



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



In the matter of:)
)
 ---) ISCR Case No. 12-09725
)
 Applicant for Security Clearance)

Appearances

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

04/14/2016

Decision

GALES, Robert Robinson, Administrative Judge:

Applicant 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 April 19, 2012, Applicant applied for a security clearance and submitted an Electronic Questionnaire for Investigations Processing (e-QIP) version of a Security Clearance Application.¹ On May 2, 2015, the Department of Defense (DOD) Consolidated Adjudications Facility (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 (e-QIP, dated April 19, 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.

Applicant received the SOR on May 12, 2015. In a sworn written statement, inadvertently dated May 26, 2014,² Applicant responded to the SOR allegations and elected to have his case decided on the written record in lieu of a hearing. A complete copy of the Government's file of relevant material (FORM) was mailed to Applicant on September 18, 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 September 25, 2015. A response was due by October 25, 2015. Applicant did not submit any response to the FORM. The case was assigned to me on March 31, 2016.

Findings of Fact

In his Answer to the SOR, Applicant admitted three of the factual allegations pertaining to financial considerations (§§ 1.a., 1.b., and 1.d.). The remaining allegation was denied. 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 51-year-old employee of a defense contractor. Although the identity of his current employer is known, there is no evidence in the record to indicate when he joined his current employer or what position he currently holds. He was previously employed by two different federal contractors as a liaison support specialist from 2007 to some point after April 2012.³ He is a June 1992 high school graduate.⁴ Applicant has completed several college courses over the years in an effort to obtain an associate's degree, but he has not yet completed the requirements for a degree. Applicant enlisted in the U.S. Army Reserve in November 1985, transferred to the U.S. Army in November 1986, and served on active duty until he retired as a staff sergeant (E-6) in October 2007.⁵ During his military service, Applicant was deployed to Iraq on two occasions: October or November 2003 until October 2004, and from November

² It should be noted that the affidavit-form upon which Applicant was to choose either a hearing or a decision based upon the administrative record, and list his contact information, and which the notary public was to sign, was a boilerplate preprinted form with "2014" furnished by the DOD CAF.

³ Item 2, *supra* note 1, at 9-11.

⁴ Item 5 (Personal Subject Interview, dated June 7, 2012), at 1.

⁵ Item 2, *supra* note 1, at 11-13; Item 5, *supra* note 4, at 1-2.

2005 until October 2006.⁶ Applicant failed to submit any evidence of military awards and decorations that he may have received. He was granted a secret security clearance in March 1998 while he was in the U.S. Army.⁷ He was married to his first wife in April 1988 and divorced in November 1997. He married his second wife in December 1997.⁸ Applicant has a daughter (born in 1982) and a son (born in 1995).⁹

Financial Considerations¹⁰

Applicant's initial financial problems arose out of a joyful situation when, while playing the slot machines at a casino in September 1997, he won a jackpot of \$57,000. The winnings were electronically deposited by the casino into his bank account, and the appropriate report was made to the Internal Revenue Service (IRS). No funds were withheld for income tax purposes. When he filed his federal income tax return for the tax year 1997, Applicant failed to include his casino winnings. Applicant loaned some of the money to friends, and spent the remainder on unexpected expenses such as his divorce and associated child support. He could not remember any specific major purchases made or services received.

In mid-1998, the IRS informed Applicant that, because he had failed to include his winnings in his income tax return, he owed the IRS approximately \$17,000 in unpaid taxes. Applicant claimed that he was under the impression that the IRS would simply garnish his wages. So he took no action to address the unpaid balance. In June 2002, the IRS filed a tax lien in the amount of \$29,644 against Applicant (SOR ¶ 1.b.). Applicant ignored the situation between mid-1998 and mid-2012, when he again received a notification from the IRS. In April 2012, when he completed his e-QIP, Applicant indicated "have set up payment plan with IRS" and "have a monthly payment plan set up to pay this back."¹¹ He failed to submit any documentation to support his contention that a payment plan existed or that he had made any payments under the plan. In fact, it appears that the statements were false, for in June 2012, Applicant told an investigator from the U.S. Office of Personnel Management (OPM) that he would set up an installment plan that same month to start making monthly payments of \$1,200. He failed to do so. Instead, Applicant later noted that "[t]he tax lien on my home is actually preferable to a monthly payment. This way, I will satisfy the lien when I sell my home and can use my monthly paychecks to meet other obligations." Applicant has taken no further action with regard to the tax lien, and the matter remains unresolved.

⁶ Item 5, *supra* note 4, at 9.

⁷ Item 2, *supra* note 1, at 36-37; Item 5, *supra* note 4, at 10.

⁸ Item 2, *supra* note 1, at 16-19.

⁹ Item 2, *supra* note 1, at 27-28.

¹⁰ General source information pertaining to the financial issues and accounts discussed below can be found in the following exhibits: Item 1 (Applicant's Answer to the SOR, dated June 5, 2015); Item 2, *supra* note 1; Item 3 (Combined Experian, TransUnion, and Equifax Credit Report, dated April 27, 2012); Item 4 (Equifax Credit Report, dated October 17, 2015); Item 5, *supra* note 4.

¹¹ Item 2, *supra* note 1, at 38-39.

In addition to the unpaid federal income tax, Applicant encountered financial difficulties with other creditors. For reasons not specifically attributable by Applicant to any one particular cause, several accounts became significantly delinquent and were placed for collection, charged off, or transferred or sold. Applicant claimed that payment plans were established for some delinquent accounts, and that some of his military retirement pay was garnished by one creditor. He submitted no documentation to support the establishment of any repayment plans, garnishments, or payments to any of those creditors.

In addition to the \$29,644 federal tax lien, the SOR identified three purportedly continuing delinquent accounts, totaling approximately \$9,100 which had been placed for collection or charged off. Although Applicant offered comments regarding each of the accounts, with the exception of one account, he failed to submit any documentation to support his contentions pertaining to his actions or activities to resolve them. Those debts, other than the federal tax lien, and their respective current status, according to the above-cited credit reports, Applicant's comments to the OPM investigator, and his Answer to the SOR, are described as follows:

SOR ¶ 1.a. – This is a bank credit card account with a high credit of \$3,029 that was initially over 150 days past due in the amount of \$3,839, but which eventually became \$5,263 past due, and was charged off. In April 2012, when he completed his e-QIP, Applicant indicated “have payment plan set up” and that he had made a payment of \$1,000.¹² He failed to submit any documentation to support his contention that a payment plan existed or that he had made any payments under the plan. In June 2012, Applicant told the OPM investigator that he had made one \$500 payment and had set up an installment plan to start making monthly payments of \$170. He also claimed that he had been making monthly payments of \$200 since December 2011. He anticipated paying off the debt in February 2013.¹³ Once again, he failed to submit any documentation to support his contention that any payment plan existed or that he had made any payments under the plan(s). Applicant's October 2014 credit report does not reflect any payments having been made, and the past-due balance has not decreased. There is no documentary evidence to support a finding that the account is in the process of being resolved.

SOR ¶ 1.c. – This is a joint installment sales contract with a high credit of \$3,000 and an unpaid balance of \$2,209 that was placed for collection in 2006 before being transferred or sold to another collection agent.¹⁴ During his June 2012 OPM interview, Applicant claimed to have no knowledge of the account. Since then, he apparently took no action to identify the original creditor, although the name of the original creditor appears in the April 2012 credit report, or to resolve the account. The account is no longer listed in his October 2014 credit report. In his June 2015 Answer to the SOR, Applicant continued to deny the debt, but stated that he planned to dispute it with the

¹² Item 2, *supra* note 1, at 42.

¹³ Item 5, *supra* note 4, at 7, 11.

¹⁴ Item 3, *supra* note 10.

three credit bureaus.¹⁵ He failed to submit any documentation to support that he had actually filed disputes as he had intended. Nevertheless, it would not be surprising if the account had fallen from Applicant's credit reports because of its age under the appropriate state statute of limitations. In the absence of documentary evidence of a dispute or any payments on the account, I conclude that Applicant has taken no steps to address or resolve this account.

SOR ¶ 1.d. – This is a bank credit card account with a credit limit of \$1,000 and a remaining balance of \$1,627.70 that was placed for collection. In his June 2012 OPM interview, Applicant contended that he had an allotment set up in 1998 for monthly payments of \$130, and that he had sent the bank a check of approximately \$500 to pay the final balance remaining. If there was any outstanding balance, he intended to set up a repayment plan to pay it off.¹⁶ Applicant failed to submit any documentation to support his contention that any payment plan existed or that he had made any payments under the plan. He subsequently revised his comments to acknowledge that the allotment had terminated without his knowledge when he retired from military service.¹⁷ After receiving the SOR, on May 22, 2015, Applicant made a payment of \$1,000 to a collection agent.¹⁸ Applicant contends that the payment is considered an agreed settlement of the entire remaining balance, but the documentation he submitted does not expressly state that upon receipt of the \$1,000 payment the remaining \$627.70 is to be forgiven.¹⁹ Nevertheless, the account is either in the process of being resolved, or it has been resolved.

Applicant stated during his OPM interview that he was “capable of meeting his financial obligations.” However, he also stated that he “is just making it financially and would like to work overseas in order to make more money and pay off all his debts.”²⁰ He failed to furnish a personal financial statement setting forth his net monthly income; his monthly household expenses; and his monthly debt payments, or even to identify his debts. In the absence of such information, I am unable to determine if he has any monthly remainder available for savings or spending. Thus, it is nearly impossible to determine if Applicant's finances are under control as he claims or if he is still experiencing financial difficulties. Applicant believes that “none of his debt is related to events out of his control.”²¹ Applicant never sought the services of a financial advisor and never received debt or credit counseling.²²

¹⁵ Item 1, *supra* note 10, at 1.

¹⁶ Item 5, *supra* note 4, at 12.

¹⁷ Item 1, *supra* note 10, at 2.

¹⁸ Card Payment Agreement Notice, dated May 21, 2015, attached to Item 1, *supra* note 10.

¹⁹ Item 1, *supra* note 10, at 2; Card Payment Plan Notice, dated May 21, 2015, attached to Item 1, *supra* note 10.

²⁰ Item 5, *supra* note 4, at 13.

²¹ Item 5, *supra* note 4, at 13.

²² Item 5, *supra* note 4, at 13.

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.”²³ 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.”²⁴

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.”²⁵ 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.²⁶

²³ *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988).

²⁴ Exec. Or. 10865, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960), as amended and modified.

²⁵ “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).

²⁶ See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005).

A person who seeks access to classified information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours as well. It is because of this special relationship that the Government must be able to repose a high degree of trust and confidence in those individuals to whom it grants access to classified information. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified information. Furthermore, “security clearance determinations should err, if they must, on the side of denials.”²⁷

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.”²⁸ 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. Also, AG ¶ 19(f) may apply when there are “financial problems that are linked to . . . gambling problems, or other issues of security concern.” Applicant has had a long-standing problem with his finances which started as early as 1998 when he

²⁷ *Egan*, 484 U.S. at 531.

²⁸ See Exec. Or. 10865 § 7.

failed to include his jackpot winnings in his federal income tax return for the tax year 1997. He loaned some of the money to friends, and spent the remainder. In June 2002, the IRS filed a tax lien for approximately \$29,644. Other accounts became delinquent and were placed for collection, charged off, or transferred or sold. It is unclear if he had insufficient funds to continue making his routine monthly payments or if he simply neglected to do so. AG ¶¶ 19(a) and 19(c) apply. AG ¶ 19(f) does not apply, for while Applicant's financial problems can be "linked to" his gambling jackpot, his coming into money in this instance is no different than receiving a bonus, a lottery, or an inheritance. Gambling wasn't the issue, his failure to report it accurately to the IRS and timely address his income liability, is.

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."²⁹ Under AG ¶ 20(e), the disqualifying condition may be mitigated where "the individual has a reasonable basis to dispute the legitimacy of the past-due debt which is the cause of the problem and provides documented proof to substantiate the basis of the dispute or provides evidence of actions to resolve the issue."

AG ¶¶ 20(a), 20(b), 20(d), and 20(e) do not apply. AG ¶ 20(c) minimally applies. The nature, frequency, and recency of Applicant's continuing financial difficulties since about 1998 make it difficult to conclude that it occurred "so long ago" or "was so infrequent," especially since the situation is continuing. Although Applicant did comment about a divorce and child support expenses, he specifically noted that "none of his debt is related to events out of his control," as possible factors. Applicant never sought

²⁹ 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)).

financial counseling. Applicant failed to demonstrate with documentation the actions he claimed to have taken to address his four delinquent debts, and he has offered no documentary evidence of a good-faith effort to resolve three of them. Instead, he has offered claims of actions supposedly taken and actions to be taken, but no documentation to support those claims. Some actions and repayment plans were noted by Applicant in his e-QIP, but they were apparently false. Other promises were made during the 2012 OPM interview, but they too did not occur. Applicant's Answer to the SOR also referred to actions purportedly taken by him, but with the exception of his smallest delinquent account, he offered no documentary proof of any of the actions promised.

As for the federal tax lien, Applicant's attitude is that by ignoring the lien until he decides to sell the house, rather than making routine monthly payments on the lien, he has more money to use to meet other unspecified obligations. He is essentially ignoring the lien, and he seemingly continues to do so. As for the purported disputes, Applicant failed to describe any reasonable basis to dispute the legitimacy of the past-due debt about which he claimed to have no knowledge, and he failed to furnish documentation reflecting that disputes had been made.

In the absence of a personal financial statement, or any current information pertaining to his monthly income, expenses, and available funds for discretionary savings or spending, it is impossible to determine the current state of his financial affairs. The overwhelming evidence leads to the conclusion that Applicant's financial problems are not under control. Applicant has not acted responsibly by failing to address his delinquent accounts and by failing to make limited, if any, documented efforts of working with three of his four creditors.³⁰ Applicant's actions under the circumstances confronting him cast doubt on his current reliability, trustworthiness, and good judgment.³¹

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

³⁰ "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.

³¹ See ISCR Case No. 09-08533 at 3-4 (App. Bd. Oct. 6, 2010).

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.³²

There is some evidence in favor of mitigating Applicant's conduct. He retired as a U.S. Army staff sergeant who was deployed to Iraq on two occasions. He was granted a secret security clearance in 1998. There is no evidence of drug involvement, mishandling of protected information, or misuse of information technology systems.

The disqualifying evidence is more substantial. With the exception of his federal tax lien, which he continues to ignore for his own financial reasons (not making monthly payments enables him to retain those funds to meet other unspecified obligations), Applicant has repeatedly declared his intentions of bringing his accounts current and repaying them. However, to date, with one exception, he has not. Instead, Applicant has seemingly continued to ignore those delinquent accounts, and he has failed to submit any documentation to support his many, though somewhat inconsistent, claims of establishing repayment agreements and actually making payments. Applicant offered no evidence as to his reputation for reliability, trustworthiness, and good judgment. Applicant's long-standing failure over the years to voluntarily repay all but one of his creditors, even in the smallest amounts, or to arrange even the most reasonable payment plans, supported by documentation confirming the existence of the plans and payments under them, reflects traits which raise concerns about his fitness to hold a security clearance. There are clear indications that Applicant's financial problems are not under control. Applicant's actions under the circumstances cast doubt on his current reliability, trustworthiness, and good judgment. Considering the 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:³³

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

³² 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).

³³ ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008) (internal citations omitted).

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 poor track record of voluntary debt reduction and elimination efforts, generally ignoring all but one of his delinquent debts. He has simply made too many unsupported claims of purported repayment agreements and payments. Overall, the evidence leaves me with substantial 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 concerns. 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:	Against Applicant
Subparagraph 1.b:	Against Applicant
Subparagraph 1.c:	Against Applicant
Subparagraph 1.d:	For 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.

ROBERT ROBINSON GALES
Administrative Judge