



DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF HEARINGS AND APPEALS



In the matter of:)
)
 REDACTED) ISCR Case No. 19-01132
)
 Applicant for Security Clearance)

Appearances

For Government: Carroll J. Connelley, Esq., Department Counsel
For Applicant: *Pro se*

12/03/2019

Decision

MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant defaulted on several debts totaling \$14,859. He was not paid for work for his cousin between May 2014 and November 2016, which compromised his ability to make payments. He brought current a delinquent truck loan, and in July 2019 entered into a debt repayment plan covering his larger debts, but he lacks a track record of timely payments that could fully mitigate the financial considerations security concerns. Clearance is denied.

Statement of the Case

On May 13, 2019, 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.

On May 21, 2019, Applicant responded to the SOR allegations and requested a hearing before an administrative judge from the Defense Office of Hearings and Appeals (DOHA). On August 19, 2019, Department Counsel indicated that the Government was ready to proceed to a hearing. On August 21, 2019, 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 August 28, 2019, I scheduled a hearing for September 25, 2019.

At the hearing held as scheduled, four Government exhibits (GEs 1-4) were admitted in evidence without any objections. Applicant submitted no documents but testified on his behalf, as reflected in a transcript (Tr.) received on October 8, 2019. I held the record open after the hearing, initially to October 11, 2019, for documentary exhibits from Applicant.

On October 11, 2019, Applicant submitted a residential lease agreement, which was admitted into evidence as Applicant exhibit (AE) A. In a separate email, which was accepted into the record as AE B, Applicant requested an extension of two weeks of the deadline for post-hearing submissions. No additional documents were received by the October 25, 2019 deadline.

Findings of Fact

The SOR alleges under Guideline F that, as of the May 13, 2019 SOR, Applicant owed delinquent debts totaling \$14,859 (SOR ¶¶ 1.a-1.j) on ten accounts. Applicant admitted the debts when he answered the SOR allegations. He indicated that a \$749 collection debt (SOR ¶ 1.a) had been brought current; that he would pay a \$105 cable-services debt (SOR ¶ 1.f) first; and would “slowly knock off each [of the other] debts one at a time.” After considering the pleadings, exhibits, and transcripts, I make the following findings of fact.

Applicant is a 36-year-old high school graduate. He has been working for a defense contractor as a mechanical technician since June 2017. He held an interim secret clearance until it was withdrawn on issuance of the SOR. He does not currently hold a security clearance. (GEs 1-2; Tr. 29-30.) Applicant believes his employment will continue if he is not granted security clearance eligibility, but that his opportunity for advancement will be hampered without a clearance. (Tr. 30.)

Applicant and his longtime girlfriend have lived together since March 2002. (GE 1.) They have two sons ages one and four. (GE 1; Tr. 28.) Applicant and his girlfriend lived with his mother until September 2012. It is unclear whether Applicant was employed for the two years following his high school graduation in June 2002. Applicant worked full-time in electromechanical assembly for a video systems company from June 2004 to June 2007

and then as a contractor for another company until August 2008, when the contract ended. Applicant was unemployed from August 2008 to April 2009. (GE 1.)

In April 2009, Applicant began working full time as an assembler and machine operator for a technology company. In November 2012, Applicant purchased a home, obtaining a mortgage loan of \$235,653, then to be repaid at \$1,946 per month. He struggled to make his mortgage payments and stopped paying on some credit-card accounts in 2013 and 2014. After he was laid off from his job of five years in May 2014, Applicant was unemployed until November 2016. (GE 1.) He was supported by his girlfriend, who works as an administrative assistant. She supplemented her income at that time by doing nails for clients out of their house (Tr. 58), but several accounts went unpaid. (GEs 2-3.) Applicant had convinced his mother to take out a \$100,000 home-equity loan to invest in a car dealership business started by one of Applicant's cousins. Applicant decided to work for his cousin so that he could monitor his mother's financial investment. Applicant's cousin failed to pay him any income, even though he had been promised a paycheck of \$300 a week. Applicant finally decided to look for a job elsewhere. (Tr. 39-42.)

In June 2016, Applicant obtained a loan of \$25,532 for a 2012 model-year truck. The loan required repayment at \$472 per month (SOR ¶ 1.a). (GE 4; Tr. 33.) The truck is currently Applicant and his spouse's only vehicle. (Tr. 33.)

On November 15, 2016, Applicant completed a Questionnaire for National Security Positions (SF 86) for a job as a wire-bonder with a company contracted to provide services for Applicant's current employer. On the SF 86, Applicant indicated that his employment was contingent on obtaining an interim secret clearance. He disclosed no issues of potential security concern on his SF 86. (GEs 1-2.)

A check of Applicant's credit on March 23, 2017, revealed several outstanding delinquencies, including credit-card judgment debts of \$1,870 from October 2014 (SOR ¶ 1.d) and \$1,129 (SOR ¶ 1.e) from June 2015. His joint mortgage loan was \$7,970 past due on a balance of \$216,704 (not alleged). Credit cards had been charged off for \$6,945 in March 2014 (SOR ¶ 1.b), \$829 in February 2014 (SOR ¶ 1.g), and \$231 in July 2014 (SOR ¶ 1.h). A cellular phone debt of \$216 from April 2015 had also been charged off (SOR ¶ 1.i). A credit-card debt of \$1,915 from April 2013 (SOR ¶ 1.c) was placed for collection in March 2016 (SOR ¶ 1.c). A \$442 wireless phone debt from April 2011 was assigned for collection in December 2015 (SOR ¶ 1.j). A \$105 cable services debt from December 2014 was placed for collection in December 2016 (SOR ¶ 1.f). (GE 3.)

Applicant had no record of late payments on an automobile loan obtained for \$20,646 in September 2011. He used his credit to buy a vehicle for his mother, and she gave him the money to make the \$348 monthly payments. (GE 3; Tr. 53.) The car loan was paid off in September 2017. (GE 4.)

In June 2017, Applicant began working for his current employer. (GE 2.) On August 20, 2018, Applicant was interviewed by an authorized investigator for the Office of Personnel Management (OPM). While discussing his financial situation, Applicant

volunteered that he had several outstanding bills and collection accounts that he had not disclosed on his SF 86 because he did not have the information needed to accurately report the accounts. He did not dispute the adverse information on his credit record when confronted, but could not recall details of the collection accounts. Applicant indicated that he brought his mortgage loan up to date in October 2017 and was making timely payments. He claimed that the old cell phone debt with the creditor in SOR ¶ 1.i had been paid off. As for the charged-off debts alleged in SOR ¶¶ 1.b, 1.d, 1.g, and 1.h, Applicant acknowledged them as his credit-card debts, which he hoped to pay off by the end of 2018. Applicant recognized the two credit-card judgment debts, which he likewise hoped to resolve by the end of 2018. Applicant explained that, after he was laid off in 2014, he turned to credit cards to pay for necessities and “slowly fell behind.” His intention was to sell his home in the next six months and pay off his delinquent debts. He had not sought financial counseling, but his financial situation was improving because of his full-time employment. The investigator reportedly gave Applicant the opportunity to provide documentation about his delinquent accounts during and after his interview, but no documentation was submitted. (GE 2.)

Applicant’s girlfriend took time off from her job as an administrative assistant around the birth of their second son in 2018. She returned to work, but only about 20 hours a week, because her shift job was no longer available. (Tr. 33.)

In November 2018, Applicant and his girlfriend moved into a condominium. He was behind on his electricity bill for his previous residence and has been paying extra to reduce his delinquent balance. (Tr. 47-48.) No information was provided about the extent of his utility delinquency or his extra payments.

In December 2018, Applicant paid off his mortgage loan by selling his house. (GE 4; Tr. 43-44.) Of his \$75,000 in equity from the home sale, he gave his mother \$70,000 to repay her for the \$100,000 she lost in the car dealership investment that he had encouraged. He deposited the remaining \$5,000 in his savings account. (Tr. 45.)

As of January 2019, Applicant was \$749 past due (\$17,967 balance) on the truck loan obtained in June 2016 (SOR ¶ 1.a). In 2017, he redeemed the truck from repossession after being chronically late 30 to 60 days in his payments. (GE 4; Tr. 32.) Equifax was reporting no progress toward resolving the debts in SOR ¶¶ 1.b-1.f and 1.h. (GE 4.) The \$216 and \$442 cell phone debts (SOR ¶¶ 1.i-1.j) were not on his credit report, but they had not been paid. (Tr. 26.)

On May 13, 2019, the DOD CAF issued an SOR to Applicant, alleging delinquent debt totaling \$14,859. When he responded to the SOR allegations, Applicant did not dispute any of the delinquencies, but he indicated that he had brought his truck loan (SOR ¶ 1.a) current. He expressed an intention to pay the \$105 cable bill (SOR ¶ 1.f) first, because it is the lowest, followed by the debts in SOR ¶ 1.g (\$829), SOR ¶ 1.h (\$231), and SOR ¶ 1.i (\$216) in that order. (Answer.)

At his September 2019 hearing, Applicant testified that he has been current on his truck loan for the past five months; that in late July 2019, he entered into a debt repayment plan for the debts in SOR ¶¶ 1.b-1.e under which he contracted to pay \$265 a month for two years to a debt servicer; and that he has made two payments, those due in August 2019 and September 2019. (Answer.) Because of their smaller balances, the debt servicer did not want to deal with them. Applicant was to take care of the debts in SOR ¶¶ 1.f-1.j on his own. He had not contacted the creditors as of September 2019. (Tr. 23-27, 31-33, 35.) When asked to explain his delay in addressing the smaller debts in SOR ¶¶ 1.f-1.j, Applicant responded:

I just hadn't had the time, I guess. It just went over my head. I've just, in my head, I've been thinking, like [the debt servicer is] going to take care of it, but then I forget that, they're not handling the small bills. So that's my responsibility, on my, on my sole self, to — you're right — call, to get in contact with all these debt collectors and just clear all the little ones out of the way. (Tr. 36.)

Applicant's girlfriend just recently increased her work hours to 30 per week, which nets her \$550 to \$560 every two weeks. (Tr. 34, 49.) Applicant has \$5,500 in his savings account for emergencies or unexpected repairs. (Tr. 37.) He maintains a balance of approximately \$200 in his checking account to ensure that he has enough to cover those bills that are being paid through automatic deduction. (Tr. 38.) Applicant's take-home pay was \$600 a month or about \$49,000 a year until August 2019, when he began working an extra 12 hours per week in overtime. (Tr. 59-60.) With overtime, he takes home \$3,400 a month. (Tr. 46.) Applicant estimated that, after paying recurrent bills like his rent and truck loan, he has about \$600 to \$650 each month for other expenses, including gasoline for his "gas-guzzler" truck and the \$265 to the debt servicer. (Tr. 55-56.) He and his girlfriend do not currently have daycare expenses because his mother cares for their children when they are working. (Tr. 50-51.) Applicant received some budget counseling from the debt services firm reportedly handling his debt repayment plan. (Tr. 54.) Apart from a \$650 truck repair bill for his truck in spring 2019, Applicant has not incurred any sizeable unexpected expenses in the past year. (Tr. 60.) He testified that he had the funds to address the debts in SOR ¶¶ 1.f (\$105), 1.h (\$231), and 1.i (\$216). (Tr. 62.)

In October 2019, Applicant and his spouse renewed their lease for another year on the townhouse they rent. (AE A.) He had to pay \$3,800 because his landlord wanted the first and last months' rent. Because of that expense and the illness of a family member, he had not paid any of the smaller debts excluded from the debt repayment plan. (AE B.) I extended the deadline for documentation to October 25, 2019, but no documents were received that could corroborate his compliance with his debt repayment plan or any efforts to repay the debts excluded from the plan. Applicant does not know whether any of his creditors objected to inclusion in the debt repayment plan. Instead of a portion of his payments being split among his creditors, his creditors will be paid off one by one, starting with his largest debt (SOR ¶ 1.b). (Tr. 57.)

Applicant's tax refund for tax year 2018 was taken by the Internal Revenue Service to reduce his outstanding tax delinquency for tax year 2017 to its current \$1,300. As of September 2019, he had not considered taking some of his savings to pay off his tax debt. (Tr. 51-52.) On October 11, 2019, he indicated that he had that day contacted the IRS, made a down payment toward his tax delinquency, and scheduled a monthly payment. (AE B.) He provided no details of the payment amounts, so it is unclear when that debt will be resolved.

As of October 2019, Applicant had taken no steps to address his smaller delinquencies that he knew he had to address on his own. He explained that medical issues for his mother left him unable to focus on what he needed to get done to mitigate the Government's security concerns.

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.

Applicant’s credit reports of March 2017 and January 2019, and his admissions during his August 2018 interview and in his SOR response, establish a record of financial delinquency triggering three disqualifying conditions under AG ¶ 19:

- (a) inability to satisfy debts;
- (b) unwillingness to satisfy debts regardless of the ability to do so; and

(c) a history of not meeting financial obligations.

Applicant's credit reports show that two creditors (SOR ¶¶ 1.d and 1.e) obtained financial judgments against him in October 2014 and June 2015, respectively. In addition to the \$14,859 in delinquent debt alleged in the SOR, Applicant admitted that he owes approximately \$1,300 in income tax delinquency for tax year 2017. His income tax debt cannot be considered disqualifying because it was not alleged in the SOR. However, the delinquency is relevant in assessing the applicability of a mitigating condition, evidence in reform, and Applicant's security clearance eligibility under the whole-person concept.

Applicant bears the burdens of production and persuasion in mitigation. One or more of the following conditions under AG ¶ 20 may apply in whole or in part:

(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.

With the exception of the truck-loan delinquency in SOR ¶ 1.a, the debts have been delinquent for several years. Last reported activity on most of the SOR accounts was in 2014. The cell phone debt in SOR ¶ 1.j is from 2011. Nonetheless, AG ¶ 20(a) cannot reasonably apply. Applicant was delinquent as recently as the fall of 2018 on his truck loan, which he apparently brought current by May 2019. As of the issuance of the SOR in May 2019, Applicant had made no payments on his other delinquencies. The debts are considered recent because "an applicant's ongoing, unpaid debts evidence a continuing course of conduct and, therefore, can be viewed as recent for purposes of the Guideline F mitigating conditions." ISCR Case No. 15-06532 at 3 (App. Bd. Feb. 16, 2017) (citing ISCR Case No. 15-01690 at 2 (App. Bd. Sept. 13, 2016)).

During his OPM interview in August 2018, Applicant explained that he slowly fell behind on some financial obligations when he and his girlfriend were reduced to a one-income family after he was laid off in 2014. Applicant gave a date of May 2014 for the start of his unemployment. Credit reports in evidence show that his largest credit-card delinquency (\$6,945) was charged off in March 2014; the \$829 credit-card delinquency was charged off in February 2014; and no payments had been made on the credit card in SOR ¶ 1.c since April 2013. Nevertheless, his unexpected job loss was a factor in other accounts becoming seriously past due and in his inability to repay his past-due debts, although in that regard, Applicant bears some responsibility for the length of time without income. It was his choice to stay at his cousin's car dealership despite no remuneration for his work there. AG ¶ 20(b) also has applicability because his household income suffered in 2018 when his girlfriend stopped working temporarily after the birth of their second child. Applicant did not provide the dates for her pregnancy leave, but indicated that when she resumed working, it was only 20 hours per week because her shift was no longer available to her.

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)). His evidence falls somewhat short in that regard. Applicant has been consistently employed by a defense contractor since June 2017. In August 2018, Applicant was placed on notice that his financial issues were of concern to the DOD. With his house about to be sold, Applicant and his girlfriend began renting a townhouse in November 2018. He had to come up with his first month's rent and security deposit. However, he had \$75,000 in equity in his house after he paid off his mortgage loan in December 2018. While he cannot be faulted for giving his mother \$70,000 in partial compensation for the \$100,000 she lost investing in his cousin's car dealership business, he still had the \$5,000 in remaining equity in his checking account in September 2019. His explanation for not using some of that money to pay those smaller delinquencies which had excluded from his debt repayment plan established in late July 2019 is that he has not had the time, and that he kept thinking the debt servicer would pay them. However, he knew that the debts were not covered in the debt repayment plan. It was financially irresponsible of Applicant to continue to disregard those debts. I gave him an opportunity to submit post-hearing documentation of his efforts to contact some of his creditors and make repayment arrangements. In October 2019, he requested an extension, which I granted, and yet he submitted no evidence of any payments or repayment arrangements of the three debts he indicated he would resolve (SOR ¶¶ 1.f, 1.h, and 1.1). He also exhibited poor judgment in disregarding known court judgments against him.

AG ¶¶ 20(c) and 20(d) have some applicability because Applicant brought his truck loan current. He also credibly testified that he arranged for repayment of his larger credit-card delinquencies through a debt repayment plan in late July 2019 and that he made his first two payments under the plan. However, even when there has been some corrective action and an applicant is motivated to prevent such problems in the future, the

administrative judge is not precluded from considering an applicant's trustworthiness in light of longstanding prior behavior evidencing irresponsibility. See e.g., ISCR Case No. 14-01894 at 5 (App. Bd. Aug. 2015). The Appeal Board reaffirmed that the timing of corrective action is an appropriate factor to consider in applying AG ¶ 20(g). See e.g., ISCR Case No. 17-01382 at 4 (App. Bd. May 16, 2018) (citing ISCR Case No. 17-01807 at 3-4 (App. Bd. Mar. 7, 2018)). Applicant redeemed his truck from repossession and caught up on his loan payments before the SOR was issued, but he was clearly motivated to do so because it is the family's only vehicle. There is no evidence that he took action to address any of his other debts before the SOR was issued. It suggests he may not take action until his personal interests are imperiled.

The Appeal Board has held that an applicant is not required to establish that he has paid off each debt in the SOR, or even that the first debts paid be those in the SOR. See ISCR Case No. 07-06482 (App. Bd. May 21, 2008). Yet, the Appeal Board recently reiterated in ADP Case No. 17-0063 (App. Bd. Dec. 19, 2018) that "an applicant must demonstrate a plan for debt repayment, accompanied by concomitant conduct, that is, conduct that evidences a serious intent to resolve the debts." Applicant presented no corroborating documentation of his payment plan for the debts in SOR ¶¶ 1.b-1.e and 1.g. He testified that the debts will be paid off in two years under the plan. However, his present payment of \$265 a month would not be enough to pay off even his largest credit-card debt of \$6,945. It is unclear when his debts will be resolved. Although he apparently has had some budget counseling, two or perhaps three payments of \$265 as of October 2019 is not enough to reasonably conclude that his financial problems are under control. He has not shown good faith with regard to addressing his smaller debts not included in the debt repayment plan. A promise to pay a debt at some future date is not a substitute for a track record of timely payments. The financial considerations security concerns are not adequately 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 his conduct and all relevant circumstances in light of the nine adjudicative process factors in AG ¶ 2(d):

(1) the nature, extent, and seriousness of the conduct; (2) the circumstances surrounding the conduct, to include knowledgeable participation; (3) the frequency and recency of the conduct; (4) the individual's age and maturity at the time of the conduct; (5) the extent to which participation is voluntary; (6) the presence or absence of rehabilitation and other permanent behavioral changes; (7) the motivation for the conduct; (8) the potential for pressure, coercion, exploitation, or duress; and (9) the likelihood of continuation or recurrence.

Some of the adjudicative process factors were addressed under Guideline F, but some warrant additional comment. There is no evidence of extravagant expenditure, but Applicant has yet to demonstrate the good judgment, reliability, and trustworthiness that

clearance eligibility requires. Whether it be the birth of his second child, or lately his mother's health issues, personal circumstances have prevented or distracted him from fulfilling his responsibilities to his creditors and his promises to the Government. He was given an opportunity after his hearing to make good on his promises to address three of his smaller debts, but he submitted no evidence in that regard. He asserted on October 11, 2019, that he agreed to a repayment arrangement with the IRS for his delinquent income taxes for tax year 2017, but provided no details or documentation of any arrangements to address his tax delinquency.

The security clearance assessment is a reasonable and careful evaluation of an applicant's circumstances and whether they cast doubt upon his judgment, self-control, and other characteristics essential to protecting national security information. 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). After applying the disqualifying and mitigating conditions to the evidence presented, I continue to have some doubts about Applicant's financial judgment and reliability. This does not mean that Applicant may not at some future date be able to establish that his financial problems are sufficiently resolved to warrant clearance eligibility. I conclude that it is not clearly consistent with the national interest to grant security clearance eligibility for Applicant 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 F:	AGAINST APPLICANT
Subparagraph 1.a:	For Applicant
Subparagraphs 1.b-1.j:	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 Applicant eligibility for a security clearance. Eligibility for access to classified information is denied.

Elizabeth M. Matchinski
Administrative Judge