



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



In the matter of:)
)
) ISCR Case No. 14-02102
)
Applicant for Security Clearance)

Appearances

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

05/11/2015

Decision

MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant owes over \$100,000 in delinquent consumer credit card debt. Most of the debt, if not all, was incurred during his second marriage. Four credit card judgments have been satisfied through wage garnishment, but more progress is needed toward resolving his delinquent debt to mitigate the security concerns about his financial judgment. Clearance is denied.

Statement of the Case

On October 3, 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; Department of Defense (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 responded to the SOR allegations on October 29, 2014. He requested a hearing before an administrative judge from the Defense Office of Hearings and Appeals (DOHA) if necessary to keep his job. On December 9, 2014, the case was assigned 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 December 17, 2014, I issued a Notice of Hearing scheduling the hearing for January 14, 2015.

I convened the hearing as scheduled. The Government submitted seven exhibits (GEs 1-7) and the Applicant submitted 11 exhibits (AEs A-K), all of which were admitted without any objections. A chart, which was prepared by Department Counsel as a supplement to his oral closing argument, was marked as a hearing exhibit, but not accepted as a formal exhibit in the record. Applicant testified, as reflected in a transcript (Tr.) received on January 26, 2015.

At Applicant's request, I held the record open for three weeks for him to submit additional documentary evidence. On January 29, 2015, Applicant submitted two exhibits. Department Counsel filed no objections by the February 10, 2015 deadline for comment. Applicant's submissions were marked and received as AEs L and M. On February 2, 2015, Applicant submitted evidence of a satisfaction of judgment. The document was marked and admitted as AE N, without objection.

Summary of SOR Allegations

The SOR alleges under Guideline F that, as of October 3, 2014, Applicant owed delinquent consumer credit debt totaling \$115,084 on ten accounts (SOR 1.a-1.j). When he answered the SOR, Applicant admitted the debts, except for a \$9,087 credit card debt (SOR 1.b) because it had been paid.

Findings of Fact

After considering the pleadings, exhibits, and transcript, I make the following findings of fact:

Applicant is a 59-year-old rigger, first class. He has worked for his employer since February 1999. He was previously employed by the same defense contractor from November 1982 to October 1996. (Tr. 28.) Applicant seeks to retain the secret-level security clearance that was renewed around June 2001. (GE 1.) He held security clearances in the past at the confidential and secret levels. (GE 2.)

Applicant was married to his first wife from November 1991 to June 2001. In late June 2001, he married his second wife. (GE 1; Tr. 30.) They shared a home that Applicant bought in April 1991 for \$105,000. (GE 1; Tr. 30-31, 40.) In May 2002, Applicant took out a home equity loan of \$38,400 to renovate their kitchen. About a month after they started construction, his second wife stopped working, apparently for medical reasons. The financial strain caused by the loss of her income was exacerbated by Applicant's and his spouse's "very destructive" spending habits. They relied heavily on consumer credit for

purchases throughout their marriage. By 2008, Applicant had 12 credit cards and his spouse had 20 credit cards. They exhausted some \$70,000 of her severance pay from a previous job by going out to eat three or four times a week, and buying clothing and other items that they did not need. (Tr. 34, 37-39, 64-65.)

Around 2008, their creditors started doubling the minimum monthly payments on their credit cards. (Tr. 34-35.) Applicant's second wife handled the finances during their marriage, and she started skipping payments on some credit card accounts. Their debt "snowballed." By late 2008, they were receiving notices of delinquency in the mail and many collection calls. (GE 6; Tr. 35.) Applicant was overwhelmed by the debt delinquency and did not know what to do. They made some payments where they could, and some accounts went unpaid. By the time Applicant and his second wife separated in early January 2010, several of Applicant's credit accounts had been charged off or placed for collection or both, as shown in the following table.

Debt in SOR	Delinquency history	Payment status
1.a. \$1,012 collection debt	Credit card account opened Jun. 2002; \$758 charged off Jan. 2009; \$1,012 balance in collection Jun. 2009; no payment since June 2008. (GEs 1, 3-5, 7; Tr. 33-34.)	No payments. (Tr. 54.)
1.b. \$9,087 charged-off debt	Credit card account opened Apr. 1997; last activity Dec. 2007; \$9,700 for collection Jun. 2010; \$10,778 balance charged off Jun. 2011; \$12,356 balance on e-QIP; judgment and lien filed. (GEs 1, 3, 5; AEs H, K.)	Judgment satisfied Sep. 2014 by wage garnishment. (AE H; Tr. 49-50.)
1.c. \$1,528 collection debt	Mail order/retail revolving charge account opened Aug. 2005; last activity Jun. 2008; \$1,733 high credit; for collection Mar. 2009; \$1,528 balance Jan. 2014, Dec. 2014. (GEs 1, 3, 5, 7.)	No payments. (Tr. 54.)
1.d. \$24,458 collection debt	Credit card account opened Jul. 2004; last activity Jun. 2008; \$18,748 collection balance Dec. 2008; \$19,658 collection balance Jun. 2011; \$24,458 balance Jan. 2014; \$26,131 balance Dec. 2014. (GEs 1, 3-5, 7.)	No payments. (Tr. 54.)

1.e. \$7,366 collection debt	Credit card account opened Jun. 2004; last activity May 2008; \$6,347 for collection with assignee Jul. 2010; listed as \$7,366 collection balance Jan. 2014 but \$6,796 balance Dec. 2014. (GEs 1, 3-5, 7.)	No payments. (Tr. 54.)
1.f. \$5,827 collection debt	Credit card account opened Oct. 2007; \$4,018 for collection May 2008; \$5,758 with assignee May 2013; \$5,827 balance Jan. 2014, Dec. 2014. (GEs 3-5.)	No payments. (Tr. 54.)
1.g. \$22,765 collection debt	Credit card account opened Mar. 1999, \$16,202 high credit; last activity Apr. 2008; for collection Sep. 2008; \$16,898 balance Mar. 2010; \$23,983 balance Dec. 2014. (GEs 1, 3-5, 7.)	No payments. (Tr. 54.)
1.h. \$3,203 charged-off debt	Credit card account opened Jun. 1998, last activity Apr. 2008; \$1,183 past due on \$5,190 balance Sep. 2010; \$3,203 balance Jan. 2014. (GEs 3-5.)	No payments. (Tr. 54.)
1.i. \$38,603 collection debt	Credit card account opened Aug. 1999, \$20,000 credit limit; last activity Feb. 2008; \$34,741 for collection Aug. 2010; \$38,603 balance Dec. 2013. (GEs 1, 3-5.)	No payments. (Tr. 54.)
1.j. \$1,235 charged-off debt	Credit account opened Aug. 2005; last payment Jul. 2008; \$1,235 charged off Mar. 2009. (GEs 3-4.)	No payments. (Tr. 54.)
\$16,766 charged-off debt (not alleged)	Credit card account opened Sep. 1987, last activity Dec. 2007; \$15,000 for collection; balance \$16,766 as of Sep. 2010; unpaid as of Jun. 2011; \$18,204 on e-QIP; judgment and lien filed. (GEs 1, 4, 5; AEs G, I.)	Judgment satisfied May 2013 by wage garnishment. (GE 3; AE G; Tr. 50-51.)

\$14,529 collection debt (not alleged)	Credit card account opened Feb. 1997; \$11,800 for collection, no payment after Feb. 2008; \$14,529 balance as of Sep. 2010; \$15,411 on e-QIP; judgment and lien filed. (GEs 1, 3, 4; AEs F, J.)	Judgment satisfied Apr. 2012 by wage garnishment. (GE 3; AE F; Tr. 50-51.)
\$4,018 collection debt (not alleged)	Credit card account opened Oct. 2007, last activity Apr. 2008; \$4,018 collection debt unpaid as of Sep. 2010. (GEs 1, 3-5, 7.)	No evidence of payments.
\$2,235 charged-off debt (not alleged)	Revolving retail charge account opened Aug. 2002, high credit \$10,114; last activity Jul. 2008; charged-off and sold Sep. 2008; \$2,235 in collection Oct. 2009; \$2,466.79 judgment Feb. 2011. (GEs 1, 3-5; AE N.)	Judgment satisfied Jan. 2015. (AE N; Tr. 50-51.)
\$2,183 collection debt (not alleged)	\$2,183 phone debt for collection Nov. 2009; unpaid as of Sep. 2010. (GEs 1, 5.)	No evidence of payments.
\$415 collection debt (not alleged)	Revolving retail charge account opened Jan. 2007, \$300 credit limit; no payments since Aug. 2008; charged off and sold; \$415 collection balance Sep. 2010. (GEs 1, 4-5.)	No evidence of payments.
\$882 collection debt (not alleged)	Credit card account opened Jun. 2004, \$5,000 credit limit; last activity Jun. 2008; listed as \$882 unpaid collection debt on e-QIP. (GE 1.)	Listed as settled for less than full balance on credit report Jan. 2015. (GE 7.)

Applicant refinanced his home loan three times during his second marriage. (Tr. 41.) In May 1999, he refinanced for \$80,000. In May 2007, he and his spouse took out a mortgage of \$202,500 with a new lender. (GE 5.) He rolled \$10,000 in debt owed for a motorcycle and some credit card debt into the new loan. (Tr. 41.) In March 2008, they refinanced for \$207,000. He was chronically 30 days late in making his mortgage payments in 2009. Around early January 2010, Applicant and his second wife separated. He fell

behind three months in his mortgage payment in the spring of 2010. In June 2010, he brought his mortgage current through a hardship loan from his 401(k). (GE 5; Tr. 40, 92.)

On September 7, 2010, Applicant completed and certified to the accuracy of an Electronic Questionnaire for Investigations Processing (e-QIP). Applicant disclosed the debts in SOR 1.a-1.e, 1.g, and 1.i; several other consumer credit debts totaling around \$50,000 (not alleged); and a \$470.55 medical debt (not alleged). Applicant indicated that he was repaying the medical debt at \$25 a month; the debt in SOR 1.b at \$35 a week; the \$15,411 and \$18,204 debts at \$35 each a week; and an \$8,167 collection debt at \$25 a week. (GE 1.) Available evidence shows that payments made on the large debt balances owed on three accounts with the creditor identified in SOR 1.b were by garnishment of his wages. (AE L.)

On November 16, 2010, Applicant was interviewed by an authorized investigator for the Office of Personnel Management (OPM) partially about his delinquent debts. Applicant explained that his then estranged spouse handled the finances in their house. When he confronted her about collection notices, they separated. He indicated that he did not have a good understanding of all his accounts, although he did not doubt that he owed the debts on his credit record. He added that he used his credit cards for routine living expenses, such as food, household expenses, and car expenses. Applicant took the financial record information on his e-QIP from collection notices. He expressed his intent to pay off his debts as he was able to do so. He added that he was living on a strict budget and that he had adjusted his spending. (GE 6.)

In November 2011, Applicant and his second wife were divorced. Applicant retained his house. (GE 1; Tr. 30-31.) She got his motorcycle and the balance of his 401(k) (approximately \$14,000) in the divorce settlement. (Tr. 31.) In December 2013, Applicant obtained a modification of his mortgage taking on a 40-year loan of \$234,000. He lowered his monthly payment by approximately \$628 to \$1,166. He was behind in his mortgage payments when he sought the modification. After he made three months of payments, the lender modified his loan. (GEs 3, 7; Tr. 43-44, 95-97.)

In July 2010, the agency collecting three of Applicant's credit card delinquencies (SOR 1.b, \$14,529, and \$16,766), began to attach Applicant's wages to collect the \$14,529 debt. (AE L; Tr. 50.) Available leave and earnings statements from July 11, 2010, to December 4, 2011, show that a second writ of garnishment was filed with his employer in October 2010. Applicant was repaying two loans from his 401(k) at \$13.11 and \$36.78 a week.¹ In February 2011 and September 2011, third and fourth writs of garnishment were filed against his wages. (AE L.) By October 2014, two new garnishments had been filed. As of January 2015, four of seven judgments filed against him have been paid through garnishment, including the debt in SOR 1.b. (AEs F-H, N; Tr. 79-80.) Two garnishments are pending execution. Applicant does not know which of his remaining creditors filed to attach his wages. (AE A; Tr. 78-79.) Applicant intends to continue to pay his debts through

¹ Applicant testified that he took a second loan from his 401(k), of \$2,000, to pay state income taxes owed for 2013. (Tr. 93-94.) However, Applicant's wage and earnings statements show that two 401(k) loans as of July 2010, well before a state tax debt for 2013 would have been incurred.

involuntary garnishment. Since the payments are automatically deducted from his wages, he does not have to worry about “spending it beforehand.” (Tr. 59.)

Applicant and his current wife married in April 2012. They have been cohabiting since June 2010. (GE 1; Tr. 32.) She receives a social security disability benefit of \$900 a month and does not work outside the home. (Tr. 32-33, 59.)

Applicant has not had any credit or financial counseling. He consulted with an attorney about possibly filing for bankruptcy, but he has been led to believe from others that he will lose his job if he files. (Tr. 46, 86.) He also cannot afford to file for bankruptcy. The attorney wanted \$3,000 upfront. (Tr. 89-90.) Applicant’s job is more important to him than his house or his car. (Tr. 46.) Applicant has taken no steps to sell his house because it is worth less than what he currently owes (\$180,000 as of November 2014). (GE 7; Tr. 46-47.)

Applicant does not have any open credit card accounts. He does not intend to open any new credit card accounts. (Tr. 65.) His income tax refund goes toward medical bills. (Tr. 47.) He received federal and state income tax refunds totaling \$3,000 for tax year 2014. He spent the refunds for a transmission for his truck, and \$1,000 went toward medical bills. (Tr. 82.) He drives a 2001 model-year truck that he paid off in October 2005. (GE 4; Tr. 55.) His monthly expenses are \$1,116 for his mortgage, around \$50 for car insurance, almost \$60 for cable services, \$60 for his and his spouse’s cell phones, \$165 on average for electricity, and for his and his spouse’s medications. (Tr. 57-58.) At his hourly wage of \$27.27, shift differential pay, and double overtime pay, Applicant took home \$844 for the last week of December 2014. He took home between \$650 and \$675 a week in the fall of 2014 due to the garnishment of his wages. (AE A.)

Applicant’s supervisors consider Applicant to be an asset to the rigging department. He is highly motivated, tackles the toughest job assignments, and adheres to safety requirements. They trust him to safeguard classified information. (AEs B, E.) An area superintendent attests to the pride that Applicant takes in his work and to his willingness to work weekends when asked. (AE M.) Applicant’s work partner for the last ten years has known Applicant for about 32 years. In his opinion, Applicant makes “good judgment calls” and is trustworthy. (AE D.) Another longtime co-worker attests to Applicant complaining about a spouse’s spending habits. He believes Applicant is trying very hard to repay his debts and does not consider him a security risk. (AE C.)

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 amply established. Applicant and his second wife overextended themselves financially by spending beyond what they could reasonably afford. By the time of their marital separation in early 2010, Applicant's delinquent consumer credit debt exceeded \$100,000. Several of his past-due debts were not alleged in the SOR, including two debts around \$15,411 and \$18,204 owed to the lender identified in SOR 1.b. The agency collecting for the lender in SOR 1.b obtained judgments against Applicant on all three accounts, which were satisfied by involuntary wage garnishment in April 2012, May 2013, and September 2014, respectively. After the satisfaction of these large debts, Applicant owed approximately \$105,662 on the past-due accounts in SOR 1.a and 1.c-1.j as of October 2014. By his own admission (GE 1), he owes another \$6,616 in unalleged delinquent consumer credit debt that remains unpaid.² Debts not alleged cannot provide a separate basis for disqualification,³ but they clearly show that Applicant had financial problems beyond those alleged in the SOR. Three disqualifying conditions under AG ¶ 19 apply:

- (a) inability or unwillingness to satisfy debts;
- (c) a history of not meeting financial obligations; and
- (e) consistent spending beyond one's means, which may be indicated by excessive indebtedness, significant negative cash flow, high debt-to-income ratio, and/or other financial analysis.

Mitigating condition 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," applies only in that the debts became delinquent around 2008. AG ¶ 20(a) does not mitigate Applicant's failure to take action to address his past-due debts. Creditors had to resort to filing for judgments and writs of garnishment to collect debts.

Applicant's second wife handled the finances, and he did not realize the extent of their delinquency until they were seriously behind. Even so, he is legally responsible for the debts incurred on his accounts. He admitted that both he and his second wife had "very destructive" spending habits. They went through \$70,000 in severance pay she received in addition to incurring consumer credit beyond what they could reasonably afford. Applicant opened several consumer credit card accounts, including those identified in SOR 1.c-1.f and 1.j, after his second wife had stopped working due to medical issues around 2002 or

² The \$6,166 does not include the \$2,466 credit card judgment (not alleged) that was entered against Applicant in February 2011. The judgment was satisfied in January 2015. (AE N.)

³ The DOHA Appeal Board has long held that the administrative judge may consider non-alleged conduct to assess an applicant's credibility; to evaluate an applicant's evidence of extenuation, mitigation, or changed circumstances; to consider whether an applicant has demonstrated successful rehabilitation; to decide whether a particular provision of the Adjudicative Guidelines is applicable; or to provide evidence for a whole person analysis under Section 6.3 of the Directive. See, e.g., ISCR Case No. 03-20327 (App. Bd. Oct. 26, 2006); ISCR Case No. 09-07219 (App. Bd. Sep. 27, 2012). The unalleged delinquencies are relevant to assessing Applicant's financial judgment generally and the risk of recurrence.

2003. He exercised questionable judgment when he doubled his mortgage debt through a refinance in which he rolled \$10,000 in debt for a motorcycle and unspecified credit card debt. AG ¶ 20(b) is not established under these circumstances:

(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.

Through involuntary garnishment of his wages starting around July 2010, Applicant has satisfied four judgment debts, including SOR 1.b. The resolution of these debts, three of which were not alleged in the SOR, implicates 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." However, AG ¶ 20(c) does not apply to most of the debts in the SOR toward which Applicant has made no payments. Applicant has not had any financial counseling.

Furthermore, debts paid so belatedly by involuntary garnishment and after financial judgments are not afforded the same weight in mitigation as had Applicant contacted his creditors and attempted to settle them. AG ¶ 20(d), "the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts," applies only in that an \$882 collection debt (not alleged) was settled for less than its full balance, and that he consulted a lawyer about a possible bankruptcy. When asked about his plans to address his debts going forward, Applicant plans to continue to resolve his debts through garnishment ("Well, it works. It's simple . . . It comes out automatically, so I don't have to worry about—spending it beforehand." (Tr. 59.) While Applicant can legally choose to pay his debts through garnishment, he would have a stronger case in mitigation under AG ¶ 20(d) if payments are prearranged rather than waiting for the creditors to pursue him in court.

Mitigating condition AG ¶ 20(e) has very limited applicability in this case:

(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.

AG ¶ 20(e) applies in this case only to the debt in SOR 1.b, which was satisfied in September 2014 before the SOR was issued.

Applicant has demonstrated some reform of his spending habits. He has not opened a credit card account since October 2007, and he has no active credit card accounts. The few accounts that were paid have been closed. His current monthly expenses are reasonable. He was about four months behind in his mortgage payment as of June 2013, but he has not been delinquent since he obtained a modification lowering his monthly payment. At the same time, Applicant has a substantial debt burden that is not likely to be resolved in the near future. As of January 2015, two writs of garnishment were pending

execution. Yet, Applicant did not know which creditors had attached his wages. The concerns about his financial judgment are not sufficiently mitigated.

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 is a longtime defense contractor employee with a good work record. He earned the trust of his supervisors and co-workers for his sound judgment on the job and his dedication. However positive his contributions at work, they do not mitigate or extenuate years of personal financial irresponsibility.

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

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

ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008) (internal citations and quotation marks omitted). Under Appeal Board precedent, Applicant is not necessarily required to accord priority to debts in the SOR over other debts. However, waiting for his creditors to pursue him is not a credible substitute for a demonstrated record of good-faith payments.

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, based on the facts before me and the adjudicative guidelines that I am required to consider, I am unable to conclude that it is clearly consistent with the national interest to grant Applicant security clearance eligibility at this time.

Formal Findings

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

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraph 1.a:	Against Applicant
Subparagraph 1.b:	For 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

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