



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



In the matter of:)
)
-----) ISCR Case No. 08-09142
SSN: -----)
)
Applicant for Security Clearance)

Appearances

For Government: Eric H. Borgstrom, Esquire, Department Counsel
For Applicant: *Pro Se*

June 26, 2009

Decision

MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant’s financial problems started after he was injured on the job in April 2004. He paid down credit card balances with a sizeable insurance settlement received in early 2007, but he fell behind on several accounts. Subsequent difficulties finding full-time employment hampered his ability to address those debts, and repayment of delinquent property taxes has taken priority since January 2009. He intends to resolve his delinquent debts once he is in a position to do so. Clearance is granted.

Statement of the Case

Applicant submitted an Electronic Questionnaire for Investigations Processing (e-QIP) on May 15, 2008. On February 4, 2009, the Defense Office of Hearings and Appeals (DOHA) issued a Statement of Reasons (SOR) to Applicant detailing the security concerns under Guideline F that provided the basis for its decision to deny him a security clearance and refer the matter to an administrative judge. 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 as of September 1, 2006.

Applicant acknowledged receipt of the SOR on February 11, 2009. He answered the SOR allegations in writing on February 23, 2009, and requested a hearing. The case was assigned to me on April 2, 2009. On April 17, 2009, I scheduled a hearing for May 7, 2009.

The hearing was convened as scheduled. The government submitted four exhibits (Ex. 1-4), which were admitted without any objections. A table prepared by Department Counsel to assist in reviewing the financial record information was marked as a hearing exhibit but considered as an addendum to his oral argument. Applicant submitted one exhibit, and he and his spouse testified on his behalf, as reflected in a transcript (Tr.) received on May 14, 2009.

Findings of Fact

DOHA alleged under Guideline F, financial considerations, that Applicant owes delinquent credit card debt totaling \$17,986 (SOR ¶¶ 1.a, 1.b, 1.f, 1.g, and 1.i), a wireless telephone debt of \$186 (SOR ¶ 1.h), and medical debt totaling \$1,350 (SOR ¶¶ 1.c, 1.d, and 1.e). Applicant admitted the debts with the exception of the wireless phone debt that he believed had been paid. He expressed his intent to resolve his debts, and explained that he had been unable to work after injuring himself on the job five years ago and had difficulty finding employment before he accepted his current position. After considering the pleadings, testimony, and exhibits entered into the record, I make the following findings of fact.

Applicant is a 45-year-old assembler who has been employed by a defense contractor since June 2008 (Ex. 1, Tr. 35-36). He seeks a security clearance for his duties, never having previously held a security clearance (Ex. 1).

Applicant and his spouse have been married for 16 years. They live with their three children, ages 15, 14, and 13, who have been educated in a local parochial school (Ex. 1, Tr. 40-41). Applicant inherited the home that he lives in with his spouse and children (Tr. 51). They have refinanced their mortgage loan several times, using the equity in their home to pay off debt obligations (Tr. 60).¹ They have been late in their mortgage payments a few times but not more than 60 days (Ex. 3, Tr. 51). As of November 2008, the balance of the mortgage loan was \$193,000 (Ex. 2). The car and mortgage loans are in his spouse's name (Tr. 69-70).

¹Applicant's credit reports list several mortgage loans. A joint mortgage loan of \$84,500, taken out in August 2001, was late 30 days before being paid off through an individual mortgage loan of \$124,300 opened in January 2003. That loan was paid off through a new individual mortgage of \$142,000 in March 2004. Twice Applicant was late 60 days in making his \$909 monthly mortgage payment, including in August 2004. In November 2005, Applicant and his spouse took out a joint mortgage loan of \$167,700. They made their \$1,115 monthly payments on agreed upon terms and that loan was paid off through refinancing in February 2007. As of November 2008, the principal balance of their current mortgage was about \$193,000 (Ex. 2, Ex. 3).

Applicant worked as a production associate for a technology company from September 1996 to August 2001 when he was laid off (Ex. 4). He was unemployed for about a year. In September 2002, he went to work as a third shift supervisor for a manufacturing company (Exs. 1, 4). While at work in mid-April 2004, he caught his arm in machinery causing serious injuries to his arm and upper extremities that left him unable at present to lift weight over five pounds on his left side (Ex. A, Tr. 51). His spouse was a student and caring for their children at the time and was not employed outside of the home (Tr. 32, 86). He collected workmen's compensation, almost the equivalent of his \$12 hourly wage, from mid-May 2004 until January 2007 (Tr. 46). His spouse began working for his employer part-time (about 36 hours a week) in late June 2004 to pay for extra expenses, including clothes for their three children (Tr. 33-34, 46, 48, 85-86). In about January 2005, she took a second job full-time to supplement their income (Tr. 86). In May 2005, her second job ended and she worked solely for Applicant's employer until about October 2005, when she left the company for a more permanent position with a contract company at higher pay. The plant was subsequently closed and her job moved. Applicant's spouse left her job in about November 2006 because she was tired of the long commute. In January 2007, she began working full-time as a contract temporary employee for a computer manufacturer at \$16 an hour (Tr. 86-90). She was paid only for hours worked.

Over the May/June 2006 time frame, Applicant opened the credit card accounts in SOR ¶¶ 1.a and 1.b that he used for miscellaneous household expenses. In June 2006, the account in SOR ¶ 1.h was opened with Applicant as an authorized user for the same purposes.² In summer 2006, Applicant came down with a methicillin-resistant staph infection (MRSA) that required eight weeks of daily intravenous Vancomycin treatment. Applicant was covered by medical insurance under his spouse's policy, but the coverage was limited (Tr. 49, 95-97). The family subsequently qualified for the state's medical insurance program (Tr. 112).

In November 2006, Applicant was medically cleared, but he continued to collect workmen's compensation pending a hearing on his ability to work. In January 2007, he was laid off by his employer without being given an opportunity to return to his old job (Tr. 33-34, 43). In late January or early February 2007, Applicant received an insurance settlement of about \$64,000 after paying attorney fees from his on-the-job injury (Tr. 99). The money went to paying down the balances of about \$15,000 in credit card debt (Tr.71),³ car repairs, household items (Tr. 44), including a \$1,900 computer for his spouse (Tr. 76), their children's parochial school tuition (Tr. 100), delinquent property

²Applicant does not dispute that he and/or his spouse incurred the charges on the account for miscellaneous household expenses.

³Applicant's June 2008 credit report (Ex. 3) shows a \$2,000 credit card balance paid off as of September 2007. He could have used the settlement to satisfy that debt. However, another credit card with a high balance of \$9,800 was reported to have a zero balance as of February 2005, well before he would have received the settlement monies. Similarly, his Discover card debt of \$9,105 had been settled for less than the full balance as of April 2004. It is unclear to what extent credit card balances were reduced through the settlement funds.

taxes (Tr. 75), and their mortgage (Tr. 72). They also paid back a \$7,000 to \$8,000 loan from his mother-in-law used to buy a new vehicle in about February 2006 (Tr. 45, 52).⁴ Applicant's spouse earned no income for two to three weeks because of a death in the family (Tr. 73).

Despite several job interviews, Applicant was unable to find full-time employment. He suspects he was not hired because of his physical limitations (Answer, Tr. 34). From September to December 2007, Applicant had a contract position, initially as a third shift supervisor. He moved to second shift when the company ceased third-shift operations, but he was unable to perform all the tasks required, and he was let go just before Christmas 2007 (Tr. 34-35). He was out of work until mid-June 2008, when he started with his present employer at an hourly wage of \$11.71 (Exs. 1, 2, 4).

On May 15, 2008, Applicant completed an e-QIP in conjunction with his present employment. He responded "Yes" to question 28.a concerning whether he had been delinquent over 180 days on any debts in the last seven years, and to question 28.b concerning whether he was currently delinquent over 90 days on any debts. Applicant listed two delinquencies attributed to his unemployment, a \$5,000 credit card balance that was unpaid (SOR ¶ 1.b) and a \$1,500 secured loan satisfied in January 2007 (Ex. 1).

A check of Applicant's credit on June 13, 2008, showed the previously disclosed credit card debt had a balance of \$6,461 (SOR ¶ 1.b). He reportedly owed several other delinquent debts: a \$186 wireless telephone debt from May 2006 (SOR ¶ 1.h), a \$1,241 credit card balance in collection since September 2007 (SOR ¶ 1.a), medical debts incurred because of his infection (Tr. 56) of \$700 (SOR ¶ 1.c) and \$325 (SOR ¶ 1.d) in collection since May 2007, another medical debt of \$325 in collection since April 2007 (SOR ¶ 1.e), and a \$307 revolving charge debt with a mail order company in collection as of May 2008 (SOR ¶ 1.g). A credit card account on which Applicant was listed as an authorized user was in collection as of February 2008 with a balance of \$3,915 (SOR ¶ 1. f) (Ex. 3).

On July 9, 2008, Applicant was interviewed by a government investigator about his delinquent debts. He disputed only the wireless phone debt, which he speculated was his father's account. The credit card accounts were used for the purchase of miscellaneous household items, and with respect to SOR ¶ 1.g, clothing for his spouse. He indicated he was capable of meeting his household obligations, and he was getting caught up to where he could begin to pay off his delinquent debts in the near future (Ex. 4).

⁴Applicant testified that his mother-in-law gave them about \$7,000 to \$8,000 for the down payment for a car for his spouse (Tr. 45) and that the funds to repay her came out of the settlement. His spouse testified that \$7,000 of the settlement money went for the down payment on Applicant's car (Tr. 101). She did not indicate that they borrowed any money from her mother at that time. Whether paid to her mother or to a lender, it appears that between \$7,000 and \$8,000 of the settlement monies was used to acquire a 2006 model-year vehicle for the household.

In October 2008, Applicant's mother-in-law purchased a car outright for \$22,000 for Applicant's spouse. The car is in Applicant's spouse's name. She is supposed to be repaying her mother at about \$321 per month, but had not made any payments as of May 2009 because she and Applicant were still catching up on other financial obligations. Applicant's spouse had been driving a 1999 model-year vehicle that needed a new transmission (Tr. 106-08).

In response to financial interrogatories, Applicant provided a personal financial statement on November 5, 2008, indicating a net monthly remainder of \$26.40 after expenses. He was making monthly payments of \$929 on his mortgage, \$272 on his car loan, and \$190 in parochial school tuition for his children. Applicant provided documentation showing he had been approved for a hardship payment plan to resolve a \$5,971.82 delinquent debt (SOR ¶ 1.i) by paying monthly an amount that he could afford; that the creditor owed of the debt in SOR ¶ 1.b wanted to discuss settlement terms with him; and the creditor of the debt in SOR ¶ 1.g was willing to accept \$184.66 to settle the debt provided payment was received by October 16, 2008. Applicant indicated that the wireless phone debt in SOR ¶ 1.h had been satisfied, but that he and his spouse were still trying to get caught up in their current bills. His credit report of November 7, 2008, listed those outstanding delinquent balances alleged in SOR ¶¶ 1.a–1.g, but not the disputed wireless phone debt in SOR ¶ 1.h or the \$5,971.82 undisputed loan balance (SOR ¶ 1.i) (Ex. 2).

In early January 2009, Applicant and his spouse began working on a budget to determine what they could pay toward their delinquencies (Tr. 36, 68, 81). They had neither finalized a budget nor made any payments toward resolving their delinquent debts as of May 2009 (Tr. 54-61). Applicant's latest contact with a creditor/assignee about the debt in SOR ¶ 1.a was in late 2008, and he is not sure who is presently holding that debt (Tr. 54). The collection agency for the debt in SOR ¶ 1.b is demanding a 20% down payment to even discuss settling that debt (Tr. 55-56). He has made no effort to contact his medical creditors (SOR ¶¶ 1.c, 1.d, and 1.e) (Tr. 56-57), the credit card lender owed the \$3,915 (SOR ¶ 1.f) (Tr. 58), or the retailer owed the \$307 in SOR ¶ 1.g (Tr. 59). Applicant has disputed the debt in SOR ¶ 1.h with the telephone service provider (Tr. 59). In early May 2009, he contacted the agent collecting the debt in SOR ¶ 1.i, and was informed that the client wanted the balance paid off within six months. Applicant was rebuffed in his offer to make small monthly payments (Tr. 60-61).

Applicant and his spouse use a debit card for household purchases now (Tr. 76, 93). Applicant's spouse has a couple of credit card debts from the past on which she is making payments (Tr. 94). They have cut back on a few expenses (groceries, gasoline, school lunches) to save money (Tr. 109).

Applicant and his spouse owed back property taxes on their home of \$4,000 that they have been repaying since January 2009 at \$400 a month (Tr. 36-37) with what little he has of his income tax refund (Tr. 65). Applicant has not had any overtime available at work since January 2009. His current hourly wage is about \$12.30 (Tr. 37). His spouse still works full-time as a temporary employee for the computer hardware manufacturer (Tr. 53). In March 2009, the company cut contractor's pay, including his spouse's, by

2.5% (from \$18 to about \$17.55 hourly) because of the economy (Tr. 89-90). Applicant intends to resolve his delinquent debt but with the property tax repayments and lack of overtime, he does not have the funds to do so at present (Tr. 39). His two sons will be attending the local public vocational technical high school in the fall (Tr. 41), so he will no longer be paying parochial school tuition for them. The family has received tuition assistance from the parochial school since his accident in 2004 (Tr. 41). Applicant and his spouse applied for scholarships and tuition assistance for their daughter for 2010 in the hope of reducing the \$3,000 tuition bill for next year (Tr. 79). As of early May 2009, Applicant had \$1,200 in his checking account, but had outstanding checks that when processed would reduce the positive balance to \$150 (Tr. 79-80).

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.” *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). When evaluating an applicant’s suitability for a security clearance, the administrative judge must consider the 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 overarching 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 that 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 for financial considerations is set out in AG ¶ 18 of the adjudicative guidelines:

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.

As of February 2009, Applicant owed about \$17,800 (SOR ¶¶ 1.a, 1.b, 1.f, 1.g, and 1.i) in consumer credit debt, and medical debt of \$1,350 (SOR ¶¶ 1.c, 1.d, and 1.e) that became delinquent when he was unemployed in 2007. The evidence is insufficient to prove any ongoing liability for the \$186 debt alleged in SOR ¶ 1.h. A \$186 collection balance appeared on his credit record as of June 2008 (Ex. 3). However, Applicant indicated during his July 2008 subject interview that he believed the debt was his father’s. He later claimed in November 2008 that it had been paid, and he provided a credit report (Ex. 2) that did not include the alleged debt. AG ¶ 20(e), “the individual has a reasonable basis to dispute the legitimacy of the past-due debt which is the cause of the problem and provides documented proof to substantiate the basis of the dispute or provides evidence of actions to resolve the issue,” applies, but only as to SOR ¶ 1.h. His undisputed delinquent debts raise security concerns under AG ¶ 19(a), “inability or unwillingness to satisfy debts,” and AG ¶ 19(c), “a history of not meeting financial obligations.”

Available information shows that Applicant’s financial problems are recent and more extensive than reflected in the SOR. About \$64,000 in an insurance settlement received in early 2007 went to paying other debts not alleged in the SOR, including other outstanding credit card balances, parochial school tuition, and the mortgage. As of May 2009, Applicant had not made any payments toward his admitted delinquencies because he was paying \$400 per month in delinquent property taxes that were not alleged in the SOR. AG ¶ 20(a), “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,” does not apply.

Mitigating condition AG ¶ 20(b), “the conditions that resulted in the financial problem were largely beyond the person’s control (e.g., loss of employment, a business downturn, unexpected medical emergency, or a death, divorce or separation), and the individual acted responsibly under the circumstances,” is pertinent. Applicant’s financial difficulties started for the most part after his serious on-the-job injury in April 2004. While his workmen’s compensation was almost the equivalent of his hourly wage, he lost potential overtime earnings and his spouse was not employed outside the home. In June 2004, she began working part-time, and during tax season in 2005, she held a second job working full-time to pay their expenses. They managed to get by, paying the minimums on credit card balances (Tr. 72) and paying other obligations late. They were late at least 60 days twice on their mortgage in 2004/early 2005, but after they refinanced in November 2005, they made their monthly mortgage payments on time. Over the May/June 2006 time frame, Applicant opened the credit card accounts in SOR ¶¶ 1.a and 1.b that he used for miscellaneous household expenses. In June 2006, the account in SOR ¶ 1.h was opened with Applicant as an authorized user for the same purposes.⁵ Before they had an opportunity to get ahead financially, Applicant became infected with MRSA in summer 2006. Medical insurance through his spouse’s employer did not cover all of his care (see SOR ¶¶ 1.c-1.e). Although he was medically cleared in November 2006, Applicant was not given the opportunity to return to work before he was laid off in January 2007. Injury, illness, and job layoff are circumstances that implicate AG ¶ 20(b).

At the same time, for AG ¶ 20(b) to fully apply, Applicant must have acted responsibly. The government has some concerns in this regard, because the debts at issue in the SOR became delinquent apparently after Applicant received about \$64,000 in an insurance settlement from his industrial accident. Applicant explained that the funds went to pay his mortgage and parochial school tuition for his children, to purchase a computer for \$1,900, to reduce outstanding credit card balances totaling about \$15,000 (Tr. 71), for car repairs, and to repay his mother-in-law for a \$7,000 to \$8,000 loan for a down payment on a vehicle purchased in February 2006. He also indicated on his SF 86 that he had paid off a secured loan of \$1,500 in early 2007. Assuming monthly mortgage and tuition payments of \$929 and \$190 similar to what he was paying in November 2008, this would account for only about \$13,048 of the settlement monies. With another \$1,900 going to pay for the computer and \$7,000 to \$8,000 provided to his mother-in-law, Applicant would have had about \$41,000 of the settlement monies for credit card and other debt repayments and living expenses. Even if he paid \$15,000 on old delinquent debt not evident in the record available for review, and \$1,500 to satisfy the loan listed on his SF 86, he would have been left with about \$24,500. As of November 2008, he estimated his monthly expenses (excluding mortgage) to be \$2,279. Although his \$350 estimate of food for a family of five seems low, the balance of the settlement should have been sufficient to cover their expenses for the nine months he was out of work in 2007. Given the insurance settlement monies, Applicant’s unemployment and history of low-wage earnings do not fully extenuate his failure to make at least minimum payments on the accounts in the SOR to keep them current in

⁵Applicant does not dispute that he and/or his spouse incurred the charges on the account for miscellaneous household expenses.

2007. However, Applicant's financial situation was again negatively impacted by his unemployment during the first half of 2008 when his spouse was making \$16 to \$17 an hour. It is understandable that he and his spouse would still be catching up on their expenses as of late 2008, in light of his starting hourly wage of \$11.17 in his present job. As of November 2008, he estimated they had only \$26.40 per month remaining after expenses. AG ¶ 20(b) applies.

As of May 2009, Applicant had made no effort to resolve his delinquent debts, despite his expressed willingness to start paying on his debts by the end of 2008. Neither AG ¶ 20(c), "the person has received or is receiving counseling for the problem and/or there are clear indications that the problem is being resolved or is under control," nor AG ¶ 20(d), "the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts," apply in this case. Applicant cannot afford the settlement demands of the creditors at present because he is paying \$400 per month toward his delinquent property tax obligation. After the property tax debt is satisfied in October 2009, his spouse will still be indebted to her mother in an amount of about \$321 per month for a vehicle purchased for them in October 2008. Applicant's financial situation should improve in the future because of the efforts to reduce expenses, and the use of debit rather than credit for purchases, however.

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 conduct and all the circumstances in light of 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.

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

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 has paid off each and

every debt listed in the SOR. All that is required is that an applicant demonstrate that he has ‘ . . . established a plan to resolve his financial problems and taken significant actions to implement that plan.’ The Judge can reasonably consider the entirety of an applicant’s financial situation and his actions in evaluating the extent to which that applicant’s plan for the reduction of his outstanding indebtedness is credible and realistic. See Directive ¶ E2.2(a) (‘Available, reliable information about the person, past and present, favorable and unfavorable, should be considered in reaching a determination.’). There is no requirement that a plan provide for payments on all outstanding debts simultaneously. Rather, a reasonable plan (and concomitant conduct) may provide for the payment of such debts one at a time. Likewise, there is no requirement that the first debts actually paid in furtherance of a reasonable debt plan be the ones listed in the SOR.

ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008) (internal citations omitted). Applicant has not repaid the debts in the SOR, and he and his spouse are indebted to her mother for a car purchased for them in October 2008. Yet, it is not doubted that Applicant intends to resolve his debts. He satisfied in full or paid down the balances of credit card accounts in 2007 with the funds from an insurance claim. He has made his mortgage payments on time, excepting for a limited period when he was out of work after a serious industrial accident. Perhaps most significantly, he is not continuing to incur new delinquencies. Taking his financial situation as a whole, he has a meaningful track record of paying on his financial obligations.

One could reasonably argue that parochial school tuition, even at the reduced rate paid by Applicant, was an expenditure that the family could ill afford, especially during Applicant’s unemployment. Applicant obviously put his family’s desires ahead of his financial obligations to his creditors, but his financial problems were not due to extravagance. Showing that he understands the importance of paying his obligations, his two sons will be attending the local public vocational technical high school in the fall. He is not likely to jeopardize the job that he needs to support his family by engaging in illegal conduct to generate funds, or by incurring debt that he has no intent of repaying. Once he pays off his delinquent property tax debt, he plans to begin making payments on his other debts.

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

Conclusion

In light of the record in this case, it is clearly consistent with the national interest to grant Applicant a security clearance and/or assignment to sensitive duties. Eligibility for access to classified information is granted.

ELIZABETH M. MATCHINSKI
Administrative Judge