DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	
[REDACTED]	)	ISCR Case No. 19-03682
	)	
Applicant for Security Clearance	)	

Appearances

For Government: Kelly M. Folks, Esq., Department Counsel
For Applicant: Carl Marrone, Esq.
02/23/2023

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Decision

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HESS, Stephanie C., Administrative Judge:

Applicant mitigated the security concerns raised by his Federal and state tax liens and his other delinquent accounts. Access to classified information is granted.

Statement of the Case

Applicant submitted a security clearance application (e-QIP) on November 2, 2016. On May 28, 2021, the Department of Defense (DOD) sent him a Statement of Reasons (SOR), alleging security concerns under Guideline F (Financial Considerations). The DOD acted under Executive Order (E.O.) 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) implemented by DOD on June 8, 2017.

Applicant answered the SOR on June 7, 2021, and requested a decision on the record without a hearing. Department Counsel submitted the Government's written case on November 29, 2021. On January 12, 2022, a complete copy of the file of relevant material (FORM,) which included Government Exhibits (GX) 1 through 8 was sent to Applicant, The DOHA transmittal letter, dated January 12, 2022, informed Applicant that he had 30 days after his receipt to file objections and submit material to refute, extenuate, or mitigate the Government's evidence. He received the FORM on January 24, 2022, and

timely filed a response. The DOHA transmittal letter and receipt are appended to the record as Administrative Exhibit (Admin. Ex.) I. The case was assigned to me on April 12, 2022.

Procedural Issues

After reviewing the FORM and Applicant's response, I noted erroneous information in the facts section of the FORM. On May 13, 2022, I emailed Department Counsel and Applicant informing them of the inaccuracies and giving Department Counsel until May 20, 2022, to amend the FORM and Applicant until May 27, 2022, to respond to any amendment. Department Counsel submitted an amended FORM on May 20, 2022. On May 24, 2022, Applicant requested additional time to respond to the amended Form, which I granted until June 3, 2022. On May 31, 2022, Applicant requested to convert the FORM to a hearing and I granted that request. On June 8, 2022, Applicant's attorney entered his appearance. On that same day, based on the availability of both parties, I scheduled a hearing for August 16, 2022 using Microsoft Teams. I have appended the emails to the record as Admin. Ex. II. The DOHA hearing office issued the Notice of Hearing on July 1, 2022.

The hearing took place as scheduled. Prior to the hearing, Department Counsel submitted two additional documents, GX 9 and 10. GX 1 through 10 were admitted at the hearing without objection. Also prior to the hearing, Applicant submitted Applicant's Exhibits (AX) A through S. AX A through D are copies of the original SOR; Applicant's answer; the FORM; and Applicant's response to the FORM. As these are part of the record, I did not admit them as exhibits. AX E through S were admitted at the hearing without objection.

At the hearing, Department Counsel moved to amend the SOR as follows: amend SOR ¶ 1.a to: "You were indebted to the federal government for a tax lien entered against you in 2012, in the approximate amount of $37,123 that remained unpaid until July, 2018;" and, add SOR ¶ 1.e, "You are indebted to Portfolio Recovery Associates LLC, for a judgement entered against you in August, 2020 in the approximate amount of $2,703. As of the date of this Statement of Reasons, the judgement remains unpaid." Applicant's counsel did not object, and I amended the SOR as requested by Department Counsel. DOHA received the transcript on August 23, 2022.

Findings of Fact

Applicant, 47, is a systems engineer currently employed by a defense contractor since June 2021. He has worked as a Federal contractor since 2000. He received his bachelor's degree in 1998 and his master's degree in 2000. He married in 2000 and divorced in 2012. He has two children, ages 16 and 8. Applicant married again in 2020. He has held a security clearance since 2000. (GX 2; GX 3; Response.)

Under Guideline F, the SOR alleges that Applicant was indebted for a Federal tax lien entered in 2012 in the approximate amount of $37,123; that he is indebted to his state

of residence for tax lien entered in 2016 in the approximate amount of $628; that he was past due on a vehicle-loan account in the amount of $656 with the total debt of $35,372; that he is indebted on the charged-off mortgage-loan account in the approximate amount of $27,458; and that he is indebted for a judgment entered against him in 2020 in the amount of $2,703. In his answer to the SOR, Applicant admitted the first three SOR allegations with an explanation for how he incurred the debts and their current statuses. He denied that the mortgage-loan debt remained delinquent. (GX 2; GX 3; Answer.) At the hearing, Applicant admitted SOR ¶ 1.e, but stated that he paid the judgment of $2,073 in full. (Tr. 78-81.) Applicant's admissions are incorporated in my findings of fact.

SOR ¶ 1.a.

While living in another state between 2001 and 2005, Applicant hired a professional tax preparer to file his income tax returns. He received refunds for each of those tax years. In 2005, he moved to his current state of residence. In 2007 or 2008, Applicant received a letter from the IRS that stated that he was being audited for tax years 2001 through 2005 and that the information provided on his tax returns would likely be adjusted. As a result of the audit, the IRS informed Applicant that he owed taxes for 2001 to 2005, as well as repayment of the erroneous refunds. (Tr. 41-42; Tr. 106-124.)

After selling his house in another state in 2005, Applicant paid off all his existing consumer debt. However, his wife spent excessively and again maximized their credit-card debt and incurred other consumer debt. At the time that Applicant received notice from the IRS about his tax liability due to the results of the audit, Applicant did not have the funds to pay the taxes owed. Additionally, for tax years 2008, 2009, and 2010, Applicant was inadvertently not having enough taxes withheld from his paychecks. He was also earning income from his rental properties, which created greater tax liabilities. He adjusted his withholding rate beginning in tax year 2011. (Tr. 56-57; Tr. 115-124.)

Applicant was laid off from his job in February 2010 and was unemployed until April 2010. He withdrew money from his 401(k) to cover his and his family's living expenses, to include his mortgage loan payments and credit card and other consumer debt payments. At the time of the withdrawal, Applicant did not understand the rate at which he would be taxed, and opted to defer paying taxes in favor of having access to a larger sum of money. He was unable to fully meet his tax obligation owed from the withdrawal. (Tr. 45-47; Tr. 67-70.)

The IRS secured a tax lien against Applicant and his wife in November 2012 in the amount of $37,123. The tax debt was comprised of the 2001 through 2005 tax debts, the taxes owed for the 401(k) withdrawal, the taxes incurred due to improper withholding, and the taxes incurred from the income from the rental properties. Applicant and his wife's divorce was finalized in September 2012. As part of their divorce decree, they entered a settlement agreement that contained a provision under which they agreed that Applicant would pay $922 a month and his wife would pay $550 month towards their joint tax debt until the debt was satisfied. (AX J; Tr. 123.)

When Applicant moved out of the marital home in January 2013, his expenses increased significantly. In addition to remaining responsible for half of the costs of maintaining the marital residence and paying the credit card and other consumer debt, he was also paying rent for his residence and associated expenses. He also became responsible for monthly child support that was backdated to September 2012. As a result of this increased financial strain, his payments to the IRS were sporadic. (Tr. 43.)

In late 2012 or early 2013, Applicant realized that his wife was not making any tax payments on their joint tax obligation. He went to the local IRS branch with the intention of setting up a repayment plan. He also asked if his name could be removed from the tax debt once he paid his required share of his joint tax debt. He was informed that as long as his name was on the debt, he was responsible for it. He agreed to a repayment arrangement that would automatically take $500 a month from his Federal civilian employee pay by allotment. (Tr. 57-68.)

When Applicant left federal employment in 2016, the automatic $500 a month allotments stopped. He continued to make payments on the tax debt and the IRS continued to withhold his refunds. In March 2018, Applicant entered an installment agreement with the IRS under which he paid $500 a month. Applicant's former wife did not make payments on their joint tax debt as agreed. Applicant stated, "I have paid more than the agreed-upon amount in my divorce decree, but have done so because I understand the significance of resolving taxes owed." (Tr. 68; AX E; AX F; Answer.)

When Applicant completed his e-QIP in November 2016, he estimated his total debt to be approximately $43,000. However, through his payments and the withholding by the IRS of the refunds that Applicant was due to receive, he paid the tax debt in full. The 2012 tax lien was released in July 2018, and Applicant satisfied the installment agreement in May 2021. Applicant has a $0 balance owed for his delinquent taxes. (GX 3; Tr. 106-124; AX E; AX F.) Applicant owes approximately $6,000 for his 2021 Federal taxes and is making automatic payments of $600 per month beginning in September 2022. (Tr. 72.)

SOR ¶ 1.d.

In 2005, Applicant bought three rental duplexes located on the same street in his then wife's hometown in another state. He purchased the properties as an investment that he intended to ultimately use to fund his children's college educations. Two of the properties were financed through 80/20 mortgage loans, where one lender provided 80% of the loan and a second lender provided 20% of the loan. The third property was financed through a single lender. (Tr. 56-57; Tr. 82-83.)

The neighborhood where the properties were located was comprised of primarily rental units and Applicant frequently received offers to purchase the rental properties from him. Around the time of Applicant's 2012 divorce, he decided to sell the properties for financial and personal reasons, which included increased difficulty in renting to reliable tenants who regularly paid their rent. He also found it difficult to manage the properties

while living in another state. Finally, he did not want to incur tax liabilities that he could not afford to pay. He contacted one of the people who had routinely offered to purchase the properties, and they negotiated a verbal agreement. However, the agreed-upon sales prices were less than what Applicant owed on the existing mortgage loans. (Tr. 61-62; Tr. 115-121; Tr. 81-96.)

Applicant then contacted a real estate agent who acted as the liaison between Applicant and the lending banks. Applicant submitted paperwork to each of the lenders for their agreement and approval of short sales of the properties. The lender that held the 100% the loan on the one property agreed to the short sale and forgave the deficiency balance owed on the loan. (Tr. 81-96.)

However, the negotiations with the 80% lender for the two properties with 80/20 loans were extensive. Before Applicant was able to reach an agreement with the 80% lender, the lender began foreclosure proceedings. The two properties were foreclosed. The 80% lender on both properties forgave the deficiency balances, if they existed. The 20% lender forgave the deficiency balance on one of the properties, but not the other. This is the $27,458 charged-off mortgage-loan debt alleged in SOR ¶ 1.d. (Tr. 81-96.)

At the time of the sales of these properties, Applicant erroneously thought that in a short sale or a foreclosure, the lender necessarily assumed the loss for any deficiency balance. Following the foreclosures and short sale, Applicant was never contacted by either the former or the current creditor for the debt alleged in SOR ¶ 1.d. (Tr. 86-91.)

At some point between 2014 and 2016, while working with a real estate agent in anticipation of possibly purchasing a primary residence, Applicant pulled his credit report. Upon seeing the charged-off mortgage-loan debt on Applicant's credit report, the real estate agent suggested that Applicant contact the mortgage lender listed as the creditor and try to resolve the debt. Applicant contacted the creditor and was informed that there was no record of the loan. The creditor was unable to locate any loan associated with any of the rental properties or Applicant's name. Because the three other mortgage-loan balances on the loans on the two foreclosed properties had been forgiven and were listed as "settled" on his credit report, Applicant thought that the delinquent mortgage-loan account listed on his credit report was a reporting error. (Tr. 90-92; Tr. 98.)

In 2018, Applicant again noted that the delinquent mortgage-loan was still listed on a recent credit bureau report, however with a different creditor, also a mortgage lender. Applicant contacted the current creditor that could not find a loan associated with the property or Applicant's name. He gave the creditor the account number from the original loan, and the creditor was still unable to locate any loan account associated with Applicant. After receiving the SOR in May 2021, Applicant made the same outreach to the creditor with the same result. He contacted the creditor most recently in June or July 2022, again with the same result. Applicant is willing and has the resources to resolve this debt. The debt does not appear on Applicant's September 2019 credit bureau report. He has always timely filed his Federal and state tax returns. (Tr. 91-102; Tr. 146; Tr. 115-124.)

The statuses of Applicant's other SOR are debts are as follows:

SOR ¶ 1.b – state tax lien $628, paid. This debt arose because Applicant was unknowingly under withholding his state taxes from his pay in 2013. This debt was paid with Applicant's 2014 state tax refund, and the lien was released in July 2016. (AX T; Tr. 125-127.)

SOR ¶ 1.c – $656 past-due on a vehicle loan with a balance of $35,372, current. At the time the SOR was issued, Applicant was past due on his vehicle payment. He is current on the payments and in May 2021, began making the payments through an automatic debit from his checking account. (AX H; Tr. 127-131.)

SOR ¶ 1.e – $2,703 judgment, paid. This debt was owed to an e-commerce company from which Applicant had made multiple purchases over many years. However, when he learned that he had incurred this debt, he did not recognize the amount and was unable to correlate it with a specific purchase. He disputed the debt and, after not receiving any correspondence from the creditor, thought the dispute had been successful. In 2021, he was notified that the debt had gone to collections and a judgment had been entered in August 2020 in favor of the collection agency. In January 2022, Applicant contacted the collection agency, made an initial payment over the telephone, and verbally entered a repayment agreement. In March 2022, he noticed that the payments were not being debited from his account, and again contacted the collection agency. In June 2022, he made a lump-sum payment to satisfy the debt. (AX U; AX S; Tr. 79-81; Tr. 136-138.)

Applicant's performance appraisals from 2011 through 2015, 2021, and mid-year 2022 are outstanding and collectively state that Applicant is a reliable, strong leader, who is trustworthy and exercises good judgment. (AX N.) Throughout his career, Applicant has received multiple awards, letters of recognition, and certifications. (AX P.)

Applicant called three character witnesses and submitted six letters of recommendation. Applicant's current supervisor since June 2020 stated that Applicant is loyal and dedicated and strongly recommends him for a security clearance. (Tr. 29-35; AX R.) Two of Applicant's current coworkers collectively stated that Applicant is a person of integrity who is professional and trustworthy, with a strong work ethic. (AX R.) Applicant's former supervisor met Applicant in 2008 when they were working as peers on the classified project. In 2018, she hired him to work on a project for her. She strongly recommends Applicant for a security clearance, stating that he has already proven his ability to properly handle classified information. (Tr. 151-157; AX R.) Applicant's project manager from 2008 submitted an official letter of appreciation, specifically commenting on Applicant's extraordinary work ethic. (AX R.) Applicant's former supervisor described Applicant as a mentor to the junior engineers who worked on her team. (AX W.) The volunteer coordinator of the organization for which Applicant volunteers stated that Applicant is respected and is a motivated leader. (AX R.)

Applicant's wife, an engineer who has held a security clearance for a number of years, recommends Applicant for a security clearance, stating that Applicant is a detail-

oriented person who is trustworthy, intelligent, and hard working. They completed a financial education program together in 2019, maintain and adhere to a written budget, and have a net remainder monthly. (Tr. 155-167; AX K; AX L.)

Applicant lives within his means, has no recent delinquent accounts, and is current on all his ongoing financial obligations. He has positive balances in his checking account, savings account, and several retirement accounts including a 401(k) and a Thrift Savings Plan. Applicant was recently added to the deed of the home his wife purchased prior to their marriage, and they are current on the mortgage payments. (Tr. 163.) He is a dedicated volunteer for an organization whose mission is to empower families to advance out of poverty. He was sincere and credible while testifying. (AX K; AX L; AX M; AX Q.)

Policies

"[N]o 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 applicants 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's meeting the criteria contained in the AG. These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, an administrative judge applies these guidelines 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 and 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 that the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation about potential, rather than actual, risk of compromise of classified information.

Clearance decisions must be made "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, a decision to deny a security clearance is merely an indication the applicant has not met the strict guidelines the President and the Secretary of Defense 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. 92-1106 at 3, 1993 WL 545051 at *3 (App. Bd. Oct. 7, 1993).

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 burden of proving a mitigating condition, and the burden of disproving it never shifts to the Government. *See* ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005).

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). "[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

Guideline F, Financial Considerations

The concern under this guideline is set out in AG ¶ 18:

> Failure or inability 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. . . . An individual who is financially overextended is at risk of having to engage in illegal or otherwise questionable acts to generate funds.

This concern is broader than the possibility that an individual might knowingly compromise classified information in order to raise money. It encompasses concerns about an individual's self-control, judgment, and other qualities essential to protecting classified information. An individual who is financially irresponsible may also be irresponsible, unconcerned, or negligent in handling and safeguarding classified information. *See* ISCR Case No. 11-05365 at 3 (App. Bd. May 1, 2012).

The record establishes the following disqualifying conditions:

AG ¶ 19(a): inability to satisfy debts;

AG ¶ 19(c): a history of not meeting financial obligations; and

AG ¶ 19(f): failure to . . . pay annual Federal, state, or local income tax as required.

The following mitigating conditions are potentially applicable:

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;

AG ¶ 20(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;

AG ¶ 20(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;

AG ¶ 20(d): the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts; and

AG ¶ 20(g): the individual has made arrangements with the appropriate tax authority to file or pay the amount owed and is in compliance with those arrangements.

Applicant's past financial issues arose under circumstances that are unlikely to recur and were due to conditions that were largely beyond his control. From 2001 through 2005, Applicant filed his taxes through a professional tax preparer, and received refunds for each of the tax years. In 2005, Applicant sold his house and moved to his current state of residence. Due to the strong seller's market, he was able to pay all of his credit card and other consumer debt with the proceeds. Applicant's wife was an excessive spender and within a short period of time, amassed extensive credit card and other consumer debt.

In 2007 or 2008, Applicant received notice from the IRS that his 2001 through 2005 tax returns were being audited. He subsequently received notice that he owed taxes for each of the tax years as well as reimbursement to the IRS of the refunds that he had received. Due to improper withholding of taxes from his paychecks and taxable income from his rental properties, Applicant also owed taxes for 2008 through 2010. Additionally, while laid off for approximately three months in 2010, Applicant borrowed money from his 401(k) and incurred tax liability on the withdrawal. Due to his overall financial

circumstances, Applicant was unable to fully pay or properly address his tax issues during this period of time. As a result of these different unpaid taxes, the IRS entered a lien against Applicant and his wife in 2012.

Applicant and his wife divorced in September 2012. Applicant moved out of the marital residence in January 2013 and his monthly expenses increased significantly, including child support payments which were backdated to September 2012, which created even greater overall financial strain.

However, Applicant acted responsibly under the circumstances in several ways. First, he ensured that his tax withholdings were properly adjusted in 2011. Second, in 2012, as part of their divorce settlement, Applicant and his wife agreed to each pay a portion of their joint tax debt. In late 2012 or early 2013, upon learning that his ex-wife was not making any payments to the IRS, Applicant went to the local IRS office and voluntarily entered a monthly repayment plan through an allotment from his paychecks. Applicant's ex-wife did not comply with the terms of their tax repayment agreement. After his Federal employment ended in 2016, Applicant made voluntarily payments to the IRS. In March 2018, Applicant entered a formal installment plan under which he paid the IRS $500 a month. The 2012 lien was released in July 2018 and the installment plan was satisfied in May 2021. Applicant fully repaid all of his delinquent taxes. He has always timely filed his tax returns.

In 2012, Applicant initiated action to sell the three rental properties by contacting a known interested buyer. They entered into an agreement, and Applicant hired a real estate agent to negotiate the sales between the mortgage holders and the buyer. The sales stalled through no fault of Applicant, and he ended up selling one of the properties through a short sale and the other two properties were foreclosed. It was Applicant's understanding that each of the mortgage holders agreed to forgive any existing deficiency balances. Applicant never received any type of notice of the $27,458 charged-off mortgage-loan debt alleged in SOR ¶ 1.b. When he first learned of the debt after reviewing a credit bureau report, he believed the listing of the debt was a clerical error because the same mortgage lender had forgiven the deficiency balance on his other loan.

In 2018, after noting the mortgage-loan debt was still listed on his credit bureau report, Applicant contacted the new creditor in an effort to resolve this account. The creditor was unable to find any account in Applicant's name under either the old loan number with the first mortgage lender or under the new loan number that was listed on the credit bureau report. After receiving the SOR in 2021 and again in July 2022, Applicant contacted the currently listed creditor, with the same results. Applicant is willing and able to pay this debt in full. However, the debt was no longer listed on his 2019 recent credit bureau report. The three other SOR debts, that totaled $3,987, were paid in full.

"A security clearance adjudication is an evaluation of a person's judgment, reliability, and trustworthiness. It is not a debt-collection procedure." ISCR Case No. 09-02160 (App. Bd. Jun. 21, 2010.) While those granted access to classified information are held to a high standard of conduct, they are not held to a standard of perfection.

Applicant competed a financial education program in 2019. He and his wife keep a written budget to which they adhere. Applicant lives within his means, is current on his ongoing financial obligations including his vehicle-loan payments and his mortgage-loan payments, and has a net monthly remainder. He is financially stable and has positive balances in his checking and savings accounts and his multiple retirement accounts. His failure to timely pay his tax obligations arose under unusual circumstances that were, in part, beyond his control and are unlikely to recur. He acted responsibly under the circumstances by contacting the IRS and voluntarily repaying his tax debt in its entirety. He is always timely filed his tax returns. He has made multiple efforts to repay or otherwise resolve the outstanding mortgage loan. He has never been contacted by the creditor of this debt and it no longer appears on his credit bureau report. He has the financial resources to repay this debt and is willing to do so. It is highly unlikely that this debt could be a source of coercion or exploitation. He paid each of the other SOR debts.

There is nothing in the record that suggests Applicant is financially reckless or irresponsible or that he is likely to disregard his financial obligations in the future. Applicant's past financial issues do not cast doubt on his current reliability, trustworthiness, or good judgment. AG ¶¶ 20(a) through 20(d) and 20(g) apply.

Whole-Person Concept

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. In applying the whole-person concept, an administrative judge must evaluate an applicant's eligibility for a security clearance by considering the totality of the applicant's conduct and all relevant circumstances. 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 I have also considered the following:

Applicant's nearly 23 years as a security-clearance holder and his professional reputation of trustworthiness and reliability are indicative of a person who exercises good judgment. Security clearance adjudications are not meant to be punitive but rather are to determine an applicant's current ability to properly handle and protect classified information. Ultimately, the record shows that Applicant has demonstrated the good judgment, reliability, and trustworthiness required of those granted access to classified information.

After weighing the disqualifying and mitigating conditions under Guideline F, and evaluating all the evidence in the context of the whole person, I conclude Applicant has mitigated the security concerns raised by his financial issues. Accordingly, I conclude he has carried his burden of showing that it is clearly consistent with the national interest to grant him eligibility for access to classified information.

Formal Findings

As required by section E3.1.25 of Enclosure 3 of the Directive, I make the following formal findings on the allegations in the SOR:

Paragraph 1, Guideline F (Financial Considerations): FOR APPLICANT

Subparagraphs 1.a through 1.e: For Applicant

Conclusion

I conclude that it is clearly consistent with the national interest to grant Applicant's eligibility for a security clearance. Eligibility for access to classified information is granted.

Stephanie C. Hess
Administrative Judge