DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	
	)	ISCR Case No. 12-11786
	)	
	)	
Applicant for Security Clearance	)	

Appearances

For Government: Julie R. Mendez, Esq., Department Counsel
For Applicant: *Pro se*

06/17/2013

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Decision

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MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant had about $280,000 in debt discharged in a Chapter 7 bankruptcy in December 2009. As of December 2012, he owed about $17,000 in delinquent federal taxes, $1,939 in deficiency balance for a repossessed automobile, $200 in medical debt in collection, and was $151 past due on a credit card account opened after the bankruptcy. The economic downturn contributed to the bankruptcy, but he also exercised questionable financial judgment. His financial situation remains tenuous. Clearance denied.

Statement of the Case

On December 20, 2012, the Department of Defense Consolidated Adjudications Facility (DOD CAF) issued a Statement of Reasons (SOR) to Applicant, detailing the security concerns under Guideline F (financial considerations), and explaining why it was unable to find that it is clearly consistent with the national interest to grant or continue his security clearance. The DOD CAF took action under Executive Order 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; Department of Defense Directive 5220.6, *Defense Industrial Personnel Security Clearance Review*

Program (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG) effective within the Department of Defense on September 1, 2006.

Applicant answered the SOR allegations on January 30, 2013, and he requested a decision without a hearing.[1] On March 7, 2013, the Government submitted a File of Relevant Material (FORM) consisting of seven exhibits (Items 1-7). DOHA forwarded a copy of the FORM to Applicant and instructed him to respond within 30 days of receipt. Applicant received the FORM on March 25, 2013. He filed a response dated April 21, 2013, to which the Government had no objection. On May 2, 2013, the case was assigned to me to consider whether it is clearly consistent with the national interest to grant or continue a security clearance for Applicant. On review of the file, I accepted Applicant's rebuttal to the FORM into the record as Applicant exhibit (AE) A.

Findings of Fact

The SOR alleges under Guideline F that Applicant had debts discharged in a Chapter 7 bankruptcy in December 2009 (SOR 1.a). Also under Guideline F, Applicant allegedly owed as of December 2012 federal income taxes as evidenced by an Internal Revenue Service tax lien filed in February 2011 (SOR 1.b); three collection debts of $180 (SOR 1.c), $20 (SOR 1.d), and $151 (SOR 1.e); and a $3,372 loan deficiency balance for a repossessed vehicle (SOR 1.f). (Item 1.) In his Answer, Applicant admitted the bankruptcy discharge, the tax debt, the collection debt in SOR 1.e, and the vehicle loan deficiency debt. He indicated that he was attempting to settle his IRS debt through a tax relief firm. Applicant expressed his belief that sale of his repossessed vehicle should have brought sufficient proceeds to cover the balance of his loan. He denied the debts in SOR 1.c and 1.d because he was unsure of their origin. (Item 3.)

After considering the Government's FORM, including Applicant's Answer (Item 3) and his rebuttal (AE A) to the FORM, I make the following findings of fact.

Applicant is a 52-year-old security guard, who has worked for his current employer, a defense contractor, since October 2010. He was a truck driver for a private company from February 2003 to May 2009, when he left the industry because of a marked decrease in the amount of freight to haul, which led to a rapid reduction in his income. Applicant was unemployed from May 2009 until July 2009, when he began a new career as a licensed security officer (guard). Applicant held a DOD secret-level security clearance while serving at the enlisted ranks in the United States military from June 1979 to September 1992. (Item 4.) He separated voluntarily from the military under an early transition program after 13 years of honorable service. (Item 7.) Applicant seeks to regain security clearance eligibility after working in the commercial sector for several years. (Item 4.)

Applicant was married from June 1983 to May 2004. He has two children: a son age 27 and a daughter age 21. As of late February 2011, Applicant had been cohabiting with his girlfriend for almost two years. (Item 4.)

[1] Applicant's Answer to the SOR (Item 3) bears a typewritten date of January 29, 2012, which was likely due to a typographical error. It was notarized on January 30, 2013.

During their marriage, Applicant and his ex-wife were gifted a real estate parcel. They incurred about $60,000 in expenses to build a home on the property. In October 1995, they took out a $69,000 30-year mortgage to cover the cost. (Items 5, 7.) Around 2001, Applicant and his spouse separated. Applicant struggled to afford the mortgage on his own. Around 2002, he defaulted on a credit card debt around $5,000 for vacations and other expenses.[2] In February 2006, Applicant paid off his original mortgage through a refinancing with a new lender. He made monthly payments around $1,518 on his new $164,000 loan until October 2006, when he refinanced with a mortgage of $191,000, to be repaid at $1,297 per month. His credit card debt from 2002 went unpaid. (Items 4, 7.)

In 2007, Applicant took on two sizeable loans. Applicant purchased a long-haul truck for work at a cost of $98,000. He put down $4,800 and financed the rest of the cost through a loan with monthly payments of $2,000 per month. In September 2007, he bought a motorcycle with a loan of $14,210, to be repaid at $480 per month (SOR 1.f). (Items 4, 5, 7.) Applicant quickly became overextended due to a decrease in his income from hauling freight and because he had to pay joint debt incurred during his marriage. (Item 7.)

In 2008, a collection agency pursued Applicant for an updated balance around $12,000 on the credit card account delinquent since 2002. On March 12, 2008, Applicant filed for a Chapter 13 bankruptcy. A plan was confirmed on July 18, 2008. Yet, Applicant's financial problems persisted. Applicant stopped paying on the mortgage around October 2008. In May 2009, he vacated the home. As of November 2009, the mortgage was delinquent in the amount of $17,401. In late 2008, he stopped paying for his long-haul truck, and in March 2009, it was repossessed with about $69,000 owed on the loan. (Items 4, 5, 7.)

On July 21, 2009, Applicant's bankruptcy was converted from Chapter 13 to Chapter 7. He included his delinquent mortgage and long-haul truck loans, the balance of the delinquent credit card debt from 2002, a $3,000 credit card debt from February 2008 that was current when he had filed his initial petition under Chapter 13, and another credit card debt (amount not shown) from April 2008. Applicant also listed the IRS as a creditor because he owed past-due federal taxes from 2007 and 2008. On December 3, 2009, Applicant was granted a discharge of about $280,000 in debt.[3]

In September 2010, Applicant stopped paying for his motorcycle, and it was involuntarily repossessed around December 2010 (SOR 1.f). Applicant owed around $6,500 on the loan at the time. (Items 4, 7.) As of April 2011, the lender was reporting the account as $3,372 past-due but with a balance of $1,939.[4] (Item 5.)

[2] The debt was not being reported on his credit record by Equifax Information Services as of August 2012. (Item 5.)

[3] The bankruptcy case summary does not show the amount of debt discharged. (Item 6.) Applicant told an authorized investigator for the Office of Personnel Management (OPM) that around $280,000 in debt was discharged in the Chapter 7 bankruptcy. (Item 7.)

[4] The lower balance may be an error in the report, or more likely due to a sale of the motorcycle after repossession.

On February 20, 2011, Applicant completed and certified an Electronic Questionnaire for Investigations Processing (e-QIP) for a security clearance. He responded affirmatively to several of the financial record inquiries and indicated that the credit card debt from 2002, the deficiency balance of his long-haul truck loan, and the mortgage on his marital home had been discharged in his Chapter 7 bankruptcy. Applicant reported one outstanding delinquency, of $6,500 for the motorcycle that had been repossessed due to his inability to afford the payments on his reduced income. He disclosed no financial judgments against him. (Item 4.)

In February 2011, the IRS filed a tax lien against Applicant in the amount of $14,884 (Item 5), for delinquent income taxes from 2007 and 2008. Applicant received a notice of the debt from the IRS in mid-March 2011. As of May 16, 2011, Applicant had been unable to confirm the debt balance with the IRS. (Item 7.)

On May 16, 2011, Applicant was interviewed by an OPM investigator, in part about his debts. Applicant discussed his bankruptcy, which discharged the mortgage on his marital home, the truck loan, and some credit card debts. Applicant indicated that a collection agency had obtained a judgment around $12,000 against him for the credit card delinquency from 2002, $10,000 of which had been repaid through garnishment of his pay between October 2008 and December 2008, but also that the debt had been discharged in his bankruptcy.[5] Applicant could not explain the discrepancy. Applicant admitted that he had stopped paying for his motorcycle. It was repossessed around December 2010 with $6,800 due on the loan (SOR 1.f), although he speculated that the bike may have sold for $6,500. He had recently been notified by the lender of a deficiency balance around $1,300 because of repair costs. Applicant expressed his intent to arrange for repayment. Applicant also related that on March 15, 2011, he received a notice of federal tax liability of $14,088 [sic] for 2007 and 2008, when he filed taxes quarterly. He planned to hire an attorney to resolve the issue with the IRS. Applicant was asked about a couple of accounts, including a reported $15,340 credit card debt, which he did not recognize. He surmised that a $20 medical debt, in collection since August 2009 (SOR 1.d), had been incurred by his daughter. He promised to look into the debt and repay it if legitimate. Applicant explained that he had financial problems because he had to pay joint marital debt and because of the economic downturn. His income from long-haul trucking declined just after he purchased a truck for $98,000. (Item 7.)

[5] The collection agency was listed as a creditor on Applicant's bankruptcy. *See* Item 6. Under 11 U.S.C. § 362, a debtor is granted an automatic stay. With limited exception, once the bankruptcy is filed, the creditor cannot commence or continue an action, including garnishment, to collect a debt that arose before the filing or enforce a judgment obtained before the filing. Garnishment of Applicant's pay from October 2008 to December 2008 to collect the debt would have violated the automatic stay provision. It may well be that Applicant was incorrect about the dates of the garnishment. His wages could have been garnished from October 2007 through December 2007, before he filed his initial petition in March 2008. It is also possible that Applicant added the creditor to the bankruptcy when he converted to a Chapter 7 case in July 2009. Applicant is the sole source of information about the judgment and reported garnishment. The only record of the bankruptcy case available for review is a case summary that provides little more than relevant dates and a list of creditors.

Applicant continued to work in 2011 and 2012 despite some health issues. Following a medical emergency requiring surgery in July 2012, he was placed on leave for two months under the Family and Medical Leave Act. (Item 7; AE A.)

As of August 6, 2012, Equifax Information Services was reporting new delinquency on Applicant's record following his bankruptcy discharge. The IRS had filed a tax lien of $14,884 in February 2011 (SOR 1.b). A $749 education debt for physical therapy training from October 2010 was paid in December 2011 after collection. Two medical debts, of $180 from March 2012 (SOR 1.c) and $20 from January 2009 (SOR 1.d), were unpaid and in collection. In addition, Applicant had opened a credit card with a $300 limit in September 2011. As of July 2012, the account was $151 past due with a $629 balance (SOR 1.e) and had been closed by the credit grantor. Applicant also reportedly owed $1,939 on his delinquent motorcycle loan after the involuntary repossession (SOR 1.f). Applicant was making timely payments of $386 per month on a new automobile loan taken out in August 2010 for $16,418. A timeshare loan of $8,370, opened in April 2011, was being repaid at $166 per month. (Item 5.)

In response to a request from DOHA to update the status of his delinquent accounts, Applicant indicated on October 4, 2012, that he had filed all federal and state income tax returns as required, but the tax lien was unresolved. He provided documentation showing that on October 3, 2012, he had retained the services of a tax resolution firm to represent him in negotiations with the IRS to resolve his outstanding federal tax delinquency estimated at $17,000. Applicant paid the firm $995 in October 2012 for its services. (Item 7.) Applicant had previously sought legal help to address the debt, but he could not afford the retainer fee. (AE A.) Applicant had taken no action to address his other delinquent debts. He had recently returned to work after his two-month medical leave. Applicant expressed his intent to pay his debts "in time." (Item 7.)

As of September 15, 2012, Applicant had earned gross pay for the year of $25,434.90. His hourly wage was $21.24. On October 3, 2012, Applicant executed a personal financial statement showing $193.36 in monthly discretionary income after paying his monthly expenses and two debts ($387 on his car loan and $50 on a credit card with a $750 balance). (Item 7.) Applicant did not report any payment on the timeshare loan. It is unclear whether he or his cohabitant girlfriend was paying that debt.

In his rebuttal to the FORM, Applicant indicated on April 21, 2013, that the IRS has deemed his past-due tax debt uncollectable at present due to his income level. The tax resolution firm has prepared an Offer in Compromise on his behalf, which he hopes will be accepted by the IRS. After the IRS debt is eliminated, Applicant plans to address his smaller debts in turn, as funds permit, starting with the motorcycle loan deficiency. Citing his past service in the U.S. military and recent medical issues in mitigation, Applicant indicated that his record of delinquency was not indicative of untrustworthiness ("I am simply an individual who has been through a lot and I am trying to resolve my issues the only way I know how which is to work my way through."). (AE A.)

Policies

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

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

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

Analysis

Guideline F, Financial Considerations

The security concerns about financial considerations are 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.

Applicant took on a sizeable amount of debt in 2007. While he lowered his monthly mortgage payment from $1,518 to $1,297 through a refinancing in October 2006, he took out a new loan around $93,200, to be repaid at $2,000 a month for his own long-haul truck for work. In September 2007, he bought a motorcycle through a $14,210 loan, taking on an additional $480 per month in debt. At the time, he owed a past-due balance around $5,000 on a credit card account delinquent since 2002. He underpaid his federal income taxes for 2007 and 2008. In March 2008, Applicant filed for a Chapter 13 bankruptcy, but it was converted to a Chapter 7 before a final discharge in December 2009. Applicant failed to take full advantage of the financial fresh start afforded him in bankruptcy. In December 2010, a $749 debt for physical therapy training was referred for collection, and his motorcycle was involuntarily repossessed for nonpayment since September 2010. In February 2011, the IRS filed a $14,884 tax lien against him. Likely due to interest and perhaps penalties, the debt has increased to about $17,000. In May 2011, Applicant was informed about a $20 medical debt in collection on his record. In May 2012, a $180 in medical debt from March 2012 was placed for collection. As of July 2012, Applicant was $151 past due on a credit card account with a balance of $639, more than double his credit limit. Of his delinquencies that were not discharged or post-date the bankruptcy, only the education debt has been paid. Disqualifying conditions AG ¶ 19(a), "inability or unwillingness to satisfy debts," and ¶ 19(c), "a history of not meeting financial obligations," apply.

AG ¶ 19(e), "consistent spending beyond one's means, which may be indicated by excessive indebtedness, significant negative cash flow, high debt-to-income ratio, and/or other financial analysis," is also established. Applicant attributes his pre-bankruptcy financial problems to having to cover joint marital debts incurred primarily by his ex-wife, and by the economic downturn in 2007 that followed his untimely purchase of the long-haul truck on credit. Yet, some of his financial problems are of his own making. Six months after he defaulted on his motorcycle loan in the fall of 2010, he took on new debt of $8,370 for a timeshare in April 2011. He knew at the time that the IRS had assessed a tax delinquency around $14,884.

Applicant's financial problems are too recurrent and recent to apply mitigating condition AG ¶ 20(a), "the behavior happened so long ago, was so infrequent, or occurred under such circumstances that it is unlikely to recur and does not cast doubt on the individual's current reliability, trustworthiness, or good judgment." As of April 21, 2013, Applicant had made no effort to investigate the medical debts on his record. An Offer in Compromise had not yet been accepted by the IRS. No steps had been taken to address the loan deficiency for the motorcycle.

AG ¶ 20(b), "the conditions that resulted in the financial problem were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected

medical emergency, or a death, divorce or separation), and the individual acted responsibly under the circumstances," applies only in part. The financial burden of his divorce and the economic downturn can reasonably explain the debts that led to the bankruptcy. Neither Applicant's federal tax debt nor the motorcycle loan deficiency was discharged, however. In March 2011, Applicant learned that he owed the IRS more than $14,000. In May 2011, Applicant was notified that he owed a deficiency balance on the motorcycle loan. He had earned income from his continuous employment as a security guard from May 2011 until his medical emergency in July 2012. Yet, he made no payments toward these debts. He made no attempt to investigate the $20 collection debt on his record, which he could afford to satisfy. Applicant's medical leave status between July 2012 and September 2012 implicates AG ¶ 20(b), but only as to his failure to address his debts when he was out of work.

Mitigating conditions AG ¶ 20(c), "the person has received or is receiving counseling for the problem and/or there are clear indications that the problem is being resolved or is under control," and AG ¶ 20(d), "the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts," speak to efforts to resolve financial issues. Applicant's Chapter 7 discharge in December 2009 relieved him of the burden of some $280,000 in debt. The Appeal Board has previously explained what constitutes a "good-faith" effort to repay overdue creditors or otherwise resolve debts under AG 20(d):

> 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)). AG ¶ 20(d) could have applied to his Chapter 13 filing had he followed through with his confirmed plan. Presumably, he could afford the payments because the plan had been approved, and his creditors would have been paid a percentage of their claims in the bankruptcy. His conversion to a Chapter 7 was legal, but his discharge left those creditors covered by the bankruptcy without a remedy. While AG ¶ 20(d) is not fully established by a Chapter 7 bankruptcy, AG ¶ 20(c) applies in that Applicant is no longer legally liable to repay the debts that were discharged. The financial pressures of those debts were alleviated.

As for the debts that were not discharged (SOR 1.b-1.f), Applicant showed some good faith by retaining the services of a tax resolution firm to negotiate with the IRS about his sizeable federal tax delinquency. In light of Applicant's candor about his financial problems, including his admission of no progress toward resolving the debts in SOR 1.c through 1.f, I accept his uncorroborated testimony that an Offer in Compromise has been prepared. Even so, it would be premature to apply AG ¶ 20(c) without evidence of the IRS'

acceptance of a negotiated settlement and of sustained compliance by Applicant with his obligations under its terms, or alternatively, of the IRS' willingness to excuse the debt, now around $17,000, in full. While the IRS has apparently deemed the debt uncollectable at present because of Applicant's income, the tax lien has not been released. Furthermore, neither AG ¶ 20(c) nor AG ¶ 20(d) is satisfied in any aspect with respect to the other debts in the SOR. A promise to pay, however sincere, is not a substitute for a demonstrated track record of repayment. Applicant can easily afford to pay the $20 collection debt on his reported net monthly discretionary income of $193.36. Applicant knew as of his OPM interview in May 2011 that the debt was on his credit record. He expressed his intent to pay the debt if it was determined to be his responsibility. Two years later, he has yet to take any steps to investigate the debt. He also exercised questionable financial judgment when he financed the timeshare in April 2011, and when he stopped paying on the credit card account identified in SOR 1.e only one month after he opened the account. The financial judgment concerns are not fully mitigated.

Whole-Person Concept

Under the whole-person concept, the administrative judge must consider the totality of an applicant's conduct and all relevant circumstances in light of the nine adjudicative process factors in AG ¶ 2(a).[6]

Applicant is a military veteran who began experiencing financial problems after he and his ex-wife separated in 2001. He became seriously financially overextended after he bought a long-haul truck for work and a motorcycle in 2007. He underpaid his federal income taxes for 2007 and 2008. Apparently loss of income led him to convert his bankruptcy from Chapter 13 to Chapter 7 in 2009. Regardless, he was given an opportunity in December 2009 to start anew with regard to managing his consumer credit accounts responsibly. Despite making no payments on his federal tax delinquency, he fell behind on some consumer credit accounts while he continued to take on new debt. He took out a new car loan in August 2010 and the following month, he stopped paying for his motorcycle. In April 2011, Applicant financed a timeshare through a loan of $8,370, after the IRS had notified him that he owed around $14,884 in delinquent income taxes from 2007 and 2008.

Applicant's failure to give sufficient priority to his IRS debt raises considerable doubt about his financial judgment and about whether he can be counted on to fulfill the obligations of a security clearance. It is difficult to conclude that he acted responsibly with regard to his federal tax obligation without some documentation proving that he did the best that he could under the circumstances.

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

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

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

> 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 has paid off each and every debt listed in the SOR. All that is required is that an applicant demonstrates that he has '. . . established a plan to resolve his 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 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.

ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008) (internal citations omitted). Applicant has resolved substantial debt through his Chapter 7 discharge. He has no concrete plans in place to address post-bankruptcy delinquent consumer credit debts because he cannot afford to do so. His Offer in Compromise, to resolve his outstanding tax debt now around $17,000, has not been accepted by the IRS. At some future date, Applicant may be a good candidate for a security clearance, but his overall financial picture is not positive for a resolution of his financial problems in the near future. It is well settled that once a concern arises regarding an applicant's security clearance eligibility, there is a strong presumption against the grant or renewal of a security clearance. *See Dorfmont v. Brown*, 913 F. 2d 1399, 1401 (9th Cir. 1990.). Based on the facts before me and the adjudicative guidelines that I am required to consider, I am unable to conclude that it is clearly consistent with the national interest to grant Applicant a security clearance at this time.

Formal Findings

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

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraph 1.a:	For Applicant
Subparagraph 1.b:	Against Applicant
Subparagraph 1.c:	Against Applicant
Subparagraph 1.d:	Against Applicant
Subparagraph 1.e:	Against Applicant
Subparagraph 1.f:	Against Applicant

Conclusion

In light of all of the circumstances presented by the record in this case, it is not clearly consistent with the national interest to grant Applicant eligibility for a security clearance. Eligibility for access to classified information is denied.

Elizabeth M. Matchinski
Administrative Judge