

KEYWORD: Financial; Personal Conduct

DIGEST: Applicant has a history of unresolved financial problems dating back several years. Since 1997, he has petitioned for Chapter 13 bankruptcy two times and Chapter 7 bankruptcy once. On his security clearance application, he falsified material facts regarding his financial obligations. Applicant failed to mitigate security concerns under Guideline F, Financial Considerations, and Guideline E, Personal Conduct. Clearance is denied.

CASENO: 03-16786.h1

DATE: 02/28/2006

DATE: February 28, 2006

In Re:

SSN: -----

Applicant for Security Clearance

ISCR Case No. 03-16786

DECISION OF ADMINISTRATIVE JUDGE

JOAN CATON ANTHONY

APPEARANCES

FOR GOVERNMENT

Nicole Noel, Esq., Department Counsel

FOR APPLICANT

Pro Se

SYNOPSIS

Applicant has a history of unresolved financial problems dating back several years. Since 1997, he has petitioned for Chapter 13 bankruptcy two times and Chapter 7 bankruptcy once. On his security clearance application, he falsified material facts regarding his financial obligations. Applicant failed to mitigate security concerns under Guideline F, Financial Considerations, and Guideline E, Personal Conduct. Clearance is denied.

STATEMENT OF THE CASE

The Defense Office of Hearings and Appeals (DOHA) declined to grant or continue a security clearance for Applicant. On November 8, 2004, under the applicable Executive Order⁽¹⁾ and Department of Defense Directive,⁽²⁾ DOHA issued a Statement of Reasons (SOR), detailing the basis for its decision—security concerns raised under Guideline F (Financial Considerations) and Guideline E (Personal Conduct). Applicant answered the SOR in writing on March 10, 2005, and elected to have a hearing before an administrative judge. The case was assigned to me July 27, 2005. On November 18, 2005, I convened a hearing to consider whether it is clearly consistent with the national interest to grant or continue a security clearance for Applicant. The Government called no witnesses and submitted eight exhibits (Ex.) for admission to the record (Ex. 1 through 8). The Government's exhibits were admitted to the record without objection. Applicant called no witnesses and submitted no exhibits. At the conclusion of the hearing, I left the record open until November 30, 2005, so that Applicant could, if he wished, submit additional information for the record. Applicant timely filed three exhibits, which were identified as Applicant's Ex. A, B, and C, and which were admitted to the record without objection. On December 1, 2005, DOHA received the transcript (Tr.) of the proceeding.

FINDINGS OF FACT

The SOR contains thirty-one allegations of disqualifying conduct under Guideline F, Financial Considerations, and five allegations of disqualifying conduct under Guideline E, Personal Conduct. In his answer to the SOR, Applicant admitted five Guideline F allegations, denied twenty-five Guideline F allegations, and denied with explanation one Guideline F allegation. Applicant neither admitted nor denied one allegation of disqualifying conduct under Guideline E and admitted with explanation four allegations under Guideline E. Applicant's admissions are incorporated as findings of fact.

Applicant is 47 years old and employed as a security officer by a government contractor. (Ex. 1.) Applicant was married in 1979. He has three adult children from his marriage. From 1978 to 2000, Applicant was an active duty Marine. He was granted a security clearance in 1996. He was deployed overseas from June 1998 to April 1999. (Ex. 1.) He is retired and receives a military pension. (Tr. 112.)

Applicant and his wife separated in 1995, and she retained custody of the three children. The couple executed a separation agreement. (Tr. 62.) After the separation, the wife and three children lived approximately 70 miles from Applicant. He provided child support for the children. (Tr. 45- 46.) Applicant and his wife have been unable to reach a mutually satisfactory settlement and have not divorced. At the time of his hearing, Applicant was legally married to his wife. (Tr. 44; 46.)

Applicant is the father of another child, a daughter, born in 1996. The child's mother has custody of the daughter, and Applicant pays the mother \$465 in child support each month. (Tr. 111-112.) Applicant is currently living with a woman who has two children from previous relationships. The woman receives child support from the father of one of the children. (Tr. 113-114.)

Applicant has a history of money problems. In July 1985, he was charged and found guilty of writing a worthless check. (Ex. 5.) In December 1988 he was charged with Fraudulent Check on Warrant. The charge was *nolle prossed* on February 13, 1989. (Ex. 5.)

On April 16, 1997, Applicant petitioned for Chapter 13 bankruptcy. Applicant completed a Statement of Financial Affairs as a part of his bankruptcy filing. Under the category of repossessions, foreclosures and returns, he stated his 1992 vehicle had been repossessed in January 1997 and his 1991 vehicle had been repossessed in March 1997. Applicant drew up a plan of payment with his trustee whereby he would pay \$90 per month for 36 months for a total of \$7,864. Applicant's payment plan was approved by the bankruptcy court on June 30, 1997. The case was dismissed November 26, 1997, after Applicant failed to make the requisite payments. (Ex. 8.)

On February 13, 1998, Applicant filed a second Chapter 13 petition. His petition listed assets of \$8,650 and liabilities of \$14,731. On Form 7, Statement of Financial Affairs, Applicant listed two garnishment suits against him in the year

immediately preceding the 1998 filing of his Chapter 13 petition. He also listed the repossession of his 1991 vehicle in March 1997. (Ex. 7) On May 8, 1998, the court entered an order denying confirmation and providing that Applicant's case would be dismissed unless he took action within 10 days. Applicant took no action and his bankruptcy case was dismissed May 27, 1998.

Applicant filed a motion to reopen the case because he had been deployed and did not receive mail informing him of the dismissal. On October 1, 1998, the court issued an amended order vacating its order of dismissal and reopening Applicant's case. On December 28, 1998, the court issued a consent order and required Applicant to make certain payments by December 17, 1998 and January 17, 1999, and to meet all future plan payments. On July 31, 2000, the court dismissed Applicant's Chapter 13 petition because he had not complied with the December 28, 1998, order and had failed to make payments to the trustee. (Ex. 7.)

Applicant filed a petition for Chapter 7 bankruptcy on October 30, 2000. His petition listed assets of \$8,650 and liabilities of \$11,095. Applicant's Chapter 7 petition was discharged July 24, 2001. (Ex. 6.)

The SOR alleges Applicant is responsible for 26 financial delinquencies covering a period from 1996 to 2003. Twenty-two of the delinquencies involve accounts referred for collection; three delinquencies involve bad debts that have been charged off; and one delinquency has resulted in a judgment entered against Applicant. Applicant acknowledged that the judgment, which totaled \$4,048, had not been paid. He is disputing that debt. (Tr. 73-76.)

Applicant denied 12 delinquent accounts referred for collection by a hospital. The accounts, which were referred for collection between 1997 and 2001, range from \$12.00 to \$215.00. Seven of the delinquencies are for \$50.00 or less. Applicant said he had never been treated at the hospital, and he opined these charges had been incurred by his wife or by his minor children. (Tr. 47-54) He acknowledged he was responsible for his children's medical treatments when they were minors. He also acknowledged his wife still used his military health insurance. He did not know whether the separation agreement he executed with his wife in 1995 specified she would be responsible for any health insurance co-payments for her medical treatments. (Tr. 62-64.)

Applicant denied responsibility for two accounts alleged at ¶¶ 1.k. and 1.cc. of the SOR and asserted they had been opened by others who had used his name and social security number. Even though he believed one of the accounts was not his, he listed it on his Chapter 7 bankruptcy. (Tr. 66-68.)

While Applicant claimed a delinquent debt to an automobile finance company for \$14,678 had been included in his Chapter 7 bankruptcy, it did not appear on Schedule E or F of his Chapter 7 filing. (Tr. 70-71; Ex. 6.) Applicant claimed he had paid debts of \$179, \$486, and \$214, but had no evidence of payment. (Tr. 71-73.) He also claimed that all the debts alleged in the SOR, with the exception of the 12 medical debts discussed previously, a debt for \$211, and a debt for \$486 were discharged pursuant to his Chapter 7 petition. (Tr. 78.)

After the hearing, Applicant submitted pages from credit reports dated February 15, 2003 and April 14, 2003 that indicated the delinquent debt of \$14,678 to an automobile finance company and 10 of the 12 delinquencies related to medical charges had been included in his bankruptcy. (Ex. B and Ex. C.)

Applicant obtained legal counsel for assistance in filing his three bankruptcies. He provided no evidence that he had received credit counseling or had a plan in place to pay any of his financial obligations.

Applicant completed a security clearance application (SF-86) on October 23, 2001. Question 33 on the SF-86 reads as follows: "**Your Financial Record - Bankruptcy** In the last 7 years, have you filed a petition under any chapter of the bankruptcy code (to include Chapter 13)?" Applicant responded "yes" to Question 33 and listed his April 1997 Chapter 13 bankruptcy filing. He did not list his February 1998 Chapter 13 filing. He did not list his October 2000 Chapter 7 filing.

Question 34 on the SF-86 reads: "**Your Financial Record - Wage Garnishments** In the last 7 years, have you had your wages garnished for any reason?" Applicant responded "no" to Question 34. He failed to list the two wage garnishments served on him in approximately 1996 or 1997.

Question 35 on the SF-86 reads: "**Your Financial Record - Repossessions** In the last 7 years, have you had any property repossessed for any reason?" Applicant responded "no" to Question 35. He failed to list the repossession of his 1992 vehicle in about 1997 and the repossession of his 1991 vehicle in about 1997.

Question 38 on the SF-86 reads: "**Your Financial Delinquencies - 180 Days** In the last 7 years, have you been over 180 days delinquent on any debt(s)?" Question 39 on the SF-86 reads: "**Your Financial Delinquencies - 90 Days** Are you currently over 90 days delinquent on any debt(s)?" Applicant responded "no" to Questions 38 and 39 and failed to list the 26 separate delinquencies set out in the SOR.

After he completed his SF-86, Applicant signed his name below the following statement:

CERTIFICATION BY PERSON COMPLETING FORM

My statements on this form, and any attachments to it, are true, complete, and correct to the best of my knowledge and belief and are made in good faith. I understand that a knowing and willful false statement on this form can be punished by fine or imprisonment or both. (See section 1001 of title 18, United States Code).

POLICIES

"[N]o one has a 'right' to a security clearance." *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). 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 occupy a position . . . that will give that person access to such information." *Id.* at 527. The President has restricted eligibility for access to classified information to United States citizens "whose personal and professional history affirmatively indicates loyalty to the United States, strength of character, trustworthiness, honesty, reliability, discretion, and sound judgment, as well as freedom from conflicting allegiances and potential for coercion, and willingness and ability to abide by regulations governing the use, handling, and protection of classified information." Exec. Or. 12968, *Access to Classified Information* § 3.1(b) (Aug. 4, 1995). Eligibility for a security clearance is predicated upon the applicant meeting the security guidelines contained in the Directive.

Enclosure 2 of the Directive sets forth personal security guidelines, as well as the disqualifying conditions (DC) and mitigating conditions (MC) under each guideline. In evaluating the security worthiness of an applicant, the administrative judge must also assess the adjudicative process factors listed in ¶ 6.3 of the Directive. The decision to deny an individual a security clearance is not necessarily a determination as to the loyalty of the applicant. *See* Exec. Or. 10865 § 7. It is merely an indication that the applicant has not met the strict guidelines the President and the Secretary of Defense have established for issuing a clearance.

Initially, the Government must establish, by substantial evidence, conditions in the personal or professional history of the applicant that disqualify, or may disqualify, the applicant from being eligible for access to classified information. *See Egan*, 484 U.S. at 531. The Directive presumes a nexus or rational connection between proven conduct under any of the disqualifying conditions listed in the guidelines and an applicant's security suitability. *See* ISCR Case No. 95-0611 at 2 (App. Bd. May 2, 1996).

Once the Government establishes a disqualifying condition by substantial evidence, the burden shifts to the applicant to rebut, explain, extenuate, or mitigate the facts. ISCR Case No. 01-20700 at 3 (App. Bd. Dec. 19, 2002); *see* Directive ¶ E3.1.15. An applicant "has the ultimate burden of demonstrating that it is clearly consistent with the national interest to grant or continue his security clearance." ISCR Case No. 01-20700 at 3.

CONCLUSIONS

Guideline F-Financial Considerations

The Government's concern under Guideline F, Financial Considerations, is that individuals who are financially overextended and unable or unwilling to pay their just debts may try to generate funds by engaging in illegal acts. Applicant has a history of not meeting his financial obligations, and he has not demonstrated a willingness to satisfy his debts. These conditions raise security concerns under subparagraphs E2.A6.1.2.1. and E2.A6.1.2.3. of Guideline F. DOHA's Appeal Board has concluded that "[a] person who is unwilling to fulfill his legal obligations does not demonstrate the high degree of good judgment and reliability required of persons granted access to classified information." ISCR Case No. 98-0810 at 4 (App. Bd. June 8, 2000).

In the SOR, DOHA alleged that Applicant was charged and found guilty in July 1985 with Writing a Worthless Check (¶ 1.a.); that he was charged in December 1988 with Fraudulent Check on Warrant and the charge was *nolle prossed* on February 13, 1989 (¶ 1.b.); that he petitioned for Chapter 13 bankruptcy in April 1997 and the case was dismissed in November 1997 (¶ 1.c.); that he petitioned for Chapter 13 bankruptcy in February 1998 and the case was dismissed in July 2000 for failure to make payments to the trustee (¶ 1.d.); that he petitioned for Chapter 7 bankruptcy in October 2000, and his petition was discharged on February 8, 2001. (¶ 1.e.).

DOHA also alleged the 26 specific financial delinquencies that follow: that Applicant was indebted to a creditor for approximately \$48, on an account placed for collection in November 1996 and, as of November 28, 2001, the account had not been satisfied (¶ 1.f.); that he was indebted to a creditor for approximately \$82 on an account placed for collection in December 1996, and, as of November 28, 2001, the account had not been satisfied (¶ 1.g.); that he was indebted to a creditor for approximately \$36 on an account placed for collection in March 1997, and, as of November 28, 2001, the account had not been satisfied (¶ 1.h.); that he owed a creditor approximately \$1,096 on an account charged off as a bad debt in March 1997, and, as of November 28, 2001, the debt had not been satisfied (¶ 1.i.); that he owed approximately \$161 on a medical account placed for collection in May 1997, and as of November 28, 2001, the debt had not been satisfied (¶ 1.j.); that he owed a finance company approximately \$211 on an account placed for collection in January 1998, and, as of November 28, 2001, the debt had not been satisfied (¶ 1.k.); that he owed a medical facility approximately \$38 for an account placed for collection in January 1998, and, as of November 28, 2001, the debt had not been satisfied (¶ 1.l.); that he owed a communications company approximately \$312 on an account placed for collection and, as of November 28, 2001, the debt had not been satisfied (¶ 1.m.); and that he owed a medical facility approximately \$29 on an account placed for collection in May 1998, and, as of February 12, 2004, the debt had not been satisfied (¶ 1.n.).

DOHA also alleged Applicant owed a creditor approximately \$30 for an account placed for collection in June 1998, and, as of November 28, 2001, the debt had not been satisfied (¶ 1.o); that he owed a medical facility approximately \$86 on an account placed for collection in April 1999, and, as of November 28, 2001, the debt had not been satisfied (¶ 1.p.); that he owed a medical facility approximately \$56 on an account placed for collection and, as of November 28, 2001, the debt had not been satisfied (¶ 1.q.); that he owed a medical facility approximately \$35 on an account placed for

collection in May 1999, and, as of November 28, 2001, the debt had not been satisfied (§ 1.r.); that he owed a medical facility approximately \$12 on an account placed for collection in October 1999, and, as of November 28, 2001, the debt had not been satisfied (§ 1.s.); that he owed approximately \$29 to a medical facility on an account placed for collection in arch 2000, and, as of February 12, 2004, the debt had not been satisfied (§ 1.t.); that he owed a debt of approximately \$177 on an account placed for collection in May 2000, and, as of November 28, 2001, the debt had not been satisfied (§ 1.u.).

Additionally, DOHA alleged Applicant owed a debt of approximately \$132 to a medical facility on an account placed for collection in May 2000, and, as of February 12, 2004, the debt had not been satisfied (§ 1.v.); that he owed a debt of approximately \$507 on an account placed for collection by a creditor in November 2000, and, as of February 12, 2004, the debt had not been satisfied (§ 1.w.); that he owed a debt of approximately \$215 to a medical facility on an account placed for collection in February 2001, and, as of February 12, 2004 the debt had not been satisfied (§ 1.x.); that he owed a debt of approximately \$18 to a medical facility on an account placed for collection in February 2001, and as of February 12, 2004, the debt had not been satisfied (§ 1.y.); that he owed approximately \$14,678 on an account placed for collection by an automobile creditor in March 2001, and, as of February 12, 2004, the debt had not been satisfied (§ 1.z.); that he owed approximately \$179 to a creditor on an account placed for collection in September and, as of November 28, 2001, the debt had not been satisfied (§ 1.aa.); that he owed a bad debt of approximately \$1,496, which had been charged off in September 2001, and, as of November 28, 2001, had not been satisfied (§ 1.bb.); that he owed approximately \$486 on a bad debt which had been charged off in November 2001, and which, as of November 28, 2001, had not been satisfied (§ 1.cc.); that he owed approximately \$214 to a creditor on an account placed for collection in December 2002, and, as of February 12, 2004, the debt had not been satisfied (§ 1.dd.); and he owed approximately \$4,048 to a creditor on a judgment entered against him in February 2003, and, as of February 12, 2004, the debt had not been satisfied. (§ 1.ee.).

Applicant filed twice for bankruptcy protection under Chapter 13 and once under Chapter 7. After he filed the second time for bankruptcy protection under Chapter 13 in February, 1998, his case was dismissed when he failed to make payments to the trustee. In response to his Chapter 7 petition, Applicant's debts were discharged in February 2001. While a discharge in bankruptcy is a permissible way to acquire a clean financial slate, it is not a substitute "for evidence of a demonstrated track record of financial reform, a track record that is necessary to satisfy Applicant's burden of persuasion that it is clearly consistent with the national interest to grant or continue access to classified information." ICR Case No. 98-0445 at 3 (App. Bd. April 2, 1999.)

At his hearing, Applicant denied that the delinquent medical debts identified at §§ 1.j., 1.l., 1.n., 1.o., 1.p., 1.q., 1.r., 1.s., 1.t., 1.v., 1.x., and 1.y. were his responsibility, even though he acknowledged they were incurred by his wife, from whom he is separated but not divorced, and by his minor children. After his hearing, Applicant provided credit reports showing 10 of the 12 medical debts had been discharged in his Chapter 7 bankruptcy. Applicant's credit report of July 18, 2005, showed the debts alleged at §§ 1.h., 1.k., 1.w., and 1.dd. had not been paid. He provided no evidence that he had paid any of his delinquencies. Applicant's denials of financial responsibility lack credibility. While he demonstrated that most of his debts had been included in his Chapter 7 bankruptcy, he failed to establish a track record of financial reform, and his lack of awareness of his financial obligations raises serious security concerns.

The Government has established, through Applicant's admissions and the record evidence, a *prima facie* case that Applicant is financially overextended. Applicant provided no persuasive evidence to rebut the financial concerns

specified in the SOR and identified as disqualifying conditions under ¶¶ E2.A6.1.2.1. and E2.A6.1.2.3. of Guideline F. (3)

We turn to a review of the several conditions that could mitigate the security concerns raised by Applicant's financial delinquencies. Applicant's delinquencies date to at least 1996. His first filing of a Chapter 13 bankruptcy petition occurred in 1997 and was dismissed that same year. His second Chapter 13 bankruptcy was dismissed in July 2000 for failure to make payments to the trustee. Applicant's financial delinquencies involve long-standing debts. Some of his delinquent debts were discharged in his Chapter 7 bankruptcy; some continue to be unsatisfied to this day. Thus, neither mitigating condition E2.A.6.1.3.1. nor mitigating condition E2.A6.1.3.2. applies. (4)

Applicant has not sought counseling for his financial problems. At his hearing, he failed to credibly identify the debts discharged through the Chapter 7 bankruptcy proceeding. There is no indication in the evidentiary record that he has developed and implemented a practical plan for resolving debts not included in the bankruptcy and avoiding further indebtedness. Thus, mitigating conditions E2.A6.1.3.4. and E2.A6.1.3.6. do not apply, (5) and the Guideline F allegations in the SOR are concluded against the Applicant.

Guideline E - Personal Conduct

In the SOR, DOHA alleged Applicant deliberately falsified his answers on his SF-86 to Questions 33, 34, 35, 38, and 39. In response to Question 33, he disclosed his 1997 bankruptcy but deliberately failed to disclose he had filed for bankruptcy two additional times in the preceding 7 years, once in 1998 and once 2000 (¶2.a). In response to Question 34, he failed to disclose that, in the previous 7 years, his wages were garnished by two creditors in 1996 or 1997 (¶¶ 2.b. (1) and 2.b.(2)). In response to Question 35, he deliberately failed to disclose that in the previous 7 years, in approximately 1997, he had two vehicles repossessed (¶ 2.c.). In response to Questions 38 and 39 Applicant deliberately failed to disclose that in the previous 7 years he had been over 180 days delinquent and was currently over 90 days delinquent on debts set forth in ¶¶ 1.f. through 1.bb. of the SOR (¶ 2.d.). Applicant admitted knowingly falsifying his answers to Questions 33, 34, 35, 38, and 39.

During his military service, Applicant had been granted a security clearance, and he was familiar with an applicant's responsibility to answer all questions on his SF-86 truthfully and completely. Truthful answers to Questions 33, 34, 35, 38, and 39 are important because an applicant's financial history is material to a determination of his security worthiness.

Applicant had a history of financial delinquencies dating back to approximately 1996 and at least to 1997, when he filed for Chapter 13 bankruptcy, and he was not unfamiliar with the demands of creditors for payment. On August October 23, 2001, Applicant signed his SF-86 and attested to the truthfulness, completeness, and correctness of his statements. In

failing to disclose his last two bankruptcies as well as garnishments, repossessions, and long-standing financial delinquencies, he concealed information that increased his vulnerability to coercion, exploitation, or duress.

Applicant's conduct thus falls under disqualifying conditions E2.A5.1.2.2. and E2.A5.1.2.4. of Guideline E. His failure to provide accurate information about his financial situation was pertinent to a determination of his judgment, trustworthiness and reliability. The falsifications were recent and not isolated incidents, and Applicant did not subsequently provide correct information voluntarily. He did not make prompt, good-faith efforts to correct the falsification before being confronted with the facts, and he has not taken positive steps to significantly reduce or eliminate his vulnerability to coercion, exploitation, or duress. Thus, mitigating conditions E2.A5.1.3.1., E2.A5.1.3.2., E2.A5.1.3.3., and E2.A5.1.3.5. do not apply. His deliberate misrepresentations cause serious security concerns. Conduct involving questionable judgment, untrustworthiness, unreliability, lack of candor, dishonesty, or unwillingness to comply with rules and regulations could indicate that an applicant may not properly safeguard classified information. Directive ¶ E2.A5.1.1.

With respect to the Guideline E conduct alleged in the SOR, the Government has established its case. Accordingly, the allegations in subparagraphs 2.a., 2.b.(1), 2.b.(2), 2.c., and 2.d. of the SOR are concluded against the Applicant.

In all adjudications, the protection of our national security is the paramount concern. Security clearance decisions are not intended to assign guilt or to impose further punishment for past transgressions. Rather, the objective of the security clearance process is the fair-minded, common sense assessment of a person's trustworthiness and fitness for access to classified information. Indeed, the "whole person" concept recognizes we should view a person by the totality of his or her acts and omissions, including all disqualifying and mitigating conduct. Having done so, I conclude Applicant should not be entrusted with a security clearance. In reaching my decision, I have considered the evidence as a whole, including the appropriate factors and guidelines in Department of Defense Directive, 5220.6., as amended.

FORMAL FINDINGS

The following are my conclusions as to each allegation in the SOR:

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

Subparagraph 1.m.: Against Applicant

Subparagraph 1.n.: Against Applicant

Subparagraph 1.o.: Against Applicant

Subparagraph 1.p.: Against Applicant

Subparagraph 1.q.: Against Applicant

Subparagraph 1.r.: Against Applicant

Subparagraph 1.s.: Against Applicant

Subparagraph 1.t.: Against Applicant

Subparagraph 1.u.: Against Applicant

Subparagraph 1.v.: Against Applicant

Subparagraph 1.w.: Against Applicant

Subparagraph 1.x.: Against Applicant

Subparagraph 1.y.: Against Applicant

Subparagraph 1.z.: Against Applicant

Subparagraph 1.aa.: Against Applicant

Subparagraph 1.bb.: Against Applicant

Subparagraph 1.cc.: Against Applicant

Subparagraph 1.dd.: Against Applicant

Subparagraph 1.ee.: Against Applicant

Paragraph 2.: Guideline E: AGAINST APPLICANT

Subparagraph 2.a.: Against Applicant

Subparagraph 2.b.(1): Against Applicant

Subparagraph 2.b.(2): Against Applicant

Subparagraph 2.c.: Against Applicant

Subparagraph 2.d.: Against Applicant

DECISION

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 or continue a security clearance for Applicant. Clearance is denied.

Joan Caton Anthony

Administrative Judge

1. Exec. Or. 10865, *Safeguarding Classified Information within Industry* (Feb. 20, 1960), as amended and modified.
2. Department of Defense Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (Jan. 2, 1992), as amended and modified.
3. Disqualifying Condition E2.A6.1.2.1 reads: " A history of not meeting financial obligations." Disqualifying Condition E2.A6.1.2.3 reads:"Inability or unwillingness to satisfy debts."
4. Mitigating Condition E2.A6.1.3.1 reads: "The behavior was not recent." Mitigating Condition E2.A6.1.3.2 reads: "It was an isolated incident."
5. Mitigating Condition E2.A6.1.3.4. reads: "The person has received or is receiving counseling for the problem and there are clear indications that the problem is being resolved or is under control." Mitigating Condition E2.A6.1.3.6 reads: "The individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts."