



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



In the matter of:)	
)	
-----)	ISCR Case No. 10-00727
)	
)	
Applicant for Security Clearance)	

Appearances

For Government: William O’Neil, Esquire, Department Counsel
For Applicant: *Pro se*

October 27, 2011

Decision

MARSHALL, Jr., Arthur E., Administrative Judge:

On September 10, 2010, the Defense Office of Hearings and Appeals (DOHA) issued a Statement of Reasons (SOR) enumerating security concerns arising under Guideline F (Financial Considerations). DOHA took action under Executive Order 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; Department of Defense (DOD) Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG).

In an undated response, Applicant admitted the 38 allegations raised (¶¶ 1.a-1.ii), offered two memoranda and 38 attachments, and requested a hearing before a DOHA administrative judge. DOHA assigned the case to me on November 19, 2010. The parties proposed a hearing date of January 6, 2011. A notice setting that date for the hearing was issued on December 16, 2010. I convened the hearing as scheduled.

Applicant gave testimony and introduced 14 exhibits, which were accepted into the record without objection as exhibits (Exs.) A-N. She was given through February 4, 2011, to submit any additional documents. The Government introduced 10 documents, which were accepted into the record without objection as Exs. 1-10. The transcript (Tr.)

of the proceeding was received on January 14, 2011. On February 14, 2011, Department Counsel forwarded eight files received from Applicant. Lacking any objection to their submission, they were accepted as Exs. O-V. On February 4, 2011, a comprehensive binder of Applicant's updated materials was received without objection and accepted into the record as Ex. W. The record was then closed. Based on a review of the testimony, submissions, and exhibits, I find Applicant failed to meet her burden of mitigating security concerns related to financial considerations. Clearance is denied.

Findings of Fact

Applicant is a 38-year-old project support management coordinator who has worked for the same employer for nearly two years. She earned a bachelor's degree in criminal justice and is currently working on a master's degree in the same field. Applicant is single and has no children.

In about October 2002, Applicant underwent necessary surgery, which was followed by months of recuperation. As she recovered, her company laid off a number of workers, including her. During this period of unemployment, she acquired many of the debts that remain at issue. She returned to work in early 2003, but subsequent periods of employment intermittently followed and her pay was low. In November 2004, she found a state job, at which she continued to work until about January 2007.

Over the past decade, Applicant has lived in at least three different states and in multiple apartment buildings. In late 2006, she accepted a new position. Soon thereafter, she relocated to take what seemed to be a stable job. She rented an apartment that she soon discovered was rat infested and which lacked a working air conditioner, a situation that exacerbated her asthma. Consequently, she was often sick. Her landlord would not fix the problem or release her from her lease. In about June 2007, she moved closer to her job. Things were starting to improve until she required an emergency room visit for a kidney stone.¹ Shortly thereafter, a polyp was discovered on one of her vocal cords, necessitating surgery in 2008. Recuperation led to the depletion of her accrued leave, resulting in her taking unpaid leave on days she was too ill to work. This situation made it difficult to pay for the extensive medications she was taking. In October 2008, she broke her ankle and took two weeks off from work.

In January 2009, Applicant's cast was removed from her ankle. In May 2009, she was let go from her job as a contractor and then experienced about three or four months of unemployment. More erratic employment followed until she started her current job in late 2009. Around the same time, she was informed that her 2002 surgery had to be repeated, but she postponed this surgery due to her current work and financial responsibilities.²

¹ There is no indication that this required extensive time off work or entailed extraordinary out of pocket expenses.

² Tr. 28.

Applicant started working with a credit repair company in 2009. The company told her not to contact or speak with any of her creditors, instructing her to direct any inquiries directly to it. It declined to pursue debt settlement on her delinquent accounts, an issue previously discussed as an option. It told her where to direct payments, but did not tell her for what accounts payments were being made. Applicant began to suspect the company was conducting some sort of scheme.³ She filed a complaint with the Federal Trade Commission and stopped working with the company. She has not since heard from the company regarding the payments she made to purported creditors.

In about July 2009,⁴ a friend referred Applicant to a noted law firm that offers a credit repair service. She discovered that her prior credit repair company had not effectuated any payments to her creditors. Declining bankruptcy as an option, she enrolled in the law firm's credit repair service in July or August 2009.⁵ The service explained to her the essentials of maintaining good credit and methods for tackling her delinquent debts. It included credit counseling.⁶ With its guidance, she has been working to address the debts noted in the SOR.

At issue in the SOR are the following:⁷

1.a – \$3,138 collection account for debt owed to former residential apartment – Applicant showed three payments on this debt in the amounts of \$10, \$10, and \$15 for November and December 2010.⁸

1.b – \$8,703 collection account for debt owed to educational entity – Applicant showed that she filed a complaint regarding the creditor with the Better Business Bureau concerning a disputed post-program balance.⁹

³ Tr. 29.

⁴ Note: In Tr. 29-35, Applicant references these events as having occurred in the summer of 2010. Later in her testimony, when asked to verify the year as 2009, she confirmed the dates as being in 2009. See Tr. 144-145.

⁵ Tr. 145.

⁶ Tr. 145.

⁷ In summary, of the 38 debts at issue, Applicant showed recent payments amounting to only \$165 on six admitted debts amounting to approximately \$9,079. Due to recent dispute efforts by her credit repair service, however, nine accounts have been successfully disputed (1.i, 1.j, 1.l, 1.m, 1.q, 1.r, 1.t, 1.cc, and 1. ee) and nine are pending dispute resolution (1.g, 1.h, 1.o, 1.u, 1.v, 1.x, 1.y, 1.ff, 1.gg, and 1.hh). In addition, five complaints have been filed with the Better Business Bureau regarding six accounts (1.b, 1.c, 1.e, 1.f, 1.n, and 1.o). The status of ten alleged accounts, amounting to approximately \$5,350, remains unresolved and largely unaddressed (1.p, 1.s, 1.z, 1.aa, 1.bb, 1.dd, 1.ii, 1.jj, 1.kk, and 1.ll)

⁸ Ex. A (Proof of payments). Giving Applicant the benefit of a doubt, and given the ultimate disposition of this decision, copies of money orders were accepted as evidence that payments were extended. It is noted, however, that such evidence does not actually show that payments were received, accepted, and applied to the balances at issue.

⁹ Ex. B (Better Business Bureau dispute and related paperwork, Nov. 2010).

1.c – \$320 collection account for telecommunications service – Applicant showed that she filed a complaint regarding the creditor with the Better Business Bureau concerning this post-service cancellation balance.¹⁰

1.d – \$3,120 collection account for apartment rental balance – Applicant cumulatively paid \$35 to this creditor and notified it of her ill health, noting that “if I am able to send more I will.”¹¹

1.e; 1.f – Two \$50 medical collection balances – Applicant filed a complaint with the Better Business Bureau regarding these alleged balances.¹²

1.g – \$110 collection account for telecommunications entity – Applicant unsure whether this is her account and is seeking validation of the debt.¹³ It has been disputed by her credit repair service.¹⁴

1.h – \$70 medical collection balance – Currently in dispute.¹⁵

1.i – \$1,016 collection account for same telecommunications entity noted in 1.g, above – This account entry was successfully disputed.¹⁶

1.j – \$178 collection account for telecommunications service – This account was successfully disputed.¹⁷

1.k – \$2,046 collection account for apartment building balance – Applicant showed that she made two payments amounting to \$25 between November and December 2010, and stated that the debt is now in repayment.¹⁸

¹⁰ Ex. C (Better Business Bureau dispute, Dec. 2010).

¹¹ Exs. D (Undated letter and proof of payments).

¹² Ex. E and Ex. F (Letter, dated Dec. 10, 2010).

¹³ Tr. 82.

¹⁴ Tr. 85; Ex. G (Credit Counseling Service report, dated Jan. 15, 2011) at 1.

¹⁵ Tr. 87-89; Ex. G, *supra*, note 14.

¹⁶ Tr. 90; Ex. G, *supra*, note 14.

¹⁷ *Id.*

¹⁸ Tr. 92; Ex. H (Proof of payments). Evidence of a third nominal payment was included in the Response to the SOR.

1.l – \$140 delinquent medical account – This entry was disputed by Applicant’s credit repair service. It has been successfully disputed and deleted by at least one of the three leading credit reporting bureaus.¹⁹

1.m – \$132 collection account for the same telecommunications service noted in 1.g and 1.i – This entry was successfully disputed by Applicant’s credit repair service and it has been deleted from her credit report.²⁰

1.n – \$420 collection account for telecommunications service – Applicant stated that she had an unacceptable level of Internet service with this provider. She has lodged a complaint with the Better Business Bureau regarding this alleged balance.²¹

1.o – \$120 utility account charge-off – Applicant contacted this creditor and was told that it did not have a record of her having an account or balance. She has disputed the debt with the Better Business Bureau.²² It was also put into dispute by her credit repair service with the credit reporting bureaus.²³

1.p – \$125 collection account for a clothing merchant – Applicant noted that this account is no longer entered on her credit report. She stated that she has spoken with the creditor and been told she has no balance owed.²⁴ There is no documentary evidence indicating that the account was satisfied or the original credit report entry was erroneous.

1.q – \$3,799 collection account for educational services – This entry was deleted from Applicant’s credit report.²⁵ Applicant is also working with a state attorney general’s office regarding possibly irregular business practices by the underlying creditor.

1.r – \$78 collection account for the same telecommunications service noted in 1.g, 1.i, and 1.m – To the Government’s satisfaction, this account was paid in full and it has been deleted from Applicant’s credit report.²⁶

1.s – \$77 collection account for book club – Applicant offered no direct evidence indicating that this balance was paid. However, she provided documentation showing

¹⁹ Tr. 92-93; Ex. G, *supra*, note 14.

²⁰ Tr. 93-95; Ex. G, *supra*, note 14.

²¹ Tr. 96; Ex. I (Better Business Bureau dispute, Dec. 2010).

²² Ex. J (Better Business Bureau dispute, Dec. 2010).

²³ Tr. 98.

²⁴ Tr. 102-105.

²⁵ Tr. 102-109; Ex. K (Correspondence, dated Nov. 8, 2010).

²⁶ Tr. 111.

that she is currently a member of the book club, and she testified that this entry is being disputed.²⁷

1.t – \$667 collection account – Applicant noted that this entry from 2008 is no longer on her credit report and stated that it was deleted after dispute by her credit repair service.²⁸ The reason for its deletion after dispute is unknown.

1.u – \$500 medical collection account – Applicant paid \$50 plus \$10 to \$15 in fees on this balance before she answered the SOR.²⁹ She provided evidence of \$25 paid between November and December 2010.³⁰ She intends to pay more on the balance when she can.

1.v – \$100 collection account – Applicant does not recognize this account entry. Her credit repair service is currently disputing this account entry.³¹

1.w – \$176 collection action for telecommunications entity – Applicant paid a cumulative amount of \$35 on this debt between November and December 2010.³²

1.x – \$1,413 collection account – Applicant does not recognize this creditor. This entry will be disputed by her credit repair service.³³

1.y – \$89 collection account for utility service – Applicant previously paid \$10 on this account, evidence of which was remitted with her Response to the SOR.

1.z – \$806 collection account for utility service – Applicant is trying to discover the origin of this debt.³⁴

1.aa – \$766 collection account – Applicant is trying to discover the origin of this debt.³⁵

²⁷ Tr. 112-115; Ex. L (Form letter).

²⁸ Tr. 118-121.

²⁹ Tr. 122.

³⁰ Ex. M (Proof of payments).

³¹ Tr. 123.

³² Ex. N (Proof of payments).

³³ Tr. 124-125.

³⁴ Tr. 126-127.

³⁵ Tr. 128.

1.bb – \$107 collection account for returned check – This entry is no longer on Applicant’s credit report. The basis for its removal is unclear. She does not recollect the 2003 check at issue.³⁶

1.cc – \$216 collection account for telecommunications service – This entry was disputed and deleted from Applicant’s credit report.³⁷

1.dd – \$140 medical collection account – Applicant is unaware as to the origin of this alleged debt.³⁸

1.ee; 1.ff – \$160 and \$57 collection account for the same telecommunications service noted in 1.g, 1.i, 1.m, and 1.r – These entries were disputed by Applicant’s credit repair service. The former has been successfully disputed and deleted from her credit report, while latter is still in dispute.³⁹

1.gg – \$135 collection account – Applicant is unaware of the origin of this alleged debt. It is being disputed by Applicant’s credit repair service. They are awaiting the results of that dispute.⁴⁰

1.hh – \$134 collection account – Applicant is unaware of the origin of this alleged debt. It is being disputed by Applicant’s credit repair service. They are awaiting the results of that dispute.⁴¹

1.ii – \$3,013 charge-off account – This account no longer appears on Applicant’s credit report. Applicant concedes that she had an account with this provider about six years ago, and that she never paid off the balance then owed.⁴² She contacted the creditor to request validation of any balance owed. She is awaiting a response from the creditor.⁴³

1.jj – \$97 collection account for book club balance – Applicant is unaware of the origin of this entry. It is currently being disputed.⁴⁴

³⁶ Tr. 133-134.

³⁷ Tr. 135; Ex. G, *supra*, note 14.

³⁸ Tr. 135-136.

³⁹ Tr. 136-137; Ex. G, *supra*, note 14.

⁴⁰ Tr. 138-139; Ex. G, *supra*, note 14.

⁴¹ *Id.*

⁴² Tr. 140.

⁴³ Tr. 139.

⁴⁴ Tr. 142.

1.kk – \$114 collection account for utility service – Applicant does not recall having had service from this provider. The issue is poised for dispute by Applicant’s credit repair service.⁴⁵

1.ll – \$101 collection account for telecommunication service – Applicant denies having had service with this provide and is no longer on her credit report. It was not one of the accounts disputed by Applicant’s credit repair service. She does not know the current status of the alleged debt.⁴⁶

As noted, the majority of the debts at issue originated in the early 2000s. Of those account entries that were successfully deleted through dispute, there is no documentary evidence establishing the basis for the dispute. Consequently, it is unclear which, if any, were deleted because they were over seven years old.

Currently, Applicant has steady employment and earns approximately \$45,000 a year. She pays about \$1,000 a month in rent and approximately \$600 a month in utilities. She does not contribute to a 401(k) plan through her employer. While money is tight, she is hoping to find less expensive accommodations that could help her save more money. She stated that she is putting aside money to make progress on her debts.⁴⁷ Any vacations are generally limited to visiting family in a nearby state. Applicant acknowledges that she has been unable to make larger payments on those account balances on which she has recently made payments, citing to her most recent surgery, time off for recuperation, and her status as a contractor.⁴⁸ She also notes that her progress has been impeded since 2003 because of her erratic employment and health issues.⁴⁹ Given her present circumstances, Applicant understands she has much work to do regarding her finances. She noted, “I’m still trying to fix the problem. It’s going to take time. I don’t expect it to magically [disappear] overnight. . . I am trying to remedy the situation and not aggravate it and make it worse.”⁵⁰

Policies

When evaluating an applicant’s suitability for a security clearance, an administrative judge must consider the AG. In addition to brief introductory explanations for each guideline, the AG list potentially disqualifying conditions and mitigating conditions. 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

⁴⁵ Tr. 143; Ex. G, *supra*, note 14.

⁴⁶ Tr. 144.

⁴⁷ Tr. 39.

⁴⁸ Tr. 154-155.

⁴⁹ Tr. 155.

⁵⁰ Tr. 156.

adjudicative goal is a fair, impartial, and commonsense decision. Under AG ¶ 2(c), this process is a conscientious scrutiny of a number of variables known as the “whole-person concept.” The administrative judge must consider all 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.

The Government must present evidence to establish controverted facts alleged in the SOR. An applicant is responsible for presenting “witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by applicant or proven by Department Counsel. . . .”⁵¹ The burden of proof is something less than a preponderance of evidence. The ultimate burden of persuasion is on the applicant.⁵²

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 about 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). “The clearly consistent standard indicates that security clearance determinations should err, if they must, on the side of denials.”⁵³ Any reasonable doubt about whether an applicant should be allowed access to sensitive information must be resolved in favor of protecting such sensitive information.⁵⁴

Based upon consideration of the evidence, Guideline F (Financial Considerations) is the most pertinent to this case. Conditions pertaining to this AG that could raise a security concern and may be disqualifying, as well as those which would mitigate such concerns, are set forth and discussed below.

⁵¹ See *also* ISCR Case No. 94-1075 at 3-4 (App. Bd. Aug. 10, 1995).

⁵² ISCR Case No. 93-1390 at 7-8 (App. Bd. Jan. 27, 1995).

⁵³ *Id.*

⁵⁴ *Id.*

Analysis

Guideline F - Financial Considerations

Under Guideline F, “failure or an 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.”⁵⁵ It also states that “an individual who is financially overextended is at risk of having to engage in illegal acts to generate funds.”⁵⁶ Here, the evidence shows that Applicant has 38 delinquent debts reflected on her credit reports. Many of those debts are very old. Financial Considerations Disqualifying Condition (FC DC) AG ¶ 19(a) (inability or unwillingness to satisfy debts) and FC DC AG ¶ 19(c) (a history of not meeting financial obligations) apply. With such conditions raised, it is left to Applicant to overcome the case against her and mitigate security concerns.

The debts at issue are multiple in number, have long been neglected, and remain largely unpaid. Although Applicant stated that she is currently living within her income, she conceded that her finances remain extremely tight. There is no clear evidence that her financial situation will soon improve and Applicant concedes her situation will not improve “overnight.” Moreover, while temporarily postponed, it appears probable that she may soon require a follow-up to the same surgical procedure that first led her into financial distress. Financial Considerations Mitigating Condition (FC MC) 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) does not apply.

Multiple factors have adversely affected Applicant’s handling of her finances since the early 2000s. Multiple moves over the past decade appear to have vexed her efforts at maintaining contact with her creditors. While this factor was clearly within her control, she also has had several genuine health issues, at least one of which necessitated surgery and a protracted recovery period. Moreover, Applicant buys multiple prescription medications each month. She has experienced multiple periods of unemployment, one of which occurred in the early 2000s and was for a significant period. She was recently told by her doctor that another surgery is advised for the near future. Applicant has postponed this corrective procedure because of her work responsibilities and her current financial situation. Although there is no documentary evidence showing that Applicant tried to maintain contact with her creditors over the years, evidence of which would help demonstrate responsible behavior under the circumstances, or sought financial counseling at the height of her financial distress, such factors are sufficient to raise. FC MC AG ¶ 20(b) (the conditions that resulted in the behavior 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).

⁵⁵ AG ¶ 18.

⁵⁶ *Id.*

Applicant is currently enrolled with a law firm's credit repair service. That service includes credit counseling, although there is no evidence that it also included such helpful services as the development of a working budget or a strategy for paying off admitted debt. She did, however, provide evidence that the service's efforts included the dispute of a number of entries on her credit report. While it is unclear how many such entries were successfully disputed and removed due to age versus the credit bureaus' inability to validate a debt, progress has been made in cleaning up her credit report. To the limited extent that the service's efforts have helped Applicant dispute entries on her credit report, FC MC AG ¶ 20(c) (the person has received or is receiving counseling for the problem and there are clear indications that the problem is being resolved or is under control) applies.

Of the 38 debts at issue, Applicant showed recent payments amounting to only \$165 on six admitted debts amounting to approximately \$9,079.⁵⁷ Due to recent dispute efforts by her credit repair service, however, nine accounts have been successfully disputed (1.i, 1.j, 1.l, 1.m, 1.q, 1.r, 1.t, 1.cc, and 1.ee) and nine are pending dispute resolution (1.g, 1.h, 1.o, 1.u, 1.v, 1.x, 1.y, 1.ff, 1.gg, and 1.hh). In addition, five complaints have been filed with the Better Business Bureau regarding six accounts (1.b, 1.c, 1.e, 1.f, 1.n, and 1.o). The status of ten alleged accounts, amounting to approximately \$5,350, remains unresolved and largely unaddressed (1.p, 1.s, 1.z, 1.aa, 1.bb, 1.dd, 1.ii, 1.jj, 1.kk, and 1.ll).

Of the nominal payments made on six of the acknowledged debts, most of those payments were made months after the issuance of the SOR. There is scant documentary evidence of payments or action on any of the debts at issue prior to Applicant's receipt of the SOR. The recent and haphazard payments that were made do not reflect adherence to an established repayment plan or clear strategy, nor is there evidence that Applicant has adopted one. While it is recognized Applicant's finances are lean at present, these erratic payments have been nominal, especially in light of the balances at issue. Moreover, there is no documentary evidence showing that her creditors have accepted her payments as part of a mutually adopted debt repayment plan or that she has maintained regular correspondence with her creditors about her position. Overall, however, it is recognized that Applicant's credit repair service has made significant strides in reducing the number of debts at issue. In light of these facts, FC MC AG ¶ 20(d), (the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts) applies to a limited extent. None of the other FC MCs apply.

Whole-Person Concept

Under the whole-person concept, an administrative judge must evaluate an applicant's eligibility for a security clearance by considering the totality of an applicant's conduct and all the circumstances. An administrative judge should consider the nine adjudicative process factors listed at AG ¶ 2 (a). Under AG ¶ 2(c), the ultimate determination of whether to grant a security clearance must be an overall

⁵⁷ Applicant also admitted the debt at 1.ll for approximately \$3,013, but has yet to initiate payments on that debt. Consequently, less than \$200 has been applied to approximately \$12,100 of acknowledged delinquent debt over the past few years.

commonsense judgment based on careful consideration of the guidelines and the whole-person concept. In addition, what constitutes reasonable behavior in such cases, as contemplated by FC MC ¶ 20(b), depends on the specific facts in a given case.

I considered the potentially disqualifying and mitigating conditions in light of all the facts and circumstances surrounding this case, as well as the “whole-person” factors. Applicant is a mature woman who has been plagued by medical issues and periods of unemployment since 2000. She is well-educated, having earned a bachelor’s degree and commenced work on a master’s degree. She is single and has no children. Applicant makes under \$50,000. Multiple moves over the past decade seem to have undermined reciprocal efforts between creditors and Applicant to maintain uninterrupted contact. This fact appears to have contributed to her passive acquisition and ultimate neglect of delinquent debt, and her inability to identify some past creditors whose balances are now in collection with third-party entities.

Applicant raised mitigating factors with regard to her acquisition of debt, and facts tending to explain why much of her debt remains existent today. Her recent reliance on a credit counseling service has proved to be fruitful in clearing her credit report of several old and unknown or unverifiable account entries. What remains troublesome is her lack of a holistic plan for repaying her acknowledged debts in a way that is more meaningful than the nominal, randomly administered payments she has made, the vast majority of which were made well after the September 2010 SOR was issued. As a result, the evidence basically reflects a twelfth-hour attempt to formulate a record that shows some element of progress has been made.

The AG does not require that an Applicant satisfy all of one’s debts, only that there be evidence that a reasonable plan to address one’s debts has been devised, and that there is evidence that such a plan is being executed. Here, the evidence does not show that such a plan is being functionally executed, and the evidence does not show that Applicant’s debts are presently under control. Moreover, while Applicant testified that she is setting money aside to apply to her debts, there is insufficient evidence showing that she truly has the resources to do so. Further, in the face of limited income from her current position, there is scant evidence showing that Applicant has successfully either made cuts in her expenses or undertaken profitable secondary employment that might raise her ability to address her debt.

Applicant’s debts are significantly delinquent and there is scant documentary evidence showing any early efforts to work with her creditors. Nor is there evidence of progress on her delinquent debts during her comparably stable period of employment between 2004 and 2009. The evidence shows her first meaningful steps to address her debts occurred after the issuance of the September 2010 SOR. This late start helped undermine her current effort to show that her aged debts are now under control. However, once the credit counseling service completes its dispute and validation process and the true extent of Applicant’s debt is more apparent, she should be poised for devising a systematic plan for addressing her debt with the help of financial counseling. At present, however, the debts at issue are exceptionally numerous and her income highly limited. Without more significant indicators reflecting that a reasonable debt repayment plan has been devised and implemented, and lacking evidence that her

debts are under control, I find that Applicant failed to meet her burden in mitigating financial considerations security concerns. Clearance is denied.

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
Subparagraphs 1.a-1.ii:	Against Applicant

Conclusion

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

ARTHUR E. MARSHALL, JR.
Administrative Judge