



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



In the matter of:

Applicant for Security Clearance

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ISCR Case No. 14-06242

Appearances

For Government: Ray Blank, Esq., Department Counsel

For Applicant: *Pro se*

01/14/2016

Decision

WESLEY, Roger C., Administrative Judge:

Based upon a review of the pleadings, exhibits, and testimony, I conclude that Applicant did not mitigate the security concerns regarding his financial considerations. Eligibility for access to classified information is denied.

Statement of Case

On March 23, 2015, Department of Defense (DOD) Consolidated Adjudications Facility (CAF) issued a Statement of Reasons (SOR) detailing reasons why DOD adjudicators could not make the affirmative determination of eligibility for a security clearance, and recommended referral to an administrative judge to determine whether a security clearance should be granted, continued, denied, or revoked. The action was taken under Executive Order 10865, *Safeguarding Classified Information Within Industry* (February 20, 1960), as amended; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the Adjudicative Guidelines (AGs) implemented by DOD on September 1, 2006.

Applicant responded to the SOR on April 13, 2015, and requested a hearing. The case was assigned to me on June 5, 2015 and was scheduled for hearing on August 5, 2015. At the hearing, the Government's case consisted of eight exhibits (GEs 1-8). Applicant relied on one witness (himself) and no exhibits. The transcript (Tr.) was received on August 13, 2015.

Procedural Issues

Before the close of the hearing, Applicant requested the record be kept open to permit him the opportunity to supplement the record with documented employee assistance requests, foreclosure deficiencies, and payment histories with creditors 1.c and 1.e. For good cause shown, Applicant was granted 14 days to supplement the record. Department Counsel was afforded two days to respond. Applicant did not supplement the record.

Prior to the close of the hearing, Applicant moved to amend his answer to admit the allegations in subparagraph 2.a For good cause shown, Applicant's request was granted, and his response to subparagraph 2.a was entered in the record as a pleading admission.

Summary of Pleadings

Under Guideline F, Applicant allegedly (a) petitioned for Chapter 13 bankruptcy relief in June 2010 (dismissed in October 2010); (b) petitioned for Chapter 13 relief in November 2010 (discharged in October 2012); and (c) accumulated four delinquent debts exceeding \$60,000. Applicant's accrued debts are allegedly still outstanding.

Under Guideline E, Applicant allegedly inappropriately and deliberately charged personal items to his company credit card in the approximate amount of \$4,500. The allegation did not reflect any repayment.

In his response to the SOR, Applicant admitted each of the allegations with explanations. He claimed that prior to his marriage, both he and his wife owned a home and tried unsuccessfully to set up Applicant's home as a rental property, but without success due to unreliable tenants and inability to refinance the home. Applicant explained the circumstances of his inability to complete his first Chapter 13 bankruptcy petition and his refiling his second petition that resulted in a discharge. He claimed the creditor 1.c and 1.e debts belonged to the co-lenders on his home that he tried to save through Chapter 13 relief. And he claimed his employer's credit card he inappropriately charged in part for personal expenses was attributable to the income shortages he experienced from per diem and overtime losses.

Findings of Fact

Applicant is a 39-year-old mission system chief for a defense contractor who seeks a security clearance. The allegations covered in the SOR and admitted by Applicant are incorporated and adopted as relevant and material findings. Additional findings follow.

Background

Applicant met his wife in 2001 and moved in with her off-and-on in 2006 and 2007. (Tr. 66, 74) He married her in June 2007 and has three stepchildren from this marriage. (Tr. 59) He claimed no college education credits or military service. (GE 1; Tr. 70) He has been fully employed with his current employer since May 2010. (GE 1) Prior to joining his current employer, Applicant was fully employed as a facilities director between August 2008 and April 2010. (GE 1)

Applicant's finances

Prior to their marriage in 2007, Applicant and his wife each owned homes of their own. Applicant purchased his home in September 2006 for \$89,000 and financed his purchase with an 80-20 loan secured by a first mortgage of \$69,000 with creditor 1.e. and a second mortgage of \$17,338 with another lender. (GEs 3-5; Tr. 51, 68, 76-77, 110-111) Following their marriage, they continued to split time with their respective homes for parts of 2007 and throughout the time he owned the property. (Tr. 71-75)

Credit reports show that the initial lender holding the second mortgage assigned its interest to still another lender in April 2009. (GEs 3 and 4, Tr. 111) Records show that this assignee of Applicant's second mortgage, in turn, resold it to the initial holder of the second mortgage in June 2009. (GEs 3-5; Tr. 107-108) Although it is unclear from the credit reports, it appears that creditor 1.e sold its first mortgage interest in Applicant's property to creditor 1.c in 2010 following the dismissal of Applicant's first bankruptcy. (GE 2-5; Tr. 105) From a review of Applicant's credit reports, it appears that the initial holder of Applicant's second mortgage resold its second mortgage to creditor 1.c. in December 2013, or thereabouts. (GEs 2-4; Tr. 107-11)

Some time in late 2014, creditor 1.c initiated foreclosure proceedings against Applicant's rental property. (GEs 3-5) Credit reports confirm that creditor 1.e redeemed Applicant's property in 2015 (date uncertain). (GE 3) Redeem is likely the wrong word to describe creditor 1.e's action, as this term generally applies to an owner's actions in paying any balances due after the foreclosure sale and taking back his property. Most likely the term refers to creditor 1.e's taking title to the property either through a winning foreclosure sale bid or private arrangements with creditor 1.c.

Beginning in 2009, Applicant and his wife encountered financial difficulties in making their monthly payments on their second mortgage. After unsuccessful efforts to refinance their second mortgage with creditor 1.e, Applicant and his wife petitioned for Chapter 13 bankruptcy relief in June 2010. Their stated primary purpose in seeking Chapter 13 relief was to save their rental property from foreclosure. (Tr. 81)

Applicant's first Chapter 13 petition does not include schedules of individual secured and unsecured creditors, which complicates efforts to trace the mortgage interests of listed creditors 1.c and 1.e and the initial holder of Applicant's second mortgage. Applicant claims he listed both creditors in his first Chapter 13 petition, with

debts owing of \$46,855 on a total mortgage debt of \$68,688 with creditor 1.c and \$10,971 on a total mortgage debt of \$68,783 with creditor 1.e. (GEs 1-3). Applicant's first Chapter 13 petition was dismissed in October 2010 for failure to meet the trustee's payment terms. (GEs 2 and 6)

For the two months following the dismissal of his first Chapter 13 petition, Applicant made earnest attempts to obtain refinancing and short sale approvals with his lenders, but without success. (GEs 2 and 8) Unable to reach any agreements with his creditors, Applicant petitioned again for Chapter 13 bankruptcy relief in November 2010. (GEs 2 and 7)

In Applicant's second Chapter 13 petition, he included his two creditors holding the first and second mortgage on his home: creditor 1.e and the creditor holding the initial second mortgage. Docket entries confirm that Appellant's plan was approved in April 2011. (GEs 2 and 7) In approving Applicant's amended plan, the court set monthly payments of \$645 from Applicant (designed primarily to cover Applicant's listed mortgages), payable over a 36-month period. (GEs 2 and 7)

Before discharging Applicant, the court approved the stay lift requests of the mortgagees holding Applicant's first and second mortgages (GEs 2 and 6) and ordered the removal of the two creditors from Applicant's list of creditors eligible for Chapter 13 plan payments. (GEs 2 and 6; Tr. 49) While making his scheduled monthly payments to the trustee, Applicant concentrated his efforts on fashioning settlement arrangements with his mortgage lenders without success. (GE 8; Tr. 49) Throughout much of 2013, he tried selling the property in the \$89,000 range, but found no buyers. (Tr. 111-112)

In his continuing efforts to save his property from foreclosure, Applicant was hampered by unreliable tenants and income shortages. (GE 8; Tr. 50) Without adequate income sources to sustain his mortgage payments, and no buyers, he surrendered the rental property to the first mortgage holder (creditor 1.e) sometime in 2013. (GEs 2-5) While the dates are not clear, creditor 1.e appears to have sold its first mortgage to creditor 1.c in September 2014. Credit records confirm that creditor 1.c initiated foreclosure proceedings in 2014 with the intention of foreclosing on Applicant's first and second mortgages it then held. (GEs 3-5 and Applicant's answer)

How much Applicant's investment property produced in sale proceeds at a public sale (inferentially in the Spring of 2015) is not clear. He valued the property at \$86,000 in his second Chapter 13 petition, and estimated its worth to be approximately \$90,000 or more when he placed it on the market for sale in late 2012. (Tr. 48, 111-112) His credit reports confirm that creditor 1.e redeemed the property from foreclosure. (GEs 3-5) When creditor 1.e actually redeemed Applicant's residence, and for what amount, is not clear.

Concerned about a potential deficiency from the sale of his rental property, Applicant talked to a real estate specialist with his employees assistance program. (Tr. 52-53) He was told that under the law of his state the lenders have 90 days from the point of sale to seek a deficiency. (Tr. 52-53) When the property was actually sold in 2015

would determine when the 90 days would commence to run. Because Applicant was not issued any 1099s from the lenders, their interests in pursuing a deficiency would not appear to have been waived. (Tr. 54-55) How much of a deficiency resulted, and whether it is currently enforceable is not clear. Afforded an opportunity after the hearing to provide time lines of the various mortgages in place leading up to foreclosure of the property, deficiency updates, and the resolution status of his remaining debts, Applicant provided no additional information.

Applicant's remaining listed debts were comprised of a debt arising out of an old checking account Applicant had with creditor 1.d (\$664) and a credit card debt (\$4,500) arising out of Applicant's use of a company credit card intended for Applicant's business use. (GEs 2 and 8) Addressing the creditor 1.d debt, Applicant accrued a delinquent debt on his checking account with creditor 1.d. He assured he used this bank checking account for repairs on his rental property and failed to cover the delinquent balance as the result of an oversight. (Tr. 56) He pledged to resolve this debt with the assistance of his employees assistance program, but provided no specific dates on when he expected to settle or resolve this creditor 1.d debt. (Tr. 56-57)

Applicant also assured he would endeavor to arrange counseling dates with specialists of his employees assistance program to demonstrate his ongoing efforts to resolve this debt. (GE 8; Tr. 57) To date, he has not provided any transcript, or other documentation, of his counseling sessions. (Tr. 57)

In serious delinquent status as well is Applicant's outstanding debt with creditor 1.f. Applicant used this card in part for personal expenses that were not authorized by his company. (Tr. 58-59) While his company did not have any written policy about confining his use of the card to business-related expenses, Applicant understood at the time he received the card that the card was not to be used for personal expenses. (Tr. 60-64) Applicant began using the card in late 2011 after his company lost its Government contract and Applicant lost his tenants in his rental property, hoping that over time and per diem receipts that he would have money to cover the costs of his personal expenditures. (Tr. 64-65) Whether he hoped for per diem and other anticipated funds ever materialized is unclear. He provided no evidence of paying off the \$4,500 balance owing, either during the hearing or thereafter.

Applicant's current financial status is unclear. In his last submitted personal financial statement in September 2010, he listed net monthly income of \$2,963, monthly expenses of \$1,662, and monthly debt payments of \$1,123 (inclusive of monthly payments of \$704 on his creditor 1.e first mortgage account). (GE 2) This left him with a net monthly remainder of \$178. (GE 2) Applicant provided no further updates of his financial condition or other information about his professional and personal life.

Policies

The AGs list guidelines to be used by administrative judges in the decision-making process covering security clearance cases. These guidelines take into account factors that

could create a potential conflict of interest for the individual applicant, as well as considerations that could affect the individual's reliability, trustworthiness, and ability to protect classified information. These guidelines include "[c]onditions that could raise a security concern and may be disqualifying" (disqualifying conditions), if any, and many of the "[c]onditions that could mitigate security concerns."

These guidelines must be considered before deciding whether or not a security clearance should be granted, continued, or denied. The guidelines do not require administrative judges to place exclusive reliance on the enumerated disqualifying and mitigating conditions in the guidelines in arriving at a decision. Each of the guidelines is to be evaluated in the context of the whole person in accordance with AG ¶ 2(c).

In addition to the relevant AGs, administrative judges must take into account the pertinent considerations for assessing extenuation and mitigation set forth in AG ¶ 2(a) of the AGs, which are intended to assist the judges in reaching a fair and impartial commonsense decision based upon a careful consideration of the pertinent guidelines within the context of the whole person.

The adjudicative process is designed to examine a sufficient period of an applicant's life to enable predictive judgments to be made about whether the applicant is an acceptable security risk. The following AG ¶ 2(a) factors are pertinent: (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.

Viewing the issues raised and evidence as a whole, the following individual guidelines are pertinent in this case:

Financial Considerations

The Concern: Failure or inability to live within one's means satisfy debts and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise questions about an individual's reliability, trustworthiness and ability to protect classified information. An individual who is financially overextended is at risk of having to engage in illegal acts to generate funds. Compulsive gambling is a concern as it may lead to financial crimes including espionage. Affluence that cannot be explained by known sources of income is also a security concern. It may indicate proceeds from financially profitable criminal acts. AG ¶ 18.

Burden of Proof

By virtue of the principles and policies framed by the AGs, a decision to grant or continue an applicant's security clearance may be made only upon a threshold finding that to do so is clearly consistent with the national interest. Because the Directive requires administrative judges to make a commonsense appraisal of the evidence accumulated in the record, the ultimate determination of an applicant's eligibility for a security clearance depends, in large part, on the relevance and materiality of that evidence. See *United States, v. Gaudin*, 515 U.S. 506, 509-511 (1995). As with all adversarial proceedings, the judge may draw only those inferences which have a reasonable and logical basis from the evidence of record. Conversely, the judge cannot draw factual inferences that are grounded on speculation or conjecture.

The Government's initial burden is twofold: (1) it must prove by substantial evidence any controverted facts alleged in the SOR, and (2) it must demonstrate that the facts proven have a material bearing to the applicant's eligibility to obtain or maintain a security clearance. The required materiality showing, however, does not require the Government to affirmatively demonstrate that the applicant has actually mishandled or abused classified information before it can deny or revoke a security clearance. Rather, the judge must consider and weigh the cognizable risks that an applicant may deliberately or inadvertently fail to safeguard classified information.

Once the Government meets its initial burden of proof of establishing admitted or controverted facts, the evidentiary burden shifts to the applicant for the purpose of establishing his or her security worthiness through evidence of refutation, extenuation, or mitigation. Based on the requirement of Exec. Or. 10865 that all security clearances be clearly consistent with the national interest, the applicant has the ultimate burden of demonstrating his or her clearance eligibility. "[S]ecurity-clearance determinations should err, if they must, on the side of denials." See *Department of the Navy v. Egan*, 484 U.S. 518, 531 (1988).

Analysis

Security concerns are raised over Applicant's history of debts arising from mortgage delinquencies and consumer debts that he failed to resolve, either through his Chapter 13 bankruptcies or through direct payments to the listed creditors involved. Whether Applicant incurred any actionable deficiencies from the foreclosure of his rental property is unclear at this time. Applicant also accumulated debts with creditors 1.d and 1.f. These debts remain outstanding and require major efforts on Applicant's part to resolve.

Additional security concerns are raised over Applicant's misuse of his company issued credit card for personal expenditures. Resolution of the outstanding balance on this creditor 1.f debt has not been demonstrated and judgment and trust issues are present as well.

Financial concerns

Between 2011 and 2013, Applicant accumulated delinquent debts exceeding \$60,000. These debts arose mostly from delinquent mortgage accounts, but included delinquent credit card accounts as well. Applicant's delinquent debts reflect judgment lapses that warrant the application of two of the disqualifying conditions (DC) of the AGs. DC ¶ 19(a), "inability or unwillingness to satisfy debts," and DC ¶ 19(c), "a history of not meeting financial obligations."

While DC ¶ 19(d), "deceptive or illegal financial practices such as embezzlement, employee theft, check fraud, income tax evasion, expense account fraud, filing deceptive loan statements, and other intentional financial breaches of trust," has potential application to Applicant's situation, his misuse of his company's credit card to finance personal purchases was never covered by any express written policy of his company and doesn't rise to the level of expense fraud without more definitive information about his company's use policy covering issued credit cards and Applicant's interpretation of that policy when he was given the card to use. Failure to pay the amounts allocated for personal use conceivably could warrant drawn inferences of expense fraud *ab initio*, but not without more evidence of criminal intent. Based on the evidence received in the record, application of DC ¶ 19(d) is not warranted.

Whether Applicant is currently exposed to any deficiency enforcement as the result of deficiency balance following foreclosure of his investment property and ensuing taking of the property by creditor 1.e (either by successful bid or some other arrangement with the foreclosing creditor (i.e., creditor 1.c) is unclear. Anti-deficiency relief is available to foreclosed borrowers under the foreclosure law of Applicant's state of residence.

Foreclosing parties can get a deficiency judgment, though, after the foreclosure sale by filing a lawsuit for the deficiency within 90 days of the foreclosure sale, subject to exceptions to homestead relief. See State Stats. Title. 46, § 43. If the 90 days has passed without any notice from creditor 1.c of action to enforce its deficiency, any and all deficiency claims would be barred by operation of law. Without any post-hearing documented materials from Applicant no hard conclusions can be made on what deficiency exposure, if any, he currently has.

Holding a security clearance involves the exercise of important fiducial responsibilities, among which is the expectancy of consistent trust and candor. Financial stability in a person cleared to access classified information is required precisely to inspire trust and confidence in the holder of the clearance. While the principal concern of a clearance holder's demonstrated financial difficulties is vulnerability to coercion and influence, judgment and trust concerns are also explicit in financial cases.

Applicant's accumulation of delinquent debts, inclusive of a mortgage foreclosure with uncertain delinquency status, merit some application of MC ¶ 20(b), "the conditions

that resulted in the financial problem were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, or a death, divorce or separation), and the individual acted responsibly under the circumstances." Financial hardships associated with his tenant problems and falling real estate market conditions in his neighborhood seriously impaired his ability to stay up with his two mortgages. Despite his ongoing efforts to resolve his mortgage debts through his Chapter 13 bankruptcy petition and his individual efforts to market the property, he could not avert foreclosure by creditor 1.c sometime in 2015.

Based on Applicant's case-specific circumstances, his situation is extenuating, but not enough to account for his failure to followup with tracing the current state of his property to enable him to rule out any deficiency exposure. Nor do his reported hardships with his mortgage account for why he has not been able to resolve his remaining debts with creditors 1.d and 1.f.

To date, Applicant has failed to document his current deficiency status on his foreclosed mortgages or verify payment initiatives on his two remaining debts, despite furnished opportunities to provide supplemental submissions after the hearing. Because he has not developed any verifiable evidence of resolving lingering questions about his outstanding debts and potential deficiency on his mortgage foreclosure, further application of MC ¶ 20(b) is not available to him. Absent any documented evidence of his addressing his listed debts and potential deficiency obligations, application of MC ¶ 20(d), "the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts," is limited.

Prospects for his obtaining the necessary debt repayment documentation and confirmed mortgage relief in the foreseeable future are uncertain. Without more tangible evidence available of Applicant's current financial status, he cannot demonstrate the level of financial stability required to meet the criteria established by the Appeal Board for assessing an applicant's financial condition. See ISCR Case No. 08-06567 at 2-3 (App. Bd. Oct. 29, 2009).

Applicant's insufficient clarifications of his deficiency status and resolution of his remaining debts with the resources available to him prevent him from meeting the Appeal Board's requirements for demonstrating financial stability. ISCR Case No. 07-06482 (App. Bd. May 21 2008); see ISCR Case No. 05-11366 at 4 n.9 (App. Bd. Jan. 12, 2007)(citing ISCR Case No. 99-0462 at 4 (App. Bd. May 25, 2000)); ISCR Case No. 99-0012 at 4 (App. Bd. Dec. 1, 1999).

From a whole-person standpoint, Applicant's demonstrated efforts to date are not enough to overcome security concerns associated with his history of financial instability. Considering all of the circumstances surrounding Applicant's accumulation of delinquent debts and payment delinquencies, his actions to date in addressing his finances are

insufficient to meet mitigation requirements imposed by the guideline governing his finances. Unfavorable conclusions are warranted with respect to the allegations covered by subparagraphs 1.a through 1.f of Guideline F.

Personal conduct concerns associated with misuse of company credit card

Judgment and trust lapses associated with Applicant's misuse of his company credit card, his failure to resolve the outstanding balance, and any disciplinary actions that could potentially be taken against him by his employer remain security concerns. Applicant's use of the credit card for personal purposes, while undertaken at a time after his company lost a contract, and with an expectation of repayment, reflected poor judgment and a breach of company rules and policy. While evidence of sanctions taken against Applicant for his actions is lacking, his actions implicitly violated company rules and policy on the use of company credit cards. His actions reflected not only poor judgment on his part, but disregard of company rules and policies.

To be sure, a formal written policy covering a ban on the personal use of company credit cards may not have been in effect at the time of Applicant's use of his card. But Applicant fully understood that his company credit card was limited to business use and that any use of the card for personal purposes violated both company rules and policies in effect at the time. These underlying security concerns are difficult to reconcile with the trust and reliability requirements for holding a security clearance.

Looking at the developed facts and circumstances in this case, two of the disqualifying conditions under the personal conduct guideline are applicable to Applicant's situation. DC ¶ 16(d)(3), "a pattern of dishonesty or rules violations," and DC ¶ 16(d)(4), "evidence of significant misuse of Government or other employer's time or resources," have application to the facts of Applicant's case.

While Applicant's strained finances played some role in his misusing his company credit card, they were not enough to credit him with extenuating circumstances. Nor is his company credit card misuse so minor or unique as to render a recurrence unlikely. See ISCR Case No. 03-24632 at 3 (Appeal Bd. May 19, 2008). While potentially mitigating, Applicant to date has not repaid the debt, which remains outstanding. As a result, Applicant may not rely on the mitigating benefits of MC ¶ 17(c), "the offense is so minor, or the behavior is so infrequent, or it happened under such unique circumstances that it is unlikely to recur and does not cast doubt on the individual's reliability, trustworthiness, or good judgment."

To Applicant's credit, he acknowledged his mistakes in using his company credit card to accrue a significant \$4,500 unpaid balance, he was truthful with his supervisor about his past company credit card payments for personal items when asked. MC ¶ 17(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 caused untrustworthy, unreliable, or other inappropriate behavior, and such behavior is unlikely to recur,” has partial applicability to Applicant’s circumstances, even without any evidence of financial counseling.

Whether Applicant has learned enough from his past mistakes of his ignoring use and payment conditions on his corporate credit card to avert any recurrences is not fully certain. Without any documented repayment of the account balance on the credit card in accordance with the terms and conditions set by the card, it is still unclear whether enough time has passed to ensure he will not abuse imposed credit card restrictions in the future when placed in stressful circumstances.

When Applicant elected to misuse his company credit card on multiple occasions in 2011, he consciously compromised the high standards of trust and reliability imbued in him over the course of his current employment. Considered under these circumstances, his accumulation of \$4,500 in personal expenditures on his company credit card (still not repaid) precludes him from absolving himself from any lingering doubts about his ability to avert mishandling of his employer’s credit cards in the foreseeable future.

Evaluating from a whole-person perspective, Applicant’s explanations of his use of his company credit card with general understandings about its intended limited use for business purposes are enough to avert inferences that he used poor judgment and breached his company’s rules and policies covering use of company credit cards. His failure to pay the amounts owed on the card owed despite opportunities to do undercut his claims of a good-faith misunderstanding regarding the personal use of his company credit card.

Considering all of the circumstances surrounding Applicant’s misuse of his company credit card, Applicant’s misuse of his company credit card for personal purposes are inferred to reflect to poor judgment and the lack of trustworthiness in administering to his business and personal affairs and are insufficient to mitigate personal conduct issues related to Applicant’s misuse of his company credit card. Unfavorable conclusions are warranted with respect to the allegations covered by subparagraphs 2.a of Guideline E.

Taking into account all of the facts and circumstances surrounding Applicant’s use of his company credit card to defray personal expenses and the lack of any documented efforts to successfully repay the credit card balance, it is still too soon to credit Applicant with mitigating security concerns related to his misuse of his company credit card while employed by his current employer. More evidence of good judgment and trustworthiness is needed from Applicant to satisfy minimum standards of eligibility

to hold a security clearance. Unfavorable conclusions warrant with respect to subparagraph 2.a of Guideline E.

Formal Findings

In reviewing the allegations of the SOR and ensuing conclusions reached in the context of the findings of fact, conclusions, conditions, and the factors listed above, I make the following formal findings:

GUIDELINE F (FINANCIAL CONSIDERATIONS): AGAINST APPLICANT

Subparas. 1.a, 1.c-1.f :	Against Applicant
Sub-para. 1.b:	For Applicant

GUIDELINE F (PERSONAL CONDUCT): AGAINST APPLICANT

Subpara. 2.a:	Against Applicant
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Conclusions

In light of all the circumstances presented by the record in this case, it is not clearly consistent with the national interest to grant or continue Applicant’s security clearance. Clearance is denied.

Roger C. Wesley
Administrative Judge

