



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



In the matter of:	)	
	)	
	)	ISCR Case No. 10-09329
	)	
Applicant for Security Clearance	)	

**Appearances**

For Government: Daniel Crowley, Esq., Department Counsel  
For Applicant: *Pro se*

January 25, 2012

**Decision**

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HEINY, Claude R., Administrative Judge:

Applicant has one unpaid tax debt and fourteen collection and charged-off accounts totaling approximately \$27,000. He hopes to obtain a clearance so he can obtain employment and pay his past-due obligations. He has been unemployed since being injured in and discharged from the U.S. Army. Following the hearing, he paid \$320 on his debts. Applicant has failed to rebut or mitigate the security concerns under financial considerations. Clearance is denied.

**Statement of the Case**

Applicant contests the Department of Defense’s (DoD) intent to deny or revoke his eligibility for an industrial security clearance. Acting under the relevant Executive Order and DoD Directive,<sup>1</sup> the Defense Office of Hearings and Appeals (DOHA) issued

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<sup>1</sup> 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.

a Statement of Reasons (SOR) on May 4, 2011, detailing security concerns under Guideline F, financial considerations.

On May 11, 2011, Applicant answered the SOR and requested a hearing. On August 1, 2011, I was assigned the case. On August 15, 2011, DOHA issued a Notice of Hearing for the hearing held on September 2, 2011.

Government exhibits (Exs.) 1 through 12 were admitted into evidence without objection. Applicant testified and submitted one exhibit, Exhibit A, which was admitted into evidence without objection. The record was held open to allow Applicant to submit additional information. On September 15, 2011 and September 28, 2011, additional material was submitted and admitted into the record without objection as Ex. B through Ex. F. On September 12, 2011, DOHA received the hearing transcript (Tr.).

### **Findings of Fact**

In Applicant's Answer to the SOR, he admitted all of the factual allegations in the SOR. His admissions are incorporated herein. After a thorough review of the pleadings and exhibits, I make the following findings of fact.

Applicant is a 45-year-old transient alert technician who is seeking to obtain a security clearance. Applicant called no witnesses other than himself, and produced no work or character references. He hopes to obtain a clearance so he can obtain employment and pay his past-due obligations. (Ex. D) He has been offered a job contingent on his ability to obtain a clearance. During a September 2010 interview, he indicated he intended to repay his past-due debts when he was able to return to work. (Ex. 9)

Following the hearing, Applicant asserted he was unsuccessful in his efforts to consolidate his debts. (Ex. D) He stated he had contacted each of his creditors and made a verbal agreement to repay his debts. (Exs. C, D) He stated he would be making monthly payments to his creditors and provided copies of 16 money orders for \$20 payments to 14 of the SOR debts. (Exs. D, E-1 through E-6) He paid \$320. He made two payments to one creditor (Exs. C-1, E-1) and also made a \$20 payment on a \$300 credit card debt not listed in the SOR, but listed on his January 2007, September 2009, March 2011, and August 2011 credit bureau reports (CBR). (Exs. C-3, E-3, 7, 8, 9, 11, 12)

From 1985 to February 2000, Applicant was on active duty in the U.S. Air Force as an aircraft munitions loader. (Tr. 26) He left active duty as an E-5. (Ex. B, Tr. 56) He then transferred to the Air National Guard where he was employed until 2002. (Ex. B, Tr. 26, 57) While employed in the Guard, he paid taxes to State A. (Tr. 29) From 2002 through 2005, he was employed overseas. (Tr. 31) State B filed two tax liens against Applicant in November 2009 for unpaid State A income tax in the amounts of \$5,639 and \$433 (SOR 1.a). Applicant grew up in State B, finished high school there, he was a resident of the state when he enlisted in the Air Force, his mother lives in the state, and

the company he was working for had its headquarters in State A. However, he had not lived in State A since the mid-1980s and did not live there before moving to his overseas duty location. (Tr. 25, 38) State B asserts Applicant owes \$6,905 in state income taxes for tax years 2004 and 2005.

Applicant was married from January 1991 through September 1991, and a second time from December 2003 through February 2009. (Tr. 33) He has two adult children ages 22 and 23, and a third child, age 16, for whom he pays child support. (Ex. A, Tr. 34) He is current on his child support obligation. (Tr. 69)

In October 2001, Applicant filed for Chapter 7 bankruptcy protection. Prior to filing, Applicant and his spouse were maintaining two households. (Tr. 44) His ex-wife's spending habits contributed to the bankruptcy. (Tr. 68) At the time of filing, Applicant's annual income was approximately \$16,000 and his wife's annual income was \$32,000. (Ex. A) At the time she was an E-7 in the U.S. Air Force. (Tr. 69) They listed \$5,000 in assets and \$43,000 in liabilities. (Ex. A) Their combined net monthly take home pay was approximately \$3,000 and their monthly expenses were approximately \$3,500. (Ex. A) On January 14, 2002, his debts were discharged.

In September 2010, Applicant was interviewed concerning his finances. In February 2011, he answered written interrogatories concerning his delinquent accounts. Applicant's 2007 CBR lists his bankruptcy, a repossessed vehicle, a returned check, two accounts charged off, and ten collection accounts. (Ex. 7) It lists five accounts as "paid as agreed" or "paid satisfactorily." His September 2010 CBR lists 14 collection accounts and 3 accounts paid "as agreed." (Ex. 8) None of Applicant's accounts listed in his March 2011 or August 2011 CBR are listed as "pays as agreed." (Exs. 11, 12) Both CBRs list three collection accounts and four charged-off accounts.

In 2004, Applicant returned to the United States for a few weeks before obtaining another overseas job. (Tr. 39) In 2005, he returned to the United States from his second overseas employment and was employed in State C for some period of time before being laid off. (Tr. 40) He was unemployed for a year and a half prior to March 2007, he joined the U.S. Army. (Tr. 59) He moved to State D and served two years in the Army, until he severely injured his knee, resulting in his June 2009 medical discharge. (Tr. 41) He received a 30 percent disability rating, which pays him \$730 monthly. (Tr. 41, 42) For the past two and a half years, since leaving the Army, he has been unemployed. (Tr. 59) At the time of the hearing, he was receiving state unemployment compensation. (Tr. 54)

Applicant completed his 2002, 2004, and 2005 federal tax returns and gave them to his wife to sign and send to the IRS. (Ex. 10, Tr. 60) She failed to do this. The returns were not filed until 2009. He owed the IRS \$17,000 and arranged to make \$288 monthly payments on the debt. (Ex. 10, Tr. 60) After leaving the Army in 2009, he has been unable to make his monthly payments. (Tr. 60) State B claims he owes \$6,901 in state taxes.

A summary of Applicant's collection-accounts, charged-off accounts, judgments, and tax lien, and their current status follows:

	Creditor	Amount	Current Status
a	State taxes. (Ex. 9)	\$6,905	Following the hearing, he asserts he verbally agreed to make \$20 monthly payments on the debt and made a payment on September 27, 2011. (Exs. C-1, E-1) He owes the IRS approximately \$17,000.
b	Collection account. (Exs. 11, 12)	\$689	Applicant asserted his ex-wife used his social security number to wrongfully open this account. (Tr. 46) He does not recognize this debt. (Tr. 61)
c	Satellite TV service collection account. (Exs. 8, 9, 11, 12)	\$105	Unpaid television account. (Tr. 46, 61) Following the hearing, he verbally agreed to make \$20 monthly payments on the debt and made a payment on September 27, 2011. (Exs. C-5, E-4)
d	Cable TV collection account. (Exs. 9, 11, 12)	\$609	The debt was incurred when his ex-wife failed to return cable boxes. (Tr. 46, 61) Following the hearing, he verbally agreed to make \$20 monthly payments on the debt and made a payment on September 27, 2011. (Exs. C-3, E-2)
e	Medical treatment collection account. (Exs. 8, 9)	\$419	This is his ex-wife's medical bill. (Tr. 46, 62) Following the hearing, he verbally agreed to make \$20 monthly payments on the debt and made a payment on September 27, 2011. (Exs. C-7, E-6)
f	Cable TV collection account. (Exs. 8, 11, 12)	\$296	Debt incurred for failing to return cable boxes. (Tr. 47, 62) Although this debt was discharged in his 2002-bankruptcy, he agreed to make monthly payments on this debt. (Exs. A, F-1) (Exs. C-5, E-4)
g	Credit card collection account. (Exs. 8, 9, 11, 12)	\$5,744	Applicant attempted to dispute this debt because he never had an account with this creditor. (Tr. 47) He is unable to verify the nature of this debt. (Tr. 62) Following the hearing, he agreed to make \$20 monthly payments on the debt and made a payment on September 27, 2011. (Exs. C-2, E-2)

	Creditor	Amount	Current Status
h	Telephone service collection account. (Exs. 11, 12)	\$2,133	This was for telephone service when he had problems with the telephones he had received. (Tr. 48) He returned the phones, but the company failed to credit his account. (Tr. 48, 63)
i	Telephone collection account. (Exs. A, 8, 9, 11, 12, Tr. 49, 64)	\$353	Following the hearing, he agreed to make \$20 monthly payments on the debt and made a payment on September 27, 2011. (Exs. C-2, E-1)
j	Credit card collection account (Exs. 9, 11, 12, Tr. 49, 64)	\$581	Following the hearing, he agreed to make \$20 monthly payments on the debt and made a payment on September 27, 2011. (Exs. C-2, E-2)
k	Charged-off consolidation loan account. (Exs. 8, 9, 10, 11, Tr. 49, 64)	\$4,325	When Applicant left the Army, he was no longer able to make his loan payments. (Tr. 49) Following the hearing, he agreed to make \$20 monthly payments on the debt and made a payment on September 27, 2011. (Exs. C-6, E-5)
l	Charged-off auto account for vehicle purchased in September 2007. (Exs. 8, 9, 11, 12)	\$10,490	Debt incurred following the September 2009 repossession of a 2002 Pontiac when the \$425 monthly payments were not made. (Tr. 50, 64, 65) He had made his payments until he left the Army in June 2009. (Tr. 66) Following the hearing, he agreed to make \$20 monthly payments on the debt and made a payment on September 27, 2011. (Exs. C-3, E-3)
m	Bank consolidation loan charged-off. (Exs. 8, 9, 11, 12)	\$905	This was a debt consolidation loan obtained in November 2008. (Exs. 9, Tr. 51, 66) Following the hearing, he agreed to make \$20 monthly payments on the debt and made a payment on September 27, 2011. (Exs. C-5, E-4)
n	Telephone service collection account. (Tr. 52, 66)	\$573	Following the hearing, he agreed to make \$20 monthly payments on the debt and made a payment on September 27, 2011. (Exs. C-4, E-3)
o	Collection account for personal debt consolidation loan. (Exs. 8, 9, Tr. 66)	\$1,034	Applicant is unsure as to the nature of this debt. (Tr. 53) Following the hearing, he agreed to make \$20 monthly payments on the debt and made a payment on September 27, 2011. (Exs. C-6, E-5)

	Creditor	Amount	Current Status
p	Collection account. (Exs. 8, 9, Tr. 53)	\$575	Following the hearing, he agreed to make \$20 monthly payments on the debt and made a payment on September 27, 2011. (Exs. C-6, E-5)
q	Chapter 7 bankruptcy filed October 2001.		Debts discharged in January 2002 by Chapter 7 bankruptcy.
r	Furniture store judgment filed in 2001. (Ex. 3)	\$2,490	Discharged in Applicant's 2002-bankruptcy. (Exs. A, F-6, Tr. 67)
s	Judgment filed in 2001. (Exs. 4, 5)	\$8,167	Discharged in Applicant's 2002-bankruptcy. (Exs. A, F-6) Debt incurred following the repossession of a 1999 Chevrolet Camaro. (Tr. 67)
t	Judgment filed in 2001. (Exs. 4, 5)	\$1,820	Discharged in Applicant's 2002-bankruptcy. (Exs. A, F-1) Debt incurred following the repossession of a 1999 Chevrolet Camaro. (Tr. 67)
u	Judgment filed in 1999 for unpaid rent. (Ex. 6)	\$1,350	Discharged in Applicant's 2002-bankruptcy. (Exs. A, F-4, Tr. 68)
	Total debt listed in SOR	\$41,396	
	SOR debt less the \$14,123 included in 2002 bankruptcy.	\$27,273	

### 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 interests of 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 (EO) 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 *a/so* EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

## **Analysis**

### **Guideline F, Financial Considerations**

Adjudicative Guideline (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's debts were discharged in January 2002 through bankruptcy. Currently, he owes approximately \$7,000 in state income tax and has 14 unpaid collection accounts which total approximately \$27,000. Four of Applicant's debts were for approximately \$400 or less each. Additionally, he owes the IRS approximately \$17,000 for delinquent taxes, which are not listed as a debt of concern in the SOR. 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.



In January 2002, all of Applicant's debts were discharged through bankruptcy and he received a fresh start financially. The bankruptcy caused in part by his now ex-spouse's spending habits. Five of the SOR debts (SOR 1.f, \$296; SOR 1.r \$2,490 judgment; SOR 1.s, \$8,167 judgment; SOR 1.t, \$1,820, SOR 1.u, \$1,350 judgment) totaling approximately \$14,000 were included in the bankruptcy and were discharged. I find in favor of Applicant on these five debts. Additionally, I do not find against him for having to seek bankruptcy protection in 2002 (SOR 1.q).

In December 2010 and again in February 2011, Applicant was questioned about his delinquent accounts. He made no payments on his accounts until after his hearing when he paid his creditors \$320. He did not set forth the terms of those verbal agreements with his creditors and made but a single payment to each of the creditors. Had he shown evidence of three or four months of payments under a repayment arrangement the likelihood would be much greater that the monthly payments would continue until the delinquent obligations were met. Such a conclusion cannot be drawn from a single payment to each creditor.

For the past two years, Applicant's primary source of income has been his \$400 weekly unemployment benefits and the \$730 monthly disability income. He does not have substantial assets that could be converted to cash for debt repayment at this time. However, he had financial problems before his 2009 injury as evidenced by his 2007 CBR. That CBR lists: a repossessed vehicle, a returned check, two accounts charged off, and ten collection accounts. At that time, he was paying five of his accounts as agreed, including his child support obligation.

When Applicant was asked about his delinquent accounts in September 2010, he stated he intended to pay them when he was able. An expressed desire to pay one's debts without further action in addressing the debts is insufficient to warrant mitigation. Normally a promise,<sup>2</sup> however credible and sincere, to take remedial steps in the future is not evidence of actual rehabilitation. The decision to grant or deny a security clearance must be based on past conduct and not speculation as to future hopes and desires. Mitigation consists of progress made in addressing past-due obligations. In this case Applicant has made some payment on the SOR obligations.

Because Applicant has multiple delinquent debts and his financial problems are continuing in nature, he receives minimal application of the mitigating conditions listed in AG ¶ 20(a). There is limited evidence to indicate the debts were incurred under circumstances unlikely to be repeated. Some were due to his ex-spouse's actions, but other debt did not result from his marriage. Applicant asserted, but provided no documentation, that he did not owe the state income tax listed in SOR 1.a. Because approximately \$27,000 of delinquent debt remains unpaid there is doubt about his current reliability, trustworthiness, or good judgment.

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<sup>2</sup> A promise to take remedial steps in the future does not constitute evidence of demonstrated reform and rehabilitation. See, e.g., ISCR Case No. 96-0544 (May 12, 1997) at p. 5 (a promise to take remedial action in future, however credible and sincere, is not evidence of actual rehabilitation).

Even if Applicant's financial difficulties initially arose, in whole or in part, due to circumstances outside his or her control, the Judge could still consider whether Applicant has since acted in a reasonable manner when dealing with those financial difficulties." ISCR Case No. 05-11366 at 4 n.9 (App. Bd. January 12, 2007) (citing ISCR Case No. 03-13096 at 4 (App. Bd. November 29, 2005); ISCR Case No. 99-0462 at 4 (App. Bd. May 25, 2000); ISCR Case No. 99-0012 at 4 (App. Bd. December 1, 1999).

Although Applicant's divorce and medical separation from the Army were factors beyond his control, AG ¶ 20(b) only partially applies because Applicant was experiencing financial problems before his discharge and only a portion of the debt resulted from the marriage. He showed only limited evidence of the impact his divorce on his finances. AG ¶ 20(c) does not apply because there was no showing he had received financial counseling and that there are clear indications that the problem is being resolved or is under control. The DOHA Appeal Board has previously noted that an applicant is not required to be debt-free or to develop a plan for paying off all debts immediately or simultaneously. All that is required is that an applicant act responsibly given his circumstances and develop a reasonable plan for repayment, accompanied by "concomitant conduct," that is, actions which evidence a serious intent to effectuate the plan. See ISCR Case No. 07-06482 at 3 (App. Bd. May 21, 2008).

An applicant is not required to establish that he has paid off each and every debt listed in the SOR, but must demonstrate he has established a plan to resolve his delinquent debt and has taken significant action to implement that plan. The entirety of Applicant's financial situation and his actions must be evaluated to determine if that plan is credible and realistic. A reasonable plan may provide for payment on such debts one at a time. Likewise, there is no requirement that the first debts actually paid in furtherance of a reasonable debt plan be the ones listed in the SOR. He asserted, but failed to document, that he had a verbal agreement with his creditors to repay his debts. He provided no additional information as to the terms or the agreement. He asserts he has developed a repayment plan, but must also take reasonable actions to effectuate the plan. A single payment to each creditor following the hearing is insufficient to be found to be a "reasonable action to effectuate the plan."

Applicant's plan to obtain his clearance so he can obtain a job to address his delinquent accounts is too speculative in nature as to qualify as a mitigating condition as set forth in AG ¶ 20(d). For AG ¶ 20(d) to apply there must be the "desire" to repay the debts, an "ability" to repay, and evidence of a good-faith effort to repay. He has expressed the desire to repay, but has neither the current ability or has established a systematic, concrete method of handling his delinquent debts. It is noted that eight of the twenty debts were for less than \$600 each. Even the smallest debt of \$105 (SOR 1.c) has yet to be paid in full.

Good-faith requires a showing that a person acts in a way that shows reasonableness, prudence, honesty, and adherence to duty or obligation. Accordingly, an applicant must do more than merely show that he or she relied on a legally available

option (such as bankruptcy or the statute of limitation) in order to claim the benefit of the good-faith mitigating condition. ISCR case No. 02-30304 at 3 (App. Bd. April 20, 2004) (quoting ISCR Case No. 99-9020 at 5-6 (App. Bd. June 4, 2001)). To date, Applicant has made very limited efforts to address his delinquent accounts.

### **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.

Applicant has some factors in his favor. He was in the Air Force 15 years, in the Army 2 years, and in the Air National Guard 2 years. A majority of his adult life has been dedicated to military service. However, the whole-person factors against Applicant are more substantial than the favorable factors. His failure to pay or resolve his just debts is not prudent or responsible. He has a history of financial problems. In 2002, his unsecured delinquent debts were discharged in his Chapter 7 bankruptcy and he had a fresh start. Even with that fresh start, by 2007, his CBR were reporting numerous collection accounts. His payment of \$320 following the hearing is insufficient to establish he will continue to make his payments to his creditors. Additionally, there is no documentation the creditors have agreed to the repayment plans.

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. Under Applicant's current circumstances, a clearance is not recommended. Should Applicant 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.

The issue is not simply whether all Applicant's delinquent obligations have been paid – they have not – but whether his financial circumstances raise concerns about his fitness to hold a security clearance. Overall, the record evidence leaves me with substantial doubt as to Applicant's eligibility and suitability for a security clearance. For the stated reasons, I conclude Applicant has failed to mitigate the security concerns arising from his financial considerations.

### **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
Subparagraphs 1.g – 1.p:	Against Applicant
Subparagraphs 1.q – 1.u:	For Applicant

### **Conclusion**

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

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CLAUDE R. HEINY II  
Administrative Judge