



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



In the matter of:)
)
) ISCR Case No. 14-02941
)
Applicant for Security Clearance)

Appearances

For Government: Eric H. Borgstrom, Esq., Department Counsel
For Applicant: *Pro se*

03/10/2016

Decision

MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant defaulted in his payments on some credit-card accounts, cable and phone accounts, and two student loans because of insufficient income and child-support obligations. He has made little progress toward resolving his \$39,152 in past-due debt. Clearance is denied.

Statement of the Case

On August 19, 2014, 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 it clearly consistent with the national interest to grant or continue his security clearance eligibility. The DOD CAF took the action under Executive Order 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG) effective within the DOD on September 1, 2006.

Applicant answered the SOR allegations on April 1, 2015,¹ and he indicated that he wanted to appear before a judge. On July 21, 2015, the Defense Office of Hearings and Appeals (DOHA) assigned the case to me to conduct a hearing to determine whether it is clearly consistent with the national interest to grant or continue a security clearance for Applicant. On July 23, 2015, I scheduled the hearing for August 20, 2015.

At the hearing, six Government exhibits (GEs 1-6) were admitted into evidence without objection. A chart prepared by Department Counsel as a supplement to his closing argument was marked as a hearing exhibit (HE 1) for the record, but it was not admitted as an evidentiary exhibit. Applicant testified on his behalf, as reflected in a transcript (Tr.) received on August 28, 2015.

I held the record open after the hearing for Applicant to supplement the record. On September 21, 2015, Applicant submitted a letter verifying his employment, which was admitted into evidence without objection as Applicant exhibit (AE) A.

Findings of Fact

The SOR alleges that Applicant owed delinquent balances totaling \$45,419 on 22 accounts (SOR ¶¶ 1.a-1.v) as of August 19, 2014, which included student loans of \$5,093 (SOR ¶ 1.g) and \$2,705 (SOR ¶ 1.h). Applicant admitted the delinquencies with the exception of the student loans because he was making payments. After considering the pleadings, exhibits, and transcript, I find it likely that some accounts were duplicated in the SOR. My findings of fact are as follows.

Applicant is a 43-year-old high school graduate with one year of community college from August 1992 to May 1993 and a year of technical training from July 1997 to July 1998. (GEs 1, 2.) Applicant and his first wife married in December 1997 and separated permanently in August 2012. Applicant is under court order to pay \$212 every two weeks in child support to his ex-wife for their 17-year-old son. Applicant pays at least \$100 every two weeks to his ex-wife for their 12-year-old daughter. (Tr. 48-49, 62.) Applicant and his current spouse married in 2013. (Tr. 49.)

Applicant has a disability that has limited his employment options to some extent. (Tr. 79.) He was a self-employed taxi driver from August 1995 until April 2008. In May 2008, he began working as a document scanner for a DOD contractor at \$10.50 an hour. (GEs 1, 2; Tr. 78.) On May 13, 2008, Applicant certified electronically to the accuracy of an Electronic Questionnaire for Investigations Processing (e-QIP) that he then signed on June 4, 2008. (GE 2.) There is no indication that he was granted a DOD security clearance before March 2009, when he was laid off. Applicant collected unemployment compensation when he was out of work from March 2009 to September 2009. (Tr. 50.) Around August 2009, he enrolled in college, and he opened two federal student loans of \$2,334 (SOR ¶ 1.h) and \$4,000 (SOR ¶ 1.g). He dropped out of college after a month. (GEs 1, 3, 4; Tr. 79.)

¹ There is no explanation in the record for Applicant's delay in responding to the SOR.

Applicant worked as a cable technician for a telecommunications/cable company from September 2009 to May 2011. (GEs 1, 2.) Applicant and his first wife were living in a home owned by his sister. He was making the \$1,500 monthly mortgage payments for his sister in lieu of rent. (Tr. 33.)

In May 2011, he began working for a new employer in the cable industry. After being laid off in November 2011, Applicant collected unemployment until January 2012 (Tr. 50), when he returned to his previous employer. Five months later, he quit without another job because he was not getting enough work hours. Applicant was unemployed from May 2012 until August 2012. He and his first wife separated, and he relocated. He found temporary work as a cable technician. He continued to help his wife financially with the mortgage on his sister's home until December 2012. (Tr. 52, 82.) In mid-January 2013, Applicant began his present employment with a defense contractor as a technician at \$16.82 an hour. (GE 1; AE A; Tr. 46, 51.)

On February 6, 2013, Applicant completed and certified to the accuracy of a Questionnaire for National Security Positions (QNSP) for a security clearance with his present employer. Applicant responded affirmatively to a financial record inquiry concerning whether he was currently delinquent on any federal debt. He indicated that he had fallen behind on \$9,000 in federal student loans, but that he has been making monthly payments after district court action had been taken against him. Applicant also answered "Yes" to whether he had any financial judgments issued against him in the last seven years. He reported that the creditor in SOR ¶ 1.a had obtained a \$2,732 judgment, which he had not resolved. He indicated his willingness to arrange repayment terms for that judgment debt now that he had a permanent job. Applicant responded negatively to financial record inquiries concerning any delinquency involving routine accounts. (GE1.)

A check of Applicant's credit on March 5, 2013, revealed several consumer-credit delinquencies in addition to the credit-card judgment and student-loan debts. The delinquency history for each debt is shown in the following table.

Debt in SOR	Delinquency history	Payment status
1.a. \$2,732 judgment debt	Visa card account opened Apr. 2007, last activity Sep. 2008; \$2,000 for collection Jan. 2009; \$2,732 judgment Sep. 2010. (GEs 4, 6.)	No payments as of August 2015. (GE 6; Tr. 34, 40.)
1.b. \$1,320 wireless phone debt	\$1,558 collection balance placed Aug. 2012; \$1,320 balance with assignee Aug. 2013. (GEs 3, 4.)	No payments as of August 2015. (Tr. 34.)
1.c. \$747 charged-off credit card	Account opened Jul. 2007, last payment May 2011, \$500 for collection; \$747 balance as of Feb 2013, charged off as of Mar. 2014	No payments as of August 2015. (GE 6; Tr. 35.)

	(GEs 3, 4); \$730 in collection Mar. 2015. (GE 6.)	
1.d. \$1,739 wireless phone debt	Account opened Mar. 2010, last activity Mar. 2012, \$1,739 for collection; unpaid as of Mar. 2014 (GEs 3, 4); \$1,740 balance Aug. 2015. (GE 6.)	No payments as of August 2015. (GE 6; Tr. 35.)
1.e. \$2,442 collection debt	Revolving retail charge account opened Jun. 2006; last activity May 2008; sold to assignee in SOR ¶ 1.r Jun. 2010; \$2,335 balance as of Feb. 2013 for collection Nov. 2013; \$2,442 balance Feb. 2014. (GEs 3, 4.)	No payments as of August 2015. (Tr. 35-36, 41.)
1.f. \$2,727 collection debt	Credit-card debt from Jun. 2008, \$1,549 high credit; for collection Jan. 2012, \$2,492 balance Feb. 2013; \$2,727 balance Feb. 2014. (GEs 3, 4.)	No payments as of August 2015. (Tr. 36.)
1.g. \$5,093 federal student loan in collection	\$4,000 student loan opened October 2009, first delinquent Oct. 2011; for collection Oct. 2012 with \$4,950 balance Feb. 2013; no payment between May 2013 and Feb. 2014; last payment April 2015, balance \$5,394 Jul. 2015. (GEs 3, 4, 6.)	Arranged for automatic payments from checking account; stopped payments because he could not afford them; restarted consolidated repayment within past year at \$26 per month for SOR ¶¶ 1.g and 1.h; last payment of record Apr. 2015. (GE 6; Tr. 37-38.)
1.h. \$2,705 federal student loan in collection	\$2,334 student loan opened Oct. 2009, first delinquent Nov. 2011; \$2,655 in collection Feb. 2013; last payment May 2013; balances \$2,705 Feb. 2014, \$2,831 Jul. 2015. (GEs 3, 4, 6.)	See SOR ¶ 1.g. (Tr. 38.)
1.i. \$583 charged-off credit card	Credit card opened Dec. 2010, \$300 credit limit; maximum delinquency Aug. 2011; \$583 charged off Mar. 2013 and sold (GEs 3, 4);	No payments as of Aug. 2015. (GE 6; Tr. 39.)

	\$584 balance Aug. 2015. (GE 6.)	
1.j. \$1,322 charged-off credit card	Account opened Sep. 2006, \$1,322 charged-off balance in collection as of Apr. 2013 for nonpayment since Apr. 2011. (GEs 3, 4, 6)	No payments as of Aug. 2015. (Tr. 39.)
1.k. \$2,667 charged-off credit card	Account opened Jul. 2006, last activity Jan. 2008; \$2,722 high credit for collection; \$2,667 past-due balance Apr. 2013. (GEs 3, 4.)	No payments as of Aug. 2015. (Tr. 39-40.)
1.l. \$2,983 charged-off credit card	Account opened May 2006, last activity Jan. 2008; \$2,983 collection balance charged off Nov. 2012. (GEs 3, 4.)	No payments as of Aug. 2015. (Tr. 39-40.)
1.m. \$6,519 charged-off credit card	Account opened Jun. 2006, last activity Jan. 2008; \$6,519 collection balance charged off Nov. 2012. (GEs 3, 4.)	No payments as of Aug. 2015. (Tr. 39-40.)
1.n. \$1,021 charged-off revolving charge	Revolving charge account opened Jul. 2006; last activity Jul. 2008, \$1,021 charged off and sold Feb. 2013. (GEs 3, 4.)	No payments as of Aug. 2015. (Tr. 40.)
1.o. \$2,732 charged-off debt	Same debt as SOR ¶ 1.a ²	
1.p. \$765 charged-off revolving charge	Account opened Jun. 2006, last activity Sep. 2008; \$765 charged off as of Mar. 2009. (GEs 3, 4.)	No payments as of Aug. 2015. (Tr. 41.)
1.q. \$570 charged-off retail revolving charge	Revolving charge opened Jun. 2006, last activity Sep. 2008; \$570 charged off as of Mar. 2009. (GEs 3, 4.)	No payments as of Aug. 2015. (Tr. 41.)
1.r. \$2,335 collection debt	Same debt as SOR ¶ 1.e ³	

²Account balance information suggests that the credit card debt in SOR ¶ 1.o is the same debt as the judgment in SOR ¶ 1.a, particularly given that the creditor in SOR 1.o acquired the company awarded the judgment.

³ Applicant's March 2013 credit report includes an entry from a furniture retailer showing that Applicant's account, opened in June 2006, had a zero balance as of July 2010 after transfer or sale in June 2010. The credit report also includes an entry from the collection agency in SOR ¶ 1.r showing that it opened an account in June 2010 from the furniture retailer, which had a past-due balance of \$2,335 as of February 2013. (GE 4.) Applicant's March 2014 credit report does not include an entry from the collection agency in SOR ¶ 1.r, but it

1.s. \$236 collection debt	\$236 cable-services debt for collection Aug. 2011. (GE 4.)	No payments as of Aug. 2015. (Tr. 41-42.)
1.t. \$54 collection debt	\$54 wireless-phone debt from Dec. 2008, for collection Mar. 2009. (GE 4.)	Disputes validity. (Tr. 42-43.)
1.u. \$2,569 collection debt	Telephone account opened Nov. 2009, last activity Nov. 2010; for collection Apr. 2011, \$2,569 balance as of Mar. 2013 (GE 4); transferred Jan. 2014, unpaid as of May 2014. (GE 6.)	No payments as of Aug. 2015. (Tr. 43.)
1.v. \$1,558 collection debt	Same debt as SOR ¶ 1.b ⁴	

On March 25, 2013, Applicant was interviewed by an authorized investigator for the Office of Personnel Management (OPM). About the student-loan debt and credit-card judgment listed on his QNSP, Applicant explained that he has been making payments on his student loans after a financial judgment was entered against him. Applicant admitted that he had not commenced repayment of the \$2,732 credit-card judgment (SOR ¶ 1.a) and that he had not disclosed other delinquent debts because there were too many to list. Applicant volunteered that he had three delinquent credit cards with one creditor (SOR ¶¶ 1.k-1.m) that were used for household and travel expenses. Applicant indicated that he owed delinquent balances on two cell phone accounts, which became past due in 2012 (SOR ¶ 1.d) and 2009 (SOR ¶ 1.b). Applicant expressed intent to contact the wireless service providers and arrange repayment plans. He characterized his financial situation as poor. Applicant was then confronted with other past-due accounts on his credit record. He acknowledged the debts in SOR ¶¶ 1.p-1.r. He disputed the debt in SOR ¶ 1.i on the belief that it was a car loan that was being repaid.⁵ Applicant did not recognize the debts in SOR

does indicate that the creditor in SOR ¶ 1.e had been holding a debt since November 2013 with a past-due balance of \$2,442 as of February 2014. Both assignees in SOR ¶¶ 1.e and 1.r were collecting for the same original lender. While the balances differ, it does appear that the creditor in SOR ¶ 1.e is the collection agency currently holding the debt in SOR ¶ 1.r and that \$2,442 is an updated balance. Applicant has admitted both debts, but it is also clear that he does not have a good handle on what he owes. He did not recognize the collection debt in SOR ¶ 1.e during his interview with the OPM investigator.

⁴ Applicant's March 2014 credit report shows that the wireless phone company identified in SOR ¶¶ 1.b and 1.v placed a \$1,320 debt from 2011 for collection in August 2013. The credit report (GE 3) does not include another debt listing by the creditor for a \$1,558 balance. His latest credit report of August 2015 (GE 6) does not include a credit listing from the wireless provider. His March 2013 credit report (GE 4) shows only one listing for the creditor, a \$1,558 collection balance as of August 2012. The account number differs from that reported on the later credit report, although it could be the account number of the collection agency then holding the debt in 2013. Applicant did not recognize the creditor assignee in SOR ¶ 1.v when he was interviewed by the OPM investigator. He volunteered that he had a delinquent account with the provider, which he believed was past-due since 2009 in the amount of \$600. (GE 5.) The evidence falls short of establishing the debt in SOR ¶ 1.v as an additional balance.

⁵ Applicant's March 2014 credit report shows that Applicant had a credit card account as well as a car loan. The car loan was opened in December 2012 for \$12,113. Applicant was repaying the loan at \$355 per month

¶¶ 1.c, 1.e, 1.f, 1.j, 1.s, or 1.u. Applicant was re-contacted on April 2, 2013. He expressed his intent to satisfy his debts. (GE 5.)

A check of Applicant's credit on March 17, 2014, showed no recent payments on any of his delinquent accounts. Last payment on his student loans was in May 2013. (GE 3.) Applicant indicated on April 1, 2015, that he was making payments on his student loans but not on his other debts. Despite his employment with a defense contractor for the past 28 months, he lacked sufficient income to make payments because of his other financial obligations, i.e., child support, rent, car payments, insurance, utility costs, and child expenses. (Answer.)

As of August 12, 2015, Equifax was reporting no payment on Applicant's student loans since April 2015 and outstanding delinquent balances of \$2,732 (SOR ¶ 1.a, ¶ 1.o same debt), \$584 (SOR ¶ 1.i), \$1,740 (SOR ¶ 1.d), \$5,394 (SOR ¶ 1.g), \$2,831 (SOR ¶ 1.h), \$2,569 (SOR ¶ 1.u), and \$1,322 (SOR 1.j). Additionally, a \$730 debt from 2011 (SOR ¶ 1.c) was placed for collection in March 2015. An \$82 cell phone service debt from October 2014 was placed for collection in June 2015. The other past-due accounts had been dropped from his credit record. Applicant had a record of timely payments of \$355 per month on his car loan opened in December 2012. The loan balance was \$8,066. He was also making timely payments of \$597 per month on a six-year vehicle loan opened in March 2014 for \$27,687 at 15% interest. The balance was \$23,948 as of July 2015. (GE 6; Tr. 76.) Applicant's spouse used his credit with his knowledge to buy her vehicle. (Tr. 58-59, 63.) His spouse put down \$10,000 on the car. She borrowed the funds from her sister because neither she nor Applicant could afford a down payment. Applicant's spouse has poor credit. (Tr. 64.)

In 2013, Applicant applied for a debt-consolidation loan to address his consumer debts, but he was denied. He had some financial counseling over the telephone in 2014. (Tr. 54-55.) As of August 2015, his plan was to continue to apply for loans to pay off all his debt. (Tr. 53-56.) He has only about \$2,000 in 401(k) assets. (Tr. 65.) He has not considered bankruptcy. (Tr. 66.) Applicant no longer uses any credit cards. (Tr. 69.) He last opened a credit card account in March 2014. High credit on the account was \$548, \$48 over his credit limit. The account was paid and then closed by the creditor. (GE 6; Tr. 73-75.) Applicant testified that he was required to deposit money into the account, but that "it's got jail credit." (Tr. 75-76.)

Applicant's hourly wage is currently \$19.26. His take-home pay averages \$940 every two weeks. (Tr. 46-47.) His spouse has been self-employed in the nail salon business since October 2014. (Tr. 50, 53, 67.) Their car payments at \$925 per month, car insurance at \$212 a month, and utility costs averaging \$200 a month are covered by his income. They pay their rent on time. His spouse's income pays the \$625 monthly rent on their apartment, their cell phone costs, and groceries. (Tr. 58-62, 70.) She also has to cover the rent for her shop, which has proven to be in a poor location from a business standpoint.

while the credit card account had been closed after being charged off. (GE 3.) Because of Applicant's poor credit, the interest on his car loan is 24%. (Tr. 76.)

(Tr. 68.) Her income varies and Applicant helps pay her utility costs for her shop when she has a slow month. (Tr. 68.)

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 about 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 concern about financial considerations is articulated 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 F concerns are established by Applicant's record of financial delinquency. Applicant defaulted on two student loans, which had past-due balances of \$5,394 (SOR ¶ 1.g) and \$2,831 (SOR ¶ 1.h) as of August 2015. Delinquent credit-card balances with the creditor identified in SOR ¶¶ 1.k-1.m were charged off for \$2,667, \$2,983, and \$6,519. One credit-card lender obtained a \$2,732 judgment against Applicant in September 2010 (SOR ¶¶ 1.a and 1.o). Other consumer credit-card accounts totaling approximately \$10,161 (SOR ¶¶ 1.c, 1.e, 1.f, 1.i, 1.j, 1.n, 1.p, and 1.q), were referred for collection or charged off. Telephone and cable debts of \$1,320 (SOR ¶ 1.b), \$1,740 (SOR ¶ 1.d), \$236 (SOR ¶ 1.s), and \$2,569 (SOR ¶ 1.u) were placed for collection. Disqualifying conditions AG ¶ 19(a), "inability or unwillingness to satisfy debts," and AG ¶ 19(c), "a history of not meeting financial obligations," apply in this case.

Applicant stopped paying on most of the delinquent credit cards in 2008. The telephone and cable accounts became seriously past due between 2009 and 2012. Applicant's student loans first became delinquent in November 2011. While these past-due debts were not incurred recently, AG ¶ 20(a), "the behavior happened so long ago, was so infrequent, or occurred under circumstances that it is unlikely to recur and does not cast doubt on the individual's current, reliability, or good judgment" cannot reasonably apply because Applicant has done little to address the debts in the SOR. Applicant testified that he has restarted payments toward his student loans at \$26 per month. Even so, available credit reports show a record of inconsistent payments on his loans after they were placed for collection around January 2013. There is no documentation of any payments between May 2013 and April 2015. Applicant admits that he has made no payments on his other delinquent debts.

Applicant's financial problems are explained in large part by insufficient income, some unemployment, his divorce, and court-ordered child support, which are all circumstances contemplated within AG ¶ 20(b). That mitigating condition provides as follows:

(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.

Applicant's income as a self-employed cab driver from August 1995 to April 2008 was inconsistent. When he stopped paying on several of his consumer credit cards in 2008, he earned only about \$10.50 an hour as a document scanner. He was unemployed for six months after being laid off in March 2009. He was employed full time from September 2009 to November 2011, but he also had to cover the \$1,500 mortgage on his residence for his sister. He was laid off in November 2011. In January 2013, Applicant was rehired by a previous employer, but he resigned in May 2012 because of a lack of work hours. His unemployment from May 2012 to August 2012 compromised his ability to repay his delinquent debts. He had additional expenses after he and his first wife separated permanently in August 2012, most notably the costs of maintaining a separate residence for himself in his new locale while also understandably helping his ex-wife pay the mortgage on his sister's home through the remainder of 2012. Throughout his current employment, Applicant has had to pay child support for his son at \$212 every two weeks. Additionally, he provides at least \$100 each week for his daughter's support.

While factors under AG ¶ 20(b) explain how debts became delinquent in the first place, Applicant has not acted fully responsibly toward his creditors in the past 2.5 years. His hourly wage with his current employer has increased from \$16.82 initially to \$19.26 currently, and yet he has not been consistent in his student loan payments, which are only \$26 a month. He has made no payments toward a judgment entered against him in September 2010 while taking on a six-year car loan of \$27,687 for his spouse in March 2014. It is difficult to justify an additional \$597 in monthly car payments when he owes more than \$39,000 in delinquent debt. AG ¶ 20(b) does not fully apply.

Applicant had some financial counseling over the telephone in 2014. He pays his car loans on time, and he no longer uses any credit cards. He had a record of timely payments on a credit card opened in March 2014 before the creditor closed the account in February 2015. Nevertheless, I cannot fully apply 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," or AG ¶ 20(d), "the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts." Even assuming some payments on his student loans, they are not yet rehabilitated. His ongoing inattention to most of his past-due debts is inconsistent with the sound judgment required to access classified information. As recently as June 2015, an \$82 cellphone debt from October 2014 was placed for collection.

Some of the debts appear to be duplicated in the SOR. To the extent that the debts in SOR ¶¶ 1.o, 1.r, and 1.v may well not represent additional debt balances, AG ¶ 20(e) would apply to those debts. AG ¶ 20(e) provides:

(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.

Applicant now appears to question whether he owes the \$54 debt in SOR ¶ 1.t. He does not deny that he had an account with the wireless phone company in the past, but he does not still have a bill for \$54. (Tr. 42.) That debt does not appear on his recent credit reports. The evidence falls short of establishing that debt.

Applicant's financial situation is far from settled. He owes about \$39,152 in past-due debt with little prospect of being able to resolve it in the near future. He has only \$2,000 in a 401(k). There is no evidence of any significant savings or checking deposits that could be used toward his delinquent debts. Applicant helps his spouse pay some of her bills when her business is not doing well. Applicant has no control over the success of her salon, but he has not made enough progress toward resolving his debts to mitigate the financial considerations concerns raised by his extensive financial delinquency.

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 his 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.

The financial analysis under Guideline F is incorporated in my whole-person analysis. Some of the factors in AG ¶ 2(a) were addressed under those guidelines, but some warrant additional comment.

Applicant has a legal responsibility to repay his legitimate debts. In February 2013, he expressed willingness to pay the credit-card judgment from September 2010 now that he has permanent, full-time employment with a defense contractor. His failure to make any effort to address that financial judgment as of August 2015 raises doubts about his commitment to resolve his indebtedness. 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). For the reasons noted above, I am unable to conclude that it is clearly consistent with the national interest to grant or continue security clearance eligibility for Applicant.

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.n:	Against Applicant
Subparagraph 1.o:	For Applicant
Subparagraphs 1.p-1.q:	Against Applicant
Subparagraph 1.r:	For Applicant
Subparagraph 1.s:	Against Applicant
Subparagraph 1.t:	For Applicant
Subparagraph 1.u:	Against Applicant
Subparagraph 1.v:	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.

Elizabeth M. Matchinski
Administrative Judge