberately omit, conceal, or falsify her security clearance application when she failed to report her delinquent collection and student loan accounts. During her background investigation, she stated that she believed “no” was the correct answer to the various question about delinquent accounts because she had not reviewed a credit report or conducted any research.<sup>52</sup> She acknowledged that she should have answered the question in the affirmative.

In her answer to the SOR, Applicant stated that she did not deliberately falsify her security clearance application. She explained that she disclosed the Chapter 13 bankruptcy case and the reason for the dismissal as well as the fact that she answered all the questions put to her during the background investigation. She further explained that she may have misunderstood the questions or did not read the questions completely because she was interrupted repeatedly when she was completing the application during normal business hours.

In her response to the FORM, Applicant stated that she did not deliberately omit information about her delinquent accounts.<sup>53</sup> She explained that she was interrupted repeatedly when she was working on the application and was under time pressure to complete it. She explained that she had not obtained and reviewed a credit report before completing the application, which she should have done, and she considered it a lesson learned for the future. She further explained that she worked hard to complete the application and reported everything that she could recall at the time.

In addition to the Chapter 13 bankruptcy case, Applicant disclosed that she had violated the terms of use for her employer's business credit card by charging personal expenses of about \$2,400 in 2012, which she repaid by payroll withholding before she

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<sup>51</sup> Exhibit 3.

<sup>52</sup> Exhibit 5 at 9.

<sup>53</sup> Exhibit A.

relocated in 2013.<sup>54</sup> She addressed this matter further in her background investigation, her answer to the SOR, and in her response to the FORM.<sup>55</sup> She acknowledged that the credit card was intended to be used for business travel expenses, but it was a common and accepted practice in the small office in which she worked to use the credit card for personal expenses so long as the monthly bill was paid in full. She was then transferred to another office where the formal policy was adhered to and she ran afoul of it when her account became delinquent. She received a written notice of violation from her employer and was required to repay the money by payroll withholding.

### Law and Policies

It is well-established law that no one has a right to a security clearance.<sup>56</sup> As noted by the Supreme Court in *Department of Navy v. Egan*, “the clearly consistent standard indicates that security clearance determinations should err, if they must, on the side of denials.”<sup>57</sup> Under *Egan*, Executive Order 10865, and the Directive, any doubt about whether an applicant should be allowed access to classified information will be resolved in favor of protecting national security.

A favorable clearance decision establishes eligibility of an applicant to be granted a security clearance for access to confidential, secret, or top-secret information.<sup>58</sup> An unfavorable decision (1) denies any application, (2) revokes any existing security clearance, and (3) prevents access to classified information at any level.<sup>59</sup>

There is no presumption in favor of granting, renewing, or continuing eligibility for access to classified information.<sup>60</sup> The Government has the burden of presenting evidence to establish facts alleged in the SOR that have been controverted.<sup>61</sup> An applicant is responsible for presenting evidence to refute, explain, extenuate, or mitigate facts that have been admitted or proven.<sup>62</sup> In addition, an applicant has the ultimate

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<sup>54</sup> Exhibit 3.

<sup>55</sup> Exhibit 5 at 12–13; Exhibit A.

<sup>56</sup> *Department of Navy v. Egan*, 484 U.S. 518, 528 (1988) (“it should be obvious that no one has a ‘right’ to a security clearance”); *Duane v. Department of Defense*, 275 F.3d 988, 994 (10<sup>th</sup> Cir. 2002) (no right to a security clearance).

<sup>57</sup> 484 U.S. at 531.

<sup>58</sup> Directive, ¶ 3.2.

<sup>59</sup> Directive, ¶ 3.2.

<sup>60</sup> ISCR Case No. 02-18663 (App. Bd. Mar. 23, 2004).

<sup>61</sup> Directive, Enclosure 3, ¶ E3.1.14.

<sup>62</sup> Directive, Enclosure 3, ¶ E3.1.15.

burden of persuasion to obtain a favorable clearance decision.<sup>63</sup> In *Egan*, the Supreme Court stated that the burden of proof is less than a preponderance of the evidence.<sup>64</sup> The DOHA Appeal Board has followed the Court's reasoning, and a judge's findings of fact are reviewed under the substantial-evidence standard.<sup>65</sup>

The AG set forth the relevant standards to consider when evaluating a person's security clearance eligibility, including disqualifying conditions and mitigating conditions for each guideline. In addition, each clearance decision must be a commonsense decision based upon consideration of the relevant and material information, the pertinent criteria and adjudication factors, and the whole-person concept.

The Government must be able to have a high degree of trust and confidence in those persons to whom it grants access to classified information. The decision to deny a person a security clearance is not a determination of an applicant's loyalty.<sup>66</sup> Instead, it is a determination that an applicant has not met the strict guidelines the President has established for granting eligibility for access.

### Discussion

Under Guideline E for personal conduct,<sup>67</sup> the suitability of an applicant may be questioned or put into doubt when an applicant engages in conduct involving questionable judgment, lack of candor, dishonesty, or unwillingness to comply with the rules and regulations. And "of special interest is any failure to provide truthful and candid answers during the security clearance process or any other failure to cooperate with the security clearance process."<sup>68</sup>

Addressing Applicant's violation of her employer's travel policy first, she engaged in misconduct when she charged personal expenses to her business credit card account, which is a concern.<sup>69</sup> She was discovered and held accountable for the violation in 2012, which was nearly four years ago. Contributing to the violation was her belief that the conduct in question was a common and accepted practice. There have been no subsequent violations. For all those reasons, the allegation in SOR ¶ 2.a is decided for Applicant.

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<sup>63</sup> Directive, Enclosure 3, ¶ E3.1.15.

<sup>64</sup> *Egan*, 484 U.S. at 531.

<sup>65</sup> ISCR Case No. 01-20700 (App. Bd. Dec. 19, 2002) (citations omitted).

<sup>66</sup> Executive Order 10865, § 7.

<sup>67</sup> AG ¶¶ 15, 16, and 17 (setting forth the concern and the disqualifying and mitigating conditions).

<sup>68</sup> AG ¶ 15.

<sup>69</sup> AG ¶ 16(f).

Addressing Applicant's failure to fully disclose her adverse financial history on her May 2014 security clearance application, I am not persuaded her failure was deliberate. She provided a sufficient explanation to persuade me that her omission of the collection accounts and delinquent student loans was inadvertent and unintentional, and not an attempt to hide or conceal her negative financial history. She in fact disclosed the Chapter 13 bankruptcy case and the travel policy violation, both of which are quite negative matters. Her willingness to disclose those matters undercuts the allegation that she was attempting to conceal the delinquent accounts. For all those reasons, the allegation in SOR ¶ 2.b is decided for Applicant.

Under Guideline F for financial considerations,<sup>70</sup> the suitability of an applicant may be questioned or put into doubt when that applicant has a history of excessive indebtedness or financial problems or difficulties.<sup>71</sup> The overall concern is:

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.<sup>72</sup>

The concern is broader than the possibility that a person might knowingly compromise classified information to obtain money or something else of value. It encompasses concerns about a person's self-control, judgment, and other important qualities. A person who is financially irresponsible may also be irresponsible, unconcerned, or negligent in handling and safeguarding classified information.

The evidence supports a conclusion that Applicant has a problematic financial history within the meaning of Guideline F.<sup>73</sup> That history goes back to the 1998 Chapter 7 bankruptcy case, but the most relevant matters are the more recent events. The significance of the 1998 Chapter 7 bankruptcy case is minimal, because it occurred about 18 years ago when Applicant was only 23 years old, and she and her husband were recently married college students with low-paying jobs. But the same cannot be said for the more recent events, which include the Chapter 13 bankruptcy case, the collection accounts, and the delinquent student loan accounts.

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<sup>70</sup> AG ¶¶ 18, 19, and 20 (setting forth the concern and the disqualifying and mitigating conditions).

<sup>71</sup> ISCR Case No. 95-0611 (App. Bd. May 2, 1996) (It is well settled that "the security suitability of an applicant is placed into question when that applicant is shown to have a history of excessive indebtedness or recurring financial difficulties.") (citation omitted); and see ISCR Case No. 07-09966 (App. Bd. Jun. 25, 2008) (In security clearance cases, "the federal government is entitled to consider the facts and circumstances surrounding an applicant's conduct in incurring and failing to satisfy the debt in a timely manner.") (citation omitted).

<sup>72</sup> AG ¶ 18.

<sup>73</sup> AG ¶ 19(a) and (c).

In mitigation, I have considered the six mitigating conditions under Guideline F.<sup>74</sup> The following mitigating conditions are most pertinent:

AG ¶ 20(b) the conditions that resulted in the financial problems were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, or death, divorce, or separation), and the [person] acted responsibly under the circumstances; and

AG ¶ 20(c) . . . there are clear indications that the problem is being resolved or is under control.

Applicant's problematic financial history is due to her marital troubles, which includes her then husband's lack of employment due to a business downturn, his depression, and his refusal to make a meaningful contribution to the family's financial well being. The situation came to a head during 2010–2011, when Applicant had the Chapter 13 bankruptcy case dismissed and she then obtained a divorce from her husband. She acted responsibly under quite difficult circumstances by maintaining her employment, caring for her two children, and eventually obtaining her current position with the company, which required a relocation of some distance. Although she has not resolved the six collection accounts, those debts are a relatively small sum of money (less than \$3,000 in total). And she has made progress in addressing the student loan accounts. Those are not the actions of an irresponsible person who is ignoring her financial obligations.

In addition, there are clear indications that Applicant's financial problems are being resolved, albeit slowly. Starting with the student loan accounts, which I consider to be high priority debt, Applicant is making progress to resolve those accounts. First, four of the past-due student loans alleged in the SOR are of little significance, because they have essentially no or \$0 balances and are described as deferred student loans that were past due (SOR ¶¶ 1.d, 1.e, 1.l, and 1.m). Those circumstances tend to support Applicant's explanation that those accounts were transferred and consolidated with the creditor in SOR ¶ 1.i, which would explain the balance of nearly \$50,000 for that student loan account.

Second, Applicant presented documentary evidence that she is paying a total of \$823 biweekly, by wage withholding or garnishment orders, for two student loans accounts in SOR ¶¶ 1.i and 1.k. As of October 15, 2015, Applicant had paid about \$5,330, and the student loan account in SOR ¶ 1.k has probably been paid off by now.

Third, the past-due student loan in SOR ¶ 1.n is currently paid through withholding of income tax refunds. This situation is likely to change as more cash becomes available with the payoff of the student loan account in SOR ¶ 1.k. The

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<sup>74</sup> AG ¶ 20(a)–(f).

additional cash flow should allow Applicant to begin to make some progress in addressing the unresolved collection accounts as well.

Overall, the evidence is sufficient to explain and mitigate the concern stemming from Applicant's problematic financial history. Her financial problems were largely due to her marital troubles, which ended with a divorce in 2011. Like many people in that situation, it is taking time for her to recover fully from that setback. Nevertheless, she did not give up or quit, she is making progress, and she has a good-paying job that will allow her to continue doing so.

The concerns over Applicant's personal conduct and financial history do not create doubt about her current reliability, trustworthiness, good judgment, and ability to protect classified information. In reaching this conclusion, I weighed the evidence as a whole and considered if the favorable evidence outweighed the unfavorable evidence or *vice versa*. I also gave due consideration to the whole-person concept.<sup>75</sup> Accordingly, I conclude that she met her ultimate burden of persuasion to show that it is clearly consistent with the national interest to grant her eligibility for access to classified information.

### **Formal Findings**

The formal findings on the SOR allegations are:

Paragraph 1, Guideline F:	For Applicant
Subparagraphs 1.a–1.o:	For Applicant
Paragraph 2, Guideline E:	For Applicant
Subparagraphs 2.a–2.b:	For Applicant

### **Conclusion**

In light of the record as a whole, it is clearly consistent with the national interest to grant Applicant eligibility for access to classified information.

Michael H. Leonard  
Administrative Judge

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<sup>75</sup> AG ¶ 2(a)(1)–(9).