



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



In the matter of:)	
)	
SSN:)	ISCR Case No. 09-06986
)	
Applicant for Security Clearance)	

Appearances

For Government: Braden M. Murphy, Esq., Department Counsel
For Applicant: *Pro se*

November 15, 2010

Decision

LOUGHRAN, Edward W., Administrative Judge:

Applicant mitigated Financial Considerations security concerns, but he has not mitigated Personal Conduct concerns. Eligibility for access to classified information is denied.

Statement of the Case

On July 19, 2010, the Defense Office of Hearings and Appeals (DOHA) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guidelines F (Financial Considerations) and E (Personal Conduct). The action was taken under Executive Order (EO) 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) implemented by the Department of Defense on September 1, 2006.

Applicant answered the SOR on August 6, 2010, and requested a hearing before an administrative judge. The case was assigned to me on August 23, 2010. DOHA

issued a notice of hearing on August 23, 2010, and the hearing was convened as scheduled on September 15, 2010. The Government offered Exhibits (GE) 1 through 13, which were received without objection. Applicant testified and submitted Exhibits (AE) A through G, which were received without objection. The record was held open for Applicant to submit additional information. Applicant submitted documents that were marked AE H through L and admitted without objection. Department Counsel's memorandum is marked Hearing Exhibit (HE) I. DOHA received the transcript of the hearing (Tr.) on September 22, 2010.

Findings of Fact

Applicant is a 51-year-old employee of a defense contractor. He served on active duty in the United States military from 1980 until he retired in the pay grade E-8 in 2005. He seeks to retain a security clearance he has held through most of his adult life. He attended college for a period but did not earn a degree. He has been married almost 30 years. He has three children, ages 31, 23, and 13.¹

Applicant was arrested three times before he enlisted in the military. In 1977, he was arrested and charged with burglary, a felony. He was 18 years old at the time. Several months later, the charge was nolle prosequi, or dismissed. In 1978, Applicant was arrested and charged with possession of marijuana. He pleaded guilty and was sentenced to pay a \$250 fine. He was arrested for driving while intoxicated in early 1980. He pleaded guilty and was sentenced to pay a \$250 fine and to attend alcohol education classes.²

Applicant informed his recruiter about his criminal record and his drug use. That information was also considered in his background investigation before he was granted a security clearance in 1981.³

Applicant married about a year into his military career. He experienced financial problems in the 1990s and filed bankruptcy in 1997. His debts were discharged the same year. Applicant admitted that he and his wife were irresponsible and lived beyond their means. He stated they had "a champagne lifestyle on a beer budget."⁴

Applicant's finances stabilized for a short period after the bankruptcy, and then he started having financial problems again. In about October 1997, Applicant's daughter left home, leaving her two-month-old baby in their care. Applicant's wife was unable to work because she had to care for the baby. The baby required extensive medical treatment that was not covered under Applicant's military insurance. Applicant's daughter moved back home in 1999. Applicant co-signed a car loan for her, so that she

¹ Tr. at 21-22, 37-39, 46, 98; GE 1, 3.

² GE 9-12.

³ Tr. at 31-32; Applicant's response to SOR; GE 9.

⁴ Applicant's response to SOR; GE 1, 3, 8.

could drive to work. She later moved out again. His daughter did not make the car payments, and the car was repossessed. Applicant was liable for the deficiency owed on the car loan. In 2001, Applicant's mother-in-law became ill. His wife and children traveled to another state to care for his wife's mother, which caused additional expenses. Applicant and his wife adopted his daughter's child in 2001. Applicant deployed from 2001 to 2002. When he returned from deployment, he learned his wife had not paid all their bills.⁵

Applicant submitted a security clearance application (SF 86) in 2000. He listed his 1997 bankruptcy and his 1999 car repossession under the pertinent financial questions. Question 21 of the SF 86 asked:

Have you ever been charged with or convicted of any felony offenses? (Include those under the Uniform Code of Military Justice.) For this item, report information regardless of whether the record in your case has been "sealed" or otherwise stricken from the court record. The single exception to this requirement is for certain convictions under the Federal Controlled Substances Act for which the court issued an expungement order under the authority of 21 U.S.C. 844 or 18 U.S.C. 3607.⁶

Question 23 of the SF 86 asked, "Have you ever been charged with or convicted of any offense(s) related to alcohol or drugs?" Applicant answered "No" to both questions. Applicant provided statements for his background investigation in March and May 2002. He fully discussed his finances and his criminal record.⁷ He denied intentionally falsifying the SF 86:

I didn't answer yes to these questions because since enlisting, I haven't had any problems with anything at all. I have reviewed the [SF 86] with [investigator] and I now see that I should have answered yes to question 21, regarding being charged with a felony offense, and yes to question 24, regarding ever being charged with an alcohol or drug offense. Having now been informed of exactly what is required, I will list these incidents on all future security paperwork.⁸

After considering all the evidence, including what, if any, motive Applicant would have to hide two arrests that occurred before he enlisted in the military, I find that he did not intentionally falsify this SF 86. However, I find that he was on notice of the importance of accurately reporting all information on future security clearance applications.

⁵ Tr. at 21-22, 25, 37, 98; GE 8.

⁶ GE 7.

⁷ GE 7-9.

⁸ GE 9.

Applicant had additional financial problems after he retired from the military in 2005. He worked at a home improvement retail store from about October 2005 through March 2007. His income, including his military retired pay, was substantially less than he earned on active duty. He was unable to pay all his bills and a number of debts became delinquent. Applicant worked as a civilian employee of the military from March 2007 through March 2009, when he moved to another state to accept a job with his current employer.⁹

The SOR alleges Applicant's 1997 bankruptcy, 12 delinquent debts totaling about \$15,000, and an unpaid judgment of \$6,110. Except as specifically stated below, the allegations were established through credit reports and Applicant's admissions. The delinquent debts raising security concerns in Applicant's case are addressed in the table below.

SOR	AMOUNT	STATUS	EVIDENCE
1.b Collection company/ cable company	\$122	Paid September 2010.	Tr. at 50-53; AE F.
1.c. Medical debt	\$80	Paid September 2010.	Tr. at 53-54; AE E.
1.d. Bank	\$622	Settled through monthly \$60 payments. Completed February 2010.	Tr. at 54-56; GE 5; AE H.
1.e. Finance company/ repossessed car loan	\$12,175	Payment plan since July 2009. Paid \$153 per month until December 2009, and \$204 thereafter. Balance in July 2010 was \$13,420.	Tr. at 28-29, 56-63; AE A, J.
1.f. Medical debt	\$204	Paid September 2010.	Tr. at 63-64; AE G.
1.g. Medical debt	\$116	Paid September 2010.	Tr. at 63-64; AE G.
1.h. Medical debt	\$78	Paid September 2010.	Tr. at 63-64; AE G.
1.i. Collection company/ cellular telephone company	\$407	Agreement to settle \$306 balance for \$196. Paid \$50 on October 8, 2010; \$146 due on October 22, 2010.	Tr. at 64-66; AE I.
1.j. Medical debt	\$78	Paid or duplicate of SOR 1.h.	GE 5, 6.
1.k. Medical debt	\$282	Paid March 2010.	Tr. at 66; AE B.
1.l. Cellular telephone company	\$1,104	Payment plan. Paid \$100 September 2010.	Tr. at 66-68; AE F.

⁹ Tr. at 22-24, 41-44; GE 1, 3, 5.

1.m. Collection company/ supermarket	\$379	Paid \$93 September 2010. Agreed to pay \$115 on October 22, 2010, and \$170 on November 7, 2010	Tr. at 70-72; AE C, L.
1.n. Automobile finance company/ judgment	\$6,110	Paid \$100 September 2010. Agreed to pay \$100 per month. Balance due of \$4,779 on October 5, 2010.	Tr. at 73-77; GE 5; AE F.

In summary, Applicant paid or settled eight debts, and he has payments plans in effect for four debts and the judgment.

Applicant provided inconsistent information about the debt that is alleged in SOR ¶ 1.n. He stated he was unaware that his daughter’s car was repossessed until several months after it was repossessed. In his 2002 statement, he said he was paying a law firm \$100 per month toward the deficiency owed on the car loan after the repossession. In April 2008, he told an investigator from the Office of Personnel Management (OPM) that he established a payment plan in the fall of 2007, and he had been making regular payments since then. When he responded to DOHA interrogatories in February 2010, he wrote that the judgment was paid, it was his “daughter’s account,” and “[s]he has taken care of [it].” He wrote in his response to the SOR:

I paid on this account until I was told that the balance had been taken care of by my daughter (I was the co-signer for her loan). I never heard from [finance company] again leaving me to believe that the account was paid in full until this current date. The current balance on this account is \$4,879.00. I have contacted [finance company] in the process of paying on this account again with monthly payments.

Applicant testified that after he learned the car was repossessed, he made monthly payments on the deficiency owed on the loan until his daughter said that she would pay the debt. He testified that he thought she paid the debt, and he did not realize a judgment was obtained against him until after he was questioned by the OPM investigator.¹⁰

Applicant paid or settled several debts that were not alleged on the SOR. A \$960 debt to the Department of Defense was paid-in-full as of September 2006. He paid \$228 to a military exchange in August 2008, to pay a debt that had a “delinquent date” of November 21, 2005. He settled a credit card debt for \$300 on June 1, 2009. A \$967 debt to a telecommunications company was settled during or before January 2010. Applicant stated his finances are back in order, and he intends to pay his debts.¹¹

Applicant submitted a Questionnaire for National Security Positions (SF 86), and certified it as true on March 26, 2008. The introduction to Section 23 stated:

¹⁰ Tr. at 25-28, 73-77, 83; Applicant’s response to SOR; GE 5, 8.

¹¹ Tr. at 91-97; GE 4-6, 13.

For this item, report information regardless of whether the record in your case has been “sealed” or otherwise stricken from the court record. The single exception to this requirement is for certain convictions under the Federal Controlled Substances Act for which the court issued an expungement order under the authority of 21 U.S.C. 844 or 18 U.S.C. 3607.¹²

Section 23a of the SF 86 asked, “Have you ever been charged with or convicted of any felony offense? (Include those under Uniform Code of Military Justice).” Applicant answered “No.” Section 23d asked, “Have you ever been charged with or convicted of any offense(s) related to alcohol or drugs?” Applicant answered “Yes” and listed “Poss[ess]ion of marijuana/DUI.”¹³ After considering all the evidence, I find that Applicant did not intentionally falsify the answer to Section 23a.

Section 27b of the SF 86 asked “In the last 7 years, have you had your wages garnished or had any property repossessed for any reason?” Applicant answered “No.” He testified that he did not list the repossession of his sport utility vehicle (SUV) that resulted in the debt alleged in SOR 1.e, because the repossession occurred at or after he submitted the SF 86. That explanation is inconsistent with the evidence. The credit report of April 8, 2008, was obtained 13 days after the SF 86 was submitted. That report already listed the debt as a repossession and charged off, with a balance of \$12,164. Equifax listed a date of last action as November 2005. TransUnion reported the activity date on the account as October 2006. Applicant discussed his finances, including this debt, with an OPM investigator on April 24, 2008. The report of investigation (ROI) summarizing that interview does not discuss when the car was repossessed. Applicant told the investigator that he remained on a payment plan after the repossession and would continue until the debt was paid. There is no evidence that Applicant made any payments on the debt between the time the car was repossessed and July 2009. Applicant initially testified the SUV was repossessed in 2006 or 2007. He indicated the SUV was repossessed just after he started working as a civilian employee of the military. He started that job in March 2007. His testimony, about when the SUV was repossessed, changed after I asked him why he did not list the repossession on his SF 86.¹⁴ I did not find his explanation credible.

Applicant answered “No” to Section 27d of the SF 86, which asked “In the last 7 years, have you had any judgments that have not been paid?” He did not list the judgment obtained for the deficiency owed on his daughter’s car loan.¹⁵ He stated he was unaware that the debt had been reduced to a judgment until 2009. There is

¹² GE 1.

¹³ *Id.*

¹⁴ Tr. at 28-31, 34, 56, 73-77; Applicant’s response to SOR; GE 1, 4-6, 13. It was not alleged in the SOR that Applicant falsified his answer to this question, and his answer will not be used for disqualification purposes. It will be considered in assessing Applicant’s credibility; in the application of mitigating conditions; and in evaluating the “whole person.”

¹⁵ GE 1.

insufficient evidence for a determination that Applicant intentionally falsified the answer to Section 27d.

Applicant also answered “No” to Sections 28a and 28b of the SF 86, which asked “In the last 7 years, have been over 180 days delinquent on any debt(s)?” and “Are you currently over 90 days delinquent on any debt(s)?” Applicant stated that he had been making small payments on all his debts and did not believe he had to answer either question in the affirmative. The April 2008 credit report lists multiple delinquent debts. Many of the debts are listed with dates of last action that would require Applicant to list the debt on the SF 86.¹⁶ After considering all the evidence, I find that Applicant intentionally falsified the answers to Sections 28a and 28b.

Applicant was interviewed for his background investigation by an OPM investigator on April 24, 2008. He discussed his criminal record, including his felony arrest in 1977, and his delinquent debts. He discussed his various payment plans. He stated that he would continue to make payments in as large amounts as possible, and he intended to pay all his debts in the near future.¹⁷

The military Central Adjudication Facility (CAF) that controlled Applicant’s security clearance issued a Security Eligibility Determination on August 14, 2008.¹⁸ The CAF determined Applicant was eligible for a security clearance but stated:

You are cautioned that financial irresponsibility is considered very serious, and in order for you to remain eligible for access to classified information, you must immediately visit your command financial counselor for assistance in making arrangements to resolve your delinquent debts. Failure to address your delinquent debts will be cause for reconsideration of your eligibility for a security clearance. You are responsible for ensuring any future personnel security questionnaires are complete and accurate prior to their submission.¹⁹

Applicant went to his command financial counselor and received advice and counseling. He was advised to pay one debt at a time rather than small payments on each debt.²⁰

Applicant submitted another Questionnaire for National Security Positions on May 4, 2009. He listed the repossession of his SUV and multiple delinquent debts under the pertinent financial questions. He listed his possession of marijuana and DUI

¹⁶ Tr. at 33-34, 78-79; Applicant’s response to SOR; GE 1.

¹⁷ GE 5.

¹⁸ GE 2.

¹⁹ *Id.*

²⁰ Tr. at 22-23, 47-49; GE 5.

charges. He again failed to list his 1977 felony burglary charge on the SF 86.²¹ I find he did not intentionally falsify that question.

Policies

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 to be used 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, administrative judges apply the guidelines 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 the 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 the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation of potential, rather than actual, risk of compromise of classified information.

Section 7 of EO 10865 provides that adverse decisions shall be "in terms of the national interest and shall in no sense be a determination as to the loyalty of the

²¹ GE 3.

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:

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. Two are potentially applicable in this case:

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

Applicant accumulated a number of delinquent debts and was unable or unwilling to pay his obligations for a period. The evidence is sufficient to raise the above disqualifying conditions.

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.

Applicant admitted that he and his wife lived beyond their means in the 1990s. They resolved their delinquent debts through bankruptcy. They had additional problems in the late 1990s and early 2000s. His daughter returned home and left her child in their care. He and his wife eventually adopted the child. They had medical bills that were not covered by insurance. His mother-in-law became ill, and his wife did not pay their debts while he was deployed. Applicant had a lower income for about a year and a half after he retired from the military in 2005. Applicant's post-bankruptcy issues qualify as conditions that were outside his control. To be fully applicable, AG ¶ 20(b) also requires that the individual act responsibly under the circumstances. Applicant started addressing his delinquent debts before the SOR was issued. He sought counseling and was advised to pay one debt at a time. He paid a number of debts that were not alleged in the SOR. He paid, settled, or has a payment plan for all the debts in the SOR. In ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008), the Appeal Board discussed an applicant's burden of proof under these mitigating factors:

In evaluating Guideline F cases, the Board has previously noted that the concept of "meaningful track record" necessarily includes evidence of actual debt reduction through payment of debts." See, e.g., ISCR Case No. 05-01920 at 5 (App. Bd. Mar. 1, 2007). However, an applicant is not required, as a matter of law, to establish that he has paid off each and every debt listed in the SOR. See, e.g., ISCR Case No. 02-25499 at 2 (App. Bd. Jun. 5, 2006). All that is required is that an applicant demonstrate that he has ". . . established a plan to resolve his financial problems and [has] taken significant actions to implement that plan." See, e.g., ISCR Case No. 04-09684 at 2 (App. Bd. Jul. 6, 2006). The Judge can reasonably consider the entirety of an applicant's financial situation and his actions in evaluating the extent to which that applicant's plan for the reduction of his outstanding indebtedness is credible and realistic. See Directive ¶ E2.2(a) ("Available, reliable information about the person, past and present, favorable and unfavorable, should be considered in reaching a determination.") There is no requirement that a plan provide for payments on all outstanding debts simultaneously. Rather, a reasonable plan (and concomitant conduct) may provide for the payment of such debts one at a time. See, e.g., ISCR Case No. 06-25584 at 4 (App. Bd. Apr. 4, 2008). Likewise, there is no requirement that the first debts actually paid in furtherance of a reasonable debt plan be the ones listed in the SOR.

I find that Applicant acted responsibly under the circumstances and made a good-faith effort to pay or otherwise resolve his debts. I further find clear indications that his financial problems are being resolved and are under control. AG ¶¶ 20(b), 20(c), and

20(d) are applicable. Applicant does not rate full mitigation under AG ¶ 20(a) because he still has several debts to address.

Guideline E, Personal Conduct

The security concern for Personal Conduct is set out in AG ¶ 15:

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.

AG ¶ 16 describes conditions that could raise a security concern and may be disqualifying. The following is potentially applicable:

(a) deliberate omission, concealment, or falsification of relevant facts from any personnel security questionnaire, personal history statement, or similar form used to conduct investigations, determine employment qualifications, award benefits or status, determine security clearance eligibility or trustworthiness, or award fiduciary responsibilities.

Applicant intentionally falsified his SF 86 in 2008 when he failed to list his delinquent debts. AG ¶ 16(e) is applicable. The other falsification allegations have not been established. SOR ¶¶ 2.a through 2.d and 2.f are concluded for Applicant.

AG ¶ 17 provides conditions that could mitigate security concerns. The following are potentially applicable:

(a) the individual made prompt, good-faith efforts to correct the omission, concealment, or falsification before being confronted with the facts;

(b) the refusal or failure to cooperate, omission, or concealment was caused or significantly contributed to by improper or inadequate advice of authorized personnel or legal counsel advising or instructing the individual specifically concerning the security clearance process. Upon being made aware of the requirement to cooperate or provide the information, the individual cooperated fully and truthfully;

(c) the offense is so minor, or so much time has passed, or the behavior is so infrequent, or it happened under such unique circumstances that it is unlikely to recur and does not cast doubt on the individual's reliability, trustworthiness, or good judgment;

(d) the individual has acknowledged the behavior and obtained counseling to change the behavior or taken other positive steps to alleviate the

stressors, circumstances, or factors that caused untrustworthy, unreliable, or other inappropriate behavior, and such behavior is unlikely to recur; and

(e) the individual has taken positive steps to reduce or eliminate vulnerability to exploitation, manipulation, or duress.

Applicant discussed his finances when he was interviewed by the OPM investigator less than a month after he submitted his SF 86. He provided inconsistent information about his finances throughout the adjudication process. There are no applicable mitigating conditions.

Whole-Person Concept

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

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

I considered the potentially disqualifying and mitigating conditions in light of all the facts and circumstances surrounding this case. I have incorporated my comments under Guidelines F and E in my whole-person analysis. Some of the factors in AG ¶ 2(a) were addressed under those guidelines, but some warrant additional comment.

I considered Applicant's honorable service in this country in the U.S. military. Applicant's finances suffered through events beyond his control. He has taken steps to resolve his financial problems, and they no longer generate security concerns. However, he failed to provide truthful responses about his finances on his SF 86. It is fundamental to the security clearance process that an applicant provide truthful and candid answers. Applicant chose not to.

Overall, the record evidence leaves me with questions and doubts about Applicant's eligibility and suitability for a security clearance. I conclude Applicant has mitigated Financial Considerations security concerns, but he has not mitigated Personal Conduct concerns.

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:	FOR APPLICANT
Subparagraphs 1.a-1.n:	For Applicant
Paragraph 2, Guideline E:	AGAINST APPLICANT
Subparagraphs 2.a-2.d:	For Applicant
Subparagraph 2.e:	Against Applicant
Subparagraph 2.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 continue Applicant's eligibility for a security clearance. Eligibility for access to classified information is denied.

Edward W. Loughran
Administrative Judge