



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



In the matter of: )  
 )  
----- ) ISCR Case No. 08-11003  
SSN: ----- )  
 )  
Applicant for Security Clearance )

**Appearances**

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

August 18, 2009

**Decision**

MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant has several delinquent debts on her credit record that she disputes. She owes a \$1,372 small claims judgment from June 2005 that she believes may be for failure to pay restitution from a 2001 vandalism incident when she was 18. She is currently pursuing legal action to determine who stole her identity, and the delay in addressing her restitution debt is credibly explained by medical issues that have diverted her attention and negatively affected her finances. Applicant did not list any delinquent debts or the judgment on her security clearance application because she had only recently learned of them and believed they were not her debts. Clearance is granted.

**Statement of the Case**

Applicant submitted an Electronic Questionnaire for Investigations Processing (e-QIP) on May 28, 2008. On February 6, 2009, the Defense Office of Hearings and Appeals (DOHA) issued to Applicant a statement of reasons (SOR) detailing the security concerns under Guideline F and Guideline E that provided the basis for its preliminary decision to deny her 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) effective within the Department of Defense as of September 1, 2006.

On February 24, 2009, Applicant answered the SOR and requested a hearing. The case was assigned to me on April 2, 2009, to conduct a hearing and to determine whether it is clearly consistent with the national interest to grant or continue a security clearance for Applicant. On May 4, 2009, I scheduled a hearing for May 28, 2009.

I convened the hearing as scheduled. Six government exhibits (Ex. 1-6) and seven Applicant exhibits (Ex. A-G) were admitted without any objections. Applicant also testified, as reflected in a transcript (Tr.) received on June 8, 2009.

At Applicant's request, I held the record open for two weeks for her to submit additional documentation to substantiate her claim of identity theft. Applicant submitted two documents, a statement and copy of a complaint and affidavit, which were marked and entered as Exhibits H and I. Department Counsel filed no objections by the June 22, 2009, due date.

### **Findings of Fact**

DOHA alleged under Guideline F, financial considerations, that Applicant owes ten delinquent debts totaling \$12,881 (SOR ¶¶ 1.a–1.j). Under Guideline E, personal conduct, Applicant was alleged to have deliberately falsified her May 2008 e-QIP by failing to disclose an outstanding judgment debt in response to question 27 (SOR ¶ 2.a) or any debts delinquent over 180 days in the past seven years in response to question 28 (SOR ¶ 2.b). In her Answer, Applicant admitted that she had outstanding debts in her name, but asserted she was a victim of identity theft. She indicated she first learned of the debts in February/March 2008 but was delayed in her efforts to have them removed from her credit record because of her mother's terminal illness and her own cancer diagnosis. At her hearing, she acknowledged owing a \$1,372 judgment from June 2005 that she thought had been covered by insurance (Tr. 11-12). She also explained that she had not listed the debts on her e-QIP because she did not incur them. After considering the pleadings, transcript, and exhibits, I make the following findings of fact.

Applicant is a 26-year-old high school graduate, who has been employed as an office clerk on a military installation since May 2008 (Ex. 1), initially on a temporary basis. Her supervisor fought for her to become a permanent employee, and in spring 2009 Applicant was given a permanent position with a defense contractor (Ex. C). She was granted an interim secret clearance in late May 2008 (Ex. G).

Applicant held a series of jobs after high school (child care worker, convenience store cashier, waitress, receptionist) (Ex. 1). In June 2005, a creditor obtained a \$1,372

small claims judgment against her (SOR ¶ 1.b)<sup>1</sup> (Ex. 5). Applicant had not paid court-ordered restitution for a damaged windshield from an incident that occurred in the summer following her high school graduation in 2001. After drinking to intoxication, Applicant accompanied two friends who wanted to retaliate against one of their former boyfriends. A friend drove Applicant's car as she sat in the rear seat. Someone (Applicant denies culpability) threw a rock from their vehicle and cracked the ex-boyfriend's car windshield. Applicant was implicated by her friends in the vandalism when they were questioned by the police. Despite her repeated denials of culpability, she agreed to plead no contest to one count of obstruction of justice. She was placed on one year probation, fined \$93, and ordered to pay restitution for the damaged windshield (Ex. 6, Tr. 42-46). When Applicant asked about paying restitution, she was told by her probation officer that repair costs were covered by an insurance company and that the victim would have to proceed against her in small claims court (Tr. 101). She made no effort to confirm the accuracy of the advice (Tr. 101-02).

In May 2007, she began working as a membership service representative at a local branch of the YMCA. Responsible for greeting members and visitors and for walk-in sales, she has continued to maintain that job part-time (one to two shifts a week) while working for the defense contractor (Tr. 30). She is considered to be an asset to the YMCA (Ex. B) as well as to her supervisors at the military base. Applicant's primary employment is at a government information technology center's call center/help desk, where she has been courteous, responsible, and conscientious (Exs. C, D).

Applicant and her significant other, who have cohabited at their present residence since June 2007 (Tr. 33), sought a mortgage to purchase a home together in February 2008 (Ex. I, Tr. 35). At that time, the mortgage lender checked both of their credit records. Several accounts were reported as delinquent on Applicant's credit record, including a cellular telephone debt of \$235 (SOR ¶ 1.a) and credit card accounts, that she did not recognize (Exs. 4, 6). Applicant had not opened a credit card account since she was 18 and had "maxed-out" the \$400 balances on two credit cards. She closed the accounts after paying them off (Ex. 6, Tr. 37). Believing she had been the victim of identity theft, Applicant placed a 90-day fraud alert on her credit record. She was told that she could do nothing to erase the fraudulent entries from her credit record other than wait seven years when they would then be removed (Ex. 6). Applicant was also preoccupied with caring for her mother, who suffered from stage III cervical cancer, and had learned during a January 2008 hospitalization that her disease had metastasized. Applicant's mother required daily radiation and three times weekly chemotherapy, and Applicant drove her mother to those treatments in February 2008 (Tr. 49-52).

In about March 2008, Applicant and her significant other vacationed in Florida when they were approached by a sales person about vacation ownership at a golf resort in Florida. After touring the facility, and at the urging of her boyfriend, Applicant and her

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<sup>1</sup>The address listed for Applicant on the small claims court judgment (Ex. 5) is apparently her sister's address (Tr. 64). Applicant denied that she ever lived at that address, that she ever used that address to receive mail or bills, or that she provided that address to the police or court (Tr. 64-65).

boyfriend jointly bought a timeshare interest at the resort that costs them \$296 per month plus \$600 a year in taxes (Tr. 66, 105). The timeshare will be paid off in 2015 (Tr. 66).

In May 2008, Applicant began working on a military installation as a temporary contract worker in an information technology department. She completed an e-QIP on May 28, 2008,<sup>2</sup> and did not disclose the 2001 obstruction of justice charge in answer to question 23.f, concerning any arrests or charges within the last seven years. She did not list the judgment debt in response to question 27.d, "In the last 7 years, have you had any judgments against you that have not been paid." She also responded "No" to questions 28.a, concerning any debts delinquent over 180 days in the last seven years, and 28.b, concerning any debts currently delinquent over 90 days (Ex. 1). Applicant had been advised that she would have the opportunity to explain her answers during a subject interview (Tr. 48).

A check of Applicant's credit on June 12, 2008, revealed several past due accounts in her name in addition to the judgment debt: a telephone services debt of \$235 on an account opened in October 2000 with last activity in May 2004 (SOR ¶ 1.a); a charged off credit card debt of \$1,692 in collection since May 2007 (SOR ¶¶ 1.c and 1.h duplicate); a retail revolving charge debt of \$3,680 in collection with no activity since February 2003 (SOR ¶ 1.d); a \$1,464 credit card debt in collection (SOR ¶¶ 1.f and 1.i duplicate), a \$1,331 VISA credit card debt charged off in May 2003 (SOR ¶ 1.g), and a \$208 cellular phone debt in collection since September 2003 (SOR ¶ 1.j) (Ex. 4). She was current in her car payments on a \$13,481 loan taken out in September 2006 (Ex. 4) for the purchase of a pre-owned 2000 model-year vehicle (Tr. 37). Her loan has an interest rate of 17% (Tr. 38) with her monthly payment at \$309.74 for 72 months (Tr. 39). There was a security alert noted in her credit record because of a substantial address variance. Applicant was listed as having lived at her home address as well as an address that belongs to her sister. Applicant's first and last names were associated with that address, but the middle initial was different.<sup>3</sup>

Applicant was interviewed by a government investigator on June 25, 2008, about the vandalism incident, the debts listed on her credit report, and her failure to disclose her arrest or the debts on her e-QIP. Applicant denied incurring the debts and surmised she had been the victim of identity fraud via the Internet in about 2000. She indicated she first learned of the debts in April 2008 [sic], when she and her boyfriend applied for a mortgage loan. She denied having any credit cards other than two accounts that she

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<sup>2</sup>Applicant certified the accuracy of the information electronically on May 21, 2008, but she did not sign the form until May 28, 2008 (Ex. 1).

<sup>3</sup>Conceivably, Applicant's sister or her sister's ex-husband could have fraudulently obtained credit in her name, given the address information on the credit reports and Applicant's representation during her subject interview that her sister owed between \$2,000 and \$3,000 to the retailer who had referred a collection account in her name to the assignee in SOR ¶ 1.b. Applicant was not asked how she knew her sister owed the retailer. It is less likely that Applicant is lying about never having opened the accounts or having lived with her sister given her background was being investigated by the government. She would not have known the scope of the investigation.

opened in 2000 in her name and quickly charged their credit limit of \$400. On her mother's advice, she closed the accounts after paying off the delinquent balances. She denied she ever held a cellular phone account in her name. Other than putting a fraud alert on her account for 90 days, she had done nothing about the debts and did not intend to repay them. Applicant recalled receiving a collection letter within the last month or two that could have been related to the judgment debt but she did not respond because she assumed it was a result of Internet fraud and she understood there was nothing she could do other than pay the debt. She did not recognize the name of the collection agency holding the judgment (Tr. 63). She also received calls from the original lender of SOR ¶ 1.d, but she assumed the creditor had mistaken her for her sister, who owed between \$2,000 and \$3,000 to the original lender. Applicant explained she had not listed any of the delinquent accounts on her e-QIP because she had not incurred the debts. Applicant indicated she was current in her car loan and was not knowingly delinquent on any of her accounts. She had not listed her 2001 arrest on her e-QIP because she had been told it would be expunged from her record after three years since it was her first offense and she pled no contest (Ex. 6).

Applicant's mother died in June 2008 (Tr. 52). In August 2008, Applicant underwent cancer surgery herself, and she was out of work for five weeks (Tr. 52). She returned to work on a part-time basis in mid-September 2008 (Tr. 52). In the fall of 2008, she contacted the creditors in SOR ¶¶ 1.a and 1.f about deleting the debts but was told that she would have to file a complaint with the police, who were not receptive to her claim of identity theft (Tr. 53-57). She was unsuccessful in her attempts to speak with a representative of the collection agency in SOR ¶ 1.d (Tr. 53) or the bank in SOR ¶ 1.g (Tr. 54-55).

At DOHA's request, Applicant responded to financial interrogatories and completed a personal financial statement on December 12, 2008. She reiterated she had been the victim of identity theft and was not making payments on those accounts that were not opened by her, but she had begun repaying recent medical debt. Applicant estimated that she and her significant other were operating at a net deficit of \$61 each month after paying monthly expenses, including \$296 per month for the timeshare at a golf club (Ex. 2) but not including her car payment of \$309 (Tr. 69). Applicant now challenges the accuracy of those figures in that she managed to pay her bills by not spending when she did not have the money, and by relying on her boyfriend and her father for help when needed (Tr. 79).

In December 2008, she began repaying medical bills totaling between \$17,000 and \$22,000 from her surgery at between \$300 and \$400 a month. She did not have medical insurance at the time of her surgery and is under a payment plan with the hospital to repay her \$16,000 debt to them (Ex. 2, Tr. 68-69, 98-99).

As of December 23, 2008, Equifax was still reporting that Applicant owed the delinquent debts in SOR ¶¶ 1.a (updated balance \$389), 1.b, 1.c (updated balance \$1,492 of \$918 debt listed in SOR ¶¶ 1.f and 1.i), 1.d (\$3,821 updated balance), 1.e, and 1.g (Ex. 3). On May 27, 2009, Applicant put a fraud alert on her credit record (Ex. E), and she filed a complaint with the local police of identity fraud from November 2001,

alleging that about \$16,000 of credit card debts had been incurred illegally in her name within one month's time, and that she learned of the fraudulent activity in February 2008.<sup>4</sup> She listed a former friend as the possible perpetrator because this friend disappeared around the time the accounts were opened and she knew her social security number from when they used to work together as cocktail waitresses (Ex. I, Tr. 59-60). Applicant was given a copy of the report so that she could cancel the fraudulent credit card accounts (Ex. A). As of June 2009, Applicant had met with a local police detective in an effort to determine who had stolen her identity (Ex. H).<sup>5</sup>

Applicant received a tax refund of \$1,200 for tax year 2008 that she used to pay off some medical bills, veterinary costs, and groceries (Tr. 108). As of late May 2009, Applicant was relying on some financial assistance from her father (Tr. 79). Applicant's rent was scheduled to increase from \$1,165 to \$1,270 at the end of May 2009 (Tr. 67). She does not have her own bank account. She testified that she was told by a collection agency in about early April 2009 that her bank account could be attached to recover delinquent debt (Tr. 71-72).<sup>6</sup> Applicant has not yet contacted the court or the collection agency in SOR ¶ 1.b regarding the judgment debt (Tr. 74), although she intends to repay it if it is shown to be valid (Tr. 102). Applicant is willing to press charges against whomever stole her identity (Tr. 79). As of June 11, 2009, Applicant's hourly wage was \$18. She needs her job to pay her medical bills (Ex. H).

## 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 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

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<sup>4</sup>Applicant listed the debts in SOR ¶¶ 1.a, 1.c, 1.d, 1.g, and 1.h. From my review of the available credit records, SOR ¶ 1.h does not represent an additional debt and instead was the original amount referred for collection to the assignee in SOR ¶ 1.c. Applicant did not include the debt in SOR ¶ 1.e (SOR ¶¶ 1.f and 1.i duplicate listings) or SOR ¶ 1.j, which does not appear on her latest credit report.

<sup>5</sup>Applicant explained that the police were more receptive this time because a detective she knows from the YMCA told her to come in and file the report while he was working (Tr. 58).

<sup>6</sup>When asked which collection agency claimed it could withdraw what she owed from her bank account, Applicant responded she believed it was the assignee listed in SOR ¶ 1.d, although she could not be certain. She had previously testified that she had no success in reaching that creditor ("I don't know if it was the number that was actually correct for them because once I called one number, I got about nine more and I'm pretty much still in the same spot." Tr. 53). Applicant may well have had no success when she tried to contact the creditor even if the creditor managed to reach her once.

commonsense decision. According to AG ¶ 2(c), the entire process is a conscientious scrutiny of a number of variables known as the “whole person concept.” The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a decision.

The protection of the national security is the paramount consideration. AG ¶ 2(b) requires that “[a]ny doubt concerning personnel being considered for access to classified information will be resolved in favor of national security.” In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. 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 about finances 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 is no longer disputing a small claims court judgment of \$1,372 from June 2005 that she believes is for restitution stemming from a 2001 vandalism incident.<sup>7</sup> Another \$8,933 in delinquent debt appears on her credit record that she has consistently maintained was due to theft of her identity. Applicant provided no evidence to confirm that those accounts were fraudulently opened in her name. However, she filed a complaint with the local police on May 27, 2009, in an effort to determine the source of the debts. Applicant recently placed a fraud alert on her credit record. At this juncture, it would be premature to conclude that she will not have to repay the debts, but her actions are in accord with her stated belief that the debts were not incurred by her. She is unlikely to have filed a knowingly false report implicating a former friend for she would be opening herself up to possibly subjecting herself to criminal prosecution.

AG ¶ 19(c), “a history of not meeting financial obligations” applies to the small claims court judgment that has not been paid. AG ¶ 19(a), “inability or unwillingness to satisfy debts,” is also implicated because it is unclear whether Applicant has the financial means to satisfy the restitution (or other debts, if any, that are shown to be hers after they are investigated). Applicant reported a net monthly deficit of \$61 as of December 2008, not including her car payment. She contends that she has nonetheless managed to meet her obligations by reducing her spending when necessary, and her father has given her some financial help. But she also used some of her income tax refund to pay bills, and she owes between \$17,000 and \$22,000 in medical debt.

Since the small claims judgment has not been paid, and the source of the other debts has yet to be determined, 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,” cannot reasonably apply in mitigation. 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,” mitigates at least in part the security concerns raised by Applicant’s delay in confronting the identity theft and restitution issues. Applicant knew she was required to pay restitution as part of her sentence for the 2001 obstruction of justice/vandalism incident. At the end of her probation, she asked when she should pay the restitution, and was told that it had been covered by insurance. While she should have questioned that advice, there is no indication that she learned of the small claims judgment or of the delinquent accounts in her name until February 2008 when she and her boyfriend applied for a mortgage. Applicant filed for a 90-day fraud alert but did nothing else at that time as she was helping care for her mother. The evidence also shows that she and her boyfriend managed a trip to Florida during her mother’s illness, and that she showed poor financial judgment in buying into the timeshare. However, her mother’s death and then her own diagnosis with cancer and subsequent treatment, resulting in \$17,000 to \$22,000 of new medical debt, are circumstances under AG 20(b) that explain her inaction. Applicant had other priorities than investigating old debt that she had good

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<sup>7</sup>It is possible that the \$1,376 small claims court judgment is for a debt other than the restitution, although the original creditor is the county district court.



reason to doubt that she incurred. The evidence also shows that Applicant continued to hold a mistaken belief until recently that she could do nothing other than wait for the seven years for the debt to drop off her credit report.

Identity theft, although certainly a circumstance outside of one's control, is more appropriately covered under 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." The filing of a police complaint falls short of the documented proof required to substantiate that the debts were obtained by false pretenses, although it is a necessary initial action to resolve the issue. Applicant has yet to contact the court or the collection agency regarding the judgment debt. It would be premature at this point to fully apply AG ¶¶ 20(e), 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," or 20(d), "the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts." However, under a whole-person concept, Applicant has shown that her finances are under control. She is making timely payments on her car loan, the vacation ownership interest, her rent, and the hospital debt incurred as a result of her cancer surgery.

### **Guideline E, Personal Conduct**

The security concern 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.

Applicant does not dispute that she responded "No" to the judgment and debt delinquency inquiries on her e-QIP.<sup>8</sup> At her hearing, she admitted that she "technically" should have responded "Yes" because she had recently learned there was debt in her name. Substantial 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" (AG ¶ 16(a)). Yet Applicant's motive was not to conceal information from the government. She did not disclose the debts or judgment because she believed they were incurred fraudulently by someone who had stolen her identity. She understood she would be given an opportunity to explain the situation in an interview (Tr. 48), and during that interview she

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<sup>8</sup>DOHA did not allege Applicant's omission of her 2001 arrest from her e-QIP. Presumably, DOHA accepted her explanation that she believed it need not be reported since she had been told it would be expunged.

asserted that the debts were fraudulently incurred. She volunteered that she had contact with her sister's ex-husband who was a convicted felon through interactions involving her niece and nephew. AG ¶ 16(a) does not apply in the absence of willful intent.

### **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.

Applicant has shown some financial naivete in taking out an automobile loan at 17% interest. She showed her immaturity in drinking to intoxication, which led to the vandalism and restitution debt. The rock was thrown from her car when she was present, even if one of her companions was culpable of the vandalism. She showed poor financial judgment and susceptibility to pressure when she bought into the vacation ownership in March 2008. Although she and her boyfriend have apparently been able to make their monthly payments, she had learned just one month earlier that some credit card debts were listed on her credit record. She believed they were not hers, but she also did not know whether she would be held responsible for them. Her purchase of the vacation interest is difficult to justify under those circumstances.

Family and personal medical issues understandably diverted her attention from investigating those disputed debts in 2008, although she should have acted more aggressively in 2009 to get to the root of the debts. Instead, she waited until the day before her hearing to file a report with the police. But her filing of a formal complaint of identity theft (debt by false pretenses) is an indication of her seriousness in resolving the issue. She has no open active credit card accounts in her name, and is making monthly payments on her car loan, the timeshare, and her medical debt. She continues to work part-time (one or two shifts per week) at the YMCA in addition to maintaining her defense contractor employment. Her work references are uniformly positive concerning her professionalism, conscientiousness, and reliability on the job, even while she was experiencing stressful issues at home. She has explained her failure to disclose her debts and even her arrest on her SF 86 and she now understands that she should have listed them whether or not they were her debts or whether she believed the arrest had been expunged from her record.

## Formal Findings

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

Paragraph 1, Guideline F: FOR APPLICANT

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

Paragraph 2, Guideline E: FOR APPLICANT

Subparagraph 2.a:	For Applicant
Subparagraph 2.b:	For Applicant

## Conclusion

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

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ELIZABETH M. MATCHINSKI  
Administrative Judge