



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



In the matter of:)
)
) ISCR Case No. 20-01108
)
Applicant for Security Clearance)

Appearances

For Government: Brittany White, Esq., Department Counsel
For Applicant: *Pro se*

12/07/2022

Decision

HARVEY, Mark, Administrative Judge:

Applicant’s handling of his federal income tax debt for tax year (TY) 2005 and several consumer debts resulted in unmitigated Guideline F (financial considerations) security concerns. Eligibility for access to classified information is denied.

Statement of the Case

On May 29, 2018, Applicant completed and signed a Questionnaires for Investigations Processing or security clearance application (SCA). (Government Exhibit (GE) 1) On April 15, 2021, the Defense Counterintelligence and Security Agency (DCSA) Consolidated Adjudications Facility (CAF) issued a statement of reasons (SOR) to Applicant under Executive Order (Exec. Or.) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960); DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (Directive) (January 2, 1992), as amended; and Security Executive Agent Directive 4, establishing in Appendix A the *National Security Adjudicative Guidelines for Determining Eligibility for Access to Classified Information or Eligibility to Hold a Sensitive Position* (AGs), effective June 8, 2017. (Hearing Exhibit (HE) 2)

The SOR detailed reasons why the DCSA CAF did not find under the Directive that it is clearly consistent with the interests of national security to grant or continue a security clearance for Applicant and recommended referral to an administrative judge to determine whether a clearance should be granted, continued, denied, or revoked. Specifically, the SOR set forth security concerns arising under Guideline F. (HE 2)

On August 19, 2021, Applicant provided a response to the SOR, and he requested a hearing. (HE 3) In his SOR response, he said several documents were attached to his SOR response, which were not attached. The three documents that were attached were described on the record, and Applicant said other documents were provided at his hearing. (Transcript (Tr.) 21-22) On September 30, 2021, Department Counsel was ready to proceed. Processing of the case was delayed due to the COVID-19 pandemic. On June 28, 2022, the case was assigned to me. On August 9, 2022, DOHA issued a notice of hearing, setting the hearing for September 19, 2022. (HE 1) His hearing was held as scheduled using the DOD Microsoft Teams video teleconference system. (*Id.*)

During the hearing, Department Counsel offered six exhibits; Applicant offered three exhibits; there were no objections; and I admitted all proffered exhibits. (Tr. 15-23; GE 1-GE 6; AE A-AE C) On September 28, 2022, DOHA received a transcript of his security clearance hearing. Applicant provided four exhibits after the hearing, which were admitted without objection. (Applicant Exhibit (AE) D-AE G) The record closed on October 20, 2022. (Tr. 75)

Some details were excluded to protect Applicant's right to privacy. Specific information is available in the cited exhibits and transcript.

Findings of Fact

In Applicant's SOR response, he admitted each of the SOR allegations. He also provided mitigating information. His admissions are accepted as findings of fact. Additional findings follow.

Applicant is a 57-year-old security architect, and he has worked for his current employer for 26 months. (Tr. 6, 8-9) In 1983, he graduated from high school. (Tr. 6-7) In 1988, he was awarded a bachelor's degree. (Tr. 7) He has never served in the military. (Tr. 7) In 1988, he was married, and in 2002, he was divorced. (Tr. 7-8) He has eight children who are ages 10, 11, 14, 18, 20, 22, 26, and 32. (Tr. 8) He does not pay, and he has not received, child support payments. (Tr. 29)

Financial Considerations

Applicant attributes his financial problems to having eight children, and three children are currently attending college. (Tr. 24; SOR response) They have scholarships; however, he pays the following annual amounts: \$14,000; \$2,700; and \$6,300. (Tr. 30, 56-57) The \$14,000 is for his daughter's law school room and board. (Tr. 56) He wanted all of his children to complete college without student loans. (Tr. 57)

In 2015, Applicant purchased a car for about \$300,000 to \$320,000. (Tr. 64) He eventually sold it for the amount remaining on his vehicle loan of \$167,000. (Tr. 64) He was not thinking about his IRS tax debt for TY 2005 when he was purchasing the vehicle. (Tr. 64)

Applicant's annual salary working for his current employer has been \$172,000 to \$180,000 per year. (Tr. 26) He was unsure about his income from 2018 to 2020; however, he believed one year it was under \$100,000 and the other year it was not. (Tr. 27, 53) From 2016 to 2018, his annual salary was \$225,000 to \$250,000. (Tr. 27) From 2011 to 2016, his annual salary was about \$200,000. (Tr. 28) He has about \$40,000 in stock market assets in his retirement account. (Tr. 54-55)

SOR ¶ 1.a alleges Applicant owes about \$54,997 to the federal government for delinquent taxes for tax year (TY) 2005. Applicant was a 1099 employee, and he failed to pay quarterly taxes. (Tr. 31, 60-61) He had custody of his three youngest children since 2013. Their mother claimed them on her tax return. (Tr. 24) He was able to convince the IRS that he should be the parent authorized to take the dependent deduction for the three children. (Tr. 24, 31) He received a letter from the IRS in 2015 or 2016. (Tr. 61) He presented a April 23, 2018 IRS letter to the Office of Personnel Management investigator indicating he owed \$54,997 to the IRS for TY 2005. (GE 5 at 10) His federal income tax overpayments for TYs 2016 and 2017 were applied to address his TY 2005 debt. (*Id.*) Year-after-year he ignored his federal income tax debt. (Tr. 62)

Applicant contacted the IRS in 2020 about his tax debt because he was seeking a security clearance from another government agency (AGA); in 2020, he made an offer in compromise; and in 2020, he paid his federal income tax debt. (Tr. 24, 32-33, 61-62) He did not receive his AGA employment because he did not timely complete their security clearance application. (Tr. 66) He did not remember how much he paid the IRS; however, he estimated it was about \$13,000. (Tr. 32, 63) Department Counsel asked him to provide evidence of his payments; however, he did not provide it. (Tr. 33) He sent an IRS account record, which shows zero balances for TYs 2018, 2019, 2020, and 2021, and as of September 18, 2020, he had a zero balance. (AE A at 1, 10)

SOR ¶ 1.b alleges a charged-off account for a vehicle for \$23,713. Applicant purchased a 2016 vehicle for his business, which was repossessed. (Tr. 34-35) He admitted that purchase of the vehicle showed poor judgment. (Tr. 37) He said he sold a different vehicle, and he applied about \$12,000 to the debt in SOR ¶ 1.b. (Tr. 37) However, the \$12,000 payment may have been applied to the debt for a repossessed vehicle in SOR ¶ 1.c. He has not been discussing settlement with the creditor for the SOR ¶ 1.b debt, and he did not make any other payments to address this debt. (Tr. 38, 40)

SOR ¶ 1.c alleges a charged-off account for \$20,726. In May of 2018, he purchased a vehicle. (Tr. 38) He stopped making payments in August of 2019, and the vehicle was repossessed in late 2019. (Tr. 38) His credit report shows the balance for the debt is now \$5,466, and he plans to pay \$2,700 to settle the debt by the end of 2022. (Tr. 39-40; AE A at 4)

SOR ¶ 1.d alleges a charged-off credit card debt for \$14,588. Applicant's son charged some games on the account, and Applicant disputed the debt. (Tr. 41) The creditor sought a judgment, and on October 24, 2016, the court dismissed the creditor's lawsuit without prejudice. (Tr. 41; SOR response at 2) The debt appears on Applicant's September 2021 Equifax credit report with the narrative code "Charged Off Account,

Account Closed By Credit Grantor.” (GE 4 at 8) This debt does not appear on his October 20, 2022 TransUnion current credit report. (Tr. 42; AE A) This debt is mitigated.

SOR ¶ 1.e alleges a charged-off credit card account for \$4,985. Applicant said the credit card company erroneously paid for a rental car for several months after he returned the vehicle, and he disputed his responsibility to pay the debt. (Tr. 44; SOR response at 3-4) He said the creditor offered to settle the debt for \$1,496, and he intended to settle the debt by the end of 2022. (Tr. 40, 44-45; AE C) On October 20, 2022, the creditor confirmed a settlement agreement of 12 monthly \$125 payments beginning in November 2022. (AE D at 9-10)

SOR ¶ 1.f alleges a charged-off account for \$1,138. Applicant said he did not remember the account. (Tr. 45) His credit reports reflect that the account was opened in October 2012, and his last payment was in March 2016. (Tr. 45) He called the creditor; however, he was unable to get the information he needed to resolve the debt. (Tr. 46) Applicant said he was going to dispute the account. (Tr. 45) The debt shows on his credit report as having a zero balance. (Tr. 46; AE A at 5; SOR response at 1, 5; GE 4 at 4) This debt is mitigated.

SOR ¶ 1.g alleges an account placed for collection for \$435. Applicant paid this debt. (Tr. 46) His September 2021 Equifax credit report narrative code states, “Account Closed At Consumer’s Request, Consumer Disputes After Resolution, Account Paid For Less Than Full Balance.” (GE 4 at 6) This debt is mitigated.

SOR ¶ 1.h alleges a judgment entered in November 2015 for about \$2,000. Applicant’s landlord obtained the judgment for repairs. (Tr. 47-48) He said he paid the judgment, and he said he would provide proof of payment. (Tr. 48-49) However, he did not provide proof of payment or satisfaction of this judgment.

SOR ¶ 1.i alleges a judgment for a utility bill entered in November 2016 for about \$448. Applicant said he paid the judgment, and he provide a utility bill for October 2021 indicating he owed a monthly utility bill of \$74. (SOR response at 1, 5) He contended the creditor would not have given him a new account if there was an outstanding judgment owed to the creditor. (Tr. 50) Applicant said he could obtain proof of payment; however, he did not provide evidence from the creditor showing payment. This debt is mitigated because he has an account in current good standing with the creditor.

SOR ¶ 1.j alleges a judgment entered in July 2017 for about \$12,340, which was obtained by a landlord because of damage to a residence he was renting. (Tr. 50-51) Applicant said he settled the debt for \$6,000. He said he paid the debt using money orders. (Tr. 51) He did not retain copies of the money orders. (Tr. 67) The landlord is in Korea. (Tr. 51)

In 2022, Applicant enrolled in a credit counseling course, and he generated a budget. (AE E; AE F; AE G) His monthly remainder or surplus which is available to pay the SOR debts is \$4,451. (AE E at 3)

In sum, Applicant believes over the last three years, he has made substantial improvements in his finances. (Tr. 69) He has an excellent credit score. (Tr. 69) His payments over the last three years for routine accounts have been timely. (Tr. 69)

Policies

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

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

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

Initially, the Government must establish, by substantial evidence, conditions in the personal or professional history of the applicant that may disqualify the applicant from being eligible for access to classified information. The Government has the burden of establishing controverted facts alleged in the SOR. See *Egan*, 484 U.S. at 531. “Substantial evidence” is “more than a scintilla but less than a preponderance.” See *v. Washington Metro. Area Transit Auth.*, 36 F.3d 375, 380 (4th Cir. 1994). The guidelines presume a nexus or rational connection between proven conduct under any of the criteria

listed therein and an applicant's security suitability. See ISCR Case No. 95-0611 at 2 (App. Bd. May 2, 1996).

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

Analysis

Financial Considerations

AG ¶ 18 articulates the security concern for financial problems:

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.

AG ¶ 19 includes disqualifying conditions that could raise a security concern and may be disqualifying in this case: "(b) unwillingness to satisfy debts regardless of the 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.” The record establishes AG ¶¶ 19(b), 19(c), and 19(f). Further discussion of the disqualifying conditions and the applicability of mitigating conditions is contained in the mitigation section, *infra*.

The financial considerations mitigating conditions under AG ¶ 20 are as follows:

(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;

(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;

(f) the affluence resulted from a legal source of income; 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.

In ISCR Case No. 10-04641 at 4 (App. Bd. Sept. 24, 2013), the DOHA Appeal Board explained an applicant’s responsibility for proving the applicability of mitigating conditions as follows:

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

will be resolved in favor of the national security.” Directive, Enclosure 2 ¶ 2(b).

Applicant indicated a circumstance beyond his control which adversely affected his finances. He had periods of unemployment, underemployment, and a failed business. He took responsibility for financially supporting his eight children. However, “[e]ven if [an applicant’s] financial difficulties initially arose, in whole or in part, due to circumstances outside his [or her] control, the [administrative judge] could still consider whether [the applicant] has since acted in a reasonable manner when dealing with those financial difficulties.” ISCR Case No. 05-11366 at 4 n.9 (App. Bd. Jan. 12, 2007) (citing ISCR Case No. 03-13096 at 4 (App. Bd. Nov. 29, 2005); ISCR Case No. 99-0462 at 4 (App. Bd. May 25, 2000); ISCR Case No. 99-0012 at 4 (App. Bd. Dec. 1, 1999)). A component is whether he or she maintained contact with creditors and attempted to negotiate partial payments to keep debts current. Applicant did not provide supporting documentary evidence that he consistently maintained contact with the IRS and several creditors.

The SOR does not allege that Applicant purchased a car in 2015 for about \$300,000 to \$320,000 while owing thousands of dollars to the IRS for TY 2005. In ISCR Case No. 03-20327 at 4 (App. Bd. Oct. 26, 2006), the Appeal Board listed five circumstances in which conduct not alleged in an SOR may be considered stating:

- (a) to assess an applicant’s credibility; (b) to evaluate an applicant’s evidence of extenuation, mitigation, or changed circumstances; (c) to consider whether an applicant has demonstrated successful rehabilitation; (d) to decide whether a particular provision of the Adjudicative Guidelines is applicable; or (e) to provide evidence for whole person analysis under Directive Section 6.3.

Id. (citing ISCR Case No. 02-07218 at 3 (App. Bd. Mar. 15, 2004); ISCR Case No. 00-0633 at 3 (App. Bd. Oct. 24, 2003)). See also ISCR Case No. 12-09719 at 3 (App. Bd. Apr. 6, 2016) (citing ISCR Case No. 14-00151 at 3, n. 1 (App. Bd. Sept. 12, 2014)). The non-SOR allegation will not be considered except for the five purposes listed above.

The Appeal Board clarified that even in instances where an “[a]pplicant has purportedly corrected [his or her] federal tax problem, and the fact that [applicant] is now motivated to prevent such problems in the future, does not preclude careful consideration of [a]pplicant’s security worthiness in light of [his or her] longstanding prior behavior evidencing irresponsibility” including a failure to timely file federal income tax returns. See ISCR Case No. 15-01031 at 3 & n.3 (App. Bd. June 15, 2016) (characterizing “no harm, no foul” approach to an applicant’s course of conduct and employing an “all’s well that ends well” analysis as inadequate to support approval of access to classified information with focus on timing of filing of tax returns after receipt of the SOR).

Applicant’s history of non-payment of his federal income-tax debt has important security implications. See ISCR Case No. 20-01004 at 3 (App. Bd. June 28, 2021) (“Resolution of a delinquent debt does not preclude further inquiry or examination regarding it. Even if an alleged debt has been paid or canceled, a Judge may still consider

the circumstances underlying the debt as well as any previous actions or lapses to resolve the debt for what they reveal about the applicant's worthiness for a clearance") (citing ISCR Case No. 15-02957 at 3 (App. Bd. Feb. 17, 2017)). "A security clearance represents an obligation to the Federal Government for the protection of national secrets. Accordingly, failure to honor other obligations to the Government has a direct bearing on an applicant's reliability, trustworthiness, and ability to protect classified information." ISCR Case No. 14-03358 at 3 (App. Bd. Oct. 9, 2015).

Applicant has known about his delinquent tax debt of about \$55,000 for TY 2005 from his filing date in 2006 until resolution in 2020. The only known payments were overpayments for other TYs, which were transferred to address his TY 2005 debt. He did not describe any other payments between 2006 and 2020. He has not established mitigation of his federal income tax debt for TY 2005 because he was dilatory in his resolution of this debt when he had the means to resolve this debt earlier. He did not provide a reasonable explanation for his 2015 purchase of a car for \$300,000 to \$320,000 when he had an outstanding federal income tax debt.

The debts in SOR ¶¶ 1.d for \$14,588, ¶ 1.f for \$1,138, 1.g for \$435, and 1.i for \$448 are mitigated. However, it is noteworthy that only the debts for \$435 and \$448 were paid, despite Applicant having ample financial resources.

Applicant is not credited with mitigating his other SOR debts. He did not provide proof of payments, such as receipts for payment, a letter from the creditor, or debits from his accounts.

Applicant did not establish that he was unable to make more progress sooner in the resolution of his SOR debts. There is insufficient assurance that his financial problems are being resolved. His handling of his finances raises unresolved questions about his reliability, trustworthiness, and ability to protect classified or sensitive information. Under all the circumstances, he failed to establish mitigation of financial considerations security concerns.

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), “[t]he ultimate determination” of whether to grant a security clearance “must be an overall commonsense judgment based upon careful consideration of the guidelines” and the whole-person concept. My comments under Guideline F are incorporated 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 a 57-year-old security architect, and he has worked for his current employer for 26 months. In 1983, he graduated from high school. In 1988, he was awarded a bachelor’s degree. In 1988, he was married, and in 2002, he was divorced. He has eight children who are ages 10, 11, 14, 18, 20, 22, 26, and 32.

Applicant did not provide a good reason for his procrastination in failing to pay or establish payment plans for several years for his federal income tax debt for TY 2005 in SOR ¶ 1.a. His resolution of his federal income tax debt in 2020 was responsible; however, full mitigation credit is unavailable in light of his income over the last seven years, and his purchase of a car for \$300,000 to \$320,000 in 2015.

SOR ¶ 1.b alleges a charged-off account for a vehicle for \$23,713. SOR ¶ 1.c alleges a charged-off account for \$20,726, and his credit report shows the balance for the debt is now \$5,466. SOR ¶ 1.j alleges a judgment entered in July 2017 for about \$12,340. These three debts alone total about \$40,000. He did not provide documentation showing any recent payments to address these three debts. He has not recently communicated with the creditor in SOR ¶ 1.b. At his hearing, documentation showing resolution was requested; however, it was not provided. The fact that a debt is dropped from a credit report does not necessarily show the debt is resolved.

It is well settled that once a concern arises regarding an applicant’s security clearance eligibility, there is a strong presumption against granting a security clearance. See *Dorfmont*, 913 F. 2d at 1401. Applicant’s evidence did not overcome the *Dorfmont* presumption.

This decision should not be construed as a determination that Applicant cannot or will not attain the state of reform necessary for award of a security clearance in the future. With more effort towards establishing a track record of timely paying his debts, and a better record of behavior consistent with his obligations, he may well be able to demonstrate persuasive evidence of his security clearance worthiness.

I have carefully applied the law, as set forth in *Egan*, Exec. Or. 10865, the Directive, the AGs, and the Appeal Board’s jurisprudence to the facts and circumstances in the context of the whole person. Unmitigated financial considerations security concerns lead me to conclude that grant of a security clearance to Applicant is not warranted 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
Subparagraphs 1.a, 1.b, and 1.c:	Against Applicant
Subparagraph 1.d:	For Applicant
Subparagraph 1.e:	Against Applicant
Subparagraphs 1.f and 1.g:	For Applicant
Subparagraph 1.h:	Against Applicant
Subparagraph 1.i:	For Applicant
Subparagraph 1.j:	Against Applicant

Conclusion

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

Mark Harvey
Administrative Judge