



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



In the matter of:

Applicant for Security Clearance

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ISCR Case No. 14-06491

Appearances

For Government: Pamela Benson, Esq., Department Counsel

For Applicant: *Pro se*

02/09/2016

Decision

HARVEY, Mark, Administrative Judge:

Applicant's statement of reasons (SOR) includes allegations of a delinquent mortgage for \$462,000, a delinquent credit line for \$60,000, state and federal tax liens for about \$80,000, and a vehicle repossession resulting in a \$3,500 debt. He failed to provide sufficiently well documented information about his finances and progress resolving his SOR debts. He intentionally failed to fully disclose his financial problems on his May 14, 2014 Electronic Questionnaires for Investigations Processing (e-QIP) (SF 86). (Item 2) Financial considerations and personal conduct security concerns are not mitigated. Access to classified information is denied.

History of the Case

On May 14, 2014, Applicant completed and signed an SF 86. (Item 2) On July 29, 2015, the Department of Defense Consolidated Adjudications Facility (DOD CAF) issued Applicant an SOR pursuant to Executive Order (Exec. Or.) 10865, *Safeguarding Classified Information Within Industry*, dated February 20, 1960, as amended; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (Directive), dated January 2, 1992, as amended; and the adjudicative guidelines (AG), which became effective on September 1, 2006.

The SOR detailed reasons why the DOD CAF made a preliminary decision to deny or revoke Applicant's eligibility for access to classified information. Specifically, the SOR set forth security concerns arising under the financial considerations and personal conduct guidelines.

On August 26, 2015, Applicant responded to the SOR and requested a decision “based on the administrative (written) record, without a hearing before an Administrative Judge.” (Item 2) On November 30, 2015, Department Counsel completed the File of Relevant Material (FORM). On December 9, 2015, Applicant received the FORM. On January 7, 2016, the Defense Office of Hearings and Appeals (DOHA) received Applicant’s response to the FORM.¹ On February 4, 2016, the case was assigned to me. The Government’s case consisted of four exhibits. (Items 1-4)

Findings of Fact²

In Applicant’s SOR response, he admitted the allegations in SOR ¶¶ 1.a through 1.c, and he did not admit or deny the allegation in SOR ¶ 2.a. He also provided extenuating and mitigating information. Applicant’s admissions are accepted as findings of fact.

Applicant is a 61-year-old field engineer, who has been employed by a defense contractor since May 1980.³ In 1974, he received an associate’s degree, and in 1976, he received a bachelor’s degree from an engineering college. He has never served in the military. In 1977, he married, and in 2007, he separated from his spouse. His sons were born in 1978 and 1980, and his daughter was born in 1987.

Financial Considerations

Applicant’s history of delinquent debt is documented in his June 6, 2014 credit report, SF 86, and SOR response. His SOR indicates the following negative financial actions in the previous 10 years: (1) a mortgage foreclosure on a debt totaling about \$462,000 in about 2012; (2) tax liens from the state and IRS totaling about \$80,000 in about 2007; and (3) four delinquent debts totaling about \$3,500. (Item 2)

In 2007, Applicant moved out of his residence, and he moved to a different state. (Item 2) He was also separated from his spouse of 30 years. He made payments on his mortgage until 2009. (Item 2) The real estate market declined in 2007 to 2009 in the state where Applicant’s house was located. His June 6, 2014 credit report shows a conventional mortgage for \$340,000 taken out in March 2004, with notations of pays as agreed, zero balance owed, and account closed. (Item 3) It also shows a joint conventional real estate mortgage owed to the same company for \$462,000 opened in March 2006, “account in dispute in foreclosure,” with a zero balance owed, and status date of October 2012. (Item 3) His credit report shows a credit line with the same bank was taken out in July 2006 for \$60,000 and was charged off and closed in May 2010.

¹The Defense Office of Hearings and Appeals (DOHA) transmittal letter is dated December 2, 2015, and Applicant’s receipt is dated December 9, 2015. The DOHA transmittal letter informed Applicant that he had 30 days after his receipt to submit information.

²Some details have been excluded in order to protect Applicant’s right to privacy. Specific information is available in the cited exhibits.

³Unless stated otherwise, the source for the information in this paragraph is Applicant’s May 14, 2014 Electronic Questionnaires for Investigations Processing (e-QIP) (SF 86). (Item 2)

(Item 3) Applicant believes the foreclosure resolved his mortgage and line-of-credit debts; however, he did not provide any substantiating documentation to support this belief. (Item 2)

In 2007, Applicant withdrew a large sum from his 401(k) account, resulting in a large state and federal tax debt. (Item 2) He said he is paying \$500 monthly to the IRS, and will have paid off the federal tax debt in 2016. (Item 2) When he has paid the federal tax debt, he plans to pay his state tax debt. (Item 2)

The debt in SOR ¶ 1.c(2) of \$3,507 resulted from the repossession of the vehicle Applicant's spouse was using. (Item 2) Applicant said he believed she should make the payments on the vehicle loan out of the spousal support payments he was making to her.

Applicant did not recognize the three debts in SOR ¶¶ 1.c(1) for \$120, 1.c(3) for \$192, and 1.c(4) for \$82. (Item 2) Applicant's credit report shows several debts were paid as agreed.

Personal Conduct

Section 26 of Applicant's May 14, 2014 SF 86 asked whether in the last seven years any of the following events occurred: (1) he defaulted on any loans; (2) he had any bills turned over to a collection agency; (3) he had any accounts charged off; (4) he had been over 120 days delinquent on any debts; (5) he failed to file or pay Federal, state, or other taxes when required by law or ordinance; (6) he had any wages, benefits, or assets garnished or attached for any reason; (7) he had any property repossessed or foreclosed; and (8) he had a lien placed against his property for failing to pay taxes or other debts. Section 26 also sought information by asking whether he is: (1) currently delinquent on any federal debt; and (2) currently over 120 days delinquent on any debts. (Item 2; SOR ¶ 1.a) Applicant answered, "Yes" and indicated he was currently delinquent on an unspecified federal debt. He also disclosed that he had been paying \$3,158 monthly in spousal maintenance starting in March 2012, and his payments would continue through March 2017.

Applicant's July 1, 2014 Office of Personnel Management summary of Applicant's personal subject interview (OPM PSI) indicates as follows:

[Applicant] volunteered that he failed to pay 2007 income taxes (Discrepant) in the amount of fifty thousand dollars. Subject did not list this debt as his paycheck is garnished (Discrepant) in the amount of two hundred fifty dollars as part of a repayment plan that began in 2009 (exact date not recalled). Subject believed that since he was paying it, it would not reflect as delinquent. Subject volunteered that when he separated from his spouse in 1/2007, he withdrew approximately one hundred fifty eight thousand dollars from his 401K plan in order to purchase his residence in [another state]. Subject was unable to repay his required tax amount to the federal government. (Item 4 at 6)

During his OPM PSI he disclosed that his spouse's support payments are made by automatic payments on a monthly basis. (Item 4 at 6) Applicant was confronted with the \$30,223 tax lien filed in 2011 and released in 2013. (Item 4 at 6) He believed the lien was filed by the state for taxes, and he did not list it on his SF 86 because he believed it was resolved. (Item 4 at 6) He also said the debt "slipped his mind" at the time he was completing his SF 86. (Item 4 at 7) He was also confronted by several other debts listed on the SOR. (Item 4)

Conclusion

The file lacks corroborating documentary evidence that Applicant has paid, arranged to pay, settled, compromised, or otherwise resolved any of the delinquent accounts alleged in the SOR. The record lacks substantiating documentation and detailed explanations of the causes for his financial problems and other mitigating information. The FORM explained that Applicant had 30 days from the receipt of the FORM "in which to submit a documentary response setting forth objections, rebuttal, extenuation, mitigation, or explanation, as appropriate. If you do not file any objections or submit any additional information . . . your case will be assigned to an Administrative Judge for a determination based solely" on the evidence set forth in this FORM. (FORM at 3) Applicant's FORM response did not include corroborating and substantiating documentation showing resolution of his mortgage or tax debts.

There is no evidence that Applicant received financial counseling. There is no evidence that he abused alcohol or illegal drug use. In Applicant's FORM response, he said:

I have held a SECRET Clearance for 35 years and worked for [a large defense contractor] supporting our Nation's Navy and [have] not had as much as a speeding ticket during that period. I have been a good citizen and supported numerous assignments during my work experience, with no incidents reported. I have been loyal to the Nation and do not intend to change my views. In addition to continuing to take care of my obligations, I will continue to be [a] loyal and good citizen.

Policies

The U.S. Supreme Court has recognized the substantial discretion of the Executive Branch in regulating access to information pertaining to national security emphasizing, "no one has a 'right' to a security clearance." *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). As Commander in Chief, the President has the authority to control access to information bearing on national security and to determine whether an individual is sufficiently trustworthy to have access to such information." *Id.* at 527. The President has authorized the Secretary of Defense or his designee to grant applicant's eligibility for access to classified information "only upon a finding that it is clearly consistent with the national interest to do so." Exec. Or. 10865, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960), as amended.

Eligibility for a security clearance is predicated upon the applicant meeting the criteria contained in the revised adjudicative guidelines. These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with an evaluation of the whole person. An administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. An administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable.

The Government reposes a high degree of trust and confidence in persons with access to classified information. This relationship transcends normal duty hours and endures throughout off-duty hours. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation about potential, rather than actual, risk of compromise of classified information. Clearance decisions must be "in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned." See Exec. Or. 10865 § 7. Thus, nothing in this decision should be construed to suggest that it is based, in whole or in part, on any express or implied determination about applicant's allegiance, loyalty, or patriotism. It is merely an indication the applicant has not met the strict guidelines the President and the Secretary of Defense have established for issuing a clearance.

Initially, the Government must establish, by substantial evidence, conditions in the personal or professional history of the applicant that may disqualify the applicant from being eligible for access to classified information. The Government has the burden of establishing controverted facts alleged in the SOR. See *Egan*, 484 U.S. at 531. "Substantial evidence" is "more than a scintilla but less than a preponderance." See *v. Washington Metro. Area Transit Auth.*, 36 F.3d 375, 380 (4th Cir. 1994). The guidelines presume a nexus or rational connection between proven conduct under any of the criteria listed therein and an applicant's security suitability. See ISCR Case No. 95-0611 at 2 (App. Bd. May 2, 1996).

Once the Government establishes a disqualifying condition by substantial evidence, the burden shifts to the applicant to rebut, explain, extenuate, or mitigate the facts. Directive ¶ E3.1.15. An applicant "has the ultimate burden of demonstrating that it is clearly consistent with the national interest to grant or continue his security clearance." ISCR Case No. 01-20700 at 3 (App. Bd. Dec. 19, 2002). The burden of disproving a mitigating condition never shifts to the Government. See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005). "[S]ecurity clearance determinations should err, if they must, on the side of denials." *Egan*, 484 U.S. at 531; see AG ¶ 2(b).

Analysis

Financial Considerations

AG ¶ 18 articulates the security concern relating to financial problems:

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.

AG ¶ 19 provides three disqualifying conditions that could raise a security concern and may be disqualifying in this case: "(a) inability or unwillingness to satisfy debts;" "(c) a history of not meeting financial obligations;" and "(g) failure to file annual Federal, state, or local income tax returns as required" Applicant's history of delinquent debt is documented in his credit report, SF 86, and SOR response. His records document evidence of a delinquent mortgage for \$462,000 and a delinquent credit line for \$60,000. He failed to include the income from his 401(k) withdrawal on his federal and state income tax returns, resulting in a substantial underpayment of his required taxes. The IRS and the state, in turn, obtained liens totaling about \$80,000. Repossession of a vehicle his spouse was using resulted in a \$3,500 debt. The Government established the disqualifying conditions in AG ¶¶ 19(a), 19(c), and 19(g) requiring additional inquiry about the possible applicability of mitigating conditions.

Five 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), and the individual acted responsibly under the circumstances;

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

(d) the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts;⁴ and

⁴The Appeal Board has previously explained what constitutes a "good faith" effort to repay overdue creditors or otherwise resolve debts:

In order to qualify for application of [the "good faith" mitigating condition], an applicant must present evidence showing either a good-faith effort to repay overdue creditors or some other good-faith action aimed at resolving the applicant's debts. The Directive does not define the term "good-faith." However, the Board has indicated that the concept of good-faith "requires a showing that a person acts in a way that shows reasonableness, prudence, honesty, and adherence to duty or obligation." Accordingly, an applicant must do more than merely show that he or she relied on a legally available option (such as bankruptcy) in order to claim the benefit of [the "good faith" mitigating condition].

(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.

The Appeal Board concisely explained Applicant's responsibility for proving the applicability of mitigating conditions as follows:

Once a concern arises regarding an Applicant's security clearance eligibility, there is a strong presumption against the grant or maintenance of a security clearance. See *Dorfmont v. Brown*, 913 F. 2d 1399, 1401 (9th Cir. 1990), *cert. denied*, 499 U.S. 905 (1991). After the Government presents evidence raising security concerns, the burden shifts to the applicant to rebut or mitigate those concerns. See Directive ¶ E3.1.15. The standard applicable in security clearance decisions is that articulated in *Egan, supra*. "Any doubt concerning personnel being considered for access to classified information will be resolved in favor of the national security." Directive, Enclosure 2 ¶ 2(b).

ISCR Case No. 10-04641 at 4 (App. Bd. Sept. 24, 2013).

Applicant's conduct in resolving his delinquent debt does not warrant full application of mitigating conditions to all of his SOR debts; however, he presented some important mitigating information. Two circumstances beyond his control adversely affected his finances: (1) he became separated from his spouse in 2007; and (2) the real estate market declined in 2007 to 2009 where Applicant's house was located. He provided the amount of his spousal support; however, he did not provide sufficient information about why the foreclosure was necessary and whether he still owes the mortgage lender anything. He did not describe financial counseling. Applicant is credited with mitigating the three debts in SOR ¶¶ 1.c(1) for \$120, 1.c(3) for \$192, and 1.c(4) for \$82. These three debts are too minimal to raise a security concern in comparison to his mortgage and tax debts, and his credit report shows numerous debts paid as agreed.

Applicant did not provide any of the following documentation relating to the SOR-listed mortgage, line of credit, repossessed vehicle, and tax debts: (1) proof of payments, such as checking account statements, photocopies of checks, or a letter from the creditor proving that he paid or made any payments to the creditors; (2) correspondence to or from any creditors to establish maintenance of contact with creditors;⁵ (3) credible debt disputes indicating he did not believe he was responsible for

(internal citation and footnote omitted) ISCR Case No. 02-30304 at 3 (App. Bd. Apr. 20, 2004) (quoting ISCR Case No. 99-9020 at 5-6 (App. Bd. June 4, 2001)).

⁵"Even if Applicant's financial difficulties initially arose, in whole or in part, due to circumstances outside his [or her] control, the Judge could still consider whether Applicant has since acted in a reasonable manner when dealing with those financial difficulties." 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); ISCR Case No. 03-13096 at 4 (App. Bd. Nov. 29, 2005)). A component is

the debts and why he held such a belief; (4) attempts to negotiate payment plans, such as settlement offers or agreements to show that he was attempting to resolve these debts; or (5) other evidence of progress or resolution of these debts.

Applicant may not owe the mortgage debt alleged in the SOR because state law in a nonrecourse state may result in resolution of this debt. He may also be close to paying off his federal tax debt. However, he has not provided supporting documentation to establish the resolution or status of these debts. He did not establish mitigation under AG ¶ 20(e) because he did not provide copies of letters to the SOR creditors and credit reporting companies or other similar documentation disputing his responsibility for debts.

There is insufficient evidence about why Applicant was unable to make greater documented progress resolving more of his SOR debts. He did not provide a budget. There is insufficient assurance that his financial problems are being resolved, are under control, and will not recur in the future. Under all the circumstances, he failed to establish that financial consideration security concerns are mitigated.

Personal Conduct

AG ¶ 15 expresses the security concern pertaining to personal conduct:

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 one condition that could raise a security concern and may be disqualifying with respect to the alleged falsification of his May 14, 2014 SF 86 used to process the adjudication of Applicant's security clearance in this case:

(a) deliberate omission, concealment, or falsification of relevant facts from any personnel security questionnaire, personal history statement, or similar form used to conduct investigations, determine employment qualifications, award benefits or status, determine security clearance eligibility or trustworthiness, or award fiduciary responsibilities.⁶

whether he or she maintained contact with creditors and attempted to negotiate partial payments to keep debts current.

⁶The Appeal Board has cogently explained the process for analyzing falsification cases, stating:

(a) when a falsification allegation is controverted, Department Counsel has the burden of proving falsification; (b) proof of an omission, standing alone, does not establish or prove an applicant's intent or state of mind when the omission occurred; and (c) a Judge must consider the record evidence as a whole to determine whether there is direct or circumstantial evidence concerning the applicant's intent or state of mind at the time the omission occurred. [Moreover], it was legally permissible for the Judge to conclude

Section 26 of Applicant's May 14, 2014 SF 86 asked whether in the last seven years any of the following financial events occurred: (1) he defaulted on any loans; (2) he had been over 120 days delinquent on any debt; (2) he had any property repossessed or foreclosed; (3) he failed to file or pay Federal, state, or other taxes when required by law or ordinance; and (4) he had any wages, benefits, or assets garnished or attached for any reason. Section 26 also sought information by asking Applicant whether he is: (1) currently delinquent on any federal debt; and (2) currently over 120 days delinquent on any debts. Applicant answered, "Yes" and indicated he was currently delinquent on an unspecified federal debt. He also disclosed that he had been paying \$3,158 monthly in spousal maintenance starting in March 2012, and his payments would continue through March 2017. These answers show he read the questions, and his work and education history are sufficient to establish he understood the information that his SF 86 sought. Applicant wrote "I admit" next to the SOR allegations under Guideline E. Applicant understood that the DOD was seeking specific derogatory or negative financial information about his history of delinquent debt. He should have disclosed his mortgage foreclosure, his delinquent line of credit, his repossessed vehicle, and his delinquent state and federal income tax debts. AG ¶ 16(a) is established.

AG ¶ 17 provides seven conditions that could mitigate security concerns in this case:

- (a) the individual made prompt, good-faith efforts to correct the omission, concealment, or falsification before being confronted with the facts;
- (b) the refusal or failure to cooperate, omission, or concealment was caused or significantly contributed to by improper or inadequate advice of authorized personnel or legal counsel advising or instructing the individual specifically concerning the security clearance process. Upon being made aware of the requirement to cooperate or provide the information, the individual cooperated fully and truthfully;
- (c) the offense is so minor, or so much time has passed, 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;
- (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;

Department Counsel had established a prima facie case under Guideline E and the burden of persuasion had shifted to the applicant to present evidence to explain the omission.

ISCR Case No. 03-10380 at 5 (App. Bd. Jan. 6, 2006) (citing ISCR Case No. 02-23133 (App. Bd. June 9, 2004)).

(e) the individual has taken positive steps to reduce or eliminate vulnerability to exploitation, manipulation, or duress;

(f) the information was unsubstantiated or from a source of questionable reliability; and

(g) association with persons involved in criminal activity has ceased or occurs under circumstances that do not cast doubt upon the individual's reliability, trustworthiness, judgment, or willingness to comply with rules and regulations.

Applicant deliberately and improperly failed to disclose his mortgage foreclosure, his delinquent line of credit, his repossessed vehicle, and specific information about his delinquent state and federal income tax debts on his May 14, 2012 SF 86. An intentional omission allegation is not mitigated when an applicant admits the omission after an investigator tells him or her that the government has already learned facts establishing the omission.⁷ Once it becomes apparent to an applicant that an investigator is likely to discover derogatory information, it is too late to receive mitigating credit under AG ¶ 17(a). In the instant case, Applicant disclosed to the OPM investigator that he had a substantial federal tax debt he was paying. However, he did not disclose his other financial problems before being confronted with the derogatory financial information.

In sum, Applicant's falsification of his security clearance application by intentionally failing to disclose his negative financial information was improper and raised a security concern. He did not sufficiently correct the omission, concealment, or falsification before being confronted with the facts. No mitigating conditions apply. Guideline E concerns are not mitigated.

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 the circumstances. The administrative judge should consider the nine adjudicative process factors listed at AG ¶ 2(a):

(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.

⁷ISCR Case No. 02-30369 at 5 (App. Bd. Oct. 27, 2006) (sustaining denial of security clearance); ISCR Case No. 04-00789 at 7 (App. Bd. June 28, 2006) (reversing grant of security clearance); ISCR Case No. 99-0557 at 4 (App. Bd. July 10, 2000) (reversing grant of security clearance). See also ISCR Case No. 05-10921 at 4 (App. Bd. Apr. 19, 2007).

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. I have incorporated my comments under Guidelines F and E in my whole-person analysis. Some of the factors in AG ¶ 2(a) were addressed under those guidelines, but some warrant additional comment.

There is some evidence supporting approval of Applicant's clearance. Applicant is a 61-year-old field engineer, who has been employed by a defense contractor since May 1980. In 1976, he received a bachelor's degree from an engineering college. His separation from his spouse and the decline in real estate values from 2007 through 2009 in the state where he owned a home adversely affected his finances. There is no evidence of abuse of alcohol or illegal drug use. He disclosed some of his financial problems on his SF 86, and he volunteered some derogatory financial information during his OPM PSI.

The financial and personal conduct evidence against approval of Applicant's clearance is more substantial at this time. Applicant has a history of financial problems. He did not provide sufficient evidence to show resolution of his: (1) delinquent mortgage debt for \$462,000; (2) a delinquent credit line for \$60,000; (3) liens or debts from the state and IRS totaling about \$80,000; and (4) a vehicle repossession resulting in a \$3,500 debt. He did not provide any corroborating or substantiating documentary evidence of his payments to address these five debts. He did not provide documentation showing his attempts to resolve these four financial issues in good faith. The SOR and SOR response raises unmitigated questions about Applicant's reliability, trustworthiness, and ability to protect classified information. See AG ¶ 18. More information about inability to pay debts, financial history, or documented financial progress is necessary to mitigate financial considerations security concerns. Additionally, Applicant intentionally failed to fully disclose derogatory financial information on his May 14, 2014 SF 86.

I have carefully applied the law, as set forth in *Egan*, Exec. Or. 10865, the Directive, and the AGs, to the facts and circumstances in the context of the whole person. I conclude that financial consideration and personal conduct security concerns are not mitigated, and it is not clearly consistent with the national interest to grant or reinstate Applicant's security clearance eligibility at this time.

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 E:	AGAINST APPLICANT
Subparagraphs 1.a through 1.c:	Against Applicant
Paragraph 2, Guideline F:	AGAINST APPLICANT
Subparagraph 2.a:	Against Applicant

Conclusion

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

MARK HARVEY
Administrative Judge