



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



In the matter of:)
)
-----) ISCR Case No. 11-14673
)
Applicant for Security Clearance)

Appearances

For Government: Ray T. Blank, Jr., Esquire, Department Counsel
For Applicant: *Pro se*

11/29/2013

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 6, 2011, Applicant applied for a security clearance and submitted an Electronic Questionnaires for Investigations Processing (e-QIP) version of a Security Clearance Application (SF 86).¹ On an unspecified date, the Department of Defense (DOD) issued him a set of interrogatories. He responded to the interrogatories on February 11, 2013.² On May 15, 2013, the DOD Consolidated Adjudications Facility (CAF) 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

¹ Item 4 (SF 86), dated September 6, 2011.

² Item 5 (Applicant's Answers to Interrogatories, dated February 11, 2013).

modified (Directive); and the *Adjudicative 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 the DOD adjudicators were unable to find 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 received the SOR on May 24, 2013. In a sworn statement, dated June 6, 2013,³ 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 August 14, 2013, 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 August 26, 2013, but, as of October 16, 2013, he had not submitted a response to the FORM. The case was assigned to me on October 17, 2013.

Findings of Fact

In his Answer to the SOR, Applicant admitted all but 1 (¶ 1.x.) of the 28 factual allegations pertaining to financial considerations 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 35-year-old employee of a defense contractor who, since July 2011, has been serving as a facilities specialist.⁴ Since August 2002, he has also been self-employed in building maintenance and janitorial services.⁵ He previously worked for another employer as a supervisor of operations.⁶ Applicant took online courses from a university over a 10-year period, and earned an associate's degree in June 2010.⁷ He has never served in the U.S. military.⁸ Applicant was married in June 1999, and has two daughters, born in 1998 and 2004.⁹ Applicant has never been granted a security clearance.¹⁰

³ Item 2 (Applicant's Answer to the SOR, dated June 6, 2013).

⁴ Item 4, *supra* note 1, at 11-12.

⁵ Item 4, *supra* note 1, at 10-11.

⁶ Item 4, *supra* note 1, at 12-13.

⁷ Item 4, *supra* note 1, at 9-10.

⁸ Item 4, *supra* note 1, at 14.

⁹ Item 4, *supra* note 1, at 16, 19.

¹⁰ Item 4, *supra* note 1, at 27.

Financial Considerations

It is unclear when Applicant first started to experience financial difficulties, although there are significant indications that those problems may have started as early as 2002, for Applicant filed for Chapter 13 bankruptcy in February 2003.¹¹ After he filed his petition, Applicant changed his mind and decided to cancel the action and resolve his credit card accounts, totaling approximately \$6,000 to \$10,000, by himself. The bankruptcy action was dismissed in September 2003, and Applicant contends he paid off his credit cards.¹² He offered no documentation to support his contention that the accounts were resolved at that time. In addition to that Chapter 13 filing and dismissal, the SOR identified 27 purportedly continuing delinquencies, including medical accounts, mortgages, other unspecified accounts, and judgments.

There are eight medical accounts, totaling \$9,617 (from \$162 to \$2,300), that were placed for collection with the same collection agency in April 2010.¹³ There are 11 other medical accounts, totaling \$5,324 (from \$260 to \$1,084), that were placed for collection with another collection agency between 2009 and 2011.¹⁴ Applicant contends he spoke to representatives from both collection agencies in order to establish payment arrangements, but they refused his offer to pay them \$150 per month. They required a large percentage as a down payment with upwards of \$350 per company per month.¹⁵ Applicant offered no documentation to support his contention that he had made offers of repayment or that the collection agencies had required large monthly payments. He stated that he was unaware that he could send the collection agencies small monthly payments as an indication of his good faith to attempt to resolve his delinquent accounts.¹⁶ Those 19 delinquent medical accounts remain unresolved.

There are three judgments filed against Applicant. One, in the amount of \$1,704, was obtained in April 2007 for unsatisfied medical bills accumulated between 2002 and 2007.¹⁷ The latest court documents as of October 2011 reflect the balance as \$2,165.¹⁸ Applicant contends the judgment actually covers a number of the same medical accounts that were referred to separately in the SOR,¹⁹ but he offered no specifics or

¹¹ Item 5 (Personal Subject Interview, dated October 25, 2011), at 1, attached to Applicant's Answers to the interrogatories.

¹² Item 5 (Personal Subject Interview), *supra* note 11, at 1.

¹³ Item 7 (Equifax Credit Report, dated October 3, 2012), at 1-2; Item 6 (Combined Experian, TransUnion, and Equifax Credit Report, dated October 20, 2011), at 13-14.

¹⁴ Item 6, *supra* note 13, at 7-9.

¹⁵ Item 2, *supra* note 3, at 1.

¹⁶ Item 2, *supra* note 3, at 1.

¹⁷ Item 6, *supra* note 13, at 5; Item 5 (Personal Subject Interview), *supra* note 11, at 1.

¹⁸ Item 5 (Personal Subject Interview), *supra* note 11, at 1.

¹⁹ Item 2, *supra* note 3, at 2.

documentation to support those contentions. There is no evidence that he made any effort to address the judgment. Another judgment, in the amount of \$1,529, was obtained in May 2008 for an unpaid credit card.²⁰ Although Applicant contended he made repayment arrangements to pay the collection attorneys \$50 per month, and purportedly did so until July 2011, when he stopped because he was considering bankruptcy, he offered no documentation to support his contentions that there was a repayment agreement or that monthly payments were, in fact, made. The latest court documents as of October 2011 reflect the balance as \$3,931.²¹ There is a third judgment, in the amount of \$7,572, that was obtained in April 2011 for various unsatisfied medical bills.²² Applicant contends the judgment actually covers a number of the same medical accounts that were referred to separately in the SOR,²³ but he offered no specifics or documentation to support those contentions. There is no evidence that he made any effort to address the judgment. Those three judgments remain unresolved.

There is a second mortgage that Applicant took out on his residence in 2005 with a high credit of \$43,448 and a balance of \$41,461, that was 180 days past due \$2,794, and charged off in August 2011.²⁴ He originally claimed the creditor told him he was nine months delinquent on his payments, and that partial payments were unacceptable until the entire sum could be paid.²⁵ Applicant subsequently added that, while he was attempting to resolve the account, he was passed around from representative to representative by the creditor, and that the account was transferred to a third-party. No one with either the creditor or the third-party had contacted him as of June 2013.²⁶ Applicant offered no documentation to support his contentions that he had made offers of repayment or that the creditor or third-party had rejected his payment offers. This account remains unresolved.

There is a first mortgage that Applicant took out on his residence in 2005 with a high credit of \$177,051 and a balance of \$177,702, for which foreclosure was initiated.²⁷ Applicant acknowledged that the house went into foreclosure on two occasions, but claims the first foreclosure, in January 2010, was intentional in order to qualify for refinancing because he was unable to pay the balloon interest rate. He claimed he refinanced the mortgage loan, and within 90 days brought it current.²⁸ The house went into foreclosure again in June 2011 when he was unable to come up with three months'

²⁰ Item 6, *supra* note 13, at 5; Item 5 (Personal Subject Interview), *supra* note 11, at 1.

²¹ Item 5 (Personal Subject Interview), *supra* note 11, at 1.

²² Item 5 (Personal Subject Interview), *supra* note 11, at 6.

²³ Item 2, *supra* note 3, at 2.

²⁴ Item 6, *supra* note 13, at 10, 20.

²⁵ Item 5 (Personal Subject Interview), *supra* note 11, at 4.

²⁶ Item 2, *supra* note 3, at 2.

²⁷ Item 6, *supra* note 13, at 16; Item 5 (Personal Subject Interview), *supra* note 11, at 6.

²⁸ Item 5 (Personal Subject Interview), *supra* note 11, at 6.

of payments, but contends he was able to eventually obtain the necessary funds to remove the residence from foreclosure.²⁹ The principal balance was, as of January 2013, \$173,035.67. The total amount due in February 2013, including monthly principal, interest, escrow, late charges, and various fees, was \$6,404.92.³⁰ On December 17, 2012, Applicant made a payment of \$1,400, including principal, interest, escrow, and a suspense charge of \$154.10.³¹ Applicant contends he is paying an additional \$100 per month to reduce his past due balance.³² Applicant offered no documentation, in the form of receipts or cancelled checks, to support his claim that he is continuing to pay down his past due balance on a monthly basis. Likewise, there is no evidence that he has actually reduced the overall outstanding balance since January 2013. Nevertheless, this account appears to be in the process of being resolved.

There is a time-share loan in the amount of \$10,439 that was opened in 2007.³³ As of July 2008, the account was past due \$608.³⁴ Shortly after he purchased the time-share package, erroneously claimed to have been in 2000 to 2002, Applicant decided he wanted to withdraw from the agreement, and assumed it would be purchased from him without any loss.³⁵ Applicant paid no further attention to the loan and concluded it had been resolved.³⁶ He has made no effort to resolve the account since he claims he spoke with the time-share company. Applicant offered no documentation to support his claim that he had agreed to sell back the time-share loan at no loss. This account remains unresolved.

There is a bank credit card with a high credit of \$1,215 that was charged off in 2007 and sold to an unidentified debt purchaser.³⁷ Applicant's October 2012 credit report reflects a zero balance.³⁸ Applicant initially claimed he closed the account and paid it off.³⁹ He subsequently modified his explanation and claimed that to "the best of [Applicant's] knowledge [Applicant] had made payment arrangements with this company and paid this debt off." He added that he had attempted to contact the creditor but that

²⁹ Item 5 (Personal Subject Interview), *supra* note 11, at 6.

³⁰ Item 5 (Account Statement, dated January 17, 2013), attached to Applicant's Answers to the interrogatories.

³¹ Item 5 (Account Statement), *supra* note 30.

³² Item 2, *supra* note 3, at 2.

³³ Item 6, *supra* note 13, at 18.

³⁴ Item 6, *supra* note 13, at 18.

³⁵ Item 2, *supra* note 3, at 2.

³⁶ Item 5 (Personal Subject Interview), *supra* note 11, at 6.

³⁷ Item 6, *supra* note 13, at 16; Item 7, *supra* note 13, at 3.

³⁸ Item 7, *supra* note 13, at 3.

³⁹ Item 5 (Personal Subject Interview), *supra* note 11, at 6.

the telephone number he had been directed to had been disconnected.⁴⁰ Applicant offered no documentation, in the form of correspondence, receipts, or cancelled checks, to support his claim that he made any effort to resolve the account. Nevertheless, in the absence of any evidence contrary to Applicant's contention, and taking into consideration that there is currently a zero balance on the account, and Applicant denied the allegation, I conclude the account has been resolved.

Applicant failed to pay his corporate and personal federal income taxes for an unspecified period of "previous tax years" in the approximate amount of \$14,000.⁴¹ He claimed his failure to pay the balance was "due to an overflow of business taxes at the end of the year."⁴² Applicant contends he entered into a repayment plan with the Internal Revenue Service (IRS), and in October 2011, was paying the IRS \$500 per month under the plan. He also estimated that, as of October 2011, he had paid the IRS an estimated \$3,500.⁴³ Applicant acknowledged that, at some unspecified time, he fell behind on his payments, and was attempting to re-establish payment arrangements.⁴⁴ Applicant offered no documentation, in the form of correspondence, a repayment plan, receipts, or cancelled checks, to support his claim that he was actually enrolled in a repayment plan or that he had made any of the required payments. This account has not been resolved.

In February 2013, Applicant submitted a personal financial statement reflecting a family net monthly income of \$3,917.89. He claimed \$1,540 in monthly expenses, and \$2,236.37 in debt, mortgage, car loan, and student loan payments, leaving \$141.52 available for discretionary spending or savings. He also indicated zero in bank savings.⁴⁵

Applicant attributed his financial situation to a business downturn due to the recession, and the fact that he did not have medical insurance for his family.⁴⁶ He claimed he prioritized his accounts to pay his mortgage and keep food on the table. He continued to work on his college degree and generated student loans. He also contended that in 2009 he attempted to consolidate his debts with an unidentified company, but that after about three or four months, he discovered the unidentified company was a "scam," so he stopped working with them.⁴⁷ Applicant also claims he

⁴⁰ Item 2, *supra* note 3, at 2.

⁴¹ Item 4, *supra* note 1, at 30; Item 2, *supra* note 3, at 3.

⁴² Item 4, *supra* note 1, at 30.

⁴³ Item 5 (Personal Subject Interview), *supra* note 11, at 6.

⁴⁴ Item 2, *supra* note 3, at 2.

⁴⁵ Item 5 (Personal Financial Statement, dated February 11, 2013), attached to Applicant's Answers to the interrogatories.

⁴⁶ Item 5 (Personal Subject Interview), *supra* note 11, at 7.

⁴⁷ Item 5 (Personal Subject Interview), *supra* note 11, at 7.

recently engaged the services of an attorney to assist him in filing for bankruptcy under Chapter 13.

As part of the interrogatories addressed to Applicant by the DOD CAF, he was requested to furnish documentation in the form of statements, vouchers from creditors, copies of repayment agreements, copies of cancelled checks or bank statements, and statements from mortgage holders.⁴⁸ Applicant offered no such documentation of any type to confirm his brief debt consolidation engagement, or repayment plans, or even something from his attorney to support his recent decision to file for bankruptcy. Applicant has never received financial counseling.⁴⁹

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.”⁵⁰ 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.”⁵¹

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.

⁴⁸ Item 5 (Interrogatories, undated), at 5-6.

⁴⁹ Item 5 (Personal Subject Interview), *supra* note 11, at 7.

⁵⁰ *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988).

⁵¹ Exec. Or. 10865, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960), as amended and modified.

In the decision-making process, facts must be established by “substantial evidence.”⁵² The Government initially has the burden of producing evidence to establish 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.⁵³

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.”⁵⁴

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.”⁵⁵ 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:

⁵² “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, 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 (4th Cir. 1994).

⁵³ See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005).

⁵⁴ *Egan*, 484 U.S. at 531

⁵⁵ See Exec. Or. 10865 § 7.

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. . . .

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. Applicant's financial difficulties arose as early as 2002 when accounts started to become delinquent. As a result, he filed for bankruptcy under Chapter 13, but eventually dismissed the action and purportedly resolved his delinquent credit card accounts. Financial problems persisted, however, and he found himself generating additional delinquencies that he was unable to pay. Accounts were placed for collection, charged off, or went to judgment. Foreclosures also arose. There are 27 delinquent accounts identified in the SOR, and it appears that only one such account has been resolved, with one being in the process of being resolved. Now, to address the remaining delinquent accounts, Applicant intends to again file for Chapter 13 bankruptcy. 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*.⁵⁶

⁵⁶ 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 he 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)).

AG ¶¶ 20(a), 20(c), and 20(d), do not apply, and AG ¶ 20(b) minimally applies. The nature, frequency, and relative recency of Applicant's continuing financial difficulties since 2002 make it difficult to conclude that it occurred "so long ago" or "was so infrequent." In light of his continuing inability to resolve his delinquent accounts, including those that were placed for collection, charged off, or filed as judgments, Applicant's financial problems are unlikely to be resolved in the short term, and they are likely to continue. He has never received financial counseling. He also contended that in 2009 he attempted to consolidate his debts with an unidentified company, but that after about three or four months, he stopped working with them because it was a scam. While Applicant contends he made some good-faith efforts to resolve his delinquent debts, he has ignored the request of the DOD CAF that he furnish documentation to support his contentions that he has made those efforts. Applicant's current \$141.52 in monthly discretionary income available to make payments is negligible and insufficient to make even the smallest such effort. There is little, if any, evidence to support a conclusion that good-faith efforts by Applicant have been made. Instead, the evidence consists of numerous delinquent accounts, one withdrawn Chapter 13 bankruptcy filing, and a stated intention ten years later to refile under Chapter 13. Applicant's focus seemed to be on his college degree, not generating income. Moreover, considering the lengthy period of the effective inaction by Applicant, it appears that he is simply waiting for the statute of limitations on those debts to run their course.

Applicant attributed his financial situation to a business downturn due to the recession that was largely beyond his control and the fact that he did not have medical insurance for his family. The national economy was strong in 2002, and the national economic situation did not start to deteriorate until about 2007, years after Applicant's finances first became delinquent. Accordingly, Applicant failed to mitigate his financial situation, and under the circumstances, his actions cast doubt on his current reliability, trustworthiness, and good judgment.⁵⁷

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.

⁵⁷ See ISCR Case No. 09-08533 at 3-4 (App. Bd. Oct. 6, 2010).

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.⁵⁸

There is some evidence in favor of mitigating Applicant's conduct: He has indicated a desire to repay his delinquent debts.

The disqualifying evidence under the whole-person concept is more substantial. Ever since 2002, Applicant has been experiencing financial difficulties that have resulted in accounts being placed for collection, charged off, or filed as judgments. Although some of those delinquent accounts were for balances as little as \$162, Applicant failed to take any meaningful action to resolve them. Instead, he started the Chapter 13 bankruptcy process in 2002, but quickly abandoned it. He purportedly spoke with creditors about resolving some accounts, but has no documentation to support his contentions. He tried debt consolidation, but then abandoned it. He supposedly was enrolled in a debt repayment plan with the IRS, but abandoned it as well. Now, he plans to refile for Chapter 13 bankruptcy. Applicant could have made some reasonable timely efforts to resolve his delinquent accounts, but there is little evidence that he has done so. Applicant has demonstrated the absence of a meaningful track record in addressing his delinquent accounts. Applicant's actions indicate a lack of judgment, which raises 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:	Against Applicant
Subparagraph 1.d:	Against Applicant
Subparagraph 1.e:	Against Applicant
Subparagraph 1.f:	Against Applicant
Subparagraph 1.g:	Against Applicant
Subparagraph 1.h:	Against Applicant
Subparagraph 1.i:	Against Applicant
Subparagraph 1.j:	For Applicant
Subparagraph 1.k:	Against Applicant
Subparagraph 1.l:	Against Applicant

⁵⁸ 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.m:	Against Applicant
Subparagraph 1.n:	Against Applicant
Subparagraph 1.o:	Against Applicant
Subparagraph 1.p:	Against Applicant
Subparagraph 1.q:	Against Applicant
Subparagraph 1.r:	Against Applicant
Subparagraph 1.s:	Against Applicant
Subparagraph 1.t:	Against Applicant
Subparagraph 1.u:	Against Applicant
Subparagraph 1.v:	Against Applicant
Subparagraph 1.w:	Against Applicant
Subparagraph 1.x:	For Applicant
Subparagraph 1.y:	Against Applicant
Subparagraph 1.z:	Against Applicant
Subparagraph 1.aa:	Against Applicant
Subparagraph 1.bb:	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.

ROBERT ROBINSON GALES
Administrative Judge