



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



In the matter of:)
)
 ---) ISCR Case No. 14-01439
)
 Applicant for Security Clearance)

Appearances

For Government: Ray T. Blank, Jr., Esquire, Department Counsel
For Applicant: *Pro se*

08/31/2015

Decision

GALES, Robert Robinson, Administrative Judge:

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

Statement of the Case

On September 6, 2013, Applicant applied for a security clearance and submitted an Electronic Questionnaire for Investigations Processing (e-QIP) version of a Security Clearance Application.¹ On June 6, 2014, the Department of Defense (DOD) Consolidated Adjudications Facility (CAF) issued a Statement of Reasons (SOR) to him, pursuant to Executive Order 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended and modified; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended and modified (Directive); and the *Adjudicative Guidelines for Determining Eligibility For Access to Classified Information* (December 29, 2005) (AG) applicable to all adjudications and other determinations made under the Directive, effective September 1, 2006. The SOR alleged security concerns under Guideline F (Financial

¹ Item 4 (e-QIP, dated September 6, 2013).

Considerations), and detailed reasons why the DOD CAF was unable to make an affirmative finding under the Directive that it is clearly consistent with the national interest to grant or continue a security clearance for Applicant. The SOR recommended referral to an administrative judge to determine whether a clearance should be granted, continued, denied, or revoked.

Applicant received the SOR on June 19, 2014. In sworn statement, dated July 8, 2014, Applicant responded to the SOR allegations and requested a hearing before an administrative judge “in the event that you do determine my clearance should be revoked.”² On September 11, 2014, he withdrew his request for a hearing and elected to have his case decided on the written record in lieu of a hearing.³ A complete copy of the Government’s file of relevant material (FORM) was provided to Applicant on March 19, 2015, and he was afforded an opportunity, within a period of 30 days after receipt of the FORM, to file objections and submit material in refutation, extenuation, or mitigation. In addition to the FORM, Applicant was furnished a copy of the Directive as well as the Guidelines applicable to his case. Applicant received the FORM on March 31, 2015. A response was due by April 30, 2015. On April 28, 2015, Applicant submitted his response with attachments. Department Counsel had no objections to the documents submitted, and I marked them as Applicant Items (AI) A through AI G. The case was assigned to me on May 15, 2015.

Findings of Fact

In his Answer to the SOR, Applicant admitted most of the factual allegations pertaining to financial considerations in the SOR (¶¶ 1.a., 1.b., 1.d. through 1.j., and a portion of 1.k.). He was unable to admit or deny the remaining allegations pertaining to medical debts because the creditors are unidentified. Applicant’s admissions are incorporated herein as findings of fact. After a complete and thorough review of the evidence in the record, and upon due consideration of same, I make the following additional findings of fact:

Applicant is a 60-year-old employee of a defense contractor. He has been serving as a manufacturing engineer with his current employer since June 1980.⁴ A 1973 high school graduate, Applicant received a bachelor’s degree in an unspecified discipline in 1978.⁵ He has never served with the U.S. military.⁶ Applicant was granted a secret security clearance in 1980.⁷ Applicant was married in October 1982.⁸ He has four

² Item 2 (Applicant’s Answer to the SOR, dated July 8, 2014, at 4.

³ Item 2 (e-mail, dated September 11, 2014), attached to Applicant’s Answer to the SOR.

⁴ Item 4, *supra* note 1, at 10-11.

⁵ Item 4, *supra* note 1, at 9-10.

⁶ Item 4, *supra* note 1, at 12.

⁷ Item 4, *supra* note 1, at 31.

⁸ Item 4, *supra* note 1, at 14-15.

children, three of whom are emancipated, and one daughter (born in 1996) who lives at home.⁹

Financial Considerations

There was nothing unusual about Applicant's finances until 1999 when he experienced the first of many significant medical conditions, some of which required multiple procedures, including open-heart surgery. He suffered a heart attack in the fall of 1999, had multiple stents implanted in his coronary arteries at different times, and had a dual cardioverter-defibrillator implanted. In addition, he had issues with his kidney, prostate, arthritis, diabetes, and a lung tumor.¹⁰ Applicant's wife had to stop working to enable her to care for her dying mother. Family finances were also affected by a business down-turn.¹¹ Health insurance failed to cover all of his medical expenses.¹² As a result of a combination of those factors, Applicant had insufficient money to maintain his monthly payments, and various accounts became delinquent and were placed for collection. Two tax liens were filed by the Internal Revenue Service (IRS). Applicant attempted to reduce expenses, and he obtained a mortgage modification which lowered his interest rate from 10.45 percent to 6.75 percent, decreasing his monthly mortgage payment by nearly \$200; attempted to qualify for the IRS's Fresh Start Program; and took a loan from his 401(k) retirement account and contacted his creditors in an effort to resolve his delinquent accounts.¹³

The SOR identified 16 delinquent debts that had been placed for collection, as reflected by a September 2013 credit report,¹⁴ and a May 2014 credit report.¹⁵ Those 16 debts total approximately \$229,602. Those allegations and their respective current status, according to the credit reports, other evidence submitted by the Government and Applicant, and Applicant's comments regarding same, are described below.

(SOR ¶¶ 1.a. and 1.b.): These are two federal tax liens filed against Applicant in 2009 for \$62,464 and 2010 for \$3,428, which related to the failure of Applicant's wife to set up withholding of income tax for the tax years 2004 through 2006, and Applicant and his wife's failure to pay the income tax on her self-employment income.¹⁶ Applicant's wife did their taxes for 32 years, and she realized her mistakes. They were unable to

⁹ Item 4, *supra* note 1, at 20-23; Item 2 (Applicant's Answer to the SOR), *supra* note 2, at 1.

¹⁰ Item 2 (Applicant's Answer to the SOR), *supra* note 2, at 1; AI A (Applicant's Response to the FORM, dated April 28, 2015, at 2; AI E (Health Summary, dated April 29, 2015).

¹¹ Item 2 (Applicant's Answer to the SOR), *supra* note 2, at 1.

¹² Item 2 (Applicant's Answer to the SOR), *supra* note 2, at 1-2.

¹³ AI F (Statement, undated).

¹⁴ Item 5 (Experian, TransUnion, and Equifax Credit Report, dated September 19, 2013).

¹⁵ Item 6 (Equifax Credit Report, dated May 15, 2014).

¹⁶ Item 5, *supra* note 11, at 5-6; Item 2, *supra* note 2, at 2; Item 7 (Personal Subject Interview, dated October 3, 2013), at 1-2.

pay the taxes, and in 2009, she entered into an installment agreement with the IRS and started paying \$1,500 per month. That monthly amount was initially reduced to \$1,275 and subsequently to \$863.¹⁷ The accounts are in the process of being resolved.

(SOR ¶¶ 1.d., 1.e., and 1.g. through 1.j.): These are six different medical accounts in the amounts of \$35, \$27, \$154, \$28, \$156, and \$35 that were placed for collection.¹⁸ The accounts were transferred to another collection agent. A repayment plan was accepted and the accounts were paid off.¹⁹ The accounts have been resolved.

(SOR ¶ 1.k.): This is a home mortgage for over \$162,000 that was initially established over a decade ago. The loan was refinanced, but the interest rate was 10.45 percent. The loan was subsequently sold to the servicing company identified in the SOR. When Applicant's wife attempted to obtain a loan modification, she was advised that she was unable to do so because the account was current and it had to be delinquent to qualify. Following the guidance of the servicing company, Applicant and his wife withheld some of their monthly payments in late 2013. When they attempted to follow up with the servicing company, they had difficulty contacting that company and sometimes spoke with representatives located overseas. The servicing company claimed it had not received the necessary application documentation.²⁰ The account, which was current in September 2013, saw the foreclosure process start in early 2014.²¹ The frustration experienced by Applicant and his wife motivated them to reverse their actions and reject the guidance received from the servicing company. They abandoned their modification efforts and paid the past-due balance, bringing the account current once again.²² The account has been resolved.

(SOR ¶¶ 1.c. and 1.p.): This is an unspecified medical account with a high credit of \$275 and an unpaid balance of \$286 that was placed for collection in 2013.²³ The collection agent increased the balance to \$298.²⁴ In his Answer to the SOR, Applicant

¹⁷ Atch A (Cancelled Checks and Account Activity, various dates) to Item 2; Atch F (Installment Agreement, dated June 27, 2014) to Item 2; AI A, *supra* note 7, at 3.

¹⁸ Item 5, *supra* note 11, at 7-9.

¹⁹ Atch B (Transactions, various dates) to Item 2; AI C-1 (Confirmation of Payment, dated April 27, 2015); AI C-2 (Confirmation of Payment, dated April 28, 2015); C-3 (Confirmation of Payment, dated April 27, 2015); C-4 (Confirmation of Payment, dated April 27, 2015); C-5 (Confirmation of Payment, dated April 27, 2015); C-6 (Confirmation of Payment, dated April 28, 2015).

²⁰ It should be noted that Applicant submitted a press release from the U.S. Consumer Financial Protection Bureau reporting that the servicing company had been ordered to provide \$2,000,000,000 in relief to homeowners for systemic wrongs including failing to provide accurate information about loan modifications and also failing to properly process borrowers applications. See Atch E (Press Release, dated December 19, 2013) to Item 2.

²¹ Item 2, *supra* note 2, at 3; Item 5, *supra* note 11, at 12; Item 6, *supra* note 12, at 2; AI A, *supra* note 7, at 4.

²² Item 2, *supra* note 2, at 3; AI G (Payment Data, dated April 23, 2015); Atch C (Mortgage Account Statement, dated April 21, 2014) to Item 2.

²³ Item 5, *supra* note 11, at 12.

²⁴ Item 6, *supra* note 12, at 1.

was unable to identify the original creditor alleged in SOR ¶ 1.c. and when he called the collection agent identified in SOR ¶ 1.p., no records were identified.²⁵ In his Response to the FORM, Applicant contended the two separate alleged accounts were the same account, and that they had been paid.²⁶ He stated that the proof of his payment was one of the documents he had previously referred to as having resolved SOR ¶¶ 1.d., 1.e., and 1.g. through 1.j.²⁷ While there is substantial evidence that the two allegations refer to the same account, and that two payments in the total amount of \$237.56 were made in April and May 2014, the evidence is less compelling that the payments can be connected to these two alleged accounts without further documentation or explanation. The account has not been resolved.

(SOR ¶¶ 1.f., and 1.l. through 1.o.): These are five medical accounts with various identified and unidentified medical providers in the amounts of \$403, \$134, \$112, \$42, and \$42 that were placed for collection.²⁸ During his OPM interview in October 2013, Applicant offered a variety of explanations as to why the accounts were delinquent and what his repayment plans were. Some accounts became delinquent because of a dispute or miscommunication between Applicant, the medical provider, and the insurance company (SOR ¶¶ 1.f. and 1.m.); another account he simply forgot about (SOR ¶ 1.l.); and others about which he denied having any knowledge.²⁹ Applicant's subsequent explanations and contentions regarding these accounts were generally inconsistent. He contended he had settled or otherwise paid off some of the accounts without submitting any documentation to support those purported payments; disputed the debts, also without furnishing documentation; or claimed he was unable to identify the individual healthcare provider, including some of those previously identified as having been paid.³⁰ These accounts have not been resolved.

With his Answer to the SOR, Applicant submitted a Personal Financial Statement in which he indicated his net monthly income was \$8,034, and his estimated monthly expenses were \$6,535, leaving a monthly remainder of \$1,499 available for discretionary spending or savings.³¹ His annual salary is \$154,839.³² Applicant has a salaried savings plan with an approximate balance of \$134,000, and a restricted stock plan worth approximately \$56,000.³³ There is no evidence that Applicant ever received

²⁵ Item 2, *supra* note 2, at 2-3.

²⁶ Al A, *supra* note 7, at 3, 5.

²⁷ Atch B to Item 2, *supra* note 19.

²⁸ Item 5, *supra* note 11, at 8-11.

²⁹ Item 7, *supra* note 16, at 2-4.

³⁰ Item 2, *supra* note 2, at 2-3; Al A, *supra* note 7, at 4-5.

³¹ Atch D (Personal Financial Statement, undated) to Item 2.

³² Atch D (Current Pay Statement, dated July 8, 2014) to Item 2.

³³ Atch D (Accounts Summary, undated) to Item 2; Atch D (Account Summary, dated July 7, 2014) to Item

financial counseling. While he is in a repayment plan with the IRS, and some of the smaller medical accounts have not yet been resolved, it appears that Applicant's financial problems are under control.

Work Performance

In Applicant's 2014 Performance Rating, his supervisor noted that Applicant "is the ultimate professional and is able to sort complex problems into actions that provide innovative solutions to issues. His attitude and friendliness help him and make him a most valued employee."³⁴ Applicant was given a rating of 4.7 out of 5.0 for "significantly exceeded commitments."³⁵

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."³⁶ As Commander in Chief, the President has the authority to control access to information bearing on national security and to determine whether an individual is sufficiently trustworthy to have access to such information. The President has authorized the Secretary of Defense or his designee to grant an applicant eligibility for access to classified information "only upon a finding that it is clearly consistent with the national interest to do so."³⁷

When evaluating an applicant's suitability for a security clearance, the administrative judge must consider the AG. In addition to brief introductory explanations for each guideline, the AG list potentially disqualifying conditions and mitigating conditions, which are used in evaluating an applicant's eligibility for access to classified information.

An administrative judge need not view the guidelines as inflexible, ironclad rules of law. Instead, acknowledging the complexities of human behavior, these guidelines are applied in conjunction with the factors listed in the adjudicative process. The administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. The entire process is a conscientious scrutiny of a number of variables known as the "whole-person concept." The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a meaningful decision.

³⁴ AI B (Performance Plan, undated), at 3.

³⁵ AI B, *supra* note 34, at 3.

³⁶ *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988).

³⁷ Exec. Or. 10865, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960), as amended and modified.

In the decision-making process, facts must be established by “substantial evidence.”³⁸ The Government initially has the burden of producing evidence to establish a potentially disqualifying condition under the Directive, and has the burden of establishing controverted facts alleged in the SOR. Once the Government has produced substantial evidence of a disqualifying condition, under Directive ¶ E3.1.15, the applicant has the burden of persuasion to present evidence in refutation, explanation, extenuation or mitigation, sufficient to overcome the doubts raised by the Government’s case. The burden of disproving a mitigating condition never shifts to the Government.³⁹

A person who seeks access to classified information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours as well. It is because of this special relationship that the Government must be able to repose a high degree of trust and confidence in those individuals to whom it grants access to classified information. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified information. Furthermore, “security clearance determinations should err, if they must, on the side of denials.”⁴⁰

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.”⁴¹ Thus, nothing in this decision should be construed to suggest that I have based this decision, in whole or in part, on any express or implied determination as to Applicant’s allegiance, loyalty, or patriotism. It is merely an indication the Applicant has or has not met the strict guidelines the President and the Secretary of Defense have established for issuing a clearance. In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. Likewise, I have avoided drawing inferences grounded on mere speculation or conjecture.

³⁸ “Substantial evidence [is] such relevant evidence as a reasonable mind might accept as adequate to support a conclusion in light of all contrary evidence in the record.” ISCR Case No. 04-11463 at 2 (App. Bd. Aug. 4, 2006) (citing Directive ¶ E3.1.32.1). “Substantial evidence” is “more than a scintilla but less than a preponderance.” See *v. Washington Metro. Area Transit Auth.*, 36 F.3d 375, 380 (4th Cir. 1994).

³⁹ See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005).

⁴⁰ *Egan*, 484 U.S. at 531.

⁴¹ See Exec. Or. 10865 § 7.

Analysis

Guideline F, Financial Considerations

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

Failure or inability to live within one's means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise questions about an individual's reliability, trustworthiness and ability to protect classified information. An individual who is financially overextended is at risk of having to engage in illegal acts to generate funds. . . .

The guideline notes several conditions that could raise security concerns. Under AG ¶ 19(a), an "inability or unwillingness to satisfy debts" is potentially disqualifying. Similarly, under AG ¶ 19(c), "a history of not meeting financial obligations" may raise security concerns. Applicant's financial problems initially arose in 1999 and continued for several years thereafter. Accounts became delinquent and were placed for collection, and two federal tax liens were filed. It was also alleged that a residence had gone into foreclosure. AG ¶¶ 19(a) and 19(c) apply.

The guideline also includes examples of conditions that could mitigate security concerns arising from financial difficulties. Under AG ¶ 20(a), the disqualifying condition may be mitigated where "the behavior happened so long ago, was so infrequent, or occurred under such circumstances that it is unlikely to recur and does not cast doubt on the individual's current reliability, trustworthiness, or good judgment." Also, under AG ¶ 20(b), financial security concerns may be mitigated where "the conditions that resulted in the financial problem were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, or a death, divorce or separation), and the individual acted responsibly under the circumstances." Evidence that "the person has received or is receiving counseling for the problem and/or there are clear indications that the problem is being resolved or is under control" is potentially mitigating under AG ¶ 20(c). Similarly, AG ¶ 20(d) applies where the evidence shows "the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts."⁴² Under AG ¶ 20(e) it is potentially mitigating if "the individual has a

⁴² The Appeal Board has previously explained what constitutes a good-faith effort to repay overdue creditors or otherwise resolve debts:

In order to qualify for application of [the "good-faith" mitigating condition], an applicant must present evidence showing either a good-faith effort to repay overdue creditors or some other good-faith action aimed at resolving the applicant's debts. The Directive does not define the term 'good-faith.' However, the Board has indicated that the concept of good-faith 'requires a showing that a person acts in a way that shows reasonableness, prudence, honesty, and adherence to duty or obligation.' Accordingly, an applicant must do more than merely show that he or she relied on a legally available option (such as bankruptcy [or statute of limitations]) in order to claim the benefit of [the "good-faith" mitigating condition].

reasonable basis to dispute the legitimacy of the past-due debt which is the cause of the problem and provides documented proof to substantiate the basis of the dispute or provides evidence of actions to resolve the issue.”

AG ¶¶ 20(a), 20(b), 20(c), and 20(d) apply. AG ¶ 20(e) does not apply. Applicant’s financial problems were not caused by his frivolous or irresponsible spending, and he did not spend beyond his means. Instead, those financial problems were largely beyond his control. They initially arose in 1999, when he experienced the first of many significant medical conditions. He suffered a heart attack, had open-heart surgery, multiple stents were implanted in his coronary arteries at different times, and had a dual cardioverter-defibrillator implanted. He experienced other maladies with his kidney, prostate, arthritis, diabetes, and a lung tumor. Applicant’s wife had to stop working to care for her dying mother. There was a business down-turn. Health insurance failed to cover all of his medical expenses. Applicant’s wife, the person who did the family income tax returns for 32 years, failed to set up proper withholding for her self-employment income. As a result of a combination of those factors, Applicant had insufficient money to maintain his monthly payments, and various accounts became delinquent and were placed for collection. Applicant attempted to reduce expenses, and he obtained a mortgage modification, decreasing his monthly mortgage payment by nearly \$200; attempted to qualify for the IRS’s Fresh Start Program; and took a loan from his 401(k) retirement account and contacted his creditors in an effort to resolve his delinquent accounts.

Applicant’s delinquent income taxes (and two tax liens) are in an installment agreement, and after paying \$1,500 per month, his payments are now \$863 per month. Six different medical accounts were resolved. His home mortgage was sold to a servicing company who mishandled Applicant’s efforts to obtain a loan modification. It counseled Applicant to stop making monthly payments in order to enable Applicant to qualify for the modification, and when Applicant did so, the servicing company reported the mortgage as having gone into foreclosure, and failed to maintain contact with Applicant or to process the application. It was apparently the same reason the servicing company was fined \$2,000,000,000 for systemic wrongs involving other borrowers. As a result, Applicant rejected further guidance from the servicing company, abandoned the loan modification, and brought the loan current.

There remain unresolved approximately six other medical accounts. The evidence is inconsistent as to whether or not Applicant knows the identity of the individual medical providers; if there are valid disputes regarding some of the unresolved medical accounts; or if they have been settled, for Applicant failed to submit documentation to support his contentions that disputes had been filed or accounts had been settled and paid. Nevertheless, there are clear indications that Applicant’s financial problems are under control. His actions do not cast doubt on his current reliability, trustworthiness, or good judgment.⁴³

(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)).

⁴³ See ISCR Case No. 09-08533 at 3-4 (App. Bd. Oct. 6, 2010).

Security clearance adjudications are aimed at evaluating an applicant's judgment, reliability, and trustworthiness. They are not a debt-collection procedure. The adjudicative guidelines do not require an applicant to establish resolution of each and every debt alleged in the SOR. An applicant need only establish a plan to resolve financial problems and take significant actions to implement the plan. There is no requirement that an applicant immediately resolve or make payments on all delinquent debts simultaneously, nor is there a requirement that the debts alleged in an SOR be paid first. Rather, a reasonable plan and concomitant conduct may provide for the payment of such debts one at a time.

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. Moreover, I have evaluated the various aspects of this case in light of the totality of the record evidence and have not merely performed a piecemeal analysis.⁴⁴

There is some evidence against mitigating Applicant's conduct. Applicant failed to insure that the family federal income tax returns that his wife filed were accurate and that she had taken steps to set up withholding of her self-employment income. His payments to healthcare providers were not made in a timely manner. As a result, accounts became delinquent and were placed for collection. Two tax liens were filed.

The mitigating evidence is more substantial and compelling. There is no evidence of misuse of information technology systems, mishandling protected information, substance abuse, or criminal conduct. Applicant's financial problems were not caused by his frivolous or irresponsible spending, and he did not spend beyond his means. Rather, they were largely beyond his control. They initially arose in 1999, when

⁴⁴ See *U.S. v. Bottone*, 365 F.2d 389, 392 (2d Cir. 1966). See also ISCR Case No. 03-22861 at 2-3 (App. Bd. June 2, 2006).

he was significantly negatively impacted by a lengthy series of serious health issues. They were exacerbated when Applicant's wife failed to have her self-employment income withheld, and when she had to quit her job to care for her dying mother. Applicant did not ignore his delinquent accounts. Instead, he reduced expenses; sought a mortgage modification; took out a loan from his 401(k); set up an installment agreement with the IRS; and paid off six medical accounts. While six other medical accounts remain unresolved, his difficulties of identifying the actual healthcare providers cannot be overemphasized. Nevertheless, there are clear indications that Applicant's financial problems are under control.

The Appeal Board has addressed a key element in the whole-person analysis in financial cases stating:⁴⁵

In evaluating Guideline F cases, the Board has previously noted that the concept of 'meaningful track record' necessarily includes evidence of actual debt reduction through payment of debts.' However, an applicant is not required, as a matter of law, to establish that he [or she] has paid off each and every debt listed in the SOR. All that is required is that an applicant demonstrate that he [or she] has '. . . established a plan to resolve his [or her] financial problems and taken significant actions to implement that plan.' The Judge can reasonably consider the entirety of an applicant's financial situation and his [or her] actions in evaluating the extent to which that applicant's plan for the reduction of his outstanding indebtedness is credible and realistic. See Directive ¶ E2.2(a) ('Available, reliable information about the person, past and present, favorable and unfavorable, should be considered in reaching a determination.') There is no requirement that a plan provide for payments on all outstanding debts simultaneously. Rather, a reasonable plan (and concomitant conduct) may provide for the payment of such debts one at a time. Likewise, there is no requirement that the first debts actually paid in furtherance of a reasonable debt plan be the ones listed in the SOR.

Applicant has demonstrated a "meaningful track record" of debt reduction and elimination efforts, and he started to do so years before the SOR was issued. This decision should serve as a warning that Applicant's failure to continue his debt resolution efforts pertaining to his tax liens and delinquent medical accounts, or the actual accrual of new delinquent debts, will adversely affect his future eligibility for security clearance.⁴⁶

⁴⁵ ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008) (internal citations omitted).

⁴⁶ While this decision should serve as a warning to Applicant as security officials may continue to monitor his finances, this decision, including the warning, should not be interpreted as a conditional eligibility to hold a security clearance. The Defense Office of Hearings and Appeals (DOHA) has no authority to attach limiting conditions to an applicant's security clearance. See, e.g., ISCR Case No. 10-06943 at 4 (App. Bd. Feb. 17, 2012) (citing ISCR Case No. 10-03646 at 2 (App. Bd. Dec. 28, 2011)). See also ISCR Case No. 06-26686 at 2 (App. Bd. Mar. 21, 2008); ISCR Case No. 04-03907 at 2 (App. Bd. Sep. 18, 2006); ISCR Case No. 04-04302 at 5 (App. Bd. June 30, 2005); ISCR Case No. 03-17410 at 4 (App. Bd. Apr. 12, 2005); ISCR Case No. 99-0109 at 2 (App. Bd. Mar. 1, 2000).

Overall, the evidence leaves me without questions and doubts as to Applicant's eligibility and suitability for a security clearance. For all of these reasons, I conclude Applicant has mitigated the security concerns arising from his financial considerations. See AG ¶ 2(a)(1) through AG ¶ 2(a)(9).

Formal Findings

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

Paragraph 1, Guideline F:	FOR APPLICANT
Subparagraphs 1.a. through 1.p.:	For Applicant

Conclusion

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

ROBERT ROBINSON GALES
Administrative Judge