



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



In the matter of: )  
)  
) ISCR Case No. 21-02463  
)  
Applicant for Security Clearance )

**Appearances**

For Government: Andrew H. Henderson, Esquire, Department Counsel  
For Applicant: *Pro se*

07/15/2022

**Decision**

GALES, Robert Robinson, Administrative Judge:

Applicant failed to mitigate the security concerns regarding financial considerations. Eligibility for a security clearance is denied.

**Statement of the Case**

On March 13, 2020, Applicant applied for a security clearance and submitted a Questionnaire for National Security Positions (SF 86). On December 10, 2021, the Defense Counterintelligence and Security Agency (DCSA) Consolidated Adjudications Facility (CAF) issued a Statement of Reasons (SOR) to him under Executive Order (Exec. Or.) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended and modified; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended and modified (Directive); and Directive 4 of the Security Executive Agent (SEAD 4), *National Security Adjudicative Guidelines* (December 10, 2016) (AG), effective June 8, 2017.

The SOR alleged security concerns under Guideline F (Financial Considerations) and detailed reasons why the DCSA adjudicators were unable to find that it is clearly consistent with the national interest to grant or continue a security clearance for Applicant.

The SOR recommended referral to an administrative judge to determine whether a clearance should be granted, continued, denied, or revoked.

On January 26, 2022, Applicant responded to the SOR and elected to have his case decided on the written record in lieu of a hearing. (Item 1) A complete copy of the Government's file of relevant material (FORM) was mailed to Applicant by the Defense Office of Hearings and Appeals (DOHA) on February 28, 2022, and again on March 21, 2022, and he was afforded an opportunity after receipt of the FORM to file objections and submit material in refutation, extenuation, or mitigation. In addition to the FORM, Applicant was furnished a copy of the Directive as well as the Adjudicative Guidelines applicable to his case. Applicant received the FORM on April 1, 2022. His response was due on May 1, 2022. Applicant chose not to respond to the FORM, for as of May 5, 2022, no response had been received. The case was assigned to me on May 19, 2022. The record closed on May 1, 2022.

### **Findings of Fact**

In his response to the SOR, Applicant admitted, with comments, all of the SOR allegations. (SOR ¶¶ 1.a. through 1.o.). Applicant's admissions and comments are incorporated herein. After a complete and thorough review of the evidence in the record, and upon due consideration of same, I make the following findings of fact:

#### **Background**

Applicant is a 45-year-old employee of a defense contractor. He has been serving as an aircraft maintenance technician/inspector – flight test since December 2019. He was previously employed by another employer as a chief inspector – quality assurance from May 2011 until July 2019, when he was terminated for having an inappropriate relationship with a subordinate. He was on active duty with the U.S. Army from November 2002 until May 2011 when he received an honorable discharge. It is unclear if he is a high school graduate. He received an airframe and power plant certificate in 2009 and earned some university credits but no degree. He was granted a secret clearance in 2006 while on active duty, and it was renewed in 2016. He was married in 2002 and divorced in 2017. He has two children, born in 2006 and 2016.

#### **Financial Considerations**

General source information pertaining to the financial accounts discussed below can be found in the following exhibits: Item 1 (Answer to the SOR, dated December 23, 2021, and certified on January 26, 2022); Item 2 (SF 86, dated March 13, 2020); Item 3 (Enhanced Subject Interview, dated February 24, 2021); Item 4 (Combined Experian, TransUnion, and Equifax Credit Report, dated June 25, 2020); Item 5 (Equifax Credit Report, dated February 24, 2022); and Item 6 (DOD Continuous Evaluation Program (CEP) Incident Report, dated November 7, 2018).

In his SF 86, Applicant denied having any financial issues associated with delinquent accounts. (Item 2 at 34) On February 24, 2021, he was interviewed by an

investigator with the U.S. Office of Personnel Management (OPM). During that interview, he disclosed and described multiple financial delinquencies in his name, but claimed that they were not the result of any financial actions by him in causing those accounts to be opened, used, or ignored. Instead, he explained that in 2015, he and his wife had paid off all of their consumer debt and were financially free. He thought everything was fine until he received a call from the credit union while he was away on a business trip and was informed that a vehicle payment on his wife's BMW was one month overdue. He asked the credit union representative how much money was in his checking and savings accounts, expecting to hear about \$10,000, but was told he only had \$2,000. He called his wife, the family money manager, and she confessed that she had gambled some of their money away.

Upon his return from the business trip, he reviewed the family financial statements and realized that his wife, without his knowledge, had taken out all sorts of loans and maxed out credit cards in his name. He realized that when he was on active duty, following protocol, he had given her a general power of attorney, but he forgot to revoke it. Her financial actions, her gambling problem, and her infidelity caused a huge rift in their marriage, leading to their 2017 divorce. He initially became aware of the late vehicle loan account and a maxed-out credit-card account that he had intended to use for business travel, and later became aware of numerous other delinquent accounts. (Item 3 at 4)

When Applicant was asked why he had denied the existence of the delinquent accounts in his SF 86, he responded that he had intentionally done so because he knew the issue would come up during his interview and didn't want to waste time tracking down the specific information he was supposed to list. He knew that although he is legally liable for the accounts because of his general power of attorney, he considers them to be "fraudulent debts." (Item 3 at 4-5)

Applicant stated that, out of principle, he had no intentions of making payments on any of the debts reported in his credit report because he does not feel that he owes the money, and decided that he will allow the accounts to simply disappear from his credit report after 7 years. He would "rather wait out the clock to start fresh." (Item 3 at 5, 7)

In his Answer to the SOR, Applicant noted that although the credit cards were issued in his name using a general power of attorney, his wife "racked up every penny of that debt due to her inability to control her gambling habits. [He] did not receive one single dime of that money." He added that he could not litigate the issue during the divorce because he lacked the money and could not get a line of credit to do so. He now lives well within his means as a single person and does not own a single credit card. Instead, he pays for everything in cash. (Item 1)

The SOR alleged 15 still-delinquent accounts totaling approximately \$107,032, as set forth below:

SOR ¶ 1.a. refers to a bank credit-card account with an unpaid balance of \$25,317 that was placed for collection and charged off in November 2017. (Item 3 at 7; Item 4 at 11; Item 5 at 7) The account has not been resolved.

SOR ¶ 1.b. refers to a bank credit-card account with an unpaid balance of \$23,634 that was placed for collection and charged off in August 2017. (Item 3 at 7; Item 4 at 11; Item 5 at 3) The account has not been resolved.

SOR ¶ 1.c. refers to a credit union automobile loan with an unpaid balance of \$17,293 that was placed for collection and charged off in February 2020. (Item 3 at 6; Item 4 at 11-12) The account has not been resolved.

SOR ¶ 1.d. refers to an unknown type of account with a bank with an unpaid balance of \$8,413 that was placed for collection and charged off before being sold to a debt purchaser. (Item 3 at 6; Item 4 a t2; Item 5 at 5) The account has not been resolved.

SOR ¶ 1.e. refers to a bank credit-card account with an unpaid balance of \$7,664 that was placed for collection and charged off in October 2017. (Item 3 at 6; Item 4 at 12; Item 5 at 6) The account has not been resolved.

SOR ¶ 1.f. refers to an unknown type of account with a bank with an unpaid balance of \$5,325 that was placed for collection and sold to a debt purchaser. (Item 3 at 6; Item 4 a 13; Item 5 at 5) The account has not been resolved.

SOR ¶ 1.g. refers to a bank credit-card account with an unpaid balance of \$2,985 that was placed for collection and charged off. (Item 3 at 6; Item 4 at 13; Item 5 at 6) The account has not been resolved.

SOR ¶ 1.h. refers to a credit union unsecured loan with an unpaid balance of \$3,355 that was placed for collection and charged off in February 2018. (Item 3 at 6; Item 4 at 13-14) The account has not been resolved.

SOR ¶¶ 1.i. and 1.j. refer to two unknown types of account with the same bank with unpaid balances of \$3,261 and \$3,026 that were placed for collection and sold to a debt purchaser. (Item 3 at 5-6; Item 4 a 14; Item 5 at 5) The accounts have not been resolved.

SOR ¶ 1.k. refers to a medical account with an unpaid balance of \$2,132 that was placed for collection. (Item 3 at 5; Item 4 at 15) The account has not been resolved.

SOR ¶ 1.l. refers to a bank credit-card account with an unpaid balance of \$1,885 that was placed for collection. (Item 3 at 5; Item 4 at 15) The account has not been resolved.

SOR ¶ 1.m. refers to a department store charge account with an unpaid balance of \$1,680 that was placed for collection and charged off in October 2017. (Item 3 at 5; Item 4 at 15-16; Item 5 at 4) The account has not been resolved.

SOR ¶ 1.n. refers to a bank credit-card account with an unpaid balance of \$970 that was placed for collection and charged off in September 2017. (Item 3 at 5; Item 4 at 16; Item 5 at 4) The account has not been resolved.

SOR ¶ 1.o. is a water-district account with an unpaid balance of \$92 that was placed for collection. (Item 3 at 5; Item 4 at 16) The account has not been resolved.

There is no evidence of financial counseling, a budget, or anything to describe with any specificity his current financial situation. During his February 2021 OPM interview, Applicant claimed to have approximately \$6,000 in his checking and savings account. Despite claiming that he was paying for everything with cash, Applicant did not report his net monthly income, his monthly household expenses, or any monthly debt payments (for even the most insignificant of his delinquent debts such as the water bill). In the absence of such information, I am unable to determine if he has any monthly remainder available for savings or spending. There is a paucity of evidence to indicate that his financial problems are now under control, and it is difficult to determine if Applicant is currently in a better position financially than he had been.

### **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. The President has authorized the Secretary of Defense or his designee to grant an applicant 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 and modified.)

When evaluating an applicant’s suitability for a security clearance, the administrative judge must consider the guidelines in SEAD 4. In addition to brief introductory explanations for each guideline, the guidelines list potentially disqualifying conditions and mitigating conditions, which are used in evaluating an applicant’s eligibility for access to classified information.

An administrative judge need not view the guidelines as inflexible, ironclad rules of law. Instead, acknowledging 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. 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 meaningful decision.

In the decision-making process, facts must be established by “substantial evidence.” “Substantial evidence [is] such relevant evidence as a reasonable mind might accept as adequate to support a conclusion in light of all contrary evidence in the record.” (ISCR Case No. 04-11463 at 2 (App. Bd. Aug. 4, 2006) (citing Directive ¶ E3.1.32.1))

“Substantial evidence” is “more than a scintilla but less than a preponderance.” (See *v. Washington Metro. Area Transit Auth.*, 36 F.3d 375, 380 (4<sup>th</sup> Cir. 1994))

The Government initially has the burden of producing evidence to establish a potentially disqualifying condition under the Directive, and has the burden of establishing controverted facts alleged in the SOR. Once the Government has produced substantial evidence of a disqualifying condition, under Directive ¶ E3.1.15, the applicant has the burden of persuasion to present evidence in refutation, explanation, extenuation or mitigation, sufficient to overcome the doubts raised by the Government’s case. The burden of disproving a mitigating condition never shifts to the Government. (See ISCR Case No. 02-31154 at 5 (App. Bd. Sept. 22, 2005))

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 as well. It is because of this special relationship that the Government must be able to repose a high degree of trust and confidence in those individuals to whom it grants access to classified information. 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 as to potential, rather than actual, risk of compromise of classified information. Furthermore, “security clearance determinations should err, if they must, on the side of denials.” (*Egan*, 484 U.S. at 531)

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 I have based this decision, in whole or in part, on any express or implied determination as to Applicant’s allegiance, loyalty, or patriotism. It is merely an indication the Applicant has or has not met the strict guidelines the President and the Secretary of Defense have established for issuing a clearance. 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.

## **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 guideline notes several conditions that could raise security concerns under AG ¶ 19:

- (a) inability to satisfy debts;
- (b) unwillingness to satisfy debts regardless of the ability to do so; and
- (c) a history of not meeting financial obligations.

The SOR alleged 15 still-delinquent accounts totaling approximately \$107,032. On its face, without any background information, Applicant's history of still-delinquent debts appears to present either an inability to satisfy debts, or a history of not meeting financial obligations. His declared unwillingness to satisfy those debts regardless of the ability to do so, is unambiguous. AG ¶¶ 19(a), 19(b), and 19(c) have been established.

The guideline also includes examples of conditions that could mitigate security concerns arising from financial difficulties under AG ¶ 20:

- (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

AG ¶¶ 20(a) and 20(b) apply, but none of the other conditions apply. As noted above, Applicant attributed his current financial situation to one factor: his ex-wife's wrongful use of his general power of attorney, without his knowledge, to generate cash sufficient to support her gambling habit. She misused her position as the family member who handled the family finances, and she illegally used the general power of attorney to maximize financial accounts in his name that she wrongfully used. Her gambling habit, her misuse of the general power of attorney, and her infidelity all resulted in their 2017 divorce.

While Applicant's position regarding his financial situation caused by his ex-wife is understandable, aspects of his situation and his subsequent actions, or inaction, in resolving his financial issues, are troubling. His failure to clarify the nature of the various charges with the creditors to determine his legal or moral responsibility regarding each bill indicated that he chose instead to avoid any good-faith efforts to resolve any of the delinquent accounts in his name. Applicant and his wife have two children, born in 2006 and 2016. While he told the OPM investigator that he knew very little about any of the accounts, a simple examination of some of them might indicate if any of the expenses were related to his children. In particular, there is one delinquent medical account for \$2,132. Applicant never bothered to contact the provider to determine if the medical services provided were for his children, or even for his wife. Another questionable account was that of the water bill for \$92. Applicant never bothered to contact the provider to resolve the bill. Those expenses were obviously not to fund a gambling habit.

A debt that became delinquent several years ago is still considered recent because "an applicant's ongoing, unpaid debts evidence a continuing course of conduct and, therefore, can be viewed as recent for purposes of the Guideline F mitigating conditions." (ISCR Case No. 15-06532 at 3 (App. Bd. Feb. 16, 2017) (citing ISCR Case No. 15-01690 at 2 (App. Bd. Sept. 13, 2016))). Between the date he first learned of his financial situation from the bank and his ex-wife in 2017, the date he was interviewed by the OPM investigator in February 2021, and the date his response to the FORM was expected in May 2022, he made no claimed or verifiable efforts to address any of the delinquent debts.

Based on the evidence, it is clear that Applicant intentionally ignored his delinquent accounts for a substantial multi-year period. Because of his failure to confirm payment of even his smallest delinquent account (the water bill for \$92), the overwhelming evidence leads to the conclusion that his financial problems are not under control. He has not acted responsibly by failing to address his delinquent accounts and by failing to make limited, if any, efforts of working with his creditors. The Appeal Board has previously commented on such a situation:

Even if Applicant's financial difficulties initially arose, in whole or in part, due to circumstances outside his [or her] control, the Judge could still consider whether 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. 99-0462 at 4 (App. Bd. May 25, 2000); ISCR Case No. 99-0012 at 4 (App. Bd. Dec. 1, 1999); ISCR Case No. 03-13096 at 4 (App. Bd. Nov. 29, 2005)). A component is whether he or she



maintained contact with creditors and attempted to negotiate partial payments to keep debts current.

An applicant who begins to resolve his financial problems only after being placed on notice that his or her security clearance is in jeopardy may be lacking in 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. 17-01213 at 5 (App. Bd. Jun. 29, 2018); ISCR Case No. 17-00569 at 3-4 (App. Bd. Sept. 18, 2018) In this instance, Applicant has failed to offer any evidence that he has even begun making such efforts.

Clearance decisions are aimed at evaluating an applicant's judgment, reliability, and trustworthiness. They are not a debt-collection procedure. The guidelines do not require an applicant to establish resolution of every debt or issue alleged in the SOR. An applicant needs only to establish a plan to resolve financial problems and take significant actions to implement the plan. There is no requirement that an applicant immediately resolve issues or make payments on all delinquent debts simultaneously, nor is there a requirement that the debts or issues alleged in an SOR be resolved first. Rather, a reasonable plan and concomitant conduct may provide for the payment of such debts, or resolution of such issues, one at a time. Mere promises to pay debts in the future, without further confirmed action, are insufficient. In this instance, Applicant clearly stated that no such efforts were anticipated, and he expected to wait seven years until all of the delinquent accounts were removed from his credit report. Not one delinquent debt has been resolved.

Applicant's credit reports indicate that several of his debts are in charged-off status. Eventually the charged-off debts will be dropped from his credit report. "[T]hat some debts have dropped off his credit report is not meaningful evidence of debt resolution." ISCR Case No. 14-05803 at 3 (App. Bd. July 7, 2016) (citing ISCR Case No. 14-03612 at 3 (App. Bd. Aug. 25, 2015)). The Fair Credit Reporting Act requires removal of most negative financial items from a credit report seven years from the first date of delinquency or the debt becoming collection barred because of a state statute of limitations, whichever is longer (Title 15 U.S.C. § 1681c. See Federal Trade Commission website, Summary of Fair Credit Reporting Act Updates at Section 605, <https://www.consumer.ftc.gov/articles/pdf-0111-fair-credit-reporting-act.pdf>).

The Appeal Board has previously explained what constitutes a good-faith effort to repay overdue creditors or otherwise resolve debts:

In order to qualify for application of [the "good-faith" mitigating condition], an applicant must present evidence showing either a good-faith effort to repay overdue creditors or some other good-faith action aimed at resolving the applicant's debts. The Directive does not define the term "good-faith." However, the Board has indicated that the concept of good-faith "requires a showing that a person acts in a way that shows reasonableness, prudence, honesty, and adherence to duty or obligation."

(internal citation and footnote omitted) ISCR Case No. 02-30304 at 3 (App. Bd. Apr. 20, 2004) (quoting ISCR Case No. 99-9020 at 5-6 (App. Bd. Jun. 4, 2001)).

There is no verifiable evidence of financial counseling, a budget, or current financial information. Applicant's inaction under the circumstances casts doubt on his current reliability, trustworthiness, and good judgment. See ISCR Case No. 09-08533 at 3-4 (App. Bd. Oct. 6, 2010).

### **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 SEAD 4, App. A, ¶ 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 SEAD 4, App. A, ¶ 2(c), the 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. Moreover, I have evaluated the various aspects of this case in light of the totality of the record evidence and have not merely performed a piecemeal analysis. See *U.S. v. Bottone*, 365 F.2d 389, 392 (2d Cir. 1966); see also ISCR Case No. 03-22861 at 2-3 (App. Bd. Jun. 2, 2006).

There is some evidence in favor of mitigating Applicant's financial considerations. Applicant is a 45-year-old employee of a defense contractor. He has been serving as an aircraft maintenance technician/inspector – flight test since December 2019. He was previously employed by another employer as a chief inspector – quality assurance from May 2011 until July 2019. He was on active duty with the U.S. Army from November 2002 until May 2011 when he received an honorable discharge. He received an airframe and power plant certificate in 2009 and earned some university credits but no degree. He was granted a secret clearance in 2006 while on active duty, and it was renewed in 2016. Applicant attributed his current financial situation to one factor: his ex-wife's wrongful use of his general power of attorney, without his knowledge, to generate cash sufficient to support her gambling habit. She misused her position as the family member who handled the family finances, and she illegally used the general power of attorney to maximize financial accounts in his name that she wrongfully used. Her gambling habit, her misuse of the general power of attorney, and her infidelity all resulted in their 2017 divorce.

The disqualifying evidence under the whole-person concept is simply more substantial and compelling. Applicant has 15 still-delinquent accounts totaling approximately \$107,032. Although Applicant attributed his current financial situation to his ex-wife's wrongful use of his general power of attorney, without his knowledge, to generate cash sufficient to support her gambling habit, he repeatedly failed to contact his creditors to examine if any of the accounts were legitimately for the welfare of his wife and children. Instead, he allowed his anger regarding the situation to cloud his thought process. He is determined not to address any of the accounts to learn if they should have been paid by him. Instead, he is blinded by anger against his ex-wife and is simply intending to wait-out the situation to have the accounts fall from his credit report. There are lingering questions if Applicant is currently in a better position financially than he had been, as well as continuing doubt about his current reliability, trustworthiness, and good judgment.

In ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008), the Appeal Board addressed a key element in the whole-person analysis in financial cases stating:

In evaluating Guideline F cases, the Board has previously noted that the concept of "meaningful track record" necessarily includes evidence of actual debt reduction through payment of debts. However, an applicant is not required, as a matter of law, to establish that he [or she] has paid off each and every debt listed in the SOR. All that is required is that an applicant demonstrate that he [or she] has ". . . established a plan to resolve his [or her] financial problems and taken significant actions to implement that plan." The Judge can reasonably consider the entirety of an applicant's financial situation and his [or her] actions in evaluating the extent to which that applicant's plan for the reduction of his outstanding indebtedness is credible and realistic. See Directive ¶ E2.2(a) ("Available, reliable information about the person, past and present, favorable and unfavorable, should be considered in reaching a determination.") There is no requirement that a plan provide for payments on all outstanding debts simultaneously. Rather, a reasonable plan (and concomitant conduct) may provide for the payment of such debts one at a time. Likewise, there is no requirement that the first debts actually paid in furtherance of a reasonable debt plan be the ones listed in the SOR.

Applicant's track record of zero claimed or verifiable efforts to resolve the debts, even those that might be appropriately attributed to his children, and the lengthy period of non-contact with his creditors, is negative and disappointing. Overall, the evidence leaves me with substantial questions and doubts as to Applicant's eligibility and suitability for a security clearance. Accordingly, I conclude Applicant has failed to mitigate the security concerns arising from his financial considerations. See SEAD 4, App. A, ¶¶ 2(d) (1) through AG 2(d) (9).

## **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. through 1.o.:       Against Applicant

## **Conclusion**

In light of all of the circumstances presented by the record in this case, it is not clearly consistent with the national interest to grant Applicant eligibility for a security clearance. Eligibility for access to classified information is denied.

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ROBERT ROBINSON GALES  
Administrative Judge