



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



In the matter of:)
)
-----) ISCR Case No. 09-03387
SSN: -----)
)
Applicant for Security Clearance)

Appearances

For Government: Caroline H. Jeffreys, Esquire, Department Counsel
For Applicant: *Pro se*

April 27, 2010

Decision

GALES, Robert Robinson, Administrative Judge:

Applicant failed to mitigate the security concerns regarding financial considerations. Eligibility for a security clearance and access to classified information is denied.

Statement of the Case

On February 5, 2009, Applicant applied for a security clearance and submitted an Electronic Questionnaires for Investigations Processing version of a Security Clearance Application (e-QIP).¹ On a subsequent unspecified date in 2009, the Defense Office of Hearings and Appeals (DOHA) furnished him a set of interrogatories pertaining to his financial situation. He responded to the interrogatories on July 30, 2009.² On December 3, 2009, DOHA issued a Statement of Reasons (SOR) to him, pursuant to Executive Order 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended and modified; Department of Defense Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended and

¹ Government Exhibit 1 (e-QIP), dated February 5, 2009.

² Government Exhibit 2 (Applicant's Answers to Interrogatories, dated July 30, 2009).

modified (Directive); and *Adjudicative Guidelines for Determining Eligibility For Access to Classified Information* (effective within the Department of Defense on September 1, 2006) (hereinafter AG) for all adjudications and other determinations made under the Directive. The SOR alleged security concerns under Guideline F (Financial Considerations), and detailed reasons why DOHA could not make a preliminary affirmative finding under the Directive that it is clearly consistent with the national interest to grant or continue a security clearance for Applicant, and recommended referral to an administrative judge to determine whether a clearance should be granted, continued, denied, or revoked.

Applicant acknowledged receipt of the SOR on December 10, 2009. In a sworn, written statement, dated January 25, 2010, Applicant responded to the SOR allegations and requested a hearing before an administrative judge. Department Counsel indicated the Government was prepared to proceed on February 25, 2010, and the case was assigned to me on March 4, 2010. A Notice of Hearing was issued on March 12, 2010, and I convened the hearing, as scheduled, on April 1, 2010.

During the hearing, six Government exhibits were admitted into evidence, without objection. Applicant testified, but offered no exhibits. The transcript (Tr.) was received on April 8, 2010.

Findings of Fact

In his Answer to the SOR, Applicant admitted all of the factual allegations (¶¶ 1.a. through 1.o.) of the SOR.

Applicant is a 32-year-old employee of a defense contractor, currently serving as a test vehicle operator,³ and he is seeking to obtain a security clearance. He received a high school diploma or equivalent in 1997.⁴ He has no military background.⁵ From 2001 to 2009, he held a variety of “odd jobs” in the private sector, including equipment operator, laborer, truck driver, and equipment transporter.⁶ Applicant was hired by his current employer in February 2009.⁷

Although Applicant has never married, he has maintained a “spouse-like” relationship since 1998 with a woman he refers to as his “wife,” and they have one daughter, born in 2001.⁸

³ Government Exhibit 1, *supra* note 1, at 15.

⁴ *Id.* at 14.

⁵ Tr. at 60.

⁶ Government Exhibit 1, *supra* note 1, at 17-22.

⁷ *Id.* at 15.

⁸ *Id.* at 28-29, 31.

Financial Considerations

There was nothing unusual about Applicant's finances until about 2007-08. In 2006-07, with a thriving economy, he had been making a good income, was living well within his means, and could easily afford making his monthly payments.⁹ At its peak, Applicant was making a net salary of between \$4,400 and \$4,600 per month.¹⁰ In August 2006, he purchased a residence for \$180,000 and took out two mortgages to do so. His first mortgage was for 80% of the purchase price, and the second mortgage covered the remaining 20%.¹¹

As the economy worsened, there was less demand for his services, and his employer slowly reduced his hours. By mid-2008, his income had decreased to about 50% of what he had been making the previous year.¹² He was laid off in October 2008,¹³ and the employer eventually went out of business.¹⁴ With reduced or no income, Applicant sold off some personal property, including furniture and a motor vehicle, in an effort to maintain his financial obligations.¹⁵ Despite his efforts, Applicant was unable to make his monthly \$1,450 mortgage payments.¹⁶ Unable to refinance his first mortgage or his home equity second mortgage because of the reduced value of the residence, he abandoned the property and relocated his family to another city to reside rent-free with his "in-laws."¹⁷ The residence went into foreclosure, and was sold at auction in October 2008.¹⁸ After a period of unemployment starting in October 2008, Applicant promptly found another job in February 2009.¹⁹

In March 2009, Applicant stated to an Office of Personnel Management (OPM) investigator that he would "soon be able to resume payments to his creditors and his plan is to pay all of his past due debts."²⁰ In June 2009, his father passed away and

⁹ Government Exhibit 2 (Applicant's Personal Subject Interview, dated March 24, 2009), at 1, attached to Response to Interrogatories, dated July 30, 2009.

¹⁰ Tr. at 19.

¹¹ Government Exhibit 2, *supra* note 9, at 4

¹² *Id.*

¹³ Government Exhibit 1, *supra* note 1, at 19. In his e-QIP, Applicant indicated he had been laid off in November 2008, but during the hearing, he corrected the date to October 2008. Tr. at 55.

¹⁴ Government Exhibit 2, *supra* note 9, at 4.

¹⁵ Tr. at 20.

¹⁶ Government Exhibit 2, *supra* note 9, at 4.

¹⁷ *Id.* at 4-5.

¹⁸ *Id.* at 4.

¹⁹ Tr. at 55.

²⁰ Government Exhibit 2, *supra* note 9, at 5.

Applicant incurred \$1,200 in additional debt to cover the funeral expenses.²¹ He is repaying his employee emergency relief fund \$25 per pay period until the entire loan is repaid.²² In July 2009, Applicant submitted a personal financial statement indicating monthly net income of \$2,400, monthly expenses of \$2,080, and a net remainder of \$230 available for discretionary spending.²³ He did not list any of his delinquent accounts as financial obligations.

In July 2009, Applicant claimed he made inquiries with various debt consolidation firms in order to decide what his best course of action might be regarding his delinquent accounts. He was unsure if it might be better to consolidate his debts or create a payment plan for each debt.²⁴ He again stated his intention to resolve his debts.²⁵

In January 2010, Applicant underwent two hours of credit counseling provided by Consumer Credit Counseling Services (CCCS).²⁶ The counseling consisted of information on interest rates and financial obligations.²⁷ He subsequently received one hour of internet and telephone credit counseling provided by another agency.²⁸ On January 7, 2010, without the assistance of an attorney, Applicant filed a petition for bankruptcy under Chapter 7 of the U.S. Bankruptcy Code.²⁹ He contends his filing for bankruptcy is “evidence that [he is] no longer financially overextended. . . .”³⁰

The SOR contained allegations pertaining to 15 delinquent accounts, totaling approximately \$197,724. Four of the accounts (SOR ¶¶ 1.a. through 1.d.), totaling \$2,259, were for medical bills incurred when Applicant was injured while on the job, and which should have been covered by workmen’s compensation.³¹ They were never processed properly by his former employer.³² Two of the accounts (SOR ¶¶ 1.n. and 1.o.), totaling \$181,507, were for his second and first mortgages, respectively. The nine

²¹ Tr. at 42-44.

²² *Id.* at 43.

²³ Government Exhibit 3 (Applicant’s Personal Financial Statement, undated July, 2009), attached to Response to Interrogatories, dated July 30, 2009.

²⁴ Government Exhibit 3 (Applicant’s Answers to Interrogatories, dated July 30, 2009), at 1-4.

²⁵ *Id.*

²⁶ Tr. at 55-57; CCCS Certificate of Completion, undated, attached to Applicant’s Answer to SOR, dated January 25, 2010.

²⁷ *Id.* at 56.

²⁸ Certificate of Counseling, dated January 7, 2010, attached to Applicant’s Answer to SOR, *supra* note 26.

²⁹ Notice of Bankruptcy Case Filing, dated January 7, 2010, attached to Applicant’s Answer to SOR; Tr. at 50.

³⁰ *Id.*, Applicant’s Answer to SOR, *supra* note 26.

³¹ Tr. at 27-29.

³² *Id.* at 29-30.

remaining accounts (SOR ¶¶ 1.e. through 1.m.), totaling \$11,486, were for such diverse creditors as credit cards, department stores, warehouse stores, electronic outlets, cable and communications providers, and a water softener service. All of the accounts had been placed for collection with a variety of collection agents, and some of the accounts had been charged off. Despite his repeated promises to resolve his delinquent debts, Applicant had made insufficient efforts to make any payments to any of the creditors since 2008.³³ Applicant conceded, that with a net monthly remainder of \$230 available for discretionary spending, there was “actually no reason for [him] not to be able to pay” even the smallest of his debts, referring to debts in the amount of \$105 (SOR ¶ 1.j.) or \$192 (SOR ¶ 1.g.).³⁴

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.”³⁵ As Commander in Chief, the President has the authority to control access to information bearing on national security and to determine whether an individual is sufficiently trustworthy to have access to such information. The President has authorized the Secretary of Defense or his designee to grant an applicant eligibility for access to classified information “only upon a finding that it is clearly consistent with the national interest to do so.”³⁶

When evaluating an applicant’s suitability for a security clearance, the administrative judge must consider the AG. In addition to brief introductory explanations for each guideline, the AG list potentially disqualifying conditions and mitigating conditions, which are useful in evaluating an applicant’s eligibility for access to classified information.

An administrative judge need not view the guidelines as inflexible, ironclad rules of law. Instead, acknowledging the complexities of human behavior, these guidelines are applied in conjunction with the factors listed in the adjudicative process. The administrative judge’s overarching adjudicative goal is a fair, impartial, and commonsense decision. The entire process is a conscientious scrutiny of a number of variables known as the “whole-person concept.” The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a meaningful decision.

³³ Tr. at 31-33; Applicant’s Answer to SOR, *supra* note 26.

³⁴ *Id.* at 54.

³⁵ *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988).

³⁶ Exec. Or. 10865, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960), as amended and modified.

In the decision-making process, facts must be established by “substantial evidence.”³⁷ The Government initially has the burden of producing evidence to establish a potentially disqualifying condition under the Directive, and has the burden of establishing controverted facts alleged in the SOR. Once the Government has produced substantial evidence of a disqualifying condition, under Directive ¶ E3.1.15, the applicant has the burden of persuasion to present evidence in refutation, explanation, extenuation or mitigation, sufficient to overcome the doubts raised by the Government’s case. The burden of disproving a mitigating condition never shifts to the Government.³⁸

A person who seeks access to classified information enters into a fiduciary relationship with the government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours as well. It is because of this special relationship that the government must be able to repose a high degree of trust and confidence in those individuals to whom it grants access to classified information. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified information. Furthermore, “security clearance determinations should err, if they must, on the side of denials.”³⁹

Clearance decisions must be “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.”⁴⁰ Thus, nothing in this decision should be construed to suggest that I have based this decision, in whole or in part, on any express or implied determination as to Applicant’s allegiance, loyalty, or patriotism. It is merely an indication the Applicant has not met the strict guidelines the President and the Secretary of Defense have established for issuing a clearance. In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. Likewise, I have avoided drawing inferences grounded on mere speculation or conjecture.

Analysis

Guideline F, Financial Considerations

The security concern relating to the guideline for Financial Considerations is set out in AG ¶ 18:

³⁷ “Substantial evidence [is] such relevant evidence as a reasonable mind might accept as adequate to support a conclusion in light of all contrary evidence in the record.” ISCR Case No. 04-11463 at 2 (App. Bd. Aug. 4, 2006) (citing Directive ¶ E3.1.32.1). “Substantial evidence” is “more than a scintilla but less than a preponderance.” See *v. Washington Metro. Area Transit Auth.*, 36 F.3d 375, 380 (4th Cir. 1994).

³⁸ See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005).

³⁹ *Egan*, 484 U.S. at 531

⁴⁰ See Exec. Or. 10865 § 7.

Failure or inability to live within one's means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise questions about an individual's reliability, trustworthiness and ability to protect classified information. An individual who is financially overextended is at risk of having to engage in illegal acts to generate funds. . . .

The guideline notes several conditions that could raise security concerns. Under AG ¶ 19(a), an "inability or unwillingness to satisfy debts" is potentially disqualifying. Similarly, under AG ¶ 19(c), "a history of not meeting financial obligations" may raise security concerns. As noted above, there was nothing unusual about Applicant's finances until about 2007-08. He had been making a good income and was living well within his means. By mid-2008, with a deteriorating economy, his hours were reduced and his income had decreased to about 50% of what he had been making the previous year. He was laid off in October 2008 and did not find employment until February 2009. With reduced or no income, he tried to keep his bills current but was unable to do so, even by selling personal property to generate cash. Unable to refinance his residence mortgages because of the reduced value of the residence, he abandoned the property and relocated his family to another city to reside rent-free. The residence went into foreclosure and was sold at auction in October 2008. He has made no payments to any of his creditors since he was laid off. AG ¶¶ 19(a) and 19(c) apply.

The guideline also includes examples of conditions that could mitigate security concerns arising from financial difficulties. Under AG ¶ 20(a), the disqualifying condition may be mitigated where "the behavior happened so long ago, was so infrequent, or occurred under such circumstances that it is unlikely to recur and does not cast doubt on the individual's current reliability, trustworthiness, or good judgment." Also, under AG ¶ 20(b), financial security concerns may be mitigated where "the conditions that resulted in the financial problem were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, or a death, divorce or separation), and the individual acted responsibly under the circumstances." Evidence that "the person has received or is receiving counseling for the problem and/or there are clear indications that the problem is being resolved or is under control" is potentially mitigating under AG ¶ 20(c). Similarly, AG ¶ 20(d) applies where the evidence shows "the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts."⁴¹ Also, AG ¶ 20(e) may apply where "the individual has a reasonable

⁴¹ The Appeal Board has previously explained what constitutes a "good-faith" effort to repay overdue creditors or otherwise resolve debts:

In order to qualify for application of [the "good-faith" mitigating condition], an applicant must present evidence showing either a good-faith effort to repay overdue creditors or some other good-faith action aimed at resolving the applicant's debts. The Directive does not define the term 'good-faith.' However, the Board has indicated that the concept of good-faith 'requires a showing that a person acts in a way that shows reasonableness, prudence, honesty, and adherence to duty or obligation.' Accordingly, an applicant must do more than merely show that he or she relied on a legally available option (such as bankruptcy [or statute of limitations]) in order to claim the benefit of [the "good-faith" mitigating condition].

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.”

As noted above, when Applicant was unable to handle his two mortgage payments he stopped making them and abandoned the property. A foreclosure ensued, and the residence was sold at auction in October 2008. Since that foreclosure sale, Applicant has received no deficiency notices, and there is no evidence of a deficiency. After the foreclosure and sale, under state law, Applicant may not be liable for either the unpaid mortgage or the deficiency, if there was one, and the lien holder would be limited to the property. Under Arizona law, there is a provision called the Anti-Deficiency Statute,⁴² which states in relevant part:

If trust property of two and one-half acres or less which is limited to and utilized for either a single one-family or a single two-family dwelling is sold pursuant to the trustee's power of sale, no action may be maintained to recover any difference between the amount obtained by sale and the amount of the indebtedness and any interest, costs and expenses.

Applicant’s conduct does not warrant full application of AG ¶¶ 20(a) or 20(d) because he did not act more aggressively, timely, and responsibly to resolve his delinquent debts. Those delinquent debts were “a continuing course of conduct” under the Appeal Board’s jurisprudence.⁴³ Applicant receives only partial credit under AG ¶ 20(a) because his financial problems “occurred under such circumstances that it is unlikely to recur.” He receives even less credit under AG ¶ 20(d) because while he initially showed good faith in his efforts to resolve only two of his SOR debts (the two mortgages), he ultimately abandoned even those efforts. He failed to establish any type of repayment plan, much less a reasonable one, with any of his creditors, even the smallest ones when he could have done so. Moreover, since 2008, he has done nothing to address the satisfaction of his delinquent debts. His only meaningful act to date to address his debts, after promising for two years to pay them, was to file for bankruptcy and possibly to consult with a debt consolidation company.⁴⁴

AG ¶ 20(b) also partially applies because Applicant’s financial situation was exacerbated by the downward spiral of the U.S. economy; his reduced income and eventual lay off; his period of unemployment; the death of his father and the expenses

(internal citation and footnote omitted) ISCR Case No. 02-30304 at 3 (App. Bd. Apr. 20, 2004) (quoting ISCR Case No. 99-9020 at 5-6 (App. Bd. June 4, 2001)).

⁴² Ariz. Rev. Stat. § 33-814 (G) (2001); See also, *Baker v. Gardner*, 160 Ariz. 98, 770 P.2d 766 (Ariz. 1988). Arizona’s anti-deficiency statutes prohibit a secured lender from suing a homeowner who borrowed money on those types of loans protected by the anti-deficiency statutes for damages beyond recovery of the secured property.

⁴³ See ISCR Case No. 07-11814 at 3 (App. Bd. Aug. 29, 2008) (citing ISCR Case No. 01-03695 (App. Bd. Oct. 16, 2002)).

⁴⁴ The Appeal Board has previously held that “[A] applicant must do more than merely show that he or she relied on a legally available option (such as bankruptcy) in order to claim” he or she initiated a good-faith effort to repay creditors or otherwise resolve debts. ISCR Case No. 02-30304 at 3 (App. Bd. Apr. 20, 2004).

associated with his funeral; and his inability to refinance his residence because the unexpectedly poor housing market had lowered the value of the residence. Initially, he lacked the income to pay his debts, but after he secured his new job, he chose to save his money to rent or purchase a new residence rather than to commence any negotiations with creditors to pay off his SOR debts. Applicant failed to establish that he acted responsibly under the circumstances.⁴⁵

AG ¶ 20(c) also has very limited application because Applicant received very brief credit counseling and pre-bankruptcy counseling to assist him in handling his finances, but he failed to follow through on anything he had learned, other than to seek a discharge of his delinquent debts under the U.S. Bankruptcy Code. Applicant contends his non-payment of his delinquent debts has been overcome by his bankruptcy filing, and there are now “clear indications that the problem is being resolved or is under control.” The problem has not yet been resolved and his finances are, for the time being, at least, not under control, despite his intention to scrupulously avoid future delinquent debt.

AG ¶ 20(e) partially applies only to the four medical accounts which should have been covered by Applicant’s employer under workmen’s compensation, as well as to the two mortgages. Applicant may have a reasonable basis to dispute the legitimacy of the delinquent medical debts, but he has failed to establish two important aspects of his dispute. First, when it was determined that the employer would not properly process the claims, Applicant was put on notice that he should have accomplished the proper filing himself. Instead, he did nothing to address the debts; he merely ignored them. Second, Applicant has failed to pursue resolution of these debts. He also failed to provide any documented proof to substantiate the basis of the dispute or to provide evidence of actions to resolve the issue. Likewise, he may have a reasonable basis to dispute the legitimacy of the two mortgages, especially under Arizona law. Nevertheless, because he may not be wise in the ways of the law, as it pertains to both issues, there is partial application of AG ¶ (20(e).

Whole-Person Concept

Under the whole-person concept, the administrative judge must evaluate an Applicant’s eligibility for a security clearance by considering the totality of the Applicant’s conduct and all the circumstances. The administrative judge should consider the nine adjudicative process factors listed at AG ¶ 2(a):

- (1) the nature, extent, and seriousness of the conduct;
- (2) the circumstances surrounding the conduct, to include knowledgeable participation;
- (3) the frequency and recency of the conduct;
- (4) the individual’s age and maturity at the time of the conduct;
- (5) the extent to

⁴⁵ “Even if Applicant’s financial difficulties initially arose, in whole or in part, due to circumstances outside his [or her] control, the Judge could still consider whether Applicant has since acted in a reasonable manner when dealing with those financial difficulties.” ISCR Case No. 05-11366 at 4 n.9 (App. Bd. Jan. 12, 2007) (citing ISCR Case No. 03-13096 at 4 (App. Bd. Nov. 29, 2005); ISCR Case No. 99-0462 at 4 (App. Bd. May 25, 2000); ISCR Case No. 99-0012 at 4 (App. Bd. Dec. 1, 1999)).

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.

There is some evidence in favor of mitigating Applicant's conduct. When these problems first began, Applicant's hours were reduced and his income decreased to about 50% of what he had previously been making. He was eventually laid off and was unemployed for several months. There is substantiated evidence regarding brief financial counseling, but no repayment plan was ever established or payments made on his SOR debts. There is some evidence that his mortgage deficiency debts may have been actually resolved under Arizona law.

The disqualifying evidence under the whole-person concept is more substantial. While the reduced salary and brief unemployment were circumstances beyond his control, Applicant continued to obtain services and goods from a wide variety of creditors, but either had no ability or intention to pay for them. As a result, he continued to accumulate delinquent debt and did not pay his older debts. Applicant has been gainfully employed since February 2009. Nevertheless, since that time, he did not make any good-faith efforts to pay a variety of delinquent debts. He established no repayment plans. Instead, he considered some potential repayment options. While these debts may eventually be discharged under his Chapter 7 bankruptcy, his failure to repay creditors or to arrange payment plans, reflects traits which raise concerns about his fitness to hold a security clearance.

Of course, the issue is not simply whether all his debts are resolved or at least under repayment arrangements; it is whether his financial circumstances raise concerns about his fitness to hold a security clearance. I am mindful that while any one factor, considered in isolation, might put Applicant's credit history in a sympathetic light, I have evaluated the various aspects of this case in light of the totality of the record evidence and have not merely performed a piecemeal analysis.⁴⁶ The insufficient good-faith efforts or any evidence to reflect actual payments are sufficient to raise continuing security concerns. (See AG ¶ 2(a)(1), AG ¶ 2(a)(2), AG ¶ 2(a)(3), AG ¶ 2(a)(4), AG ¶ 2(a)(5), AG ¶ 2(a)(6), AG ¶ 2(a)(7), and AG ¶ 2(a)(9).)

The Appeal Board has addressed a key element in the whole-person analysis in financial cases stating:⁴⁷

⁴⁶ See *U.S. v. Bottone*, 365 F.2d 389, 392 (2d Cir. 1966); See also ISCR Case No. 03-22861 at 2-3 (App. Bd. Jun. 2, 2006).

⁴⁷ ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008) (internal citations omitted).

In evaluating Guideline F cases, the Board has previously noted that the concept of “meaningful track record” necessarily includes evidence of actual debt reduction through payment of debts.” However, an applicant is not required, as a matter of law, to establish that he [or she] has paid off each and every debt listed in the SOR. All that is required is that an applicant demonstrate that he [or she] has “. . . established a plan to resolve his [or her] financial problems and taken significant actions to implement that plan.” The Judge can reasonably consider the entirety of an applicant’s financial situation and his [or her] actions in evaluating the extent to which that applicant’s plan for the reduction of his outstanding indebtedness is credible and realistic. See Directive ¶ E2.2(a) (“Available, reliable information about the person, past and present, favorable and unfavorable, should be considered in reaching a determination.”) There is no requirement that a plan provide for payments on all outstanding debts simultaneously. Rather, a reasonable plan (and concomitant conduct) may provide for the payment of such debts one at a time. Likewise, there is no requirement that the first debts actually paid in furtherance of a reasonable debt plan be the ones listed in the SOR.

Although there are some positive signs, some efforts to take corrective actions, and maintenance of some of his payments on his daily living expenses, these steps are simply insufficient to show he can “live within [his] means, satisfy debts, and meet financial obligations.” See AG ¶ 18. Overall, the record evidence leaves me with substantial questions and doubts as to Applicant’s eligibility and suitability for a security clearance. For all these reasons, I conclude Applicant has failed to mitigate the security concerns arising from his financial considerations.

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:	For Applicant
Subparagraph 1.b:	For Applicant
Subparagraph 1.c:	For Applicant
Subparagraph 1.d:	For Applicant
Subparagraph 1.e:	Against Applicant
Subparagraph 1.f:	Against Applicant
Subparagraph 1.g:	Against Applicant
Subparagraph 1.h:	Against Applicant
Subparagraph 1.i:	Against Applicant
Subparagraph 1.j:	Against Applicant
Subparagraph 1.k:	Against Applicant
Subparagraph 1.l:	Against Applicant
Subparagraph 1.m:	Against Applicant

Subparagraph 1.n:
Subparagraph 1.o:

For Applicant
For Applicant

Conclusion

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

ROBERT ROBINSON GALES
Administrative Judge