



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



Appearances

For Government:
Karen Moreno-Sayles, Esq., Department Counsel

For Applicant:
Pro se, with attendance by a personal representative

06/26/2025

Decision

MURPHY, Braden M., Administrative Judge:

Applicant did not provide sufficient evidence to mitigate the financial security concerns arising from her delinquent student loans and other debts. Applicant's eligibility for access to classified information is denied.

Statement of the Case

On March 28, 2023, Applicant submitted a security clearance application (SCA) in connection with her employment in the defense industry. On July 15, 2024, the Department of Defense (DOD) issued her a Statement of Reasons detailing security concerns under Guideline F (financial considerations). DOD issued the SOR under Executive Order (EO) 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 National Security Adjudicative Guidelines (AG), which became effective within the DOD on June 8, 2017.

Applicant answered the SOR on December 9, 2024, and requested a hearing before an administrative judge from the Defense Office of Hearings and Appeals (DOHA). In her Answer, she denied each SOR allegation (SOR ¶¶ 1.a-1.j), all with brief explanations. She also provided documents that are included in the record together as Applicant's Exhibit (AE) A. The case was assigned to me on April 9, 2025, after Applicant contacted Department Counsel and requested an expedited hearing in her case. Following an April 17, 2025 conference call with the parties, DOHA issued a notice on April 18, 2025, scheduling a hearing for April 24, 2025, to occur by video teleconference. (Hearing Exhibit (HE) 1; Tr. 15-20).

The hearing was held as scheduled. Applicant confirmed her request for an expedited hearing. (Tr. 7-8) Department Counsel submitted Government Exhibits (GE) 1 through 13, all of which were admitted without objection. Applicant testified and submitted 27 documents that I identified and admitted without objection as AE A through AA.

I left the hearing record open until May 8, 2025, to allow Applicant the opportunity to submit additional documentation. On May 1, 2025, she submitted nine documents by email. They are marked as Post-Hearing (PH) Exhibits 1 through 9, in keeping with her descriptions.¹ She sent two documents on May 5, 2025 (PH 10, 11), two emails and two additional documents on May 6, 2025 (PH 12, 13, 14, 15), and two emails and two more documents on May 7, 2025 (PH 14, 15, 16, 17). All of Applicant's post-hearing emails and exhibits are admitted into the record without objection. They are described as needed in the Facts section, below. The record closed on May 8, 2025. DOHA received the transcript (Tr.) on May 5, 2025.

Findings of Fact

Applicant is 53 years old. She earned an associate degree in 1992, and in 2008-2009, she earned both a bachelor's degree and a master's degree in business administration (MBA). After earning her MBA, she worked for several companies in the telecommunications and electronics industries, from about 2012 to mid-2021, with some periods of unemployment. (GE 1) During most of this period, she worked in State 1 and

¹ Upon closer review, while Applicant's May 1, 2025 email references nine post-hearing (PH) submissions, there is no document relating to what the email describes as No. 8, regarding an IRS payment of \$28,500 in 2021. Thus, there is no "PH 8." However, since Applicant's taxes from that timeframe are not at issue or alleged in the SOR, documentation on this point is not material.

lived in neighboring State 2. In June 2021, during the COVID-19 pandemic, she moved to State 3 and spent about six months working for a sailing company as a self-employed contractor. This employment ended when she was injured in a boating accident in March 2022. She was unemployed and at home recuperating (in State 2) until July 2022. At that time, Applicant joined the defense industry when she took a job with contractor A. She was able to work from home. She submitted her March 2023 SCA in connection with that job. Her salary at contractor A was \$98,000 annually in 2022. (AE B, AE D, AE F) She said by 2024, it had increased to \$148,000 annually. (Tr. 52, 196)

Applicant was on long-term medical leave for about 30 days in mid-2024 due to surgery. She was compensated \$7,765 when she was out of work. (Tr. 196-200; PH 5) In November 2024, after her son started college, Applicant moved back to State 3, where she remains. Her W-2 for 2024 shows income of \$91,416 plus the \$7,765 for medical leave. (PH 4) She voluntarily left employment with contractor A in January 2025, for a job with contractor B. That employment is contingent on eligibility for a clearance. Her salary would be \$128,000 plus bonus up to \$148,000, or commensurate with contractor A. (AE E; Tr. 33-34, 56, 194-196) She has never had a clearance granted before. (Tr. 221-223) While awaiting the decision in this case, she has worked part time as a contractor for local law enforcement interacting with federal border and immigration authorities. (AE B, AE C AE I, AE J; Tr. 37, 49-64, 206-208) Her income from that work is not clear.

Applicant's two marriages (2000-2011 and May 2012-August 2013) both ended in divorce. She has two children from her first marriage, a daughter (23) now in graduate school and a son (19) now in college, both in State 2. Their tuition is covered by their father and/or by grants and scholarships. Applicant comes from a military and diplomatic family and she is justly proud of her background. (GE 1; AE K; Tr. 49-50, 65-67, 134, 151-152; PH 1)

Applicant disclosed tax debts and a past-due car loan on her SCA. (GE 1) She discussed those debts, and others on her April 2023 credit report, in a June 2023 background interview. (GE 2, GE 3) She provided additional information about her debts and financial history in a January 2024 interrogatory response and related emails. (GE 3, GE 4)

Student Loans

The SOR alleges about \$94,715 in past-due student loans (SOR ¶¶ 1.a-1.c, 1.i), as well as six other delinquent debts (SOR ¶¶ 1.d-1.h, 1.j), totaling an additional \$47,182. Applicant denied all the SOR debts in her Answer. They are listed as delinquent on credit reports in the record, from April 2023, March 2024, and January 2025. (GE 5-GE 7)

SOR ¶¶ 1.a (\$50,684), 1.b (\$17,757), 1.c (\$15,941), and 1.i (\$10,333) are all student loans, allegedly owed to creditor N, totaling \$94,715. SOR ¶¶ 1.a, 1.b, and 1.c are listed on credit reports from April 2023 and January 2024 as charged-off accounts. They mostly became delinquent and charged off in March 2024 with dates of last activity in March 2022 or in 2023. (GE 5, GE 6)

Applicant took out the student loans at issue in the SOR to finance her MBA and her last year of her bachelor's degree (2008-2009). (Tr. 64-70) She explained that she put her loans into forbearance status beginning in about 2011 as her first marriage was ending. Her loans remained in forbearance until about 2015. She soon realized she needed to consolidate her federal loans, which she did in early 2017. She asserted that she was current on those loans for several years, until mid-2023. (There is no evidence in the Government's credit reports of past-due student loans until about 2022 or 2023). She said she made payments every month, though of varying monthly amounts from between \$75 to \$2,500 a month, but often \$375 or \$760. She became concerned that her balance due did not seem to be declining. She asserted that she made these payments either to the U.S. Department of Education (DOE) directly or to student loan servicer N (the creditor for the loans at SOR ¶¶ 1.a, 1.b, 1.c, and 1.i), via ACH withdrawal or debit payments from her bank account. She said she did not receive statements from the creditor confirming payments or correct balances. Her loans kept passing from one loan servicer to another and it was difficult to track and verify. At times, she hired debt relief firms and credit monitoring agencies to sort out what she owed, and to whom. This had little effect. (Tr. 70-75, 153-155; AE L; AE Q; PH 1)

Applicant asserted that in 2018, she received a phone call from DOE and was able to negotiate a settlement of her student loans for \$28,000 after she contested what she believed she owed based on her prior efforts. She began getting angry phone calls from collectors. She remains unsure where her student loan payments during this period were going. She did not receive written documentation of her \$28,000 settlement agreement with the DOE, and said it was only verbal. (Tr. 76-77; AE L)

Applicant asserted that since then, she has made regular payments on her student loans, and she provided some documentation of various payments between 2016 and 2022. (AE M-AE P) However, in 2023, she received another, more polite call from a representative of DOE loan servicer M, who told her that she likely had been scammed, that the DOE does not settle or negotiate, and that she owed about \$100,000 in federal student loans. She found this very distressing and has continued to contest what she believes is fraud. (Tr. 78-81; PH 16, 19-20)

Applicant said on average she has paid student loan servicer N \$350 a month since about 2015, and last paid them \$100 in January 2025. It is unclear, and undocumented, what N thinks she owes. (Tr. 86-91) However, she is not able to verify

that the ACH payments she makes are to creditor N. (Tr. 169-173) AE R shows \$100 payments to creditor N in December 2023 and January 2024.

Applicant said the DOE concludes that she owes about \$91,000 in student loans. She believes they are all consolidated, and that all of her student loans, including those with creditor N, are now with loan servicer ES. (PH 16) They are currently in forbearance until August 2025. At that point, she will be on an income-dependent repayment plan. If she is working for contractor B (her clearance sponsor), she anticipates monthly payments of \$745 or \$765, which she called "very doable." She wants credit for what she has already paid. (Tr. 81-85, 173-175, 183; AE L, AE R; PH 16-18) It is unclear why she is still automatically paying servicer N when her loans with service ES are in forbearance.

Government Exhibit 7 is a credit report for Applicant from January 2025. It reflects two charged-off student loans with creditor N, one for \$10,652 and one for \$16,395. (GE 7 at 1). Other accounts with creditor N are reflected as "Paid." (GE 7 at 2) Both GE 7 and Applicant's post-hearing documentation (PH 11) reflect that she owes \$91,242 in principal and \$23,718 in interest, for a total of \$114,960 to loan servicer ES. (Tr. 93-95; GE 7 at 2; PH 11) The \$91,242 figure conforms to what Applicant was told by DOE (though not including interest). Post-hearing documentation from DOE suggests a payment start date of August 2025. (AE L; PH 12-15)

While there are other payment documents in the record, the most comprehensive document Applicant provided regarding her student loan repayment history is PH 7, which details payments from 2009 to April 2024. It is not entirely clear what the columns of payments represent, but they appear to concern Principal, Interest, Late (or other) Fees, and Total, reading from left to right. (See, e.g., last page of PH 7) The creditor is creditor M, an apparent successor to creditor N, named in the SOR. Applicant's loans were in forbearance from 2009 to 2016, though she made some payments. Capitalized interest continued to accrue. In February 2017, there is an indication of two large payments, one of \$12,583 and one of \$36,269. (PH 7 at 15) Applicant asserts in margin notes that "payments from 2020 to 2023 are grossly inaccurately reported" and that many regular payments are not reflected. (PH 7 at 17) As she notes, there are regular "Payments" but also "Payment Reversals," as well as Late Fees, detailed. There appears to be little progress made in payments on the principal owed in recent years. The document does not detail any total amount owed at any particular time. (PH 7)

Applicant acknowledged in post-hearing emails that all of her payments over the last 10 years have not been applied despite her consolidations in 2017 and 2024. She will continue to investigate and contest what she owes. She believes she owes about \$23,500. Under the federal Income-Driven Repayment Plan she has applied for (not yet approved, and contingent on her employment with contractor B), she said she would owe

\$733 a month, through 2029, for a total of \$35,184 in payments. (PH 16) Other record documents reflect that her student loan totals are much higher. (GE 7)

Other Debts

SOR ¶ 1.d (\$4,127) is a charged-off account for the financing of a furniture purchase. (GE 5, GE 6, GE 7) Applicant signed up for a zero-interest program in 2016. She does not dispute that the account became delinquent despite her intentions. She contested the amount of the debt and the interest owed with the store some time before the COVID pandemic and again about a year ago. She said she paid the principal and is challenging the interest owed. She disputed the debt initially but acknowledged during the hearing that she had not recently contacted the creditor to address the debt formally. She still has the furniture in question. (Tr. 96-101) Post Hearing (PH) 9 includes receipts that seem to be from the time of purchase, but it is not clear that they relate to more recent action to address the debt. This debt remains unresolved.

SOR ¶ 1.e (\$732) is a cell phone account that has been charged off. (GE 6) Applicant asserted that she paid this debt in three installments in 2024. (Tr. 102-103; May 1, 2025 post-hearing e-mail) She documented on May 5, 2025, that the cell phone creditor shows that she has no active account. (PH 10) This debt is resolved.

SOR ¶ 1.f (\$633) is a loan account with a bank that has been placed for collection. (GE 6) This debt has been paid. (Tr. 103-104; PH 5)

SOR ¶ 1.g (\$285) is a consumer credit account that has been placed for collection by a department store. (GE 5, GE 6, GE 7) Applicant disputed the validity of the full amount she owed to the collector but the debt has also been paid. (AE Y; PH 6; Tr. 105, 156-159)

SOR ¶ 1.h is an auto financing account alleged to be \$11,680 past due, with a \$30,617 total balance. (GE 6 at 4) This account relates to Applicant's current vehicle, a used 2015 model luxury car she purchased in January 2021 with a \$4,000 down payment, and 23% interest, for a sale price of \$52,790. (AE V) She fell behind on this account in September 2022 when she was relocating for her job and was not promptly reimbursed for \$6,000 in expenses. This impacted her ability to pay other debts, such as her car payment here. The car was briefly repossessed in 2022. She documented her payment history since then. The account is now being paid automatically on an installment plan, since April 2025. She currently owes about \$30,535, with about \$17,800 still past due. (Tr. 107-112, 180-181; AE T, AE U, AE V, AE W) She included a \$740 monthly car payment on PH 3, her most recent Personal Financial Statement. This account remains past-due but is being resolved.

SOR ¶ 1.j (\$10,788) is an auto account that has been placed for collection. (GE 5, GE 6) Government Exhibit 7, from January 2025, reflects that the account has been charged off. This account relates to a prior vehicle, that was in an auto wreck in State 2 in October 2020. Applicant's insurance company paid \$12,000 to creditor A, but this balance remains. She asserted that she had gap insurance that should have covered the amount owed. However, she provided documentation from the creditor from May 2021 noting that they needed additional documentation from her to process the claim, such as a police report. She explained that it was a one-car accident on her own property, so there was no police report. She acknowledged that the creditor still believes she owes the debt (of \$11,536). (Tr. 112-118, 181-182; AE T, AE X) This account is not resolved.

Applicant provided documentation of resolution of other, smaller consumer debts, not alleged in the SOR. (AE Y, AE ZZ, AE AA)

Applicant owns or leases a timeshare condo in State 3 for which she owes a \$340 monthly homeowner association (HOA) fee. She valued it at \$98,000. She said it is paid outright but also acknowledged that it is a long-term leasing arrangement with about 20 years left. She hired a realtor about two years ago and dropped the sale price but was unable to sell her interest. They delisted the property about six months ago. (Tr. 140-143, 176-177, 213) The condo is listed as an asset on PH 3 but she did not detail the condo fee. (PH 3)

In about 2011, Applicant had been living in a large city in State 1 and moved to a suburb in a neighboring state (State 2) for a less expensive lifestyle after her divorce. She had bought a townhouse in the large city and had rented it out. (Tr. 64-70) In about 2019, she fell behind on rent for that home after her townhouse in the State 2 city was trashed by a tenant who stopped paying rent in about 2019, leading to unexpected expenses and hardship. Government Exhibits 8 through 13 relate to court cases, judgments and eviction notices in State 2 in 2020 and earlier regarding her suburban rental home. The city townhouse was sold, the State 2 court cases were resolved, and these circumstances are not alleged in the SOR. (GE 8-13; Tr. 159-168, 189-193)

On her March 2023 SCA, Applicant also declared about \$91,000 in past-due State 2 and federal income tax debt from prior years, noting that they were resolved in 2021 and 2022 by the sale of her home in State 1 noted above. The tax debt was due to under-withholdings in earlier years and due to her first divorce. (GE 1 at 57-58; Tr. 122-129) Her tax filings and payments are otherwise current, though she owes \$1,600 in past-due taxes for tax year 2023. (Tr. 136-139, 189-193)

Applicant also used the proceeds from her 2021 house sale to buy a boat in her current state of residence, State 3. Later she took a sabbatical from work and lived and worked on the boat (until she was injured, in 2022, as noted above). She made repairs to

increase the boat's value. (Tr. 176, 183; GE 3 at 12; PH 3) She asserted that expected income and sale of the boat, which she valued at \$32,000, will clear the tax debt and the auto debt at SOR ¶ 1.j. (Tr. 112-113; 134, 143-145; 183-184; PH 3)

Applicant's monthly expenses decreased when she moved to State 3 in January 2024. On her December 2023 Personal Financial Statement (PFS), she listed her monthly expenses, IRS payments, and other debts, but did not list any student loans. (GE 3 at 12). She called this an "oversight." (Tr. 180)

In PH 3, a post-hearing PFS dated April 29, 2025, Applicant noted an annual gross salary of \$128,000 and a net salary of \$92,000, with a net monthly income of \$7,680. Since she is awaiting employment with contractor B, these salary details are contingent. (Tr. 56) She listed monthly expenses of \$5,460, including rent, \$740 in car expenses (insurance, gas, etc.), and \$1,800 in miscellaneous expenses (including student loans and credit cards, apparently). She listed an additional \$765 in student loan payments, a \$740 car payment, and \$235 in credit card payments, for an additional \$1,740 in debt payments. Since there was some double counting in her expenses and debt payments on her PFS, her true monthly remainder (listed at \$2,200) is unclear. In any event, her salary is contingent on her employment with contractor B. (PH 3) Applicant's income as a temporary contractor with local law enforcement (AE I, J) is unclear. She has not had any recent credit counseling. (Tr. 140)

Applicant has raised her children as a single mother and seen to their education. She has extensive experience in the commercial sector. She wants to serve the country. She is proud of her accomplishments, her family, and career. She believes she can be trusted with the nation's secrets and important defense work. (Tr. 120-122, 188-189, 218-220; AE D; PH 1)

Applicant was rated as a successful performer and team player with a passion and dedication to the mission at contractor A. Her references, both personal and professional, attest to her integrity, dedication, responsibility and character, as well as discretion and trustworthiness with confidential information. (AE G, AE S; PH 2) She is active in her local community as a volunteer. (AE H)

Applicant's personal representative, Mr. K, also testified briefly as a character witness. He is a lawyer, former military JAG officer, and long-time family friend. He regards her as honest and trustworthy based on over 40 years of experience with her and her family. (Tr. 203-205)

Policies

It is well established that no one has a right to a security clearance. As the Supreme Court has held, “the clearly consistent standard indicates that security determinations should err, if they must, on the side of denials.” *Department of the Navy v. Egan*, 484 U.S. 518, 531 (1988).

The adjudicative guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, administrative judges apply the guidelines in conjunction with the factors listed in the adjudicative process. The administrative judge’s overarching adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(a), the entire process is a conscientious scrutiny of several 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 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, an “applicant is responsible for presenting witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by applicant or proven by Department Counsel, and 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 that an applicant may deliberately or inadvertently fail to 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 concern relating to the guideline for financial considerations is set out, in relevant part, in AG ¶ 18:

Failure 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 or sensitive information. . . .

This concern is broader than the possibility that an individual might knowingly compromise classified information in order to raise money. It encompasses concerns about an individual's self-control, judgment, and other qualities essential to protecting classified information. An individual who is financially irresponsible may also be irresponsible, unconcerned, or negligent in handling and safeguarding classified information. See ISCR Case No. 11-05365 at 3 (App. Bd. May 1, 2012).

Applicant denied all the allegations in the SOR. This puts the burden on the Government to establish them. Directive, ¶ E3.1.14. The past-due student loans (\$94,715) and the other delinquent debts (\$47,182) alleged in the SOR are established by the credit reports in the record. These debts establish a security concern under AG ¶¶ 19(a) (inability to satisfy debts) and 19(c) (a history of not meeting financial obligations).

The establishment of Applicant's delinquencies as a security concern shifts the burden to Applicant to set forth sufficient evidence in mitigation. Applicant also carries the ultimate burden of persuasion. Directive, ¶ E3.1.15.

The following mitigating conditions under AG ¶ 20 are potentially applicable:

- (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, clear victimization by predatory lending practices, or identity theft), and the individual acted responsibly under the circumstances;
- (c) the individual has received or is receiving financial counseling for the problem from a legitimate and credible source, such as a non-profit credit counseling service, and there are clear indications that the problem is being resolved or is under control;
- (d) the individual initiated and is adhering to 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 incurred student loans to complete her undergraduate education and to earn an MBA, in 2008-2009. She put her loans into forbearance in about 2011 while her first marriage was ending and she was raising her children as a single mother. (A second marriage, from 2012-2013, also did not last). She began addressing her student loans in about 2015 or 2016 when the forbearance period ended. Interest accrued, however, during the forbearance period. She first consolidated her loans in 2017. Subsequent loan repayments, evidently through a variety of student loan servicers, were made but not well verified or accounted for. Credit reports provided by the Government establish that Applicant's student loans became delinquent in about 2022 or 2023. This was around the time that student loan forbearance periods tied to the COVID pandemic ended. Applicant entered the defense industry in 2022, and her background investigation revealed several charged-off, or past-due, student loans.

These loans are now in forbearance status but that period will soon end. Despite Applicant's protestations, and her evidence of payments made over the years, documents submitted by both parties (GE 7, PH 7) show that she owes about \$91,000 in student loans, and about \$23,000 in interest, for a total balance owed of about \$114,000. This after being out of school since 2009. The mere fact that Applicant still owes so much money in federal student loans after financing about two or three years of her education more than 15 years ago does not establish good-faith repayment efforts on her part.

Several, but not all, of Applicant's other SOR debts, are resolved. This includes the smaller debts at SOR ¶¶ 1.e, 1.f., and 1.g. The account at SOR ¶ 1.h is for Applicant's current vehicle. While the account remains "past due," she is on an established, agreed-upon, and documented repayment plan and still has the car. This account is being resolved.

Other debts remain unresolved, however, including SOR ¶ 1.h (the old furniture purchase) and SOR ¶ 1.j (the uninsured remainder from Applicant's prior vehicle, which was in an accident).

AG ¶ 20(a) does not apply. Applicant's debts occurred due to a variety of circumstances, but several large debts (most importantly the student loans) remain ongoing and unresolved. The debts are not isolated, and their ongoing nature continues to cast doubt on Applicant's current judgment, trustworthiness, and reliability.

Applicant's debts are not attributable to any particular circumstance. She denied all of the debts as alleged in the SOR. While she disputes the amount of the loans she owes, she does not dispute that she took out the loans to finance her education. She took a sabbatical to work on a boat in 2022, became injured, and was out of work for several months. But she was gainfully employed in the defense industry from fall 2022 until she left employment with contractor A in January 2025. This was a voluntary action on her part, and it is not attributable to a circumstance beyond her control. While she has had some setbacks, her debts are largely not attributable to such circumstances; (the auto accident is an exception). However, AG ¶ 20(b) does not otherwise apply since Applicant has not established that she has acted reasonably and responsibly towards most of her creditors.

With respect to AG ¶ 20(d), the record is mixed at best. Some debts are resolved. But Applicant has yet to establish a documented responsible repayment plan to address her significant student debt load – a responsibility she has had for years. She clearly has done something about her loans over the years, as evidenced by her documentation. But as noted, she still owes well over \$100,000 in federal student loans more than 15 years after finishing school. And she has other assets she might have used to address them more responsibly, such as a boat, valued at about \$32,000, and a fully paid-for \$98,000 timeshare condo. She also drives an expensive car. These circumstances undercut her showing of good-faith efforts.

The Appeal Board has held that it is not necessary to pay off all the debts alleged in the SOR, nor is it required that they be paid off in any particular way. What is required is only that an applicant have a reasonable plan to pay off his or her debts and have taken some steps toward execution of that plan. See, e.g., ISCR Case No. 09-08462 at 3 (App. Bd. May 3, 2011; ISCR Case No. 14-00504 at 2 (App. Bd. Aug. 4, 2014). Rather, an applicant is required to demonstrate that he or she has “established a plan to resolve his [or her] financial problems and taken significant actions to implement that plan.”

The problem here is that Applicant's actions at this point are largely contingent on her future income (as a cleared employee of contractor B, or otherwise). And promises to pay her student loans (and other unresolved debts) are not sufficient to establish good faith. Promises to pay off delinquent debts in the future, however sincere, are not a substitute for a track record of paying debts in a timely manner and otherwise acting in a financially responsible manner. ISCR Case No. 09-05252 at 3 (App. Bd. Dec. 9, 2010); ISCR Case No. 99-0012 at 3 (App. Bd. Dec. 1, 1999). Applicant has not provided sufficient evidence to establish a good-faith track record of steady payments towards her past-due debts. AG ¶ 20(d) does not fully apply.

Applicant has not participated in credit counseling. She has not established that her student loans and other unresolved debts are being resolved or are under control. AG ¶ 20(c) does not apply.

With respect to AG ¶ 20(e), the amount in student loans that Applicant still owes may well be less than it appears. But it is her burden to establish that, supported by appropriate documentation. The most recent documents she provided post-hearing confirm, rather than counter, the amount in student loans that the DOE has concluded that she owes – about \$91,000 in principal, with a total of about \$114,000 combined, including interest. Applicant has not met her burden to establish that AG ¶ 20(e) applies to her student loans, or to either of the other unresolved debts in the SOR.

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(c):

- (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.

Applicant is proud of her personal and professional accomplishments. She is clearly very passionate about her career, and repeatedly expressed a strong desire to work in the national security environment. But despite her protestations, her finances, loans, and debts are rather a mess, and she has the burden of showing that she is addressing them in a responsible manner. She owes over \$100,000 in student loans to the federal government more than 15 years after finishing graduate school. She has other, large, unaddressed debts. Those loans and debts will remain a security concern until she establishes a track record of addressing them and getting them down to a responsible number. She has the evident means to do so, but at this point she has not met her burden of persuasion that her debts are not a current security concern. She may well be a suitable candidate for access to classified information in the future. But as of now she has not shown this.

Overall, the record evidence leaves me with questions and doubts as to Applicant's eligibility and suitability for a security clearance. I conclude she did not provide sufficient evidence to mitigate the security concerns arising under Guideline F, financial considerations.

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: **AGAINST APPLICANT**

Subparagraphs 1.a-1.d, 1.i, 1.j: Against Applicant
Subparagraphs 1.e-1.h: For Applicant

Conclusion

Considering all the circumstances presented, it is not clearly consistent with the interests of national security to grant Applicant eligibility for access to classified information. Eligibility for access to classified information is denied.

Braden M. Murphy
Administrative Judge