



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



In the matter of:	)	
	)	
SSN:	)	ISCR Case No. 09-03621
	)	
Applicant for Security Clearance	)	

**Appearances**

For Government: D. Michael Lyles, Esq., Department Counsel  
For Applicant: Alan V. Edmunds, Esq.

August 31, 2010

**Decision**

MASON, Paul J., Administrative Judge:

Applicant had unresolved financial problems when he retired from the military in December 2003. He incurred additional delinquent debts while operating his auto repair business between December 2003 and February 2008. He exercised good judgment in December 2008 by filing a Chapter 13 bankruptcy petition. However, the petition was dismissed eight months later after he was unable to maintain the payment schedule. His evidence in mitigation of satisfying three delinquent debts, and making payments on other delinquent debts in order to bring them to a current status, is insufficient to surmount the adverse evidence under the financial guideline. The record fails to show he deliberately concealed information from his security form in February 2009. Eligibility of access for classified information is denied.

**Statement of the Case**

Applicant certified his security clearance application (SCA, GE 1) on February 23, 2009, and signed his SCA on February 25, 2009. He was interviewed by an investigator from the Office of Personnel Management (OPM) on April 10, 2009, and

April 20, 2009. In his interrogatory answers submitted to the Government on July 13, 2009, Applicant agreed with the investigator's summaries of his April 2009 interviews, and that the summaries could be used in a security clearance hearing to determine his security suitability. (Interrogatory answers, GE 2) On November 19, 2009, DOHA issued a Statement of Reasons (SOR) detailing security concerns under the guideline for financial considerations (Guideline F). The action was taken pursuant to 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 adjudicative guidelines (AG).

Applicant submitted his answer to the SOR on December 9, 2009. DOHA issued a Notice of Hearing on January 28, 2010, for a hearing on February 23, 2010. The hearing was held as scheduled. At the hearing, seven exhibits (GE 1 through 7) were admitted in evidence to support the government's case. Applicant testified and submitted six exhibits (AE A through AE F). The record remained open until March 10, 2010 (Tr. 61-63), to allow Applicant an opportunity to submit additional evidence.

On March 5, 2010, Applicant filed his first Motion to Reopen the Hearing to Accept Additional Evidence and Testimony. On March 11, 2010, during a telephone conference with Applicant's Counsel and Department Counsel, I informed the parties I was not going to reopen the hearing to take additional testimony, but I would entertain a motion from Applicant more time to submit additional exhibits beyond the original March 10, 2010, deadline. Applicant's Counsel requested an extension until March 16, 2010, to submit additional exhibits. Department Counsel had no objection. Applicant re-labeled the exhibits he had submitted on March 5, 2010, and March 10, 2010, and resubmitted them as AE A through AE U in his second Motion to Reopen Hearing to Accept Additional Evidence and Testimony, dated March 12, 2010.<sup>1</sup>

On March 15, 2010, Applicant proffered AE V through AE Z. Department Counsel had no objection to the foregoing exhibits, but did object to AE AA, AE BB, and AE CC on relevancy and foundation grounds. The objection was overruled.

Two of Applicant's original exhibits admitted in evidence on February 23, 2010, were not incorporated in Applicant's revised exhibits. AE DD (formerly identified as AE B) is a two-page exhibit. The first page shows monthly payments Applicant purportedly made to several of the listed creditors in the SOR. The second page of the exhibit is a continuation page of the payment information from page one and showing additional payment activity for February, March and April 2010, with account numbers and contact information for the creditors. AE EE is a credit report dated February 22, 2010. AE DD and AE EE have been admitted in evidence to permit the development of a full record. See, E3.1.19. of Directive 5220.6.

---

<sup>1</sup> Both motions (March 5, 2010, March 12, 2010) to reopen the hearing and take additional testimony were denied.

As indicated in my Order dated March 17, 2010, both Applicant's Motions (March 5, 2010, and March 12, 2010)<sup>2</sup> to Reopen Hearing to Accept Additional Testimony are denied. AE A through AE Z are admitted in the record, along with AE AA through AE EE.

DOHA received the transcript in this case March 9, 2010. The record in this case closed on March 16, 2010.

### **Findings of Fact**

Under Guideline F of the SOR, the Government alleges Applicant has 24 delinquent debts totaling \$106,859. Applicant essentially admitted all allegations. His denial of certain debts is based on his accompanying assertion that he paid the account to a current status or to a zero balance. Concerning Guideline E of the SOR, the Government alleges under ¶ 2.a that Applicant deliberately omitted material facts in an SCA he signed on February 25, 2009, by answering "no" to Section 26 a (whether a bankruptcy petition was filed in last 7 years). Under ¶ 2.b of the SOR, the Government alleges that Applicant deliberately omitted material facts in the same SCA by answering "no" to Section 26.g (debts turned over to a collection agency in last 7 years) and Section 26.n (currently over 90 days delinquent on any debt(s)). Applicant admitted ¶ 2.a and ¶ 2.b.

Applicant is 46 years old. In October 2010, he will celebrate 20 years of marriage. In addition to his wife, he has a son, daughter and grandson (daughter's son), living with him. The daughter is 18 years old, unemployed, and not contributing to household expenses. (Tr. 43-44) She receives some aid and benefits that help support her son. (*Id.*) Applicant's grandson has been living with him since his birth about a year ago. (Tr. 56)

Applicant spent 20-plus years in the United States Navy (Tr. 47-48), and received an honorable discharge in December 2003. (GE 3, DD Form 214) He stated that he incurred most of the listed debt before he retired in December 2003. (Tr. 43, 19) After his retirement, he opened an auto repair business that eventually became a victim of the regional economy. Applicant closed the business in February 2008 because of a lack of income and an accumulation of additional debt. (Tr. 20) He was hired by his current employer in February 2008. He filed a Chapter 13 bankruptcy petition (SOR 1.a) in December 2008. (Tr. 19) Applicant's payment under the Chapter 13 plan was \$1,820.94 a month. (GE 2, April 10, 2009 interview) The petition was dismissed in August 2009. In his April 2009 interviews, Applicant mentioned a few reasons why he had trouble establishing the Chapter 13 plan. (GE 2, April 20, 2009, interview) His bankruptcy attorney did not appear for a meeting of creditors, and there were some

---

<sup>2</sup> At the bottom of page 3 of the Order, Applicant's second Motion to Reopen is incorrectly dated "March 10, 2010." The accurate date should be March 12, 2010, the date that is cited in the fifth paragraph of page 2 of the Oder.

problems with a tax return and pay stubs. (*Id.*) Applicant testified that he was unable to maintain the scheduled monthly payment. (Tr. 21-22)

Applicant's current net monthly income is approximately \$3,000 a month. With his wife's net monthly income of about \$3,200, they earn about \$6,200 a month. (Tr. 41) After subtracting their monthly expenses (\$3,200), Applicant has approximately \$3,000 in monthly discretionary income, which he uses to pay delinquent debts. (Tr. 42) Applicant has had about \$3,000 in discretionary income left over every month since he was hired by his current employer two years ago. (Tr. 60-61)

In October 2008, Applicant received financial counseling as a condition of filing his Chapter 13 bankruptcy petition in December 2008. The counseling was conducted by internet and telephone. (AE C; Tr. 46) Applicant and his wife conduct weekly meetings on their budget and the bills. (Tr. 47)

### **Financial Considerations**

The SOR lists 24 delinquent accounts. GE 4, GE 5, and AE EE, are the credit reports that contain that account information for some of the delinquent debts. Other accounts are probably not being reported in the credit reports because the debt is no longer collectible by the creditor or collection agency. That does not mean Applicant still does not owe the debt. The status of those accounts is as follows:

1.b - \$2,287, car finance company. While referring to his credit report (AE EE) and his payment ledger, Applicant indicated a payment of \$226.50 was made, bringing the account to a current status. (Tr. 25) Applicant's documentation does not show the amount of the payment made, but does indicate that on February 18, 2010, the balance on the account was \$301.25 after a payment. (AE E) The exhibit also indicates the account was still designated delinquent, as verified by the words in the rectangular box requesting an offer for settlement. (*Id.*) This account is found in Applicant's favor.

1.c - \$11,240, installment loan. The account became delinquent in January 2009. In his answer, Applicant stated the account had been paid in full and the title was released to an insurance company. Applicant testified he paid the account in full. His documentation reflects that he made a total loss claim on his vehicle in April 2009, and was notified in February 2010 that the proper form would have to be submitted to conclude the total loss settlement. (AE F) Even though this delinquent account was extinguished by an insurance settlement, Applicant no longer owes the debt.

1.d - \$16,270, installment loan. Applicant indicated the debt was returned to a current status with a \$700 payment. (Tr. 27) His February 2010 statement indicates he made a \$700 payment on February 1, 2010, and the estimated payoff amount of about \$7850. (AE H) His credit report reflects that he was current with payments from August 2009 through December 2009. (AE EE) This debt is no longer considered delinquent.

1.e - \$1,885, installment loan. Applicant testified he has title to the vehicle stamped by the credit union. (Tr. 28) The title to the 2002 vehicle shows the lien was released on September 30, 2009. (AE E) SOR 1.e is found for Applicant.

1.f - \$21,000, unknown type of delinquent account. Applicant indicated he paid the account to a current status. Applicant's payment ledger shows he made five monthly payments to the creditor from September 2009 through January 2010 (AE DD), and a payment of \$239 in February 2010. His documentation indicates he made four payments totaling \$1,837 on the account between September 2009 and February 2010. He provided no verification that the debt is current as he claimed in his answer to the SOR. A balance of more that \$19,000 is still his responsibility.

1.g - \$6,730, bank. Applicant remains liable for the account. (Tr. 29)

1.h - \$9,900, loan. Applicant remains liable for the account. (*Id.*)

1.i - \$3,125, credit card. Applicant admitted the account was unpaid. (*Id.*) It remains his responsibility.

1.j - \$3,153, credit card. Applicant indicated the account was paid in February 2010. (*Id.*) He provided no documentation regarding this debt. Applicant owes the debt.

1.k - \$3,125, computer company. Applicant has been trying to contact the creditor. (*Id.*) He owes the account.

1.l - \$946, department store. Applicant owes the account.

1.m - \$1,305, department store. The last activity on the account before it became delinquent was in June 2008. Applicant is trying to obtain contact information. (Tr. 30) He is responsible for the delinquent debt.

1.n - \$4,183, department store. The last activity on this account before it became delinquent was July 2008. Applicant is awaiting payment information to resolve his delinquent debt. (*Id.*)

1.o - \$1,210, hardware store. Applicant paid this account to a current status. (*Id.*) No documentation indicates that Applicant remains liable for this debt.

1.p - \$1,211, credit. Though Applicant testified he paid this debt to a current status (Tr. 31), he provided no documentation, similar to documentation he provided under SOR 1.d, that actual payment(s) were made to return the delinquent debt to a current status.

1.q - \$740, credit account with the same creditor as SOR 1.p. This remains Applicant's responsibility as he provided no documentation to indicate otherwise.

1r. - 1,182, credit card. The last activity on the account before becoming delinquent was May 2008. The creditor has not been paid. (*Id.*)

1.s - \$1,955, credit card. Applicant also indicated this account is unpaid. (*Id.*) He owes the account.

1.t - \$7,104, tool supplier. The last activity on this account before it became delinquent was in January 2009. The credit reports show the account was refinanced on two occasions. Applicant testified he brought the account to a current status. (Tr. 31; AE K) On March 1, 2010, Applicant was to start paying the delinquent debt by making monthly payments of \$225 through automatic deduction from one of his accounts. (*Id.*) The creditor indicated in the exhibit that “the account has been brought to a current status so long as [Applicant] continue[s] to adhere to the auto pay agreement.” (*Id.*) Applicant provided no verification that any payments had been made. Applicant owes the debt.

1.u - \$7,500, military credit card. Applicant claimed he made a payment of \$216 to the creditor in February 2010, but he had no documentation. He owes the creditor.

1.v - \$180, Applicant made three payments to the creditor in November, December 2009, and January 2010, but still owes \$60. (AE L)

1.w - \$495, bank. Applicant testified he was awaiting contact information and the debt was still unpaid. (Tr. 31-32) He still owes the delinquent debt.

1.x - \$45, medical. The last activity on this account was October 2008. Applicant stated in his answer to the SOR that he paid the account. He testified that he did not have enough information on the account. (Tr. 32) He still owes the account.

1.y - \$88, telephone. The last activity on the account before it became delinquent was in December 2008. Applicant paid the creditor \$96.68 in September 2009 to satisfy the account. (AE M) This debt is resolved in Applicant’s favor.

## **Personal Conduct**

On February 25, 2009, Applicant executed an SCA. In response to Section 26.a (have you filed a petition under Chapter 7, 11, or 13 of the bankruptcy code in the last 7 years), Applicant answered “no.” He explained in his April 2009 interview that he answered “no” because he was unsure whether the trustee would accept the plan. However, he testified that the petition was dismissed for failure to maintain payments under the plan. (Tr. 22) I find Applicant did not intend to omit the information.

In response to the Section 26.g (any bills turned over to a collection agency in the last 7 years), and 26.n (currently over 90 days delinquent on any debt(s)), Applicant answered “no.” He admitted he answered “no” because he believed the filing of the Chapter 13 caused all activity on the debts to end. (GE, April 2009 interview) I find for Applicant under 26.g and 26.n.

## Character Evidence

Applicant furnished several character statements from individuals in his chain of command or coworkers. The Chief Executive Officer (CEO) of Applicant's employer summarized the four projects Applicant participated in since his hire in February 2008. The CEO considers Applicant's outstanding work ethic and devotion to his work has produced meaningful success for his employer. (AE A)

A coworker of Applicant's for the past two years, and also a retired non-commissioned officer in the United States Navy (USN), submitted a character statement dated March 5, 2010. He believes Applicant is patriotic. The coworker recommends that Applicant's dedication to duty and flawless military record, showing no security violations, be closely examined before revoking his security clearance. (AE N)

In an undated statement, a service person who has known Applicant since May 2000, worked with him until he retired in December 2003. The two individuals currently remain in contact because they are participating in an active project. The coworker has found Applicant to be trustworthy and reliable. (AE O)

In a character statement dated March 7, 2010, a former neighbor and student at the same high school that Applicant attended, has maintained contact with Applicant for more than 30 years. He believes Applicant is a person of integrity with no negative issues necessitating removal of his security clearance. (AE P)

A friend of 10 years wrote a character endorsement on March 5, 2010, praising Applicant's assistance in fixing cars that the friend had purchased at auction. The friend found Applicant to be trustworthy and reliable in finishing projects in a timely fashion. (AE Q)

Applicant received the Navy and Marine Corps Medal on September 22, 2002, for his positive contributions as a flight engineer, and in successfully training 40 flight engineers. (AE S) AE Y is a training certificate Applicant received on February 8, 1996, for completing the course in survival, evasion, resistance, and escape training. That survival training is described in AE CC, discussed below. AE Z is a certificate of appreciation from the 43<sup>rd</sup> President of the United States awarded to Applicant for his service to the country.

Applicant's monthly budget reflects monthly net income of \$7,900, with net monthly remainder of \$2,844. (AE T) Applicant has \$1,400 in United States Savings Bonds (AE U), and a retirement savings account. (AE G)

In a two-page declaration, Applicant indicated his financial problems would not be repeated. (AE V) He believed his finances were under control. He stated that he had taken a worthwhile financial counseling course because he learned how to improve his ability to work out payment plans with creditors. (*Id.*)

AE AA is an excerpt from a publication dated April 15, 2009, describing a river basin flooding in a southeastern state. AE BB is four pages in length. Three pages of AE BB show damage to a mobile home from flooding. One of the four pictures is a photograph of trees, and a blanket or large piece of plastic resting on a tree limb. AE CC is a one-page training curriculum for students to learn how to employ military rules of conduct in a hostile environment.

AE DD is a flow chart of payments Applicant indicated he paid to certain creditors. AE EE shows Applicant's credit report dated February 22, 2010.

### **Policies**

When evaluating an applicant's suitability for a security clearance, the administrative judge must consider the AG. Each guideline lists potentially disqualifying conditions and mitigating conditions, which must be considered to the extent they apply in evaluating an applicant's eligibility for access to classified information.

The administrative judge's ultimate goal is to reach a fair and impartial decision that is based on common sense. The decision should also include a careful, thorough evaluation of a number of variables known as the "whole-person concept" that brings together all available, reliable information about the person, past and present, favorable and unfavorable, in making a decision. Likewise, I have avoided drawing inferences grounded on mere speculation or conjecture. 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 about the potential, rather than actual, risk of compromise of classified information.

Under Directive ¶ E3.I.14., the Government must present evidence to establish controverted facts alleged in the SOR. Under Directive ¶ E3.I.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 for obtaining a favorable security decision.

### **Analysis**

#### **Financial Considerations**

The security concern for financial considerations is set forth 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. Compulsive gambling is a concern as it may lead to financial crimes including espionage. Affluence that cannot be explained by known sources of income is also a security concern. It may indicate proceeds from financially profitable criminal acts.

The Government has the responsibility of presenting sufficient information to support all allegations of the SOR. Based on the credit reports, Applicant's interrogatory responses, and his answers to the SOR, the Government has presented sufficient information to establish all the allegations in the SOR. AG ¶ 19(a) (*inability or unwillingness to satisfy debts*); and AG ¶ 19(c) (*a history of not meeting financial obligations*) apply in this case. Applicant admitted incurring delinquent debt while in the military. After his discharge from the Navy in December 2003, he incurred more delinquent debt. He filed a Chapter 13 bankruptcy petition in December 2008 that was dismissed in August 2009 because he could not maintain the payments. It is difficult to comprehend how the Chapter 13 plan was dismissed given the fact that Applicant had about \$3,000 of discretionary monthly income remaining at the end of every month for the past two years. Moreover, the SOR identifies 24 debts totaling \$106,859.

Four mitigating conditions are potentially applicable in this case. 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 reliability, trustworthiness, and good judgment*) does not apply. Some of the delinquent debts were created when Applicant was in the service. Other accounts became delinquent less than three years ago. Applicant paid two debts back to a current status, and received an insurance award for the loss of a vehicle. Applicant spent about \$2,200 to pay off three other creditors. He still owes 18 creditors about \$72,879. The number of accounts and amount of delinquent debt that he must still deal with continues to raise doubts about his current reliability, trustworthiness, and judgment.

AG ¶ 20(b) (*the conditions that resulted in the financial problem were largely beyond the person's control and the individual acted responsibly under the circumstances*) applies in part. After his honorable discharge from the Navy in December 2003, Applicant opened an auto repair business. For approximately a four-year period, the local economy prevented Applicant from making sufficient income from his business to pay his debts. He closed the business in February 2008 when he discovered he could not pay his bills. He exercised good judgment by filing a Chapter 13 bankruptcy petition. However, the petition was dismissed in August 2009 because Applicant could not make the schedule payments of \$1,820 a month. This demonstrated poor judgment by Applicant. Conversely, he demonstrated poor judgment when he could not maintain the payments, and the petition was dismissed in August 2009. He compounded his poor judgment through his failure to be more aggressive in liquidating the remaining delinquent accounts. Applicant receives limited mitigation under AG ¶ 20(b).

Applicant receives limited mitigation under 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*). Along with his wife, he received online counseling in October 2008. After the hearing, Applicant produced a budget and evidence of a retirement account. The documentation of counseling and the existence of a budget furnishes Applicant and his wife an opportunity to track their earnings and their expenditures. The reason that the foregoing evidence provides limited mitigation under AG ¶ 20(c) is because (1) the unsuccessful Chapter 13 bankruptcy was dismissed recently, and (2) the 18 delinquent accounts that remain unaddressed. In sum, I am unable to conclude the debts are under control.

Applicant receives limited mitigation under AG ¶ 20(d) (*the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts*). The record reflects that Applicant has only paid three creditors out of 24. Given the amount of Applicant's discretionary income left over each month, he could have satisfied at least two of the other three creditors, rather than paying the accounts to a current status. The creditor in SOR 1.c was paid through Applicant's insurance. Having weighed and balanced the entire record, the limited mitigation Applicant receives under AG ¶¶ 20(b), 20(c), and 20(d), does not overcome the adverse evidence under AG ¶¶ 19(a) and 19(c).

## **Personal Conduct**

Paragraph 15 of the AG sets forth the security concern for personal conduct:

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.

This guideline applies to intentional attempts to conceal or omit information from an SCA. The guideline does not apply to negligent or unintentional omissions unless the surrounding circumstances support a reasonable inference that there was a deliberate attempt to conceal material information.

The following disqualifying condition under ¶ 16 may apply: AG ¶ 16(a) (*deliberate omission or falsification of relevant facts from any personnel security questionnaire to determine security clearance eligibility or trustworthiness*). On February 25, 2009, Applicant signed his SCA. In response to Section 26.a (have you filed a bankruptcy petition in the last 7 years?), he answered "no" when he should have answered "yes." He testified that he answered "no" because he did not know whether the trustee would accept the plan. I conclude that Applicant did not deliberately omit the information about his Chapter 13 bankruptcy petition from his SCA. I draw the same conclusion about his negative response to Section 26.g (bills turned over to collection

agencies in the last 7 years) and 26.n (currently over 90 days delinquent on any debt(s)). The personal conduct guideline is found for Appellant.

### **Whole-Person Concept**

I have examined the evidence under the disqualifying and mitigating conditions in my ultimate finding against Applicant under the financial considerations guideline, and for him under the personal conduct guideline. I have also weighed the circumstances within the context of nine variables known as the whole-person concept. In evaluating the relevance of an individual's conduct, the administrative judge should consider the following factors:

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 the participation was 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.

In December 2003, Applicant was 39 years old when he received his honorable discharge from more than 20 years in the Navy. The awards, certificates, and favorable opinions of former military colleagues, attest to Applicant's reliability and trustworthiness during his military service. However, when he departed the military, he also had unresolved financial problems that were not addressed in these character statements by his references. From December 2003 to February 2008, when he closed his auto repair business, Applicant saw additional financial accounts become delinquent due to a poor economy that prevented him from paying his bills.

In February 2008, Applicant started working for his current employer. Toward the end of 2008, Applicant realized he could not pay his bills. He demonstrated good judgment in completing the required financial counseling in advance of filing the Chapter 13 bankruptcy petition. He should have resolved whatever problems he had so he could complete the bankruptcy plan. However, the Chapter 13 plan was dismissed in August 2009 when Applicant failed to maintain the \$1,820 monthly payment schedule, even though he had about \$3,000 of discretionary income to use every month to apply to the monthly payment.

The favorable character evidence from Applicant's CEO shows that Applicant has demonstrated good job performance over the past two years. However, the CEO provided little insight into Applicant's financial difficulties. Applicant has had financial counseling, and he has a budget. However, contrary to his statements that he has his finances under control, the record still indicates that shows he still owes 18 creditors over \$72,000. Applicant was aware in February 2009 when he filled out his SCA, that his delinquent debts could be a concern to the Government. On two occasions in April

2009, when Applicant was actively making payments under the Chapter 13 bankruptcy plan, he was interviewed about his delinquent debts. In November 2009, Applicant received the SOR listing most of the debt he had been asked about in April 2009. Since approximately February 2008, Applicant indicated he has had about \$3,000 left over each after he paid his expenses. Considering the evidence as a whole, the absence of a plan to address the 18 remaining delinquent debts precludes a finding in Applicant's favor under the financial guideline. The personal conduct guideline is found in Applicant's favor.

### **Formal Findings**

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

Paragraph 1 (Guideline F):	AGAINST APPLICANT
Subparagraph 1.a	Against Applicant
Subparagraph 1.b through 1.e	For Applicant
Subparagraph 1.f through 1.u	Against Applicant
Subparagraph 1.v	For Applicant
Subparagraph 1.w through 1.x	Against Applicant
Subparagraph 1.y	For Applicant
Paragraph 2 (Guideline E):	FOR APPLICANT
Subparagraph 2.a through 2.b	For Applicant

### **Conclusion**

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

---

Paul J. Mason  
Administrative Judge