



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



In the matter of:)
)
-----) ISCR Case No. 12-08901
)
Applicant for Security Clearance)

Appearances

For Government: Robert J. Kilmartin, Esquire, Department Counsel
For Applicant: *Pro se*

06/05/2013

Decision

GALES, Robert Robinson, Administrative Judge:

Applicant mitigated the security concerns regarding financial considerations. Eligibility for a security clearance and access to classified information is granted.

Statement of the Case

On July 14, 2010, 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 August 16, 2012, the Department of Defense (DOD) issued him a set of interrogatories. He responded to the interrogatories on September 5, 2012.² On September 21, 2012, the DOD 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

¹ GE 1 ((SF 86), dated July 14, 2010).

² GE 2 (Applicant's Answers to Interrogatories, dated September 5, 2012).

all adjudications and other determinations made under the Directive, effective September 1, 2006. The SOR alleged security concerns under Guideline F (Financial Considerations), and detailed reasons why the DOD adjudicators were unable to find that it is clearly consistent with the national interest to grant or continue a security clearance for Applicant. The SOR recommended referral to an administrative judge to determine whether a clearance should be granted, continued, denied, or revoked.

Applicant received the SOR on October 3, 2012. In a sworn statement, dated October 4, 2012, Applicant responded to the SOR allegations and requested a hearing before an administrative judge. On January 3, 2013, Department Counsel indicated the Government was prepared to proceed. The case was assigned to me on April 2, 2013. A Notice of Hearing was issued on April 15, 2013, and I convened the hearing, as scheduled, on May 8, 2013.

During the hearing, 5 Government exhibits (GE 1 through GE 5) and 10 Applicant exhibits (AE A through AE J) were admitted into evidence without objection. Applicant testified. The transcript (Tr.) was received on May 16, 2013. I kept the record open to enable Applicant to supplement it. Applicant took advantage of that opportunity, and he submitted two additional exhibits (AE K and AE L) that were admitted into evidence without objection. The record closed on May 17, 2013.

Findings of Fact

In his Answer to the SOR, Applicant admitted all of the factual allegations (§§ 1.a. through 1.d.) pertaining to financial considerations. 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 52-year-old employee of a defense contractor who, since July 2012, has served as a principal acquisition program management analyst.³ He was previously employed by other employers in various positions, including program analyst, acquisition program analyst, acquisition logistician, program manager, logistics manager, acquisition analyst, and combat systems engineer.⁴ He also experienced several lengthy periods of unemployment due to being laid off.⁵ He is a June 1979 high school graduate and a June 1981 technical college graduate with an associate's degree. Applicant also attended the Defense Acquisition University where he received certifications under the Defense Acquisition Workforce Improvement Act (DAWIA).⁶ He

³ Applicant's Answer to the SOR, dated October 4, 2012, at 3.

⁴ GE 1, *supra* note 1, at 18-39.

⁵ GE 2 (Personal Subject Interview, dated September 8, 2010), at 1; GE 1, *supra* note 1, at 20, 22, 28, 32-33, 39.

⁶ GE 1, *supra* note 1, at 15-16.

has never served in the U.S. military,⁷ and has never been married.⁸ Applicant has held a secret security clearance since 1987.⁹

Financial Considerations

There apparently was nothing unusual about Applicant's finances until about 1993. Applicant had purchased a residence and accumulated "a lot of debts" when the interest rates "skyrocketed" to a level that made it "unaffordable" for him to remain current on his monthly payments. He consulted with an attorney who advised him to file for bankruptcy under Chapter 7 of the Bankruptcy Code. He did so, and in October 1993, approximately \$30,000 in nonpriority, unsecured debts were discharged (**SOR ¶ 1.d**).¹⁰ Applicant offered no explanation for how he developed his financial problems other than that he was young, he had accumulated a lot of credit card debt and student loan debt, and the interest rates skyrocketed.¹¹

Following the 1993 bankruptcy discharge, Applicant's financial situation improved and, with one exception, over the next decade, it was fairly stable, and he continued to pay his accounts on time.¹² In September 2005, he was laid off from his position paying \$115,000 per year. He decided to open a business, and in late 2005 or early 2006, withdrew \$182,000 from his 401(k) retirement account to open two retail stores.¹³ He purchased one store, rented another store, had them repaired, purchased merchandise, had the stores stocked, and hired employees.¹⁴ In 2007, operating costs became too high due to the price of gasoline, freight, and inventory stock. His business debt rose to \$200,000, and after nine months of operating, because of a lack of income revenue and operating capital, he was forced to close both businesses.¹⁵ Unable to maintain his business and personal monthly payments, accounts became delinquent and were placed for collection. Unemployed and penniless, and in an effort to save his home from foreclosure, Applicant filed for bankruptcy under Chapter 7. He also accepted temporary positions with companies in an effort to make additional funds to address his finances.¹⁶ He served in Afghanistan for several months in 2008, transitioning Humvees from the

⁷ GE 1, *supra* note 1, at 40.

⁸ GE 1, *supra* note 1, at 42.

⁹ GE 1, *supra* note 1, at 56.

¹⁰ Tr. at 29-31.

¹¹ Tr. at 29-31, 71-72; GE 2, *supra* note 2, at 3; Applicant's Answer to the SOR, *supra* note 3, at 2.

¹² GE 5 (Equifax Credit Report, dated February 26, 2002); Tr. at 76.

¹³ Tr. at 37-38; GE 2 (Personal Subject Interview), *supra* note 5, at 1; Applicant's Answer to the SOR, *supra* note 3, at 1-2.

¹⁴ Tr. at 38, 40.

¹⁵ Applicant's Answer to the SOR, *supra* note 3, at 1-2; GE 2 (Personal Subject Interview), *supra* note 5, at 1; Tr. at 38.

¹⁶ Tr. at 52-54.

U.S. Government and coalition countries to the Afghan National Police and the Afghan National Army.¹⁷ In July 2009, his business assets and inventory were sold off, and somewhere between \$60,000 and \$85,000 in nonpriority, unsecured debts were discharged (**SOR ¶ 1.c**).¹⁸

Since his 2009 bankruptcy discharge, Applicant managed to pay off his student loans and medical bills, and stopped using credit cards.¹⁹ With the exception of two accounts, discussed further below, Applicant is current on all his accounts.²⁰ In September 2012, Applicant submitted a personal financial statement. It reflected a net monthly income of \$7,865, with \$1,364 in monthly expenses, and an additional \$1,520 in debt payments.²¹ He claimed \$4,981 left over each month for discretionary spending or savings.²²

As noted above, when Applicant decided to open his business in late 2005 or early 2006, he withdrew \$182,000 from his 401(k) retirement account. As a result of that withdrawal, at the end of the year, he was assessed both a federal and a state tax on the amount.²³ At the time, he was under the impression that the revenues from the stores would be sufficient to cover those expenses, but when the economy deteriorated and his business lost income, reality set in and he had insufficient funds to pay the taxes.²⁴ The Internal Revenue Service (IRS) assessed against him a debt of \$92,860 for the tax period ending in December 2007 (**SOR ¶ 1.a**), and filed a lien in that amount.²⁵ The state assessed against him a debt of \$24,254 for the same tax period in addition to another year (**SOR ¶ 1.b**), and filed a lien in that amount.²⁶ The tax assessments and liens are based solely on Applicant's early withdrawal of his 401(k), and have nothing to

¹⁷ Tr. at 54.

¹⁸ GE 2 (Personal Subject Interview), *supra* note 5, at 1; Tr. at 40, 73.

¹⁹ Tr. at 51.

²⁰ Tr. at 57, 64-65, 73, 77; GE 3 (Equifax Credit Report, dated August 16, 2012).

²¹ GE 2 (Personal Financial Statement, undated). The numbers furnished by Applicant are not accurate for he failed to include in his monthly expenses a variety of expenses, including real estate taxes, homeowner insurance, medical expenses, automobile rental, and fuel. Those expenses would increase his monthly expenses and reduce his net remainder by an equal amount. Furthermore, as to his medical expenses, Applicant is afflicted with a condition that requires medication costing between \$2,000 and \$2,400 per month, but which can be reduced to \$50 to \$100 when he has medical insurance. See Tr. at 43; AE K (Letter, dated May 15, 2013); AE L (Insurance Medication Transactions, dated May 9, 2013).

²² GE 2 (Personal Financial Statement), *supra* note 21.

²³ Tr. at 37.

²⁴ Tr. at 37.

²⁵ GE 3, *supra* note 20, at 1; GE 4 (Combined Equifax, Experian, and TransUnion Credit Report, dated August 19, 2010), at 6; Tr. at 45.

²⁶ Tr. at 56; GE 3, *supra* note 20, at 1.

do with any other types of tax, such as payroll taxes (which were paid) or simple income taxes.²⁷

In September 2009, Applicant sought guidance from a tax attorney and a tax resolution specialist to assist him in resolving the two liens. They were paid \$8,000 to represent him.²⁸ The account with the IRS is presently in a “closed” status as “currently not collectible.”²⁹ The account was closed by the IRS because it was determined that Applicant does not have the ability to pay the money he owes “at this time.”³⁰ Applicant’s tax attorney and tax resolution specialists have been working with the state in an effort to resolve that account, and they have submitted a number of offers of compromise, but all of those offers have, so far, been rejected.³¹ The state department of revenue informed him that a proposed offer could not be accepted because Applicant’s “age and earnings potential indicate more could be collected over the statutory period of collection than the amount proposed in settlement.”³²

Applicant received financial counseling when he went through his bankruptcies. Although he has engaged the services of professionals to assist him with the tax issues, they have not furnished him any financial guidance with respect to repayment plans or the consolidation of loans.³³

Character References

Applicant’s past and current colleagues are very supportive of his application to retain his security clearance. He has been described as honest, hardworking, conscientious, meticulous, dependable, diligent, very professional, and intelligent, with an attention to detail.³⁴ It was noted that Applicant was the principal acquisition program analyst of the largest foreign military sale in U.S. history, worth over \$29 billion, and he insured adherence to all U.S. policies pertaining to the transfer.³⁵ Applicant was also described as a loving and caring son, furnishing continuing personal and financial support for a mother with Alzheimer’s disease and a father with dementia.³⁶

²⁷ Tr. at 83.

²⁸ AE H (Letter, dated November 2, 2012); Tr. at 48.

²⁹ AE I (Letter, dated November 1, 2012).

³⁰ AE I, *supra* note 29.

³¹ Tr. at 47.

³² AE J (Letter, dated November 17, 2011).

³³ Tr. at 74.

³⁴ AE A (Character Reference, dated May 6, 2013); AE B (Character Reference, dated January 21, 2013); AE C (Character Reference, dated May 6, 2013); AE D (Character Reference, dated April 16, 2013); AE E (Character Reference, dated January 18, 2013); AE G (Character Reference, undated).

³⁵ AE D, *supra* note 34.

³⁶ AE E, *supra* note 34.

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.”³⁷ 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.”³⁸

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 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.”³⁹ 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.⁴⁰

A person who seeks access to classified information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This

³⁷ *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988).

³⁸ Exec. Or. 10865, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960), as amended and modified.

³⁹ “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).

⁴⁰ *See* ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005).

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.”⁴¹

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.”⁴² Thus, nothing in this decision should be construed to suggest that I have based this decision, in whole or in part, on any express or implied determination as to Applicant’s allegiance, loyalty, or patriotism. It is merely an indication the Applicant has or has not met the strict guidelines the President and the Secretary of Defense have established for issuing a clearance. In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. Likewise, I have avoided drawing inferences grounded on mere speculation or conjecture.

Analysis

Guideline F, Financial Considerations

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

Failure 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 initially started experiencing some financial difficulties shortly before his 1993 bankruptcy discharge. Financial problems resurfaced over a decade later, and in 2009, he again went through his second bankruptcy discharge. Applicant still has two pending tax assessments and liens. AG ¶¶ 19(a) and 19(c) apply.

⁴¹ *Egan*, 484 U.S. at 531

⁴² See Exec. Or. 10865 § 7.

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.*⁴³

AG ¶¶ 20(b), 20(c), and 20(d) all partially apply. AG ¶ 20(a) does not apply. The nature, frequency, and relative recency of Applicant's financial difficulties, initially since before 1993, and then since before 2009, with tax liens continuing until today, make it difficult to conclude that it occurred "so long ago" or "was so infrequent." His initial financial problems occurred 20 years ago, and were attributed to skyrocketing interest rates that made it unaffordable for him to maintain his monthly payments. Following the recommendation of an attorney, he filed for bankruptcy under Chapter 7, and in October 1993, approximately \$30,000 in nonpriority, unsecured debts were discharged. Over the ensuing decade, Applicant's financial situation remained fairly stable.

Applicant's subsequent indebtedness was not caused by frivolous or irresponsible spending, and he did not spend beyond his means. Instead, his financial problems were largely beyond Applicant's control. In September 2005, Applicant was laid off from his position paying \$115,000 per year. With \$182,000 in his 401(k) retirement account, he decided to go into business for himself. After reviewing his business plan, he opened two retail stores. Unfortunately, by 2007, operating costs became too high due to the rising price of gasoline, freight, and inventory stock. With the economy entering a downward spiral, his business debt rose and with a lack of income revenue and operating capital, he was forced to close both stores. He was unable to maintain both his business and personal monthly payments, and accounts

⁴³ The Appeal Board has previously explained what constitutes a "good-faith" effort to repay overdue creditors or otherwise resolve debts:

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

again became delinquent. Applicant was unemployed, penniless, and caring for two ill parents. In an effort to save his home from foreclosure, he filed for bankruptcy under Chapter 7 in 2009. Between \$60,000 and \$85,000 in nonpriority, unsecured debts were discharged.

Applicant tried to obtain additional funds by accepting temporary positions. Since his 2009 bankruptcy discharge, he paid off his student loans and medical bills, and stopped using credit cards. With the exception of the two tax liens, he is current with all other bills. As of September 2012, Applicant had approximately \$4,981 left over each month for discretionary spending. With the guidance received from his tax attorney and tax resolution specialists, Applicant is in the process of attempting to resolve the tax liens. The federal tax lien is currently considered not collectable, but this status will change when Applicant's income increases. The state tax lien has not yet been resolved, but there are continuing negotiations to find a mutually acceptable offer in compromise. While there is evidence that Applicant received financial counseling associated with his bankruptcies, but no other financial counseling, there are clear indications that, with the exception of his two tax liens, his financial problems have been resolved and are under control.⁴⁴ Applicant acted responsibly by addressing his delinquent accounts rather than avoiding them. Under the circumstances, Applicant's actions do not cast doubt on his current reliability, trustworthiness, or good judgment.⁴⁵

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

⁴⁴ "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.

⁴⁵ See ISCR Case No. 09-08533 at 3-4 (App. Bd. Oct. 6, 2010).

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.⁴⁶

There is some evidence against mitigating Applicant's conduct. His handling of his finances permitted a number of accounts to become delinquent. Despite having those delinquent accounts discharged in a Chapter 7 bankruptcy in 1993, financial difficulties reappeared over a decade later and new accounts eventually became delinquent, leading to another discharge in bankruptcy under Chapter 7 in 2009. Because of his early withdrawal of his 401(k) retirement funds, the IRS assessed against him a debt of \$92,860, and filed a lien in that amount, and the state assessed against him a debt of \$24,254, and filed a lien in that amount.

The mitigating evidence under the whole-person concept is more substantial. As noted by Department Counsel, Applicant is the "quintessential victim of the economy."⁴⁷ As a result of the deteriorating economy and a business downturn, Applicant not only lost his business and his retirement account, but also incurred the taxes for withdrawing those funds to set up his business. Applicant sought the assistance of a tax attorney and a tax resolution specialist; resolved several accounts through his bankruptcy discharges; and resolved other accounts by paying the creditors. The federal tax lien is currently closed, and the state tax lien is in the negotiating process which Applicant hopes will result in a mutually acceptable offer in compromise. Applicant has not generated any further delinquent accounts since the 2009 bankruptcy discharge. His only liability is due to his early withdrawal of his 401(k) retirement funds. Applicant intends to pay his two remaining creditors when he is able to do so. He possesses an excellent reputation in the workplace and is a loving and caring son for two ill parents.

The Appeal Board has addressed a key element in the whole-person analysis in financial cases stating:⁴⁸

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

⁴⁶ 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).

⁴⁷ Tr. at 88.

⁴⁸ ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008) (internal citations omitted).

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 a “meaningful track record” of debt reduction and elimination. Applicant has made some significant timely efforts to resolve his accounts, albeit through bankruptcy in 1993 and again in 2009, and by paying off his student loans and medical bills. This decision should serve as a warning that his failure to continue his debt resolution efforts or the accrual of new delinquent debts will adversely affect his future eligibility for a security clearance.⁴⁹ Overall, the evidence leaves me without questions and doubts as to Applicant’s eligibility and suitability for a security clearance. For all of these reasons, I conclude Applicant has mitigated 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:	FOR APPLICANT
Subparagraph 1.a:	For Applicant
Subparagraph 1.b:	For Applicant
Subparagraph 1.c:	For Applicant
Subparagraph 1.d:	For Applicant

Conclusion

In light of all of the circumstances presented by the record in this case, it is clearly consistent with the national interest to grant Applicant eligibility for a security clearance. Eligibility for access to classified information is granted.

ROBERT ROBINSON GALES
Administrative Judge

⁴⁹ While this decision should serve as a warning to Applicant, the decision, including the warning, should not be interpreted as being contingent on future monitoring of Applicant’s financial condition. The Defense Office of Hearings and Appeals (DOHA) has no authority to attach conditions to an applicant’s security clearance. See, e.g., ISCR Case No. 06-26686 at 2 (App. Bd. Mar. 21, 2008); ISCR Case No. 04-04302 at 5 (App. Bd. Jun. 30, 2005); ISCR Case No. 03-17410 at 4 (App. Bd. Apr. 12, 2005); ISCR Case No. 99-0109 at 2 (App. Bd. Mar. 1, 2000).