



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



In the matter of:)	
)	
-----)	ISCR Case No. 07-11210
SSN: -----)	
)	
Applicant for Security Clearance)	

Appearances

For Government: Alison O’Connell, Esquire, Department Counsel
For Applicant: *Pro Se*

February 6, 2008

Decision

MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant submitted his security clearance application (SF 86) on October 25, 2006. On October 25, 2007, the Defense Office of Hearings and Appeals (DOHA) issued a Statement of Reasons (SOR) detailing the security concerns under Guideline F and Guideline E for Applicant. The action was taken under Executive Order 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; Department of Defense Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive), and the revised adjudicative guidelines (AG) promulgated by the President on December 29, 2005, and effective within the Department of Defense for SORs issued after September 1, 2006.

Applicant acknowledged receipt of the SOR on October 30, 2007. He answered the SOR in writing on November 19, 2007, and requested a hearing before an Administrative Judge. Department Counsel was prepared to proceed on November 30, 2007. On December 6, 2007, I received the case assignment and scheduled a hearing for January 22, 2008.

I convened the hearing on January 22, 2008, as scheduled. Before the introduction of any evidence, the Government withdrew SOR allegations ¶¶ 1.e and 1.m (duplicate listing of ¶¶ 1.f and 1.b, respectively). Four Government exhibits (Ex. 1-4) and four Applicant exhibits (Ex. A-D) were received into evidence without objection and Applicant testified, as reflected in a hearing transcript (Tr.) received by DOHA on January 31, 2008. At Applicant's request, the record was held open until January 29, 2007, for him to submit documents of his enrollment in a debt repayment program. On January 28, 2008, Applicant forwarded documentation of a debt repayment plan that was admitted as Exhibit E without any objections.

On February 3, 2008, Applicant submitted a bank draft authorization form related to the debt management plan. The Government did not object to its inclusion despite the late submission. The document and Applicant's forwarding correspondence were admitted as Exhibit F. Based upon a review of the case file, pleadings, exhibits, and testimony, eligibility for access to classified information is denied.

Findings of Fact

DOHA alleged under Guideline F, Financial Considerations, that as of August 27, 2007, Applicant owed delinquent debts totaling \$21,350 (SOR ¶¶ 1.a-1.d and 1.f-1.i) that had been charged off and/or placed for collection. Under Guideline E, Personal Conduct, Applicant was alleged to have deliberately falsified his October 25, 2006, security clearance application (SF 86) by denying that he had been over 180 days delinquent on any debts within the seven years preceding his clearance application (SOR ¶ 2.a) or that he was currently over 90 days delinquent on any debts (SOR ¶ 2.b). In his Answer to the SOR, Applicant admitted the debts but indicated he was paying on those in SOR ¶¶ 1.f and 1.j, and would look into the \$874 debt alleged in SOR ¶ 1.i as he had medical insurance. As for the Guideline E allegations, Applicant averred he was unaware of his indebtedness, which was taken as a denial of any intentional falsification. After consideration of the evidence of record, I make the following findings of fact.

Applicant is a 57-year-old senior designer who seeks to retain his secret-level security clearance (Tr. 54). He served on active duty in the U.S. Air Force from December 1973 to October 1976, in his state's National Guard from January 1985 to July 1986, and in the U.S. Army Ready Reserve from July 1986 to October 1988. He was honorably discharged from these enlistments (Ex. 1, Tr. 52-53).

The father of two grown sons from his first marriage, Applicant married his current spouse in December 1978. They have three adult children of their own, two daughters born in September 1978 and December 1979, and a son born in August 1983. As of January 2008, their youngest son was living at home during the week and he was not contributing to the household (Ex. 1, Tr. 53, 97-98).

In June 1980, Applicant started working for a defense contractor at a different facility than where he is currently employed. He was granted a secret-level security

clearance for his duties in about August 1990. In August 1994, he transferred to his present location to avoid a layoff. He started there as a draftsman and moved up to senior designer (Tr. 36). His clearance was renewed in March 1995 and in August 1998 (Ex. 1).

Applicant's spouse handled the family's finances with little input from him (Tr. 37). In 2001, Applicant's accounts began to fall delinquent. A joint charge account opened with a retailer became \$548 past due in February 2001 (SOR ¶ 1.a). In about June 2001, a \$3,493 credit card balance was charged off after no activity since November 2000 (SOR ¶ 1.d). In October 2001, an individual revolving charge account was charged off in the amount of \$925 and transferred (SOR ¶ 1.h). A \$2,018 delinquent credit balance was placed for collection after no activity since February 2001 (SOR ¶ 1.j). Another credit card balance of \$927 was placed for collection by a bank in September 2001 (SOR ¶ 1.b). A \$5,956 debt balance in collection for nonpayment since November 2000 rose to \$7,510 as of November 2002 (SOR ¶ 1.f). A \$268 charge off balance was placed for collection for failure to pay since February 2001 (SOR ¶ 1.k). See Ex. 2, Ex. 4.

In February 2002, Applicant was injured at home. During the 13 weeks he was out of work, Applicant received disability insurance payments that covered his wages for a 40-hour-work week but not overtime (Tr. 41-42, 47, 55-56). In February 2002, a judgment was awarded a medical provider against Applicant in the amount of \$581. Applicant satisfied the judgment in March 2002. After an automobile accident, Applicant disputed the debt remaining on his loan, but he eventually satisfied a judgment balance of \$2,175 awarded the creditor in November 2002 (Ex. 4, Tr. 72-74).

In May 2002, Applicant paid at least \$7,500 toward the \$15,000 cost of his daughter's wedding. He is not sure how he paid for his share (Tr. 57). In December 2002, a medical provider placed a \$615 delinquent balance for collection (SOR ¶ 1.i). Applicant had therapy on the leg he injured in February 2002 and this cost was not covered by insurance. Applicant received collection notices in the mail but assumed since he had insurance that it was due to a problem with the account number. Applicant did not followup to ensure that the matter was resolved (Ex. 4, Tr. 71-72).

In 2003, Applicant's mother-in-law came to live with them. Applicant's spouse, who had been employed full-time as a bank teller, stopped working but for a seasonal position with a tax preparation firm each Spring (Tr. 49-50). She lost some income that first tax season as she fell ill with pneumonia and had to be hospitalized in intensive care for five days, but her medical costs were largely covered by insurance (Tr. 58).

While vacationing for their 25th wedding anniversary, Applicant and his spouse were talked into buying a timeshare in October 2003. They fell behind in the payments

on their loan, and it became past due in the amount of \$3,205 (SOR ¶ 1.c)¹ (Ex. 4, Tr. 62-66).

In March 2005, a wireless telephone provider placed a \$175 balance for collection (SOR ¶ 1.i). Applicant had opened a wireless phone account for his youngest son who did not pay the bill (Tr. 70). A telephone service provider placed a \$101 balance for collection in May 2006 (SOR ¶ 1.g) (Ex. 4).

At his employer's request, Applicant completed an electronic questionnaire for investigations processing (e-QIP) on October 25, 2006. Applicant responded negatively to financial delinquency inquiries: 28a. "In the last 7 years, have you been over 180 days delinquent on any debt(s)?" and 28b. "Are you currently over 90 days delinquent on any debt(s)?" (Ex. 1).

A check of Applicant's credit on November 3, 2006, revealed several delinquent balances: \$543 (SOR ¶ 1.a), \$1,300 (SOR ¶ 1.b), \$7,588 (SOR ¶ 1.c), \$3,493 (SOR ¶ 1.d), \$7,510 (SOR ¶ 1.f), \$101 (SOR ¶ 1.g), \$175 (SOR ¶ 1.i), \$2,812 (SOR ¶ 1.j), \$268 (SOR ¶ 1.k), and \$874 (SOR ¶ 1.l). Another creditor had charged off a \$925 debt balance (SOR ¶ 1.h), but there was no indication it was being collected (Ex. 4).

In January 2007, Applicant was interviewed by a government investigator about his finances. He was shown his credit report at that time (Tr. 74, 94-95).

In June 2007, Applicant took out a \$25,000 loan from his 401(k) account to purchase and refurbish a motor home that he has used twice for camping (Tr. 99-101). He is repaying the loan at \$44.97 per week (Ex. B). The motor home sits at a friend's house (Tr. 99).

A check of Applicant's credit on August 27, 2007, showed Applicant had opened new credit card accounts in December 2006 and May 2007 with respective limits of \$500 and \$300. He owed balances of \$440 and \$194. His credit report also disclosed outstanding balances on the debts in SOR ¶¶ 1.a, 1.b, 1.c (balance \$7,588), 1.d, and 1.f (\$7,510) (Ex. 3).

In a September 2007 response to interrogatories from DOHA, Applicant indicated that he had no knowledge of the debts in SOR ¶¶ 1.d, 1.g, 1.k, and 1.l. He averred the wireless services debt in ¶ 1.i was his son's and had been paid, and he was making payments of \$50 monthly on the debt in ¶ 1.j, and of \$250 monthly on the debt in ¶ 1.f.²

¹The debt balance as of August 2007 was \$7,588 (Ex. 3). The account was placed for collection when it was past due in the amount of \$3,205 (Ex. 4).

²Applicant provided no proof of payments on SOR ¶¶ 1.f, 1.i, or 1.j. The credit reports (Ex. 2, Ex. 3) reflect no progress on those debts. Applicant is seeking to have the full \$7,510 balance of ¶ 1.f paid through the debt management plan (Ex. E), which calls into question whether he made the \$250 monthly payments claimed in May 2007. The debt in ¶ 1.j is not included in the latest debt management plan, Applicant listed an updated balance of \$2,812 (Ex. A), which also calls into question whether any payments had been made. As for the

Applicant attributed his debts to him being out of work for 13 weeks in 2002, to the expense of his daughter's wedding in May 2002, and to his spouse's on and off employment in the past five years. Applicant provided a personal financial statement reflecting a monthly net remainder of \$55 after payment of expenses and \$130 on credit cards. As for his failure to disclose his debts on his clearance application, Applicant stated:

I am sorry that I misunderstood the question. I thought I was only filling out the questionnaire as to any updates or routine maintenance of my clearance. I did not believe that my financial status had any bearing on my security clearance. I felt I was not applying for a loan. I have worked here for over 27 years and am a veteran of our armed services.

Ex. 2.

After he received the SOR, Applicant contacted a debt management firm for assistance in dealing with his debt. His spouse refused to become involved ("I got a hold of them without my wife. She's refused to get involved with any of this." Tr. 38). On November 8, 2007, the debt management firm proposed to address \$15,625 in debt (including old balances of SOR ¶¶ 1.a, 1.b, 1.f, 1.g, 1.k, 1.l) on payments from Applicant of \$534 monthly from November 20, 2007 (Ex. D).

On November 27, 2007, Applicant attempted to resolve his debt by applying for a hardship withdrawal of \$36,000 from his 401(k), claiming that his debt was from unreimbursed medical expenses, and from attorney fees or court-related judgments. His application was denied. As of January 17, 2008, Applicant had \$53,752.80 available for a hardship withdrawal if he could establish his eligibility (Ex. C, Tr. 38-39).

Over the December 2007/January 2008 time frame, Applicant contacted his creditors and obtained updated balance information (\$597.44 on ¶ 1.a, \$1,422 on ¶ 1.b, \$7,588 on ¶ 1.c, \$3,493.34 on ¶ 1.d, \$7,510 on ¶ 1.f, \$110 on ¶ 1.g, \$925 on ¶ 1.h, \$2,812 on ¶ 1.j, \$268 on ¶ 1.k, and \$874 on ¶ 1.l) (Ex. A, Tr. 39-42). On January 23, 2008, the debt management firm proposed to resolve \$13,896.78 of Applicant's debt (SOR ¶¶ 1.a, 1.b, 1.d, 1.f, and 1.l) by January 2011 in return for \$498 the first month and \$449 monthly thereafter. Applicant and his spouse signed the agreement on January 28, 2008 (Ex. E). Applicant arranged for automatic withdrawal from his and his spouse's joint checking account in the amount of \$449 per month starting February 20, 2008 (Ex. F).

Applicant had taken no steps toward resolving the delinquent debt for the timeshare as of January 2008 (SOR ¶ 1.c). The creditor offered to settle the debt for \$2,000. He told the creditor he would pay it if allowed to take a hardship withdrawal from

wireless phone debt on an account Applicant opened for his youngest son, he was asked whether his son had done anything to clear up the debt. Applicant responded, "Apparently not. I'm going to be stuck with it." Tr. 70).

his 401(k). As of January 2008, the lender was holding off on foreclosure action pending information from Applicant due the date of his hearing (“I was supposed to call them today, because I don’t know what’s going to be happening.” Tr. 66-67). He had not considered stopping his contributions to his 401(k) to obtain the funds to resolve his debts (Tr. 87-88).

Applicant earned about \$71,000 at his defense contractor job in 2006. Due to less overtime, he earned about \$10,000 less in 2007 (Tr. 47-48). As of January 12, 2008, Applicant’s hourly wage was \$28.05 (Ex. B). His spouse was still handling the family’s finances (Tr. 48). He estimated they have about \$255 available each month in discretionary funds (Tr. 86). As of January 2008, Applicant’s mother-in-law was giving Applicant about \$600 per month, which is sufficient to cover the expense of caring for her (Tr. 97). Applicant’s spouse drives a 2007 model year convertible that costs them \$160 per week. They took out a joint five-year automobile loan in September 2007 (Tr. 88, 96).

At his hearing, Applicant testified on direct examination that he understood he made “a grave mistake” by not reporting any debts on his security clearance application, but he was not totally aware of his indebtedness (Tr. 37). When asked to explain on cross-examination why he responded “No” to the debt inquiries if he knew he had some indebtedness, Applicant responded:

To be honest with you, I kind of struggled through those questions. Basically, that was embarrassment, and I did not—at the time, I did not—I didn’t think they were going to run a credit report, to be honest with you. I thought it was just updating everything, you know, did we still live at the same address and so on and so forth.

Applicant thereafter admitted that he knew his answers to questions 28a. and 28b. were false, and he expressed regret for lying about his financial situation (Tr. 90-91).

Policies

When evaluating an Applicant’s suitability for a security clearance, the Administrative Judge must consider the revised adjudicative guidelines (AG). In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are useful 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 over-arching adjudicative goal is a fair, impartial and common sense 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. Likewise, I have avoided drawing inferences grounded on mere speculation or conjecture.

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 as to obtaining 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 the Applicant may deliberately or inadvertently fail to protect or 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.

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 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.

Applicant and his spouse did not spend wisely and incurred obligations beyond what they could reasonably afford on their incomes. Beginning in 2001, creditors began charging off and/or referring delinquent balances for collection. While a couple of debts that went to court judgment were eventually satisfied, about \$16,000 in delinquent debt was still outstanding when he and his spouse purchased a timeshare in October 2003. They fell behind some \$3,205 in that loan as well. With more than \$24,000 in delinquent debt to be repaid, Applicant borrowed \$25,000 from his 401(k) to buy and refurbish a motor home in June 2007 that sits in his friend's yard. Security significant concerns are raised by "inability or unwillingness to satisfy debts" (AG ¶ 19(a)), by "indebtedness caused by frivolous or irresponsible spending and the absence of any evidence of willingness or intent to pay the debt or establish a realistic plan to pay the debt" (AG ¶ 19(b)), by "a history of not meeting financial obligations" (AG ¶ 19(c)), and by "consistent spending beyond one's means" (AG ¶ 19(e)).

When he answered interrogatories in September 2007, Applicant attributed his indebtedness to him being out of work following an accident in 2002, to the expense of his daughter's wedding in 2002, and to his spouse's seasonal employment since 2003. Under AG ¶ 20(b), such circumstances are potentially mitigating of financial considerations concerns ("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"). However, Applicant has not shown that his financial problems were due primarily to the lack of sustainable income, or to medical expenses. Although he lost the opportunity for overtime earnings during the 13 weeks of recuperation, his salary was covered by disability insurance. The loss of spousal income has been compensated for in part by his mother-in-law contributing \$600 monthly to the household. Medical costs were largely covered by health insurance. AG ¶ 20(b) does not mitigate the judgment concerns raised by several years of disregard for his financial obligations.

Applicant's claimed ignorance of his debt ("I was unaware how bad everything was, seriously. I'm not lying to you. I was totally unaware." Tr. 82) is not supported by the evidence. Even though his spouse handled the family's finances, he knew of collection notices from at least one creditor pursuing the medical debt in SOR ¶ 1.1 and he did not follow up (Tr. 71-72). He knew he had financial problems when he filled out his SF 86 in October 2006 (Tr. 90), and was shown his credit report in January 2007 (Tr. 95). He placed his immediate desires ahead of his obligation to his creditors and his future financial security by borrowing against his retirement to purchase a recreational vehicle in June 2007. While he receives some credit for repaying that loan, the decision to purchase the motor home is difficult to justify given his more than \$26,000 in outstanding delinquent debt.

After the SOR was issued, Applicant attempted without success to obtain a hardship withdrawal from his 401(k) in November 2007. He contacted a debt management firm and took the initial step of obtaining updated debt balance information from his creditors. These efforts to resolve his delinquencies implicate AG ¶ 20(d) ("the

individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts”). Yet, even if his claims of satisfaction of the \$175 debt (SOR ¶ 1.i) and of payments on those debts in SOR ¶¶ 1.f and 1.j are accepted as accurate, he has not done enough to persuade me that the financial issues are likely to be resolved in the foreseeable future. As of his hearing on January 22, 2008, he had not signed off on a proposed plan to repay \$15,625 of his debt through monthly repayments of \$534. After his hearing, he presented a new debt management plan under which he and his spouse agree to pay \$449 monthly to resolve debts totaling \$13,896.78 (SOR ¶¶ 1.a, 1.b, 1.d, 1.f, and 1.l). However, with about \$255 in discretionary funds available per month, Applicant has not shown that he can afford those payments. He testified that his spouse is seeking employment, but admitted she has not had any success (Tr. 86). Given Applicant’s credit history and lack of present means to make those \$449 payments, it is premature to conclude that his financial problems are being resolved. AG ¶ 20(c) (“there are clear indications that the problem is being resolved or is under control”) does not apply. Moreover, concerns persist that Applicant will continue to engage in discretionary purchases that may stress his financial situation further. He took on the financial burden of a car loan that costs him about \$640 monthly for five years without any significant thought:

Q. And again, given your financial situation, did you discuss the possibility of buying a cheaper car, rather than a 2007 model?

A. No. I see your point.

(Tr. 88). He also continues to rationalize in his own mind the purchase of the motor home (“I know sometimes people do need some pleasure and enjoyment to get away from things, even if it’s once a year.” Tr. 112).

Guideline E, Personal Conduct

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

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

As of October 2006 when Applicant applied for renewal of his secret-level clearance, he owed on several accounts that had been delinquent since 2003 (SOR ¶¶ 1.a, 1.b, 1.c, 1.d, 1.f, 1.h, 1.j, 1.k, and 1.l). In March 2005, a wireless telephone provider placed a \$175 balance for collection (SOR ¶ 1.i). A long distance services provider placed a \$101 balance for collection in May 2006 (SOR ¶ 1.g). All these debts should have been reported in response to the financial delinquency inquiries pertinent to debts

over 180 days within the past seven years (section 28a) and to debts currently over 90 days delinquent (section 28b). Applicant instead responded “No” to both questions.

Under AG ¶ 16(a) personal conduct concerns are raised by the “deliberate omission, concealment, or falsification of relevant facts from any personnel security questionnaire, personal history statement, or similar form used to conduct investigations, determine employment qualifications, award benefits or status, determine security clearance eligibility or trustworthiness, or award fiduciary responsibilities.” Applicant doesn’t contest that he answered “No” to the debt inquiries. When he answered the SOR, he denied any intentional falsification, and claimed he was unaware of his indebtedness. However, in response to DOHA interrogatories in September 2007, Applicant stated in part:

I am sorry that I misunderstood the question. I thought I was only filling out the questionnaire as to any updates or routine maintenance of my clearance. I did not believe that my financial status had any bearing on my security clearance.

Ex. 2. If Applicant had no knowledge of his indebtedness, it stands to reason he would have so indicated when he was first confronted. Instead, he attempted to justify his false responses by claiming that he failed to understand that his financial situation had any bearing on his clearance. At his hearing, Applicant admitted that he had lied on his security clearance application, although he again provided an excuse (“I thought it was just updating everything, you know, did we still live at the same address and so on and so forth.” Tr. 90). AG ¶ 16(a) applies.

Concerns as to whether Applicant understands his obligation of full candor preclude me from applying AG ¶ 17(a) (“the individual made prompt, good-faith efforts to correct the omission, concealment, or falsification before being confronted with the facts”). The details of his debts first surfaced in a credit report and were not volunteered up-front. As recently as November 2007, he continued to justify his negative responses to the debt inquiries on his SF 86:

I admit that I did not answer Question 28A and 28B of [my SF 86] correctly. I did not fully understand the extent of the investigation that would be taking place. If I could turn the clock back I would mark yes, but I still could not list my debts at that time because I did not know the full extent of my financial condition. I was fully unaware of all the collections etc. I do not see all of the bills that come in.

See Answer. His belated expression of regret is noted in his favor, but it is not enough to overcome the personal conduct concerns. None of the mitigating conditions apply.

Whole Person Concept

Under the whole person concept, the Administrative Judge must evaluate an Applicant's eligibility for a security clearance by considering the totality of the Applicant's conduct and all the circumstances. The Administrative Judge should consider the nine adjudicative process factors listed at AG ¶ 2(a): "(1) the nature, extent, and seriousness of the conduct; (2) the circumstances surrounding the conduct, to include knowledgeable participation; (3) the frequency and recency of the conduct; (4) the individual's age and maturity at the time of the conduct; (5) 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.

I considered the potentially disqualifying and mitigating conditions in light of all the facts and circumstances surrounding this case. Applicant has a long tenure with the defense contractor, but he has not exhibited good judgment in handling his personal financial matters. He placed his personal interest ahead of his obligation to his creditors. Moreover, as a longtime holder of a security clearance, Applicant knew or should have known of the importance of being completely candid with the Government. Whether from embarrassment or more likely fear that disclosure of his debts could negatively affect his clearance and perhaps his continued employment, Applicant put self-interest ahead of his fiduciary obligation to the Government. Efforts at reform are too recent and incomplete to overcome the considerable concerns about his judgment and reliability.

Formal Findings

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

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraph 1.a:	Against Applicant
Subparagraph 1.b:	Against Applicant
Subparagraph 1.c:	Against Applicant
Subparagraph 1.d:	Against Applicant
Subparagraph 1.e:	Withdrawn
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.j:	Against Applicant
Subparagraph 1.k:	Against Applicant

Subparagraph 1.l:	Against Applicant
Subparagraph 1.m:	Withdrawn
Paragraph 2, Guideline E:	AGAINST APPLICANT
Subparagraph 2.a:	Against Applicant
Subparagraph 2.b:	Against Applicant

Conclusion

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

ELIZABETH M. MATCHINSKI
Administrative Judge