



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



In the matter of:

Applicant for Security Clearance

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ISCR Case No. 14-01506

Appearances

For Government: Braden M. Murphy, Esquire, Department Counsel
For Applicant: *Pro se*

01/21/2015

Decision

GALES, Robert Robinson, Administrative Judge:

Applicant has failed to mitigate the security concerns regarding financial considerations, criminal conduct, or personal conduct. Eligibility for a security clearance and access to classified information is denied.

Statement of the Case

On October 30, 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 3, 2014, the Department of Defense (DOD) Consolidated Adjudications Facility - Division A (CAF) issued a Statement of Reasons (SOR) to him, pursuant to Executive Order 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended and modified; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended and modified (Directive); and the *Adjudicative Guidelines for Determining Eligibility For Access to Classified Information* (December 29, 2005) (AG) applicable to all adjudications and other determinations made under the Directive, effective

¹ Item 4 ((e-QIP), dated October 30, 2013).

September 1, 2006. The SOR alleged security concerns under Guideline F (Financial Considerations), Guideline J (Criminal Conduct), and Guideline E (Personal Conduct), and detailed reasons why the DOD CAF was unable to make a preliminary 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 13, 2014. In a statement, notarized July 1, 2014, Applicant responded to the SOR allegations and elected to have his case decided on the written record in lieu of a hearing.² A complete copy of the Government's file of relevant material (FORM) was provided to Applicant on September 26, 2014, 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. Applicant received the FORM on October 7, 2014. A response was due on November 6, 2014, but as of December 4, 2014, he had not submitted any response. The case was assigned to me on December 15, 2014. As of the date of this decision, no response had been received.

Findings of Fact

In his Answer to the SOR, Applicant denied two of the factual allegations pertaining to financial considerations in the SOR (¶¶ 1.f. and 1.h.), but admitted all of the remaining factual allegations pertaining to financial considerations (¶¶ 1.a. through 1.e., 1.g., and 1.i. through 1.l.) as well as all of the factual allegations pertaining to criminal conduct (¶ 2.a.) and personal conduct (¶¶ 3.a. and 3.b.). 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 42-year-old employee of a defense contractor. He has been serving as a records management specialist with his current employer since October 2013 and as a part-time pizza delivery driver for another company since April 2013.³ He served on active duty in an enlisted status with the U.S. Navy from February 1993 until he retired honorably in February 2013.⁴ He graduated from high school in 1990.⁵ He was granted a secret security clearance in 1993.⁶ Applicant was married in June 1993. He and his wife have two children: a daughter born in 1992 and a son born in 1995.⁷

² Item 3 (Applicant's Answer to the SOR, dated July 1, 2014).

³ Item 4, *supra* note 1, at 11-12.

⁴ Item 4, *supra* note 1, at 13-15; Item 8 (Personal Subject Interview, dated December 16, 2013), at 3.

⁵ Item 8, *supra* note 4, at 1.

⁶ Item 4, *supra* note 1, at 30-31.

⁷ Item 4, *supra* note 1, at 18-19, 24.

Criminal Conduct

(SOR ¶ 2.a.): From May 2007 until August 2010, Applicant was a Navy chief petty officer (E-7) working in the disbursing office aboard a naval ship homeported overseas.⁸ In mid-2009, because his brother's health condition was worsening with tuberculosis, and he was in need of hospitalization, food, aid, and medication, Applicant started sending him money.⁹ He estimated that he had given his brother \$80,000.¹⁰ An unspecified portion of the money was not Applicant's. While working in the disbursing office, Applicant altered and falsified travel claims submitted by sailors for reimbursement, and the funds were deposited in Applicant's personal bank account.¹¹ He knew he was not entitled to the money, and he was aware that what he was doing was illegal.¹² Following a criminal investigation conducted by the Naval Criminal Investigative Service (NCIS), in December 2010, Applicant was charged with criminal conduct under the Uniform Code of Military Justice (UCMJ).

Applicant was charged with making false official statements, in violation of Article 107, UCMJ; two counts of larceny, in violation of Article 121, UCMJ; forgery, in violation of Article 123, UCMJ; and committing fraud against the United States, in violation of Article 132. He was subsequently tried by a Special Court-Martial, and as part of a pretrial plea agreement, he pled guilty to the two larceny charges, with the remaining charges dismissed. Applicant was sentenced to 85 days confinement, reduction from E-7 to E-5, ordered to forfeit \$1,500, and fined \$3,800.¹³

Financial Considerations

Applicant contends that while he was in confinement, he accrued a number of unpaid bills.¹⁴ His fine was finally paid off in May 2012 after his wages were garnished.¹⁵ The forfeiture, fine, reduced active-duty salary, and retirement salary resulted in a reduced income, which contributed to his inability to maintain his monthly payments. In June 2013, he lost a vehicle to repossession because he could not maintain his payments.¹⁶ Nevertheless, in December 2013, Applicant told an investigator from the U.S. Office of Personnel Management (OPM) that he was capable of meeting all other

⁸ Item 8, *supra* note 4, at 2.

⁹ Item 3, *supra* note 2, at 4; Item 7 (Statement, dated December 16, 2010), at 1.

¹⁰ Item 8, *supra* note 4, at 5.

¹¹ Item 7, *supra* note 9, at 1-2.

¹² Item 7, *supra* note 9, at 2.

¹³ Item 6 (Federal Bureau of Investigation (FBI) Identification Record, dated December 3, 2013); Item 8, *supra* note 4, at 3.

¹⁴ Item 3, *supra* note 2, at 4.

¹⁵ Item 8, *supra* note 4, at 3.

¹⁶ Item 8, *supra* note 4, at 6.

financial obligations.¹⁷ That statement was not accurate. In fact, a number of Applicant's accounts were already delinquent, and they were either placed for collection or charged off. The SOR identified 11 purportedly continuing delinquent debts totaling approximately \$31,546 that had been placed for collection or charged off, as reflected by a November 2013 credit report.¹⁸

When confronted with the delinquent accounts, Applicant initially claimed that he was unaware of them.¹⁹ He subsequently admitted that the following accounts alleged in the SOR remain unpaid and unresolved: a credit card that was past due and charged off in the amount of \$1,137 (SOR ¶ 1.a.); an internet account with an unpaid balance of \$137 (SOR ¶ 1.b.); a telephone account with a remaining balance of \$2,004 (SOR ¶ 1.c.); an unspecified bank loan that was past due and charged off in the amount of \$1,660 (SOR ¶ 1.d.); an unspecified bank loan that was past due in the amount of \$875 (SOR ¶ 1.e.); an unspecified type of loan account that was past due and charged off in the amount of \$4,179 (SOR ¶ 1.g.); a credit union account that was 180 days past due in the amount of about \$11,766 (SOR ¶ 1.i.); an insurance account with an unpaid balance of \$145 (SOR ¶ 1.j.); and a credit union account that was 180 days past due in the amount of \$5,995 (SOR ¶ 1.k.).²⁰ Applicant denied responsibility for the two remaining accounts (SOR ¶ 1.f.) for a cash advance with an unpaid balance of \$3,245, and (SOR ¶ 1.h.) for a charged-off loan account in the amount of \$402, claiming that he was overseas during the time-period in question and could not recall any memory of the companies involved. The two debts are listed in the credit report.²¹

As of December 2013, Applicant had not received financial counseling nor sought any debt consolidation services.²² There is no evidence that he ever contacted his creditors in an effort to resolve his debts, or that he disputed the two debts with the credit reporting company. It is not known what Applicant's financial resources may be because he did not submit a personal financial statement to indicate his net monthly income, his monthly household or debt expenses, or whether or not he has any funds remaining at the end of each month for discretionary use or savings. Applicant offered no evidence to indicate that his financial problems are now under control. In his Answer to the SOR, he did, however, state that he was "in the process of submitting a bankruptcy."²³ Applicant did not submit any documentation to support his bankruptcy comment.

¹⁷ Item 8, *supra* note 4, at 6.

¹⁸ Item 5 (Combined Experian, TransUnion, and Equifax Credit Report, dated November 28, 2013).

¹⁹ Item 8, *supra* note 4, at 7-8.

²⁰ Item 5, *supra* note 18, at 6, 7, 9-10, 13-14, 16-17; Item 3, *supra* note 2, at 1-2, 4.

²¹ Item 3, *supra* note 2, at 4.

²² Item 8, *supra* note 4, at 6.

²³ Item 3, *supra* note 2, at 4.

Personal Conduct

(SOR ¶ 3.a.): On October 30, 2013, when Applicant completed his e-QIP, he responded to a question pertaining to his police record. The question in Section 22 – Police Record asked if, in the last seven years, he had been charged, convicted, or sentenced of a crime in any court, including charges, convictions or sentences in any federal, state, local, military, or non-US court. Applicant answered “no” to the question.²⁴ He certified that the response was “true, complete, and correct” to the best of his knowledge and belief, but the response to that question was, in fact, false. Applicant had been charged three years earlier with violations of Articles 107, 121, 123, and 132, UCMJ; and convicted by a Special Court-Martial of two violations of Article 121, UCMJ. Applicant was sentenced to 85 days confinement, reduction from E-7 to E-5, ordered to forfeit \$1,500, and fined \$3,800. Applicant admitted falsifying his response²⁵ and offered no explanation for his falsification.

(SOR ¶ 3.b.): In that same e-QIP, Applicant responded to questions pertaining to his financial record. The questions in Section 26 – Financial Record (Delinquency Involving Routine Accounts) asked if, in the past seven years, he had bills or debts turned over to a collection agency; had any account or credit card suspended, charged off, or cancelled for failing to pay as agreed; been over 120 days delinquent on any debt not previously entered; and if he was currently over 120 days delinquent on any debt. Applicant answered “no” to those questions.²⁶ He certified that the response was “true, complete, and correct” to the best of his knowledge and belief, but the response to those questions was, in fact, false for Applicant had concealed multiple accounts that were either placed for collection, charged off, or were over 120 days delinquent. Applicant admitted falsifying his response²⁷ and offered no explanation for his falsification.

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.”²⁸ 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

²⁴ Item 4, *supra* note 1, at 28.

²⁵ Item 3, *supra* note 2, at 3.

²⁶ Item 4, *supra* note 1, at 32.

²⁷ Item 3, *supra* note 2, at 3.

²⁸ *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988).

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.”²⁹

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

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

In the decision-making process, facts must be established by “substantial evidence.”³⁰ 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.³¹

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.”³²

²⁹ Exec. Or. 10865, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960), as amended and modified.

³⁰ “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).

³¹ *See* ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005).

³² *Egan*, 484 U.S. at 531.

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.”³³ Thus, nothing in this decision should be construed to suggest that I have based this decision, in whole or in part, on any express or implied determination as to Applicant’s allegiance, loyalty, or patriotism. It is merely an indication the Applicant has or has not met the strict guidelines the President and the Secretary of Defense have established for issuing a clearance. In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. Likewise, I have avoided drawing inferences grounded on mere speculation or conjecture.

Analysis

Guideline F, Financial Considerations

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

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

The guideline notes several conditions that could raise security concerns. Under AG ¶ 19(a), an “inability or unwillingness to satisfy debts” is potentially disqualifying. Similarly, under AG ¶ 19(c), a “history of not meeting financial obligations” may raise security concerns. In addition, “deceptive or illegal financial practices such as embezzlement, employee theft, check fraud, income tax evasion, expense account fraud, filing deceptive loan statements, and other intentional financial breaches of trust” is potentially disqualifying under AG ¶ 19(d). Applicant’s criminal conduct while working in the disbursing office aboard his naval ship clearly constituted embezzlement, employee theft, and intentional financial breaches of trust. The problems with his finances purportedly left him with insufficient funds to continue making his routine monthly payments and various accounts became delinquent, were placed for collection, or charged off. AG ¶¶ 19(a), 19(c), and 19(d) 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.” Under AG ¶ 20(b), financial security concerns may be mitigated where “the conditions that resulted

³³ See Exec. Or. 10865 § 7.

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."³⁴

AG ¶¶ 20(a), 20(b), 20(c), and 20(d) do not apply. The illness of Applicant's brother did not justify Applicant's criminal actions while serving in the disbursing office aboard his naval ship, for such actions were not beyond Applicant's control. Instead, his criminal conduct resulted in a substantial loss of income because of the reduction in pay, and the payment of fines and forfeitures. As of December 2013, Applicant had not received financial counseling nor sought any debt consolidation services. There is no evidence that he ever contacted his creditors in an effort to resolve his debts. He essentially ignored them. It is not known what Applicant's financial resources may be because he did not submit a personal financial statement to indicate his net monthly income, his monthly household or debt expenses, or whether or not he has any funds remaining at the end of each month for discretionary use or savings. Applicant offered no evidence to indicate that his financial problems are now under control, and based on his comments in his Answer to the SOR, that he was in the process of submitting a bankruptcy; it appears that his financial problems are not under control. Applicant has not acted responsibly by failing to address his delinquent accounts and by making little, if any, efforts of working with his creditors.³⁵ Applicant's actions under the circumstances confronting him cast substantial doubt on his current reliability, trustworthiness, and good judgment.³⁶

³⁴ The Appeal Board has previously explained what constitutes a good-faith effort to repay overdue creditors or otherwise resolve debts:

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

(internal citation and footnote omitted) ISCR Case No. 02-30304 at 3 (App. Bd. Apr. 20, 2004) (quoting ISCR Case No. 99-9020 at 5-6 (App. Bd. June 4, 2001)).

³⁵ "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.

³⁶ See ISCR Case No. 09-08533 at 3-4 (App. Bd. Oct. 6, 2010).

Guideline J, Criminal Conduct

The security concern under the guideline for Criminal Conduct is set out in AG ¶ 30:

Criminal activity creates doubt about a person's judgment, reliability, and trustworthiness. By its very nature, it calls into question a person's ability or willingness to comply with laws, rules and regulations.

The guideline notes several conditions that could raise security concerns. Under AG ¶ 31(a), "a single serious crime or multiple lesser offenses" is potentially disqualifying. A security concern may be raised under AG ¶ 31(c), when there is an "allegation or admission of criminal conduct, regardless of whether the person was formally charged, formally prosecuted or convicted." As noted above, Applicant's criminal conduct occurred from mid-2009 until August 2010. Applicant was charged with making false official statements, in violation of Article 107, UCMJ; two counts of larceny, in violation of Article 121, UCMJ; forgery, in violation of Article 123, UCMJ; and committing fraud against the United States, in violation of Article 132. Applicant was tried by a Special Court-Martial, and as part of a pretrial plea agreement, he pled guilty to the two larceny charges, with the remaining charges dismissed. AG ¶¶ 31(a) and 31(c) have been established.

The guideline also includes examples of conditions that could mitigate security concerns arising from criminal conduct, but none of those conditions apply.

Guideline E, Personal Conduct

The security concern relating to the guideline for Personal Conduct is set out in AG ¶ 15:

Conduct involving questionable judgment, lack of candor, dishonesty, or unwillingness to comply with rules and regulations can raise questions about an individual's reliability, trustworthiness and ability to protect classified information. Of special interest is any failure to provide truthful and candid answers during the security clearance process or any other failure to cooperate with the security clearance process.

The guideline notes several conditions that could raise security concerns. The "deliberate omission, concealment, or falsification of relevant facts from any personnel security questionnaire, personal history statement, or similar form used to conduct investigations, determine employment qualifications, award benefits or status, determine security clearance eligibility or trustworthiness, or award fiduciary responsibilities," may raise security concerns under AG ¶ 16(a). Applicant's omissions and concealments in his responses to inquiries pertaining to his criminal conduct and financial record in his 2013 e-QIP provide sufficient evidence to examine if Applicant's answers and comments were deliberate falsifications pertaining to critical information,

as alleged in the SOR. Applicant admitted falsifying his responses and offered no explanations for his falsifications. AG ¶ 16(a) has been established.³⁷

The guidelines also include examples of conditions that could mitigate security concerns arising from personal conduct, but none of those conditions apply.

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.³⁸

There is some evidence in favor of mitigating Applicant's conduct. Until he chose to violate his fiduciary responsibilities in the disbursing office aboard his naval ship, Applicant had apparently been an outstanding sailor who had risen to the grade of chief petty officer. He was also a caring brother. He has been working part-time in addition to his full-time job.

³⁷ The Appeal Board has explained the process for analyzing falsification cases, stating:

(a) when a falsification allegation is controverted, Department Counsel has the burden of proving falsification; (b) proof of an omission, standing alone, does not establish or prove an applicant's intent or state of mind when the omission occurred; and (c) a Judge must consider the record evidence as a whole to determine whether there is direct or circumstantial evidence concerning the applicant's intent or state of mind at the time the omission occurred. [Moreover], it was legally permissible for the Judge to conclude Department Counsel had established a prima facie case under Guideline E and the burden of persuasion had shifted to the applicant to present evidence to explain the omission.

ISCR Case No. 03-10390 at 8 (App. Bd. Apr. 12, 2005) (citing ISCR Case No. 02-23133 (App. Bd. Jun. 9, 2004)).

³⁸ See *U.S. v. Bottone*, 365 F.2d 389, 392 (2d Cir. 1966); See also ISCR Case No. 03-22861 at 2-3 (App. Bd. Jun. 2, 2006).

The disqualifying evidence under the whole-person concept is more substantial. In 2010, Applicant was charged with various violations of the UCMJ, and convicted by a Special Court-Martial of two violations of Article 121, UCMJ. Applicant was sentenced to 85 days confinement, reduction from E-7 to E-5, ordered to forfeit \$1,500, and fined \$3,800. His egregious conduct diminishes his honorable discharge. When asked about any such police record, he lied, and subsequently admitted falsifying his response on his e-QIP. He offered no explanation for his falsification. Applicant also had substantial delinquent debts, totaling approximately \$31,546 that had been placed for collection or charged off, as reflected by a November 2013 credit report. Yet, when asked on the same e-QIP about his financial record, Applicant again lied, and subsequently admitted falsifying his response. He offered no explanation for this falsification. Applicant's failure to contact his creditors or arrange payment plans reflects traits which raise concerns about his fitness to hold a security clearance. It is not known what Applicant's financial resources may be, or if he has any funds remaining at the end of each month for discretionary use or savings. There are some indications that Applicant's financial problems are not under control, and he may simply file for bankruptcy to avoid paying his delinquent debts. Applicant's actions under the circumstances confronting him cast substantial doubt on his current reliability, trustworthiness, and good judgment.

Applicant has demonstrated an essentially negative track record of debt reduction and elimination efforts, generally ignoring his debts. His criminal conduct and personal conduct were egregious and relatively recent. Overall, the evidence leaves me with questions and doubts as to Applicant's eligibility and suitability for a security clearance. For all of these reasons, I conclude Applicant has failed to mitigate the security concerns arising from his financial considerations, criminal conduct, and personal conduct. See AG ¶ 2(a)(1) through AG ¶ 2(a)(9).

Formal Findings

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

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraph 1.a:	Against Applicant
Subparagraph 1.b:	Against Applicant
Subparagraph 1.c:	Against Applicant
Subparagraph 1.d:	Against Applicant
Subparagraph 1.e:	Against Applicant
Subparagraph 1.f:	Against Applicant
Subparagraph 1.g:	Against Applicant
Subparagraph 1.h:	Against Applicant
Subparagraph 1.i:	Against Applicant
Subparagraph 1.j:	Against Applicant
Subparagraph 1.k:	Against Applicant
Subparagraph 1.l:	Against Applicant

Paragraph 2, Guideline J:	AGAINST APPLICANT
Subparagraph 2.a:	Against Applicant
Paragraph 3, Guideline E:	AGAINST APPLICANT
Subparagraph 3.a:	Against Applicant
Subparagraph 3.b:	Against Applicant

Conclusion

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

ROBERT ROBINSON GALES
Administrative Judge