



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



In the matter of: )  
)  
) ISCR Case No. 20-03257  
)  
Applicant for Security Clearance )

**Appearances**

For Government: Patricia Lynch-Epps, Esq., Department Counsel  
For Applicant: *Pro se*

09/20/2022

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**Decision**

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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 February 22, 2021, the Defense Counterintelligence and Security Agency (DCSA) 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 on June 8, 2017.

In an undated answer to the SOR, Applicant requested a hearing before an administrative judge. The case was assigned to me on June 9, 2022. The Defense Office of Hearings and Appeals (DOHA) issued a notice of hearing on June 29, 2022, scheduling the hearing for August 16, 2022, by Microsoft Teams. The hearing was held as scheduled.

The Government offered exhibits (GE) 1 through 3. Applicant testified and offered Applicant Exhibits (AE) A and B. There were no objections to the exhibits, and they were admitted into evidence. The record remained open until September 7, 2022, to allow Applicant to submit additional documents, which he did, and they were marked as AE C through H. There were no objections, they were admitted into evidence, and the record closed. Both parties provided emails that contained arguments about the weight of the exhibits. I have attached them as Hearing Exhibits I and II. DOHA received the hearing transcript on August 25, 2022.

### **Findings of Fact**

Applicant admitted the SOR allegation in ¶ 1.a and denied the allegations in ¶¶ 1.b through 1.p. After a thorough and careful review of the pleadings, admissions, testimony, and exhibits submitted, I make the following findings of fact.

Applicant is 44 years old. He married in 2000 and has four children, ages 15, 13, 11 and 9. He earned a bachelor's degree in 2000 and a master's degree in 2008. He served in the Army from 2003 to 2005 and was honorably discharged due to noncombat-related medical issues. Applicant disclosed on his June 2020 security clearance application (SCA) that he was employed by the same federal contractor from 2005 to 2019. He also disclosed he began employment with a different federal contractor in October 2019. At his hearing, he testified that in early 2021, he began work for another federal contractor. He did not disclose any periods of unemployment in his SCA. He testified that while employed the contracts would change and there were weeks when he would not get paid, but he did not have any extended periods of unemployment since he left the military. (Tr. 15-19, 82-84; GE 1)

Applicant testified that prior to 2018, his annual salary was about \$45,000. Beginning in 2018, his pay increased to approximately \$95,000. In January 2021, his salary increased to \$115,000. Applicant attributed his financial problems to his wife losing her job in 2015, and they could not keep up with their expenses. His wife has some medical issues and difficulty working full time. She resumed full-time employment 15-months ago and earns between \$50,000 and \$60,000 annually. Applicant stated he was living off of credit to pay for food and clothing for his family after she lost her job. He also indicated he mismanaged his money. (Tr. 19-21, 27-28, 81, 87; GE 2)

Applicant disclosed on his 2020 SCA that he had a judgment entered against him in 2009 and his wages were garnished to pay the debt. He also disclosed that because his wife lost her job in 2015, they missed mortgage payments and foreclosure proceedings were initiated. He disclosed that he had attempted to obtain a loan modification, which was denied, and he was looking for another option to resolve the debt.

Applicant was interviewed by a government investigator in June 2020, shortly after he completed his SCA. He told the investigator that in 2017 he sought a loan modification on his mortgage, which was granted. He made some payments, but after a few months, he began to miss payments again. He told the investigator that he tried to negotiate a

new modification with the mortgage company because his wife was now employed, but it refused to grant a new modification. He said that his overall finances were now good with the exception of the mortgage. He and his wife were working and paying all of their bills on time. Because he could not obtain a loan modification at that time, he planned on requesting in the next month a short-sale on the property. (GE 2)

Applicant testified that he was making his mortgage payments from 2015 through 2018, but had missed some payments. The company he worked for had lost a contract and he had to look for an opening with the next contractor, so he was not receiving income. He estimated he was unemployed for about a month. He said his wife went back to work after she lost her job, but lost her job again. He could not recall the specific time periods. He was granted a loan modification in December 2018, with the first payment due January 2019. Applicant did not provide specifics regarding how many months he did not make timely payments. He said the mortgage company would not accept late payments. They remained living in the house. He broke his ankle in July 2019 and although he had medical insurance, not all of the expenses were covered. The mortgage went into foreclosure again. The creditor would not accept late payments. He did not make payments from July 2019 until June 2022 when he was granted a new modification to his mortgage. He is current on his mortgage and provided a document to show he made his August 2022 payment. (Tr. 37-51; AE B, C)

Other than the two debts noted above, Applicant did not disclose any other delinquent debts in his SCA. When he was interviewed by the government investigator, he did not disclose any delinquent debts other than the mortgage. He said his finances were all good except for the mortgage. He was then confronted with the delinquent debts and collection accounts alleged in the SOR ¶¶ 1.b through 1.p. (GE 2, 3)

All of the debts alleged in the SOR are reported on his June 2020 credit report and are corroborated by Applicant's testimony and statements made to the government investigator. (GE 1, 2, 3)

Applicant acknowledged to the investigator the collection accounts for medical debts alleged in SOR ¶¶ 1.j (\$526) and 1.l (\$203). They were incurred in approximately July 2019 when he broke his ankle. He said he could not recall they were in collection or when they were considered delinquent. He told the investigator that he had arranged a monthly payment plan with the creditor three months ago and it would be paid over the next year. At his hearing, he testified that these debts were "recalled." He could not provide an explanation for what that meant. He said he had been making payments, but provided no proof of the payments. He admitted they were valid debts, but he believes they were canceled. There is insufficient evidence that Applicant made payments on the debts or to corroborate they have been resolved. (Tr. 69-74)

When confronted by the investigator, Applicant admitted owing the debt in SOR ¶ 1.f (\$969). The debt was for an alarm system he had installed in his home in 2006. He told the investigator he canceled the service in 2011 and was current on his payments. He said he was unaware it was delinquent or that the account was in collection. In his

SOR answer, he stated the amount owed was less than alleged and the account was in a payment plan. He testified that he believed the debt was paid. He provided documents to show he made monthly payments of \$19.46 from April 2022 to August 2022. This debt is being resolved. (Tr. 63-64; AE E)

Applicant was confronted by the investigator with each collection account in SOR ¶¶ 1.b (\$4,528); 1.c (\$1,943); 1.d (\$1,549); 1.e (\$1,439); 1.g (\$942); 1.h (\$542); 1.i (\$536); 1.k (\$465); 1.m (\$135); 1.n (\$81), 1.o (\$80); and 1.p (\$61). For each of these accounts, Applicant told the investigator that he could not recall any of the specifics about the account, such as when it was opened, when it went delinquent, or if it was only in his name. He said he had difficulty remembering the majority of his credit cards and loans. He did not disclose them because he was not familiar with them and thought they were taken care of. He said he would begin making payments when required. He would look into his unpaid debts and pay off the smaller debts as soon as possible and would make payment arrangements for his other debts He hoped to have them all paid within a year. (GE 2).

In Applicant's answer to the SOR, he stated the debts in SOR ¶¶ 1.b, 1.c, 1.d, 1.f, and 1.g, were all in payment plans. SOR ¶¶ 1.b, 1.c, 1.d and 1.m have the same collection creditor. A document Applicant provided shows that in July and August 2022 he made payments of \$58 on one account and \$45 on another. He wrote in the margin that the payments were applied to SOR ¶¶ 1.b and 1.c respectively. He did not provide documentary evidence that he has payment plans with the collection creditor or any other payment agreements. The accounts in SOR ¶¶ 1.b and 1.c are both credit card accounts that went into collection in approximately 2015. He testified that he has been making monthly payments on the debt in SOR ¶ 1.c since June 2021. He did not provide corroborating documents to show the payments. He provided a document from the collection creditor for the debt in SOR ¶ 1.b, indicating that a payment of \$50.38 would be electronically withdrawn from his account in January 2021 and the balance was \$4,175. He testified that he had made 51 payments on this debt and the current balance was \$3,974. I left the record open to allow him to document the current balance and proof of payments for the last six months. No corroborating documents were provided. (Tr. 23-26, 28-33, 52-56; GE 2, 3; AE C, D, E)

Applicant provided a document that shows \$52 monthly payments from February 2022 to August 2022 were paid to a collection law firm. He wrote in the margin of the document that payments are for the debt in SOR ¶ 1.d, but no evidence was provided to corroborate that this payment is for that debt. The document does not identify the debt. He testified that he has been making monthly payments since June 2021. He provided a letter from March 2021 from the same collection law firm that shows a payment of \$200 was applied to a different creditor account. I cannot corroborate that his \$52 monthly payments were for SOR ¶ 1.d or whether they were for another debt he is paying through this law firm. He did not provide documentary evidence that he has a payment plan with the collection law firm for SOR ¶ 1.d. (Tr. 55-58; AE C, D, E)

Applicant provided a document to show payments were made to another law firm on the collection account in SOR ¶ 1.g. The payments of \$64 were paid from February through May 2022. He provided an undated copy of a settlement offer from the law firm. The offer was to settle the account at a 70% discount with a one-time lump sum payment that had to be paid within 30 days. He wrote comments on the letter that are undiscernible, other than noting it was for the debt in SOR ¶ 1.g. The letter notes the balance owed, which matches the amount in the SOR. I believe this is the same debt. He testified that the debt is paid, but did not provide documentary evidence to confirm the resolution of the debt. He is given credit for making some payments on the debt. (Tr. 64-65; AE C)

Applicant provided evidence that he resolved the debt in SOR ¶ 1.m. It is unknown when it was paid. He provided evidence that in March 2021 he resolved the debts in SOR ¶¶ 1.n and 1.p. He provided a copy of a medical bill for his wife that showed there was a balance of \$99 due in March 2021. He indicated this bill is for the debt in SOR ¶ 1.o. It is a different creditor than that alleged in the SOR. It is unresolved. (Tr. 37, 76-80; AE C)

In Applicant's answer to the SOR, he wrote "account is canceled" for the debts in ¶¶ 1.e, 1.h, 1.i, and 1.k. All of these debts are reported as delinquent and in collection in Applicant's June 2020 credit report. The debt in SOR ¶ 1.e had a last activity date in 2013 and was charged off in March 2014; ¶ 1.h was charged off in April 2014; ¶ 1.i was charged off in May 2014; and ¶ 1.k shows the account is with a collection law firm and its last activity date was June 2017. Due to the age of these debts they have likely fallen off of Applicant's more recent credit reports.

Applicant testified that he contacted the creditor in SOR ¶ 1.e and was told the debt was either canceled or not valid. He admitted that he did not pay the debt. He said the debt in SOR ¶ 1.h is valid and he did not pay it. He believes the account is now closed. He acknowledged the debt in SOR ¶ 1.i and said he reached out to the creditor. He did not pay the debt and believes it was canceled due to its age. (Tr. 59-62, 65-68; GE 3)

The debt in SOR ¶ 1.k is for a collection account for a communication company that went into collection in December 2018. He settled the account in March 2021. (Tr. 71-72; AE F)

Applicant provided current copies of credit reports from each of the three credit bureaus. Except for his mortgage and the debt in SOR ¶ 1.k, no other delinquent debts are reflected. It is noted that Applicant owes more than \$75,000 of student loans that have been deferred under the government's moratorium due to the pandemic. He stated that his payments will be approximately \$800 a month when the deferment ends. (Tr. 105; AE F, G, H)

Throughout the hearing, Applicant had difficulty identifying the specific accounts he was making a payment towards. Some payments could have been for accounts that were not alleged in the SOR. I have attempted to give him credit for payments made, but in some instances, without additional evidence it was impossible to determine if an account was held by a new collection company or an existing creditor and which creditor

Applicant's payments were going to. Applicant could not recall the identity of certain accounts or how long he had them.

Applicant was asked during the hearing if he paid his federal income taxes. He testified that he usually owes federal income taxes and that he currently owes the Internal Revenue Service \$9,000 for tax year 2021. He testified that he now has an additional \$600 withheld from his pay to cover future tax liability. He does not have an installment agreement with the IRS for his 2021 tax debt. He explained he sends the IRS money when he can to apply to his 2021 taxes. He estimated that when he sends money to the IRS, it is about \$250. He has not contacted the IRS, but he did receive a letter from them about his tax liability. He testified that he did not owe federal income taxes for 2020. (Tr. 87-93)

Applicant testified that he withdrew money from his 401(k) for living expenses. He paid the tax penalty when he withdrew the funds. He estimated the amount he withdrew to be around \$2,000. He and his wife have two joint bank accounts. He estimated he has about \$250 in one and \$500 in the other. He does not have a budget, but tries to put his expenses on a worksheet and keep track of his weekly bills. He has had no financial counseling. He worries about his bills and what to pay and when. He believes he has a better grasp on his finances. He said he now checks his credit and is more enlightened. He did not begin to address his delinquent debts until 2021. He admitted he and his wife did not pay attention to their bills. He was receiving letters from collectors. He said he tried a money management program. He did not elaborate on the program and could not recall the name of the program. He said the period of time he participated in it was maybe 2007, 2012 or 2013. He believes he has made improvements regarding his financial situation. He testified he is a responsible father and has provided his family a stable home. He now has a record system to keep track of his finances. He said he is making progress and handling his bills. (Tr. 22, 33, 84-87, 93-102)

### **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.

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.

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

- (a) inability to satisfy debts; and
- (c) a history of not meeting financial obligations.

Applicant has numerous delinquent debts that he began incurring in 2014 and was unable to pay. 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

(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.

Applicant attributed his financial problems to his wife losing her job in 2015 and his underemployment for a period of time. He also experienced short periods of unemployment when the contract he was working on was changed. Subsequently, he was unable to pay his mortgage which went into foreclosure. He was able to get a loan modification in 2017, but fell behind again. He missed payments in late 2018 and only made a couple payments in early 2019. The mortgage company would not accept late payments and he made no other payments until he received a second loan modification in June 2022.

Applicant was receiving notices from collection companies and was aware he had delinquent debts. He did not provide corroborating evidence that he addressed any of his delinquent debts until after he received the SOR. He provided evidence he paid some debts and made some payments on others, but did not provide evidence that he has payment plans with creditors. Although he said that he has been making payments on some debts since 2021, he did not provide corroborating evidence. He said some debts were canceled or recalled. He agreed he was responsible for most of the alleged delinquent debts.

Applicant is relying on the fact that his current credit reports do not report debts that were alleged in the SOR so his financial situation is improving. Many of the debts are more than seven years old and no longer reportable.

The Appeal Board provides a summary regarding “non-collectable” debts:

The security significance of long delinquent debts is not diminished merely because the debts have become legally unenforceable owing to the passage of time. Security clearance decisions are not controlled or limited by any statute of limitations, and reliance on the non-collectability of a debt does not constitute a good-faith effort to resolve that debt within the meaning of the Directive. A security clearance adjudication is not a proceeding aimed at collecting an applicant’s personal debts. Rather a security clearance adjudication is a proceeding aimed at evaluating an applicant’s judgment, reliability, and trustworthiness in making a decision about the applicant’s security eligibility. Accordingly, even if a delinquent debt is legally unenforceable . . . , the federal government is entitled to consider the facts and circumstances surrounding an applicant’s conduct in incurring and failing to satisfy the debt in a timely manner.” ISCR Case No.

17-01473 (App. Bd. Aug. 10, 2018) quoting ISCR Case No. 10-03656 at 3 (App. Bd. Jan 19, 2011)

Applicant's reliance on the fact that his current credit report does not show the debts alleged in the SOR, and therefore mitigates the security concerns is misguided. Applicant's current finances are apparently better, as reflected by his recent credit reports. Applicant lived in his house close to three years (July 2019-June 2022) and did not pay his mortgage, thereby allowing him to presumably have more expendable income. His wages increased in 2018. He did not make an effort to pay his delinquent debts until after he received the SOR in February 2021.

The timing of resolution of financial problems is an important factor in evaluating an applicant's case for mitigation, because an applicant who takes action to resolve financial problems only after being placed on notice his or her clearance is in jeopardy may lack the judgment, and self-discipline to follow rules and regulations over time or when there is no immediate threat to his or her own interests. *See, e.g.*, ISCR Case No. 17-03229 at 4 (App. Bd. Jun. 7, 2019).

I am unable to find that Applicant acted responsibly under the circumstances or that he made good-faith efforts to pay his debts. Applicant was receiving notices from collection agencies, but failed to act until he received the SOR. AG ¶ 20(b) partially applies due to being underemployed prior to 2018 and his wife's loss of employment. His financial issues are recent and ongoing because many debts are not resolved. They continue to cast doubt on his current reliability, trustworthiness, and good judgment. AG ¶¶ 20(a) is not applicable.

Applicant has fully paid the debts in SOR ¶¶ 1.m, 1.n, and 1.p. AG ¶ 20(d) applies to these debts. He recently began to pay the debts in SOR ¶¶ 1.f and 1.g, but only has made a few payments. AG ¶ 20(d) marginally applies to these debts. Applicant has not participated in financial counseling. Although Applicant may be in a better position financially, it is because many of his debts were not paid and are now unenforceable. AG ¶ 20(e) does not apply. Despite providing some evidence that he has paid a couple debts and has begun paying others, there is insufficient evidence to show his finances are under control. There is no evidence he has participated in financial counseling. AG ¶ 20(c) 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 began accumulating delinquent debt in 2014. Many of his debts are uncollectable due to their age. Although he had some unforeseen circumstances, such as his wife losing her job in 2015, his income increased in 2018 and his wife became fully employed around that time. He chose not to begin addressing his delinquent debt until after he received the SOR. Many of his debts are unpaid and unresolved.

Conduct not alleged in the SOR may be considered to assess an applicant's credibility; to decide whether a particular adjudicative guideline is applicable; to evaluate evidence of extenuation, mitigation, or changed circumstances; to consider whether an applicant has demonstrated successful rehabilitation; or as part of a whole-person analysis. ISCR Case No. 03-20327 at 4 (App. Bd. Oct. 26, 2006) (citations omitted).

Applicant testified that he owes the IRS \$9,000 for tax year 2021 that is unpaid. He has received correspondence from the IRS. He does not have an installment plan. He stated he will occasionally send some money to the IRS for this debt. He also has \$75,000 in student loans that have been deferred due to the pandemic. That moratorium will likely end soon, and he will have to start paying back his loan. I have considered these facts in evaluating all of the evidence in mitigation and in my whole person analysis of his financial issues.

Applicant did not disclose his numerous delinquent debts on his SCA or when asked by the government investigator. He could not recall most of the debts when confronted with them. The record evidence clearly indicates that Applicant has not acted responsibly for many years and has instead chosen to ignore his financial responsibilities by asserting that he was unaware of them. Based on his testimony, I am not convinced that Applicant has a responsible grasp on his finances. Applicant has not established a reliable financial track record for me to conclude that he will continue to make payments on debts he recently started to pay or that he will address the delinquent debts that are no longer listed on his credit report. He has not provided sufficient evidence that he is managing his finances in a way that future problems are unlikely to recur. Although from

a strictly financial standpoint it may make sense that he not restart the clock on his old debts, this position is not the standard used for evaluating an applicant's reliability, trustworthiness or good judgment.

Applicant failed to meet his burden of persuasion. The record evidence leaves me with questions and doubts as to Applicant's eligibility and suitability for a security clearance. For these reasons, 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
Subparagraph 1.a:	For Applicant
Subparagraphs 1.b-1.e:	Against Applicant
Subparagraph 1.f-1.g:	For Applicant
Subparagraphs 1.h-1.j:	Against Applicant
Subparagraph 1.k:	For Applicant
Subparagraph 1.l:	Against Applicant
Subparagraphs 1.m-1.n:	For Applicant
Subparagraph 1.o:	Against Applicant
Subparagraph 1.p;	For 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.

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Carol G. Ricciardello  
Administrative Judge