



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



In the matter of:)
)
-----) ISCR Case No. 09-04087
SSN: -----)
)
Applicant for Security Clearance)

Appearances

For Government: Gina L. Marine, Esquire, Department Counsel
For Applicant: *Pro se*

April 13, 2010

Decision

MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant lost a home to foreclosure in October 2008. The mortgagee reclaimed the property in settlement of the defaulted mortgage, but Applicant still owes about \$57,364 for a defaulted home equity loan on that property. As of January 2010, he was attempting to resolve, through a short sale, mortgage and home equity loans totaling \$283,000 on another property. Because he is paying more than \$750 in monthly minimum payments on about \$21,828 in credit card debt, Applicant does not have the funds to resolve his financial issues in the near future. Clearance is denied.

Statement of the Case

Applicant submitted an Electronic Questionnaire for Investigations Processing (e-QIP) on February 12, 2009. On August 26, 2009, the Defense Office of Hearings and Appeals (DOHA) issued to Applicant a statement of reasons (SOR) detailing the security concerns under Guideline F, financial considerations, that provided the basis for its preliminary decision to deny him a security clearance and to 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 adjudicative guidelines (AG) effective within the Department of Defense as of September 1, 2006.

On September 17, 2009, Applicant answered the SOR and requested a decision without a hearing. Nonetheless, the case was assigned to me on December 1, 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 December 11, 2009, I scheduled a hearing for January 12, 2010, presuming that the Government or Applicant had requested a hearing.

I convened the hearing as scheduled. Before the introduction of any evidence, I inquired whether Applicant or the Government had requested a hearing. Department Counsel expressed her belief that Applicant had requested a hearing, but the hearing could have been requested by the Government. She was unable to document a request from the Government or the Applicant to convert to a hearing. Applicant indicated that he was willing to proceed with a hearing since he was present and prepared to represent himself. Five Government exhibits (Ex. 1-5) and four Applicant exhibits (Ex. A-D.) were admitted into evidence without objection, and Applicant testified, as reflected in a transcript (Tr.) received on January 21, 2010.

Findings of Fact

DOHA alleged under Guideline F, financial considerations, that Applicant owed \$57,364 for a delinquent home equity loan (SOR 1.a), and that he was \$6,821 behind in his mortgage for a previous residence (SOR 1.b). In his Answer, Applicant admitted the debts, which he attributed to having to pay the mortgages on two residences after a buyer backed out of his contract to purchase the home in his previous locale. After considering the pleadings, exhibits, and transcript, I make the following factual findings.

Applicant is 48 years old, and has a bachelor of science degree in computer science. He has worked as a software systems engineer for his current employer, a federal contractor, since February 2009, and he requires a secret-level security clearance for his duties. (Ex. 1, C.)

Applicant has been married twice. During his first marriage, he lived and worked in state X. He and his first wife had two children, a son born in 1988 and a daughter born in 1991. After 15 years of marriage, he was divorced in April 1999. The following month, he married his current spouse, and became a stepfather to her seven-year-old son. In 2002, Applicant and his wife had a daughter. (Ex. 1.) Applicant paid child support of \$768 every two weeks until June 2006, and then \$635 every two weeks until June 2009. (Tr. 91, 93-94)

In July 2000, Applicant and his wife purchased a home in state X (property #1) for \$147,000. (Tr. 60.) As of July 2003, they had a mortgage on the home of about \$163,300. In about November 2004, Applicant took out a home equity line of credit of about \$140,000 on the house. (Ex. 4, Tr. 61.) Of that, Applicant used almost \$50,000 to

satisfy his and his spouse's credit card obligations incurred during their previous marriages. (Tr. 63-64.)

Within a month or so of opening the line of credit, Applicant and his family relocated to the Midwest. Since home prices were selling above their appraised values, Applicant and his spouse believed it would be a good location for him to start his own online business (Ex. 2, Tr. 30-31, 84.) Although both were unemployed, in December 2004, he and his spouse bought a home (property #2) of almost 5,000 square feet in state Y for \$453,000 (Tr. 77, 90.), less than its \$514,500 appraised value. (Ex. A.) They took out a mortgage of \$362,400 to be repaid at \$1,942 per month, and used the remainder (almost \$90,000) of the home equity loan on property #1 for the down payment. (Exs. 4, 5, Tr. 62.) They counted on acquiring a home equity loan on their new home at settlement, but it did not go through. (Ex. D, Tr. 35-36.) They relied on Applicant's 401(k) funds to meet their expenses. (Tr. 36.) Applicant had to pay a 20% tax penalty for early withdrawal of his 401(k) funds. (Tr. 82)

Within a month of their move to state Y, Applicant and his spouse learned that a prospective buyer for property #1 had backed out of his contract. They relisted the house with a realtor, so they had to cover the mortgage payments for their previous and current residences. They were also paying \$1,200 for health insurance (Tr. 37, 81.) To get by, they took out a \$37,600 home equity loan on their new home in February 2005 (Ex. 4.) They now had four loans (mortgages and home equity lines of credit on both houses).

In April 2005, Applicant began looking for employment. (Ex. D.) From May 2005 through December 2006, Applicant worked as a contract senior software engineer through a couple of staffing agencies. (Ex. 1.) He earned about \$95,000 annually, which was down from the \$111,000 he had earned in state X. (Tr. 38.) Since it was contract work, there were times when he was without a paycheck for two to four weeks. (Tr. 38.)

In September 2005, Applicant and his spouse paid off the home equity loan on their residence (property #2) by refinancing their primary mortgage. The principal balance of the new mortgage was \$495,000, and they made timely payments for awhile (Exs. 4, 5.). In December 2005, they rented out property #1 in state X, but their tenants had a fire two weeks after they moved in. Applicant and his spouse were without rental income, and they had to take their home off the market pending repair of the premises.¹ In late April 2006, they relisted property #1 for sale, but they received no offers (Tr. 42-43, 67-70.)

In about March 2006, they listed their residence (property #2) for sale by owner. (Ex. D.) The next month, they took out a new home equity line of credit of \$59,000 on that property. This is the debt listed in SOR 1.a. This brought their monthly loan obligation on property #2 to \$5,000 (\$3,200 on the primary mortgage and about \$1,800 on the home equity loan). (Ex. 2, Tr. 78-79.) In late May 2006, they listed the house with

¹Applicant testified property #1 was appraised at about \$300,000 and it sustained about \$150,000 in damages in the fire. (Tr. 42-43.) Insurance covered the cost of repairs. (Tr. 81.)

a realtor at an asking price of \$575,000. (Ex. D, Tr. 39.) The property was appraised at \$458,900. (Ex. A.) It failed to sell, and over time they dropped the asking price to \$569,000, and then \$565,000. (Tr. 40) To ease the financial burden of their home loans, they again rented out property #1 in November 2006, although the rent they received was about \$600 less than their monthly mortgage payment on that house. (Tr. 70-71)

In December 2006, Applicant began working at \$120,000 annually as a principle software engineer for a commercial company in the northeastern U.S. (Ex. 1, Tr. 104.) Applicant and his spouse moved to their present locale, where they rented a three bedroom, furnished house at \$2,000 per month. (Tr. 40-41, 89.) Applicant sold his vehicle for \$600 before they left state Y. (Tr. 88.)

In January 2007, Applicant received about \$200,000 from his mother's estate. He used the funds to pay their household bills, and in April 2007, to lease a vehicle for his spouse. (Tr. 88.) Even with the rental income from property #1, they were paying \$8,300 in housing costs each month (rent for their current residence and loan payments, mortgage and home equity, on properties #1 and #2). In May 2007, Applicant and his spouse took a vacation trip to Mexico for a few days, which cost them about \$1,500. (Tr. 97) In July 2007, Applicant and his family (spouse, stepson, and daughter) took a trip to the Cayman Islands, which cost them about \$3,000. They used their savings and money his spouse was receiving in child support from her ex-husband. (Tr. 92-93) In October 2007, Applicant and his spouse moved with their children to an unfurnished home, at a rent of \$3,200 per month, and they had their home furnishings shipped from state Y. (Ex. 1)

Despite a reduction in the asking price to \$499,000 (Tr. 41.), property #2 did not sell by December 2007. Applicant began working with the home equity lender about a short sale. Advised that he would have to be at least three months behind in his payments, and that any short sale would need the approval of the primary mortgagee, Applicant stopped paying his mortgage and his home equity loans for property #2.² (Exs. 2, D, Tr. 43-44.) Over the next nine months, Applicant and his spouse had three separate short sale contracts on the property, but they expired while the primary mortgagee was still reviewing the offers (Ex. D, Tr. 45.) The mortgage lender foreclosed on the property in October 2008, and considered Applicant's mortgage debt settled. (Exs. 4, 5, D.) The home equity lender charged off a delinquent balance of \$57,364 (SOR 1.a) and placed Applicant and his spouse's account for collection in about December 2008. (Exs. 2, 5.) The collection agency wanted \$12,000 in a lump sum or \$400 monthly payments to settle the debt, which they could not afford. (Tr. 45-46.)

In November 2008, Applicant learned that he would be laid off in early January 2009. (Exs. 1, D.) His tenants in property #1 elected not to exercise a right of first refusal on the house. So in December 2008, Applicant stopped paying his mortgage and home equity loans on the property. (Tr. 46, 64-65.) As of April 2009, that mortgage

²During his subject interview in March 2009, Applicant was off about a year in his time line concerning the mortgage default and subsequent foreclosure.

had a principal balance of \$148,000 and was \$6,821 past due (SOR 1.b). The home equity line of credit was charged off in April 2009 with a balance owed of more than \$140,000 (not alleged in SOR). (Exs. 4, 5, D.) Applicant was unemployed for about six or seven weeks, starting in early January 2009. He was entitled to unemployment compensation of between \$400 and \$500 per week that he received in about April 2009. (Tr. 100-01.)

In February 2009, Applicant began working as a lead software systems engineer for his current employer. He applied for a secret-level security clearance for his job, and disclosed the foreclosure of his mortgage on property #2. (Ex. 1.) A check of Applicant's credit on February 28, 2009, showed that he had six open credit card accounts that he was paying on time. The aggregate balance of those six accounts was \$21,434. The car lease taken out in April 2007 had been 30 days past due in the past but was now current. (Ex. 4.) In April 2009, Applicant paid a \$644 collection debt for telephone services from December 2006. As of May 2009, Applicant owed a total balance of \$19,861 on seven current credit card accounts. (Ex. 5.) By July 2009, the aggregate balance on five of the accounts totaled \$19,828.³ (Ex. 3.)

On April 1, 2009, Applicant submitted documentation of a possible short sale of property #1. The offer was for \$200,000, with a settlement date of April 30, 2009, and contingent on lien holder approval of the short sale in writing. In early June 2009, Applicant received a verbal acceptance of the short sale from the primary mortgagee (SOR 1.b), but the paperwork had to be resubmitted following an acquisition of the lender by another financial institution. The new lien holder failed to approve the short sale on time, and the offer expired. (Tr. 47-48.) Applicant and his spouse continued to market the residence. As of January 2010, Applicant and his spouse had been offered \$160,000 for the home. The aggregate balance of their mortgage and home equity loans was about \$283,000. (Tr. 59, 75.) The primary lender, who would be receiving 75% of the sale price, had apparently approved the short sale. (Tr. 47-48, 55-56.) Applicant expected the home equity lender to approve the short sale, which he testified would be sufficient to cover the primary mortgage (SOR 1.b).⁴ (Tr. 48-49, 57-58.) Neither the primary mortgagee (SOR 1.b) nor the home equity lender (not alleged) had taken any action to foreclose as of January 2010. (Tr. 102.)

Applicant and his wife have been excellent tenants in their present locale. They have paid their rent on time. (Ex. B.) They have their realtor looking for a less expensive rental in their area to reduce their monthly rent so that they can make repayment arrangements on the defaulted home equity loan for their previous residence in state Y (property #2) (SOR 1.a). (Tr. 48-49.) They have a net monthly remainder of only \$31 after paying their expenses, including rent of \$3,200, \$1,567 in monthly grocery costs,

³The total assumes he had paid off his \$91 gasoline credit card and had no new balance on the account that had to be paid off each month.

⁴Applicant testified the principal mortgage on property #1 had a balance of between \$137,000 and \$138,000 (Tr. 59.), although his credit report showed a balance of \$148,000 as of April 2009. (Ex. 5.) Seventy-five percent of the short sale at \$160,000 would not be sufficient to cover the balance of the primary mortgage.

and the monthly minimums on their credit card accounts. Applicant and his wife have bank savings of \$2,650. (Ex. 3.) They are no longer using their credit cards, with the exception of one account that requires full payment of the balance each month. (Tr. 108-09.) Applicant testified he could not recall the last time that he used one of the credit cards. (Tr. 109.) A comparison of available credit reports (Exs. 4, 5.) shows that a credit card account with a clothing retailer had a zero balance in February 2009 but a \$351 balance in May 2009. Other accounts also had higher balances (\$1,565 from \$1,148, \$2,564 from \$2,482, \$7,573 from \$7,457, \$7,246 from \$6,784), some of which cannot be attributed solely to interest charges if Applicant made the minimum monthly payments.

In his first year with his employer, Applicant demonstrated technical capability and initiative. His lack of a secret-level security clearance significantly impacted the nature of his work tasks in the context of the program to which he was assigned. (Ex. C.)

Policies

The U.S. Supreme Court has recognized the substantial discretion the Executive Branch has in regulating access to information pertaining to national security, emphasizing that “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 required to be considered 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 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 and his spouse lost a house (property #2) to foreclosure in state Y in October 2008. Although the primary mortgage was resolved, he still owes a home equity lender about \$57,364, plus interest, if any, that has accumulated since April 2009 (SOR 1.a). Furthermore, in December 2008, he stopped paying the mortgage and home equity loans on property #1. While the Government alleged the past due amount of \$6,821 as of April 2009 (SOR 1.b), the unpaid principal balance of the mortgage is at least \$148,000. In addition, the lender of the home equity line of credit for that property charged off a delinquent balance of more than \$140,000. Disqualifying conditions AG ¶ 19(c), “a history of not meeting financial obligations,” and AG ¶ 19(a), “inability or unwillingness to satisfy debts,” apply.

Furthermore, based on an overall assessment of Applicant’s financial situation, AG ¶ 19(e), “consistent spending beyond one’s means, which may be indicated by excessive indebtedness, significant negative cash flow, high debt-to-income ratio, and/or other financial analysis,” also applies. Applicant and his spouse bought a large home in state Y when they were both unemployed, had outstanding debt from their previous marriages, and had not sold their home in state X. They used \$137,428 of a \$140,000 home equity line of credit to pay some bills and for the down payment on their new home. By January 2010, Applicant had used all of his \$200,000 inheritance to

cover household expenses.⁵ The two vacations taken in 2007 at a cost of \$4,500, their move in October 2007 to an unfurnished home at rent of \$3,200 when they had been paying \$2,000 per month, their accrual of about \$21,434 in outstanding credit balances as of February 2009, and even their grocery bill of \$1,567 per month for a family of four, are evidence of consistent spending beyond their means.

Applicant's defaults of his mortgage and home equity loans are too recent to favorably consider 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." There is credible evidence that would implicate mitigating condition AG ¶ 20(b), "the conditions that resulted in the financial problem were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, or a death, divorce or separation), and the individual acted responsibly under the circumstances." Chiefly, the difficulties in selling their homes (potential buyers backing out of contracts or choosing not to exercise options to purchase, the downturn in the residential markets, the loss of considerable equity in property #2, or more recently mortgagees and home equity lenders failing to approve sales on time) were not within his control and not reasonably foreseen by Applicant. Although the costs of repair were borne by Applicant's insurer, the fire in property #1 left him without rental income and unable to list the home for sale for several months. The job layoff in early January 2009 was not within his control, and Applicant testified that it was the uncertainty about his job prospects, as well as his tenants' decision not to purchase property #1, that led him to stop paying on his home loans for that property as of December 2008. But AG ¶ 20(b) does not extenuate his failure to live within his means, which contributed to his financial problems.

AG ¶ 20(d), "the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts," applies because of Applicant's efforts to sell both homes to relieve himself of the burden of the mortgage loans before he defaulted. He put his home in state X on the market in March 2006, initially as a sale by owner. When it did not sell, he listed it with a realtor in late May 2006. He continued to pay the mortgage loans on the property, and dropped the asking price several times, until December 2007, when he was advised by the home equity lender that he would have to stop paying on his loans for the mortgagees to approve a short sale. Applicant testified that he was in contact with the short sale departments of both lenders and that they had three offers on the home that expired due to the primary mortgagee taking too long to approve the sale. (Tr. 44-45.) After the foreclosure of his primary mortgage, Applicant contacted the home equity lender about remediation of that loan. However, it is unclear whether Applicant is currently taking any action to resolve that debt. As for the

⁵Applicant had substantial mortgage and rent costs, but he also stopped paying his mortgage loans on property #2 in December 2007, and property #1 in December 2008. His child support was \$1,270 per month. He apparently spent some of the monies on first and last rent, and to lease a vehicle for his spouse (Tr. 88.). Since he was no longer paying his mortgage and home equity loans for property #2 by early 2008, his other expenses had to have been sizeable because he exhausted the entire \$200,000 by January 2010. Per his personal financial statement, as of July 13, 2009, his monthly minimum payments totaled \$777 plus he had to pay the total balance owed on another credit card. (Ex. 3.)

delinquent mortgage on property #1 (SOR 1.b), the house was on the market for most of 2005, from late April 2006 until November 2006, and then from about late December 2008. He had renters for only a couple of weeks in December 2005, but consistently received rental income that helped him pay the mortgage in 2007 and 2008. After his tenants decided not to purchase the home, Applicant marketed it for a possible short sale, which he was continuing to pursue as of his hearing in January 2010. Applicant presented evidence of a buyer for the property at a price of \$160,000 pending approval from the home equity lender, who would receive 25% in the short sale.

There is no guarantee that the short sale will be approved by the home equity lender, who would receive about \$40,000 but is owed more than \$140,000. Assuming that the short sale proceeded and negated any further liability on Applicant's part for the mortgage and home equity loans on property #1, Applicant would still owe about \$57,354 for the defaulted home equity loan on property #2. He was unable to make the monthly payments required by the assignee to settle the debt in the past. As of July 2009, he had about \$31 per month in discretionary funds each month, and his financial situation had not improved substantially by January 2010. His spouse was still unemployed. Although he testified that he was looking for lower cost housing, Applicant was still renting a house at \$3,200 per month. Whether because of interest and fees on accrued balances or continuing reliance on credit cards for purchases, he had not reduced his credit card debt significantly over the May to late July 2009 time frame. He owed an aggregate balance of \$19,828 on five accounts. Assuming he made regular payments of the monthly minimums reflected on his personal financial statement (Ex. 3.), and that he incurred no new credit card charges, he would owe more than \$15,000 in current credit card balances as of January 2010. His record of timely payments on his credit card debts is noted in his favor, but with more than \$750 per month going to his credit cards, he does not have the funds at this time to resolve the debt in SOR 1.a in the near future. It would be premature to apply 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," especially where he has not adequately demonstrated a track record of living within his means. The financial concerns are not fully mitigated.

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 relevant 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 and his spouse took a significant financial risk when they moved to state Y to start an online business. Had all gone as planned, Applicant and his spouse would be living in their home in the Midwest, owe only the mortgage and home equity loans for that house, and he would be operating a successful online business. The economic downturn depressed home values, so Applicant owed more than his home in state Y was worth, and buyers backed out of sales contracts on both homes. He deserves credit for remaining current in his debt payments from 2005 through December 2007, although it is not at all clear that he would have been able to do so without his \$200,000 inheritance.

That having been said, Applicant's financial problems are due at least in part to his own poor judgment. Applicant moved his family to state Y, and took on a new mortgage of \$362,400 to be repaid at \$1,942 per month for a 5,000 square foot home when he and his spouse had no income (other than possible child support from her ex-husband), he had to pay child support for two children from his previous marriage, and they had mortgage and home equity loans on their home in state X. After repaying about \$47,000 in debt, including debt brought into their marriage, Applicant and his spouse relied on consumer credit cards to where they accumulated about \$21,434 in credit card debt as of February 2009. Applicant and his spouse caused further strain on their finances by renting a home at \$3,200 per month since October 2007. There is no evidence that they have decreased their grocery bill from \$1,567 per month. Financial decisions appear to have been made with little consideration to what they can reasonably afford.

If he resolves his loans on property #1 through a short sale or other means, and he establishes a payment plan on the home equity loan on property #2 (SOR 1.a) for six months along with a reduction in his expenses, Applicant may well be a good candidate for a security clearance when again eligible 12 months after the date of this decision. But at this time, I am unable to conclude that his financial problems are safely in the past.

Formal Findings

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

Paragraph 1, Guideline F: AGAINST APPLICANT

Subparagraph 1.a: Against Applicant

Subparagraph 1.b: Against Applicant

Conclusion

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

Elizabeth M. Matchinski
Administrative Judge