



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



In the matter of:)
)
-----) ISCR Case No. 12-00128
)
Applicant for Security Clearance)

Appearances

For Government: Melvin A. Howry, Esquire, Department Counsel
For Applicant: *Pro se*

05/08/2014

Decision

GALES, Robert Robinson, Administrative Judge:

Applicant mitigated the security concerns regarding financial considerations. Eligibility for a security clearance and access to classified information is granted.

Statement of the Case

On September 28, 2011, Applicant applied for a security clearance and submitted an Electronic Questionnaire for Investigations Processing (e-QIP) version of a Security Clearance Application (SF 86).¹ On an unspecified date, the Department of Defense (DOD) Consolidated Adjudications Facility (CAF) issued him a set of interrogatories. He responded to the interrogatories on July 22, 2013.² On September 25, 2013, the DOD 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; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended and modified (Directive); and the *Adjudicative Guidelines for Determining Eligibility For*

¹ Item 5 ((SF 86), dated September 28, 2011).

² Item 8 (Applicant's Answers to Interrogatories, dated July 22, 2013).

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 CAF adjudicators could not make a preliminary affirmative finding under the Directive that it is clearly consistent with the national interest to grant or continue a security clearance for Applicant. The SOR recommended referral to an administrative judge to determine whether a clearance should be granted, continued, denied, or revoked.

It is unclear when Applicant received the SOR as there is no receipt in the case file. In addition to the SOR, Applicant was furnished a copy of the Directive as well as the 'Guidelines' applicable to his case. It appears, however, that the version of the Adjudicative Guidelines furnished was an outdated, superseded version of Enclosure 2 of the Directive.³ The result of that action was that Applicant may have relied on modified, but incorrect, adjudicative guidelines when he responded to the SOR. In a statement notarized October 17, 2013, Applicant responded to the SOR allegations, and elected to have his case decided on the written record in lieu of a hearing.⁴ A complete copy of the Government's file of relevant material (FORM) was prepared by the Defense Office of Hearings and Appeals (DOHA). The FORM was provided to Applicant on December 5, 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 December 24, 2013. However, on February 13, 2014, because of the issue pertaining to the outdated, superseded version of Enclosure 2, Department Counsel furnished the correct version and afforded Applicant an additional 30 days to submit another response to the FORM. Applicant's response was due on April 26, 2014, but on January 12, 2014, he submitted his only response, supported by documentation,⁵ to which Department Counsel offered no objection. No supplemental response to the FORM was ever received. The case was assigned to me on May 1, 2014.

Findings of Fact

In his Answer to the SOR, Applicant admitted three of the four factual allegations pertaining to financial considerations in the SOR (¶¶ 1.a., 1.b., and 1.d.). He denied SOR ¶ 1.c. Applicant's admissions and other comments 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:

³ See Letter to Applicant from the Defense Office of Hearings and Appeals (DOHA), dated February 13, 2014.

⁴ Item 3 (Applicant's Answer to the SOR).

⁵ Although Applicant's Response to the FORM, dated January 12, 2014, was not marked by Department Counsel, for the purposes of clarity I have marked it as Item 12.

Applicant is a 40-year-old employee of a defense contractor. He has been serving as an installation technician since July 2002. He was previously employed as a driver.⁶ He was laid off due to a lack of work in January 2002, and remained unemployed until July 2002.⁷ Applicant has never served in the U.S. military.⁸ He dropped out of high school, but received a General Educational Development (GED) diploma in April 1995, and did not attend college.⁹ Applicant was married in September 2006.¹⁰ He has one daughter and one son from a prior relationship, born in September 1992 and January 1994, as well as a stepson, born in July 1991.¹¹ He has held a secret security clearance since September 2002.¹²

Financial Considerations

There was nothing unusual about Applicant's finances until July 2011. In 2006 or 2007, Applicant began rebuilding a 30-year-old rental property and he subsequently obtained a loan of \$100,000. The drawings and the actual start of construction took one and one-half years – much longer than he had anticipated. When he paid off his credit card accounts, his credit line was decreased dramatically, leaving him without the anticipated resources to retire the loan. In addition, his tenants were unable to pay the monthly rent of \$1,200, and they vacated the residence in September 2011. Applicant's monthly mortgage payment was \$2,193, and without the rental payments, he was required to use his own resources to make the entire monthly mortgage payment. The combination of a reduced credit line and the absence of rent made it difficult for him to do so. Applicant used the construction loan and funds from his wife's 401(k) to pay the family bills. He searched for new renters and tried refinancing his family residence. Nevertheless, at some point, because of insufficient money to continue making all of his monthly payments, some of his accounts became delinquent, placed for collection, or were charged off.

Applicant hoped to lower his monthly mortgage payments on his family residence, considered selling his two properties or allowing them to go into foreclosure, but decided against doing so for sentimental reasons. He also rejected the possibility of bankruptcy.¹³ Applicant contacted his creditors and, when he was able to do so, he entered into repayment arrangements and brought some accounts into a current status.

⁶ Item 5, *supra* note 1, at 10-12.

⁷ Item 5, *supra* note 1, at 11-12.

⁸ Item 5, *supra* note 1, at 13.

⁹ Item 5, *supra* note 3, at 10; Item 8 (Personal Subject Interview, dated October 21, 2011), at 1.

¹⁰ Item 5, *supra* note 3, at 15-16.

¹¹ Item 5, *supra* note 3, at 19; Item 8 (Personal Subject Interview), *supra* note 9, at 2.

¹² Item 5, *supra* note 3, at 27.

¹³ Item 8 (Personal Subject Interview), *supra* note 9, at 4.

From some creditors, he sought to obtain a Form 1099-C, Cancellation of Debt. In October 2013, he finally sold his rental property.¹⁴ At one point, the DOD CAF was interested in nine of Applicant's purportedly delinquent accounts.

The SOR identified four delinquent debts totaling \$338,414 that had been past due, placed for collection, or charged off, as generally reflected by credit reports from July 2002,¹⁵ October 2011,¹⁶ February 2013,¹⁷ July 2013,¹⁸ and December 2013.¹⁹ Some accounts listed in the credit reports have been transferred, reassigned, or sold to other creditors or collection agents. Other accounts are referenced repeatedly in the credit reports, in some instances duplicating other accounts listed, either under the same creditor name or under a different creditor name. Several accounts are listed with only partial account numbers. Those debts listed in the SOR and their respective current status, according to the credit reports, other evidence already in the case file, and Applicant's submissions regarding the same, are described below.

(SOR ¶ 1.a.) There is a department store charge account (used for the purchase of several large appliances) with a credit limit of \$4,150, high credit of \$6,175, and an unpaid balance of \$4,838, that was 120 days past due in the amount of \$868.²⁰ The account was charged off and eventually transferred or sold to a debt purchaser.²¹ The account balance is now zero.²² In October 2013, Applicant indicated that he was in the process of seeking a Form 1099-C,²³ but in January 2014, he was unable to furnish a copy of one, claiming that during the period January through April 2014, he would be addressing the debt.²⁴ Although there is no evidence of any subsequent action taken by Applicant, since the December 2013 credit report reflects a zero balance, I conclude that the account has been resolved.

(SOR ¶ 1.b.) There is an electronics company-sponsored bank credit card account (used for the purchase of a stereo system) with a balance of \$4,747 that was 180 days past due when it was closed by the creditor and placed for collection in August

¹⁴ Item 8, *supra* note 2, at 9-11; Settlement Statement (HUD-1), dated October 25, 2013, attached to Applicant's Response to the FORM, *supra* note 5.

¹⁵ Item 4 (TRW-Experian Credit Report, dated July 5, 2002).

¹⁶ Item 6 (Combined Experian, TransUnion, and Equifax Credit Report, dated October 12, 2011).

¹⁷ Item 7 (Equifax Credit Report, dated February 22, 2013).

¹⁸ Item 9 (Equifax Credit Report, dated July 26, 2013).

¹⁹ Item 10 (Equifax Credit Report, dated December 3, 2013).

²⁰ Item 6, *supra* note 16, at 15; Item 8 (Personal Subject Interview), *supra* note 9, at 5.

²¹ Item 10, *supra* note 19, at 2.

²² Item 10, *supra* note 19, at 2.

²³ Item 3, *supra* note 4.

²⁴ Item 12, *supra* note 5.

2011.²⁵ Two months after receiving the account, the collection agent increased the high credit, balance, and past due balance to \$4,884.²⁶ In less than two years, the collection agent had increased the high credit, balance, and past-due balance to \$6,327.²⁷ In October 2013, Applicant indicated that he was in the process of seeking a Form 1099-C,²⁸ but in January 2014, he was unable to furnish a copy of one, claiming that during the period January through April 2014, he would be addressing the debt.²⁹ There is no evidence of any subsequent action taken by Applicant to resolve the debt. The account has not been resolved.

(SOR ¶ 1.c.) There is an unspecified type of account with an unidentified creditor that was transferred, sold, or placed for collection with a debt purchaser. The debt purchaser reported that the account had a high credit of \$5,121, and past due and unpaid balances of \$5,604.³⁰ In June 2013, the debt purchaser filed a law suit against Applicant seeking an unspecified amount.³¹ The matter was continued to February 2014. Applicant disputed the account, claiming it is the same account as that alleged in SOR ¶ 1.a. The identity of the creditor of that account is known, but the identity of the creditor of the other account is not. The credit reports reflect different account numbers. In the absence of additional documentation clarifying the disputed issues, it is impossible to determine if Applicant's contentions are supported. Accordingly, I conclude that the account has not been resolved.

(SOR ¶ 1.d.) There is a conventional home mortgage account on Applicant's rental property with a high credit of \$340,000 and a balance of \$326,778 that was past due \$2,193 in August 2011.³² By May 2013, the past due balance had increased to \$46,018, and the foreclosure process had started.³³ Applicant approached the mortgage lender about the Home Affordable Foreclosure Alternatives (HAFA) Short Sale Program in mid-2013,³⁴ and by October 2013, a short sale of the property had been approved by the mortgage lender. On October 25, 2013, Applicant sold his rental property for \$231,994.64.³⁵ There is now a zero balance,³⁶ and the account has been resolved.

²⁵ Item 6, *supra* note 16, at 19; Item 8 (Personal Subject Interview), *supra* note 9, at 5.

²⁶ Item 6, *supra* note 16, at 15.

²⁷ Item 10, *supra* note 19, at 4.

²⁸ Item 3, *supra* note 4.

²⁹ Item 12, *supra* note 5.

³⁰ Item 10, *supra* note 19, at 3.

³¹ Item 8 (Court Documents, various dates). Identical documents were attached to Applicant's Answer to the SOR in Item 3.

³² Item 6, *supra* note 16, at 7.

³³ Item 9, *supra* note 18, at 4.

³⁴ Item 8 (Bank Correspondence, various dates).

³⁵ Item 8, *supra* note 2, at 9-11; HUD-1, *supra* note 14; Item 12, *supra* note 5.

In July 2013, Applicant submitted a personal financial statement. At that time, Applicant's family monthly net income was \$6,862.81. With monthly household expenses, mortgage, and debt payments, totaling \$7,241.72, he had a net deficit of approximately \$378.91.³⁷ With only \$200 in savings, it is unclear what the impact of the sale of his rental property may have been on Applicant's finances, or how he manages to make all of his monthly payments. There is no evidence to indicate that Applicant ever received financial counseling.

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."³⁸ 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."³⁹

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

An administrative judge need not view the guidelines as inflexible, ironclad rules of law. Instead, acknowledging the complexities of human behavior, these guidelines are applied in conjunction with the factors listed in the adjudicative process. The administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. The entire process is a conscientious scrutiny of a number of variables known as the "whole-person concept." The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a meaningful decision.

In the decision-making process, facts must be established by "substantial evidence."⁴⁰ The Government initially has the burden of producing evidence to establish

³⁶ Item 10, *supra* note 19, at 4.

³⁷ Item 8 (Personal Financial Statement, undated).

³⁸ *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988).

³⁹ Exec. Or. 10865, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960), as amended and modified.

⁴⁰ "Substantial evidence [is] such relevant evidence as a reasonable mind might accept as adequate to support a conclusion in light of all contrary evidence in the record." ISCR Case No. 04-11463 at 2 (App. Bd. Aug. 4,

a potentially disqualifying condition under the Directive, and has the burden of establishing controverted facts alleged in the SOR. Once the Government has produced substantial evidence of a disqualifying condition, under Directive ¶ E3.1.15, the applicant has the burden of persuasion to present evidence in refutation, explanation, extenuation or mitigation, sufficient to overcome the doubts raised by the Government's case. The burden of disproving a mitigating condition never shifts to the Government.⁴¹

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."⁴²

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."⁴³ Thus, nothing in this decision should be construed to suggest that I have based this decision, in whole or in part, on any express or implied determination as to Applicant's allegiance, loyalty, or patriotism. It is merely an indication the Applicant has or has not met the strict guidelines the President and the Secretary of Defense have established for issuing a clearance. In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. Likewise, I have avoided drawing inferences grounded on mere speculation or conjecture.

Analysis

Guideline F, Financial Considerations

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

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

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).

⁴¹ See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005).

⁴² *Egan*, 484 U.S. at 531.

⁴³ See Exec. Or. 10865 § 7.

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

The guideline notes several conditions that could raise security concerns. Under AG ¶ 19(a), an *inability or unwillingness to satisfy debts* is potentially disqualifying. Similarly, under AG ¶ 19(c), a *history of not meeting financial obligations* may raise security concerns. In September 2011, Applicant found himself with insufficient funds to continue making his routine monthly payments, various accounts became delinquent, and they were placed for collection or charged off. One account entered into the foreclosure process. 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*.⁴⁴

AG ¶¶ 20(c) and 20(d) apply. AG ¶¶ 20(a) and 20(b) partially apply. The nature, frequency, and relative recency of Applicant's financial difficulties since 2011 make it difficult to conclude that it occurred "so long ago" or "was so infrequent." Applicant's financial problems were not caused by frivolous or irresponsible spending, and he seemingly did not spend beyond his means. Instead, his financial problems were in some measure beyond Applicant's control. Applicant had previously obtained a loan for \$100,000 to rebuild his rental property, and during the planning and rebuilding stages,

⁴⁴ 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)).

he managed to pay off a number of credit card accounts. When he did so, his credit lines were decreased. Commencing in 2011, Applicant started experiencing some financial difficulties when his tenants were unable to continue paying their monthly rent and vacated the rental property. It became necessary for him to make the monthly mortgage payments of \$2,193 entirely from his own available funds. However, with the reduced income from the loss of the rent, and diminished capability for obtaining additional capital because of the decreased credit lines, he was unable to do so. As a result, some accounts became delinquent, placed for collection, or were charged off. The rental property entered into the foreclosure process.

Applicant acted responsibly by addressing his delinquent accounts and working with his creditors.⁴⁵ He contacted his creditors and, when he was able to do so, he entered into repayment arrangements and brought some accounts into a current status. He used funds from his wife's 401(k) to pay the family bills. He searched for new renters and tried refinancing his family residence. Applicant apparently resolved his non-SOR accounts, and then focused on his largest account - the home mortgage on the rental property - that had entered into the foreclosure process. The mortgage lender approved a short sale and the property was withdrawn from foreclosure and eventually sold, leaving Applicant with a zero balance. Unable to pay off two SOR accounts, he has been seeking Forms 1099-C from the two creditors, including one whose account had been sold to a debt purchaser. Applicant contends that two of the SOR accounts are actually the same account, although the credit reports reflect different account numbers and identify the creditors as one vendor and one debt purchaser. As indicated above, in the absence of additional documentation clarifying the disputed issues, it is impossible to determine if Applicant's contentions are supported. It is unclear what the impact of the sale of Applicant's rental property may have been on Applicant's finances, or how he manages to make all of his monthly payments. While there is no evidence that he has ever received financial counseling, there are clear indications that Applicant's financial problems are now under control. Applicant's actions under the circumstances confronting him, do not cast doubt on his current reliability, trustworthiness, or good judgment.⁴⁶

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 relevant circumstances. The administrative judge should consider the nine adjudicative process factors listed at AG ¶ 2(a):

⁴⁵ "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.

⁴⁶ See ISCR Case No. 09-08533 at 3-4 (App. Bd. Oct. 6, 2010).

(1) the nature, extent, and seriousness of the conduct; (2) the circumstances surrounding the conduct, to include knowledgeable participation; (3) the frequency and recency of the conduct; (4) the individual's age and maturity at the time of the conduct; (5) the extent to which participation is voluntary; (6) the presence or absence of rehabilitation and other permanent behavioral changes; (7) the motivation for the conduct; (8) the potential for pressure, coercion, exploitation, or duress; and (9) the likelihood of continuation or recurrence.

Under AG ¶ 2(c), the ultimate determination of whether to grant eligibility for a security clearance must be an overall commonsense judgment based upon careful consideration of the guidelines and the whole-person concept. 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.⁴⁷

There is some evidence against mitigating Applicant's conduct. His handling of his finances permitted a number of accounts to become delinquent. As a result, accounts were placed for collection or charged off. One account entered into the foreclosure process.

The mitigating evidence under the whole-person concept is more substantial. Applicant's financial problems were not caused by frivolous or irresponsible spending and he did not spend beyond his means. Rather, his problems were in some measure beyond Applicant's control. In 2011, Applicant's tenants were unable to continue paying their monthly rent and vacated his rental property. The reduced income from the loss of the rent, the diminished capability for obtaining additional capital because of the decreased credit lines, and the exhaustion of his wife's 401(k) funds, resulted in an inability to maintain his accounts in a current status. Accounts became delinquent, placed for collection, or were charged off. The rental property entered into the foreclosure process. Applicant did not ignore his creditors. He searched for new renters, tried refinancing his family residence, resolved his non-SOR accounts, and then focused on the home mortgage on the rental property, to save it from foreclosure. He was successful, and the property was sold, leaving Applicant with a zero balance. Applicant's efforts have not ceased, but he has vowed to continue attempting to resolve the few remaining accounts. Applicant's actions under the circumstances confronting him do not cast doubt on his current reliability, trustworthiness, or good judgment.

The Appeal Board has addressed a key element in the whole-person analysis in financial cases stating:⁴⁸

In evaluating Guideline F cases, the Board has previously noted that the concept of "meaningful track record" necessarily includes evidence of

⁴⁷ 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).

⁴⁸ ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008) (internal citations omitted).

actual debt reduction through payment of debts.” However, an applicant is not required, as a matter of law, to establish that he [or she] has paid off each and every debt listed in the SOR. All that is required is that an applicant demonstrate that he [or she] has “. . . established a plan to resolve his [or her] financial problems and taken significant actions to implement that plan.” The Judge can reasonably consider the entirety of an applicant’s financial situation and his [or her] actions in evaluating the extent to which that applicant’s plan for the reduction of his outstanding indebtedness is credible and realistic. See Directive ¶ E2.2(a) (“Available, reliable information about the person, past and present, favorable and unfavorable, should be considered in reaching a determination.”) There is no requirement that a plan provide for payments on all outstanding debts simultaneously. Rather, a reasonable plan (and concomitant conduct) may provide for the payment of such debts one at a time. Likewise, there is no requirement that the first debts actually paid in furtherance of a reasonable debt plan be the ones listed in the SOR.

Applicant has demonstrated a “meaningful track record” of debt reduction and elimination efforts. This decision should serve as a warning that his failure to continue his debt resolution efforts or the accrual of new delinquent debts will adversely affect his future eligibility for a security clearance.⁴⁹ Overall, the evidence leaves me without questions and doubts as to Applicant’s eligibility and suitability for a security clearance. For all of these reasons, I conclude Applicant has mitigated the security concerns arising from his financial considerations. 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:	FOR APPLICANT
Subparagraph 1.a:	For Applicant
Subparagraph 1.b:	For Applicant
Subparagraph 1.c:	For Applicant
Subparagraph 1.d:	For Applicant

⁴⁹ While this decision should serve as a warning to Applicant, the decision, including the warning, should not be interpreted as being contingent on future monitoring of Applicant’s financial condition. The Defense Office of Hearings and Appeals (DOHA) has no authority to attach conditions to an applicant’s security clearance. See, e.g., ISCR Case No. 06-26686 at 2 (App. Bd. Mar. 21, 2008); ISCR Case No. 04-04302 at 5 (App. Bd. Jun. 30, 2005); ISCR Case No. 03-17410 at 4 (App. Bd. Apr. 12, 2005); ISCR Case No. 99-0109 at 2 (App. Bd. Mar. 1, 2000).

Conclusion

In light of all of the circumstances presented by the record in this case, it is clearly consistent with the national interest to grant Applicant eligibility for a security clearance. Eligibility for access to classified information is granted.

ROBERT ROBINSON GALES
Administrative Judge