



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



In the matter of:)
)
-----) ISCR Case No. 09-06139
SSN: -----)
)
Applicant for Security Clearance)

Appearances

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

June 30, 2010

Decision

MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant was granted credit after a Chapter 7 bankruptcy discharge in 2000. Several of his financial accounts, including his home and vehicle loans, became seriously delinquent over the 2006 to 2008 time frame because of his divorce and unemployment. He averted foreclosure through a short sale of the family home, but owed \$32,350 in back child support as of February 2009, and about \$17,660 on his loan for a repossessed vehicle. Through garnishment of his wages and interception of his tax refunds, the child support arrearage has been reduced to about \$15,000, but he has made minimal payments, if any, on other debts. The financial concerns are not mitigated. Clearance is denied.

Statement of the Case

Applicant submitted an Electronic Questionnaire for Investigations Processing (e-QIP) on March 17, 2009. On December 7, 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 December 29, 2009, Applicant answered the SOR and requested a hearing. On March 8, 2010, the case was assigned to me 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. I scheduled a hearing for March 30, 2010.

I convened the hearing as scheduled. Seven Government exhibits (Ex. 1-7) and nine Applicant exhibits (Ex. A-I) were admitted into evidence without objection. Applicant and two coworkers testified on his behalf, as reflected in a transcript (Tr.) received on April 8, 2010.

At Applicant's request, I initially held the record open until April 13, 2010, for Applicant to submit additional documentation. At various times between March 30, 2010 and April 12, 2010, Applicant forwarded 12 documents by electronic mail. The Government did not object to any of the proposed exhibits, which were marked and entered as exhibits J through V.

On May 17, 2010, Applicant asked that I reopen the record to consider further evidence, to include an updated payment plan on his debts. The Government did not object, and a final due-date of May 24, 2010, was set for any further submissions. On May 17 and 18, 2010, Applicant forwarded five more documents, which were admitted as Exhibits W through AA without objection.

Findings of Fact

The SOR alleged under Guideline F, Financial Considerations, that Applicant was granted a Chapter 7 bankruptcy discharge in August 2000 (SOR 1.n), and then incurred \$392,893 in delinquent debt (SOR 1.a-1.m), including a \$339,128 judgment for nonpayment of a mortgage loan (SOR 1.i), that was unpaid as of December 2009. In his Answer, Applicant admitted owing the debts identified in the SOR with the exception of the judgment in 1.i. While the mortgage had been in foreclosure in 2007 due to his unemployment, he had sold the home, and the mortgagee agreed to accept a short sale. He explained that the \$28,817 debt identified in SOR 1.g was for child support arrearage that accrued when he was out of work, but that he has been making payments on the debt for the past 20 months. After considering the pleadings, exhibits, and transcript, I make the following factual findings.

Applicant is a 43-year-old information technology services professional, who lives with his girlfriend and their young son, who was born in March 2007. (Ex. 2.) Applicant has been employed as a principal engineer for a defense contractor since March 2009. (Ex. 1, A.) He requires a secret-level security clearance for his duties. (Ex. D.)

Applicant was married from 1988 to 2008. (Ex. 1, Tr. 115.) He and his ex-wife had four children together. (Tr. 102.) From October 1998 to November 2006, Applicant worked as a senior infrastructure architect for a major professional sports organization at an annual salary that reached \$140,000 by the end of his employment. (Tr. 82-83.) During their marriage, he and his ex-wife filed for a Chapter 7 bankruptcy discharge in April 2000, which was granted in August 2000. (Ex. 2, 6, Tr. 122.) They filed to relieve themselves of further financial responsibility for the mortgage on their home. The house needed repairs that they could not afford. (Tr. 124.) Applicant was extended credit after the bankruptcy. In January 2004, he took out an automobile loan of \$39,102 with the creditor identified in SOR 1.h. In September 2004, he opened a credit card account (SOR 1.e) with a \$200 credit limit, and he also bought a home, taking out a \$304,200 mortgage loan, to be repaid at \$2,746 per month (SOR 1.i). (Ex. 6, 7.)

By the summer of 2006, Applicant and his ex-wife's marriage was ending. They agreed that their marital residence should be sold, and around August 2006, Applicant stopped paying the mortgage. His estranged wife and their four children remained in the residence pending its sale. Applicant moved in with his current girlfriend, who lived about a three-hour drive away from his work. (Ex. 2.) The mortgage loan went to foreclosure while Applicant sought a buyer for the house. (Ex. 1, Tr. 80.) In July 2007, a \$339,128 civil judgment was filed against him. (Ex. 5.) In September 2007, Applicant sold the home for \$335,000, and he paid \$307,486.15 to settle his defaulted mortgage loan. (Ex. 4, 6, V.)

Applicant had always been highly motivated and responsible in his job with the professional sports organization (Ex. C, Y.), but his lengthy commute and marital problems took their toll. (Tr. 79.) In mid-October 2006, Applicant was reprimanded at work for tardiness and unexcused absence. After he was found asleep at his desk in November 2006, he was terminated from his job. (Ex. 1.)

Applicant's estranged spouse filed for divorce on grounds of abandonment (Tr. 88.), and Applicant was ordered to pay child support. Applicant earned income from part-time consulting work, but he was otherwise unemployed until May 2008. (Ex. 1.) His girlfriend paid his vehicle loan for him for a few months in early 2007 (Tr. 126-27, 130.), and she allowed him to live with her rent free until he found full-time employment. (Tr. 129.) Applicant continued to pay his car insurance and some living expenses, but other financial obligations, including his vehicle loan and child support, became seriously delinquent. With a warrant out for his arrest due to his sizeable child support arrearage, Applicant chose to not attend any of the divorce proceedings, including a mediation session about reducing his child support obligation. (Tr. 84, 115.) His ex-wife was awarded almost \$90,000 of his 401(k) and pension assets, while he was allowed to keep only about \$5,000.¹ (Tr. 85, 89.)

¹Applicant received \$5,000 and his ex-wife \$15,000 of his assets when the divorce was filed. When the divorce was granted, his ex-wife was given the remainder. (Tr. 89.)

The financial history of the delinquent debts identified in the SOR is set forth in the following table.

Debt as alleged in SOR	Delinquency history	Payment status as of May 2010
1.a. Utility services debt \$724	Incurred in martial home, \$724 due as of Sep. 2007, for collection Oct. 2008. (Ex. 1, 6, 7, H, R.)	No payments as of late Mar. 2010 due to child support taking half of his salary. (Ex. 2.)
1.b. Personal cellular phone debt \$682	No activity since Jun. 2007, for collection Aug. 2008, \$682.15 balance. (Ex. 1, 6, 7.)	No payments as of late Mar. 2010 due to child support taking half of his salary. (Ex. 2.) Three \$10 payments in Apr. 2010. (Ex. N, X.)
1.c. Ambulance debt \$705	Incurred Jan. 2005, \$705 for collection Mar. 2007. (Ex. 1, 2, 7, H, R.)	No payments as of late Mar. 2010 due to child support taking half of his salary. (Ex. 2.) Two \$10 payments in Apr. 2010. (Ex. X.)
1.d. Satellite television debt \$921	Debt in his name incurred by his family in marital home (Tr. 92.), \$921 due Sep. 2007, for collection Jan. 2009. (Ex. 1, 6, 7.)	Unpaid because of child support. (Ex. 2.)
1.e. Credit card debt charge-off \$623	\$200 limit credit card opened Sep. 2004, last activity Feb. 2007, \$585 charged off Sep. 2007(Ex. 1, 6, H.), \$623 balance Aug. 2009. (Ex. 7.)	No payments as of late Mar. 2010 due to child support taking half of his salary. (Ex. 2.) Three \$10 payments Apr. 2010. (Ex. N, X.)
1.f. Telephone/Internet/Cable debt \$131	Opened Dec. 2004, last activity Nov. 2007 (Tr. 92.), \$131 charged-off balance Aug. 2008, in collection as of Nov. 2008. (Ex. 6, H, R.)	Unpaid because of child support. (Ex. 2.)

1.g. Collection debt \$28,817 for child support arrearage	Child support ordered at \$2,292 per month as of Nov. 2006 (Ex. 1, 7.), \$32,350.26 in arrears as of Feb. 2009. (Ex. 5, I.)	Paid \$41,370.13 in current child support and \$12,498.15 in arrearage between May 2008 and Dec. 2009, \$19,997.21 in arrears as of Dec. 2009. (Ex. I.), \$3,438 federal income tax refund applied Mar. 19, 2010. (Ex. L, Tr. 92-93.)
1.h. Car loan debt \$20,000 for repossessed vehicle	Auto loan of \$39,102 opened Jan. 2004 (Tr. 93.), \$700 monthly payments, vehicle repossessed Jun. 2007, balance \$17,660.33 as of Dec. 2009. (Ex. 1, 3, 7.)	No intent to repay unless the vehicle is sold and his debt reduced by the sale price less some profit for the lender (Tr. 86, 97, 107-08.)
1.i. Judgment debt \$339,128	\$304,200 mortgage loan opened Sep. 2004; last activity Oct. 2006, \$14,160 past due as of Dec. 2006. Foreclosure commenced Mar. 2007, judgment \$339,128 Jul. 2007. (Ex. 2, 5, 6, 7, H, R.)	Short sale of house for \$335,000; \$307,486.15 paid to lender Sep. 2007 (Ex. 4.), accepted in settlement. (Ex. 6.) On credit reports as unpaid judgment, disputed with credit bureau. (Ex. R, S.)
1.j. Bank debt in collection \$292	Joint checking account with ex-wife overdrawn (Ex. 1, Tr. 95-96.), \$292 debt in collection Dec. 2007. (Ex. 6, H.)	Paid after collection Jul. 2009. (Ex. H, Q.)
1.k. Telephone debt \$254	Account opened Oct. 2007 for collection \$254. (Ex. 6, R.)	Unpaid; expected ex-wife to pay utility debts incurred at marital residence. (Tr. 114.)
1.l. Telephone company debt \$206	In collection as of Jul. 2009 (Ex. 1, R.)	Unpaid; expected ex-wife to pay utility debts incurred at marital residence. (Tr. 114.)

1.m. Bank debt \$410	Overdrawn bank account in collection, balance \$410.26 as of Mar. 2009 (Ex. 1.), balance \$432 as of Jan. 2010. (Ex. R.)	Planned to pay \$10 every two weeks from Apr. 1, 2010 (Ex. K.), paid \$10 Apr. 2, 2010 (Ex. N.), Apr. 16, 2010, and Apr. 30, 2010. (Ex. X.)
----------------------	--------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------

In May 2008, Applicant began full-time employment as manager of network services for a toy retailer. (Ex. 1.) He made a \$500 child support payment and then the state garnished his wages for his child support. (Ex. I, Tr. 104-05.) The state would not authorize repayment through direct allotment because his account was too far in arrears. (Tr. 105.)

Applicant proved to be an outstanding technical manager, who had an innate ability for understanding a broad range of technologies and the appropriate architecture to bind them together. Applicant's supervisor was very pleased with his performance, but the company ceased operations in about February 2009. (Ex. 1, F.)

In March 2009, Applicant began his current employment with the defense contractor. When he applied for his secret-level security clearance on March 17, 2009, Applicant listed on his e-QIP that he was delinquent in his child support payments, that his vehicle had been repossessed, and that he owed several other past due debts, including those identified in SOR 1.a-1.f, and 1.j-1.m. Applicant indicated that many of the debts on his credit report were due to his divorce, and that his ex-wife agreed to pay them. With child support taking 55% of his salary, and a two-year-old child to support, Applicant indicated that he did not have the funds to address his debt. (Ex. 1.)

Applicant's monthly child support obligation of \$2,266 is being paid through garnishment from his wages. (Ex. I.) He no longer pays child support for his daughter who turned 19. He is paying child support for his children, ages 16, 15, and 14. (Tr. 102.) Through his garnishment payments, and interception of his \$5,323 income tax refund in April 2009, the arrearage had been reduced by \$12,498.15, to \$19,997.21 as of December 2009. (Ex. I, Tr. 131.) The warrant for his arrest had been withdrawn. (Tr. 131.)

In February 2010, Applicant spent \$350 to travel to his uncle's funeral. (Tr. 130.) As of late March 2010, he still owed his grandmother \$2,000 for a loan from 2007. (Tr. 139.) He began repaying the personal loan in early April 2010 with a \$50 payment. (Ex. K, N, T, AA.) As of April 2010, Applicant had a corporate credit card on which he had charged about \$662 of personal expenses, including the travel costs to attend his uncle's funeral. He intends to pay off that debt first. (Ex. K.)

After his hearing, Applicant prepared a repayment plan under which his corporate credit card account would be paid by July 2010. Following a year of payments, he would owe \$550 on the personal loan from his grandmother, \$415 on the ambulance debt in SOR 1.c, \$140 on the bank debt in SOR 1.m, and \$392 on the wireless phone debt in SOR 1.b. The delinquent credit card debt in SOR 1.e would be paid off in late

December 2010. (Ex. K.) He also indicated that the debt in SOR 1.j would be paid off in a year, but credit reports and documentation later submitted by him show the debt had been satisfied. (Ex. Q.) Applicant revised his payment plan several times, increasing some payments so that his debts would be paid off sooner. (Ex. N, O, T.) Under his latest repayment plan revised May 17, 2010, he planned to make monthly \$100 payments to his grandmother (Ex. AA.), to reduce the debt to \$50 by late September 2011. The balance of the debts identified in SOR 1.b, 1.c, 1.e, and 1.m would be reduced from \$2,389 in mid-May 2010 to \$1,309 as of September 15, 2011. (Ex. Z.) As of April 5, 2010, Applicant asserted that his ex-wife had agreed to begin making payments on the utility debts (SOR 1.a, 1.d, 1.f, 1.k, 1.l) that were left in his name from the home they had shared (Ex U.), although he provided no proof of any payments on the debts.

Applicant's girlfriend does not work outside of the home. She owns real estate and lives off her rental income of \$1,700 per month. (Tr. 118.) Applicant's annual salary is about \$87,100. (Tr. 85.) From that income, he pays his girlfriend \$1,000 per month, \$800 of which is for his rent and \$200 for the care of their son. (Tr. 119.) He has about \$600 available per month to cover gasoline costs at \$50, car insurance at \$75, food at \$150, clothing at \$50, utilities at \$50, and miscellaneous expenses, including gifts for his children and beer and cigarettes for himself. (Tr. 119-21, 143.) He does not maintain any savings because funds on deposit in excess of \$2,500 would be taken by the state for his child support arrearage. (Tr. 122.)

Applicant has been an important contributor from the start in his defense contractor employment. Because of his expertise in network architecture, he was called on to support a high priority network design initiative on a sensitive project. He immediately made a positive impact. (Ex. B, D.) His overall performance for his first year was rated as "exceeds target." (Ex. A.) In the opinion of his current supervisor, the lack of a secret-level security clearance has prevented the company from taking full advantage of Applicant's capabilities. He has proven to be an exceptional performer. (Ex. D, Tr. 49.) A coworker very familiar with Applicant's work ethic from their travel together on business, and from working closely with him, testified that Applicant is willing to put in the extra hours to get the job done. Applicant has been conscientious about the network and ensuring that policies and procedures are followed. This coworker would trust Applicant with his classified network. (Tr. 56-60, 69-70.)

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 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.

In August 2000, Applicant and his ex-wife were granted a bankruptcy discharge, apparently to relieve themselves of the responsibility for continuing to pay for a home that needed repairs they could not afford. With his \$140,000 annual salary from the professional sports organization, Applicant was extended credit after the bankruptcy, including for a new home loan in September 2004, and for a vehicle in December 2005. Payments were made timely for the most part, until their marital separation in 2006. Applicant stopped paying on the mortgage, and the lender initiated foreclosure proceedings in March 2007. While Applicant resolved the debt identified in SOR 1.i through a short sale of the residence in September 2007, he was about \$15,872 in arrears in his child support (SOR 1.g), and his vehicle had been repossessed (SOR 1.h). Debts for telephone, utility services, and satellite television incurred by his family, but in his name, went unpaid. As of January 2009, bank overdraft charges (SOR 1.j, 1.m), and cellular telephone (SOR 1.b), and credit card (SOR 1.e) debts were charged off or in collection. His child support arrearage reached \$32,350, and he owed about \$17,660 on the loan for the repossessed vehicle. Disqualifying conditions AG ¶ 19(c), “a history of not meeting financial obligations,” and AG ¶ 19(a), “inability or unwillingness to satisfy debts,” apply.

Potentially mitigating condition 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,” is not pertinent. Even after the latest interception of his federal income tax refund in March 2010, Applicant is about \$15,000 in arrears in his child support. He took no steps to address the \$17,660.33 balance on his loan following the repossession of his vehicle in 2007. Only the debts identified in SOR 1.i and 1.j have been resolved.

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,” applies in part. Applicant’s ex-wife was given most of his pension funds in their divorce, and about 55% of Applicant’s income is going to child support. Unemployment played a significant role in Applicant falling so far in arrears on his child support, and in his inability to remain current on his vehicle loan. That said, he bears some responsibility for the loss of the job that paid him \$140,000 a year. Applicant chose to live a considerable distance from his employment during his marriage and after he and his spouse separated. A lengthy commute that is willingly incurred does not mitigate the financial concerns. Furthermore, despite his sizeable child support obligation, Applicant could have done more to address his delinquent debt after he acquired full-time employment in May 2008. Despite monthly discretionary income of \$225, Applicant made no payments toward the satisfaction of his delinquencies, nor accrued any savings. Applicant did not act responsibly under the circumstances.

Applicant’s satisfaction of the bank overdraft debt identified in SOR 1.j in July 2009, and his settlement of his defaulted mortgage loan in September 2007, implicate AG ¶ 20(d), “the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts.” The proceeds from the short sale were accepted by the

lender, as shown by the settlements on his account reported in April 2009 (Ex. 6.) and in April 2010. (Ex. R.) The judgment identified in SOR 1.i was issued in July 2007, before the settlement, and Applicant recently disputed its inclusion on his credit record. However, AG ¶ 20(e), “the individual has a reasonable basis to dispute the legitimacy of the past-due debt which is the cause of the problem and provides documented proof to substantiate the basis of the dispute or provides evidence of actions to resolve the issue,” is applicable only to that debt. Although Applicant also contests the outstanding balance of the loan for his repossessed vehicle (SOR 1.h), his assertion that the vehicle should have been sold is not sufficient to disprove the validity of the debt balance. He admitted that he owed about \$20,000 on the loan when the vehicle was repossessed (Ex. 1.), which is not out of line with the \$17,660.33 balance reported by the lender. (Ex. 3.) Applicant’s April 2010 payments of \$30 on the debts identified in SOR 1.b, 1.e, and 1.m, and of \$20 on the debt identified in SOR 1.c, are too recent to fully mitigate the financial judgment concerns. Similarly, an argument can be made for application of AG ¶ 20(d) to his child support arrearage based on his payments since March 2008, which he would have preferred to have made by direct allotment rather than by garnishment. At the same time, I cannot fully apply AG ¶ 20(d) to mitigate his child support arrearage when he is intentionally not accumulating savings because he does not want the state to levy his account.

Based on the totality of Applicant’s financial situation, 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.” There is no evidence that Applicant has received any financial counseling, or that his financial issues are likely to be resolved in the near future. Based on his latest repayment plan, which does not include the utility debts incurred in his name by his family, he will have paid all but \$50 of his loan from his grandmother. He will also have reduced the aggregate balance of the debts identified in SOR 1.b, 1.c, 1.e, and 1.m to a manageable \$1,309. But the child support arrearage and vehicle loan debt together total \$32,000, and he does not intend to resolve the vehicle loan.

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).² Applicant had a difficult time from 2006 through 2008. He and his spouse

²The factors under AG ¶ 2(a) are:

(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.

separated in 2006, and they eventually divorced in 2008. After repeated tardiness and absences, Applicant was terminated from a well-paying position in November 2006. Apart from some consulting work, he was unemployed until May 2008. While his living situation remained stable throughout that time, his ex-wife was awarded most of his pension monies, and court-ordered child support did not account for his loss of income.

Since March 2009, Applicant has held a stable job with income of at least \$80,000 annually. Despite about 55% of his pay going to support his children, he appears to have had sufficient income to make payments before April 2010 on the undisputed debts, and he did not do so. His exercised questionable financial judgment in not making resolution of his debts a priority, especially after he applied for a security clearance. Furthermore, he admitted that he recently used his corporate credit card for personal expenses totaling about \$662 that were unpaid as of his hearing. Although he has a plan to resolve many of his smaller debts, his payments in April 2010 are not enough to establish a meaningful track record of repayment of those debts. The government must be assured that those persons granted access can be counted on to fulfill their legitimate obligations, even those that may be personally burdensome. Should Applicant continue to reduce his child support arrearage, and make payments toward his other debts, he may be a good candidate for a security clearance when again eligible 12 months after the date of this decision. But I am unable to conclude that it is clearly consistent with the national interest to grant Applicant a security clearance at this time, notwithstanding his valuable contributions to his employer.

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