



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



In the matter of:

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Applicant for Security Clearance

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ISCR Case No. 11-01015

**Appearances**

For Government: Eric H. Borgstrom, Esquire, Department Counsel  
For Applicant: *Pro se*

03/20/2012

**Decision**

GALES, Robert Robinson, Administrative Judge:

Applicant failed to mitigate the security concerns regarding financial considerations. Eligibility for a security clearance and access to classified information is denied.

**Statement of the Case**

On September 9, 2010, Applicant applied for a security clearance and submitted an Electronic Questionnaire for Investigations Processing (e-QIP) version of a Security Clearance Application (SF 86).<sup>1</sup> On February 23, 2011, the Defense Office of Hearings and Appeals (DOHA) issued him a set of interrogatories. He responded to the interrogatories on March 17, 2011.<sup>2</sup> On October 18, 2011, DOHA issued a Statement of Reasons (SOR) to him, pursuant to Executive Order 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended and modified; Department of Defense Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended and modified (Directive); and the *Adjudicative*

<sup>1</sup> Item 3 (SF 86), dated September 9, 2010.

<sup>2</sup> Item 4 (Applicant's Answers to Interrogatories, dated March 17, 2011).

*Guidelines for Determining Eligibility For Access to Classified Information* (December 29, 2005) (AG) applicable to all adjudications and other determinations made under the Directive, effective September 1, 2006. The SOR alleged security concerns under Guideline F (Financial Considerations), and detailed reasons why DOHA could not make a preliminary affirmative finding under the Directive that it is clearly consistent with the national interest to grant or continue a security clearance for Applicant. The SOR recommended referral to an administrative judge to determine whether a clearance should be granted, continued, denied, or revoked.

Applicant acknowledged receipt of the SOR on October 31, 2011. In a sworn statement, undated,<sup>3</sup> Applicant responded to the SOR allegations and elected to have his case decided on the written record in lieu of a hearing. A complete copy of the Government's file of relevant material (FORM) was provided to Applicant on January 5, 2012, and he was afforded an opportunity, within a period of 30 days after receipt of the FORM, to file objections and submit material in refutation, extenuation, or mitigation. Applicant received the FORM on January 18, 2012, and on February 6, 2012, he submitted one additional document to which Department Counsel had no objection. The case was assigned to me on March 9, 2012.

### **Findings of Fact**

In his Answer to the SOR, Applicant admitted nine (§§§ 1.a., 1.b., 1.d., 1.e., and 1.i. through 1.m.) of the factual allegations pertaining to financial considerations of the SOR. Although he denied three of the allegations (§§§ 1.c., 1.g., and 1.h.), he based his denials on his contention that they were actually duplicates of other accounts listed in the SOR.<sup>4</sup> He denied or was not responsive to the remaining allegations (§§§ 1.f. and 1.n.) of the SOR. Applicant's admissions are incorporated herein as findings of fact. After a complete and thorough review of the evidence in the record, and upon due consideration of same, I make the following additional findings of fact:

Applicant is a 62-year-old employee of a defense contractor who, since April 2010, has been serving as an associate technician.<sup>5</sup> He has never served with the U.S. military,<sup>6</sup> and has never held a security clearance.<sup>7</sup> He is a June 1967 high school graduate.<sup>8</sup> No information was provided regarding Applicant's early employment history. He was a sales associate from April 2003 until December 2004, a store manager from

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<sup>3</sup> Item 2 (Applicant's Answer to the SOR, undated).

<sup>4</sup> Applicant also admitted one account that he contended was a duplicate of another account alleged in the SOR.

<sup>5</sup> Item 3, *supra* note 1, at 15. As a result of this security clearance review action, Applicant was placed into an unpaid leave status, and commencing January 16, 2012, he is eligible to receive \$230 per week in unemployment compensation. See Applicant Exhibit A (Monetary Benefit Determination, dated January 23, 2012).

<sup>6</sup> Item 3, at 21.

<sup>7</sup> *Id.* at 39.

<sup>8</sup> *Id.* at 13.

December 2004 until August 2009, and was unemployed from August 2009 until April 2010.<sup>9</sup>

Applicant was married in July 1970 and divorced in July 2000.<sup>10</sup> He married his second wife in November 2002.<sup>11</sup> He has two children from his first marriage, born in July 1973, and May 1976, respectively.<sup>12</sup>

## Financial Considerations

There was nothing unusual about Applicant's finances until 2007, when he started to build his "dream house." Both he and his wife were employed at the time, and they took out a \$260,000 construction loan to build the residence. Quotations for construction and supplies were anticipated to be sufficient to build the house. However, as the national economy decreased, his costs increased. The 12-month project actually took 15 months, and the additional costs exhausted his emergency savings to a point where he had to resort to his credit cards to finance the remainder of the project.<sup>13</sup> Once the residence was completed in 2008, Applicant had sufficient funds to pay his mortgage, tax, and living expenses,<sup>14</sup> but he did not have enough to make all his other debt payments. He paid some accounts one month, and switched to other accounts the next month. As a result, accounts started to become delinquent, and were placed for collection or charged off.<sup>15</sup>

In August 2009, according to Applicant, on his doctor's advice, Applicant quit his job because of the stress and anxiety it was causing him.<sup>16</sup> While quitting his job may have reduced Applicant's stress and anxiety, it also increased his financial difficulties. Because he voluntarily left his job, Applicant was not eligible for unemployment compensation.<sup>17</sup> Applicant claimed his wife spoke with a debt consolidation company in 2008, but they never used the agency. He also claimed that in 2009, he and his wife contacted an attorney to explore a bankruptcy filing, but that too was never consummated. In early 2010, he again met with an attorney regarding a bankruptcy, but no such action took place.<sup>18</sup> Applicant could not recall the names of the agency or the

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<sup>9</sup> *Id.* at 15-20.

<sup>10</sup> *Id.* at 25-26.

<sup>11</sup> *Id.* at 24-25.

<sup>12</sup> *Id.* at 29.

<sup>13</sup> Item 4 (Personal Subject Interview, dated October 4, 2010, at 1-2), attached to Applicant's Answers to Interrogatories.

<sup>14</sup> *Id.* at 2.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.* at 2, 4-5.

<sup>17</sup> *Id.* at 2.

<sup>18</sup> *Id.* at 2-3.

attorneys, and he did not submit any documentation to support his claims. In October 2010, Applicant indicated he would meet with an attorney in the spring of 2011 to go over his options.<sup>19</sup> He has not submitted any documentation to reflect that he did so. In February 2012, he stated he would be meeting with an attorney to again review his options.<sup>20</sup> Applicant has offered no evidence to indicate that he has ever received financial counseling in money management, debt management, debt repayment, or budgeting.

Applicant stated that if he chooses to not file for bankruptcy, he will pay all of his creditors.<sup>21</sup> His contention that he is willing to work out payment plans with his creditors, but that they are not interested in doing so and only want the entire unpaid balances, is not entirely accurate, for at least one creditor (SOR ¶ 1.e.), as discussed further below, was willing to reduce the balance by nearly 50 percent.<sup>22</sup>

Applicant and his wife started two part-time businesses to generate money. They sell old automotive brochures on the internet, but that activity has only generated \$1,000 to 2,000 per year.<sup>23</sup> He also turned his residence into a bed and breakfast lodge, and in 2009, it generated \$5,000.<sup>24</sup> His joint federal income tax return for 2009 reflects an adjusted gross income of \$47,175.<sup>25</sup>

In March 2011, Applicant submitted a personal financial statement reflecting a net monthly income of \$1,517.54, including his salary, his spouse's salary, and other unspecified income.<sup>26</sup> He claimed \$590 in monthly expenses, as well as \$2,898.60 in debt payments and mortgage payments.<sup>27</sup> Using his numbers, he does not have anything left over each month for discretionary spending or savings.

The SOR identified 13 purportedly continuing delinquencies, totaling approximately \$130,451. A closer review and analysis of the SOR allegations and Applicant's credit cards reveal that some of the accounts reflected in the SOR are

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<sup>19</sup> *Id.* at 3.

<sup>20</sup> Applicant Exhibit A, *supra* note 5.

<sup>21</sup> Item 4, *supra* note 13, at 3.

<sup>22</sup> *Id.* at 4.

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

<sup>25</sup> Item 4 (Form 1040, undated), attached to Applicant's Answers to Interrogatories.

<sup>26</sup> Item 4 (Personal Financial Statement, dated March 17, 2011), attached to Applicant's Answers to Interrogatories. In May 2011, Applicant's net income was scheduled to increase once he starts receiving Social Security benefits.

<sup>27</sup> *Id.*

actually the same as other accounts alleged, simply under a different creditor or collection agent name, or with a different account number.<sup>28</sup>

There is a credit card account (SOR ¶ 1.a.) that started with one particular bank, was transferred to a second bank, and then transferred to a third bank, with a high credit of \$17,422, that was over 180 days past due, and placed for collection and charged off, before being sold, first to one debt purchaser and then to another company. The current delinquent balance is approximately \$19,000. There is no evidence that Applicant made any effort to resolve this account, and it remains unresolved.

There is a retail store credit card account (SOR ¶ 1.b.) with a high credit of \$20,077, that was placed for collection and charged off, before being sold, first to one debt purchaser and then to another company. The current delinquent balance is approximately \$22,000. There is no evidence that Applicant made any effort to resolve this account, and it remains unresolved.

There is a bank credit card account (SOR ¶ 1.m.) that was over 180 days past due, and placed for collection, in the amount of \$11,000, and charged off, before being sold to a debt purchaser in June 2011. The debt purchaser, the same one that purchased other accounts from the same creditor listed in the SOR, reported the account in September 2011, with a different account number (SOR ¶ 1.c.). The current delinquent balance is approximately \$11,000. Although Department Counsel argued that Applicant's contention that the SOR allegations referred to the same account was not supported by sufficient documentation, based on the quality of the Government exhibits in issue, I have concluded that these two accounts are the same. Nevertheless, there is no evidence that Applicant made any effort to resolve this account, and it remains unresolved.

There is a bank credit card account (SOR ¶ 1.d.), with a high credit of \$5,944, that was placed for collection and charged off, before being sold, first to one debt purchaser and then to another company. The current delinquent balance is approximately \$4,869. Applicant contends the account is the same as that alleged in SOR ¶ 1.h., but Department Counsel argued that Applicant's contention that the SOR allegations referred to the same account was not supported by sufficient documentation. There is no mention of that particular creditor referred to in SOR ¶ 1.h. in any of the three credit reports submitted by the Government, and the only evidence regarding the account comes from Applicant. Based on the evidence, I have concluded that these two accounts are the same. Nevertheless, there is no evidence that Applicant made any effort to resolve this account, and it remains unresolved.

There is a bank credit card account (SOR ¶ 1.e.), with a high credit of \$14,560, that was initially \$547 past due, that was placed for collection and charged off. The

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<sup>28</sup> Special attention was focused on the following sources: Item 2 (Debt list, undated), wherein Applicant furnished a chronology for several of the various accounts, attached to Applicant's Answer to the SOR; Item 7 (Combined Experian, Equifax, and TransUnion Credit Report, dated September 22, 2010); Item 6 (Equifax Credit Report, dated March 28, 2011); Item 4 (Applicant's Answers to Interrogatories, with attached enclosures); and Item 5 (Equifax Credit Report, dated October 11, 2011).

current delinquent balance is approximately \$14,000, although the current collection agent offered to settle the account for \$7,398.46 in February 2011. There is no evidence that Applicant made any effort to resolve this account, and it remains unresolved.

There is a bank account (SOR ¶ 1.f.) with a past-due balance of \$3,538 that was charged off. Department Counsel argued that Applicant had admitted the allegation, but that argument is inaccurate. Applicant's response to the allegation was a denial, based on the fact that he never had an account with that particular creditor and had never dealt with it.<sup>29</sup> While the account is listed in the March 2011 Equifax credit report,<sup>30</sup> it is not listed in the October 2011 credit report. Although it is unclear if Applicant made any effort to follow up on the account, it appears from the Government's most current evidence that the account has been deleted from the credit report, and I conclude that this account has been resolved.

There is a charge account (SOR ¶ 1.l.), with a high credit of \$6,500, that was over 150 days past due, and placed for collection, in the amount of \$8,192, and charged off, before being sold, in turn, to various debt purchasers. A law firm representing the most recent debt purchaser identified the initial creditor and a collection agent and indicated the unpaid balance was \$8,023.12 as of January 17, 2011.<sup>31</sup> The account, with a different account number, with a high credit of \$8,192 and an unpaid balance of \$8,023, is listed with a variation of the same initial creditor in the September 2010 credit report and in the October 2011 credit report (SOR ¶ 1.g.). Although Department Counsel argued that Applicant's contention that the SOR allegations referred to the same account was not supported by sufficient documentation and the accounts had different account numbers, based on the evidence, I have concluded that these two accounts are the same. Applicant contends that his wife's wages are being garnished, and that as of October 27, 2011, the account balance has been reduced. His contention is not supported by any documentation to reflect a garnishment action. Accordingly, there is insufficient evidence to indicate Applicant is in the process of resolving this account, and it remains unresolved.

There is a bank credit card account (SOR ¶ 1.i.) that was placed for collection, with an unpaid balance of approximately \$3,476.82, and sold, in turn to several different debt purchasers. The current delinquent balance is approximately \$3,563.08. Although the account does not appear in any of the credit reports, Applicant admitted the account is his and it remains unpaid. There is no evidence that Applicant made any effort to resolve this account, and it remains unresolved.

There is a bank credit card account (SOR ¶ 1.j.) that was placed for collection, with an unpaid balance of approximately \$10,468.03, and sold, in turn to several different debt purchasers. The current delinquent balance is approximately \$11,392.29. Although the account does not appear in any of the credit reports, Applicant admitted

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<sup>29</sup> Item 2, *supra* note 3, at 5.

<sup>30</sup> Item 6, *supra* note 28, at 2.

<sup>31</sup> Item 4 (Letter from Law Firm, dated January 17, 2011), attached to Applicant's Answers to Interrogatories.

the account is his and it remains unpaid. There is no evidence that Applicant made any effort to resolve this account, and it remains unresolved.

There is a bank credit card account (SOR ¶ 1.k.) that started with one particular bank, was transferred to a second bank, and then transferred to a third bank, with a high credit of \$3,000, that was placed for collection and sold, in turn to several different debt purchasers and transferred to several different collection attorneys. The delinquent balance, as of January 2011, was approximately \$11,957.18. The account still appears in the October 2011 credit report under the name of the third creditor, and Applicant admitted the account is his. There is no evidence that Applicant made any effort to resolve this account, and it remains unresolved.

### **Policies**

The U.S. Supreme Court has recognized the substantial discretion of the Executive Branch in regulating access to information pertaining to national security emphasizing, “no one has a ‘right’ to a security clearance.”<sup>32</sup> 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. The President has authorized the Secretary of Defense or his designee to grant an applicant eligibility for access to classified information “only upon a finding that it is clearly consistent with the national interest to do so.”<sup>33</sup>

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

An administrative judge need not view the guidelines as inflexible, ironclad rules of law. Instead, acknowledging 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. 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 meaningful decision.

In the decision-making process, facts must be established by “substantial evidence.”<sup>34</sup> The Government initially has the burden of producing evidence to establish

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<sup>32</sup> *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988).

<sup>33</sup> Exec. Or. 10865, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960), as amended and modified.

<sup>34</sup> “Substantial evidence [is] such relevant evidence as a reasonable mind might accept as adequate to support a conclusion in light of all contrary evidence in the record.” ISCR Case No. 04-11463 at 2 (App. Bd. Aug. 4,

a potentially disqualifying condition under the Directive, and has the burden of establishing controverted facts alleged in the SOR. Once the Government has produced substantial evidence of a disqualifying condition, under Directive ¶ E3.1.15, the applicant has the burden of persuasion to present evidence in refutation, explanation, extenuation or mitigation, sufficient to overcome the doubts raised by the Government's case. The burden of disproving a mitigating condition never shifts to the Government.<sup>35</sup>

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 as well. It is because of this special relationship that the Government must be able to repose a high degree of trust and confidence in those 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 as to potential, rather than actual, risk of compromise of classified information. Furthermore, "security clearance determinations should err, if they must, on the side of denials."<sup>36</sup>

Clearance decisions must be "in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned."<sup>37</sup> Thus, nothing in this decision should be construed to suggest that I have based this decision, in whole or in part, on any express or implied determination as to Applicant's allegiance, loyalty, or patriotism. It is merely an indication the Applicant has or has not met the strict guidelines the President and the Secretary of Defense have established for issuing a clearance. In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. Likewise, I have avoided drawing inferences grounded on mere speculation or conjecture.

## Analysis

### Guideline F, Financial Considerations

The security concern relating to the guideline for Financial Considerations is set out in AG ¶ 18:

Failure or inability to live within one's means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise

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2006) (citing Directive ¶ E3.1.32.1). "Substantial evidence" is "more than a scintilla but less than a preponderance." See *v. Washington Metro. Area Transit Auth.*, 36 F.3d 375, 380 (4<sup>th</sup> Cir. 1994).

<sup>35</sup> See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005).

<sup>36</sup> *Egan*, 484 U.S. at 531

<sup>37</sup> See Exec. Or. 10865 § 7.



questions about an individual's reliability, trustworthiness and ability to protect classified information. An individual who is financially overextended is at risk of having to engage in illegal acts to generate funds. . . .

The guideline notes several conditions that could raise security concerns. Under AG ¶ 19(a), an *"inability or unwillingness to satisfy debts"* is potentially disqualifying. Similarly, under AG ¶ 19(c), *"a history of not meeting financial obligations"* may raise security concerns. In 2008, Applicant had sufficient funds to pay his mortgage, tax, and living expenses, but he did not have enough to make all his other debt payments. He paid some accounts one month, and switched to other accounts the next month. As a result, accounts started to become delinquent, and were placed for collection or charged off. In August 2009, Applicant quit his job, with the result that his financial difficulties increased. His financial difficulties remain unresolved. AG ¶¶ 19(a) and 19(c) apply.

The guideline also includes examples of conditions that could mitigate security concerns arising from financial difficulties. Under AG ¶ 20(a), the disqualifying condition may be mitigated where *"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."* Also, under AG ¶ 20(b), financial security concerns may be mitigated where *"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."* Evidence 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"* is potentially mitigating under AG ¶ 20(c). Similarly, AG ¶ 20(d) applies where the evidence shows *"the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts."*<sup>38</sup>

AG ¶ 20(a) does not apply. The nature, frequency, and relative recency of Applicant's continuing financial difficulties since 2008 make it difficult to conclude that it occurred "so long ago" or "was so infrequent." In light of his substantial period of continuing financial problems, it is unlikely that they will be resolved in the short term,

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<sup>38</sup> The Appeal Board has previously explained what constitutes a "good-faith" effort to repay overdue creditors or otherwise resolve debts:

In order to qualify for application of [the "good-faith" mitigating condition], an applicant must present evidence showing either a good-faith effort to repay overdue creditors or some other good-faith action aimed at resolving the applicant's debts. The Directive does not define the term 'good-faith.' However, the Board has indicated that the concept of 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 she or she relied on a legally available option (such as bankruptcy [or statute of limitations]) in order to claim the benefit of [the "good-faith" mitigating condition].

(internal citation and footnote omitted) ISCR Case No. 02-30304 at 3 (App. Bd. Apr. 20, 2004) (quoting ISCR Case No. 99-9020 at 5-6 (App. Bd. June 4, 2001)).

and they are likely to continue. Accordingly, Applicant failed to mitigate his financial situation, and under the circumstances, his actions do cast doubt on his current reliability, trustworthiness, and good judgment.<sup>39</sup>

AG ¶ 20(b) partially applies. While Applicant's initial decision to obtain a \$260,000 construction loan to build his "dream house" was not necessarily the wrong decision because quotations for construction and supplies were anticipated to be sufficient to build the house. However, as the national economy decreased, his costs increased to unanticipated levels. Faced with continuing financial problems, Applicant nevertheless exacerbated those problems when he gave up his job because of the stress and anxiety the job was causing him. As a result, he was unemployed from August 2009 until April 2010. It is unclear if the increase of construction costs and supplies could have been mitigated to any degree if Applicant had chosen to downgrade or delay his construction plans, or if his stress and anxiety could have been prevented with medication. Under these circumstances it is questionable if Applicant acted responsibly.

AG ¶ 20(c) does not apply because there is no evidence to indicate Applicant has ever received counseling in money management, debt management, debt repayment, or budgeting.

AG ¶ 20(d) does not apply. There is no evidence to indicate that Applicant initiated a good-faith effort to repay his overdue creditors or otherwise resolve his debts. Applicant's statements regarding his future intent to resolve his debts in the event he does not file for bankruptcy, without corroborating documentary evidence, are entitled to little weight.<sup>40</sup> His declaration of future intention to resolve his debts, after so much time where no positive efforts were taken, does not qualify as a "good-faith" effort.

### **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 the 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.

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<sup>39</sup> See ISCR Case No. 09-08533 at 3-4 (App. Bd. Oct. 6, 2010).

<sup>40</sup> See ISCR Case No. 07-10310 at 2 (App. Bd. Jul. 30, 2008).

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. Moreover, I have evaluated the various aspects of this case in light of the totality of the record evidence and have not merely performed a piecemeal analysis.<sup>41</sup>

There is some evidence in favor of mitigating Applicant's conduct: His financial difficulties were caused, in part, because the quotations for construction and supplies that were anticipated to be sufficient to build his house increased to unanticipated levels as the national economy decreased. He was also faced with stress and anxiety on his job, and he was unemployed from August 2009 until April 2010.

The disqualifying evidence under the whole-person concept is more substantial. When he completed the construction of his house in 2008, Applicant had sufficient funds to pay his mortgage, tax, and living expenses, but he did not have enough to make all his other debt payments. Accounts started to become delinquent, and were placed for collection or charged off. In August 2009, Applicant quit his job without having explored other options, and remained unemployed for several months. Although he claimed he or his wife spoke with a debt consolidation company and two attorneys over the ensuing years, Applicant could not recall the names of the agency or the attorneys, and he did not submit any documentation to support his claims. He has discussed bankruptcy before, and still entertains that possibility. Applicant could have made some reasonable timely efforts to resolve his accounts, but he has not done so. Applicant's actions indicate poor self-control and a lack of judgment, which raise questions about his reliability, trustworthiness and ability to protect classified information. See AG ¶ 2(a)(1) through AG ¶ 2(a)(9).

### 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
Subparagraph 1.a:	Against Applicant
Subparagraph 1.b:	Against Applicant
Subparagraph 1.c:	For Applicant (See ¶ 1.m.)
Subparagraph 1.d:	Against Applicant
Subparagraph 1.e:	Against Applicant
Subparagraph 1.f:	For Applicant
Subparagraph 1.g:	For Applicant (See ¶ 1.i.)
Subparagraph 1.h:	For Applicant (See ¶ 1.d.)
Subparagraph 1.i:	Against Applicant
Subparagraph 1.j:	Against Applicant

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<sup>41</sup> See *U.S. v. Bottone*, 365 F.2d 389, 392 (2d Cir. 1966); See also ISCR Case No. 03-22861 at 2-3 (App. Bd. Jun. 2, 2006).

Subparagraph 1.k:	Against Applicant
Subparagraph 1.l:	Against Applicant
Subparagraph 1.m:	Against Applicant
Subparagraph 1.n:	Against 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.

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ROBERT ROBINSON GALES  
Administrative Judge