



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



In the matter of:)
)
 ----) ISCR Case No. 14-02333
)
 Applicant for Security Clearance)

Appearances

For Government: David F. Hayes, Esquire, Department Counsel
For Applicant: *Pro se*

08/18/2015

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 February 25, 2014, Applicant applied for a security clearance and submitted an Electronic Questionnaire for Investigations Processing (e-QIP) version of a Security Clearance Application.¹ On July 28, 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 3 (e-QIP, dated February 25, 2014).

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.

It is unclear when Applicant received the SOR as there is no receipt in the case file. In a statement, notarized August 25, 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 May 20, 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. Applicant received the FORM on May 29, 2015. A response was due by June 28, 2015. On an unspecified date before that due-date, Applicant submitted his Response to the FORM, including documents. Department Counsel had no objections to the documents submitted, and I marked them as Applicant Items (AI) A through AI I. The case was assigned to me on July 31, 2015.

Findings of Fact

In his Answer to the SOR, Applicant admitted all of the factual allegations pertaining to financial considerations in the SOR (¶¶ 1.a. through 1.j.). 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 49-year-old employee of a defense contractor. He has been serving as an embedded software engineer with his current employer since June 1988.³ He received a bachelor's degree in 1988.⁴ He has never served with the U.S. military.⁵ Applicant has held a secret security clearance since 2005.⁶ He was married in 1992, and divorced in 2012.⁷ He has four children, including three sons (born in 1990, 1992, and 2000) and a daughter (born in 2002).⁸

² Item 2 (Applicant's Answer to the SOR, dated August 25, 2014).

³ Item 3, *supra* note 1, at 10-11.

⁴ Item 3, *supra* note 1, at 10.

⁵ Item 3, *supra* note 1, at 12.

⁶ Item 3, *supra* note 1, at 25.

⁷ Item 3, *supra* note 1, at 14-15.

⁸ Item 3, *supra* note 1, at 17-19.

Financial Considerations

There was nothing unusual about Applicant's finances until about 2012. He usually saved and spent wisely on normal everyday items. He used credit only to build it up to facilitate his eventual purchase of a house and a car. He kept a budget and always paid his credit cards when they were due, and he never carried a balance. That process continued during the first ten years of his marriage. Eventually, he relaxed his practice of paying off his balances each month. He borrowed funds from his 401(k) to purchase some property with the intent of building a residence, but his wife decided she did not wish to reside in the area. He obtained a home loan for \$202,000 to purchase another property upon which he built a house, and in August 2008, the completed house was appraised at \$214,000. His routine payments lowered the balance of the mortgage to approximately \$190,000.

In 2012, Applicant and his wife went through a divorce. As the main source of family income, Applicant was expected to pay the majority of the divorce costs, including the attorneys' fees. In order to do so, Applicant charged their fees to his credit cards. The divorce required Applicant to pay \$445 in child support per week. Applicant was awarded both the house and the undeveloped property. He had hoped to refinance his home mortgage, but because of the poor economy and the housing market collapse, the appraisal indicated the house was worth only \$130,000, or \$60,000 less than the remaining mortgage. That dashed his refinancing plans and his intentions to pay off the lien on the undeveloped property, sell that property, and pay off his credit cards. The combination of credit card debt and child support payments left Applicant with significantly less money than he was earning.⁹

In July 2012, Applicant engaged the professional services of a law firm to represent him in negotiating with five to seven creditors to establish repayment plans and settle the accounts. The process included Applicant making periodic payments into a law firm trust account to be used for settlement negotiations.¹⁰ Applicant has been making monthly payments of approximately \$746. Also, following the guidance of his attorneys, Applicant stopped his individual payments to his creditors to facilitate the negotiation process.¹¹

The SOR identified ten purportedly continuing delinquent accounts, totaling approximately \$72,357, which had been placed for collection or charged off. Those debts and their respective current status, according to an Equifax credit report,¹² Applicant's Answer to the SOR, his Response to the FORM, and various submissions by him, are described as follows:

⁹ Attachment B (Summary of Recovery Plan, undated) to Item 2, *supra* note 2.

¹⁰ Attachment D (Letter, dated August 25, 2014) to Item 2, *supra* note 2, identifying five accounts; AE I (Letter, dated June 19, 2015), identifying seven accounts; AI A (Applicant's Response to the FORM, undated); Attachment E (Letter, dated August 20, 2014) to Item 2, *supra* note 2; AI B (Letter, dated June 19, 2015).

¹¹ Attachment B to Item 2, *supra* note 9; AI A, *supra* note 10.

¹² Item 4 (Equifax Credit Report, dated February 27, 2015).

(SOR ¶ 1.a.): This is a bank and telephone credit card loan account with a credit limit of \$15,200 and an unpaid balance of approximately \$13,837 that was placed for collection and charged off.¹³ Applicant made monthly payments to the creditor through his law firm, and the creditor agreed to a settlement in November 2013.¹⁴ On November 3, 2014, the creditor issued him a Form 1099-C which indicated \$6,871.53 of the debt was discharged.¹⁵ The Equifax credit report reflects a zero balance along with a note that the account was paid for less than the full balance.¹⁶ The account has been resolved.

(SOR ¶ 1.b.): This is a bank credit card loan account with a credit limit of \$16,690 and an unpaid balance of approximately \$10,432 that was placed for collection and charged off.¹⁷ Applicant made monthly payments to the creditor through his law firm, and the creditor agreed to a settlement in June 2013.¹⁸ On May 21, 2014, the creditor issued him a Form 1099-C which indicated \$7,935.25 of the debt was discharged.¹⁹ The Equifax credit report reflects a zero balance along with a note that the account was paid for less than the full balance.²⁰ The account has been resolved.

(SOR ¶¶ 1.c. and 1.j.): This is a bank credit card account with a past-due balance of \$1,657 and unpaid balance of \$9,342 that was placed for collection and charged off.²¹ Applicant contends that the charged-off account was placed with the collection agency specified in SOR ¶ 1.j., but other than his assertion, there is no evidence in the case file, including the Equifax credit report, in which that company is mentioned. Applicant's law firm is continuing negotiations with the creditor in an effort to resolve the account.²² The account has not yet been resolved.

(SOR ¶ 1.d.): This is a bank credit card account with a credit limit of \$3,000 and an unpaid balance of approximately \$2,629 that was placed for collection and charged off.²³ Applicant made monthly payments to the creditor through his law firm, and the creditor apparently agreed to a settlement.²⁴ On December 31, 2014, the creditor issued

¹³ Item 4, *supra* note 12, at 5.

¹⁴ Item AI C (Accounts' Payment History, undated), at 2.

¹⁵ Item AI F (Letter, dated February 10, 2015); AI G (Form 1099-C, dated November 3, 2014).

¹⁶ Item 4, *supra* note 12, at 5; *see also* Item 2, *supra* note 2.

¹⁷ Item 4, *supra* note 12, at 5.

¹⁸ Item AI C, *supra* note 14, at 1.

¹⁹ Item AI D (Letter, dated March 21, 2015); AI E (Form 1099-C, dated May 21, 2014).

²⁰ Item 4, *supra* note 12, at 5; *see also* Item 2, *supra* note 2.

²¹ Item 4, *supra* note 12, at 5-6.

²² Item 2, *supra* note 2; AI A, *supra* note 10.

²³ Item 4, *supra* note 12, at 6.

²⁴ Item AI C, *supra* note 14, at 1-2.

him a Form 1099-C which indicated \$785.75 of the debt was discharged.²⁵ The Equifax credit report reflects a zero balance along with a note that the account was paid for less than the full balance.²⁶ The account has been resolved.

(SOR ¶¶ 1.e. and 1.i.): This is a bank financial services credit card account with an unpaid balance of \$4,589 that was placed for collection with a law firm and charged off in the amount of \$4,906.²⁷ Applicant contends that the charged-off account was placed with the collection agency specified in SOR ¶ 1.i.²⁸ The collection agency acknowledged buying the account and increasing the past-due balance to \$7,205.²⁹ Applicant's law firm is continuing negotiations with the creditor in an effort to resolve the account.³⁰ The account has not yet been resolved.

(SOR ¶ 1.f.): This is a bank credit card account with a credit limit of \$7,000 that was placed for collection and charged off in the amount of \$5,578.³¹ The new creditor acknowledged transferring or buying the account.³² The balance was apparently increased to \$6,698.³³ Applicant's law firm is continuing negotiations with the creditor in an effort to resolve the account.³⁴ The account has not yet been resolved.

(SOR ¶ 1.g.): This is a credit card account with a credit limit of \$8,300 and high credit of \$10,654 that was current at the time the Equifax credit report was issued in February 2015.³⁵ The account had a remaining balance of \$3,372, and there was no past due balance.³⁶ Other than Applicant's apparently inadvertent admission regarding the allegation in the SOR, there is no evidence to support that allegation that, as of July 2014 when the SOR was issued, the account had been placed for collection in the amount of \$10,800. Moreover, no such account is listed with Applicant's law firm for possible negotiated settlements. In the absence of meaningful evidence to the contrary, the account continues to be current or has been resolved.

²⁵ Item AI H (Form 1099-C, dated December 31, 2014).

²⁶ Item 4, *supra* note 12, at 6.

²⁷ Item 4, *supra* note 12, at 1; Item 3, *supra* note 1, at 30-31.

²⁸ Item 2, *supra* note 2.

²⁹ Item 4, *supra* note 12, at 6.

³⁰ Item 2, *supra* note 2; AI A, *supra* note 10.

³¹ Item 4, *supra* note 12, at 6.

³² Item 4, *supra* note 12, at 6.

³³ Item 4, *supra* note 12, at 6; Item AI C, *supra* note 14, at 1; AI A, *supra* note 10.

³⁴ Item 2, *supra* note 2; AI A, *supra* note 10.

³⁵ Item 4, *supra* note 12, at 4.

³⁶ Item 4, *supra* note 12, at 4.

(SOR ¶ 1.h.): This is a warehouse credit card account with a credit limit of \$2,300 that was placed for collection and charged off in the amount of \$2,039.³⁷ The account was transferred or sold to an unspecified entity.³⁸ Applicant's law firm is continuing negotiations with the creditor in an effort to resolve the account.³⁹ The account has not yet been resolved.

As of June 2015, Applicant's law firm had approximately \$8,526 in escrow to apply to Applicant's remaining delinquent accounts.⁴⁰ Applicant noted that he was on a four-year plan to resolve all of his delinquent debts, and he was, as of the time of his Answer to the SOR, already half-way through the plan.⁴¹ Applicant has no other more recent delinquent debts. With the exception of those unresolved debts listed in the SOR, Applicant's financial situation is stable and steadily improving. He is able to meet all of his other monthly financial obligations. Applicant's financial problems appear to be under control.

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."⁴² 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."⁴³

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

³⁷ Item 4, *supra* note 12, at 6.

³⁸ Item 4, *supra* note 12, at 6.

³⁹ Item 2, *supra* note 2; Item AI C, *supra* note 14, at 1.

⁴⁰ AI A, *supra* note 10.

⁴¹ Item 2, *supra* note 2.

⁴² *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988).

⁴³ Exec. Or. 10865, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960), as amended and modified.

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."⁴⁴ 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.⁴⁵

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."⁴⁶

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."⁴⁷ 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.

⁴⁴ "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).

⁴⁵ See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005).

⁴⁶ *Egan*, 484 U.S. at 531.

⁴⁷ 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 2012 and continued for several years thereafter. Because of his divorce and child support payments, in 2012, he was unable to continue making his routine monthly payments and some accounts became delinquent. 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."⁴⁸

⁴⁸ 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) in order to claim the benefit of [the "good-faith" mitigating condition].

AG ¶¶ 20(b), 20(c), and 20(d) all apply. AG ¶ 20(a) partially applies. As noted above, Applicant routinely kept a budget and always paid his credit cards when they were due, and he never carried a balance. That process continued during the first ten years of his marriage, but it was eventually relaxed in order to build a residence. In 2012, his divorce, divorce attorney payments for himself and his wife, \$445 weekly child support payments, the poor economy, and the collapsing housing market, combined to dramatically reduce his investments and finances to the point where he could not refinance his mortgage or continue making his normal monthly payments. The value of his property vanished, and his home value was \$60,000 underwater. Applicant's financial problems were not caused by frivolous or irresponsible spending, and he did not spend beyond his means. Instead, Applicant's financial problems were largely beyond his control. Faced with his newly developed financial problems, Applicant immediately recognized the seriousness of his situation and engaged the professional services of a law firm to represent him in negotiating with his creditors to establish repayment plans and settle the accounts. The process included Applicant making periodic payments into a law firm trust account to be used for settlement negotiations. Since that professional relationship commenced, Applicant has been making monthly payments of approximately \$746.

Applicant's has managed to pay off or otherwise resolve four of the accounts listed in the SOR.⁴⁹ His law firm continues to negotiate with the remaining creditors and has amassed approximately \$8,526 in escrow to apply to those remaining delinquent accounts.⁵⁰ At the time of his Answer to the SOR, Applicant was already half-way through his four-year plan to resolve all of his delinquent debts. He has no other more recent delinquent debts. With the exception of those unresolved debts listed in the SOR, Applicant's financial situation is stable and steadily improving. He is able to meet all of his other monthly financial obligations. Applicant's financial problems appear to be under control, largely attributed to his continuing good-faith efforts to pay his creditors.

(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)).

⁴⁹ There is a substantial risk when one accepts, at face value, the contents of a credit report without obtaining original source documentation to verify entries. Credit bureaus collect information from a variety of sources, including public records and "other sources," and it is these other unidentified sources that are the cause for concern. Likewise, when accounts are transferred, reassigned, sold, or merely churned, an individual's credit history can look worse than it really is. In this particular instance, the credit report referred to numerous creditors for relatively few delinquent accounts. Because of abbreviated names and acronyms, as well as incomplete account numbers, many of those entries are garbled and redundant, and have inflated the financial concerns. Furthermore, the absence of account numbers or original creditors in the SOR and only partial accounts numbers in the credit report makes the analysis that much more difficult.

⁵⁰ "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.

Applicant's actions under the circumstances confronting him, do not cast doubt on his current reliability, trustworthiness, or good judgment.⁵¹

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.⁵²

There is some evidence against mitigating Applicant's conduct. In 2012, Applicant's financial status deteriorated to the point where he was no longer capable to maintaining his normal monthly payments. Various accounts became delinquent or were charged off.

The mitigating evidence under the whole-person concept is more substantial. Applicant's financial problems were not caused by frivolous or irresponsible spending, and he did not spend beyond his means. Rather, Applicant's problems were largely beyond his control. Applicant routinely kept a budget and always paid his credit cards when they were due, and he never carried a balance. That process continued during the first ten years of his marriage. In 2012, things changed dramatically. Applicant and his wife divorced, and the costs of the divorce, payments for both divorce attorneys, \$445 weekly child support payments, the poor economy, and the collapsing housing market, combined to essentially destroy his ability to continue making his normal monthly payments or refinance his residence. With the assistance of a law firm, Applicant's has managed to pay off or otherwise resolve four of the accounts listed in the SOR. The law firm continues to negotiate with the remaining creditors and has approximately \$8,526 in

⁵¹ See ISCR Case No. 09-08533 at 3-4 (App. Bd. Oct. 6, 2010).

⁵² 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).

escrow to apply to those remaining delinquent accounts. Applicant's financial situation is stable and steadily improving. He is able to meet all of his other monthly financial obligations. Applicant's financial problems appear to be under control.

The Appeal Board has addressed a key element in the whole-person analysis in financial cases stating:⁵³

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. That effort commenced in July 2012, two years before the SOR was issued. His actions, under the circumstances confronting him, do not cast doubt on his current reliability, trustworthiness, or good judgment. The entire situation occurred under such circumstances that it is unlikely to recur.

This decision should serve as a warning that Applicant's failure to continue his debt resolution efforts or the actual accrual of new delinquent debts will adversely affect his future eligibility for a security clearance.⁵⁴ 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).

⁵³ ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008) (internal citations omitted).

⁵⁴ 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 access to classified information. 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. Jun. 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).

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
Subparagraph 1.a:	For Applicant
Subparagraph 1.b:	For Applicant
Subparagraph 1.c:	For Applicant
Subparagraph 1.d:	For Applicant
Subparagraph 1.e:	For Applicant
Subparagraph 1.f:	For Applicant
Subparagraph 1.g:	For Applicant
Subparagraph 1.h:	For Applicant
Subparagraph 1.i:	For Applicant
Subparagraph 1.j:	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