



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



In the matter of:)
)
) ISCR Case No. 09-06111
)
)
Applicant for Security Clearance)

Appearances

For Government: Candace L. Garcia, Esquire, Department Counsel
For Applicant: *Pro se*

January 5, 2011

Decision

MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant owed about \$45,000 in delinquent credit card debt and about \$467 in child support arrearage when he applied for his security clearance in April 2009. He paid off his child support in July 2009, and in February 2010, he settled a \$10,319 past due credit card balance. But he has had to borrow from lines of credit to pay some expenses. While he intends to work overtime for the funds to settle his remaining debt when he returns to work from temporary disability, it is too soon to conclude that his financial problems are behind him. Clearance denied.

Statement of the Case

On February 2, 2010, the Defense Office of Hearings and Appeals (DOHA) issued a Statement of Reasons (SOR) to Applicant detailing the security concerns under Guideline F (Financial Considerations) that provided the basis for its preliminary decision to deny him a security clearance. 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.

Applicant responded to the SOR allegations on February 12, 2010, and he requested a hearing before a DOHA administrative judge. On April 30, 2010, the case was assigned to me to consider whether it is clearly consistent with the national interest to grant or continue a security clearance for Applicant. On April 27, 2010, I scheduled a hearing for May 25, 2010.

I convened the hearing as scheduled. Five Government exhibits (Ex. 1-5) and four Applicant exhibits (Ex. A-D) were entered into evidence. Applicant expressed some concerns about the relevance of a credit report dated November 19, 2009, that would not reflect current information. I admitted the document as evidence of Applicant's prior financial history. Applicant also testified, as reflected in a transcript (Tr.) received on June 2, 2010.

I held the record open for three weeks after the hearing for Applicant to provide evidence of efforts to refinance his mortgage or otherwise settle his outstanding debts. No documents were received.

Findings of Fact

The SOR alleged that as of February 2010, Applicant owed \$56,201 in delinquent credit card debt (SOR 1.a-1.e) and a \$467 past due state debt¹ (SOR 1.f). Applicant admitted the debts in SOR 1.a, 1.d, and 1.e. He denied owing the other debts, and claimed that the debt in SOR 1.b was settled in full in November 2004; the debt in SOR 1.c was satisfied with a final payment on February 10, 2010; and the tax debt in SOR 1.f was paid in full on or before July 8, 2009. After considering the pleadings, exhibits, and transcript, I make the following findings of fact.

Applicant is a 54-year-old electrical maintenance technician, who has been employed by a defense contractor since March 2007. (Ex. 1.) He went on temporary disability for medical reasons in March 2010, and was scheduled for surgery in mid-June 2010. He expected to return to work five or six weeks after his surgery. (Tr. 59-60.) He seeks a security clearance for his duties.

Applicant married his now ex-wife in May 1990. He and his spouse had two daughters, who were born in 1989 and 1991. Applicant and his ex-wife divorced in February 1995. He was ordered to pay child support. (Ex. 1.)

¹The debt in SOR 1.f is a child support arrearage, which was reported past due on his credit record by the state's department of taxation.

Applicant served in the U.S. military as an active duty reservist from April 1992 to April 2000. From May 1997 to around April 2004, he was employed full-time as a controller in service and sales for a test and field service company. (Ex. 1.)

Applicant took advantage of the many credit card offers extended to him during his marriage and after his divorce. (Ex. Tr. 62-63, 66-67.) He made his payments as required on several accounts, in part relying on two lines of credit with his bank. (Ex. 5.) In April 2004, he was laid off. He cared for his mother until her death later that year, and he worked part-time for a local farm. In October 2004, the credit card account identified in 1.b was charged off in the amount of \$6,542, although he paid \$4,000 to settle the debt in November 2004. (Ex. C.) He borrowed the funds from a personal line of credit. (Tr. 70.)

In late 2004, Applicant was offered a job by his current employer. Before he could start work, the company instituted a hiring freeze and Applicant was without full-time employment. (Ex. 1; Tr. 53-54.) In January 2005, Applicant and his fiancée began cohabiting in his home, which he had inherited from his mother. (Ex. 1.) Despite his fiancée’s financial assistance, he could not keep up with all of his credit obligations. Some credit card accounts became delinquent. He stopped paying on the accounts identified in SOR 1.a, 1.c, 1.d, and 1.e in 2005. (Ex. 2-5.) In November 2005, he took out a mortgage loan of \$200,000, and was current on his \$1,000 monthly payments. (Ex. 3, 5.) Applicant took the equity in his home and bought a used car, a dump truck, and a trailer for \$23,000 total. He planned to start his own landscaping business but it did not work out. (Tr. 115-16.)

From May 2006 until November 2006, Applicant worked full-time as a commercial trap fisherman earning between \$60 and \$70 a day. (Ex. 1; Tr. 55-56.) He was unemployed from November 2006 until March 2007, when he began working for the defense contractor at \$17 an hour. (Ex. 1; Tr. 56.) His delinquent credit card balances went unpaid even after he refinanced his mortgage through a new loan of \$236,000 in November 2007. (Tr. 112-13.) His monthly payment increased to about \$1,600 (Ex. 2.) because of his credit rating. (Tr. 114.) He fell behind as well in his child support in 2008. (Ex. 3-5.) He contacted a debt resolution company in 2007, but he could not afford the payment required by the firm to resolve his debts. (Ex. 2.) However, he made timely payments on that mortgage as well as on two lines of credit that he had taken out with a bank in February 1989 for \$9,000 and in June 1998 for \$10,000. (Ex. 5.)

Around April 2009, Applicant’s employer requested that he apply for a security clearance for his duties. He obtained his credit report for the details about his delinquent accounts. On his April 29, 2009, Electronic Questionnaire for Investigations Processing (e-QIP), he disclosed several outstanding accounts, as set forth in the following table.

Debt	Delinquency history	Payment status
Credit card debt in collection \$12,383 (SOR 1.a)	Opened Apr. 2002, \$12,383 written off Jan. 2006, for collection Jun. 2008. (Ex. 1-5.)	No effort to contact assignee to resolve debt as of May 2010 (Tr. 62, 68.)

Retail revolving charge debt in collection \$6,542 (SOR 1.b)	Opened Jan. 1986, high credit \$8,229, last payment Apr. 2004, \$6,340 in collection Nov. 2004. (Ex.1, 2, 3, 5.)	Paid \$4,000 to settle on Nov. 8, 2004, with borrowed funds from line of credit. (Ex. C; Tr. 70.) Deficiency balance \$2,542 still on his credit record (Ex. 2, 3, 5) but not owed.
Credit card debt charged off \$9,467 (SOR 1.c)	Opened Dec. 2002, credit limit \$7,500, 30 days past due Jun.-Sep. 2004, Mar.-Jun. 2005. Apr. 2009 credit report listed \$18,082 charge-off balance (Ex. 5), but collection agency reported a \$10,319.44 balance as of Feb. 2010. (Ex. A.)	On Feb. 4, 2010, assignee offered to settle for \$2,579.86 in lump sum. Applicant sent check dated Feb. 10, 2010, with error in draft, returned not cashed. (Ex. B.) Paid \$2,579.86 to settle debt on Feb. 21, 2010. (Ex. A.)
Credit card debt charged off \$7,724 (SOR 1.d)	Opened Mar. 1996, credit limit \$6,280, last activity Mar. 2005, \$1,442 past due as of Nov. 2005, \$7,724 written off. (Ex. 1-5.)	No payments as of May 2010, and no attempt to contact creditor. (Tr. 75.)
Credit card debt \$305 (not in SOR)	Opened Mar. 2001, last activity Oct. 2003, charged off Oct. 2004, \$305 written off Jan. 2005. (Ex. 1, 2.)	Paid Sep. 28, 2009, after charge off. (Ex. 2-4.)
Gasoline credit card debt charged off \$41 (not in SOR)	Opened Jun. 1987, last activity Apr. 2004, \$41 in collection Oct. 2004. (Ex. 1, 2, 5.)	Paid Sep. 30, 2009. (Ex. 2.)
Child support arrearage \$791.95 (SOR 1.f)	Opened Apr. 1999, history of late payments, from 30 to 180 days, \$467 past due as of Apr. 2009 (Ex. 1, 2, 5.)	Wages garnished at \$82 per week, child support obligation ended, paid \$648 to satisfy arrearage as of Jul. 2009. (Ex. D.)
Credit card charge off debt \$15,479 (not on e-QIP) (SOR 1.e.)	Opened Jan. 1993, \$13,505 credit limit, \$15,479 balance charged off Aug. 2005. (Ex. 2, 4.)	No payments as of May 2010, and no attempt to contact creditor. (Tr. 75.)

On May 20, 2009, a Government investigator interviewed Applicant, in part about his financial issues. Applicant did not deny the debts, which he attributed to his divorce and later reduction in his income. With the help of his fiancée, he was meeting his day-to-day expenses. Concerning the old debts, he expressed his intent to refinance his mortgage to free up funds to pay off as many creditors as he was able. As for the smaller debts, he

planned to pay off the \$41 debt in the next few weeks and the \$305 debt in the next few months. He was hoping to reach settlements on the larger debts (SOR 1.a, 1.c, and 1.e). Applicant disputed the \$2,542 reportedly owed the creditor identified in SOR 1.b as the debt had been settled. (Ex. 2.)

On September 18, 2009, DOHA requested an update from Applicant about his efforts, if any, to resolve his past-due debts. He paid off the \$41 and \$305 balances in late September 2009. On October 21, 2009, Applicant contacted a credit counseling agency. The firm created a budget and action plan for him. He was operating under a net monthly deficit of \$883. Under the budget proposed for him, Applicant was to eliminate \$140 per month spent eating out, but to increase his debt payments from \$310 (the two lines of credit) to \$1,126, which would leave him with a greater deficit of \$1,089 per month. Applicant was advised to consult with an attorney about a possible bankruptcy filing. (Ex. 2.)

Applicant assumed that a bankruptcy would jeopardize his chance of obtaining a security clearance, so he decided to address the debts on his own. He began working with his mortgage company in an effort to reduce his monthly mortgage payment, which was \$1,609.94. Based on an hourly rate of pay at \$24.51, he took home \$951.52 for 43 hours. He estimated he had a net monthly deficit of \$1,380.70 as of November 3, 2009, although his fiancée was helping pay the bills. (Ex. 2.) In December 2009, he bought for \$1,100 a 1995 model-year vehicle from a friend when his truck broke down. (Tr. 109-10.) He wrote his friend a check from one of his lines of credit. (Tr. 110.)

Applicant worked as many overtime hours as were available to him in early 2010 so that he would have some extra funds to put toward his debts. (Tr. 104-05.) With net earnings between \$1,100 and \$1,200 (Tr. 39.), he settled a credit card debt (SOR 1.c) in February 2010.² (Ex. A.) Applicant failed to take advantage of an earlier settlement offer because it did not fit into his budget at the time and it may not have been as advantageous to him. (Tr. 72-73.) Applicant contacted his mortgage lender to lower the interest rate on his loan from its present 7.25%, but he did not follow through. (Tr. 62-63.) He wanted to pay off some of his smaller debts first in the hope of increasing his credit score. (Tr. 75.) As of March 2010, he was making payments as agreed on his two lines of credit, which had balances of \$8,776 and \$9,802. (Ex. 4; Tr. 70-71.)

As of March 2010, Applicant's hourly wage for his work with the defense contractor was \$25.25. In mid-March 2010, Applicant was hospitalized for a week. On his discharge, he was out of work on temporary disability pay of \$672 per week. With less income, he could not afford to make any further payments toward his old debts. (Tr. 39.) He received a settlement offer from a creditor (he cannot now recall whether from the creditor in SOR 1.a or 1.e) on his discharge, but he could not afford the terms. (Tr. 62.) Applicant rescheduled his surgery from March 2010 until mid-June 2010 because his clearance was his first priority and he did not want to postpone his hearing. (Tr. 58-59.) On his return to work about four to six weeks after his scheduled surgery, he planned to contact his remaining

² The creditor or assignee apparently filed a civil action against Applicant. (Ex. A.)

creditors about possible settlements. (Tr. 61, 76.) Applicant intends to work as much overtime as is available to him for the funds needed. (Tr. 104.) He has not considered making small payments on the debts, as he had heard that the creditors hike the interest rate once you start repaying the debt. (Tr. 74-75.) In mid-May 2010, Applicant re-contacted his mortgage lender about a possible refinancing. As of his hearing on his clearance eligibility, he was waiting to hear back from a mortgage specialist. (Tr. 77-78.) With his real estate taxes being paid out of an escrow account, his mortgage payment is currently \$2,009 per month. (Tr. 84.)

Applicant lives with his fiancée and their two teenage children. (Tr. 80, 82, 106.) His fiancée contributes about \$700 to the household each month from her income. (Tr. 95.) Despite current income and expense figures that would indicate a \$569 negative monthly remainder while he is out on disability, Applicant testified that he was managing to meet his monthly bills by conserving where he can and juggling payments. (Tr. 82-93, 101.) Applicant continues to spend about \$80 per month on beer. He realizes that he “could probably” cut that expense and the \$175 in monthly miscellaneous expenses somewhat. (Tr. 102.) He has borrowed against his lines of credit to pay for expenses as recently as March or April 2010. (Tr. 99.) He no longer relies on consumer credit cards for purchases because credit cards “got [him] into this mess.” (Tr. 98.) Applicant does not operate under a budget. (Tr. 101.) The trailer and dump truck that he bought with the thought of entering the landscaping business remain in his yard. He has considered selling them. (Tr. 116.)

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. 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. 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 to obtain a favorable security decision.

A person who seeks access to classified information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours. The Government reposes a high degree of trust and confidence in individuals to whom it grants access to classified information. Decisions include, by necessity, consideration of the possible risk that the applicant may deliberately or inadvertently fail to protect or safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified information. Section 7 of Executive Order 10865 provides that decisions shall be “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” See *also* EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

Analysis

Guideline F, Financial Considerations

The security concern for Financial Considerations is set out in AG ¶ 18, as follows:

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. Three are potentially applicable in this case:

- (a) inability or unwillingness to satisfy debts;
- (c) a history of not meeting financial obligations; and
- (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.

When Applicant applied for a security clearance in April 2009, he owed about \$45,000 in delinquent credit card debt and about \$467 in child support arrearage. He took advantage of credit card offers extended to him before (e.g., SOR 1.b), during (SOR 1.e),

and after (SOR 1.a, 1.c, 1.d) his marriage to his ex-wife. AG ¶¶ 19(a) and 19(c) apply. Furthermore, AG ¶ 19(e) is established in several aspects. He spent on credit without regard to what he could reasonably afford before he started his current employment. When he had no income other than from part-time maintenance work for a local farm, he refinanced his home, and used \$23,000 of his home equity to purchase a dump truck and trailer for a planned landscape business that did not work out. He refinanced again in November 2007, which increased his monthly payment by \$600 or \$700, and not surprisingly, could not afford to repay his old debts. As of October 2009, he reported expenses that exceeded his income by \$883 each month. He was spending \$140 on restaurant meals and an additional \$80 for beer each month. While out of work on temporary disability since mid-March 2010, his utility costs have lessened but his expenses still exceed his income by more than \$500 each month. He has had to borrow from his lines of credit to pay his expenses.

Five Financial Considerations mitigating conditions under AG ¶ 20 are potentially applicable:

- (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;
- (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;
- (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;
- (d) the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts; and
- (e) the individual has a reasonable basis to dispute the legitimacy of the past-due debt which is the cause of the problem and provides documented proof to substantiate the basis of the dispute or provides evidence of actions to resolve the issue.

AG ¶ 20(e) applies in limited part. Applicant successfully disputed that he was liable for the \$2,542 alleged in SOR 1.b as of the issuance of the SOR. While he had owed a collection balance of \$6,340 on the account as of November 2004, he settled the debt for \$4,000, albeit with funds borrowed against his line of credit. He paid off his child support arrearage in July 2009. In contrast, the debt in SOR 1.c, which he also denied, was not settled until February 21, 2010, about 20 days after the SOR was issued.

The recency of Applicant's financial problems precludes favorable consideration of AG ¶ 20(a). He still owes \$35,586 in delinquent debt (SOR 1.a, 1.d, and 1.e), and in March or April 2010, had to turn to one of his lines of credit to meet his monthly expenses.

However, mitigating condition AG ¶ 20(b) applies only in part. There is no evidence that Applicant's ex-wife ran up the balances of his credit cards during their marriage without his knowledge. To the contrary, Applicant admitted at his hearing that he "fell victim" to the credit card lenders that were "just passing credit like out, like candy." (Tr. 63.) Applicant's financial problems are partially attributable to his divorce in that his child support obligation, at around \$82 per week, took funds that he could have used to pay off his credit cards. He also experienced an unforeseen job layoff in March 2004. He took advantage of the time off to care for his terminally ill mother, and around September 2004, he began to fall behind in some of his obligations. After her death, he inherited the house, and had a mortgage obligation. Although his fiancée moved in with him in January 2005, Applicant was unemployed full-time until May 2006, when he started working in the fishing industry. More recently, he was out of work on temporary disability pay from mid-March 2010, and not scheduled to return until July or August 2010. The financial burden of income loss is contemplated within AG ¶ 20(b) when determining whether the debts were incurred as a result of circumstances beyond Applicant's control. That said, Applicant has not always acted responsibly with respect to his personal finances. He used the equity in his home to purchase a dump truck and trailer in 2005 or 2006 with the thought that he might start a landscaping business. It is difficult to justify the expenditure when some of his credit card debts were being charged off or referred for collection or both. Then, by refinancing his mortgage in 2007, Applicant further stressed his finances by increasing his monthly mortgage obligation by \$600.

Applicant's satisfaction of the retail credit debt in SOR 1.b in November 2004; of his child support arrearage in July 2009 (SOR 1.f); and of the \$305 and \$41 credit card debts in September 2009 (not alleged); qualify as good-faith efforts to resolve his debts under AG ¶ 20(d). Applicant's settlement of the debt in SOR 1.c for \$2,579.86 in February 2010 is also viewed favorably, but it is difficult to fully apply AG ¶ 20(d). He now surmises that he waited to settle the debt until the creditor offered more advantageous terms (Tr. 72-73), although the record of settlement shows it was likely in response to a civil action by the assignee. Furthermore, Applicant has taken no steps to address the debts identified in SOR 1.a, 1.d, and 1.e. Although having delinquent debt does not automatically disqualify an applicant from holding a security clearance, the DOHA Appeal Board has repeatedly held that the concept of good faith requires that a person show "reasonableness, prudence, honesty, and adherence to duty or obligation." See e.g. ISCR Case No. 07-10575 at 3 (App. Bd. Jul. 3, 2008). Applicant can reasonably be excused for not repaying his creditors while he is on temporary disability, given the decrease in his monthly gross income from about \$4,040 to \$2,688. However, he has an obligation to notify his creditors of his current financial situation and to attempt to negotiate future repayment terms. He had not done so by late May 2010. Nor had he followed through on the recommendations of a debt resolution firm to reduce some of his discretionary expenditures. He

acknowledged at his hearing that he could probably “trim back a little bit” his monthly miscellaneous expenses of \$175 (Tr. 102.)

Applicant asserts that on his return to work around July 2010, he will take advantage of overtime to earn the funds needed to settle his remaining debts. Although I do not doubt his sincerity in that regard, the record before me provides little assurance that he will be able to resolve his \$35,586 in outstanding past due balances in the near future. While he testified he is managing to meet his expenses with some help from his fiancée, his expense figures show he was operating at a monthly deficit of over \$500. He has been timely in his monthly payments on his two lines of credit, but they are almost “maxed out.” As of March 2010, the balances were \$8,776 and \$9,802 on credit lines of \$9,000 and \$10,000. Without a clear showing that he is able to live within his means without relying on these credit lines, or that he is following through on sound recommendations to trim or eliminate some discretionary expenditure, I cannot apply AG ¶ 20(c).

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 his conduct and all 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.

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.

Applicant overextended himself on consumer credit when he was gainfully employed. An unforeseen job layoff and subsequent underemployment led him to stop paying on several accounts. But he was also not proactive in addressing his delinquent obligations once he started working for his current employer in March 2007. It was not until DOHA inquired about his past due balances in September 2009 that he paid off a \$41 gas credit card debt that had been owed since 2004. As of October 2009, Applicant was operating at a net monthly deficit despite his full-time employment and financial assistance from his fiancée. Due largely to a reduction in utility costs from the winter, Applicant’s deficit had reduced by about half as of late May 2010. But largely because of his mortgage, which he acquired in November 2007, Applicant does not have the funds available to make

appreciable payments toward his sizeable credit card debt. He was given three weeks after his hearing to demonstrate efforts to address his remaining debts, including through a refinance of his mortgage. No documents were received. Applicant's situation could improve once he returns to work and presumably takes advantage of available overtime. Based on the record before me, it is too soon to conclude that his financial problems are behind him.

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:	For Applicant
Subparagraph 1.c:	For Applicant
Subparagraph 1.d:	Against Applicant
Subparagraph 1.e:	Against Applicant
Subparagraph 1.f:	For Applicant

Conclusion

In light of all of the circumstances presented by 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