



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



In the matter of:)
)
) ISCR Case No. 10-01012
)
Applicant for Security Clearance)

Appearances

For Government: Caroline Jeffreys, Esq., Department Counsel
For Applicant: Derek Flynn, Esq.

May 17, 2011

Decision

HEINY, Claude R., Administrative Judge:

Applicant owes more than \$40,000 in delinquent federal tax. He has failed to rebut or mitigate the financial considerations security concern. Clearance is denied.

Statement of the Case

Applicant contests the Defense Department's (DoD) intent to deny or revoke his eligibility for an industrial security clearance. Acting under the relevant Executive Order and DoD Directive,¹ the Defense Office of Hearings and Appeals (DOHA) issued a Statement of Reasons (SOR) on August 2, 2010, detailing security concerns under Guideline F, financial considerations.

¹ 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) effective within the DoD on September 1, 2006.

On September 17, 2010, Applicant answered the SOR and requested a hearing. On November 15, 2010, I was assigned the case. On January 26, 2011, DOHA issued a Notice of Hearing for the hearing held on February 10, 2011.

The Government offered exhibits (Ex.) 1 through 6, which were admitted into evidence without objection. Applicant testified and submitted exhibits A through F, which were admitted into evidence without objection. The record was held open to allow additional information from Applicant. On March 3, 2011, additional material was submitted. Department Counsel had no objection to the material, which was admitted into the record as Ex. G. On February 18, 2011, DOHA received the hearing transcript (Tr.).

Findings of Fact

In Applicant's SOR Answer, he denied a \$56 debt (SOR 1.b) and admitted the remaining debts, with explanations. I incorporate Applicant's admissions to the SOR allegations. After a thorough review of the record, pleadings, exhibits, and testimony, I make the following additional findings of fact.

Applicant is a 46-year-old test director who has worked for a defense contractor since May 2006. (Tr. 34) He is seeking to maintain a secret security clearance. (Tr. 28, Ex. 1) Applicant's duty performance resulted in four awards for outstanding achievement dated: December 2006, October 2008, December 2008, and September 2010. (Ex. G) He has a Bachelor of Science degree in Aeronautical Engineering and has not been unemployed since at least 2001. (Tr. 32, 84)

In February 1994, Applicant married and in late 2005, divorced.² (Tr. 30) His ex-wife's inability to make the monthly mortgage payments resulted in the foreclosure on their home. Applicant had no additional obligation on the house following the foreclosure.

In 2000 and 2001, Applicant was living in the Midwest and commuting to the west coast for work. He failed to file his taxes for a number of years. (Ex. 2) He asserted he filed the missing tax returns in 2007. However, his 2000 and 2001, nonresident or part-year resident state tax forms were filed in May 2010. (Ex. 2, Tr. 79) In 2004, he moved to his current state, which has no state income tax.

Applicant's October 2009 credit bureau report (CBR) lists five tax liens for: \$4,441; \$1,896; \$2,239; \$2,964; and \$25,560. (Ex. 4) The \$1,896 lien, filed in November 2004, was paid in March 2005 and released. (Ex. 4, Ex. 4) In July 2004, a state tax lien was issued against Applicant for \$2,239, which was released in December 2010. (Ex. E) In November 2005, his former state recorded a \$4,441 state tax lien

² On his October 2009, Electronic Questionnaires for Investigations Processing (e-QIP) he indicated in response to question 17.b that the divorce occurred in May 2004. (Ex. 1) His tax preparer indicates that divorce occurred in 2006. (Ex. F) His 2005 federal tax return lists him as married and his 2006 federal tax return lists him as single. (Ex. G)

against him. (Ex. 4) Until 2009, he continued making monthly tax payments to satisfy the tax lien for the state he had left in 2004. (Tr. 112) In June 2009, the state tax lien was released. (Ex. D) In October 2008, federal tax liens were issued against Applicant for \$2,964 and \$25, 560. (Ex. 2, Ex. 4)

In 2004, Applicant started working with a tax preparer. (Ex. F, Tr. 47) He asserts he calls his preparer 40 or 50 times a year. (Tr. 84) His tax preparer provided three statements (Ex. 2, Ex. F, and Ex. G) which were inconsistent with each other concerning when Applicant's tax returns were filed and the amount of the resulting taxes. On May 10, 2010, Applicant's tax preparer provided a letter concerning tax preparation dates and taxes owed. This affidavit was not accompanied by copies of any tax returns, but was accompanied by Internal Revenue Service (IRS) account transcripts for tax years 2001, 2004, 2006, and 2007. The affidavit indicated:

Tax Year	Date claimed for return being filed.	Refund amount	Taxes owed	IRS Notice of Intent to Levy.
2001	January 1, 2005		\$19,062	Issued in 2007 and 2008.
2002	January 15, 2005	0		
2003	August 5, 2004	0		
2004	April 15, 2006		\$10,728	Issued in 2008.
2005	April 15, 2006	0		
2006	October 15, 2007		\$3,937	Issued in 2008.
2007	October 7, 2008		\$10,101	
2008	August 10, 2009	0		
2009	March 22, 2010	0		

On February 7, 2011, Applicant's tax preparer provided a sworn affidavit concerning the filing dates and taxes owed. Again, no copies of state or federal tax returns accompanied that affidavit. The filing dates remain constant, but the amounts of taxes owed differ from the earlier letter. A summary of that letter and the taxes owed follows:

Tax Year	Date claimed for return being filed.	Refund amount	Taxes owed
2001	January 2005		\$8,939
2002	January 2005		\$419
2003	August 2004		\$1,511

2004	April 2006		\$5,486
2005	April 2006	\$1,084	
2006	October 2007		\$2,706
2007	October 2008		\$7,691
2008	August 2009	\$1,753	
2009	March 2010	\$3,004	

In March 2011, following the hearing, Applicant's tax preparer provided copies of the Applicant's tax returns. Except for tax years 2005 and 2007, the filing dates differ from material presented in the earlier letters. A summary of that letter and the taxes owed follows:

Tax Year	Date Return Filed as shown in Ex. F	Refund Amount	Amount Owed
2000	February 21, 2011	\$871	
2000 state	May 30, 2010	\$848	
2001	February 21, 2011		\$8,634
2001 state	May 30, 2010		\$948
2002	February 21, 2011		\$419
2003	February 24, 2011		\$1,542
2004	February 21, 2011		\$5,486
2005	March 15, 2006	\$1,084	
2006	February 21, 2011		\$2,746
2007	October 7, 2008		\$8,168
2008	April 9, 2009	\$1,753	
2009	February 28, 2011	\$3,004	
2010	February 28, 2011	\$5,098	

On March 25, 2004, Applicant completed a Security Clearance Application, Standard Form (SF) 86. (Ex. 6) He answered "no" to question 38, which asked if he had been more than 180 days delinquent on any debt during the prior seven years. He also answered "no" to question 39, which asked if he was currently more than 90 days

delinquent on any debt. At that time he completed his SF 86, he had not filed and was delinquent, on his 2001 and 2002 federal income taxes and his 2002 state tax.

On October 13, 2009, Applicant completed an Electronic Questionnaires for Investigations Processing (e-QIP). (Ex. 1) He answered "no" to question 26.m, which asked if he had been more than 180 days delinquent on any debt during the prior seven years. He also answered "no" to question 26.n, which asked if he was currently more than 90 days delinquent on any debt. At that time he completed his 2009 e-QIP, he had not filed, and was delinquent on his 2001, 2002, 2003, 2004, 2006, and 2007 federal income taxes and his 2001 state tax.

In January 2009, Applicant entered into an installment agreement with the IRS to repay \$45,000 in taxes. He agreed to make \$500 monthly payments starting in February 2009. (SOR Answer). In September 2010, he entered into an installment agreement with the IRS to repay \$44,000 in taxes whereby he would make \$250 monthly payments. During 2009 and 2010, he made no payments on the installment agreements. (Tr. 74)

In November 2009, Applicant was asked about his unpaid tax liabilities and additional delinquent accounts that were in collection or had been charged off. (Ex. 2) At that time, he provided a sworn statement concerning his finances, which he reviewed in April 2010. (Ex. 2)

When asked at hearing what type of vehicle he drove, he responded by acknowledging a 1995 Chevrolet pickup, which was paid for. (Tr. 60) On questioning by department counsel, Applicant admitted purchasing a \$32,000 Chrysler in 2007 with monthly payments of \$600. (Tr. 79) As of December 2010, the balance owed on the vehicle was \$22,973 and the loan was being paid as agreed. (Ex. 4) As of October 2009, Applicant owed \$70,335 in student loans, which he is paying as agreed.

As of June 2010, Applicant's monthly gross income was \$4,800, his monthly expenses were \$3,800, and he was making \$318 monthly payments on \$60,000 in student loans, which left a net monthly remainder of \$679. (Ex. 2) At the hearing, he stated his monthly take-home pay had increased to \$6,000. (Tr. 64) His current annual salary is approximately \$105,000. As of February 2011, he had \$31,118 in his retirement plan. (Ex. G) His wife does not work because she suffers from fibromyalgia. (Tr. 65)

His January 2011 credit bureau report (CBR) lists four collection accounts: \$634 utility bill (SOR 1 e), \$197 insurance debt, \$153 utility bill (SOR 1.c), and \$56 gym membership fee (SOR 1.b). (Ex. C) Of the four SOR collection accounts, Applicant's CBR indicates he disputed the \$153 (SOR 1.c) electric utility account. (Ex. C) In November 2009, Applicant was asked about five delinquent accounts. At the hearing, he was again asked about these debts and he was still uncertain about the \$153 energy account (SOR 1. c), the \$128 collection account (SOR 1.d), and the \$634 energy collection account (SOR 1.e). The amounts owed on the two utility bills (\$634 and \$694)

are similar. However, Applicant stated he believed the energy accounts were from different states. (Tr. 89)

The end of February 2011, Applicant anticipated receiving \$74,338 from the sale of his house. (Ex. B) Following closing costs, commissions, and other fees, he expected to receive around \$60,000. (Tr. 52) The outstanding liability on the house is \$45,000, which would provide him \$15,000 from the sale of the house. (Tr. 52) No documentation was received establishing the house went to closing in February 2011, as anticipated or the amount realized from the sale. Applicant asserted he hoped to have all of his debt paid by March 2011. (Tr. 85) No documentation was presented establishing he has paid his past due taxes or other delinquent accounts.

Applicant paid a counseling service \$200 to help him clean up his credit report. The counseling service told Applicant to pay as much of his debt as he could and work out payment arrangements on the other accounts. (Tr. 1010) In 2009, his credit score was around 540. (Tr. 114) As of January 2011, his credit scores were 684, 718, and 734. (Ex. C)

A summary of Applicant's judgment, accounts charged off, accounts placed for collection and other unpaid obligations and their current status follows:

	Creditor	Amount	Current Status
a	IRS Federal tax owed for tax years 2001, 2004, 2006, and 2007.	\$43,831	Unpaid. Applicant owes more than \$40,000.
b	Gym membership account placed for collection. (Ex. 3, Ex. 4)	\$56	Unpaid. (Tr. 88) In April 2010, Applicant offered to make \$30 monthly payments on this debt. (Ex. 2) His January 2011 CBR lists this as a collection account. (Ex. C)
c	Electrical utility account placed for collection. (Ex. 3, Ex. 4)	\$153	Unpaid. In April 2010, Applicant offered to make \$75 monthly payments on this debt. (Ex. 2) On his January 2011 CBR, he disputes this debt. (Ex. C) At the hearing, Applicant was unsure of the nature of this debt. (Tr. 88)
d	Medical account placed for collection. (Ex. 3)	\$128	Unpaid. (Tr. 89) In April 2010, Applicant offered to make \$60 monthly payments on this debt. (Ex. 2) At the hearing, Applicant was unsure of the nature of this debt. (Tr. 89)

	Creditor	Amount	Current Status
e	Electrical utility account placed for collection. (Ex. 3, Ex. 4)	\$634	Unpaid. In April 2010, Applicant offered to establish a repayment plan. (Ex. 2) His January 2011 CBR lists this as a collection account. (Ex. C)
f	Charged-off electrical utility account. (Ex. 3)	\$694	Paid in full on December 17, 2010. (Ex. G, Tr. 58)
	Total debt listed in SOR	\$45,496	

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 must be considered in evaluating an applicant's eligibility for access to classified information.

These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with the factors listed in the adjudicative process. The administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(c), the entire process is a conscientious scrutiny of a number of variables known as the "whole-person concept." The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a decision.

The protection of the national security is the paramount consideration. AG ¶ 2(b) requires that "[a]ny doubt concerning personnel being considered for access to classified information will be resolved in favor of national security." In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record.

Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Under Directive ¶ E3.1.15, the applicant is responsible for presenting "witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by applicant or proven by Department Counsel. . . ." The applicant has the ultimate burden of persuasion to obtain a favorable security decision.

A person who seeks access to classified information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours. The Government reposes a high degree of trust and confidence in individuals to whom it grants access to classified information. Decisions include, by necessity, consideration of

the possible risk 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 Executive Order 10865 provides that decisions shall be “in terms of the national interest and shall in no sense be a determination of 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

AG ¶ 18 articulates the security concerns relating to financial problems:

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.

Additionally, an individual who is financially irresponsible may also be irresponsible, unconcerned, negligent, or careless in properly handling and safeguarding classified information. Behaving responsibly or irresponsibly in one aspect of life provides an indication of how a person may behave in other aspects of life.

A person's relationship with his creditors is a private matter until evidence is uncovered demonstrating an inability or unwillingness to repay debts as agreed. Absent substantial evidence of extenuating or mitigating circumstances, an applicant with a history of serious or recurring financial difficulties is in a position of risk that is inconsistent with holding a security clearance. An applicant is not required to be debt free, but is required to manage his finances to meet his financial obligations.

Applicant has a history of financial problems. Applicant has delinquent, unpaid tax liability for tax years 2001, 2004, 2006, and 2007 exceeding \$40,000. In September 2010, when he entered into an installment agreement with the IRS, he indicated he owed approximately \$44,000. He has four collection accounts, which together total less than \$1,000. Disqualifying Conditions AG ¶ 19(a), “inability or unwillingness to satisfy debts” and AG ¶ 19(c), “a history of not meeting financial obligations,” apply.

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 has been not been unemployed since at least 2001 and has worked for his current employer since 2006. His annual salary is \$105,000. In November 2009, he was questioned about his delinquent accounts and his finances and in April 2010, answered interrogatories about his finances. Although first asked about four minor collection accounts in November 2009, he has paid only one SOR debt (SOR 1.d, \$694). He has not addressed his delinquent taxes even though he entered into installment agreements with the IRS to make payments starting in 2009 and 2010. Even the four collection accounts that range between \$56 and \$634 remain unpaid.

Applicant's financial problems have continued for several years. He should have been more diligent and made greater efforts to resolve these debts. Although first questioned in 2009, he was still unsure of the nature of three of his delinquent debts in February 2011. The record fails to support he has aggressively pursued paying these debts or his delinquent taxes.

Applicant started working with his tax preparer in 2004 and stated he talks with his preparer 40 to 50 times a year. Although Applicant was talking with his preparer since 2004, the bulk of his returns were not filed until after the hearing. Additionally, he made no payments on his delinquent taxes during 2009 or 2010 pursuant to his installment agreements. His tax preparer gave conflicting accounts of when Applicant's states and federal tax returns were actually filed. He also gave inconsistent amounts of Applicant's delinquent tax liability. In May 2010, the preparer indicated Applicant owed more than \$19,000 for tax year 2001 and in February 2011 the amount was less than \$9,000. He gave no explanation for the difference.

For the four tax years in question, 2001, 2004, 2006, and 2007, three of the tax returns were filed after the hearing. For tax years 2000 through 2009, tax returns for seven of the years in question were filed in February 2011, after the hearing. It appears the tax returns for tax years 2005, 2007, 2008, and 2010 were the only returns filed timely.

Applicant meets none of the mitigating factors for financial considerations. Applicant's delinquent debts are numerous, ongoing, and remain unpaid. His continuing delinquent debts constitute a "continuing course of conduct." ISCR Case No. 087-11814 at 3 (App. Bd. Aug. 29, 2008) (citing ISCR Case No. 01-03695 (App. Bd. Oct. 16, 2002)).

Applicant failed to provide proof that he has made adequate efforts to set up payment plans, or provide proof he has taken timely efforts to resolve his delinquent debts. He set up repayment agreements with the IRS in 2009 to make \$500 monthly payments and then in 2010 he agreed to make \$250 monthly payments. Although he made the agreements, he failed to make any payments in accord with these arrangements. He was unable to honor either installment agreement, but was able to make his \$600 monthly car payments. He has not acted responsibly in addressing his debts. I find AG ¶ 20(a) does not apply.

The mitigating condition listed in AG ¶ 20(b) does not apply. His financial problems do not appear to be caused by factors beyond his control such as loss of employment, a business downturn, unexpected medical emergency, or a death, divorce or separation. He has been employed continuously since 2001 and with his current employer since May 2006. The record contains various dates between May 2004 and 2006 of when his divorce occurred. In any event, it has been more than four years since the divorce. Applicant failed to show his inability to repay his delinquent taxes or the four minor accounts resulted from his divorce.

Applicant has received counseling and his credit score has improved from 540 to the high 600s to mid-700s. For the mitigating condition listed in AG ¶ 20(c) to apply there must be clear indications that Applicant's financial problems are being resolved or are under control. He hoped to be debt free by March 2011. However, he provided no documentation supporting his hope. His house was to sell in February 2011, but he provided no evidence the sale occurred, how much he received from the sale, or how the proceeds were spent. He provided no documentation showing he has paid his delinquent taxes or other accounts. The mitigating condition in AG ¶ 20(c) does not apply.

As previously stated, Applicant wants to pay his debt, but failed to provide evidence of a good-faith effort to satisfy his debts. Good-faith requires a showing that a person acts in a way that shows reasonableness, prudence, honesty, and adherence to duty or obligation. To date, Applicant has shown little effort to address his delinquent

accounts. He has satisfied one \$694 charged-off account creditor. AG ¶ 20(d) applies only to the account he paid.

The mitigating condition listed in AG ¶ 20(e) does not apply. Applicant denied the \$56 gym membership fee. He admitted the majority of his delinquent debt. For AG ¶ 20(e) to apply Applicant must not only deny the debt, also but must provide documented proof to substantiate any reasonable basis of the dispute. He provided no such documentation.

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. Applicant has received four outstanding achievement awards in December 2006, October 2008, December 2008, and September 2010. Evidence of good character is relevant and material under the whole-person concept. However, an applicant's technical expertise (or lack thereof) is not a measure of whether the applicant demonstrates the high degree of judgment, reliability, and trustworthiness that must be possessed by persons entrusted with classified information.

In deciding whether to grant or continue access to classified information, the Government must consider whether an applicant's conduct and circumstances pose a risk of deliberate or inadvertent disclosure of classified information. An applicant's technical expertise and contributions to defense programs do not make the applicant less likely to deliberately or inadvertently disclose classified information; and an applicant's lack of technical expertise and absence of any contribution to defense programs to not make the applicant more likely to deliberately or inadvertently disclose

classified information. See ISCR Case No. 01-19878 at p.3 (App. Bd. October 29, 2002). ISCR Case No. 02-04237 at p.3 (App. Bd. August 12, 2003).

Applicant's assertion that he will be debt free in March 2011 is given little credit. In 2009, he promised to start making payments to the IRS, but failed to do so. In 2010, he again promised to start monthly payments, but again failed to do so. In 2004, when asked if he was delinquent on any debts he answered "no" even though he had not filed his federal tax returns for 2001 and 2002 and failed to pay his taxes for those years in a timely manner. In 2009, he again failed to indicate he was 180 days delinquent on his taxes even though the IRS had issued notices of intent to levy due to his delinquent 2001, 2004, and 2006 federal taxes. Additionally, when asked about motor vehicles he owned, he said he was driving a 1995 pickup truck that was paid for. However, he failed to mention he was also making \$600 monthly payments on a \$32,000 vehicle he purchased in 2007. Additionally, no documentation of the sale of his home or the disposition of any funds received from the sale has been received. For these reasons, I find that I can not rely on his assertion his delinquent bills will be paid as soon as he claims they will be paid.

The issue is not simply whether all of Applicant's debts have been paid – they have not – it is whether his financial circumstances raise concerns about his fitness to hold a security clearance. (See AG ¶ 2(a)(1).) In 2009, he owed more than \$40,000 in delinquent tax debt and has made no payment on these delinquent taxes. Since first being questioned about delinquent accounts and taxes in November 2009, Applicant was able to pay one charged-off account of less than \$700. He has four delinquent accounts that total less than \$1,000. Even the smallest delinquent debt of \$56 remains unpaid. His inability to address even these smaller delinquencies raises a concern about his fitness to hold a security clearance. He has not acted aggressively in addressing his delinquent account and does not know the nature of three of the collection accounts.

Overall, the record evidence leaves me with questions and doubts about Applicant's eligibility and suitability for a security clearance. This decision should not be construed as a determination that Applicant cannot or will not attain the state of true reform and rehabilitation necessary to justify the award of a security clearance. The awarding of a security clearance is not a once in a lifetime occurrence, but is based on applying the factors, both disqualifying and mitigating, to the evidence presented.

Applicant asserted, but failed to prove, all of his delinquent debt would be paid by March 2011. Under Applicant's current circumstances, a clearance is not warranted. Should he be afforded an opportunity to reapply for a security clearance in the future, having paid the delinquent obligations, established compliance with a repayment plan, or otherwise addressed the obligations, he may well demonstrate persuasive evidence of his security worthiness. However, at this time, Applicant has not mitigated the security concerns arising from his financial considerations. At this time, a clearance is not warranted.

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, Financial Considerations: AGAINST APPLICANT

Subparagraphs 1.a – 1.e:	Against Applicant
Subparagraph 1.f:	For Applicant

Conclusion

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

CLAUDE R. HEINY II
Administrative Judge