



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



In the matter of:)
)
-----) ISCR Case No. 13-01300
)
Applicant for Security Clearance)

Appearances

For Government: Caroline E. Heintzelman, Esquire, Department Counsel
For Applicant: *Pro se*

08/25/2014

Decision

HARVEY, Mark, Administrative Judge:

Applicant’s statement of reasons (SOR) alleges 17 delinquent, collection or charged-off accounts totaling \$191,530. She failed to provide sufficient documentation of progress resolving her financial problems. Financial considerations concerns are not mitigated. Eligibility for access to classified information is denied.

Statement of the Case

On April 30, 2007, and May 17, 2011, Applicant submitted Electronic Questionnaires for Investigations Processing (e-QIP) versions of security clearance applications (SF 86). (Items 5, 6) On February 27, 2014, the Department of Defense (DOD) Consolidated Adjudications Facility (CAF) issued an SOR to Applicant, pursuant to Executive Order 10865, *Safeguarding Classified Information Within Industry*, dated February 20, 1960, as amended; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (Directive), dated January 2, 1992, as amended; and the adjudicative guidelines (AG) promulgated by the President on December 29, 2005.

The SOR alleged security concerns under Guideline F (financial considerations). (Item 1) The SOR detailed reasons why DOD could not make the preliminary affirmative finding under the Directive that it is clearly consistent with the national interest to grant

or continue a security clearance for Applicant and recommended referral to an administrative judge to determine whether Applicant's clearance should be granted, continued, denied, or revoked. (Item 1)

On April 10, 2014, Applicant responded to the SOR allegations. (Item 3) On April 16, 2014, Applicant sent an email to Department Counsel, indicating she waived her right to a hearing. (Item 4) A complete copy of the file of relevant material (FORM), dated May 28, 2014, was provided to her on June 3, 2014.¹ Applicant did not respond to the FORM. The case was assigned to me on August 11, 2014.

Findings of Fact²

In Applicant's SOR response, she admitted responsibility for the debts in SOR ¶¶ 1.a-1.h, 1.j, 1.k, 1.m, 1.o, and 1.q.³ She denied responsibility for the debts in SOR ¶¶ 1.i, 1.l, 1.n, and 1.p. She also provided some extenuating and mitigating information. Applicant's admissions are accepted as findings of fact.

Applicant is a 34-year-old systems administrator, who has worked for the same defense contractor since 2011.⁴ In 1998, she graduated with a general diploma from high school. In 2000, Applicant married. Her twin children were born in 2004. Applicant has never served in the military. Applicant's husband is on active duty in the Air Force. (Item 3 at 16) There is no evidence of security violations, criminal conduct, use of illegal drugs, or alcohol abuse. She disclosed her financial problems on her 2011 SF 86.

Financial Considerations

Applicant's SOR alleges 17 delinquent, collection or charged-off accounts totaling \$191,530 as follows: (1)-(3) charged-off bank debts in ¶¶ 1.a (\$518), 1.b (\$459), and 1.c (\$397); (4) telecommunications collection account in ¶ 1.d (\$696); (5) student loan collection account in ¶ 1.e (\$4,984); (6)-(7) bank collection accounts in ¶¶ 1.f (\$993) and 1.h (\$451); (8) medical collection account in ¶ 1.g (\$243); (9) fitness collection account in ¶ 1.i (\$849); (10)-(14) collection accounts in ¶¶ 1.j (\$1,254), 1.n (\$370), 1.o (\$759), 1.p (\$529), and 1.q (\$1,252); (15) past-due mortgage account in ¶ 1.k (past due amount: \$78,489; mortgage amount: \$176,259); (16) utility collection account in ¶ 1.l (\$488); and (17) bank charged-off account in ¶ 1.m (\$1,029).

¹The Defense Office of Hearings and Appeals (DOHA) transmittal letter is dated May 28, 2014, and Applicant's receipt is dated June 3, 2014. The DOHA transmittal letter informed Applicant that she had 30 days after her receipt to submit information.

²Some details have not been included in order to protect Applicant's right to privacy. Specific information is available in the cited exhibits.

³ The source for the information in this paragraph is Applicant's SOR response. (Item 3)

⁴ Unless stated otherwise, Applicant's May 17, 2011 SF 86 is the source for the facts in this paragraph. (Item 5)

Applicant cited her unemployment as the cause of her financial problems. (Item 3) She was unemployed from March 2002 to October 2006, from April 2010 to October 2010, and from March 2011 to June 2011. (Item 7 at 22-23) Her October 19, 2013 personal financial statement (PFS) states she was unemployed when she completed her PFS; however, it does not provide the period of unemployment. (Item 7 at 12)

On June 12, 2007, an Office of Personnel Management (OPM) investigator interviewed Applicant about her finances. (Item 8) Applicant said she was “contacting her creditors to take care of her debts.” (Item 8) She discussed six delinquent debts shown on her credit report, including a substantial student loan debt. (Item 8) On August 23, 2011, an OPM investigator interviewed Applicant about her finances. (Item 7 at 24-27) She discussed most of the debts listed in the SOR with the OPM investigator.

On January 30, 2014, the creditor for the debt in SOR ¶ 1.b (\$459) wrote that if Applicant paid \$276 over a 12-month period, the debt would be resolved. (Item 3 at 10) The creditor noted the debt was charged off on January 29, 2010. (Item 3 at 10) Applicant said she planned to pay the creditor \$23 monthly. (Item 3 at 10) She did not provide proof of any payments.

On January 29, 2014, the creditor for the debt in SOR ¶ 1.c (\$397) wrote that if Applicant paid \$280 over a 10-month period, the debt would be resolved. (Item 3 at 11) The creditor noted the debt was charged off on January 29, 2010. (Item 3 at 11) Applicant said she planned to pay the creditor \$28 monthly. (Item 3 at 10) She did not provide proof of any payments.

On January 30, 2014, the creditor for the debt in SOR ¶ 1.e (\$4,984) wrote that Applicant had contacted the creditor and was seeking to bring her student loan from default status to rehabilitation status. (Item 3 at 12) The loan balance was now \$6,283, and nine timely payments over a 10-month period were required to bring the account to current status. (Item 3 at 13-14) She did not provide proof of any payments.

In 2007, Applicant and her husband purchased a residence for \$179,000 and financed the purchase with a loan from the Department of Veterans Affairs (VA).⁵ (Item

⁵The VA loan guarantee is as follows: “For loans between \$45,000 and \$144,000, the minimum guaranty amount is \$22,500, with a maximum guaranty, of up to 40 percent of the loan up to \$36,000, subject to the amount of entitlement a veteran has available.” As to whether the VA loss on a loan must be repaid, the VA explains:

Must the loan be repaid?

Yes. A VA guaranteed loan is not a gift. It must be repaid, just as you must repay any money you borrow. The VA guaranty, which protects the lender against loss, encourages the lender to make a loan with terms favorable to the veteran. But if you fail to make the payments you agreed to make, you may lose your home through foreclosure, and you and your family would probably lose all the time and money you had invested in it. If the lender does take a loss, VA must pay the guaranty to the lender, and the amount paid by VA must be repaid by you. If your loan closed on or after January 1, 1990, you will owe

3 at 23-24) In February 2013, they were four years behind on their mortgage. (Item 3 at 23-24) Their monthly payment for principal, interest, taxes, and insurance totaled \$1,452. (Item 3 at 23-24) Applicant wrote the creditor about the debt in SOR ¶ 1.k (past-due mortgage amount \$78,489; mortgage amount: \$176,259).⁶ Her letter said she became unemployed and was unable to make the payments on her mortgage. She and her husband attempted to sell the property for three years; however, the market value of the property had decreased and was less than the amount of her mortgage. The mortgage creditor lost the documentation several times and failed to respond in a timely manner to an offer to purchase the property in 2012-2013.⁷ (Item 3 at 22) In 2013, Applicant moved to a different state because her husband had military orders. (Item 3 at 16) She provided an October 21, 2013 quitclaim deed to the mortgage creditor. (Item 3 at 19-20) She offered to provide a deed in lieu of foreclosure; however, she wanted the creditor to inform the credit bureaus that the debt was resolved “as a satisfied paid settlement” and to ask the credit bureaus to remove any negative remarks from her credit report. She did not indicate that she was offering to pay any cash to the creditor to accept the quitclaim deed. On December 11, 2013, the creditor wrote Applicant that her “loan is currently being reviewed for Deed in Lieu.” (Item 3 at 21) As of April 2014, the property was not foreclosed, and she was waiting for an answer to her latest attempt to resolve the debt. (Item 3 at 3-4)

Applicant said she paid the debt in SOR ¶ 1.o (\$759), and she provided a March 12, 2014 letter from the creditor indicating the debt was paid. (Item 3 at 9) The creditor stated the credit bureau would be informed of the payment. (Item 3 at 9)

Applicant denied responsibility for the debts in SOR ¶¶ 1.i (\$849), 1.l (\$488), 1.n (\$370), and 1.p (\$529). (Item 3) She said she paid the debt in SOR ¶ 1.q (\$1,252) in 2003. (Item 3) Her May 1, 2014 credit report includes the debt in SOR ¶ 1.l, but not the debts in SOR ¶¶ 1.i, 1.n, 1.p, and 1.q. (Item 9) Her October 10, 2013 credit report includes the debt in SOR ¶ 1.i, but not the debts in SOR ¶¶ 1.l, 1.n, 1.p, and 1.q. (Item 10) The debts in SOR ¶¶ 1.i and 1.q are not in Applicant’s August 26, 2013 credit report. (Item 11) The debt in SOR ¶ 1.q is in Applicant’s June 7, 2011 credit report. (Item 12)

Applicant’s October 19, 2013 PFS shows the following monthly amounts: spouse’s net salary of \$4,400; Applicant’s unemployment compensation of \$1,544; monthly expenses of \$4,065; debt payments of \$1,700; and a net remainder of \$179.

the Government in the event of a default only if there was fraud, misrepresentation, or bad faith on your part.

Factsheet VAP 26-4 is available on the VA website at http://www.google.com/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&cad=rja&uact=8&ved=0CD4QFjAA&url=http%3A%2F%2Fwww.benefits.va.gov%2Fhomeloans%2Fdocs%2Fvap_26-4_online_version.pdf&ei=q4QbU_zSCaST0QH0mIDwAg&usq=AF_QjCNFv0-ay6SGFdfcDFIaE7aENpSq0cA.

⁶ The source for the information in this paragraph is an “August 2014” letter from Applicant to the creditor. (Item 3 at 15)

⁷ Applicant provided a February 18, 2013 contract offering to purchase the property for \$135,000. (Item 3 at 27, 32) The net to seller was \$125,035. (Item 3 at 39) The offer to purchase automatically terminated on February 28, 2013. (Item 3 at 32)

(Item 7 at 12) Debt payments include \$1,200 for two car payments. In 2012, Applicant and her spouse purchased two vehicles and owe \$46,000 to creditors. (Item 7 at 12) The two vehicle loans are current.

Applicant's FORM noted the absence of corroborating documentation and other mitigating information and explained that Applicant had 30 days from the receipt of the FORM "in which to submit a documentary response setting forth objections, rebuttal, extenuation, mitigation, or explanation, as appropriate." (FORM at 5-6) She did not respond to the FORM.

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." *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). 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." *Id.* at 527. The President has authorized the Secretary of Defense or his designee to grant applicant's eligibility for access to classified information "only upon a finding that it is clearly consistent with the national interest to do so." Exec. Or. 10865, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960), as amended.

Eligibility for a security clearance is predicated upon the applicant meeting the criteria contained in the adjudicative guidelines. These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with an evaluation of the whole person. An administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. An administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable.

The Government reposes a high degree of trust and confidence in persons with access to classified information. This relationship transcends normal duty hours and endures throughout off-duty hours. 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 about potential, rather than actual, risk of compromise of classified information. 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." See Exec. Or. 10865 § 7. See also Executive Order 12968 (Aug. 2, 1995), § 3.1. 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 about applicant's allegiance, loyalty, or patriotism. It is merely an indication the applicant has not met the strict guidelines the President and the Secretary of Defense have established for issuing a clearance.

Initially, the Government must establish, by substantial evidence, conditions in the personal or professional history of the applicant that may disqualify the applicant

from being eligible for access to classified information. The Government has the burden of establishing controverted facts alleged in the SOR. See *Egan*, 484 U.S. at 531. “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). The guidelines presume a nexus or rational connection between proven conduct under any of the criteria listed therein and an applicant’s security suitability. See ISCR Case No. 95-0611 at 2 (App. Bd. May 2, 1996).

Once the Government establishes a disqualifying condition by substantial evidence, the burden shifts to the applicant to rebut, explain, extenuate, or mitigate the facts. Directive ¶ E3.1.15. An applicant “has the ultimate burden of demonstrating that it is clearly consistent with the national interest to grant or continue his [or her] security clearance.” ISCR Case No. 01-20700 at 3 (App. Bd. Dec. 19, 2002). The burden of disproving a mitigating condition never shifts to the Government. See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005). “[S]ecurity clearance determinations should err, if they must, on the side of denials.” *Egan*, 484 U.S. at 531; see AG ¶ 2(b).

Analysis

Financial Considerations

AG ¶ 18 articulates the security concern relating to financial problems:

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.

AG ¶ 19 provides two disqualifying conditions that could raise a security concern and may be disqualifying in this case: “(a) inability or unwillingness to satisfy debts” and “(c) a history of not meeting financial obligations.” In ISCR Case No. 08-12184 at 7 (App. Bd. Jan. 7, 2010), the Appeal Board explained:

It is well-settled that adverse information from a credit report can normally meet the substantial evidence standard and the government’s obligations under [Directive] ¶ E3.1.14 for pertinent allegations. At that point, the burden shifts to applicant to establish either that [he or] she is not responsible for the debt or that matters in mitigation apply.

(internal citation omitted). Applicant’s history of delinquent debt is documented in her credit reports and SOR response. She had delinquent debts seven years ago when an OPM investigator interviewed her. Her mortgage became delinquent four years ago. The Government established the disqualifying conditions in AG ¶¶ 19(a) and 19(c), requiring additional inquiry about the possible applicability of mitigating conditions.

Five mitigating conditions under AG ¶ 20 are potentially applicable:

(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;

(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;

(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;

(d) the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts;⁸ and

(e) the individual has a reasonable basis to dispute the legitimacy of the past-due debt which is the cause of the problem and provides documented proof to substantiate the basis of the dispute or provides evidence of actions to resolve the issue.

The Appeal Board concisely explained Applicant's responsibility for proving the applicability of mitigating conditions as follows:

Once a concern arises regarding an Applicant's security clearance eligibility, there is a strong presumption against the grant or maintenance of a security clearance. See *Dorfmont v. Brown*, 913 F. 2d 1399, 1401 (9th Cir. 1990), *cert. denied*, 499 U.S. 905 (1991). After the Government presents evidence raising security concerns, the burden shifts to the applicant to rebut or mitigate those concerns. See Directive ¶ E3.1.15. The

⁸The 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) 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)).

standard applicable in security clearance decisions is that articulated in *Egan, supra*. “Any doubt concerning personnel being considered for access to classified information will be resolved in favor of the national security.” Directive, Enclosure 2 ¶ 2(b).

ISCR Case No. 10-04641 at 4 (App. Bd. Sept. 24, 2013).

Applicant’s conduct in resolving her delinquent debt does not warrant full application of any mitigating conditions to all debts. Applicant did not act responsibly under the circumstances. She did not provide sufficient information about her finances to establish her inability to make greater progress paying her creditors. Applicant’s unemployment damaged her finances and is a circumstance largely beyond her control; however, she did not act responsibly under the circumstances. She did not establish how long she was unemployed during the last two years or the amount of her income. She presented insufficient evidence about what she did over the last two years to pay her SOR debts.

In January 2014, Applicant received correspondence from the creditors for the debts in SOR ¶¶ 1.b (\$459), 1.c (\$397), and 1.e (\$4,984), suggesting payment plans which would have brought the three debts into current status. In April 2014, she said these three debts were in payment plans. On May 28, 2014, the FORM suggested these three debts were not mitigated due to lack of evidence of any payments to the three creditors. Applicant did not submit proof of payments to the three creditors. Applicant did not establish the three debts are current, and they are not mitigated.

Applicant denied responsibility for the debts in SOR ¶¶ 1.i (\$849), 1.l (\$488), 1.n (\$370), and 1.p (\$529). She said she paid the debt in SOR ¶ 1.q (\$1,252) in 2003. Her May 1, 2014; October 10, 2013; August 26, 2013, and June 7, 2011 credit reports include inconsistent descriptions of her financial responsibility for these four debts. The five debts in SOR ¶¶ 1.i, 1.l, 1.n, 1.p, 1.q are not established, and they are mitigated.

Applicant admitted the debt in SOR ¶ 1.o (\$759). She explained that she paid it, and she provided corroborating evidence establishing payment. The debt in SOR ¶ 1.o is mitigated.

SOR ¶ 1.k alleges a past-due mortgage amount of \$78,489 and a mortgage amount of \$176,259 for a total liability of \$254,748. The VA guarantee is \$36,000, and veterans “usually have no liability to the government following a foreclosure, except in cases involving fraud, misrepresentation, or bad faith, such as allowing an unapproved assumption” of responsibility to repay the loan.⁹ In this situation, Applicant’s debt to the creditor may be about \$218,748 (\$254,748 minus \$36,000 which would be paid by the

⁹ The quotation and information in this paragraph about the amount and liability for repayment of the VA loan guarantee is from the Veterans Administration website, Office of Public and Intergovernmental Affairs, Publications, *Benefits Book*, Chapter 6 Home Loan Guaranty, http://www.va.gov/opa/publications/benefits_book/benefits_chap06.asp. See also note 5, *supra*.

VA) subject to a credit for the amount received based on the sale of the property. She may also owe state property taxes on this house and legal fees relating to the property's sale. At some point, the creditor might accept a deed in lieu of foreclosure, and in that event, Applicant would be released from financial liability on her mortgage debt. The current state of the evidence is that Applicant has a substantial unresolved liability relating to the debt in SOR ¶ 1.k.

Applicant did not provide any of the following documentation relating to the creditors in SOR ¶¶ 1.a, 1.d, 1.f-1.h, 1.j, and 1.m: (1) proof of payments such as checking account statements, photocopies of checks, or a letter from the creditor proving that she paid or made any payments to the creditor; (2) correspondence to or from the creditor to establish maintenance of contact with the creditor;¹⁰ (3) a credible debt dispute; (4) attempts to negotiate payment plans, such as settlement offers or agreements to show that she was attempting to resolve these seven debts; (5) evidence of financial counseling; or (6) other evidence of progress or resolution of these seven SOR debts. There is insufficient evidence that her financial problems are being resolved, are under control, and will not occur in the future.

Whole-Person Concept

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

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

Under AG ¶ 2(c), the ultimate determination of whether to grant eligibility for a security clearance must be an overall commonsense judgment based upon careful consideration of the guidelines and the whole-person concept. I have incorporated my comments under Guideline F in my whole-person analysis. Some of the factors in AG ¶ 2(a) were addressed under Guideline F, but some warrant additional comment.

¹⁰ "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.

There is some evidence supporting approval of Applicant's clearance. Applicant is a 34-year-old systems administrator, who has worked for the same defense contractor since 2011. In 2000, she married. She has two children, who are 10 years old. She has never served in the military. Her unemployment damaged her finances. There is no evidence of security violations, criminal conduct, use of illegal drugs, or alcohol abuse. She contributes to her company and the DOD. These factors are indications of her reliability and trustworthiness.

The financial evidence against approval of Applicant's clearance is more substantial at this time. Applicant has a history of financial problems. Her mortgage has been delinquent for four years. She was well aware of her financial problems, as she received notice of them when OPM investigators interviewed her in 2007 and again in 2011. She provided proof that she paid only one SOR debt in 2014. She established that she paid the debt in SOR ¶ 1.o (\$759). She did not provide proof that she made any payments to any other SOR creditors in 2014. She denied responsibility for four other debts; said she paid the debt in SOR ¶ 1.q; and she is credited with mitigating them. She could have made greater progress resolving and documenting resolution of more of her SOR debts. Her failure to provide more corroborating documentation shows lack of financial responsibility and lack of judgment and raises unmitigated questions about Applicant's reliability, trustworthiness, and ability to protect classified information. See AG ¶ 18. More documented financial progress is necessary to mitigate security concerns.

I have carefully applied the law, as set forth in *Department of Navy v. Egan*, 484 U.S. 518 (1988), Exec. Or. 10865, the Directive, and the AGs, to the facts and circumstances in the context of the whole person. Financial considerations concerns are not mitigated. For the reasons stated, I conclude Applicant is not eligible for access to classified information at this time.

Formal Findings

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

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraphs 1.a-1.h:	Against Applicant
Subparagraph 1.i:	For Applicant
Subparagraphs 1.j-1.k:	Against Applicant
Subparagraph 1.l:	For Applicant
Subparagraph 1.m:	Against Applicant
Subparagraph 1.n-1.q:	For Applicant

Conclusion

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

Mark Harvey
Administrative Judge