DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	
	)	ISCR Case No. 12-05499
	)	
Applicant for Security Clearance	)	

Appearances

For Government: Stephanie C. Hess, Esq., Department Counsel
For Applicant: *Pro se*

11/03/2014

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Decision

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MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant and his spouse defaulted on some of their debt obligations while they were living abroad, and Applicant failed to pay taxes owed on his earned income to the foreign government. Applicant is now repaying a past-due loan co-signed for his daughter, and $17,745.82 of his spouse's credit card debt has been cancelled as uncollectible. Yet, his financial situation continues to raise significant security concerns. The personal conduct concerns raised by his negative responses to several of the financial record and foreign activities inquiries on his February 2012 security clearance application are only partially mitigated. Clearance is denied.

Statement of the Case

On June 13, 2014, the Department of Defense Consolidated Adjudications Facility (DOD CAF) issued a Statement of Reasons (SOR) to Applicant, detailing the security concerns under Guideline F, Financial Considerations, and Guideline E, Personal Conduct, and explaining why it was unable to find it clearly consistent with the national interest to grant a security clearance for him. The DOD CAF took the action under Executive Order 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as

amended; Department of Defense (DOD) Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG) effective within the DOD on September 1, 2006.

Applicant responded to the SOR allegations on July 5, 2014. He requested a hearing before an administrative judge from the Defense Office of Hearings and Appeals (DOHA). On August 25, 2014, I issued a Notice of Hearing scheduling the hearing for September 17, 2014. The notice was mailed to the address provided by Department Counsel in an email indicating that the Government was ready to proceed to a hearing. On September 2, 2014, I received the mailing containing the notice from the U.S. Postal Service as forwarding time had expired. Applicant was notified by email on September 2, 2014, of the date, time, and location of his hearing.[1]

I convened the hearing as scheduled. Five Government exhibits (GEs 1-5) and 11 Applicant exhibits (AEs A-K) were admitted into evidence without objection. Applicant and his spouse testified, as reflected in a transcript (Tr.) received on October 1, 2014. At Applicant's request, I held the record open for two weeks for him to submit additional documentary evidence. On September 30, 2014, Applicant submitted evidence of a settlement offer for the debt in SOR 1.a. Department Counsel filed no objection to its admission by the October 8, 2014 deadline for comment, so the document was admitted into the record as AE L.

Summary of SOR Allegations

The SOR alleges under Guideline F that as of June 13, 2014, Applicant owed $31,897 of delinquent consumer credit debt on four accounts (SOR 1.a-1.d); a $5,285 judgment debt (SOR 1.e); and approximately $5,187 USD in overdue taxes to a foreign government (SOR 1.f). Under Guideline E, Applicant allegedly falsified his February 2010 security clearance application by responding negatively to the financial record inquiries concerning whether he had a judgment entered against him in the last seven years (SOR 2.a); whether he had any bills turned over to a collection agency in the last seven years (SOR 2.b); whether he was currently over 120 days delinquent on any debt (SOR 2.c); whether any of his accounts or credit cards had been suspended, charged off or cancelled for failing to pay as agreed in the last seven years (SOR 2.d); and whether he had been

[1] Some confusion about Applicant's address led to him not receiving discovery of the potential Government exhibits before his hearing. Applicant listed his current address when he responded to DOD CAF interrogatories on January 15, 2014. Yet, the receipt for the June 2014 SOR, which is unsigned, bore his previous address. On August 4, 2014, Department Counsel mailed discovery to Applicant at the address provided on the unsigned receipt for the SOR. Department Counsel relied on the SOR receipt address, when on August 19, 2014, she indicated for the record that the Government was ready to proceed to a hearing. After the Notice of Hearing was issued, discovery was returned to Department Counsel. Around August 26, 2014, Department Counsel directed a member of DOHA's administrative staff to confirm Applicant's address and re-mail discovery. Department Counsel received an email that it had been done. It is unclear whether discovery was mailed to Applicant's current address. At his hearing, Applicant indicated that he received the Notice of Hearing, which was re-mailed on September 3, 2014, but he had not received the Government's exhibits. Applicant was advised at the hearing that he could have additional time to review the Government's exhibits when they were offered, and the opportunity to submit rebuttal after the hearing, if necessary. He did not request additional time, submit rebuttal other than AE L, or object to any of the Government's exhibits.

over 120 days delinquent on any debt not previously disclosed in the last seven years (SOR 2.e). Additionally, Applicant allegedly falsified his security clearance application by answering "No" to inquiries concerning any foreign financial interests (SOR 2.f); any offers from a foreign national of employment, of consultant work, or consideration of foreign employment within the last seven years (SOR 2.g); any attendance or participation in foreign conferences, trades shows, seminars, or meetings outside the United States within the last seven years (SOR 2.h); and any contact with a foreign government, its establishment, or its representatives within the last seven years (SOR 2.i).

In his Answer, Applicant admitted the debts in SOR 1.b, an automobile loan he co-signed for his daughter; SOR 1.e, a judgment awarded his mother, on which he was paying $350 per month; and SOR 1.f, the foreign tax debt which he intends to repay when a pension plan will be dispersed in a lump sum and paid to the foreign revenue and customs agency. Applicant denied the credit card debts in SOR 1.a and 1.d, which were liabilities of his spouse and primary cardholder and had been charged off by the lenders. He admitted that he was primarily liable for the debt in SOR 1.c, but he had paid off the debt as of November 2010. Applicant denied the personal conduct allegations in SOR 2.a through 2.h. Applicant attributed his failure to disclose the judgment awarded his mother (SOR 2.a) to him viewing it as a family matter. He did not list the debt in SOR 1.c as a collection debt (SOR 2.b) because he did not consider it a debt in that it had been paid. About any debts currently over 120 days past due (SOR 2.c), Applicant indicated that he had not been aware of some of the debts (SOR 1.a, 1.b, and 1.d) when he completed his security clearance application, and his foreign tax debt (SOR 1.f) would be paid in the near future. About his failure to list his foreign pension valued at around $10,798 USD (SOR 2.f), Applicant explained that it was an oversight on his part because he knew he had a pension plan, but also that the government would take the pension because of the unpaid taxes. About his denial of his foreign employment (SOR 2.g), Applicant had disclosed them under the employer section on the form. He attributed his failure to list his business travel for a foreign company (SOR 2.h) to oversight. Having listed his foreign employment under the employment section, he did not believe he was required to list the travel for those companies separately. Applicant did not respond to SOR 2.i concerning his failure to list his contacts with the foreign revenue and customs office since 2010 regarding his foreign tax issues.

Findings of Fact

After considering the pleadings, exhibits, and transcript, I make the following findings of fact:

Applicant is a 58-year-old project production analyst. He has worked for his current employer, a defense contractor, since January 2012. He earned his bachelor's degree in May 1979. From April 1985 to June 2003, Applicant worked as a senior certification engineer for a defense contractor. He held a secret-level security clearance for his duties for most of that employment. (GE 1.)

Applicant and his spouse married in August 1979. They have two grown children. (GE 1.) Around 1986, Applicant's mother deeded ownership of her home to Applicant and his spouse. In return, Applicant and his spouse agreed to construct an addition to the residence for their mother. They also contracted with his mother to provide her a place to live until her death. (GE 2; Tr. 80, 86.)

In August 1995, Applicant and his spouse sold that house and purchased another home on 41 acres of land in the same town. In February 1996, they opened a joint home equity loan of $42,259, and they constructed a garage with an apartment for his mother on the property. (GEs 2, 5; Tr. 81.) In October 1998, Applicant and his spouse took on a primary mortgage of $125,500. In January 2001, they took on a joint mortgage of $40,000 on the property. In August 2002, they paid off that mortgage and their old home equity loan through a new mortgage of $80,000 and home equity debt of $39,587. Available credit information shows that they refinanced their mortgage in October 2002, taking on a debt obligation of $181,000. They made their loan payments on time. (GE 5.) In June 2003, Applicant left that job to teach at the private boarding school that his children attended. He stayed at the school for one year. In August 2004, he took a job as service manager for a marina. In May 2005, Applicant began working for a new employer as a technical manager. (GE 1.)

In 2005, Applicant and his spouse sold the house, but they retained almost 40 acres of the property (property X). (Tr. 82.) They purchased a small two-bedroom home (property Y) in another county nearby to the college where she was studying animal science. Applicant's mother has veteran's status, and she moved to a government-subsidized housing complex near Applicant's sister. (GE 2.) On September 10, 2005, Applicant and his spouse entered into a living subsidy agreement to pay his mother $350 per month for 20 years commencing on October 1, 2005, or until her death, whichever came first. On September 27, 2005, Applicant and his spouse executed a mortgage deed on property X, giving his mother an interest in property X in return for the sum of $79,800. Applicant and his spouse executed a promissory note to pay his mother $79,800, pursuant to the living subsidy agreement, which legally bound them to pay her $350 a month until her death or for 20 years. The promissory note and its underlying obligation were made non-transferrable and subject to terminate on his mother's death. (GE 2.) In May 2006, Applicant took on an individual mortgage of $70,000 on property Y. (GE 5.)

After Applicant's spouse earned her bachelor's degree, she went abroad in August 2006 to pursue veterinary studies. In January 2007, Applicant joined her. He began working as a senior compliance engineer full-time. (AE G.)The job was a three-hour drive from his spouse's school, so he rented a place near work and traveled to see his spouse almost every weekend. (Tr. 101.) In November 2008, he began working for a different employer in the same office park. (GE 1.) He traveled on business for the foreign company to Brazil, Norway, and France. For both of his foreign employers, Applicant was compensated as an independent contractor, and he was required to pay tax on his income. (GE 2.) Applicant earned a pension benefit abroad, which was valued at about $10,798 as of February 2014. (GE 2.)

The expense of maintaining two households under an unfavorable exchange rate stressed Applicant's and his spouse's finances.[2] Without Applicant's knowledge, his spouse stopped paying on two of her credit card accounts (SOR 1.a and 1.d). Applicant was an authorized user on the account in SOR 1.d. (Tr. 128-130, 136-137.) As of October 2007, the account in SOR 1.d was past due $2,858 on a $20,622 balance.[3] A delinquent balance of $2,178 on the account in SOR 1.c was charged off and sold in October 2009 due to nonpayment since July 2007. Additionally, Applicant's spouse incurred charges on a joint credit card account (SOR 1.a) and $6,200 was placed for collection in November 2007. As of December 2012, the unpaid balance was $7,818. Applicant was individually liable for a retail store charge account debt of $500. Due to nonpayment since June 2007, the debt was placed for collection in June 2008 with $710 past due (not in SOR). (GE 5.) Applicant and his spouse fell behind in their $350 monthly living subsidy to his mother. As of August 2008, they had paid $873 of the $4,200 owed since September 1, 2007. Applicant's mother was awarded a default judgment of $5,285.08 (SOR 1.e). (GE 2; AE E.)

In 2009, Applicant was contacted by his mother's attorney for his plans to repay the judgment. Applicant and his spouse agreed to sell property Y, and to pay the judgment with the proceeds. A lien was placed against property Y pending its sale. (GE 2; Tr. 82.)

After Applicant's spouse earned her veterinary degree, she and Applicant returned to the United States in mid-August 2010. Their daughter lived in property Y for about six or eight months, and they covered the mortgage. (Tr. 147.) Applicant and his spouse rented a residence about two hours away. Applicant's spouse started working for a small, mixed veterinary practice earning around $50,000 in ten months. (Tr. 148.) They rented out property Y in the college town with the intent of selling it eventually to pay off their debts. (Tr. 131.) Applicant was unemployed for about 13 months. (GEs 1, 2; Tr. 162.) They made no payments on their delinquent credit card obligations,[4] their property taxes for 2010, or his personal tax debt owed to the foreign government on his income earned during his last year abroad. Their daughter and her two children lived with them from about October 2010

[2] Applicant's uncorroborated but also unrebutted testimony is that with a second apartment, his rental costs increased by $400 a month; his spouse's tuition increased by $5,000 to $6,000 per year; and cost of living increased by 30%. (GE 2.)

[3] Applicant's spouse testified about the delinquency on the account in SOR 1.d, as follows:

> What happened was I missed one payment. I was like a couple of days late. And [the creditor] when I called them they told me that they had upped my rate to 30 some. I don't remember if it was 33 or 35 percent. They had doubled my—I can't think of the word—the interest rate. And it made it so—it made it impossible for me to make the same regular payments. And I called them and I tried to talk to them to decrease my payments. I tried to reason with them that one date late wasn't that big a deal. But the guy was actually quite mean. And I didn't know what to do. And I was already feeling incredibly guilty because we had given up our lives here and moved to [the foreign country] for me. And instead of telling you or instead of telling [Applicant] about it, I hid it. (Tr. 129.)

[4] Applicant 's spouse testified that she did not receive any correspondence from the creditors identified in SOR 1.a and 1.d after she returned to the United States, presumably because they had a new address and new telephone number. (Tr. 135-136.)

until June 2013. Their daughter was in divorce proceedings, and she needed their financial support. (GE 2.)

In September 2011, Applicant's spouse began working as a contractor for another veterinary practice. Her income was about the same as in her previous employment. Applicant was still unemployed. (GE 2; Tr. 148.) Around December 2011, Applicant became employed as a quality control supervisor for a local electronics company. A few weeks into the job, he resigned for his current position with a defense contractor, which paid a higher wage, had better benefits, and was a shorter commute. (GE 2; Tr. 162-163.) On February 1, 2012, Applicant completed and certified to the accuracy of an Electronic Questionnaire for Investigations Processing (e-QIP). In response to section 13A concerning employment activities, Applicant disclosed that he had worked for two foreign companies while living abroad. Applicant responded "No" to section 20A concerning whether he, his spouse, or children had ever had any foreign financial interests, including business interests in which he or they had direct control or direct ownership. As to whether he had any foreign financial interests in the last seven years, Applicant denied that he, his spouse, or dependent had received or was eligible in the future for any educational, medical, retirement, social welfare, or other such benefit from a foreign country. Applicant also responded "No" to section 20B inquiries covering foreign business, professional activities, and foreign government contacts, including whether he had provided any advice or support in the last seven years to any individual associated with a foreign business that he had not previously listed as a foreign employer; whether a foreign national in the past seven years had offered him employment or asked him to work as a consultant; whether he had been involved in any foreign business ventures not previously described in the last seven years; whether he had attended or participated in any conferences, trade shows, seminars or meetings outside the United States in the last seven years; and whether he or any member of his immediate family had any contact with a foreign government, its establishment, or its representative in the past seven years. (GE 1.)

In answer to section 20C regarding foreign travel, Applicant disclosed that he had many short trips on business to Brazil between August 2009 and October 2009 and to France between May 2008 and June 2010. He also disclosed that he spent more than 30 days in the United Kingdom from February 2007 to September 2010. Applicant responded "No" to all the financial record inquiries in section 26, including any delinquencies involving enforcement such as judgments entered against him or liens placed against his property in the last seven years, and any delinquency involving routine accounts in the last seven years such as any debts referred for collection or any accounts charged off. (GE 1.)

A check of Applicant's credit on February 14, 2012, revealed the delinquent accounts in SOR 1.a, 1.c, and 1.d; the $710 retail charge delinquency (not in SOR); and two medical debts in collection, of $119 and $400 (also not alleged). Applicant was making timely payments on his mortgage balance of $65,784. Additionally, Applicant had taken on a car loan in January 2012 of $16,554, to be repaid at $183 per month. (GE 5.)

On March 15, 2012, Applicant was interviewed by an authorized investigator from the Office of Personnel Management (OPM) about his employment history, including his

work for the two foreign companies, his foreign contacts, and his business travel while residing abroad during his spouse's time in veterinary school. Applicant was also asked about the delinquent accounts on his credit record. He indicated that he was overdue on his property taxes for 2010. Other financial obligations took priority, but he expected to pay the overdue taxes by April 2012. About his failure to disclose any delinquencies on routine accounts, Applicant explained that he thought if an account was unpaid or charged off outside of the scope of the investigation, he did not have to report it. About the credit card debts in SOR 1.a and 1.d, he related that his spouse used them to pay for her school expenses, and she handled the payments. He had thought the debt in SOR 1.d had been paid with the proceeds from sale of their previous residence in 2005, although he recently discovered that it was still outstanding. He believed the debt in SOR 1.a had been paid. The credit card debt in SOR 1.c was also incurred by his spouse for her school expenses. He indicated that he would arrange repayment. Applicant stated that the $710 retail charge debt (not in SOR) had been paid. He denied any knowledge of the medical debts in collection. Applicant maintained that his and his spouse's finances were improved because he was working again, and they expected to pay down their debt as quickly as possible. (GE 2.)

On March 30, 2012, Applicant was re-interviewed for clarification and for additional information not disclosed previously. About his finances, Applicant reiterated that his spouse handled the household finances. He denied any knowledge of when accounts became past due or were referred for collection. Applicant indicated that he would investigate the accounts and arrange repayment if liable. Applicant asserted that he answered the financial questions to the best of his ability. (GE 2.) Applicant confronted his spouse about the delinquencies in SOR 1.a and 1.d (Tr. 136, 143), apparently around December 2012. (Answer.)

Around August or September 2012, Applicant's spouse found herself out of work when her contract with the veterinary practice was not renewed. She began working on a business plan to start a mobile veterinary practice for their area. (GE 2; Tr. 148.) On December 31, 2012, the creditor in SOR 1.d issued her a 1099-C cancelling $17,745.82 in debt. (AE D; Tr. 73.) Applicant was unaware that they had an obligation to report the discharged debt as income on their income tax return for that year. (Tr. 74-77.)

Applicant and his spouse did not pay his mother's living subsidy from March 2013 to February 2014. (AE E; Tr. 91.) They placed property Y on the market in the hope of selling it for the proceeds to pay the judgment. In mid-July 2013, they received an offer of $90,000. The sale was contingent on relocating their tenants in a similar home in the town. Due to a shortage of available rentals, they were unable to do so, and the pending sale was terminated. (GE 2.)

On November 26, 2013, Applicant and his spouse offered to resume payments of the living subsidy to his mother starting March 1, 2014, and to relist their property for sale. The attorney for Applicant's mother did not object to the plan, but he indicated that the additional arrearage of $4,200 plus interest for nonpayment from March 2013 to February 2014 would be added to the unpaid judgment. Unlike the living subsidy, the judgment and

arrearage would survive the death of the beneficiary. (AE E.) As of December 2013, Applicant's credit report showed charge-off balances of $7,818 on the debt in SOR 1.a and $1,279 on SOR 1.b while the debt in 1.c had been transferred to another lender. (GE 4.)

In January 2014, Applicant was asked by the DOD CAF to respond to financial, foreign influence, and personal conduct interrogatories. Concerning finances, Applicant indicated that his spouse had an upcoming interview with a veterinary practice for a job paying $60,000 to $90,000 depending on experience. If not offered the position, she planned to begin providing large animal care on her own by the end of January 2014. About his delinquent accounts, Applicant provided evidence showing that he had paid $213.21 in June 2012 to settle the $710 retail charge debt, and had resolved the medical debt in collection in July 2012. About a $1,279 delinquent auto loan debt (SOR 1.b), Applicant had been making monthly payments of $80 since November 2013. (GE 2.) When he went to refinance his auto loan for a lower interest rate, the credit union informed them that their daughter had defaulted on an automobile loan that his spouse had cosigned. Applicant added that he owed a judgment for failure to pay his mother her living subsidy. He explained that he planned to re-list property Y for sale by April 2014 to pay the judgment debt and living subsidy arrearage. Applicant indicated that he was making monthly payments on the mortgage on property Y, but he owed $802 in state income taxes for 2012 and about $4,800 in taxes to the foreign government. His spouse's student loans of $125,000 to $130,000 were in forbearance. Applicant completed a Personal Financial Statement showing that even with $900 in income from renting out property Y, he and his spouse's monthly expenses exceeded their net income by $445. He listed four outstanding debts on which they were making no payments: the credit card debts in SOR 1.c and 1.d,[5] his foreign tax debt, and a state tax debt of $804 for 2012. Among their reported $284,810 in assets was his foreign pension of approximately $10,210. (GE 2.)

Applicant detailed his foreign contacts and activities in response to the foreign influence inquiries. He responded "Yes" to whether he had ever been employed by a foreign business, submitting the director's report for his foreign business for the period April 2010 through March 2011. He listed several friends living abroad, both for himself and for his spouse. Applicant admitted also that he had a foreign financial interest, attaching information about his pension. He also disclosed that he owed foreign taxes, as alleged in SOR 1.f, adding that he has conversed with the foreign revenue authority about his tax debt via Skype several times each year since returning from abroad in 2010. Concerning the personal conduct inquiries, Applicant indicated that he answered the delinquency questions on his e-QIP to the best of his recollection. He asserted that his spouse handled their financial obligations while they were living abroad, and that she "did not communicate to [him] with honesty about [their] financial troubles mounting up starting somewhere around the beginning of 2007." He admitted that he had known about some unpaid medical bills, but expressed his belief that they were not considered routine accounts. (GE 2.)

Applicant resumed his $350 monthly living subsidy payments to his mother on March 2, 2014. He made his April 2014 payment on April 2, 2014, and his May 2014

[5] Applicant listed the debt in SOR 1.c, which had been settled in November 2010, rather than the debt in SOR 1.a, which was still outstanding.

payment on May 3, 2014. (AE E.) Should Applicant discontinue his monthly payments, his mother's attorney has indicated that he may place a lien on the acreage Applicant and his spouse retained when they sold property X. (Tr. 82.) As of June 26, 2014, the balance on the delinquent auto loan, cosigned for his daughter (SOR 1.b), was $799.72. (AE B.) Applicant was still making payments on the debt. (Tr. 79.) By June 20, 2014, Applicant had paid $640.54 to settle his past-due credit card debt in SOR 1.c. (AE C; Tr. 79.)

In 2014, Applicant's spouse began earning income through her own practice as a large animal veterinarian. She spent about $12,000 to get her business up and running. She borrowed the money from her brother and legally contracted to repay him at $232 per month for five years. (Tr. 154-156.)

Applicant and his spouse spent between $3,500 and $4,000 improving property Y, which they then relisted for sale. (Tr. 106-107, 132.) They had tenants who understood that the property would be on the market until September 1, 2014. Property Y did not sell by that date, so Applicant and his spouse took it off the market. Applicant and his spouse intend to relist the property for sale in April or May 2015. In mid-August 2014, Applicant was contacted by his mother's attorney about the real estate listing of property Y and improvements to the property. Applicant responded in an email in which he did not disclose that he had removed the property from the market. He has received no response from the attorney, but he believes the attorney understands that the home is not on the market at present because he has tenants on the property. Under the tenant's current lease, Applicant agreed to cover two months of rent for his tenant if the house sells. The rental income is sufficient to cover the mortgage on property Y. (Tr. 92-96.) Applicant and his spouse pay to have the lawn moved and the snow plowed. They also cover the water bill for property Y. Applicant estimated that their out-of-pocket costs for property X total around $1,000 a year. (Tr. 98.)

As of July 2014, Equifax Information Services was reporting that Applicant had paid two medical debts that had been referred for collection. He was making timely payments on charge account balances of $1,215 and $465, which he opened in November 2013 and February 2014 to rebuild his credit, and of $736 per month on the mortgage for property Y, which had a balance of $63,326. Applicant had an open car loan with a balance of $12,487 that was being repaid at $308 per month. Equifax reported no outstanding delinquencies on his credit record. (GE 3.)

As of mid-September 2014, Applicant still had his foreign pension, now worth about $10,385. The designated beneficiary of his pension is the foreign tax office (SOR 1.f), so in the event of his death, the foreign tax debt would be paid.[6] (AE F; Tr. 99, 103.) Applicant is eligible to withdraw his foreign pension in April or May 2015 "without undue complications." Because his pension benefit is under $10,000, he will be able to take a lump sum payout without any tax implications. He intends to pay off his foreign tax debt with the funds. (Tr.

[6] Applicant testified that sometime during the first six months of 2014, he designated the foreign tax office as the beneficiary of his foreign pension "to show intent that in the event of [his] death they would get paid." (Tr. 103-104.) Applicant has had no contact with the foreign tax authority since he designed it as beneficiary. (Tr. 104.)

99-100, 105.) The foreign tax authority keeps Applicant apprised of his debt balance, which continues to mount. Applicant has spoken with the foreign tax office "many times." (Tr. 103.)

Applicant and his spouse have looked into refinancing the mortgage on property Y. They have received a quote for a 15-year loan of $67,000 at 3.625% interest, which would lower their monthly payments to $483. (AE H.) They had not refinanced as of the close of the evidentiary record. (Tr. 107.) Applicant's credit rating, which had been poor as of February 2012 (AE I) is now fair. (AE J.) They are current in paying their living expenses, including their rent at $1,200 a month, but they also have no savings and live from paycheck to paycheck. (Tr. 105-106, 133, 150.) They do not live extravagantly and intend to repay their debts. (Tr. 152-153.) They are no longer providing any financial support for their two children. (Tr. 157.) Their income tax refund for 2013 went to pay their property taxes on their acreage (property X). (Tr. 163-164.)

Applicant's spouse has two student loans, which together total around $100,000. She applied for a program under which $25,000 of her student loan debt would be paid annually for three years in return for her working as a large animal veterinarian. She has not yet heard whether her application has been accepted. Applicant's spouse is currently working off $30,000 of her student loan debt. She has another year and a half to work off the loan under a state program. (Tr. 140.)

On September 29, 2014, the creditor in SOR 1.a agreed to settle Applicant and his spouse's delinquent $7,818.61 balance for $2,000 payable in $50 installments due October 30, 2014, through January 30, 2018. Failure to meet any of the payments by the due dates would nullify the offer. Applicant and his spouse were also notified that there could be potential tax consequences in that the creditor may issue a 1099-C since $600 or more would be forgiven. (AE L.) As of the close of the record for evidentiary submissions, Applicant had not made the first payment under the settlement.

Applicant continues to deny that he had any intent to conceal any financial delinquencies or foreign activities from the DOD when he completed his e-QIP. He knew about the judgment awarded his mother and the lien, but he viewed it an internal family matter. (Tr. 109-110.) As for his failure to list the known judgment as a delinquency involving enforcement (SOR 2.a) or as a debt currently over 120 days delinquent (SOR 2.c), Applicant explained that he was making payments every month. (Tr. 110.) He denied knowing about any routine delinquencies (SOR 2.b-2.e), such as the credit card debts in SOR 1.a and 1.d. (Tr. 111.) Applicant did not explain his failure to disclose his foreign tax debt in response to any debts currently over 120 days past due. He explained his negative response to the foreign financial interest inquiry (SOR 2.f), as follows:

> Again, that was an oversight as I stated on my Answer. Again, I didn't—at the time of answering the question, I completely forgot that—not forgot—but anyway I didn't tie the two together with the retirement account in [the foreign country]. I read the statement word for word as it was and being a pension plan and a retirement account, I just hit the no box. (Tr. 113.)

Concerning his failure to disclose his foreign employment in response to whether he had been offered a job, asked to work as a consultant, or considered employment with a foreign business, professional activity, or government (SOR 2.g), Applicant indicated that he was not offered a job. He was not contacted by his foreign employers. Rather, he applied for the positions, and he did not consider the question applicable to him. (Tr. 113-114.) About his failure to disclose foreign business travel (SOR 2.h), Applicant cited his disclosure of his foreign employment under the employment section and neither company was part of a foreign government. (Tr. 116.) As to why he did not list his contacts with the foreign tax authority as a contact with a foreign government or its establishment in the last seven years (SOR 2.i), Applicant responded that he did not think it pertained. He then testified, "Now I just read the rest of it because this is precisely pertaining to the [foreign tax office]." Applicant attributed his omission to "oversight" and reiterated that he intends to pay the debt in full when he receives his foreign pension in April or May 2015. (Tr. 121-122.) Applicant later testified that as he read the e-QIP inquiries under 20B, he did not believe that he had to disclose additional information because he had listed his employment with the foreign companies on the form and had provided addresses and contact information for his foreign employments. (Tr. 160.)

Policies

The U.S. Supreme Court has recognized the substantial discretion the Executive Branch has in regulating access to information pertaining to national security, emphasizing that "no one has a 'right' to a security clearance." *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). When evaluating an applicant's suitability for a security clearance, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are required to be considered in evaluating an applicant's eligibility for access to classified information. These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with the factors listed in the adjudicative process. The administrative judge's overall adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(c), the entire process is a conscientious scrutiny of a number of variables known as the "whole-person concept." The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a decision.

The protection of the national security is the paramount consideration. AG ¶ 2(b) requires that "[a]ny doubt concerning personnel being considered for access to classified information will be resolved in favor of national security." In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Under Directive ¶ E3.1.15, the applicant is responsible for presenting "witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by applicant or proven by Department Counsel. . . ." The applicant has the ultimate burden of persuasion to obtain a favorable security decision.

A person who seeks access to classified information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours. The Government reposes a high degree of trust and confidence in individuals to whom it grants access to classified information. Decisions include, by necessity, consideration of the possible risk that 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. Section 7 of Executive Order 10865 provides that decisions shall be "in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned." *See also* EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

Analysis

Guideline F, Financial Considerations

The security concern about financial considerations is set forth 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 information. An individual who is financially overextended is at risk of having to engage in illegal acts to generate funds.

The SOR alleges that as of June 13, 2014, Applicant owed $31,897 of delinquent consumer credit debt on four accounts (SOR 1.a-1.d), a $5,285 judgment debt (SOR 1.e), and approximately $5,187 USD in overdue taxes to a foreign government (SOR 1.f). Applicant's legal liability was established with respect to the joint credit card debt in SOR 1.a, the car loan in SOR 1.b, his credit card account in SOR 1.c, the judgment debt in SOR 1.e, and the past-due foreign taxes in SOR 1.f. Applicant had an obligation to the creditor in SOR 1.a, even if the debt was incurred by his spouse for her school and living expenses while they lived abroad, and she concealed its delinquency status from him until he confronted her around March 2012. Concerning SOR 1.b, Applicant testified that his spouse cosigned on the auto loan for their daughter (Tr. 78), but the delinquent loan was on his credit report, so he likely cosigned on the loan. Applicant was an authorized user on the credit card account identified in SOR 1.d, so he was not legally liable for about $20,622 of the $31,897 of past-due credit card debt.

AG ¶ 20(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," applies to the debt in SOR 1.d because he had no legal liability for the debt. However, as a practical matter, the funds to repay that debt would come from his and his spouse's

household income. AG ¶ 20(e) also applies to SOR 1.c in that Applicant settled the debt in November 2010, well before the SOR was issued.

Concerning the mitigating conditions, AG ¶ 20(a), "the behavior happened so long ago, was so infrequent, or occurred under circumstances that it is unlikely to recur and does not cast doubt on the individual's current, reliability, or good judgment," applies in that accounts became delinquent five or more years ago. The credit card debts in SOR 1.a and 1.c became delinquent in 2007. Applicant stopped paying his mother's living subsidy when he was living abroad, and the judgment has been outstanding since August 2008. There were no payments on the auto loan debt in SOR 1.b from February 2011 to November 2013, when Applicant began repaying the debt at $80 a month. Applicant believes the foreign tax debt is from 2010. Yet, AG ¶ 20(a) does not fully mitigate the security concerns raised by unaddressed delinquency. Applicant testified to his belief that the debt in SOR 1.a had been charged off and a 1099-C would be issued by the creditor. However, the account had an outstanding balance of $7,818.61 as of late September 2014 (AE L). In addition to the unpaid judgment in SOR 1.e, Applicant owes another $4,200 to his mother for failing to make his living subsidy payments from March 2013 through February 2014. Applicant has not made any payments toward his delinquent foreign tax debt in SOR 1.f.

Applicant's financial problems started when his spouse moved overseas to pursue her veterinary education. Applicant found employment abroad, but his job was located some distance from his spouse, so they incurred unexpected costs for a second residence. Their finances were also negatively affected by an unfavorable currency exchange rate. After Applicant and his spouse returned to the United States in August 2010, Applicant was without income until December 2011. Factors outside of their control compromised their finances, and AG ¶ 20(b) is implicated:

> (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, or a death, divorce or separation), and the individual acted responsibly under the circumstances.

Applicant acted responsibly under AG ¶ 20(b) with regard to the debts in SOR 1.c, which he settled for $640.54 in November 2010, shortly after he and his spouse returned to the United States, and SOR 1.b, which he has been repaying at $80 a month since he learned about the debt in November 2013.

However, Applicant has not exhibited the same urgency or diligence toward the debts in SOR 1.a, 1.e, and 1.f. He indicated to the OPM investigator in March 2012 that he would investigate the delinquency in SOR 1.a on his credit record. He had just learned about the debt in SOR 1.d. In his response to the SOR, he stated that he confronted his spouse about the debt in SOR 1.a subsequent to the additional information package sent to him from the DOD CAF dated "Dec. 19, 2012." The DOD CAF interrogatories are undated, but Applicant responded to the DOD CAF on January 15, 2014. The interrogatories were likely sent in December 2013. He testified that he contacted the creditor in SOR 1.a to make payments but was told that the debt had been charged off.

Applicant had not explained why he failed to ask his spouse about the debt between March 2012 and late 2013, even if he now plans to make payments to settle the debt for $2,000. Applicant has known about the judgment and foreign tax debts since at least 2010. Applicant plans to pay off the judgment and additional living subsidy arrearage with the proceeds from the sale of property Y. Applicant's spouse testified that they have tried to sell property Y for the past three or four years each Spring (Tr. 146), although they provided evidence of only one offer, which was in July 2013 and did not go to settlement because they could not find accommodations for their tenants. They recently withdrew the property for sale without first informing his mother's attorney. It is difficult to find that Applicant has acted fully responsibly within the meaning of AG ¶ 20(b) when resolution appears to be conditioned on what is personally advantageous. Similarly, the foreign tax office has contacted Applicant several times since he returned to the United States. Applicant testified that he cringes when he is reminded of the debt because of the mounting balance. (Tr. 102.) Yet, he largely ignored the debt until the first half of 2014, when he made the tax authority the beneficiary of his foreign pension on his death. Although Applicant plans to pay the debt through a withdrawal of the pension in April or May 2015, a promise to take action is not a substitute for payment.

Mitigating conditions AG ¶ 20(c), "the person has received or is receiving counseling for the problem and/or there are clear indications that the problem is being resolved or is under control," and AG ¶ 20(d), "the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts," apply in part because of his settlement of the debt in SOR 1.c and his payments on the debt in SOR 1.b. Applicant testified that after he learned of the delinquent credit card account identified in SOR 1.a, he and his spouse contacted the lender to arrange for repayment but were told that it had been charged off. (Tr. 71.) After his hearing, he requested a 1099-C form and was told that the debt had been returned from collection to the original lender. According to AE L, the creditor has agreed to settle for $2,000, paid in $50 installments starting October 30, 2014. Any failure to make a payment will cause the agreement to be cancelled. Without timely payments under the settlement, it would be premature to apply either AG ¶ 20(c) or AG ¶ 20(d). Concerning the judgment in SOR 1.e, Applicant resumed his monthly living subsidy payments to his mother in March 2014, but he has made no payments toward the judgment or the additional arrearage for nonpayment between March 2013 and February 2014. His listing of the foreign tax office as beneficiary of his foreign pension is some evidence of his good-faith intent to resolve the debt, but it is not enough to apply either AG ¶ 20(c) or AG ¶ 20(d) to that debt. Not enough progress has been shown toward resolving the debts in SOR 1.a, 1.e, and 1.f to find the financial concerns fully mitigated.

Guideline E, Personal Conduct

The security concerns about Personal Conduct are set forth in AG ¶ 15:

> Conduct involving questionable judgment, lack of candor, dishonesty, or unwillingness to comply with rules and regulations can raise questions about an individual's reliability, trustworthiness and ability to protect classified information. Of special interest is any failure to provide truthful and candid

answers during the security clearance process or any other failure to cooperate with the security clearance process.

The SOR alleges in part that Applicant falsified his February 2012 e-QIP by responding "No" to the financial record inquiries concerning any delinquencies involving enforcement in the past seven years (SOR 2.a), any delinquencies involving routine accounts in the past seven years (SOR 2.b); any routine accounts currently over 120 days delinquent (SOR 2.c); and routine accounts or credit cards suspended, charged off, or cancelled in the past seven years (SOR 2.d), and any other accounts 120 days delinquent in the last seven years (SOR 2.e). Applicant denied that he knowingly falsified his responses. Under ¶ E3.1.14 of the Directive, the Government has the burden of establishing facts alleged in the SOR that have been controverted. Applicant's spouse testified credibly that she incurred the credit card debts in SOR 1.a and SOR 1.d and that she kept the delinquency from Applicant until he confronted her. I accept that Applicant did not know that those accounts were delinquent as of his e-QIP. Similarly, the evidence establishes Applicant was unaware that his daughter had defaulted on the auto loan in SOR 1.b when he completed his e-QIP.

Even so, a reasonable inference of deliberate falsification arises because Applicant knew that he had not paid the judgment awarded his mother in August 2008 and that he owed delinquent taxes to the foreign tax authority. He was required to disclose the judgment in response to any delinquencies involving enforcement (SOR 2.a). In addition, Applicant should have listed the foreign tax debt as currently over 120 days delinquent (SOR 2.c), or alternatively, under the catchall question for debts not otherwise listed which are past due 120 days (SOR 2.e). Furthermore, the evidence shows that he settled his credit card debt in SOR 1.c in November 2010 with a collection agency. Therefore, that debt should have listed in response to any bills charged off or placed for collection in the last seven years (SOR 2.b). AG ¶ 16(a), as set forth below, applies if his omission of the delinquencies from his e-QIP was deliberate:

> (a) deliberate omission, concealment, or falsification of relevant facts from any personnel security questionnaire, personal history statement, or similar form used to conduct investigations, determine employment qualifications, award benefits or status, determine security clearance eligibility or trustworthiness, or award fiduciary responsibilities.

In evaluating Applicant's intent, I am required to consider Applicant's answers in light of the entire record. *See*, *e.g.*, ISCR Case No. 12-02296 (App. Bd. Mar. 12, 2014, citing ISCR Case No. 12-12172 (App. Bd. Jan. 9, 2014)). Although the judgment debt involved a living subsidy payment, given the court's involvement and the lien on property Y because of his nonpayment, Applicant could not reasonably have believed that it need not be disclosed because it was a family matter. The foreign tax authority had contacted him several times, including via Skype, about his tax debt since 2010. Contending that he did not purposely hide the tax debt, Applicant explained that he knew the tax debt would be paid in the near future. As of his e-QIP, he had not yet designated the tax office as beneficiary of his foreign pension. Nor was he eligible to withdraw his foreign pension to

pay the taxes. Applicant had an obligation to list the debt even if he planned to pay it. His explanation does not negate the reasonable inference of knowing omission. As for the credit card debt in SOR 1.c, Applicant indicated that it had been paid as of his e-QIP. The question involving bills or debts turned over for collection in the last seven years is not restricted to debts still outstanding. DC ¶ 16(a) applies because of his knowing omission of the judgment, foreign tax debt, and credit card debt identified in SOR 1.c.

The SOR also alleges that Applicant deliberately falsified his e-QIP by responding "No" to whether he is eligible to receive a foreign financial benefit in the future (SOR 2.f); by not reporting his foreign employment under any foreign job offers, offers to work as a consultant, or employment (SOR 2.g); by not reporting that he traveled on business to Brazil and Norway for his foreign employer in 2009 (SOR 2.h), and by not reporting his contacts with the foreign tax office (SOR 2.i). Applicant denied any intentional falsification on the basis that he listed his foreign employers under the employment section and his travel for business to Brazil under the travel section of his e-QIP. When he answered the SOR, he admitted that due to "oversight," he did not disclose his pension plan under the foreign financial benefit inquiry or any business travel under the foreign business activities inquiry. Applicant neglected to respond to SOR 2.i concerning his failure to disclose his contacts with the foreign tax office.

After reviewing all the evidence, I am persuaded that Applicant did not knowingly falsify his response to the Section 20B inquiries concerning foreign national job offer (SOR 2.g) and foreign business involving attendance at foreign conferences, trade shows, seminars, and meetings (SOR 2.h). As Applicant noted, the e-QIP separately asks about providing advice or support to any individual associated with a foreign business and any foreign national job offers. Concerning advice or support, he was required to answer that question in the affirmative only if he did not previously list the business as a former employer, and Applicant disclosed his foreign employment in response to question 13A regarding employment activities. While Applicant neglected to report a business trip to Norway under the travel section, he provided dates for his trip to Brazil that correspond to his employment with the foreign company and indicated that the travel was for business. The evidence shows that he lacked the intent to conceal his foreign employment or foreign business travel from the DOD.

Applicant's explanations for not disclosing his foreign pension and contacts with the foreign tax office are less credible, however. When he answered the SOR, Applicant stated, in part, "I did not purposely falsify or hide the fact that this account existed, but I know I would not be able to receive any pension monies from [the foreign country] and also know that the outstanding tax would be paid in full in the near future." At his hearing, he testified that he did not view his foreign pension as being the same as a retirement account. He read the question "word for word as it was and being a pension plan and a retirement account [he] just hit the no box." (Tr. 113.) Applicant certainly knew that he had a future foreign financial benefit that he had yet to assign or designate to the tax office as of February 2012. It is difficult to believe that he would view a pension plan as different from a retirement account. Concerning his failure to disclose his ongoing contacts with the tax office, Applicant testified initially that he did not think the question concerning foreign

government contacts applied to the foreign government's tax office. When reminded that he was dealing with a foreign government's tax agency, Applicant responded, "Now I just read the rest of it because this [is] precisely pertaining to the [foreign tax office]." (Tr. 121.) Applicant noted that he was not required to list his foreign employments in response to whether he provided any advice or support to an individual associated with a foreign business because he had previously listed his former foreign employers under 13A. It stretches credulity that he would not have taken similar care with regard to reading and responding to the other e-QIP inquiries. AG ¶ 16(a) also applies to his knowingly false responses to the foreign financial benefit (SOR 2.f) and foreign government contacts (SOR 2.i) questions on his e-QIP.

Concerning the potential mitigating conditions, AG ¶ 17(a), "the individual made prompt, good-faith efforts to correct the omission concealment, or falsification before being confronted with the facts," is established only in that Applicant disclosed his foreign employment and contacts with foreign nationals during his March 2012 interview. He did not disclose his foreign tax debt, and he claimed to have misunderstood the financial record inquiries when he completed his e-QIP. Applicant's disclosures about the foreign tax liability and the foreign pension benefit in response to DOD CAF interrogatories in January 2014 are not sufficiently prompt to be fully mitigated under AG ¶ 17(a).

Applicant's recent disclosures of financial debt and his foreign contacts weigh in his favor. However, his efforts to rationalize or justify his omissions, especially of any financial delinquencies, from his e-QIP, show a lack of reform. Under the circumstances, I cannot apply either AG ¶ 17(c) or AG ¶ 17(d), which provide as follows:

> (c) the offense is so minor, or so much time has passed, or the behavior is so infrequent, or it happened under such unique circumstances that it is unlikely to recur and does not cast doubt on the individual's reliability, trustworthiness, or good judgment, and
>
> (d) the individual has acknowledged the behavior and obtained counseling to change the behavior or taken other positive steps to alleviate the stressors, circumstances, or factors that caused untrustworthy, unreliable, or other inappropriate behavior, and such behavior is unlikely to recur.

Whole-Person Concept

Under the whole-person concept, the administrative judge must consider the totality of an applicant's conduct and all relevant circumstances in light of the nine adjudicative process factors in AG ¶ 2(a).[7]

[7] The factors under AG ¶ 2(a) are as follows:

> (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

Applicant and his spouse continued to struggle financially due to his lengthy unemployment after they returned from abroad in August 2010. After Applicant regained full-time employment around January 2012, he and his spouse were both gainfully employed until August or September 2012, when her contract was not renewed. Over the next 15 months, Applicant's spouse focused on a business plan for her own large animal veterinary business. For 12 of those months, Applicant did not make the living subsidy payments to his mother, so he owes another $4,200 in addition to the financial judgment. He also made no payments toward his foreign tax debt.

With $12,000 borrowed from her brother, Applicant's spouse managed to start her own veterinary practice around late January 2014. Their financial situation has improved somewhat in that there is no evidence of any new delinquency. In March 2014, they resumed the living subsidy payment of $350 per month to Applicant's mother. Applicant has arranged to settle the debt in SOR 1.a for $2,000 at $50 a month, although payment had yet to be made as of the close of the evidentiary record. He plans to withdraw his foreign pension funds in April or May 2015 to satisfy his delinquent foreign tax debt. Applicant and his spouse intend to sell property Y to pay off the judgment and living subsidy arrearage, and they spent between $3,500 and $4,000 in 2014 to improve the premises.

Unresolved debt is not necessarily a bar to having access to classified information. As noted by the DOHA Appeal Board, a security clearance adjudication is not a proceeding aimed at collecting an applicant's personal debts. *See* ISCR Case No. 09-02160 (App. Bd. Jun. 21, 2010). The purpose is to determine whether an applicant has the judgment, reliability, and trustworthiness for a security clearance consistent with the guidelines in the Directive.

Concerns persist about Applicant's financial judgment. He and his spouse recently removed property Y from the market without first informing his mother's attorney. Applicant assumes that the attorney is aware because they are renting out the house, but there is no evidence that the attorney has agreed with what amounts to a delay in addressing the delinquent judgment and living subsidy arrearage. Applicant and his spouse currently live from paycheck to paycheck and have no savings. Applicant has committed to paying $50 per month toward the debt in SOR 1.a, which may be affordable, but they have little to draw on for emergency expenses. The creditor in SOR 1.a has not ruled out the issuance of a 1099-C since $600 or more would be forgiven should Applicant make all the payments under the settlement. Such an action could have tax implications for Applicant and his spouse. It is unclear whether Applicant and his spouse owe a tax liability for apparently not reporting the $17,745.82 of discharged debt (SOR 1.d) as income on their 2012 income tax returns. The balance of the foreign tax debt continues to accrue.

Furthermore, Applicant presented as having no financial problems when he completed his e-QIP, despite the outstanding judgment and foreign tax debt. His lack of full

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pressure, coercion, exploitation, or duress; and (9) the likelihood of continuation or recurrence.

candor continues to generate concerns about whether he can be counted on to comply with security practices and regulations that may be personally disadvantageous to him.

It is well settled that once a concern arises regarding an applicant's security clearance eligibility, there is a strong presumption against the grant or renewal of a security clearance. *See Dorfmont v. Brown*, 913 F. 2d 1399, 1401 (9th Cir. 1990). Unmitigated financial considerations and personal conduct concerns lead me to conclude that grant of a security clearance to Applicant is not warranted at this time. This decision should not be construed as a determination that Applicant cannot or will not attain the state of reform necessary to justify the award of a security clearance in the future. With some efforts toward resolving the past-due debts in SOR 1.a, 1.e, and 1.f, and a track record of behavior consistent with his obligations rather than in self-interest, he may well be able to demonstrate persuasive evidence of his security clearance worthiness. Based on the facts before me and the adjudicative guidelines that I am required to consider, I conclude that it is not clearly consistent with the national interest to grant Applicant security clearance eligibility 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
Subparagraph 1.a:	Against Applicant
Subparagraph 1.b:	For Applicant
Subparagraph 1.c:	For Applicant
Subparagraph 1.d:	For Applicant
Subparagraph 1.e:	Against Applicant
Subparagraph 1.f:	Against Applicant
Paragraph 2, Personal Conduct:	AGAINST APPLICANT
Subparagraph 2.a:	Against Applicant
Subparagraph 2.b:	Against Applicant
Subparagraph 2.c:	Against Applicant
Subparagraph 2.d:	For Applicant
Subparagraph 2.e:	For Applicant
Subparagraph 2.f:	Against Applicant
Subparagraph 2.g:	For Applicant
Subparagraph 2.h:	For Applicant
Subparagraph 2.i:	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.

_____
Elizabeth M. Matchinski
Administrative Judge