



DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF HEARINGS AND APPEALS



In the matter of:

Applicant for Security Clearance

)
)
)
)
)
)
)

ISCR Case No. 11-03281

Appearances

For Government: Jeff Nagel, Esquire, Department Counsel
For Applicant: *Pro se*

07/31/2012

Decision

WESLEY, Roger C., Administrative Judge:

Based upon a review of the pleadings, exhibits, and testimony, I conclude that Applicant mitigated the security concerns regarding his finances. Eligibility for access to classified information is denied.

Statement of Case

On February 22, 2012, the Defense Office of Hearings and Appeals (DOHA) issued a Statement of Reasons (SOR) detailing reasons why DOHA could not make the preliminary affirmative determination of eligibility for granting a security clearance, and DOHA recommended referral to an administrative judge to determine whether a security clearance should be granted, continued, denied, or revoked. The action was taken 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, 1962), as amended (Directive), and the Adjudicative Guidelines (AGs) implemented by the Department of Defense on September 1, 2006.

Applicant responded to the SOR on March 13, 2012, and requested a hearing. The case was assigned to me on May 31, 2012, and was scheduled for hearing on June 27, 2012. The hearing was convened on that date. At hearing, the Government's case consisted of seven exhibits (GEs 1-7). Applicant relied on one witness (himself) and 24 exhibits (AEs A-X). The transcript (Tr.) was received on July 6, 2012.

Procedural Issues

Before the close of the hearing, Applicant requested the record be kept open to afford him the opportunity to supplement the record with documentation of his endorsements, awards, and accounting information covering his foreclosed properties. There being no objection from Department Counsel, and for good cause shown, I granted Applicant seven days to supplement the record and the Government one day to respond. I also granted Applicant's request for a seven-day extension. Within the time permitted, Applicant supplemented the record with his civilian awards and foreclosure records covering his first home foreclosure. I admitted his submissions as AEs Y and Z.

Summary of Pleadings

Under Guideline F, Applicant allegedly petitioned for Chapter 7 bankruptcy relief in October 2003 (discharged in January 2004) and subsequently accumulated two mortgage debts in delinquent status.

In his answer to the SOR, Applicant admitted each of the allegations covered by paragraphs 1.a through 1.c. He explained he and his wife purchased a home covered by the creditor identified in subparagraph 1.c in 2005. He claimed he and his wife purchased a second home covered by the creditor identified in subparagraph 1.c in 2008 and retained the first home as an investment property.

Findings of Fact

Applicant is a 52-year-old field engineer for a defense contractor who seeks a security clearance. The allegations covered in the SOR and admitted by Applicant are incorporated and adopted as relevant and material findings. Additional findings follow.

Background

Applicant married his first wife in September 1984 and has two adult sons from this marriage. (GE 1) Both of his sons have served Marine Corps tours of duty. (AE W) Applicant divorced his first wife in November 1989. He remarried in January 1990 and has two stepchildren from his wife's previous marriage. (GE 1)

Applicant enlisted in the Navy following his graduation from high school in 1986. (GE 1) He served 20 years of active duty in the Navy before his retirement in April 2006 with the rank of senior chief petty officer. (GEs 1 and 2; Tr. 50-51) Applicant attended

college between January 2003 and May 2005 and earned an associate of arts degree and a bachelor's degree in criminal justice administration. (GE 1 and AE Y)

Applicant's finances

Between March 1993 and September 2003, Applicant and his current wife accumulated a number consumer-related debts (mostly credit card). Bankruptcy schedules and credit reports reveal that Appellant and his wife purchased three vehicles during this period: a 1999 Kia Sephra in April 1999 and two 2003 Ford Taurus automobiles in September 2003. Besides his three vehicles, Applicant amassed over \$40,000 in credit card debts with 21 separate creditors, a credit line, several overdrafts, and three reported stolen checks that produced fraudulent accounts exceeding \$927. Based on the credit reports, Applicant's car purchases were fully financed with no visible down payments. His debt accumulations and debt level left him with little room to cover unexpected contingencies and emergencies.

One month after purchasing the new Ford vehicles, Applicant and his wife encountered severe strains in their finances and could not keep up with their debt payments. Applicant attributes his sudden financial difficulties to three stolen checks that resulted in unidentified accounts that became delinquent. Beginning in January 2000, Applicant and his wife began receiving notices of two checks drawn against their checking account. (AEs B and C; Tr. 46-47) Communication exchanges identified three accounts billed to Applicant by mistake that later became delinquent. (AEs C-F; Tr. 47) These reported delinquent accounts prompted his credit card creditors to raise their interest rates on his legitimate accounts. (Tr. 47)

What actions Applicant took with the credit reporting agencies to delete his identified illegitimate accounts associated with his stolen checks from his credit reports is unclear. He and his wife had few available assets available to them to cover any unforeseen contingencies associated with their increased debts caused by rising interest rates. Consequently, they elected to petition for Chapter 7 bankruptcy relief in October 2003. (GE 3; Tr. 48, 53) Preparatory to their petitioning for Chapter 7 relief, they completed the required online counseling course. (AE A). Records do not document any Applicant attempt to explore alternative remedies, such as debt consolidation and Chapter 13 relief, before petitioning for Chapter 7 protections. And they made their Chapter 7 election just a little over a month after purchasing their 2003 Ford vehicles. (GEs 5-7 and AE F)

In their Chapter 7 petition, Applicant and his wife scheduled \$65,191 in secured claims and \$44,027 in unsecured claims. Applicant's schedule of secured claims reflects his purchases of two 2003 Ford vehicles, each currently valued at \$11,085. The total claimed amount on each of these vehicles is \$29,843, with \$18,758 apportioned as unsecured on each claim. (GE 2; AE F) Besides the Ford vehicles, Applicant scheduled his 1999 Kia Sephia as a secured claim. (GE 2 and AE F) Broken down, this claim had a total claim amount of \$5,505, of which \$3,930 was treated as unsecured. (AE F)

Applicant's schedule of unsecured claims listed claims associated with 21 credit card accounts, a credit line, several overdraft claims, and three claims arising out of stolen checks and comprising identified claims totaling \$927 (apportioned among three reported claims). These claims cover debts created between 1993 and 2003. (AE F)

Applicant and his wife received their bankruptcy discharge in January 2004. (GE 2) They attribute their bankruptcy to the two stolen checks. How these stolen checks impacted his other accounts was not developed and is unclear. Because Applicant did not produce his entire Chapter 7 petition, inferences cannot be made as to how his assets, if any, were made available to his creditors and apportioned. Presumably, the three listed vehicles with an aggregate cash value of \$23,745 were returned to the named secured creditors. With no known listed assets to apportion among his creditors holding unsecured claims, Applicant's bankruptcy would likely qualify as a no-asset case.

Less than 18 months after he received his bankruptcy discharge, Applicant and his wife assumed more debt with a home purchase. In August 2005, they purchased a home in their state for \$192,154. (GE 3) They financed their purchase with a first mortgage from creditor 1.c. (Tr. 55) They paid nothing down on their purchase and were assigned monthly mortgage payments of \$1,742. (Tr. 55-56) At the time, Applicant made good money and encountered no problems making his monthly mortgage payments. (GE 3; Tr. 54)

Following the purchase of their first home, Applicant and his wife purchased two new Ford vehicles: one in March 2006 for \$33,955 and another in December 2008 for \$43,404. (GEs 4-6) Credit reports do not indicate whether they made any down payments on the vehicles. The do reveal that Applicant has since disposed of these vehicles. (GEs 4-6)

Anticipating their purchase of a second home, Applicant and his wife listed their first home for sale with a local brokerage firm in September 2007 for \$229,900. (GE 3; Tr. 57-58). Records do not indicate when they abandoned their sale efforts. What is known is that they ceased their efforts to market their first home by the time they closed on their second home in 2008. (AE G)

Applicant and his wife closed on their purchase of a second home in May 2008. They paid \$235,000 for the property and financed the entire purchase with a first mortgage with creditor 1.b. (Tr. 57) Their monthly mortgage payments were \$1,850. After moving into their new home, they rented out their first home for \$1,300 a month. (GE 3; Tr. 57-61) With their combined gross income of \$122,000 and very few debts at the time, they determined they could easily make up the \$450 mortgage deficiency on their rented home. Still, in July 2009 they listed their second home for sale with a local real estate brokerage firm. (AE I) The listing agreement does not include the proposed sales price. Their sale efforts were not successful

In August 2009, Applicant's current spouse was laid off from her job and encountered difficulties finding a replacement job in a poor economic climate (13.3% unemployment in her local community) with her limited educational credits. (GE 3 and AEs H, J and K) Without his wife's supplemental income, Applicant faced difficulties keeping up with his family bills. (GE 3) When the renter of their first house vacated the premises in January 2010, Applicant and his wife made plans to accept employment opportunities in their current state of residence. (GE 3) They vacated their home and moved to their current state of residence in February 2010, (GE 3) Excessive moving expenses (exceeding \$8,000) prompted Applicant to stop making his mortgage payments on both mortgages. (GE 3; Tr. 66) Rather than try work with the lenders on arranging short sales of their properties, they abandoned their mortgage obligations.

Applicant and his wife received a notice of pending foreclosure from their lender on their second home (creditor 1.b) in June 2010. (GE 3) In an attempt to resolve the loan deficiencies on his two homes and avert foreclosure, Applicant spoke with his creditor 1.c lender in April 2010 about the availability of refinancing options. (GE 3 and AE A; Tr. 67) Even though he had stopped making mortgage payments on both homes, he was hopeful of working out loan modifications that would enable him to keep the homes while they searched for renters. (GE 3; Tr. 67-68) Neither creditor would agree to financing changes to avert foreclosure. (AE A)

Asked if he ever considered working with the lenders on short sale arrangements, Applicant acknowledged he did not. Instead, he accepted the advice of family and friends that he would stand a better chance of restoring his credit by avoiding short sales and letting the foreclosure process take its course. (Tr.63) While this advice seems highly imprudent, he and his wife accepted it. Both properties, in turn, were foreclosed non-judicially by the lenders (creditors 1.b and 1.c) in 2011 and 2012, respectively. Statistical reports place Applicant's home state sixth nationally in the number of homes foreclosed in 2009. (AEs M and N)

Creditor 1.b foreclosed on Applicant's second home in August 2010. (AE O; Tr. 54, 68) The foreclosing creditor entered a protective bid of \$177,142 and purchased the property for its own account. (GE 3 and AE O; Tr. 71) Creditor 1.b later resold the property in November 2011 for \$157,000. (GE 3; Tr. 70, 86-87) The creditor has not made any attempts to date to enforce its deficiency balance against Applicant and his wife. (Tr. 71) This deficiency balance currently stands at approximately \$57,000, and remains subject to enforcement by suit. (GEs 2 and 3; Tr. 76-77)

Creditor 1.c foreclosed on Applicant's first residence in August 2011. (AE Z; Tr. 85) At the scheduled foreclosure sale of Applicant's first property in August 2011, the property's public sale produced sale proceeds of \$115,200. (AE Z; Tr. 75, 86) This left an enforceable deficiency of approximately \$81,000. To date, the lender has taken no action to collect its deficiency entitlement. However, it retains the right to pursue enforcement by court action. (Tr. 73-74) Applicant noted that creditor 1.c resold the property in November 2011 for \$115,000. (Tr. 70)

Applicant has continued to stay in contact with both creditor 1.b and creditor 1.c (Tr. 71-72, 74-77), and have enlisted some financial counseling. (Tr. 72) To date, though, he has made no tangible attempts to establish payment arrangements with either lender. By all evidentiary accounts, Applicant and his wife abandoned their home mortgages in a strategic fashion without first trying to enlist creditor approvals for short sales or other means of resolving their mortgage debts with the creditors. Recently, creditor 1.c completed a move out agreement with the tenant renting the property while creditor 1.c considers when to dispose of its foreclosed property. (AE R)

Applicant and his wife report a joint monthly remainder of \$1,500 and good credit with all of their remaining debts. (AE S; Tr. 92) He and his wife have \$17,504 in their savings account and an additional \$6,553 in their checking account. (AE A) Applicant has \$10,102 in his 401(k) with his current employer and \$29,619 in his 401(k) with his previous employer. (AE A; Tr. 90) Applicant's wife currently does not work, and she has no plans to return to the work force. (Tr. 72, 82) Applicant occasionally provides financial support to his grown children. (Tr. 83)

Applicant has recently talked to his lenders (creditors 1.b and 1.c) about their enforcement intentions and reports no further information. (Tr. 76-77) While he would like to avoid bankruptcy to resolve his two deficiency debts, to date, he has developed no repayment options to address the deficiencies owed to creditors 1.b and creditor 1.c. Should either lender, or both, pursue him to collect their deficiency entitlements, he assures he has ample resources to pay off any deficiencies and any imposed tax liabilities, or make payment arrangements to do so, should either or both lenders initiate enforcement proceedings. (Tr. 73-74, 90, 92-93) It remains uncertain, though, whether the monthly remainder and other resources available to Applicant are sufficient to meet any deficiency demands from creditors 1.b and 1.c should they arise. (Tr. 73-74) Based on his historical track record, it is just as plausible to foresee his electing to pursue a bankruptcy course of action or statute of limitation strategy to shed any large deficiencies. At this point, no meaningful inferences can be drawn as to what Applicant might choose as his course of action.

Endorsements

Applicant earned numerous awards in the Navy, honoring his Navy achievements. (AE Y) He continues to work for the same employer he joined in August 2010, and is highly regarded by his current supervisors and coworkers. (AE W) His logistics supervisor credited him with absolute trust and confidence. (AE W) Another supervisor characterized Applicant as a colleague "with impeccable character." (AE W) A coworker described Applicant as honest, trustworthy, and completely reliable.

Because none of his character witnesses expressed any knowledge of Applicant's financial issues, his employer impressions become more difficult to assess. Office of Personnel Management (OPM) investigation results report nothing unfavorable about him with his employer. Based on these reports, inferences warrant that his performance efforts meet employment standards. (GEs 2 and 3)

Policies

The AGs list guidelines to be used by administrative judges in the decision-making process covering DOHA cases. These guidelines take into account factors that could create a potential conflict of interest for the individual applicant, as well as considerations that could affect the individual's reliability, trustworthiness, and ability to protect classified information.

These guidelines include "[c]onditions that could raise a security concern and may be disqualifying" (disqualifying conditions), if any, and many of the "[c]onditions that could mitigate security concerns." They must be considered before deciding whether or not a security clearance should be granted, continued, revoked, or denied. The guidelines do not require administrative judges to place exclusive reliance on the enumerated disqualifying and mitigating conditions in the guidelines in arriving at a decision. Each of the guidelines is to be evaluated in the context of the whole person in accordance with AG ¶ 2(c)

In addition to the relevant AGs, administrative judges must take into account the pertinent considerations for assessing extenuation and mitigation set forth in AG ¶ 2(a) of the AGs. AG ¶ 2(a) is intended to assist the judges in reaching a fair and impartial commonsense decision based upon a careful consideration of the pertinent guidelines within the context of the whole person. The adjudicative process is designed to examine a sufficient period of an applicant's life to enable predictive judgments to be made about whether the applicant is an acceptable security risk.

When evaluating an applicant's conduct, the relevant guidelines are to be considered together with the following AG ¶ 2(a) factors:

- (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.

Viewing the issues raised and evidence as a whole, the following adjudication policy factors are pertinent herein:

Financial Considerations

The Concern: "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. Compulsive gambling is a concern as it may lead to financial crimes including espionage. Affluence that cannot be explained by known sources of income is also a security concern. It may indicate proceeds from financially profitable criminal acts."

Adjudicative Guidelines, ¶ 18.

Burden of Proof

By virtue of the principles and policies framed by the AGs, a decision to grant or continue an applicant's security clearance may be made only upon a threshold finding that to do so is clearly consistent with the national interest. Because the Directive requires administrative judges to make a commonsense appraisal of the evidence accumulated in the record, the ultimate determination of an applicant's eligibility for a security clearance depends, in large part, on the relevance and materiality of that evidence. *See United States, v. Gaudin*, 515 U.S. 506, 509-511 (1995). As with all adversarial proceedings, the judge may draw only those inferences which have a reasonable and logical basis from the evidence of record. Conversely, the judge cannot draw factual inferences that are grounded on speculation or conjecture.

The Government's initial burden is twofold: (1) it must prove by substantial evidence any controverted facts alleged in the SOR, and (2) it must demonstrate that the facts proven have a material bearing to the applicant's eligibility to obtain or maintain a security clearance. The required materiality showing, however, does not require the Government to affirmatively demonstrate that the applicant has actually mishandled or abused classified information before it can deny or revoke a security clearance. Rather, the judge must consider and weigh the cognizable risks that an applicant may deliberately or inadvertently fail to safeguard classified information.

Once the Government meets its initial burden of proof of establishing admitted or controverted facts, the evidentiary burden shifts to the applicant for the purpose of establishing his or her security worthiness through evidence of refutation, extenuation, or mitigation. Based on the requirement of Exec. Or. 10865 that all security clearances be clearly consistent with the national interest, the applicant has the ultimate burden of demonstrating his or her clearance eligibility. "[S]ecurity-clearance determinations should err, if they must, on the side of denials." *See Department of the Navy v. Egan*, 484 U.S. 518, 531 (1988). And because all security clearances must be clearly consistent with the national interest, the burden of persuasion must remain with the Applicant.

Analysis

Applicant is a field engineer for a defense contractor with a considerable history of indebtedness over a number of years. After accumulating over a \$110,000 in delinquent credit card and other consumer-related debts, he petitioned for Chapter 7 bankruptcy

relief in 2003 and received his discharge in January 2004. Within two years of his bankruptcy discharge he accumulated real estate mortgages that were foreclosed after he defaulted on his loan payments on both homes in early 2010. Due to insufficient proceeds from the ensuing sales of the foreclosed mortgages, Applicant remains at risk to enforcement of the remaining deficiency balances (\$81,000 and \$57,000) on the properties. Enforcement predictability is difficult to gauge at this time.

Security concerns are raised under the financial considerations guideline of the AGs when the individual applicant is so financially overextended as to indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, which can raise questions about the individual's reliability, trustworthiness, and ability to protect classified information, and place the person at risk of having to engage in illegal acts to generate funds. Applicant's accumulation of valid delinquent debts and his past inability to resolve these debts warrant the application of two of the disqualifying conditions (DC) of the Guidelines ¶ DC 19(a), "inability or unwillingness to satisfy debts," and ¶19(c) "a history of not meeting financial obligations."

Holding a security clearance involves the exercise of important fiducial responsibilities, among which is the expectancy of consistent trust and candor. Financial stability in a person cleared to access classified information is required precisely to inspire trust and confidence in the holder of the clearance. While the principal concern of a clearance holder's demonstrated financial difficulties is vulnerability to coercion and influence, judgment and trust concerns are implicit in financial cases.

Unexpected deteriorating market conditions in Applicant's home state and his good-faith efforts to stay in contact with the lenders who foreclosed his two properties merit partial application of three of the mitigating conditions for financial considerations: ¶ MC 20(a), "the behavior happened so long ago, was so infrequent, or occurred under circumstances that it is unlikely to recur and does not cast doubt on the individual's reliability, trustworthiness, or good judgment;" MC ¶ 20(b), "the conditions that resulted in the behavior were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, or a death, divorce, or separation, and the individual acted responsibly under the circumstances," and MC ¶ 20(c), "the person has received counseling for the problem and/or there are clear indications that the problem is being resolved or is under control." These mitigating conditions all have some applicability to Applicant's accumulated delinquent debts, but not a great deal. Most of the time under consideration, he and his wife controlled their spending levels and debt accruals and were considerably overextended. And Applicant's financial counseling is not documented and is not recent.

To be clear, Applicant is still liable for his creditor 1.b and 1.c deficiency debts in sums exceeding \$138,000. Applicant's home state is not a no-recourse state, and foreclosing creditors are permitted to seek deficiency judgments in the courts on remaining loan balances. Whether Applicant is entitled to any deficiency protections through his Veterans Administration loan coverage is unclear.

In circumstances similar to the present case, the Appeal Board has said that an applicant need not have paid or resolved every one of his proven debts or addressed all of his debts simultaneously. What Applicant needs is a credible plan to resolve his financial problems, accompanied by implementing actions. See ISCR Case No. 07-06488 (App. Bd. May 21, 2008) By the proofs presented, Applicant has achieved some of his objectives. His credit reports reveal generally current accounts. However, he has two large deficiency debts that are susceptible to enforcement by either of the listed lenders or their assignees.

Whatever the current enforcement intentions of Applicant's lenders (creditors 1.b and 1.c), neither of the reported foreclosure deficiencies are barred by his adopted state's controlling statute of limitations (§312 of CCP (2004)), or by the statute of limitations in place in his home state. His home state's statute of limitations bar for written contracts is longer (six years) even than the one that is controlling in his adopted state. See M. Comp. Laws § 600.5801, *et seq.* So, regardless of which state statute of limitations enforcement bar is employed, Applicant remains at risk to collection actions on each of his remaining deficiency debts.

Faced with two foreclosures and deficiency balances with each lender, Applicant can choose among three options for resolving his loan deficiencies with creditors 1.b and 1.c. He can certainly initiate work out payment arrangements with the creditors with the monetary resources to him and his wife. Considering the amount of money involved (over \$135,000 between both creditors), this would likely entail some very burdensome payment outlays with the creditors on whatever terms he is able to arrange. Alternatively, he could petition for Chapter 7 bankruptcy relief as a means of discharging his debt responsibilities with creditors 1.b and 1.c. But this course of action could jeopardize his credit standing with his remaining creditors, and would likely be utilized only if severely pressed by the creditors for payment. As a last resort, he could try to exhaust the allowed time limitations on deficiency suits and achieve the enforcement protections of his home state's statute of limitations.

Applicant assures he will address his lenders with payment strategies should he be confronted with payment demands. This is certainly possible. Based on his developed track record to date, though, safe predictions cannot discount his electing either bankruptcy or reliance on governing statutes of limitations to discharge his remaining two debts with creditors 1.b and 1.c. For to date, he has made no affirmative efforts to complete payment arrangements with creditors 1.b and 1.c and has deferred to the lenders to make their demands known.

While Applicant's choice to defer any payment decisions for the time being is understandable from a practical and business perspective, it does not meet the good-faith requirements of the financial considerations guideline or satisfy minimal clearance eligibility criteria. When presented with similar good-faith repayment challenges, the Appeal Board has circumscribed "good-faith" repayment efforts to entail actions aimed at resolving the applicant's debts in ways that show "reasonableness, prudence, honesty, and adherence to duty or obligation." See 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). This means that an applicant must generally do more to resolve his debts than rely on a legally available option like bankruptcy or a statute of limitations. See *id.*

Consideration of Applicant's military and educational background, his prior bankruptcy discharge in 2004, his circumstances surrounding his post-bankruptcy debt accumulations, market conditions in his home state, his current income level in his adopted state, and the lack of any documented affirmative steps to resolve his foreclosure deficiencies with his creditors precludes a favorable assessment at this time of his overall good judgment, reliability, and trustworthiness. Applicant's proofs fail to provide sufficient credible indicators of his ability to be trusted in times of financial stress and preclude him from meeting his evidentiary burden of mitigating the covered debts.

From a whole-person standpoint, the evidence is substantial that Applicant has performed well during his 20-year tour of military service and is entitled to considerable credit for his military contributions. While economic circumstances played a pivotal role in his inability to avert foreclosure of his two residences in his home state, his efforts to date to resolve the deficiency balances resulting from the foreclosures of his two homes are insufficient to meet mitigation requirements imposed by the AGs governing his finances. His two remaining deficiency debts are simply too large to successfully mitigate without evidence of successful repayment plans with the creditors.

Formal Findings

In reviewing the allegations of the SOR and ensuing conclusions reached in the context of the findings of fact, conclusions, conditions, and the factors listed above, I make the following formal findings:

GUIDELINE F: (FINANCIAL CONSIDERATIONS): AGAINST APPLICANT

Subparagraphs 1.a through 1.c: Against Applicant

Conclusions

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

Roger C. Wesley
Administrative Judge

