



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



In the matter of:)
)
) ISCR Case No. 23-0127
)
Applicant for Security Clearance)

Appearances

For Government: John C. Lynch, Esq., Department Counsel
For Applicant: *Pro se*

07/09/2025

Decision

HALE, Charles C., Administrative Judge:

Applicant failed to mitigate the security concerns under Guideline F, financial considerations and Guideline E, personal conduct. Guideline B, foreign influence security concerns are mitigated. Eligibility for access to classified information is denied.

Statement of the Case

On April 2, 2024, the Department of Defense (DoD) issued Applicant a Statement of Reasons (SOR) detailing security concerns under Guideline F (financial considerations), Guideline E (personal conduct), and Guideline B (foreign influence). The action was taken 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 adjudicative guidelines (AG) effective on June 8, 2017.

Applicant answered the SOR on April 22, 2024, and requested a hearing before an administrative judge. (Answer.) Department Counsel was ready to proceed on May 20,

2024, and the case was assigned to me on November 13, 2024. On December 5, 2024, the Defense Office of Hearings and Appeals (DOHA) issued a Notice of Hearing scheduling the hearing for February 11, 2025.

On February 3, 2025, the Government amended the SOR, adding SOR allegations ¶¶ 1.o through 1.q and amending SOR allegations ¶¶ 1.g, 1.h, and 1.k (hereafter SOR). Applicant answered the amendments to the SOR on February 7, 2025. With the concurrence of Applicant and the Government, DOHA issued an amended Notice of Hearing on February 13, 2025, scheduling the hearing for February 26, 2025. I convened the hearing as scheduled. Government Exhibits (GE) 1 through 9 were admitted in evidence without objection. Applicant testified and offered Applicant Exhibits (AE) A through AE C. I kept the record open after the hearing until March 12, 2025, to enable either party to submit documentary evidence. Applicant submitted AE D through AE Q, and the Government submitted GE 10 and GE 11. The Government's Proof Table was marked as Hearing Exhibit (HE) I. DOHA received the transcript (Tr.) on March 10, 2025.

Request for Administrative Notice

The Government provided relevant documents (HE II) and requested administrative notice be taken of certain facts about the Philippines. Without objection, I have taken administrative notice of the facts contained in the request. Of particular note is the significant threat of terrorism, civil unrest, and ongoing human rights problems in the Republic of the Philippines (hereinafter, the Philippines).

Findings of Fact

Applicant in his Answers admitted all allegations: the gambling and financial SOR allegations in ¶¶ 1.a through 1.q; that he falsified material facts in a March 2023 interview with a DoD investigator, SOR allegations in ¶¶ 2.a through 2.c, as well as the cross-alleged conduct set forth in SOR ¶ 2.d; and the foreign contacts set forth in SOR ¶¶ 3.a through 3.c. After a thorough and careful review of the pleadings and exhibits submitted, I make the following findings of fact.

Applicant is 50 years old. Born in the Philippines he moved to the United States in 1991, when he was age 16, and he became a United States citizen in 1997. He has been married since 1999. His wife was born in the Philippines and is now a U.S. citizen. He is the father of three children, ages 24, 21, and 17. (Tr. 21-22, 27-28; GE 1.)

Applicant served honorably in the United States Navy from December 2002 until May 2017, when he was medically discharged. He has held a security clearance since 2009. He has worked for his sponsor since June 2021. He is a site lead supervisor for his sponsor. (Tr. 21-22, 27-28; GE 1.)

Applicant in his Answer states:

I knew and I admit that I went to gamble and become reckless on my financial,

but I never neglect my job in government facility. I take good care of my job very seriously with 110 percent accountability for my action. I didn't lie that I don't gamble but I lied about the amount of how much I spent to play in the casino. I was just trying to win it back the money I lost in the casino. I also have friends and family in a foreign country which is I also admitted that on my application. I have [] sisters and brothers in the Philippines and friends in the Philippines and Canada and it has nothing to do or related in the terrorist organizations. I also lied about the money I borrowed from [RE] and [DT]. I am making payment since 2019 to pay them back and I continue making payment. I am working on my creditors that I still owed and settle the balance on my account. All of these negatives impact on my records are because of gambling problem. I hope you understand my situation and I am really truly sorry for what I did. I made a big mistake and I'm only human that made a wrong choice. I am working on everything to make it correctly. I cannot afford to lose my secret clearance, and I hope you can give me another chance. If I can't be trustworthy because of my gambling and financial issues. I wouldn't be here by now working as site lead manager. I understand that there is no excuse for what I have done....

Guideline F

Applicant admits he engaged in excessive gambling (SOR ¶ 1.a and SOR ¶ 2.d) and that he had been trying to win back his gambling losses. During the years in question, 2019 through at least 2023, his estimated net losses at the casinos totaled around \$134,400, which led in part, to the financial issues set forth in subparagraphs 1.e through 1.m. He lost about \$91,000 at casinos in 2019 and around \$30,403 in 2022. He estimated he gambled away \$10,000 of his Navy severance pay. In 2020 he lost about \$4,900 at the casinos. He never received a tax form from the casinos because he never had a net positive in winnings. He acknowledged he was trying to win money to pay bills by gambling. The last time he gambled in a casino was eight days before the hearing because a new casino near him had opened up. He estimated he lost \$600 on slot machines on that last visit. (Answer; GE 2 at 46, 48, 49, 52, 53-54; GE 3 at 1-8; Tr. 31-34, 37-38, 42.)

Applicant admits that from 2019 and until at least 2023, he borrowed money or engaged in significant financial transactions to fund his gambling or to pay his gambling debts, which involved intentional financial breaches of trust. (SOR ¶¶ 1.b, 2.c, and 2.d) He borrowed \$50,000 from one individual (RE) and \$27,000 from another individual (DT), on the false pretense that he would be using the funds to purchase a food truck. Rather, he used the money he borrowed to gamble. He admits he gambled away "most of it" and never bought the food truck. He owes RE over \$40,000 and makes payments to him every two weeks generally. He provided a February 2025 screenshot of a text exchange with RE where RE states the amount owed is \$41,804. He initially did not acknowledge the RE debt when questioned by a DoD investigator and claimed to be unaware of the nature of the RE debt. Applicant was not sure how much he owes DT, but he paid DT between \$100 and \$200 every two weeks, and he provided ATM receipts from January, February, and March of 2025, consistent with these amounts. In addition to these personal loans, he accumulated over

\$39,000 in debts arising from delinquent loans and credit cards (SOR ¶¶ 1.e - 1.m and 1.o-1.p). (Answer; GE 2 at 25-26, 28, 53-60, 69; AE D; AE J; AE K; Tr. 43-54.)

Applicant admitted SOR ¶ 1.c, that he concealed or attempted to conceal gambling losses during his interview with a DoD investigator related to his gambling as set forth in SOR ¶¶ 2.a through 2.c. He failed to discuss SOR ¶¶ 1.a and 1.b in particular. (Answer; GE 2 at 21, 23, 25-26, 28; Tr. 31-34, 37-38, 42, 43-54.)

Applicant admits the transactions alleged in SOR ¶ 1.d and cross alleged under SOR ¶ 2.d and testified about the sources of the funds alleged. Applicant's Answer was consistent with his testimony for the allegations set forth in SOR ¶¶ 1.a and 1.b. (Answer; GE 2 at 128, 134, 147, 162, 168, 169, 176, 177, 184, 185, 199, 215, 222, 248; Tr. 31-34, 37-38, 42, 43-54.)

Applicant admits the \$5,337 debt alleged in SOR ¶ 1.e, which is for a personal loan for \$8,000 that has been placed for collection. He gambled much of the loan away and used some it to pay his debts, "like [a] credit card." He submitted a March 12, 2025 payment reflecting he was paying \$178 a month on the debt and had a remaining balance of \$4,092. (Answer; GE 6 at 4, GE 9 at 1; AE H; AE Q; Tr. 54, 111-112.)

The \$3,180 debt alleged in SOR ¶ 1.f, relates to a judgment obtained against Applicant. The original debt was a high interest personal loan, with a 35 percent annual interest rate. The original loan was \$1,900, which was for parts for his car. In his Answer he stated he was paying \$175 a month. The creditor is garnishing his wages. He stated his bank account had been frozen, and payments had stopped, and the creditor wanted the remainder of the debt paid off. He submitted a Notice of Satisfaction dated March 6, 2025. (Answer; GE 5 at 1, 3, 4; AE G; Tr. 55-59.)

The debt alleged in SOR ¶ 1.g (\$3,143) is for a closed credit card that was opened in September 2019. In his original Answer he wrote "paying now" but acknowledged that was not accurate. He stated he had now entered a settlement agreement with the creditor, and the creditor wanted him to pay \$121 a month starting in March 2025 and continuing for two years. He provided evidence of the settlement offer of \$2,200, forgiving \$943 of the balance, if he made \$122 payments through August 9, 2026. He provided a screen shot of his \$122 payment on March 8, 2025. (Answers; GE 6 at 5; GE 9 at 5; AE D; AE E; AE L; Tr. 59.)

The debt in SOR ¶ 1.h is for a \$6,150 loan Applicant took out in August 2022. On July 10, 2024, the balance was \$6,011. He acknowledges he gambled away a portion of the loan. He testified he had called the creditor, and the creditor offered to settle the account for \$3,615. based on payments of \$301. for the next 12 months. He submitted evidence of his first payment of \$301. made on March 11, 2025. (Answer; GE 6 at 6; GE 9 at 4; AE I; Tr. 60-61.)

Applicant admits SOR ¶ 1.i (\$60) and SOR ¶ 1.j (\$25) and stated in his Answer for both that he is "paying monthly now." He submitted documentary evidence that he had contacted the creditor and had started payments for SOR ¶ 1.i. He initiated contact with both

creditors in 2025. The Government withdrew SOR ¶ 1.q as being duplicative with SOR ¶ 1.j. (Answer; GE 6 at 6, 7; GE 9 at 5; Tr. 7, 106,116-118.)

The debt in SOR ¶ 1.k (\$563) is for a closed credit card. Applicant states he made a payment a week prior to the hearing and the creditor wants him to pay \$50 a month. He submitted evidence of a March 5, 2025 payment. (Answer; GE 3 at 8; AE B, AE C; Tr. 61, 109-110.)

Applicant settled the account alleged in SOR ¶ 1.l. The account had been charged off in about 2020 or 2021 in the approximate amount of \$8,669. He settled this account for \$3,675 and made his final payment on March 31, 2023. (Answer; GE 3 at 14; GE 6 at 8; GE 9 at 2; Tr. 117.)

SOR ¶ 1.m involves a judgment obtained against Applicant in July 2020, in the amount of \$5,440. He provided an exhibit showing he had satisfied this delinquency in August 2022. (Answer; AE A; GE 4 at 1; GE 6 at 10; GE 9 at 2; Tr. 18-19.)

Applicant admits SOR ¶ 1.n, that he filed Chapter 7 Bankruptcy in about April 2016. This bankruptcy was discharged in about August 2016. He stated his bankruptcy was not due to gambling. He and his wife mutually agreed to file for bankruptcy. (Answer; GE 8 at 30-35, 59; Tr. 75-78, 118.)

Applicant admits the \$7,034 debt alleged in SOR ¶ 1.o but states the actual amount is \$6,500. He took out a loan in December 2021 and used some of the loan to gamble. He submitted evidence that as of February 22, 2024, the balance due was \$6,860. He agreed to a payment plan that started in March 2025 and submitted evidence of his first payment on March 11, 2025, for \$150. (Answer; GE 9 at 1-2, 4; AE O; Tr. 62, 105-108.)

Applicant admits the \$770 debt alleged in SOR ¶ 1.p but states he has paid on this debt. He acknowledges he still owes \$600 on this debt. (Answer; GE 9 at 4. Tr. 63-64, 105-108.)

Applicant and his wife went on a cruise in 2024. The cruise was to the Bahamas for six nights. They took their youngest child with them. He stated his wife paid for the trip and "she pay[s] all the bills." She pays their mortgage, car payment, car insurance, and bills for the house like water and electric. (Tr. 64-66.) He recently took out a car loan for \$65,603. He traded in a 2016 vehicle for a 2022 vehicle. He has not received any financial counseling but stated he did go online and did some basic financial management. He did not receive a certificate. (Tr. 68-71.) As part of the Chapter 7 Bankruptcy, he would have had to have completed required financial training. He acknowledges being part of an insurance fraud scheme in the mid-90s. He and his brother staged an accident and received a \$2,500 check for a settlement, which he split with the other co-conspirators. No one was ever charged. (Tr. 71-73.)

Guideline E

Applicant admits SOR ¶¶ 2.a through 2.c, stating “I was wrong” regarding falsifying material facts during a March 28, 2023 interview with an authorized investigator for the DoD, which was conducted under oath. In explaining why he denied having financial problems due to gambling (SOR ¶ 2.a), he offered as mitigation that he was confused by the questions based on the way the questions were broken down. He did not think the bankruptcy was associated with the gambling, and he made a “misstatement.” (GE 2 at 21, Tr. 74-80.) SOR ¶¶ 2.b and 2.c. are discussed under Guideline F. This paragraph was not “full” justification.

Guideline B

Applicant admits (SOR ¶¶ 3.a through 3.c) that he has six siblings who are citizens and residents of the Philippines, a friend who is a citizen and resident of the Philippines, and a friend who is a citizen of the Philippines and a resident of Canada. The last time he travelled to the Philippines was in 2015, after his mother passed away. He communicates with his siblings approximately 5 to 7 times a year and has not seen them since 2015, with the exception of a brother who lived in the United States but has since returned to the Philippines. (GE 2 at 12-14, 20; Tr. 64, 83-93.)

Applicant has a childhood friend (SOR ¶ 3.b) with whom he communicates with regularly. He could not recall the last time they saw each other, and he did not see her when he was in the Philippines in 2015. She is a schoolteacher, and he did not know what her husband did for a living. (GE 2 at 21; Tr. 93-95.)

Applicant has a high school friend (SOR ¶ 3.c) who is a citizen of the Philippines and a resident of Canada. In 2014 he visited her, and he texts her a couple of times a month. (GE 2 at 7-8, 28-29; Tr. 95-96.)

Applicant stated none of his siblings or his two Filipino friends or their spouses have ever been involved with the military or intelligence agencies of the Philippines, or any terrorist organization or been involved in the Philippine defense industry in any capacity. None of the individuals or their spouses and children had ever been directly affected by terrorism to his knowledge. (Tr. 96-98.) He acknowledged his spouse has sisters in the Philippines. He could not elaborate in any detail about what they or their spouses did for a living. (Tr. 99-100.)

Policies

When evaluating an applicant’s national security eligibility, the administrative judge must consider the AG. In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are 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 the adjudicative process. The administrative judge’s overarching adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(c), the entire process is a conscientious scrutiny of a number of variables known as the “whole-person concept.” The

administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a decision.

The protection of the national security is the paramount consideration. AG ¶ 2(b) requires that “[a]ny doubt concerning personnel being considered for national security eligibility 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. Directive ¶ E3.1.15 states 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.

Section 7 of EO 10865 provides that decisions shall be “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” See also EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

Analysis

Guideline F, Financial Considerations

The security concern relating to the guideline for financial considerations is set out 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. Financial distress can also be caused or exacerbated by, and thus can be a possible indicator of, other issues of personnel security concern such as excessive gambling, mental health conditions, substance misuse, or alcohol abuse or dependence. An individual who is financially overextended is at greater risk of having to engage in illegal or otherwise questionable acts to

generate funds. Affluence that cannot be explained by known sources of income is also a security concern insofar as it may result from criminal activity, including espionage.

The Appeal Board explained the scope and rationale for the financial considerations security concern in ISCR Case No. 11-05365 at 3 (App. Bd. May 1, 2012) (citation omitted) as follows:

This concern is broader than the possibility that an applicant might knowingly compromise classified information in order to raise money in satisfaction of his or her debts. Rather, it requires a Judge to examine the totality of an applicant's financial history and circumstances. The Judge must consider pertinent evidence regarding the applicant's self-control, judgment, and other qualities essential to protecting the national secrets as well as the vulnerabilities inherent in the circumstances. The Directive presumes a nexus between proven conduct under any of the Guidelines and an applicant's security eligibility.

Applicant's admissions and the documentary evidence establish the following disqualifying conditions under this guideline: AG ¶ 19(a) (inability to satisfy debts); AG ¶ 19(b) (unwillingness to satisfy debts regardless of the ability to do so); AG ¶ 19(c) (a history of not meeting financial obligations); AG ¶ 19 (d) deceptive or illegal financial practices such as embezzlement, employee theft, check fraud, expense account fraud, mortgage fraud, filing deceptive loan statements and other intentional financial breaches of trust; AG ¶ 19 (h) borrowing money or engaging in significant financial transactions to fund gambling or pay gambling debts; and AG ¶ 19(i) (concealing gambling losses. . . or other problems caused by gambling).

The following mitigating conditions under AG ¶ 20 are relevant:

(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, 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; and

(d) the individual initiated and is adhering to a good-faith effort to repay overdue

creditors or otherwise resolve debts.

Applicant has resolved three debts, SOR ¶¶ 1.f, 1.l, and 1.m. He legally discharged his debts in Chapter 7 Bankruptcy and there was no evidence that his 2016 Bankruptcy was attributable to his gambling. The suspicious deposits alleged were consistent with loans and other transactions described in the SOR. AG ¶¶ 20(a), 20(b), and 20(d) are applicable to SOR ¶¶ 1.d, 1.f, and 1.l - 1.n.

AG ¶¶ 20(a), 20(b), 20(c), and 20(d) are not applicable to the remaining SOR allegations. Applicant's financial difficulties are the result of his gambling. By his own admission, he has continued to gamble right up until just prior to the hearing. The record reflects he accumulated around \$39,000 in consumer debt. He bears sole responsibility for how he elected to use the investment money he received from his coworkers, which he used for gambling. Applicant has not acted responsibly under the circumstances, and this casts doubt on his current reliability, trustworthiness, and good judgment. He has not received counseling for his gambling issues and although he received financial counseling during the 2016 bankruptcy proceeding there are not clear indications that his subsequent financial problems are being resolved or under control.

Applicant has been aggressive since the close of the hearing making initial payments consistent with recently reached settlement agreements that he testified about. His recent payments are insufficient to establish that he has adhered to a good-faith effort to resolve his debts. An applicant must initiate and adhere "to a good faith effort to repay overdue creditors or otherwise resolve debts" to receive full credit under AG ¶ 20(d). See ISCR Case No. 08-06058 at 5 (App. Bd. Sep. 21, 2009) His payment actions are reactive to the security clearance process as evidenced by his contacts and payment dates. He has failed to show an adequate track record of consistent payments to his creditors. AG ¶ 20(d) does not fully apply.

Guideline E, Personal Conduct

The security concern for personal conduct is set out in AG ¶ 15, as follows:

Conduct involving questionable judgment, lack of candor, dishonesty, or unwillingness to comply with rules and regulations can raise questions about an individual's reliability, trustworthiness and ability to protect classified information. 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.

AG ¶ 16 describes conditions that could raise a security concern and may be disqualifying. The following disqualifying conditions are applicable:

(b) deliberately providing false or misleading information; or concealing or omitting information, concerning relevant facts to an employer, investigator, security official, competent medical or mental health professional involved in

making a recommendation relevant to a national security eligibility determination, or other official government representative;

(e) personal conduct, or concealment of information about one's conduct, that creates a vulnerability to exploitation, manipulation, or duress by a foreign intelligence entity or other individual or group. Such conduct includes:

- (1) engaging in activities which, if known, could affect the person's personal, professional, or community standing;
- (2) while in another country, engaging in any activity that is illegal in that country;
- (3) while in another country, engaging in any activity that, while legal there, is illegal in the United States.

The following mitigating conditions, under AG ¶ 17, are potentially relevant:

- (a) the individual made prompt, good-faith efforts to correct the omission, concealment, or falsification before being confronted with the facts;
- (d) the individual has acknowledged the behavior and obtained counseling to change the behavior or taken other positive steps to alleviate the stressors, circumstances, or factors that contributed to untrustworthy, unreliable, or other inappropriate behavior, and such behavior is unlikely to recur; and
- (e) the individual has taken positive steps to reduce or eliminate vulnerability to exploitation, manipulation, or duress.

AG ¶ 17(a) is not established for SOR ¶¶ 2.a through 2.c. Applicant deliberately and repeatedly lied during his security clearance interview and the evidence reflects that he did not disclose his omissions until being confronted by an investigator during the interview. Applicant knew about his gambling debts, the judgments against him, his 2016 bankruptcy, and his delinquent debts. Applicant's false statements concerning his gambling and financial condition are not "minor," because such statements strike at the heart of the security clearance process. See ISCR Case No. 09-01652 (App. Bd. Aug. 8, 2011). An applicant who deliberately fails to give full, frank, and candid answers to the government in connection with a security clearance investigation or adjudication interferes with the integrity of the industrial security program. See ISCR Case No. 01-03132 at 3 (App. Bd. Aug. 8, 2002). Applicant's false statements were recent and calculated to give him the most favorable hiring profile for his application for a position requiring a security clearance.

AG ¶¶ 17(d) and 17(e) are not established for SOR ¶ 2.d, except for the part of 2.d that cross-alleges subparagraph 1.d, which is mitigated. Applicant has not taken positive steps to reduce or eliminate his vulnerability to exploitation, manipulation, or duress due to gambling. He has gambled right up until the hearing. While he has acknowledged the behavior, he has not obtained counseling to change the behavior or taken other positive steps to alleviate the stressors, circumstances, or factors that contributed to his

untrustworthy, unreliable, and other inappropriate behavior with co-workers or that resulted in his false statements to the DoD investigator about his gambling and gambling related debts. Given the recency of Applicant's actions and failure to take other positive steps, insufficient time has passed to establish that this behavior is unlikely to recur.

Guideline B, Foreign Influence

The security concern for foreign influence is set out in AG ¶ 6:

Foreign contacts and interests, including, but not limited to, business, financial, and property interests, are a national security concern if they result in divided allegiance. They may also be a national security concern if they create circumstances in which the individual may be manipulated or induced to help a foreign person, group, organization, or government in a way inconsistent with U.S. interests or otherwise made vulnerable to pressure or coercion by any foreign interest. Assessment of foreign contacts and interests should consider the country in which the foreign contact or interest is located, including, but not limited to, considerations such as whether it is known to target U.S. citizens to obtain classified or sensitive information or is associated with a risk of terrorism.

The guideline notes several conditions that could raise security concerns under AG

¶ 7. The following are potentially applicable in this case:

- (a) contact, regardless of method, with a foreign family member, business or professional associate, friend, or other person who is a citizen of or resident in a foreign country if that contact creates a heightened risk of foreign exploitation, inducement, manipulation, pressure, or coercion; and
- (b) connections to a foreign person, group, government, or country that create a potential conflict of interest between the individual's obligation to protect classified or sensitive information or technology and the individual's desire to help a foreign person, group, or country by providing that information or technology.

There is a significant threat of terrorism and ongoing human rights problems in the Philippines. Applicant's foreign contacts create a potential conflict of interest and a heightened risk of foreign exploitation, inducement, manipulation, pressure, and coercion, through his wife. The above disqualifying conditions have been raised by the evidence.

Conditions that could mitigate foreign influence security concerns are provided under AG ¶ 8. The following are potentially applicable:

- (a) the nature of the relationships with foreign persons, the country, in which these persons are located, or the positions or activities of those persons in that country are such that it is unlikely the individual will be placed in a position of

having to choose between the interests of a foreign individual, group, organization, or government and the interests of the United States;

(b) there is no conflict of interest, either because the individual's sense of loyalty or obligation to the foreign person, or allegiance to the group, government, or country is so minimal, or the individual has such deep and longstanding relationships and loyalties in the United States, that the individual can be expected to resolve any conflict of interest in favor of the U.S. interest; and

(c) contact or communication with foreign citizens is so casual and infrequent that there is little likelihood that it could create a risk of foreign influence or exploitation.

Applicant provided sufficient information about the status and contacts with his siblings and friends in the Philippines. None had affiliations or were in circumstances that make it likely he will be placed in a position of having to choose between the interests of his siblings or friends and the interests of the United States. The nature of Applicant's contact and communication with his siblings and friends is so casual and infrequent that there is little likelihood that it could create a risk of foreign influence or exploitation. Applicant served honorably in the United States Navy for almost 15 years and has established deep and longstanding relationships and loyalties in the United States, such that he can be expected to resolve any conflict of interest in favor of the U.S. interest. AG ¶ 8(a) through AG ¶ 8(c) are applicable.

Whole-Person Concept

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. In applying the whole-person concept, an 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. An administrative judge should consider the nine adjudicative process factors listed at AG ¶ 2(d):

(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.

I have incorporated my comments under Guidelines F, E, and B in my whole-person analysis and have applied the adjudicative factors in AG ¶ 2(d).

After weighing the disqualifying and mitigating conditions under Guidelines F, E, and B and evaluating all the evidence in the context of the whole person, I conclude Applicant has not mitigated the security concerns raised by his conduct under Guideline F and Guideline E.

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.d, 1.f, 1.l-1.n:	For Applicant
Subparagraphs 1.a-1.c, 1.e, 1.g-1.k, 1.p:	Against Applicant
Paragraph 2, Guideline E:	AGAINST APPLICANT
Subparagraphs 2.a - 2.c:	Against Applicant
Subparagraph 2.d:	Against Applicant except for the part of 2.d that cross-alleges subparagraph 1.d
Paragraph 3, Guideline B:	FOR APPLICANT
Subparagraphs 3.a - 3.c:	For Applicant

Conclusion

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

Charles C. Hale
Administrative Judge