



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



In the matter of:

Applicant for Security Clearance

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ISCR Case No. 12-06526

Appearances

For Government: Pamela Benson, Esquire, Department Counsel
For Applicant: *Pro se*

05/18/2015

Decision

GALES, Robert Robinson, Administrative Judge:

Applicant has failed to mitigate the security concerns regarding financial considerations. Eligibility for a security clearance and access to classified information is denied.

Statement of the Case

On January 2, 2012, Applicant applied for a security clearance and submitted an Electronic Questionnaire for Investigations Processing (e-QIP) version of a Security Clearance Application (SF 86).¹ On June 20, 2014, the Department of Defense (DOD) Consolidated Adjudications Facility - Division A (CAF) issued a Statement of Reasons (SOR) to him, pursuant to Executive Order 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended and modified; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended and modified (Directive); and the *Adjudicative Guidelines for Determining Eligibility For Access to Classified Information* (December 29, 2005) (AG) applicable to all adjudications and other determinations made under the Directive, effective

¹ Item 2 ((SF 86), dated January 2, 2012).

September 1, 2006. The SOR alleged security concerns under Guideline F (Financial Considerations), and detailed reasons why the DOD CAF was unable to make an affirmative finding under the Directive that it is clearly consistent with the national interest to grant or continue a security clearance for Applicant. The SOR recommended referral to an administrative judge to determine whether a clearance should be granted, continued, denied, or revoked.

It is unclear when Applicant received the SOR as there is no receipt in the case file. In a statement, notarized August 19, 2014, Applicant responded to the SOR allegations and elected to have his case decided on the written record in lieu of a hearing.² A complete copy of the Government's file of relevant material (FORM) was provided to Applicant on March 19, 2015, and he was afforded an opportunity, within a period of 30 days after receipt of the FORM, to file objections and submit material in refutation, extenuation, or mitigation. In addition to the FORM, Applicant was furnished a copy of the Directive as well as the Guidelines applicable to his case. Applicant received the FORM on April 2, 2015. He submitted a response to the FORM, with attachments, on April 7, 2015. The case was assigned to me on May 4, 2015.

Findings of Fact

In his Answer to the SOR, Applicant admitted all but two of the factual allegations pertaining to financial considerations in the SOR (¶¶ 1.a. through 1.c., 1.e., 1.g., and 1.h.). Applicant's admissions are incorporated herein as findings of fact. After a complete and thorough review of the evidence in the record, and upon due consideration of same, I make the following additional findings of fact:

Applicant is a 54-year-old employee of a defense contractor. He has been serving in an unspecified position with his current employer since November 2014.³ He was previously unemployed from April 2009 until June 2009, and again from March 2014 until November 2014.⁴ Applicant received a bachelor's degree in computer science in May 1989, and a master's degree in an unspecified discipline in September 2011.⁵ He served on active duty with the U.S. Navy from July 1979 until he was honorably retired as a lieutenant commander in August 1999.⁶ Applicant was awarded the Meritorious Service Medal upon his retirement.⁷ He was granted a secret security clearance in January 2007, but such clearance was apparently terminated in December

² Item 1 (Applicant's Answer to the SOR, dated August 19, 2014).

³ Applicant's Response to the FORM, dated April 7, 2015, at 1.

⁴ Item 2, *supra* note 1, at 11-12; Item 1, *supra* note 2, at 1; Applicant's Response to the FORM, *supra* note 3, at 1.

⁵ Item 2, *supra* note 1, at 9-10.

⁶ Item 2, *supra* note 1, at 14; Applicant's Response to the FORM, *supra* note 3, at 3.

⁷ Applicant's Response to the FORM, *supra* note 3, at 3.

2012.⁸ Applicant was married in May 1979.⁹ He and his wife have three children: two sons (born in 1981 and 1985) and a daughter (born in 1993).¹⁰

Financial Considerations

Applicant's spouse purchased a residence overseas for \$104,000 in October 2001, and in January 2012, it had an estimated value of \$297,000.¹¹ In addition to the residence in which he and his family currently reside, Applicant owns another residence in another state. He contends he is upside down on the mortgages for both properties, and they cannot be sold for any kind of profit.¹²

In April 2009, because of a reduction in business contracts due to the deteriorating national economy, Applicant was laid off from his position as the vice president of operations and principal engineer of the company owned by Applicant's father, for which Applicant had worked since September 2000.¹³ The company went out of business.¹⁴ Applicant's wife worked for the same employer, and she too was laid off.¹⁵ While Applicant was able to find employment in June 2009, his wife was unable to do so until October 2011.¹⁶ Applicant was unable to maintain his monthly payments, resulting in some of his accounts becoming delinquent and placed for collection. His primary residence at that time was lost to foreclosure.¹⁷

Applicant contends that, in August 2009, he entered into a plan with a debt consolidation company in an effort to resolve his delinquent debts. The plan was to "dispatch" his personal debt by May 2014, and then concentrate on all other personal and "co-maker debts" that were currently outstanding.¹⁸ He failed to submit any documentation to support his contentions that he had entered into a debt consolidation plan, that the plan had established certain specific priorities, that certain identifiable personal debts had been resolved by May 2014, that any payments had been made to any of his creditors, or that certain identifiable co-maker debts were being paid. Applicant subsequently indicated that his plans were delayed when he was again laid

⁸ Item 2, *supra* note 1, at 56; Applicant's Response to the FORM, *supra* note 3, at 1.

⁹ Item 2, *supra* note 1, at 17.

¹⁰ Item 2, *supra* note 1, at 22-25.

¹¹ Item 2, *supra* note 1, at 33-34.

¹² Applicant's Response to the FORM, *supra* note 3, at 1.

¹³ Item 2, *supra* note 1, at 12, 57.

¹⁴ Item 2, *supra* note 1, at 59.

¹⁵ Item 2, *supra* note 1, at 57.

¹⁶ Item 2, *supra* note 1, at 57.

¹⁷ Item 2, *supra* note 1, at 60-61; Item 1, *supra* note 2, at 1.

¹⁸ Item 1, *supra* note 2, at 1.

off in March 2014. Although Applicant regained his employment in November 2014, he did not offer any explanations regarding his temporary inability to continue or resume his debt repayment efforts. He claimed he had been in contact with most of his creditors in an effort to negotiate payment terms and amounts, but aside from letters to four creditors, all dated April 5, 2015,¹⁹ there is no documentation in the case file to indicate any efforts by him between June 2009 and March 2014, and from November 2014 to April 2015.

Other than Applicant's reference to a debt consolidation company, there is no evidence to indicate that Applicant ever received financial counseling. It is not known what Applicant's financial resources may be because he did not submit a personal financial statement to indicate his net monthly income, his monthly household or debt expenses, or whether or not he has any funds remaining at the end of each month for discretionary use or savings. Applicant offered no evidence to indicate that his financial problems are now under control.

The SOR identified eight purportedly continuing delinquent debts totaling approximately \$403,798 that had been placed for collection or charged off, as reflected by a January 5, 2012 credit report;²⁰ a March 19, 2014 credit report;²¹ and a February 25, 2015 credit report.²²

Applicant denied being the primary signatory or co-maker on two of the identified SOR-accounts and contended he had filed disputes with the credit reporting services to have them removed from his credit reports.²³ As to one bank credit card account (SOR ¶ 1.d.), the account had a credit limit of \$5,000 and Applicant was reflected as the individual with whom the account was opened in 2008.²⁴ An unspecified amount was charged off in 2010, and the account was sold to an identified debt purchaser.²⁵ That debt purchaser reported the past-due balance as \$6,275 in 2012.²⁶ The balance was increased to \$8,896 in 2014,²⁷ and as of February 2015, it had increased to \$9,862.²⁸ The other credit card account (SOR ¶ 1.f.), opened in 1995, had an unspecified high credit, a past-due balance of \$20,560, and a remaining balance of \$36,091 when it was

¹⁹ Letters, dated April 5, 2015, attached to Applicant's Response to the FORM, *supra* note 3.

²⁰ Item 3 (Combined Experian, TransUnion, and Equifax Credit Report, dated January 5, 2012).

²¹ Item 4 (Equifax Credit Report, dated March 19, 2014).

²² Item 5 (Equifax Credit Report, dated February 25, 2015).

²³ Item 1, *supra* note 2, at 2-3.

²⁴ Item 3, *supra* note 20, at 8.

²⁵ Item 3, *supra* note 20, at 8.

²⁶ Item 3, *supra* note 20, at 10.

²⁷ Item 4, *supra* note 21, at 3.

²⁸ Item 5, *supra* note 22, at 1.

charged off in 2009.²⁹ Applicant failed to submit any documentation such as dispute correspondence to or from Applicant, the creditors, or the credit reporting agencies, to support his contentions regarding his purported disputes.

The remaining accounts are supposedly at the point where negotiations with the creditors have commenced or will soon commence following verbal discussions with those creditors.³⁰ Applicant claimed that the accounts are in his new plan to clean up his current credit history,³¹ but he offered no documentation to support his contention of a plan or any positive action with the creditors other than his recently drafted letters of April 2015. There is an unspecified type of account, characterized by Applicant as a line of credit,³² with a bank (SOR ¶ 1.a.) with a high credit of \$6,348 and a past-due balance of \$7,068 that was sold to a debt purchaser in 2011.³³ The balance increased to \$7,909 in 2014,³⁴ and as of February 2015, it had increased to \$8,256.³⁵ There is a bank credit card account, characterized by Applicant as a line of credit,³⁶ opened in 2007 with a high credit of \$6,390 and a past-due balance of \$7,989 when it was charged off (SOR ¶ 1.b.).³⁷ There is a credit card account, characterized by Applicant as a line of credit,³⁸ opened in 2001 with a high credit of \$2,069 and a past-due balance of \$163 when it was charged off in 2009 (SOR ¶ 1.e.).³⁹ There is another credit card account, characterized by Applicant as a line of credit,⁴⁰ opened in 2006 with a high credit of \$103,705 and a past-due balance of \$116,613 when it was charged off (SOR ¶ 1.g.).⁴¹

There is also a student loan account for Applicant's son with an unspecified balance that became delinquent and was charged off in the amount of \$853 (SOR ¶ 1.c.).⁴² Although the SOR alleged the remaining loan balance was approximately

²⁹ Item 3, *supra* note 20, at 6; Item 4, *supra* note 21, at 5.

³⁰ Item 1, *supra* note 2, at 1-3.

³¹ Item 1, *supra* note 2, at 1-3.

³² Item 1, *supra* note 2, at 2.

³³ Item 3, *supra* note 20, at 13; Item 4, *supra* note 21, at 2.

³⁴ Item 4, *supra* note 21, at 2.

³⁵ Item 5, *supra* note 22, at 2.

³⁶ Item 1, *supra* note 2, at 2.

³⁷ Item 3, *supra* note 20, at 7, 20; Item 4, *supra* note 21, at 2.

³⁸ Item 1, *supra* note 2, at 2.

³⁹ Item 3, *supra* note 20, at 6; Item 4, *supra* note 21, at 5; Item 5, *supra* note 22, at 4.

⁴⁰ Item 1, *supra* note 2, at 3.

⁴¹ Item 3, *supra* note 20, at 8.

⁴² Item 4, *supra* note 21, at 3.

\$155,181, Applicant disputed that amount,⁴³ and there is nothing in the case file to support that segment of the allegation. Applicant offered no documentation to support his contention that the remaining balance was being reported in error, or that he disputed the amount with the credit reporting services. Applicant noted that his son is gainfully employed, and if he cannot reach a resolution with the creditor, Applicant will negotiate with the creditor and his debt consolidation company.⁴⁴

When Applicant's former primary residence was lost to foreclosure, he still had a second mortgage that had been issued in 2007 in the amount of \$66,000. The account was over 180 days past due, and by 2012, the balance had increased to \$70,146 (SOR ¶ 1.h.).⁴⁵ The account was eventually transferred or sold to an unspecified collection agent or debt purchaser.⁴⁶ Applicant initially stated that the creditor and the first mortgage lender were attempting to resolve the issue,⁴⁷ but he failed to submit any documentation to support the existence of continuing issues between the two mortgage lenders, and he failed to address the allegation in his Answer to the SOR. In his recent letter to the second mortgage lender, Applicant offered to make monthly payments of \$150 until the \$70,146 debt is fully paid off.⁴⁸

Policies

The U.S. Supreme Court has recognized the substantial discretion of the Executive Branch in regulating access to information pertaining to national security emphasizing, "no one has a 'right' to a security clearance."⁴⁹ As Commander in Chief, the President has the authority to control access to information bearing on national security and to determine whether an individual is sufficiently trustworthy to have access to such information. The President has authorized the Secretary of Defense or his designee to grant an applicant eligibility for access to classified information "only upon a finding that it is clearly consistent with the national interest to do so."⁵⁰

When evaluating an applicant's suitability for a security clearance, the administrative judge must consider the AG. In addition to brief introductory explanations for each guideline, the AG list potentially disqualifying conditions and mitigating

⁴³ Item 1, *supra* note 2, at 2.

⁴⁴ Item 1, *supra* note 2, at 2.

⁴⁵ Item 3, *supra* note 20, at 20.

⁴⁶ Item 4, *supra* note 21, at 4; Item 5, *supra* note 22, at 7.

⁴⁷ Item 2, *supra* note 1, at 61.

⁴⁸ Letter, *supra* note 19.

⁴⁹ *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988).

⁵⁰ Exec. Or. 10865, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960), as amended and modified.

conditions, which are used in evaluating an applicant's eligibility for access to classified information.

An administrative judge need not view the guidelines as inflexible, ironclad rules of law. Instead, acknowledging the complexities of human behavior, these guidelines are applied in conjunction with the factors listed in the adjudicative process. The administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. The entire process is a conscientious scrutiny of a number of variables known as the "whole-person concept." The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a meaningful decision.

In the decision-making process, facts must be established by "substantial evidence."⁵¹ The Government initially has the burden of producing evidence to establish a potentially disqualifying condition under the Directive, and has the burden of establishing controverted facts alleged in the SOR. Once the Government has produced substantial evidence of a disqualifying condition, under Directive ¶ E3.1.15, the applicant has the burden of persuasion to present evidence in refutation, explanation, extenuation or mitigation, sufficient to overcome the doubts raised by the Government's case. The burden of disproving a mitigating condition never shifts to the Government.⁵²

A person who seeks access to classified information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours as well. It is because of this special relationship that the Government must be able to repose a high degree of trust and confidence in those individuals to whom it grants access to classified information. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified information. Furthermore, "security clearance determinations should err, if they must, on the side of denials."⁵³

Clearance decisions must be "in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned."⁵⁴ Thus, nothing in this decision should be construed to suggest that I have based this decision, in whole or in part, on any express or implied determination as to Applicant's allegiance, loyalty, or patriotism. It is merely an indication the Applicant has or has not met the strict

⁵¹ "Substantial evidence [is] such relevant evidence as a reasonable mind might accept as adequate to support a conclusion in light of all contrary evidence in the record." ISCR Case No. 04-11463 at 2 (App. Bd. Aug. 4, 2006) (citing Directive ¶ E3.1.32.1). "Substantial evidence" is "more than a scintilla but less than a preponderance." See *v. Washington Metro. Area Transit Auth.*, 36 F.3d 375, 380 (4th Cir. 1994).

⁵² See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005).

⁵³ *Egan*, 484 U.S. at 531

⁵⁴ See Exec. Or. 10865 § 7.

guidelines the President and the Secretary of Defense have established for issuing a clearance. In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. Likewise, I have avoided drawing inferences grounded on mere speculation or conjecture.

Analysis

Guideline F, Financial Considerations

The security concern relating to the guideline for Financial Considerations is set out in AG ¶ 18:

Failure 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 guideline notes several conditions that could raise security concerns. Under AG ¶ 19(a), an "inability or unwillingness to satisfy debts" is potentially disqualifying. Similarly, under AG ¶ 19(c), a "history of not meeting financial obligations" may raise security concerns. Applicant has had a long-standing problem with his finances which started as early as 2009. He found himself with insufficient funds to continue making his routine monthly payments and various accounts became delinquent, and were placed for collection. One residence was foreclosed. AG ¶¶ 19(a) and 19(c) apply.

The guideline also includes examples of conditions that could mitigate security concerns arising from financial difficulties. Under AG ¶ 20(a), the disqualifying condition may be mitigated where "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." Also, under AG ¶ 20(b), financial security concerns may be mitigated where "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." Evidence that "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" is potentially mitigating under AG ¶ 20(c). Similarly, AG ¶ 20(d) applies where the evidence shows "the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts."⁵⁵ In addition, AG ¶ 20(e) may apply if "the individual has a reasonable

⁵⁵ The Appeal Board has previously explained what constitutes a good-faith effort to repay overdue creditors or otherwise resolve debts:

In order to qualify for application of [the "good-faith" mitigating condition], an applicant must present evidence showing either a good-faith effort to repay overdue creditors or some other good-faith action aimed at resolving the applicant's debts. The Directive does not define the term 'good-faith.'

basis to dispute the legitimacy of the past-due debt which is the cause of the problem and provides documented proof to substantiate the basis of the dispute or provides evidence of actions to resolve the issue.”

AG ¶¶ 20(a), 20(c), 20(d), and 20(e) do not apply. AG ¶ 20(b) partially applies. The nature, frequency, and recency of Applicant’s continuing financial difficulties since about 2009 make it difficult to conclude that it occurred “so long ago” or “was so infrequent.” Applicant was previously unemployed from April 2009 until June 2009, and again from March 2014 until November 2014. While the loss of his salary during the first brief period of unemployment would be expected to have some financial impact on him, it appears that he was still receiving his military retirement. What did not occur between June 2009 and March 2014 is difficult to understand.

Applicant offered no evidence of a good-faith effort to resolve any of his debts and essentially ignored them until relatively recently. He failed to submit any documentation such as receipts, cancelled checks, account records, etc., to support his contentions that any of his delinquent accounts were either resolved or that repayment arrangements had been agreed to. Likewise, there is the absence of documentation regarding possible debt consolidation, disputes, or any contacts with his creditors before April 2015.

Other than Applicant’s comments regarding his debt consolidation company, there is no evidence to indicate that Applicant ever received financial counseling. It is not known what Applicant’s financial resources may be, or if he has any funds remaining at the end of each month for discretionary use or savings. There is no evidence to reflect that Applicant’s financial problems are under control. Applicant has not acted responsibly by failing to address his delinquent accounts and by making little, if any, efforts of working with his creditors.⁵⁶ Applicant’s actions under the circumstances confronting him cast doubt on his current reliability, trustworthiness, and good judgment.⁵⁷

However, the Board has indicated that the concept of good-faith ‘requires a showing that a person acts in a way that shows reasonableness, prudence, honesty, and adherence to duty or obligation.’ Accordingly, an applicant must do more than merely show that he or she relied on a legally available option (such as bankruptcy [or statute of limitations]) in order to claim the benefit of [the “good-faith” mitigating condition].

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

⁵⁶ “Even if Applicant’s financial difficulties initially arose, in whole or in part, due to circumstances outside his [or her] control, the Judge could still consider whether Applicant has since acted in a reasonable manner when dealing with those financial difficulties.” ISCR Case No. 05-11366 at 4 n.9 (App. Bd. Jan. 12, 2007) (citing ISCR Case No. 99-0462 at 4 (App. Bd. May 25, 2000); ISCR Case No. 99-0012 at 4 (App. Bd. Dec. 1, 1999); ISCR Case No. 03-13096 at 4 (App. Bd. Nov. 29, 2005)). A component is whether he or she maintained contact with creditors and attempted to negotiate partial payments to keep debts current.

⁵⁷ See ISCR Case No. 09-08533 at 3-4 (App. Bd. Oct. 6, 2010).

Whole-Person Concept

Under the whole-person concept, the administrative judge must evaluate an applicant's eligibility for a security clearance by considering the totality of the applicant's conduct and all the circumstances. The administrative judge should consider the nine adjudicative process factors listed at AG ¶ 2(a):

(1) the nature, extent, and seriousness of the conduct; (2) the circumstances surrounding the conduct, to include knowledgeable participation; (3) the frequency and recency of the conduct; (4) the individual's age and maturity at the time of the conduct; (5) the extent to which participation is voluntary; (6) the presence or absence of rehabilitation and other permanent behavioral changes; (7) the motivation for the conduct; (8) the potential for pressure, coercion, exploitation, or duress; and (9) the likelihood of continuation or recurrence.

Under AG ¶ 2(c), the ultimate determination of whether to grant eligibility for a security clearance must be an overall commonsense judgment based upon careful consideration of the guidelines and the whole-person concept. Moreover, I have evaluated the various aspects of this case in light of the totality of the record evidence and have not merely performed a piecemeal analysis.⁵⁸

There is some evidence in favor of mitigating Applicant's conduct. He is a well-educated individual who was honorably retired from the U.S. Navy as a lieutenant commander. He was previously unemployed from April 2009 until June 2009, and again from March 2014 until November 2014. He has declared his intention of cleaning up his credit and maintaining a good credit history.

The disqualifying evidence under the whole-person concept is more substantial. Other than Applicant's superficial self-characterization as to his character, integrity, reliability, and judgment,⁵⁹ there is no evidence from third-parties as to his reputation for reliability, trustworthiness, and good judgment. Applicant's long-standing failure to repay creditors between 2009 and 2014, even in the smallest amounts, or to arrange payment plans, reflects traits which raise concerns about his fitness to hold a security clearance. It is not known what Applicant's financial resources may be, or if he has any funds remaining at the end of each month for discretionary use or savings. Thus, there are no indications that Applicant's financial problems are under control. Applicant has simply made the assertions that he contacted his creditors, arranged for a debt consolidation, and made efforts to resolve his personal debt by May 2014, and then concentrate on all other personal and "co-maker debts." In the absence of documentation to support his assertions, little weight can be given to those assertions. Applicant's actions under the circumstances confronting him cast doubt on his current reliability, trustworthiness, and

⁵⁸ See *U.S. v. Bottone*, 365 F.2d 389, 392 (2d Cir. 1966); See also ISCR Case No. 03-22861 at 2-3 (App. Bd. Jun. 2, 2006).

⁵⁹ Applicant's Response to the FORM, *supra* note 3, at 2.

good judgment. Considering the relative absence of confirmed debt resolution and elimination efforts, Applicant's financial issues are likely to remain.

The Appeal Board has addressed a key element in the whole-person analysis in financial cases stating:⁶⁰

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

Applicant has demonstrated an essentially negative track record of debt reduction and elimination efforts, generally ignoring his debts. Overall, the evidence leaves me with questions and doubts as to Applicant's eligibility and suitability for a security clearance. For all of these reasons, I conclude Applicant has failed to mitigate the security concerns arising from his financial considerations. See AG ¶ 2(a)(1) through AG ¶ 2(a)(9).

Formal Findings

Formal findings for or against Applicant on the allegations set forth in the SOR, as required by section E3.1.25 of Enclosure 3 of the Directive, are:

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraph 1.a – 1.h:	Against Applicant

⁶⁰ ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008) (internal citations omitted).

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.

ROBERT ROBINSON GALES
Administrative Judge