



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



In the matter of:)	
)	
[Redacted])	ISCR Case No. 10-04675
)	
Applicant for Security Clearance)	

Appearances

For Government: Raashid S. Williams, Esq., Department Counsel
For Applicant: *Pro se*

January 31, 2012

Decision

FOREMAN, LeRoy F., Administrative Judge:

This case involves security concerns raised under Guidelines F (Financial Considerations) and E (Personal Conduct). Applicant refuted the allegation of falsification under Guideline E, but he did not mitigate the security concerns under Guideline F. Eligibility for access to classified information is denied.

Statement of the Case

Applicant submitted a security clearance application (SCA) on March 1, 2010. On July 7, 2011, the Defense Office of Hearings and Appeals (DOHA) preliminarily denied his application. DOHA set forth the basis for its decision in a Statement of Reasons (SOR), citing security concerns under Guidelines F and E. DOHA acted under Executive Order 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; Department of Defense Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG) implemented by the Department of Defense on September 1, 2006.

Applicant received the SOR on July 29, 2011; answered it on September 9, 2011; and requested a hearing before an administrative judge. DOHA received the request on September 14, 2011. Department Counsel was ready to proceed on October 28, 2011, and the case was assigned to me on November 4, 2011. DOHA issued a notice of hearing on November 28, 2011, scheduling it for December 20, 2011. I convened the hearing as scheduled. Government Exhibits (GX) 1 through 5 were admitted in evidence without objection. Applicant testified and submitted Applicant's Exhibits (AX) A through I, which were admitted without objection. DOHA received the transcript (Tr.) on December 28, 2011.

I kept the record open until January 13, 2012, to enable Applicant to submit additional evidence. He timely submitted AX J through V, which were admitted without objection. On January 17, he submitted AX W, and on January 26, 2012, he submitted AX X. Department Counsel did not object to the untimely submissions of AX W and AX X, and they were admitted. Applicant's cover emails, including explanations for his untimely submissions, are attached to the record as Hearing Exhibits (HX) I and II. His list of exhibits, modified to continue the lettering sequence used during the hearing, is attached as HX III. Department Counsel's comments regarding AX J through X are attached to the record as HX IV and HX V.

Findings of Fact

In his answer to the SOR, Applicant admitted the allegations in SOR ¶¶ 1.a-1.q, but he stated that the delinquent debts alleged in SOR ¶¶ 1.d, 1.i, 1.j, 1.l, 1.n, 1.o, and 1.p were paid, and that he was making payments on the debt alleged in SOR ¶ 1.q. He responded to SOR ¶ 2.a, alleging falsification of his SCA by stating, "just forgot to change it to yes." (Answer at 6; AX H at 1.) I have treated this response as a denial of SOR ¶ 2.a. His admissions in his answer and at the hearing are incorporated in my findings of fact.

Applicant is a 54-year-old network technician employed by a federal contractor since April 2008. He worked for another federal contractor from September 1992 to April 2008. He received a security clearance from the Department of Defense in August 2000 and from another Government agency in May 2008.

Applicant has a high school education. (Tr. 24, 40.) He married his current spouse in June 1982. Two children, ages 27 and 24, were born during the marriage. Applicant also has a 34-year-old son.

Applicant has never sought or received financial counseling. (Tr. 75.) However, In December 2001, Applicant retained a consumer legal service to assist him in resolving his debts. The legal service negotiated settlements of two debts not alleged in the SOR. They also assisted him with the creditors alleged in SOR ¶¶ 1.n, 1.o, and 1.q. (AX C at 9-14.) Applicant's June 2011 credit report reflects that the debt alleged in SOR ¶ 1.n was closed by him with a zero balance. (GX 2 at 2.) The debt alleged in SOR ¶ 1.o was charged off in July 2002. (GX 4 at 9.) It is not reflected on Applicant's June 2011 or

March 2010 credit reports, but the record does not reflect whether the debt was resolved or was deleted from Appellant's credit record pursuant to the Fair Credit Reporting Act.¹ (GX 2; GX 3.)

In 2007, Applicant's previous employer cut his biweekly pay from about \$1,300 to about \$800, in lieu of a layoff. (GX 1 at 14; GX 5 at 6; Tr. 26.) He continued to make regular payments on his home mortgage through August 2008. He made no payments in September or October 2008. He made three monthly payments in November 2008, four monthly payments in 2009, two in 2010, and one in 2011. (AX D.) His June 2011 credit report reflected that his payments were at least 120 days past due in the amount of about \$79,000. (GX 2 at 1.) This delinquent debt is alleged in SOR ¶ 1.e.

Applicant testified that he began seeking a modification of his home mortgage in 2007. (Tr. 48.) He presented documentary evidence that an application for a loan modification was being processed in March 2009, but the record does not reflect the disposition of that application. (AX G at 9.) He submitted two more applications for modification, the first in April 2010 and the second in December 2010. Both applications were unsuccessful. (AX G at 12-17 and 18-22.) He testified that the applications were disapproved because he submitted his documentation too late. The record reflects that the first modification agreement prepared by the lender was dated March 26, 2010, and signed by Applicant and his wife on April 19, 2010, but he did not provide any documentary evidence that an untimely submission was the basis for disapproval. The documentary evidence of the second modification agreement is unsigned and undated. He testified that he sent a \$6,000 payment along with the second modification agreement, but he submitted no documentary evidence of the payment. (Tr.48-50.)

Applicant sent a partial payment to the lender in June 2011, but it was rejected. (Answer at 35; AX G at 3-4.) In April 2011, he hired a law firm to assist him. (Answer to SOR at 47, 50, 55-60; AX G at 23-28; Tr. 48-49.) His law firm resubmitted his request for modification on December 27, 2011, and his resubmitted request was accepted for processing on January 6, 2012. (AX V and W.) On January 26, 2012, Applicant's law firm notified him that the lender approved his application for a loan modification, reducing his monthly payments from about \$3,400 to about \$2,843. Applicant has not yet received the modification documents from the lender. (AX X.)

Applicant enrolled in a debt management plan in March 2010. He made monthly \$308 payments to the plan, which made payments to seven creditors, including those alleged in SOR ¶ 1.b, 1.c, 1.d, 1.f, and 1.i. (AX N at 10; AX O.) The record does not reflect how many payments Applicant made to this plan. He submitted evidence that, in August 2011, he sent a postdated personal check for \$157 to the creditor alleged in SOR ¶ 1.d for less than the balance due, which was \$210. (AX Q.) The debt is not fully resolved.

¹ Under the Fair Credit Reporting Act, a credit report may not list accounts placed for collection or charged off that antedate the credit report by more than seven years. The exceptions to this prohibition do not apply to this debt. 10 U.S.C. § 1681c.

In January 2011, Applicant hired another law firm to negotiate settlements of the delinquent debts alleged in SOR ¶¶ 1.b, 1.c, 1.f, 1.g, 1.h, and 1.k. He pays the law firm \$383 per month pursuant to a five-year debt resolution plan. (AX T.) His June 2011 credit report reflects that the account alleged in SOR ¶ 1.f was closed at his request with a zero balance, and the credit card account alleged in SOR ¶ 1.g was closed at his request. (GX 2 at 2.)

The delinquent automobile loan alleged in SOR ¶ 1.a, was not included in any of Applicant's payment plans. He made a \$585 payment in October 2011, but the record does not reflect any further payments. He received an offer to settle for \$2,600 on January 11, 2012, but the record does not reflect whether he accepted the offer. (GX 2 at 1; AX S; Tr. 43.)

Applicant denied the debt to the insurance company alleged in SOR ¶ 1.m. His automobile insurance was with this company, and he was aware that his son had been at fault in a serious accident (Tr. 58-61,110-12.) His March 2010 credit report reflected that collection action was initiated by the insurance company against Applicant in December 2009. (GX 3 at 14.) His post-hearing submission included a letter dated October 18, 2011, advising him that the claim against him for an accident in May 2009 might exceed the limits of his policy. The amount of the debt and the fact that the collection action preceded the October 2011 letter by almost two years strongly suggest that the \$363 debt is unrelated to the automobile accident in May 2009. Applicant has not contacted his insurance company about the debt or disputed it with the credit reporting agencies.

In his answer to the SOR, Applicant admitted the debt alleged in SOR ¶ 1.q, and he asserted that he was making payments on it. However, at the hearing he testified that he does not believe that the debt is valid. (Tr. 68-69.) His May 2008 credit report reflected that the original creditor referred this debt for collection in March 2004 and is among the creditors whose claims he referred to a consumer legal counseling service in December 2001. The record does not indicate whether the debt reflected in his May 2008 credit report is the same debt that was included in his December 2001 payment plan or a later debt owed to the same creditor. (GX 4 at 14; AX C at 9.) As of the date the record closed, he had not disputed this debt or otherwise resolved it.

The debts alleged in SOR ¶¶ 1.b and 1.k are duplicates, as are the debts alleged in SOR ¶¶ 1.i and 1.j. Applicant's June 2011 and March 2010 credit reports reflect that they have the same account numbers and similar balances. (GX 2 at 1; GX 3 at 8 and 10.)

Applicant testified that he owes about \$3,000 in federal income taxes for tax years 2009 and 2010. He negotiated a payment plan providing for \$400 per month. Since July 2010, he has made monthly payments totaling \$3,200 (AX R.) He also owes state income taxes but was not sure of the amount. (Tr. 105-07.)

Applicant's wife drives a ten-year-old luxury car. He testified that they are paying \$500 per month on the loan for this car, and it will be paid off within a month. (Tr. 86-87.) Applicant testified that he bought a five-year-old luxury car two or three years ago for about \$20,000, and was making payments of about \$800 per month until shortly before the hearing, when he voluntarily surrendered it to the lender because the lender would not negotiate a lower monthly payment. (Tr. 83-85, 102-03.)

Applicant's current take-home pay is about \$3,000 per month. He operates a small computer business at home that generates about \$400 per month. His wife is employed outside the home and earns slightly more than Applicant. He has withdrawn about \$120,000 from his retirement account to make mortgage payments, pay college expenses for his children, and paid off some of his debts. (Tr. 75-78.) He now has less than \$150 in his retirement account. (AX J.) His children have all graduated from college and are self-supporting. However, his July 2011 credit report reflects a student loan on which payments are 120 days past due. (Answer at 12.) He estimates that he has a net monthly remainder of \$300-\$500 after paying all their living expenses and debt payments. (Tr. 90.)

The table below summarizes the evidence concerning the delinquent debts alleged in the SOR.

SOR	Debt	Amount	Status	Evidence
1.a	Auto loan	\$2,000	Paid \$585; unresolved	Answer at 12; AX S; Tr. 43
1.b	Credit card	\$1,310	Payment plan	GX 2 at 1; AX T; at 10; Tr. 44
1.c	Credit card	\$593	Payment plan	GX 2 at 1; AX T at 10
1.d	Catalog Sale	\$210	Paid \$157; unresolved	GX 2 at 1; AX Q; Tr. 46-47
1.e	Home mortgage	\$79,000	Loan modification approved	AX D, G, V, W and X; Tr. 48
1.f	Credit card	\$2,000	Paid and closed	GX 2 at 2; AX T at 10; Tr. 50-51
1.g	Credit card	\$306	Paid and closed	GX 2 at 2; Answer at 13; AX B at 8; AX T at 10; Tr. 52-53
1.h	Line of credit	\$25,000	Payment plan	GX 2 at 2; AX T at 10; Tr. 54
1.i	Credit card	\$844	Account is current	GX 2 at 2; Answer at 10; Tr. 55
1.j	Same as 1.i	\$920	Same as 1.i	GX 2 at 2; GX 3 at 8
1.k	Credit card	\$1,220	Same as 1.b	GX 2 at 1; GX 3 at 10; Tr. 57
1.l	Credit card	\$1,566	Paid and closed	GX 3 at 10; Answer at 7
1.m	Insurance	\$363	Unresolved	GX 3 at 14; Tr. 58-61
1.n	Credit card	\$3,989	Account is current	GX 2 at 2; AX C at 9
1.o	Electronics	\$5,317	Unknown	GX 4 at 9; AX C at 9
1.p	Credit card	\$5,807	Paid and closed	GX 4 at 11; Answer at 11
1.q	Collection	\$13,312	Unresolved	GX 4 at 14; AX C at 9; Tr. 68-69

When Applicant submitted his SCA in March 2010, he answered “No” to question 26m, asking if he had been more than 180 days delinquent on any debt during the last seven years, and question 26n, asking if he was currently more than 90 days delinquent on any debt. However, he added a comment that his home mortgage was more than 180 days delinquent. (GX 1 at 35.) In his answer to the SOR and at the hearing, he stated that he forgot to change his answers to “Yes” after he added the comment about his mortgage. Apparently, Applicant updated a previous SCA and submitted it in March 2010, but he neglected to change any of his “No” answers to “Yes.” He testified that it was an honest mistake, and he denied any intention to conceal derogatory information.

Applicant enjoys a reputation for skill, responsiveness, and dedication. He has received numerous messages from well-satisfied recipients of his technical support. He recently received a Certificate of Appreciation from his senior program manager for his technical expertise and dedication. (AX F.)

Policies

“[N]o one has a ‘right’ to a security clearance.” *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). As Commander in Chief, the President has the authority to “control access to information bearing on national security and to determine whether an individual is sufficiently trustworthy to have access to such information.” *Id.* at 527. The President has authorized the Secretary of Defense or his designee to grant applicants eligibility for access to classified information “only upon a finding that it is clearly consistent with the national interest to do so.” Exec. Or. 10865, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960), as amended.

Eligibility for a security clearance is predicated upon the applicant meeting the criteria contained in the AG. These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, an administrative judge applies these guidelines in conjunction with an evaluation of the whole person. An administrative judge’s overarching adjudicative goal is a fair, impartial, and commonsense decision. An administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable.

The Government reposes a high degree of trust and confidence in persons with access to classified information. This relationship transcends normal duty hours and endures throughout off-duty hours. 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.

Clearance decisions must be made “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” See Exec. Or. 10865 § 7. Thus, a decision to deny a security clearance is merely an indication the applicant has not met the strict guidelines the President and the Secretary of Defense have established for issuing a clearance.

Initially, the Government must establish, by substantial evidence, conditions in the personal or professional history of the applicant that may disqualify the applicant from being eligible for access to classified information. The Government has the burden of establishing controverted facts alleged in the SOR. See *Egan*, 484 U.S. at 531. “Substantial evidence” is “more than a scintilla but less than a preponderance.” See *v. Washington Metro. Area Transit Auth.*, 36 F.3d 375, 380 (4th Cir. 1994). The guidelines presume a nexus or rational connection between proven conduct under any of the criteria listed therein and an applicant’s security suitability. See ISCR Case No. 92-1106 at 3, 1993 WL 545051 at *3 (App. Bd. Oct. 7, 1993).

Once the Government establishes a disqualifying condition by substantial evidence, the burden shifts to the applicant to rebut, explain, extenuate, or mitigate the facts. Directive ¶ E3.1.15. An applicant has the burden of proving a mitigating condition, and the burden of disproving it never shifts to the Government. See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005).

An applicant “has the ultimate burden of demonstrating that it is clearly consistent with the national interest to grant or continue his security clearance.” ISCR Case No. 01-20700 at 3 (App. Bd. Dec. 19, 2002). “[S]ecurity clearance determinations should err, if they must, on the side of denials.” *Egan*, 484 U.S. at 531; see AG ¶ 2(b).

Analysis

Guideline F, Financial Considerations

The SOR alleges 17 delinquent debts. The concern under this guideline 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.

Applicant’s credit reports reflect that the debts alleged in SOR ¶¶ 1.j and 1.k duplicate the debts alleged in SOR ¶¶ 1.b and 1.i. When the same conduct is alleged twice in the SOR under the same guideline, one of the duplicative allegations should be resolved in Applicant’s favor. See ISCR Case No. 03-04704 (App. Bd. Sep. 21, 2005) at 3 (same debt alleged twice). Accordingly, I will resolve SOR ¶¶ 1.j and 1.k for Applicant.

Applicant’s financial history, as reflected in his credit reports, establishes three disqualifying conditions under this guideline: AG ¶ 19(a) (“inability or unwillingness to satisfy debts”), AG ¶ 19(c) (“a history of not meeting financial obligations”), and AG ¶ 19(e) (“consistent spending beyond one’s means”).

Security concerns based on financial problems can be mitigated by showing that “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.” AG ¶ 20(a). Applicant’s delinquent debts are numerous and not yet resolved. They did not occur under circumstances making them unlikely to recur, because the current economy makes Applicant and other contractor employees vulnerable to layoffs and pay reductions. Applicant’s children are grown and apparently self-supporting, but his most recent credit report reflects that he still faces the burden of unpaid student loans incurred on behalf of his children. He is likely to owe a deficiency on the car he recently surrendered to the lender. He has not yet resolved his federal income tax debt or determined the amount of his state tax debt.² I conclude that AG ¶ 20(a) is not established.

Security concerns under this guideline also can be mitigated by showing that “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.” AG ¶ 20(b). Both prongs, *i.e.*, conditions beyond the person’s control and responsible conduct, must be established. Applicant’s pay reduction in 2007 was a circumstance beyond his control. However, he was in financial distress long before his pay reduction. He referred five delinquent debts to a consumer legal service in December 2001, including three delinquent debts alleged in SOR ¶¶ 1.n, 1.o, and 1.q. Furthermore, Applicant has not acted responsibly. He purchased a used luxury car for \$20,000, incurring monthly payments of \$800, without resolving the debts in SOR ¶¶ 1.o and 1.q. He bought this car two or three years ago, at about the same time he began seeking a modification of his mortgage loan. He recently surrendered his automobile to the lender, who refused to renegotiate the loan, making him vulnerable to a deficiency on the loan. He fell behind on his federal and state taxes. He has taken no action to resolve the debts in SOR ¶¶ 1.m and 1.q. I conclude that AG ¶ 20(b) is not established.

Security concerns under this guideline also can be mitigated by showing that “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.” AG ¶ 20(c). Applicant has hired several agencies to assist him by negotiating settlements of his debts, but he has not received the type of financial counseling contemplated by this mitigating condition. His financial situation is not yet under control. Thus, I conclude that AG ¶ 20(c) is not established.

² The past-due student loan, federal and state tax debts, and potential deficiency from the voluntary repossession of his car were not alleged in the SOR. However, conduct not alleged in the SOR may be considered to assess an applicant’s credibility; to decide whether a particular adjudicative guideline is applicable; to evaluate evidence of extenuation, mitigation, or changed circumstances; to consider whether an applicant has demonstrated successful rehabilitation; or as part of a whole-person analysis. ISCR Case No. 03-20327 at 4 (App. Bd. Oct. 26, 2006). I have considered this evidence for these limited purposes.

Security concerns under this guideline also can be mitigated by showing that “the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts.” AG ¶ 20(d). Good faith means acting in a way that shows reasonableness, prudence, honesty, and adherence to duty or obligation. ISCR Case No. 99-0201, 1999 WL 1442346 at *4 (App. Bd. Oct. 12, 1999). An applicant is not required, as a matter of law, to establish resolution of every debt alleged in the SOR. An applicant need only establish a plan to resolve financial problems and take significant actions to implement the plan. There is no requirement that an applicant make payments on all delinquent debts simultaneously, nor is there a requirement that the debts alleged in the SOR be paid first. See ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008).

Applicant has resolved the debts alleged in SOR ¶¶ 1.f, 1.g, 1.i, 1.l, 1.n, and 1.p. He is making regular payments on the debts alleged in SOR ¶¶ 1.b, 1.c, and 1.h. His application for a loan modification for the debt alleged in SOR 1.e has been approved by the lender. I conclude that AG ¶ 20(d) is established for these delinquent debts. On the other hand, his one-time payments on the debts alleged in SOR¶¶ 1.a and 1.d are insufficient to establish an ongoing payment plan for these debts. He has done nothing to resolve the debts alleged in SOR ¶¶ 1.m and 1.q. The debt alleged in SOR ¶ 1.o was included in his December 2001 payment plan, but the evidence does not reflect that it was resolved, and it is not included in his most recent payment plan. I conclude that AG ¶ 20(d) is not established for the debts alleged in SOR ¶¶ 1.a, 1.d, 1.m, 1.o, and 1.q.

Security concerns under this guideline also can be mitigated by showing “the individual has a reasonable basis to dispute the legitimacy of the past-due debt which is the cause of the problem and provides documented proof to substantiate the basis of the dispute or provides evidence of actions to resolve the issue.” AG ¶ 20(e). At the hearing, Applicant disputed the debt alleged in SOR ¶ 1.q, but he provided no documentary evidence of the basis of the dispute or evidence of actions to resolve it. I conclude that AG ¶ 20(e) is not established.

Guideline E, Personal Conduct

The SOR alleges that Applicant falsified his SCA by intentionally failing to disclose his delinquent debts. The concern under this guideline is set out in AG ¶ 15 as follows:

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.

The relevant disqualifying condition in this case is “deliberate omission, concealment, or falsification of relevant facts from any personnel security questionnaire” AG ¶ 16(a). When a falsification allegation is controverted, as in this case, the

Government has the burden of proving it. An omission, standing alone, does not prove falsification. An administrative judge must consider the evidence as a whole to determine an applicant's state of mind at the time of the omission or misstatement. See ISCR Case No. 03-09483 at 4 (App. Bd. Nov. 17, 2004). An applicant's level of education and business experience are relevant to determining whether a failure to disclose relevant information on a security clearance application was deliberate. ISCR Case No. 08-05637 (App. Bd. Sep. 9, 2010).

Applicant is a mature adult who has been employed by federal contractors for many years, and he has held clearances since August 2000. Although he answered the financial questions on his SCA in the negative, he disclosed his delinquent mortgage. He was candid and sincere at the hearing. It was clear during the hearing that he did not have a good grasp of his financial situation. I found his explanation for his erroneous answers to the financial questions plausible and credible. I conclude that AG ¶ 16(a) is not established. No other enumerated disqualifying conditions under this guideline are established.

Whole-Person Concept

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. In applying the whole-person concept, an 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. An 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.

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.

Applicant has struggled with delinquent debts for at least ten years. His pattern is to take on too much debt and then climb out of the financial hole he has dug by negotiating new terms on his contracts or settlements for less than the full amount due. His recent surrender of his automobile because of the lender's refusal to renegotiate the contract is typical of his *modus operandi*.

A security clearance adjudication is aimed at evaluating an applicant's judgment, reliability, and trustworthiness. It is not a debt collection procedure. ISCR Case No. 09-02160 (App. Bd. Jun. 21, 2010.) Applicant resolved six debts (SOR ¶¶ 1.f, 1.g, 1.i, 1.l, 1.n, and 1.p). He is making regular payments on three debts (SOR ¶¶ 1.b, 1.c, and 1.h.) However, the resolution of these debts does not end the inquiry into his judgment, reliability, and trustworthiness. He has a long history of delinquent debts. He is less than one year into a five-year debt resolution plan. In the context of his financial history, his payment history under his most recent payment plan is too short to establish a track record of financial responsibility. He has not begun to make payments on his modified home loan. He has a federal tax debt, a state tax debt for an amount not yet determined, a potential repossession deficiency for the car he recently surrendered, and a past-due student loan.

After weighing the disqualifying and mitigating conditions under Guidelines F and E, and evaluating all the evidence in the context of the whole person, I conclude Applicant has refuted the allegation of falsification under Guideline E, but he has not mitigated the security concerns under Guideline F. Accordingly, I conclude he has not carried his burden of showing that it is clearly consistent with the national interest to continue his eligibility for access to classified information.

Formal Findings

I make the following formal findings on the allegations in the SOR:

Paragraph 1, Guideline F (Financial Considerations): **AGAINST APPLICANT**

Subparagraph 1.a:	Against Applicant
Subparagraphs 1.b-1.c:	For Applicant
Subparagraph 1.d:	Against Applicant
Subparagraphs 1.e-1.l:	For Applicant
Subparagraph 1.m:	Against Applicant
Subparagraph 1.n:	For Applicant
Subparagraph 1.o:	Against Applicant
Subparagraph 1.p:	For Applicant
Subparagraph 1.q:	Against Applicant

Paragraph 2, Guideline E (Personal Conduct): **FOR APPLICANT**

Subparagraph 2.a:	For Applicant
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Conclusion

I conclude that 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.

LeRoy F. Foreman
Administrative Judge