



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



In the matter of:

Applicant for Security Clearance

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ISCR Case No. 11-05409

Appearances

For Government: Braden M. Murphy, Esq., Department Counsel
For Applicant: *Pro se*

01/11/2013

Decision

HARVEY, Mark, Administrative Judge:

Applicant's statement of reasons (SOR) alleges 20 delinquent debts, totaling \$18,432. He did not make sufficient progress resolving his delinquent debts. Financial considerations are not mitigated. Eligibility for access to classified information is denied.

Statement of the Case

On December 17, 2010, Applicant submitted an Electronic Questionnaires for Investigations Processing (e-QIP) or security clearance application (SF 86) (GE 1). On June 4, 2012, the Department of Defense (DOD) issued an SOR to Applicant, pursuant to Executive Order 10865, *Safeguarding Classified Information Within Industry*, dated February 20, 1960, as amended; Department of Defense Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (Directive), dated January 2, 1992, as amended; and the adjudicative guidelines (AG) promulgated by the President on December 29, 2005.

The SOR alleged security concerns under Guideline F (financial considerations). (Hearing Exhibit (HE) 2) The SOR further informed Applicant that, based on information available to the Government, DOD adjudicators could not make the preliminary affirmative finding that it is clearly consistent with the national interest to grant or continue Applicant's security clearance, and it recommended that his case be submitted

to an administrative judge for a determination whether his clearance should be granted, continued, denied, or revoked. (HE 2)

On July 2, 2012, Applicant responded to the SOR and requested a hearing. (HE 3) On November 8, 2012, Department Counsel was ready to proceed on Applicant's case. On November 19, 2012, Applicant's case was assigned to me. On November 27, 2012, the Defense Office of Hearings and Appeals (DOHA) issued a hearing notice, setting the hearing for December 18, 2012. (HE 1) Applicant waived his right to 15 days of notice of the date, time, and place of his hearing. (Tr. 14) Applicant's hearing was held as scheduled. At the hearing, Department Counsel offered five exhibits, and Applicant offered two exhibits. (Tr. 16-18; GE 1-5; AE A, B) There were no objections, and I admitted GE 1-5 and AE A and B. (Tr. 16, 18) On December 28, 2012, I received the transcript of the hearing. Applicant did not provide any post-hearing evidence.

Findings of Fact¹

In his Answer to the SOR, Applicant accepted responsibility for the debts in SOR ¶¶ 1.a to 1.h and 1.k to 1.t. (HE 3) He denied responsibility for the debts in SOR ¶¶ 1.i, 1.j. (HE 3) He had a payment plan for the debt in SOR ¶ 1.a. (HE 3) He also provided some mitigating information. His admissions are accepted as findings of fact.

Applicant is a 44-year-old mechanic, heavy maintenance technician, and senior training specialist for a defense contractor. (Tr. 5, 19; GE 1; AE B) In 1986, he graduated from high school. (Tr. 5) He completed two years of college towards an automotive and engineering technology degree. (Tr. 5) He achieved some educational and training certifications while serving on active duty. In 1988, he married, and in 1991, he was divorced. (GE 1) His children or step children were born in 1988, 1989, 1993, and 1996. (Tr. 23; GE 1) He does not provide support for his child from his previous marriage. In 1992, Applicant married. (GE 1) His spouse does not work outside their home. (Tr. 23) He provides support for his spouse, three children, and two grandchildren. (Tr. 23)

Applicant served on active duty in the Army for 24 years and honorably retired as a sergeant first class (E-7) in June 2010. (Tr. 5-6) While in the Army, his military occupational specialty (MOS) was senior maintenance supervisor. (Tr. 6) He served in Iraq for nine months from 2003 to 2004, for three months in 2004, and for fifteen months from April 2008 to June 2009. (Tr. 6) He held a security clearance while in the Army, and he has not held a security clearance since leaving active duty. (Tr. 7)

Financial Considerations

Applicant's SF 86, credit reports, January 13, 2011 Office of Personnel Management (OPM) personal subject interview (PSI), SOR response, and hearing

¹To protect Applicant's right to privacy, some details have been excluded. Specific information is available in the cited exhibits.

discuss 20 delinquent debts, totaling \$18,432. His December 17, 2010 SF 86 disclosed 13 delinquent debts and his bankruptcy. (GE 1) He explained:

Most of the above debts were incurred while I was deployed in the military. My spouse had power of attorney. Some of the debt is financial irresponsibility on my part. I'm also trying to get certain things removed from my credit that are not my debts. I have contacted a debt consolidation firm This process will begin in Jan 2011. (GE 1, Section 26)

In his January 13, 2011 OPM PSI, Applicant described his financial situation and indicated he would start paying several of his SOR debts.

In 2002, Applicant's nonpriority, unsecured delinquent debts were discharged under Chapter 7 of the Bankruptcy Code. (Tr. 24-25)² Applicant explained that he fell behind on some debts and chose bankruptcy because it was a good way to resolve the debts. (Tr. 24-25)

Most of Applicant's SOR debts were "slightly delinquent" when Applicant left for Iraq in April 2008. (Tr. 26) Applicant's spouse misused a general power of attorney while he was deployed from April 2008 to July 2009, and she did not pay several debts. (Tr. 24-26) His financial situation was "dramatically worse" when he returned from Iraq. (Tr. 26) After he returned from Iraq, he unsuccessfully tried to borrow money to pay his debts. (Tr. 26-27, 29) From October 2011 to March 2012, he paid a company \$150 monthly to dispute his debts to improve his credit reports. (Tr. 27-28; Ex A) He mistakenly thought the company would negotiate settlements and payment plans on his debts. He tried to negotiate settlements with his creditors; however, he was unsuccessful. (Tr. 29)

Applicant and his family had some medical problems. Applicant's insurance covered the family's medical expenses; however, there were some unanticipated travel expenses, which amounted to a "couple thousand dollars." (Tr. 34) In November 2012, Applicant moved and a substantial deposit and advance rent were required. (Tr. 36)

²Applicant's SOR does not allege that in 2002, his nonpriority, unsecured debts were discharged under Chapter 7 of the Bankruptcy Code; he owes the Internal Revenue Service (IRS); and a creditor recently obtained a judgment against him. In ISCR Case No. 03-20327 at 4 (App. Bd. Oct. 26, 2006) the Appeal Board listed five circumstances in which conduct not alleged in an SOR may be considered stating:

- (a) to assess an applicant's credibility; (b) to evaluate an applicant's evidence of extenuation, mitigation, or changed circumstances; (c) to consider whether an applicant has demonstrated successful rehabilitation; (d) to decide whether a particular provision of the Adjudicative Guidelines is applicable; or (e) to provide evidence for whole person analysis under Directive Section 6.3.

Id. (citing ISCR Case No. 02-07218 at 3 (App. Bd. Mar. 15, 2004); ISCR Case No. 00-0633 at 3 (App. Bd. Oct. 24, 2003)). Consideration of the non-SOR allegations outlined in this decision is strictly limited to these five circumstances.

Applicant's hourly wage is \$24.50. (Tr. 36) He said his net monthly military retired pay is \$876,³ and his monthly VA disability benefit is \$1,169. (GE 4 at 118) His personal financial statement (PFS) shows a monthly net remainder of \$281; however, it did not indicate any payments to any SOR creditors. (Tr. 36; GE 4 at 117) His expenses were about \$300 less than depicted on his PFS, as his rent is now \$1,300 and not \$1,500 as shown on his PFS. (Tr. 37; GE 4 at 117) His monthly income increased by \$206 when his \$678 debt in SOR ¶ 1.a was paid.⁴ (GE 4 at 122) Applicant said his current net remainder is about \$200. (Tr. 38) He did not explain why his currently monthly net remainder is not in the range of \$700 to \$800, due to the decrease in his expenses. He has about \$10 in his checking account and nothing in his savings account. (Tr. 39)

One creditor not listed on Applicant's SOR obtained a judgment against Applicant. (Tr. 38) His PFS shows the amount of the debt to the creditor be \$609 with a monthly payment of \$87. (GE 4 at 117) Applicant did not describe the amount of the judgment or why he stopped making payments to this creditor.

The debt in SOR ¶ 1.a (\$678) resulted from damage to Government quarters, when Applicant was on active duty. (Tr. 31) Applicant said he paid this debt. (Tr. 31) See n. 4, *supra*.

On January 11, 2012, the creditor in SOR ¶ 1.b (\$1,108) wrote that \$217 was the minimum payment due to bring the account current. (GE 4 at 111) There is no evidence of payments made to this creditor.

On December 6, 2011, a law firm wrote that a judgment was satisfied. (GE 4 at 114) Applicant said in April or May 2012, he paid a judgment of about \$1,000. (Tr. 33-24) The collection company in SOR ¶ 1.d (\$739) is the same company that was seeking payment through the law firm, and the debt in SOR ¶ 1.d appears to be of the same magnitude as the judgment; however, the account number for the judgment and the debt in SOR ¶ 1.d are different. (Tr. 33-34, 43-44; GE 4 at 106) I am crediting Applicant with payment of the judgment and the debt in SOR ¶ 1.d.

On January 19, 2012, the creditor in SOR ¶ 1.e (\$549) offered to settle the debt for one payment of \$165 or three monthly payments of \$73. (GE 4 at 115) Applicant said he paid the creditor \$165 in January 2012, and then \$73 the next month.⁵ (Tr. 45-46) I am crediting Applicant with paying the debt in SOR ¶ 1.e.

³Applicant's March 2012 retiree account statement (RAS) shows gross pay, after deducting survivor benefit plan, of \$1,592. (GE 4 at 121) He paid the U.S. Treasury \$206 to resolve a debt. (Tr. 41; SOR ¶ 1.a; GE 4 at 121) He is paying \$380 monthly for his daughter's truck by allotment as shown on his RAS. (Tr. 41; GE 4 at 121)

⁴Applicant's February 21, 2012 RAS showed a \$206 payment to the creditor in SOR ¶ 1.a. (GE 4 at 121) The debt in SOR ¶ 1.a should have been paid not later than April 30, 2012.

⁵Applicant did not explain why he paid \$73 more than the creditor sought in the settlement agreement.

Applicant denied that he ever had an account with the creditor in SOR ¶ 1.i (\$58). (Tr. 30) He said he did not have an account with the telecommunications creditor in SOR ¶ 1.j (\$372) for four or five years. (Tr. 30)

Applicant said the military did not collect sufficient funds out of his military retirement pay last year for federal income taxes, and he expected \$1,200 to be taken out of his tax refund in 2012. (Tr. 39) Applicant's February 21, 2012 retiree account statement (RAS) shows monthly federal income tax withheld of \$92 on taxable income of \$3,184. (Tr. 41-42; GE 4 at 121) Applicant received some financial counseling about eight years ago. (Tr. 26)

In sum, Applicant has not contacted any of his creditors for several months. (Tr. 33) He did not provide documentary proof that he paid any of the SOR creditors, except for the debt in SOR ¶ 1.a (\$678). (Tr. 33) I have credited him with paying the debts in SOR ¶¶ 1.d (\$739) and 1.e (\$559) based on his statements that he paid these two debts. I have also credited him with disputing the debts in SOR ¶ 1.i (\$58) and 1.j (\$372). Applicant has 15 remaining SOR debts totaling \$16,026, and none of these 15 debts have an established payment plan or other resolution. His budget and PFS do not explain why he does not have more disposable income available to address his unresolved SOR debts.

Character Evidence

Applicant's manager has worked with him for almost three years. (Tr. 49) He uses his training and experience to do the same work for the contractor that he performed on active duty. (Tr. 51) He described Applicant as honest, diligent, trustworthy, and a big asset to the team. (Tr. 48-51)

A retired Army Chief Warrant Officer 3 described Applicant's active duty training, experience, and contributions to the Army. (AE B) Applicant is loyal, dedicated, diligent, and responsible. (AE B)

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

Eligibility for a security clearance is predicated upon the applicant meeting the criteria contained in the adjudicative guidelines. These guidelines are not inflexible rules

of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with an evaluation of the whole person. An administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. An administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable.

The Government reposes a high degree of trust and confidence in persons with access to classified information. This relationship transcends normal duty hours and endures throughout off-duty hours. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation about potential, rather than actual, risk of compromise of classified information. Clearance decisions must be "in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned." See Exec. Or. 10865 § 7. See also Executive Order 12968 (Aug. 2, 1995), § 3.1. 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 about applicant's allegiance, loyalty, or patriotism. It is merely an indication the applicant has not met the strict guidelines the President and the Secretary of Defense have established for issuing a clearance.

Initially, the Government must establish, by substantial evidence, conditions in the personal or professional history of the applicant that may disqualify the applicant from being eligible for access to classified information. The Government has the burden of establishing controverted facts alleged in the SOR. See *Egan*, 484 U.S. at 531. "Substantial evidence" is "more than a scintilla but less than a preponderance." See *v. Washington Metro. Area Transit Auth.*, 36 F.3d 375, 380 (4th Cir. 1994). The guidelines presume a nexus or rational connection between proven conduct under any of the criteria listed therein and an applicant's security suitability. See ISCR Case No. 95-0611 at 2 (App. Bd. May 2, 1996).

Once the Government establishes a disqualifying condition by substantial evidence, the burden shifts to the applicant to rebut, explain, extenuate, or mitigate the facts. Directive ¶ E3.1.15. An applicant "has the ultimate burden of demonstrating that it is clearly consistent with the national interest to grant or continue his security clearance." ISCR Case No. 01-20700 at 3 (App. Bd. Dec. 19, 2002). The burden of disproving a mitigating condition never shifts to the Government. See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005). "[S]ecurity clearance determinations should err, if they must, on the side of denials." *Egan*, 484 U.S. at 531; see AG ¶ 2(b).

Analysis

Financial Considerations (Guideline F)

AG ¶ 18 articulates the security concern 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.

AG ¶ 19 provides two disqualifying conditions that could raise a security concern and may be disqualifying in this case: "(a) inability or unwillingness to satisfy debts;" and "(c) a history of not meeting financial obligations." In ISCR Case No. 08-12184 at 7 (App. Bd. Jan. 7, 2010), the Appeal Board explained:

It is well-settled that adverse information from a credit report can normally meet the substantial evidence standard and the government's obligations under [Directive] ¶ E3.1.14 for pertinent allegations. At that point, the burden shifts to applicant to establish either that [he or] she is not responsible for the debt or that matters in mitigation apply.

(internal citation omitted). Applicant's history of delinquent debt is documented in his credit reports, his SF 86, his OPM interview, his SOR response, and his statement at his hearing.

Applicant's SOR and credit reports allege 20 delinquent debts, totaling \$18,432. The Government established the disqualifying conditions in AG ¶¶ 19(a) and 19(c), requiring additional inquiry about the possible applicability of mitigating conditions.

Five 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.

None of the mitigating conditions fully apply to all of Applicant's SOR debts. In his January 13, 2011 OPM PSI he described his financial situation and indicated he would start paying several of his SOR debts. In the next 23 months his progress was very limited. Applicant has not contacted any of his creditors for several months. He did not provide proof that he paid any of the SOR creditors, except for the debt in SOR ¶ 1.a (\$678), which was taken out of his military retirement pay to satisfy a U.S Government debt.⁶ I credited Applicant with paying the debts in SOR ¶¶ 1.d (\$739) and 1.e (\$559) based on his statements that he paid these two debts.

Applicant is not given full credit for the financial counseling he received about eight years ago because many of the delinquent SOR debts arose after he received financial counseling. Applicant is living paycheck to paycheck; he is unsure about his federal income tax liability; and he was not able to explain his budget and why he does not have the resources to make greater progress paying his debts.

Applicant attributes his financial problems to family medical travel expenses and his own medical problems. He noted some expenses in connection with moving to a less expensive apartment. These were circumstances largely beyond Applicant's control; however, he did not establish that he acted responsibly under the circumstances. He did not provide enough details to establish the link between the unanticipated circumstances and his inability to make greater progress paying his SOR debts over the last year.

Applicant did not establish that he acted in good faith to resolve his delinquent SOR debts.⁷ He did not describe any substantial decreases in his income. He had the means to make more progress resolving his delinquent SOR debts. He did not prove

⁶See *Generally* ISCR Case No. 08-06059 at 6 (App. Bd. Sept. 21, 2009) (indicating involuntary payment of debts through garnishment is not necessarily mitigating).

⁷The 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 he or she relied on a legally available option (such as bankruptcy) 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)).

that he maintained contact with most of his SOR creditors,⁸ and he did not prove that he made sufficient attempts to timely establish payment plans. He did not establish “there are clear indications that the problem is being resolved or is under control.”

AG ¶ 20(e) is not fully applicable. Applicant disputed his responsibility for the two relatively modest debts in SOR ¶¶ 1.i (\$58) and 1.j (\$372). Although Applicant did not provide documented proof to substantiate the basis of the dispute or of evidence of actions to resolve the issue, I am crediting him with mitigating these two debts.

In sum, Applicant has not provided enough evidence to establish that additional delinquent debt is unlikely to recur. I have credited Applicant with mitigating the debts in SOR ¶¶ 1.a, 1.d, 1.e, 1.i, and 1.j, totaling \$2,406. His track record of financial responsibility shows insufficient effort, good judgment, trustworthiness, and reliability to warrant mitigation of financial considerations concerns. Applicant has 15 SOR debts totaling \$16,026 to resolve, and it is likely that financial problems will continue.

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.

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. AG ¶ 2(c). I have incorporated my comments under Guideline F in my whole-person analysis. Some of the factors in AG ¶ 2(a) were addressed under Guideline F, but some warrant additional comment.

Although the rationale for reinstating Applicant’s clearance is insufficient to support a security clearance at this time, there are several factors tending to support

⁸“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. Jan. 12, 2007) (citing ISCR Case No. 99-0462 at 4 (App. Bd. May 25, 2000); ISCR Case No. 99-0012 at 4 (App. Bd. Dec. 1, 1999); ISCR Case No. 03-13096 at 4 (App. Bd. Nov. 29, 2005)). A component is whether he or she maintained contact with creditors and attempted to negotiate partial payments to keep debts current.

reinstatement of his access to classified information. He is a 44-year-old mechanic, heavy maintenance technician, and senior training specialist for a defense contractor. In 1986, he graduated from high school. He completed two years of college towards an automotive and engineering technology degree. He achieved some educational and training certifications while serving on active duty. In 1992, he married. His children or step children were born in 1988, 1989, 1993, and 1996. His spouse does not work outside their home. He supports his spouse, three children, and two grandchildren. Applicant and his family members had some medical problems and the family moved into another apartment (requiring a substantial deposit), which adversely affected his finances.

Applicant served on active duty in the Army for 24 years and honorably retired as a sergeant first class in June 2010. He served in Iraq for 27 months from 2003 to June 2009. There is no evidence of any security violations. He is sufficiently mature to understand and comply with his security responsibilities. He disputed two SOR debts, and three SOR debts were paid, reducing the total number and amount of his SOR debts from 20 to 15 and from \$18,432 to \$16,026. He is an asset to his company and his family. He deserves substantial credit for supporting the U.S. Government as an employee of a defense contractor and for his years of active duty Army service, especially his 27 months service in Iraq and for his service-connected disability. There is every indication that he is loyal to the United States and his employer. These factors show some responsibility, rehabilitation, and mitigation.

The whole-person factors against reinstatement of Applicant's clearance are more substantial. In 2002, Applicant's nonpriority, unsecured delinquent debts were discharged under Chapter 7 of the Bankruptcy Code. He is an intelligent person, and his failure to pay or start payment plans on more of his 15 SOR debts was irresponsible. The SOR debts in ¶¶ 1.m and 1.n are less than \$200 each; nevertheless, they were not paid. Applicant had some circumstances beyond his control that affected his financial situation; however, he failed to provide a detailed explanation of how those circumstances caused him to have delinquent debt and not to make greater progress paying more of his SOR debts. He had the ability and resources to make greater progress resolving his debts.

Applicant's PFS shows he is living paycheck to paycheck and unable or unwilling to make significant payments to 15 of his SOR creditors. Nevertheless, he is making \$320 monthly payments on his daughter's vehicle. He also revealed that he may have under withheld for his federal taxes and a substantial tax bill may be due in 2013. He owes a federal tax debt of about \$1,200 for tax year 2011. He does not have any established payment plans to address 15 SOR debts. Applicant failed to provide sufficient details of the cause of his delinquent debts, and it is not clear that he will make the sacrifices necessary to reduce his expenses, freeing up funds to pay his delinquent SOR debts. Even though the amount of delinquent debt is relatively modest, there are not "clear indications that the problem is being resolved or is under control." He did not prove that he had a sufficient track record of debt payment, or that he acted responsibly with respect to his debts under all of the circumstances. Financial considerations security concerns are not fully mitigated at this time.

I have carefully applied the law, as set forth in *Department of Navy v. Egan*, 484 U.S. 518 (1988), Exec. Or. 10865, the Directive, and the AGs, to the facts and circumstances in the context of the whole person. Financial considerations concerns are not fully mitigated, and eligibility for access to classified information is denied.

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:	For Applicant
Subparagraphs 1.b and 1.c:	Against Applicant
Subparagraphs 1.d and 1.e:	For Applicant
Subparagraphs 1.f to 1.h:	Against Applicant
Subparagraphs 1.i and 1.j:	For Applicant
Subparagraphs 1.k to 1.t:	Against Applicant

Conclusion

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

MARK HARVEY
Administrative Judge