



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



In the matter of:)
)
) ISCR Case No. 20-03185
)
Applicant for Security Clearance)

Appearances

For Government: Nicholas Temple, Esq., Department Counsel
For Applicant: *Pro se*

03/08/2022

Decision

RICCIARDELLO, Carol G., Administrative Judge:

Applicant failed to mitigate the security concerns under Guideline F, financial considerations. Eligibility for access to classified information is denied.

Statement of the Case

On December 16, 2020, the Defense of Defense Consolidated Adjudication Facility (DOD CAF) issued to Applicant a Statement of Reasons (SOR) detailing security concerns under Guideline F, financial considerations. The action was taken under Executive Order (EO) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG) effective within the DOD on June 8, 2017.

Applicant answered the SOR on January 17, 2021, and he requested a hearing before an administrative judge. The case was assigned to me on December 15, 2020. The Defense Office of Hearings and Appeals (DOHA) issued a notice of hearing on January 6, 2022. I convened the hearing as scheduled on January 25, 2022. The

Government offered exhibits (GE) 1 through 5. Applicant offered Applicant Exhibits (AE) A through T. There were no objections and the exhibits were admitted into evidence. The Government requested to be permitted to offer GE 6, which was provided to Applicant by email at the close of the hearing. Applicant received it and had no objection. GE 6 was admitted into evidence. The record was held open until February 15, 2022, to permit Applicant an opportunity to provide additional documents, which he did. They were marked as AE U through AE BB. There were no objections, and they were admitted into evidence and the record closed. On February 25, 2022, Applicant provided additional exhibits. The Government had no objection to my considering the additional exhibits after the record closed or any objections to the exhibits. They were marked as AE CC through AE EE and admitted into evidence. Hearing Exhibits I and II are email responses from the Government. DOHA received the hearing transcript on February 4, 2022.

Findings of Fact

Applicant admitted all of the SOR allegations. After a thorough and careful review of the pleadings, testimony, and exhibits submitted, I make the following findings of fact.

Applicant is 49 years old. He attended college, but did not earn a degree. He served in the Air Force Reserve from 1991 to 1999 and received an honorable discharge. He married in 1994 and divorced in 1999. He has two grown children from the marriage. He remarried in 2018 and has a stepson who is 22 and who resides with him and his wife. (Transcript (Tr.) 21-28; GE 1)

Applicant has worked for his current employer, a federal contractor, since June 2018. He was unemployed for two months from April to June 2018. Prior to then, Applicant worked for different federal contractors. He was working overseas at different times, but would periodically return to the U.S. for training or other requirements. He disclosed, on his April 2019 security clearance application (SCA), a period of unemployment from May 2014 to October 2014. He testified that from 2006 to 2012 he worked overseas. (Tr. 21-28, 33-40, 45-49; GE 1)

In 2005, Applicant filed Chapter 7 bankruptcy. He explained that he fell behind on paying his bills. He had been working full time for the Post Office and was transferred to a new location and was only working part time. It is unknown the year he was transferred. He resumed full-time employment in 2002 or 2003. In Applicant's bankruptcy document, under Schedule E, Creditors Holding Unsecured Priority Claims, the IRS (\$12,000) and his state tax authority (\$3,472) are listed. He listed under Schedule F, Creditors Holding Unsecured Nonpriority Claims, a total of \$21,932. (Tr. 29-33; GE 5)

Applicant disclosed in his SCA that he failed to timely file and pay his 2014 and 2017 federal and state income tax returns. He estimated he owed approximately \$3,500 for each year. He stated: "In the process of filing and if necessary setting up a payment plan." (GE 1) He also disclosed he had an unpaid phone bill from 2012 for \$80 that he would pay. He said he was refinancing his home and would pay the amount in full in April 2019. He disclosed a telecommunication bill from 2014 (SOR ¶ 1.f-\$295); a cable bill in

collection from 2014 (SOR ¶ 1.g-\$173); and a credit-card collection-account from 2014 (SOR ¶ 1.a- \$2,237). He stated: "Fell behind during a period of unemployment and have been assisting with the finances of my now current wife. Also, attempted to launch a business which failed, due to this issue." (GE 1, 3, 4, 6)

Applicant was interviewed by a government investigator on June 6, 2019. He told the investigator that he had recently in the past week filed his 2014, 2015 and 2017 delinquent tax returns. He said he owed approximately \$25,000 in federal income taxes and was current on his state income taxes. He intended on setting up a payment plan with the IRS to resolve his delinquent taxes and was waiting for his tax returns to be processed. He explained he failed to timely file his tax returns because he knew he did not have the money to pay what he owed. He reiterated this explanation at his hearing. He said he failed to disclose all of this information on his SCA because he did not think about it when he was completing the questionnaire. (Tr. 61-64, 118; GE 2).

During the interview, Applicant confirmed the bill to the cable company was because he failed to pay the final bill (SOR ¶ 1.g). In January 2021, Applicant paid the amount owed. Regarding the telecommunication bill, he acknowledged he owed the amount because he terminated his contract (SOR ¶ 1.f). He had not paid the final balance, which was owed since 2014, because he did not have the money. At the time of the interview, he had made no effort to pay the account. In January 2021, Applicant paid the amount owed. Applicant had also not been able to pay the delinquent credit card collection account and had not made any effort to do so at that point. This debt had been delinquent since 2015. (SOR ¶ 1.a). At his hearing, he provided documents to show in January 2021, he reached a settlement with the creditor in SOR ¶ 1.a. He paid the settlement and received an IRS cancelation of debt FORM 1099C for \$671 for tax year 2020. He was asked if he filed this with his tax return and he responded "no." He said he did not know he had to file this form with his tax return. (Tr. 49-50, 91-94, 96-98, 100,102-103; GE 2; AE C, D, J, K)

The government investigator confronted Applicant with additional delinquent debts. He acknowledged owing the debt in SOR ¶ 1.e (\$3,200) with a past-due balance at the time of \$800. This debt was for a personal loan he obtained in 2015 to help pay for necessities. He made payments for a period and then in 2016 he was unable to continue making payments. He made no further effort to resolve it until approximately January 2021, when he researched the debt and learned the company was no longer in business. Applicant provided documents to show he cannot pay the debt due to the company going out of business. (Tr. 96, 100-102; AE H)

During Applicant's interview he acknowledged the charged-off credit card debt in SOR ¶ 1.c (\$896). It became delinquent in 2015. He paid the debt in January 2021. The debt in SOR ¶ 1.b (\$1,792) is a credit card collection account. Applicant used this card for a business he was going to start, but did not follow through. He had not made an effort to repay the debt at the time of his interview. He settled the debt in April 2021. The debt in SOR ¶ 1. d (\$134) was for an unpaid utility bill from 2015. He paid it in January 2021. He explained he was working on his financial situation which was due to unemployment

when he returned from overseas, and he was also living beyond his means. He could not sustain his lifestyle without the additional money he earned from being overseas. He said he is prioritizing his financial obligations and takes full responsibility for the delinquent accounts. He testified that he was attempting to pay as many delinquent debts as possible quickly because of his security clearance issues. (Tr. 90, 98-100, 103-104; GE 2, 3, 4, 6; AE E, F, G)

In undated government interrogatories, Applicant disclosed that he owed 2015 state income taxes in the amount of \$2,155. He said that when he returned from overseas in early 2016, he unintentionally overlooked his 2015 state income taxes, but had set up a payment plan. He also said that leading up to his current reinvestigation for a security clearance he started to file his delinquent income tax returns and employed a Tax Relief Service (TRS) to assist him. He provided a copy of the contract dated January 2020. (Tr. 67, 88-90; GE 2, AE L)

Applicant disclosed in government interrogatories that his 2014 federal tax return was filed in July 2019 and he owed \$4,694; 2015 federal tax return was filed in August 2019 and he owed \$4,753; 2016 federal tax return was filed in November 2017 and he owed \$16.85; 2017 federal tax return was filed in July 2019 and he owed \$12,158; 2018 federal tax return was filed in Jun 2019 and he owed \$4,593; and 2020 federal income tax return was filed in October 2021 and he owed \$8,296. At that time, he was not in a payment plan with the IRS, but TRS was negotiating with the IRS on his behalf. He intended to amend possibly his 2016 and 2018 tax returns because he was living overseas and might be entitled to a foreign exemption. It is noted he told the government investigator during his June 6, 2019 interview that he had already filed his 2014, 2015 and 2017 federal income tax returns. It is unknown if Applicant would have received an automatic extension for filing because he was overseas. (Tr. 64-65, 70; GE 2)

Applicant also listed in the interrogatories the years he filed and status of the state income taxes he owed. His 2014 return was filed in June 2019 and he owed nothing; tax year 2015 was filed in June 2019 and he owed \$2,155; tax year 2016 was filed in October 2017 and owed nothing; tax year 2018 was filed on time and no taxes were owed; 2019 was filed in October 2020, and no taxes were owed. He provided a letter from January 2021 from his state tax authority, which indicated he was in compliance and had no tax liabilities. It is unknown when he paid the delinquent taxes. (GE 2; AE Q)

Applicant provided a November 2021 IRS installment agreement statement from September 2020 to September 2021 that shows he made a payment in June 2021 of \$188 that was applied to tax year 2019; a payment of \$295 in June 2021 applied to tax year 2013; and a July 2021 payment of \$295 applied to tax year 2019. (Tr. 77-79; AE O)

The November 2021 IRS document also reflected the current tax years' balances owed by Applicant. They were: tax year 2013-\$1,386; tax year 2014-\$4,814; tax year 2015-\$4,873; tax year 2017-\$18,109; tax year 2018-\$4,159; and tax year 2019-\$9,096. The total amount owed at that time was \$42,439. Included with this document, Applicant

provided an IRS 2020 W-4 to show he was having \$50 extra withheld from his income. (AE N)

Post-hearing, Applicant provided a copy of his IRS tax transcript for tax year 2020 showing he had timely filed his 2020 federal income tax return and did not owe taxes. His tax transcript for tax year 2019 showed he filed in October 2020 and owed \$9,456. His 2018 tax transcript showed he filed on time and owed \$3,886. (AE V, W, X)

Applicant provided a copy of a February 14, 2022, email to him from TRS that indicated his 2017 federal tax return was completed and he was due a refund of \$1,129. However, it also indicated he may not receive a refund if he filed three years after the tax return was due. He provided a partial copy of an amended 2017 tax return indicating “amended return to exclude the taxpayer’s foreign income and add form 2555.” (AE Y) I find in Applicant’s favor on SOR ¶ 1.j that alleged delinquent taxes for 2017.

Applicant provided an IRS FORM 433-D Installment Agreement that is dated January 17, 2021. In it, he agrees to pay \$350 a month beginning in December 2020, which would increase to \$790 a month in December 2021. Applicant indicated that this agreement did not take effect because TRS negotiated an agreement for a lesser amount. He provided documents from TRS that confirmed an Installment Agreement for \$295 a month to begin in May 2021 for one year and then \$650 beginning in May 2022. He provided documents from TRS that show he was in compliance with the installment agreement. He testified that prior to contracting with TRS he had not made payments towards his federal tax debts. He further explained that the installment agreement includes tax years 2013 through 2019. (Tr. 70-85; AE M, O, Z, BB)

Applicant testified that he rented his house from 2006 to 2009 and it sustained damage. He attempted to repair it when he was back in the United States, but was never home long enough. He planned to refinance the home and use the equity to repay his debts. He testified that in early January 2022, he started the process to refinance his home. He provided an email from February 10, 2022, indicating the refinancing was approved. (Tr. 50-53; AE AA)

After the record closed, Applicant provided additional documents that I accepted. He provided a copy of his IRS tax year 2021 transcript that shows he has filed his 2021 tax return and is due a refund, which he stated will be applied to his tax debt. In addition, he provided a transcript for payments that were being processed by the IRS for tax years 2019 and 2018 through a direct deposit made on February 25, 2022, for presumably the current balances owed (\$9,454 and \$2,521, respectively). Also being processed through an online account were payments made on February 24, 2022, for tax years 2015 and 2014 (\$4,938 and \$4,878 respectively). Presumably, he obtained the funds from the equity secured from refinancing his house. (AE P, AA, CC, DD, EE)

Any derogatory information that was not alleged in the SOR will not be considered for disqualifying purposes. It may be considered when making a credibility determination, in applying mitigating conditions, and in a whole-person analysis.

Applicant attributed his financial problems to his 2014 unemployment; depletion of his savings; accepting a new job at a significantly reduced income; and helping his brother who came to live with him. In addition, he believed he was entitled to a foreign exemption for different tax years when he was overseas. He anticipated receiving the exemption, but when he unexpectedly returned to the United States it negated the exemption, thereby causing him to have a tax bill he had not expected. He believed certain tax years qualified for the exemption. In addition, when he was in the United States, he was not eligible to earn overseas pay, which was substantially more. (Tr. 33-49; AE A)

Applicant testified that his 2018 wedding cost between \$10,000 and \$15,000, and he funded about half of it. In 2017, he purchased a \$7,000 wedding ring for his wife. When asked why he made these purchases before addressing his delinquent taxes, he said he should have prioritized better. He traveled to the Bahamas in 2012 and Jamaica in 2017 for tourism. He currently earns about \$90,000 annually and his wife earns about \$60,000. He has no pension plan and minimal savings. (Tr. 46, 104-105, 107; GE 1)

Applicant provided character letters from family and coworkers. In them, he is described as professional, trustworthy, respectful, self-motivated, disciplined, reliable, ethical, honest, friendly, efficient, detailed-oriented and competent. He has exceptional skills and good judgment. His 2020 and 2021 performance assessments rate his performance as “exceptional” and “strong.” He provided certificates of appreciation from 2011, 2012 and 2013. (AE R, S, T)

Policies

When evaluating an applicant’s national security eligibility, the administrative judge must consider the AG. In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are used in evaluating an applicant’s eligibility for access to classified information.

These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with the factors listed in the adjudicative process. The administrative judge’s overarching adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(c), the entire process is a conscientious scrutiny of a number of variables known as the “whole-person concept.” The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a decision.

The protection of the national security is the paramount consideration. AG ¶ 2(b) requires that “[a]ny doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security.” In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. Likewise, I have avoided drawing inferences grounded on mere speculation or conjecture.

Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Directive ¶ E3.1.15 states an “applicant is responsible for presenting witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by applicant or proven by Department Counsel, and has the ultimate burden of persuasion as to obtaining a favorable security decision.”

A person who seeks access to classified information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours. The Government reposes a high degree of trust and confidence in individuals to whom it grants access to classified information. Decisions include, by necessity, consideration of the possible risk that an applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified information.

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

Analysis

Guideline F: Financial Considerations

The security concern relating to the guideline for financial considerations is set out in AG ¶ 18:

Failure to live within one’s means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise questions about an individual’s reliability, trustworthiness, and ability to protect classified or sensitive information. Financial distress can also be caused or exacerbated by, and thus can be a possible indicator of, other issues of personnel security concern such as excessive gambling mental health conditions, substance misuse, or alcohol abuse or dependence. An individual who is financially overextended is at greater risk of having to engage in illegal or otherwise questionable acts to generate funds. Affluence that cannot be explained by known sources of income is also a security concern insofar as it may result from criminal activity, including espionage.

AG ¶ 19 provides conditions that could raise security concerns. The following are potentially applicable:

- (a) inability to satisfy debts;

- (b) unwillingness to satisfy debts regardless of ability to do so;
- (c) a history of not meeting financial obligations; and
- (f) failure to file or fraudulently filing annual Federal, state, or local income tax returns or failure to pay annual Federal, state, or local income tax as required.

Applicant began accumulating delinquent debts in 2014. He failed to timely file his 2014, 2015 and 2017 federal and state income tax returns. He failed to pay his state income taxes for tax year 2015. He failed to pay his federal income taxes and was indebted to the IRS for tax years 2014, 2015, 2017, 2018 and 2019. He did not prioritize paying his debts and taxes over other non-necessity expenditures, which shows an unwillingness to pay his debts. Applicant filed Chapter 7 bankruptcy in 2005 and had his debts discharged in 2006. There is sufficient evidence to support the application of the above disqualifying conditions.

The guideline also includes conditions that could mitigate security concerns arising from financial difficulties. The following 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, a death, divorce or separation, clear victimization by predatory lending practices, or identity theft), and the individual acted responsibly under the circumstances;
- (c) the individual has received or is receiving financial counseling for the problem from a legitimate and credible source, such as a non-profit credit counseling service, and there are clear indications that the problem is being resolved or is under control;
- (d) the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts; and
- (g) the individual has made arrangements with the appropriate tax authority to file or pay the amount owed and is in compliance with those arrangements.

Applicant attributed his financial problems to a period of unemployment in 2014. Applicant repeatedly failed to timely file his federal and state income tax returns for multiple tax years. His explanation was because he did not have the money to pay the

taxes. He anticipated receiving a foreign exemption for some tax years, but when he returned to the United States, they were negated. He said he lived beyond his means and had become accustomed to receiving the exemption, which allowed him more expendable income. It appears, after working with TRS, he was entitled to an exemption and refund for tax year 2017. I have found in his favor for that year.

Applicant ignored his delinquent debts for six to seven years. He was confronted with these debts during his June 2019 background interview and acknowledged not taking any action on them at that time. In a flurry of activity, he eventually paid most of the alleged debts alleged in the SOR in 2021, due to his pending security clearance issues. One of the creditors he owed money went out of business.

Applicant completed his SCA in April 2019 and disclosed he failed to file and pay his 2014 and 2017 federal and state income tax returns. However, he also failed to timely file his 2015 federal and state income tax return. After completing his SCA, he failed to timely pay his 2018 and 2019 federal taxes. Applicant contracted with TRS in January 2020, to assist him in resolving his tax issues. The evidence is sufficient to conclude that TRS negotiated an installment agreement with the IRS, and Applicant made the required payments. Post-hearing, Applicant provided documents to show he had sent payments to the IRS to pay what presumably was the balance owed. Those payments were being processed and it is unknown if they resulted in a zero balance owed on all of Applicant's delinquent federal taxes.

The facts support that Applicant was aware of his delinquent federal and state income tax filings and payments when he completed his SCA in April 2019. There is insufficient evidence that he took any action to resolve these matters before then. He then failed to timely pay his 2018 and 2019 federal income taxes. His conduct shows a pattern of irresponsibility regarding his tax obligations.

Applicant repeatedly failed to pay his delinquent debts and timely file and pay his federal and state income taxes for multiple years. His financial irresponsibility was ongoing, frequent, and casts doubt on his current reliability, trustworthiness, and good judgment. AG ¶ 20(a) does not apply.

Applicant attributed his financial issues to a period of unemployment in 2014 and his belief he was to receive a foreign exemption for certain tax years. His unemployment was beyond his control. I also find that his confusion over his foreign exemption status was complicated, and he had difficulty understanding its applicability. For the full application of AG ¶ 20(b), Applicant must have acted responsibly under the circumstances. He did not. He failed to pay any of his debts that became delinquent in 2014 and 2015 until 2021. He also continued to ignore his responsibility to timely file his tax returns and, if he was unable to pay, to contact the IRS to participate in a repayment plan. AG ¶ 20(b) has minimal application.

Applicant sought the assistance of TRS to help him resolve his tax issues. In 2021, he participated in a repayment plan with the IRS. After his hearing, he provided

documents to show that he made payments to the IRS that were being processed to resolve the outstanding balances on multiple tax year debts. Although I am unable to confirm the payments were accepted and applied, I conclude they likely were. However, I do not know if Applicant no longer has any delinquent tax debts with the IRS, but I believe if he does, based on the large payments he recently made, they likely will be minimal. AG ¶¶ 20(c) and 20(g) apply. Applicant's failure to address his delinquent debts for years and then finally paying them does not constitute a good-faith effort to repay his overdue creditors, but rather reflects a last ditch effort to resolve them after receiving the SOR. AG ¶ 20(d) does not apply.

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(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.

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 considered the potentially disqualifying and mitigating conditions in light of all the facts and circumstances surrounding this case. I have incorporated my comments under Guideline F in my whole-person analysis. Some of the factors in AG ¶ 2(d) were addressed under that guideline, but some warrant additional comment.

Applicant is responsible for ensuring his federal and state income taxes are timely filed and paid. He failed to do so for multiple tax years. After he completed his SCA, he again failed to timely pay his federal income taxes. His explanation was that he did not have the money. He did nothing to address most of his delinquent debts for six to seven years, finally paying them in 2021, after receipt of the SOR. From 2017 to 2019, he partially paid for a wedding, purchased a \$7,000 ring, and took a vacation to Jamaica. Applicant had the resources to pay his debts, but chose not to do so. Applicant's delinquent tax returns are filed and after his hearing he provided documents to show he has paid his delinquent taxes.

An applicant who begins to resolve security concerns only after having been placed on notice that his or her clearance is in jeopardy may lack the judgment and willingness to follow rules and regulations when his or her personal interests are not threatened. See, e.g., ISCR Case No. 17-04110 at 3 (App. Bd. Sep. 26, 2019).

Failure to comply with tax laws suggests that an applicant has a problem with abiding by well-established government rules and systems. Voluntary compliance with rules and systems is essential for protecting classified information. See, e.g., ISCR Case No. 16-01726 at 5 (App. Bd. Feb. 28, 2018). A person who fails repeatedly to fulfill his or her legal obligations, such as filing tax returns and paying taxes when due, does not demonstrate the high degree of good judgment and reliability required of those granted access to classified information. See, e.g., ISCR Case No. 17-01382 at 4 (App. Bd. May 16, 2018).

Applicant has a long history of financial problems beginning when he filed Chapter 7 bankruptcy and had his debts discharged in 2006. It is noted that his bankruptcy documents reflected a tax liability of more than \$15,000 at the time. Applicant's 2014 unemployment impacted his finances, but his repeated failure to timely file and address his tax debts continued beyond that period. After completing his SCA in April 2019, he began to address them.

Applicant's history of non-compliance with a fundamental legal obligation to timely file and pay his federal income taxes raises serious concerns. The evidence shows that Applicant has likely paid all or most of his tax debts and his delinquent debts. However, he also has an unreliable financial track record. His failure to address his delinquent debts for years and failure to comply with timely filing and paying his income taxes is a serious concern. Although it appears his delinquent debts and federal and state taxes are now paid, it does not negate his past irresponsible conduct and noncompliance with his legal obligations. These facts cannot be ignored. Therefore, considering all of the evidence, and despite some mitigation, it is insufficient to fully mitigate the financial considerations security concerns. The record evidence leaves me with questions and doubts as to Applicant's eligibility and suitability for a security clearance. I conclude Applicant failed to mitigate the security concerns arising under Guideline F, financial considerations.

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
Subparagraph 1.j:	For Applicant
Subparagraphs 1.k-1.p:	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 security to grant Applicant's eligibility for a security clearance. Eligibility for access to classified information is denied.

Carol G. Ricciardello
Administrative Judge