



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



In the matter of:	)	
	)	
[Name Redacted]	)	ISCR Case No. 16-02865
	)	
Applicant for Security Clearance	)	

**Appearances**

For Government: Rhett E. Petcher, Esq., Department Counsel  
For Applicant: *Pro se*

03/25/2019

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**Decision**

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MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant has only just begun addressing most of his delinquencies, some of which have been past due since 2012. The financial considerations security concerns are not yet mitigated. Clearance is denied.

**Statement of the Case**

On November 20, 2017, the Department of Defense Consolidated Adjudications Facility (DOD CAF) issued a Statement of Reasons (SOR) to Applicant, detailing security concerns under Guideline F, financial considerations. The SOR explained why the DOD CAF was unable to find it clearly consistent with the national interest to grant or continue security clearance eligibility for him. The DOD CAF took the action under Executive Order (EO) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the *National Security Adjudicative Guidelines for Determining Eligibility for Access to Classified Information or Eligibility to Hold a Sensitive Position* (AG) effective within the DOD on June 8, 2017.

Applicant responded to the SOR on November 29, 2017, and requested a hearing before an administrative judge from the Defense Office of Hearings and Appeals (DOHA). On April 18, 2018, the case was assigned to me to conduct a hearing to determine whether it is clearly consistent with the national interest to grant or continue a security clearance for Applicant. On April 23, 2018, I scheduled a hearing for May 16, 2018.

Applicant failed to appear at his hearing scheduled for May 16, 2018, for medical reasons unknown to the Government before the hearing date. On May 29, 2018, I sent a certified letter to Applicant advising him that I would reschedule his hearing, but only for good cause. On June 4, 2018, I received documentation confirming that Applicant was on approved disability from April 4, 2018, through at least June 17, 2018. I granted a continuance at Applicant's request. On August 6, 2018, I rescheduled his hearing for September 19, 2018, advising him to note the change in location from the hearing scheduled for May 2018.

Applicant did not show for his hearing on September 19, 2018. He went to the location of his hearing scheduled for May 2018, because he had lost the amended notice noting the change in location. With no objection from the Government, on January 15, 2019, I issued yet another amended notice, scheduling his hearing for February 13, 2019.

At the hearing held as rescheduled on February 13, 2019, four Government exhibits (GEs 1-4) were admitted in evidence. A December 20, 2017 letter forwarding the proposed GEs to Applicant and a list of the GEs were marked as hearing exhibits (HEs I and II) for the record, but were not admitted for evidentiary purposes. Applicant submitted one exhibit (AE A) and testified, as reflected in a transcript (Tr.) received on February 27, 2019.

I held the record open to March 15, 2019, for post-hearing submissions from Applicant. On March 13, 2019, he submitted AEs B-G, which were admitted in evidence without any objections.

### **Findings of Fact**

The SOR alleges under Guideline F that, as of November 20, 2017, Applicant owed delinquent debt totaling \$44,184 on nine accounts (SOR ¶¶ 1.a-1.i). In response to the SOR allegations, Applicant admitted three consumer credit debts of \$15,449 (SOR ¶ 1.c), \$4,743 (SOR ¶ 1.d), and \$6,126 (SOR ¶ 1.e). He denied owing a \$131 satellite-television debt (SOR ¶ 1.a), a \$1,323 medical debt in collection (SOR ¶ 1.b), a \$765 charged-off balance (SOR ¶ 1.f), a delinquent mortgage past due for \$13,748 (SOR ¶ 1.g), a \$1,183 utility debt in collection (SOR ¶ 1.h), and a \$666 collection debt (SOR ¶ 1.i).

After considering the pleadings, exhibits, and transcript, I make the following findings of fact.

Applicant is a 55-year-old extrusion engineer with a general equivalency diploma. He has worked for a defense contractor since July 2015. He testified that he held a clearance that was withdrawn, but he does not know the level. (Tr. 34-35.) He was married

to his first wife from August 1991 to October 2009, and has a 21-year-old son from that union. He has a 37-year-old daughter from a previous relationship. Applicant and his current spouse began cohabiting in September 2011. They married in September 2018. (GE 1; AE A; Tr. 30.)

Applicant worked as a vice president of sales for his brother's company from October 1994 to July 2009. In July 2009, he left his job paying him \$90,000 annually to start his own extrusion business in another part of their state. The expectation was that his brother would refer business to him. (GE 1; Tr. 37-38, 41-42.) In October 2009, Applicant purchased a home in his new area. He made a down payment of \$25,000 and obtained a mortgage loan of \$144,000 (SOR ¶ 1.g) to be repaid at \$1,302 monthly. (GEs 1-4; Tr. 63-64.) In December 2009, he charged \$1,088 on a jewelry store account for earrings (not alleged in SOR). In October 2010, he bought a snowmobile, obtaining a loan for \$11,264, to be repaid at \$228 per month (SOR ¶ 1.d). In December 2011, he bought a car with a loan of \$16,439 (not alleged in SOR). Applicant relied on credit cards obtained in August 1987 (SOR ¶ 1.c) and January 2010 (SOR ¶ 1.e) for household needs. (GEs 2-4; AE A; Tr. 47.)

Applicant's income from his business was about \$40,000 a year at first. It never exceeded \$100,000. He incurred unexpected expenses in renting a building that did not have adequate electrical voltage to run the equipment needed for his business. (Tr. 38-40.) He had to buy a transformer that cost \$25,000, which was delayed in its delivery. It put his business behind at the start. (Tr. 38-40.) Then Applicant's brother stopped sending him business. Applicant's income dropped to \$10,000, and he began to default on some financial obligations. (Tr. 65-66.)

Applicant made no payments after February 2012 on the snowmobile (SOR ¶ 1.d), and the recreational vehicle was subsequently repossessed. The deficiency balance on his loan was charged off for \$4,743 and placed for collection in November 2012. (Tr. 56.) His credit-card account in SOR ¶ 1.c became seriously delinquent in October 2012 and was charged off for \$15,000. He had a second account with the creditor opened in September 1987 with a high credit of \$254 that had been closed due to inactivity in September 2012. He made a last payment on his credit card in SOR ¶ 1.e in March 2012, and the creditor charged off his account for \$6,126 in May 2012. Applicant stopped paying on his jewelry debt in early 2013, and his account was charged off for \$733 in approximately July 2013. (GEs 1-4.)

In early 2013, Applicant's business lost its biggest customer. (Tr. 25-26, 40.) Around February 2013, Applicant had a heart attack.<sup>1</sup> He incurred a \$1,323 ambulance charge that he did not repay. He was not held responsible for repayment of his other medical bills because his income was minimal. (Tr. 49.)

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<sup>1</sup> Applicant testified that he had a heart attack in 2014, shortly before he went to work for the trucking company. (Tr. 49-50.) Available credit reports show that the medical bill at issue is from February 2013. (GEs 2-3.) According to his SF 86, he began working for the trucking company in 2013. (GE 1.) His present recollection of the 2014 date appears to be inaccurate. (Tr. 81.)

In July 2013, Applicant closed his business. He used his retirement savings to pay his business creditors. (Tr. 68.) He paid off a personally-guaranteed business loan of \$77,090 in September 2013. (GE 3.) He made no payments toward his mortgage loan (SOR ¶ 1.g) after July 2013, however, and he vacated the property in September 2013. As of April 2014, his loan was \$13,748 past due on a balance of \$136,203. (GEs 1-4.) Applicant testified that he was told when he vacated the property “that would be fine.” He had about \$20,000 in equity in the property. (Tr. 27, 69-71.)

From July 2013 to June 2015, Applicant worked as a truck driver earning approximately \$50,000 annually. (GE 1; Tr. 26, 36.) In October 2013, his car was repossessed, and his account was charged off. (GEs 1-4.) He borrowed \$20,000 from his brother to purchase a used car. According to Applicant, his brother does not expect to be repaid. (Tr. 78-79.) A satellite-television debt of \$131 from January 2015 was charged off and then placed for collection (SOR ¶ 1.a). A credit-card account opened in May 2015 became delinquent in July 2015, and a \$696 debt was charged off and placed for collection (SOR ¶ 1.i). (GEs 1-4.)

In July 2015, Applicant began working for his defense-contractor employer. On August 31, 2015, he completed and certified to the accuracy of a Questionnaire for National Security Positions (SF 86). In response to financial inquiries regarding any delinquency on routine accounts, he indicated that he owed past-due credit-card debts of \$6,126 (SOR 1.e), \$15,449 (SOR ¶ 1.c), and \$733 for jewelry (not alleged in SOR). Applicant indicated that he owed nothing on his defaulted snowmobile, car, and home loans. Concerning his defaulted mortgage loan, he indicated that his loan was resolved in April 2014, when he returned the keys to the property (SOR ¶ 1.g). He attributed his financial delinquencies to his business loss and expressed his intention to repay his credit-card debts. He also related that he was discussing possible options with an attorney about the credit-card debt in SOR ¶ 1.c. (GE 1.) At his hearing, he elaborated that he had discussed filing for bankruptcy with an attorney, but he felt at the time that he would get a chance to repay his creditors. (Tr. 48.)

A check of Applicant’s credit on September 5, 2015, revealed that his \$15,449 and \$6,126 credit-card debts, his \$4,743 snowmobile loan balance, and his \$1,323 medical debt from February 2013 (SOR ¶ 1.b) were in collection. His defaulted mortgage was \$13,748 past due as of April 2014. A credit card was past due 30 days for \$50 on a \$468 balance (SOR ¶ 1.i). Applicant was making timely payments on two credit cards with balances of \$4,088 with creditor X and \$584 with creditor Y. (GE 2.)

On October 6, 2015, Applicant was interviewed by an authorized investigator for the Office of Personnel Management (OPM). When asked about his delinquent accounts, Applicant admitted that he owed the \$15,449 and \$6,126 credit-card debts. He asserted that he owed nothing on the defaulted jewelry account, snowmobile loan, or mortgage loan. When confronted about the \$1,323 medical debt, Applicant indicated that it was an ambulance bill that he was disputing because the ambulance broke down while transporting him to the hospital. As for the credit card that was past due for \$50 (SOR ¶ 1.i), Applicant explained that he was having trouble contacting the creditor to repay the

debt. He expressed a plan to start making monthly payments toward his delinquencies by January 2016, and to attempt to verify his disputed debts. He described his financial situation as stable and catching up. (AE A.)

In February 2016, the credit-card account that had been past due for \$50 was placed for collection for \$696 with the creditor in SOR ¶ 1.i. In April 2016, a utility provider placed a \$1,183 debt for collection (SOR ¶ 1.h). (GE 3.) Applicant claims that the debt was incurred by subsequent tenants after he moved out of the apartment (Tr. 71), but he submitted no proof, and it is on his credit report. In April 2016, Applicant opened a credit-card account, which had a current balance of \$535 as of July 2016 (SOR ¶ 1.f). As of August 2016, Applicant was making timely payments to creditor X toward a \$3,376 balance. (GE 3.)

As of November 15, 2017, Equifax reported no progress toward resolving the delinquencies in the SOR. Applicant's foreclosed mortgage loan was listed as \$13,748 past due as of April 2014 with no recent update. The balance on the defaulted snowmobile loan (SOR ¶ 1.d) had accrued to \$7,488. The \$131 satellite-television debt (SOR ¶ 1.a) had been placed for collection in March 2017, and was listed as unpaid as of November 5, 2017, although Applicant testified at his hearing that he paid the debt by check "a couple of years ago." (Tr. 43.) His account with creditor X was current with a \$3,293 balance. The account has a credit limit of \$3,300. (GE 4.) As of August 2015, his credit limit on the account was \$4,000. (GE 2.)

At his hearing, Applicant testified about the delay in addressing his past-due debts that "things are just coming up in my life that are out of my control, and you know, take precedence over paying debts off." (Tr. 25.) He had a motorcycle accident while on vacation visiting his brother in February 2018, and he was out of work on disability for about eight months. (Tr. 25, 28, 74-75.) His disability income was "basically the same" as his employment income, but it was paid out in lump sums. (Tr. 28.) His friends raised about three months' rent for him when he was in the hospital being treated for a traumatic brain injury following his accident. (Tr. 29.)

On March 13, 2019, Applicant stated that the credit-card account in SOR ¶ 1.c and the defaulted mortgage (SOR ¶ 1.g) were being removed from his credit report. (AE B.) A record from the creditor (AE D) indicates that it could not verify an account ending in x36423. (AE D.) That account number matches that of the account that was closed in 2012 due to inactivity and not the account ending in x23183, on which Applicant owes a \$15,449 balance. Applicant admitted that he has paid nothing on the credit-card debt in SOR ¶ 1.c, but he is not receiving any collection notices. (Tr. 47, 55.) Concerning the defaulted mortgage, documentation from the creditor indicates only that Applicant was provided with the company's credit retraction fax number so that they could attempt to resolve his inquiry. (AE E.) Applicant testified that the debt should no longer be on his credit report because the house was sold for more than what he paid for it. (Tr. 77.) Applicant presented documentation showing that his spouse had delinquent cellphone (AE F) and cable television (AE G) accounts that were settled in November 2017. On March 11, 2019, Applicant made a \$1,000 payment to creditor X. (AE C.)

Applicant indicates that he had an agreement with the creditor in SOR ¶ 1.e to settle his \$6,126 debt for \$3,500. (AE B.) At his hearing, he testified that, a few months ago, he was told he could settle the debt for \$3,000, and he told the creditor that he would respond when he had the money to settle it. (Tr. 57.) Applicant asserts that he had reached out to the creditor in SOR ¶ 1.d but had no payment plan in place to address his defaulted snowmobile loan; that he paid \$131 to resolve the satellite-television debt (SOR ¶ 1.a); that the utility provider in SOR ¶ 1.h was still trying to locate his account; and that he was still trying to connect with the creditor in SOR ¶ 1.f about that credit-card debt that he now believes has not been paid. Applicant added that it was going to take some time to address his debts, but that he is “on top of it.” (AE B.) Applicant understands that he has to repay the ambulance debt (SOR ¶ 1.b), but he believes the ambulance company should be held accountable because the ambulance broke down on the highway when he was having a heart attack. (Tr. 45-46.) He acknowledges that he has made no payment on the credit-card debt in collection with the entity in SOR ¶ 1.i. (Tr. 72.)

Applicant’s son currently attends a community college. Applicant cashed in his life insurance policy of \$26,000 to pay his son’s tuition. Applicant gives his son about \$100 a week for his college expenses. (Tr. 32-33.)

Applicant’s current salary with the defense contractor is \$75,000. He has earned bonuses annually of about \$2,500. (Tr. 35-36.) He estimates that he owes approximately \$5,000 in medical bills as a result of his accident. He also will have some medical bills for a procedure in January 2019, although he expects them to be minimal because he has medical insurance. (Tr. 52-54.) He returned to work the day following the procedure. (Tr. 54.) For the most part, he lives from paycheck to paycheck. When he has extra money, he tries to pay off debts. (Tr. 76.) As of his hearing in February 2019, he had about \$9 in his checking account. (Tr. 79.) His spouse receives about \$900 a month in Social Security Disability income. (Tr. 82.) Applicant and his spouse pay \$1,800 per month in rent. (Tr. 83.)

## **Policies**

The U.S. Supreme Court has recognized the substantial discretion the Executive Branch has in regulating access to information pertaining to national security, emphasizing that “no one has a ‘right’ to a security clearance.” *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). When evaluating an applicant’s suitability for a security clearance, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are required to be considered 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 overall adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(a), 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. Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Under Directive ¶ E3.1.15, the applicant is responsible for presenting “witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by applicant or proven by Department Counsel. . . .” The applicant has the ultimate burden of persuasion to obtain 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 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. 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 concerns about financial considerations are articulated 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. . . .

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.

Available credit information establishes that Applicant incurred the delinquencies alleged in the SOR. It is unclear whether the mortgage delinquency is still owed. The debt was on his credit report as \$13,748 past due as of November 2017, but the information about the delinquency was from April 2014. Applicant testified that the house was sold for more than what he paid for it, although he provided no proof of the sale. Even so, he does not dispute that he stopped paying on the mortgage loan and lost the house. His record of delinquent accounts establishes disqualifying conditions AG ¶¶ 19(a), "inability to satisfy debts," and 19(c), "a history of not meeting financial obligations."

The applicability of the aforesaid disqualifying conditions shifts the burden to Applicant to demonstrate that one or more of the following mitigating conditions under AG ¶ 20 applies:

- (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 person has received or is receiving counseling for the problem from a legitimate and credible source, such as a non-profit credit counseling service, and there are clear indications that the problem is being resolved or is under control;
- (d) the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts; and
- (e) the individual has a reasonable basis to dispute the legitimacy of the past-due debt which is the cause of the problem and provides documented proof to substantiate the basis of the dispute or provides evidence of actions to resolve the issue.

AG ¶ 20(a) applies only in that some of the debts first became delinquent more than five years ago. Applicant stopped paying on the credit cards in SOR ¶¶ 1.c and 1.e and the snowmobile loan in 2012. The ambulance debt (SOR ¶ 1.b) is from February 2013. His last



payment on the mortgage loan (SOR ¶ 1.g) was in July 2013. However, his failure to address these past-due debts constitutes continuing conduct of security concern that is not mitigated under AG ¶ 20(a). The satellite-television debt in SOR ¶ 1.a, the credit-card debt in SOR ¶ 1.i, and the utility debt in SOR ¶ 1.h, which are all from 2015, and the credit-card delinquency in SOR ¶ 1.e from 2016, are evidence of recent financial problems that cast doubt on his judgment and reliability and are not mitigated by AG ¶ 20(a).

Applicant has a case for some mitigation under AG ¶ 20(b). The debts that became delinquent in 2012 and 2013 were caused by the failure of his business. Applicant could not control economic conditions in his area or the decisions of others (his brother and his biggest customer) that led to a significant loss of business for his company and the consequent decline in his income. Even so, in starting his own business, Applicant took a risk that it may not be financially profitable. The ambulance debt resulted from a medical emergency, which is a circumstance contemplated within AG ¶ 20(b). Regarding those accounts that became delinquent in 2015 or 2016, it is unclear what was transpiring that caused him to fall behind so seriously on his utility costs or to cease paying in July 2015 on the credit card placed with the collection entity in SOR ¶ 1.i and in November 2016 on the credit card in SOR ¶ 1.f.

Even if Applicant's financial difficulties initially arose, in whole or in part, due to circumstances outside of his control, I have to consider whether Applicant acted in a reasonable manner when dealing with his financial difficulties. 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); ISCR Case No. 03-13096 at 4 (App. Bd. Nov. 29, 2005)). A component of good financial management is whether an individual maintains contact with his or her creditors and attempts in good faith to arrange for repayment. In that regard, Applicant's evidence falls considerably short of showing any ongoing contact with his creditors. He claims that he paid the \$131 satellite-television debt a couple of years ago, but his November 2017 credit report shows the debt as unpaid. The cellphone and cable bills that were settled in November 2017 were his spouse's debts. Even though Applicant may reasonably be excused from addressing his delinquent accounts while he was out of work for eight months following his serious motorcycle accident in 2018, he has known since his August 2015 SF 86 that his delinquencies were of concern to the DOD, and he was not proactive about his debts after he returned to work. Although he had medical treatment in January 2019, he apparently returned to work the following day. He had a hearing for September 2018 that was rescheduled, and yet he inexplicably took little action before his February 2019 hearing to address the issues that have been of concern to the DOD for several years.

Neither AG ¶ 20(c) nor AG ¶ 20(d) has been shown to fully apply without a track record of repayment. There is no evidence that Applicant is being pursued for any deficiency on the delinquent mortgage loan. Abandonment of a financial obligation is not a good-faith effort to resolve a debt. Applicant presented no documentation to establish that the debt was resolved through a foreclosure sale that could mitigate the debt under AG ¶ 20(e). Even if that debt is no longer owed, his other past-due debts total more than \$30,000, which is a significant debt burden for Applicant, who is living largely from

paycheck to paycheck. Promises to pay a debt at some future date are not a substitute for financially responsible behavior. The Appeal Board has held that applicants who only begin to address their financial issues when their personal interests are at stake may not comply with laws, rules, and regulations when their immediate interests are not imperiled. See ISCR Case No. 17-01382 (App. Bd. May 16, 2018) and ISCR Case No. 16-01211 (App. Bd. May 30, 2018). Applicant lacks a documented track record of timely payments that could alleviate the concerns for his financial judgment.

### **Whole-Person Concept**

In assessing the whole person, the administrative judge must consider the totality of an applicant's conduct and all relevant circumstances in light of the nine adjudicative process factors in AG ¶ 2(d). The analysis under Guideline F is incorporated in my whole-person analysis. Some of the factors in AG ¶ 2(d) were addressed under that guideline, but some warrant additional comment.

The security clearance adjudication involves an evaluation of an applicant's judgment, reliability, and trustworthiness in light of the security guidelines in the Directive. See ISCR Case No. 09-02160 (App. Bd. Jun. 21, 2010). It is not a proceeding designed to collect debts. Applicant has worked for his employer since July 2015, and I have no reason to doubt his assertion that he is dedicated to his duties. He indicates that he will continue to clean up his credit. Had he not waited until February and March 2019 to take action, he would perhaps have been in a better position to demonstrate that he has established a plan to resolve his financial problems and taken significant actions to implement it.

The Appeal Board has repeatedly held that the government need not wait until an applicant mishandles or fails to safeguard classified information before denying or revoking security clearance eligibility. See, e.g., ISCR Case No. 08-09918 (App. Bd. Oct. 29, 2009) (citing *Adams v. Laird*, 420 F.2d 230, 238-239 (D.C. Cir. 1969)). It is well settled that once a concern arises regarding an applicant's security clearance eligibility, there is a strong presumption against the grant or renewal of a security clearance. See *Dorfmont v. Brown*, 913 F. 2d 1399, 1401 (9th Cir. 1990). For the reasons noted, I am unable to conclude that it is clearly consistent with the national interest to grant or continue security clearance eligibility for Applicant.

### **Formal Findings**

Formal findings for or against Applicant on the allegations set forth in the SOR, as required by section E3.1.25 of Enclosure 3 of the Directive, are:

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraphs 1.a-1.i:	Against Applicant

## **Conclusion**

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

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Elizabeth M. Matchinski  
Administrative Judge