



**DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF HEARINGS and APPEALS**



In the matter of:)
)
) ISCR Case No. 12-00406
)
Applicant for Security Clearance)

Appearances

For Government: Ray Blank, Esq., Department Counsel
For Applicant: Coworker, Personal Representative

12/30/2013

Decision

HEINY, Claude R., Administrative Judge:

Applicant contests the Department of Defense’s (DoD) intent to deny his eligibility for a security clearance to work in the defense industry. Applicant’s home went to foreclosure; he owes more than \$14,000 for two federal tax liens, and has other delinquent charged-off or collection accounts. Applicant has failed to rebut or mitigate the security concerns under Guideline F, financial considerations. Clearance is denied.

History of the Case

Acting under the relevant Executive Order and DoD Directive,¹ on June 18, 2013, the DoD issued a Statement of Reasons (SOR) detailing security concerns. DoD adjudicators could not find that it is clearly consistent with the national interest to grant or continue Applicant’s security clearance. On July 16, 2013, Applicant answered the SOR and requested a hearing. On September 14, 2013, I was assigned the case. On November 7, 2013, the Defense Office of Hearings and Appeals (DOHA) issued a

¹ Executive Order 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; DoD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG) effective within the DoD on September 1, 2006.

Notice of Hearing for the hearing convened on November 21, 2013. I admitted Government's Exhibits (Ex) 1 through 4 and Applicant's Exhibits A through R, without objection. Applicant testified at the hearing. The record was held open for ten days to allow Applicant to submit additional information. (Tr. 77) No additional material was received. On December 2, 2013, DOHA received the hearing transcript (Tr.).

Findings of Fact

In Applicant's Answer to the SOR, he denied owing the debts listed in SOR 1.g, 1.i, 1.j, 1.r, and 1.s, stating they were paid. He denied the debt listed in SOR 1.t stating, "removal from property." He neither admitted nor denied the allegations listed in 1.c and 1.h. He admitted the remaining debts. I incorporate Applicant's admissions to the SOR allegations in my findings of fact. After a thorough review of the pleadings, exhibits, and testimony, I make the following additional findings of fact:

Applicant is a 57-year-old consultant who has worked for a defense contractor since February 2011 and seeks to obtain a security clearance. (Tr. 34) Applicant was represented by a coworker who stated Applicant was well liked. He submitted four character reference letters. (Ex. A, B, C, and D) Applicant's coworkers, supervisors, and friends state: Applicant is hard-working, trusted, punctual, honest, responsible, and a model employee who is willing to stay late to complete the work and takes pride in his work. He does volunteer work in the local community. His representative stated he had Applicant's current credit report, but failed to introduce it into the record. (Ex. 20) Department Counsel submitted Applicant's credit reports: February 22, 2013 (Ex. 3) and October 13, 2011 (Ex. 4). Applicant is pending a promotion if he receives a clearance. (Tr. 92)

In October 2011, Applicant stated he was immediately going to contact all of his delinquent creditors and set up payment plans. At that time, he stated his financial status was "good." He has steady income and sufficient funds to commence paying his debts. (SOR Answer) In March 2013, he responded to written financial interrogatories. (Ex. 2) He stated he had no financial or tax records dated prior to January 2010. He stated all of his records were destroyed by vandals in 2009. (Ex. 2)

From March 1998 until December 2010, Applicant was a self-employed remodeling contractor. (Ex. 2) Due to the declining economy, his business declined in revenue, becoming totally unprofitable in February 2011. In 2007, his income was less than \$5,000 and not more than \$10,000 in 2008. (Tr. 41, 42) In December 2010, he moved to his current state to help his cousin who was suffering from a heart condition. (Tr. 35) He moved in with his cousin on his cousin's farm. (Tr. 36) He spent his time caring for his cousin and his cousin's ranch animals. (Ex. 2) From December 2010 until February 2011, he was unemployed. In July 2013, he left the farm. (Tr. 38)

In October 1999, Applicant purchased a home after making a \$5,000 down payment. (Tr. 66) He does not say what he paid for the home, only that it had a 13 percent interest rate on the mortgage. (Tr. 69) His monthly mortgage payments were \$750. (Tr. 68, 69) He asserted he was able to make his mortgage payments until May

2007,² when the account became delinquent. (Ex. 2) He made no further payments. In May 2009, the home went to foreclosure and was repossessed by the real estate company that financed the home. (Ex. 2) He listed on his e-QIP that the home was valued at \$70,000. (Ex. 1) Applicant asserts the lender has not brought an action to collect the deficit. (Tr. 67) He believes he owes nothing following the foreclosure.

Applicant provided no information as to the state law concerning deficiencies following a foreclosure. Normally the state law allows the creditor to obtain a deficiency judgment following foreclosure. The state law provides an exception if the purchase was money mortgage referred to in the state as a seller-financed mortgage, which it appears to be, and if the lender used a nonjudicial foreclosure process. On his e-QIP, Applicant states the foreclosure was handled by the county court, which may indicate this was not a nonjudicial foreclosure proceeding. (Ex. 1)

Applicant filed his 2002, 2003, and 2005 federal tax returns in a timely manner, but owed additional tax on the returns. (Tr. 29) In April 2002, a \$7,462 tax lien was levied. In May 2004, a \$10,391 tax lien was levied, and in April 2005, a \$4,307 tax lien was levied. (Ex. 2, 3) He believes \$10,000 of his IRS debt is no longer owed due to the statute of limitations. (Tr. 44) He arranged a \$300 monthly repayment agreement with the IRS, but made no payments after the initial payment due to lack of income. (Ex. 2, Tr. 32) In July 2011, he submitted an offer to the IRS asking that all interest and penalties be forgiven. As of October 2011, the IRS had not replied to his offer. On his September 2011 Electronic Questionnaires for Investigations Processing (e-QIP), he stated he was attempting to negotiate a solution to his unpaid taxes. In January 2012, he met with a new IRS agent after moving to his current state. (Tr. 33)

On March 12, 2013, Applicant was scheduled to deposit \$1,500 with a tax resolution service. (Ex. G-1) He was to make eight \$468 monthly payments from March 2013 through November 2013. (Ex. G-1) The tax service's fee is \$5,250. (Tr. 25) He provided no documentation showing payment in accord with the agreement but asserted he had made his last payment to the tax service in November 2013. (Tr. 73) He asserted the tax service, once paid, would enter into negotiations with the IRS in an attempt to establish a repayment plan to repay the entire amount owed. (Tr. 22, 23) He states he currently owes the IRS approximately \$10,000, but provided no documentation from the IRS establishing the debt amount. (Tr. 24) He asserted he has filed and paid state and federal taxes for all other years. (Tr. 30)

In 2008, Applicant borrowed money from his girlfriend to buy a motorcycle. (Tr. 63) In July 2009, the account went past due. (Ex. 2) In December 2009, a \$1,600 judgment was entered in favor of his ex-girlfriend. She obtained a writ of seizure and had Applicant's truck seized. He paid his ex-girlfriend, satisfying the judgment, and he retrieved his truck. (Ex. 2, Tr. 64) He still has the truck. (Tr. 64)

Applicant provided documentation that he paid a total of \$5,081 on his debts. He paid \$1,675 in federal tax (Ex. G) and approximately \$1,500 in other SOR debts. (Ex. H,

² During the 91 months, he made his \$750 monthly mortgage payments and he paid approximately \$68,000. Not knowing the value that was borrowed, it is impossible to determine how much the principle owed on the mortgage was reduced by these payments.

I, J, K, L) He paid approximately \$1,900 in other non-SOR debts. He paid a \$100 to a hospital for x-rays not covered by his health insurance (Ex. M, Tr. 26), approximately \$1,200 for dental treatment (Ex. O, Tr. 27), \$70 for medicine (Ex. R), \$10 for an eye examination (Ex. R), and approximately \$600 to repay family members. (Ex. Q, Tr. 28)

Applicant's monthly net remainder (gross income less deductions, expenses, and bill payments) is approximately \$500. (Tr. 71) He has \$350 in his checking account and has no retirement fund. (Tr. 72, 74) He is current on his utility bills. (Tr. 72) A summary of Applicant's judgment, accounts charged off, accounts placed for collection, other unpaid obligations, and their current status follows:

	Creditor	Amount	Current Status
a	IRS tax lien filed in April 2005. (Ex. 3, 4)	\$4,037	Partially paid. January 17, 2012, Applicant paid \$1,000 by money order. (Ex. 2, Ex. G-2, Ex.G-3) April 2, 2012, he paid \$675 by money order. (Ex. 2, Ex. G-3)
b	IRS tax lien filed in May 2004. (Ex. 3, 4)	\$10,391	Unpaid.
c	Collection account. (Ex. 3, 4) He neither admitted nor denied.	\$757	Unpaid. In October 2011, Applicant was unsure about this debt. At the hearing, he was again unsure about the debt. He has had no recent contact with the creditor. (Tr. 45)
d	Charged-off automobile loan. (Ex. 3, 4)	\$140	Unpaid. At the hearing, Applicant stated he wanted to pay the larger debts first. In October 2011, he did not recognize the debt and could not provide any information on the debt. He has had no recent contact with the creditor. (Tr. 45)
e	Collection account on an account that had been charged off. (Ex. 3, 4)	\$384	Unpaid. In October 2011, Applicant did not recall the debt and could not provide any information on the debt. At the hearing, he stated he had called them and learned the debt had been sold and transferred. (Tr. 45) He has no idea who currently holds this debt. (Tr. 46)
f	Charged-off credit card account. Card used for gasoline and business purchases. Account transferred to another collection firm. Balance is 0. (Ex. 3, 4)	\$300	Unpaid duplicate account. This is the same debt as SOR 1.m and SOR 1.n. At the hearing, Applicant said he was going to immediately contact the creditor, but has had no recent contact with the creditor. (Tr. 47, 58).

	Creditor	Amount	Current Status
g	Collection account for a bank debt. (Ex. 3, 4) Collection account of \$748 reported October 2011. (Ex. 4) Applicant denied this debt and alleged he paid it.	\$923	Unpaid. In October 2011, Applicant did not recognize the debt when asked about the account. (Ex.2) It was charged off in April 2008 and his credit report lists a 0 balance. (Tr. 51)
h	Charged-off account. Account transferred or sold. (Ex. 3) Applicant neither agreed with nor denied this debt in his SOR answer.	\$52	Unpaid. In October 2011, Applicant did not recall the debt and could not provide any information on the debt. (Ex. 2) He listed this debt in the amount of \$608 on his e-QIP. He has had no recent contact with the creditor. (Tr. 52)
i	Charged-off bank account. Account transferred or sold. (Ex. 3) Applicant denied the debt in his SOR Answer alleging he had paid it.	\$150	Paid. (Ex. L) Applicant's October 2011 credit report lists the same account number. Attempt to collect this debt was also made by the collection agency in SOR 1.r. (Tr. 52)
j	Collection account. (Ex. 4) Applicant denied the debt in his SOR Answer alleging he had paid it.	\$517	Partially paid. On September 17, 2012, Applicant made a \$218 payment. (Ex. 2, Ex. H, Tr. 59) Additional money is still owed on this debt. (Tr. 59) He provided no documentation from the creditor. (Tr. 57) (Ex. 4, Ex. K)
k	Charged-off account. (Ex. 4)	\$122	Unpaid. In October 2011, he stated he did not recall the debt and could not provide any information on the debt. (Ex. 2) He has had no recent contact with the creditor. (Tr. 58)
l	Telephone company collection account. (Ex. 4)	\$432	Unpaid. In October 2011, Applicant did not recall the debt and could not provide any information on the debt. (Ex.2) He has had no recent contact with creditor.(Tr. 58)
m	Collection account.	\$458	Unpaid. This is the same debt as SOR 1.f and SOR 1.n.

	Creditor	Amount	Current Status
n	Collection account. (Ex. 4)	\$458	Unpaid. This is the same debt as SOR 1.f and SOR 1.m. (Ex. 4)
o	Mobile telephone service collection account. (Ex. 5)	\$419	Unpaid. In October 2011, Applicant did not recognize the debt and had made no payments on the debt. (Ex. 2) Applicant has had no recent contact with creditor.(Tr. 58)
p	Collection account. (Ex. 4)	\$1,004	Settled for \$186. (Ex. I, Tr. 59) Applicant has received no documentation from the creditor showing the debt has been settled. (Tr. 61) He has had no contact with the creditor since May 2012. (Tr. 62)
q	Collection account collecting for a cable company. (Ex. 4) NCO	\$140	Unpaid. In October 2011, Applicant did not recall the debt and could not provide any information on the debt. (Ex.2) He has had no recent contact with creditor. (Tr. 62)
r	Collection account. (Ex. 4) Applicant denied the debt in his SOR Answer alleging he had paid this debt.	\$698	Paid. (Ex. L) Applicant's October 2011 credit report lists the same account number. Attempt to collect this debt was also made by the collection agency in SOR 1.i.
s	Judgment. Applicant denied the debt in his SOR Answer alleging he had paid the judgment.	\$1,734	Paid. At the hearing, Applicant stated he could obtain a document showing the judgment was paid. (Tr. 62) No documentation was received. However, the matter appears to have been settled on February 19, 2010. (Tr. 65)
t	Real Estate mortgage foreclosure. Applicant denied the debt in his SOR Answer stating, "Removal from property"	\$75,000	Resolved. In October 1999, Applicant purchased a home in North Carolina. He made \$750 monthly mortgage payments until May 2007. (Ex. 2) He had made approximately \$68,000 in mortgage payments on the house. In May 2009, the home went into foreclosure and lender repossessed the property. (Ex. 2)
	Total debt listed in SOR		A \$75,000 home foreclosure, \$14,423 in federal tax liens, and \$8,000 of additional debt.

Policies

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

These guidelines are not inflexible rules of law. Instead, recognizing 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. According to AG ¶ 2(c), 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 decision.

The protection of the interests of security is the paramount consideration. AG ¶ 2(b) requires that "[a]ny doubt concerning personnel being considered for access to classified information will be resolved in favor of national security." In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record.

Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Under Directive ¶ E3.1.15, the applicant is responsible for presenting "witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by applicant or proven by Department Counsel. . . ." The applicant has the ultimate burden of persuasion to obtain a favorable security decision.

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. The Government reposes a high degree of trust and confidence in 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 of potential, rather than actual, risk of compromise of classified information.

Section 7 of Executive Order (EO) 10865 provides that decisions shall be "in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned." See *a/so* EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

Analysis

Guideline F, Financial Considerations

Adjudicative Guideline (AG) ¶ 18 articulates the security concerns 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.

Additionally, an individual who is financially irresponsible may also be irresponsible, unconcerned, negligent, or careless in properly handling and safeguarding classified information. Behaving responsibly or irresponsibly in one aspect of life provides an indication of how a person may behave in other aspects of life.

A person's relationship with his creditors is a private matter until evidence is uncovered demonstrating an inability or unwillingness to repay debts as agreed. Absent substantial evidence of extenuating or mitigating circumstances, an applicant with a history of serious or recurring financial difficulties is in a position of risk that is inconsistent with holding a security clearance. An applicant is not required to be debt free, but is required to manage his finances to meet his financial obligations.

Applicant has a history of financial problems. Applicant had a \$75,000 home foreclosure, \$14,423 in federal tax liens, and \$8,000 of additional debt. Disqualifying Conditions AG ¶ 19(a), "inability or unwillingness to satisfy debts," and AG ¶ 19(c), "a history of not meeting financial obligations," apply.

Five Financial Considerations 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.

To date, Applicant's efforts to address his delinquent accounts have been minimal. Because he has multiple delinquent debts and his financial problems are continuing in nature, he receives minimal application of the mitigating condition listed in AG ¶ 20(a). Applicant's handling of his finances, under the circumstances, casts doubt on his current reliability, trustworthiness, or good judgment. Without a meaningful track record³ of actual resolution of debts, it is unknown whether the debts will, in fact, be resolved in the future. His history of failure to make consistent attempts to resolve his debts raises questions as to his reliability and judgment. AG ¶ 20(a) does not apply.

Applicant asserts he hired a tax service to assist him in negotiating with the IRS on his two remaining tax liens. He states he has paid their fee, but provided no documents showing payment. Additionally, there is no showing of any negotiation or that a repayment plan has been reached. The IRS tax liens remain unresolved.

Applicant's financial problems were contributed to by the decline in the home improvement trade. He was unemployed from December 2010 until February 2011, when he obtained his current job. "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. January 12, 2007) (citing ISCR Case No. 03-13096 at 4 (App. Bd. November 29, 2005); ISCR Case No. 99-0462 at 4 (App. Bd. May 25, 2000); ISCR Case No. 99-0012 at 4 (App. Bd. December 1, 1999)). A component is whether he maintained contact with creditors and attempted to negotiate partial payments to keep debts current.

In October 2011, Applicant stated he was going to immediately contact his creditor and establish repayment plans. This he did not do. His failure to do so casts doubt on his current reliability, trustworthiness, or good judgment. AG ¶ 20(b) is limited in application. Applicant has not had recent contact with the majority of his creditors. He has failed to act timely or responsibly under the circumstances. Overall, the partial

³ The concept of "meaningful track record" includes evidence of actual debt reduction through payment of debts. However, an applicant is not required to establish that he has paid off each and every debt listed in the SOR. All that is required is for him to demonstrate he has established a plan to resolve his delinquent debt and has taken significant action to implement that plan. I must reasonably consider the entirety of Applicant's financial situation and his actions in evaluating the extent to which that plan is credible and realistic. There is no requirement that a plan provide for payments on all outstanding debts simultaneously. Rather, a reasonable plan may provide for payment on 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. ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008) (internal citations omitted).

mitigation available to Applicant under AG ¶ 20(b) is insufficient to outweigh the disqualifying conditions that apply.

AG ¶ 20(c) does not apply because there is no indication Applicant has received financial counseling. Additionally, there are no clear indications that his financial problem is being resolved or is under control.

There is no documentary evidence to support his assertions that he contacted the majority of his creditors and tried to arrange repayment plans. He talked about doing so and promised to do so, but there is no documentation that any repayment plan was reached. Applicant has failed to act aggressively, timely, or responsibly to resolve his delinquent debts.

Applicant would like to pay his bills. However, a promise of future performance, no matter how sincere, is insufficient to demonstrate a track record of meeting financial obligations. Without evidence of steps taken to implement a plan to resolve indebtedness, a good-faith effort cannot be substantiated.

Applicant established he had paid approximately \$3,000 on five of his debts. But only \$1,250 of this had been paid recently. The \$1,734 judgment that resulted in the seizure of his truck was paid in 2010. AG ¶ 20(d) applies to these four⁴ obligations (SOR 1.i, 1.p, 1.r, and 1.s). The debts listed in SOR 1.f, 1.m, and 1.n represent the same obligations, which remain unpaid. I find for Applicant as to the duplicate accounts listed in SOR 1.f and 1.n.

In October 1999, Applicant purchased a home, made a \$5,000 down payment, and paid \$68,000 on the home until May 2007, when he stopped making his mortgage payments due to a lack of income. He asserts he owes nothing on the property. There is no evidence that the lender has brought an action to collect the deficit and the collection maybe barred by state law. I find for him as to SOR 1.t.

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 relevant 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.

⁴ Applicant made a \$218 payment on SOR 1.j, but this did not pay the full debt.

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.

I considered the potentially disqualifying and mitigating conditions in light of all the facts and circumstances surrounding this case. There is some evidence in favor of mitigating Applicant's conduct. He went through a period of unemployment and also underemployment when in the home improvement trade. After a period of inaction during which he did not address his past delinquent accounts, he asserts he has initiated some effort to address his IRS debt. He asserted he paid a tax service to assist him with his federal tax liens. He provided no documentation showing the service was paid. More importantly, the tax service has not obtained a repayment agreement with the IRS. Additionally, the majority of his delinquent debts, even the four debts that are less than \$150 each, remain unpaid.

The disqualifying evidence under the whole-person concept is more substantial. While the period of unemployment and reduced earnings were circumstances beyond his control, he either had no ability or no intention of paying his delinquent accounts. He stated he failed to pay the small delinquent accounts because he was concentrating on the larger tax debt. His long-standing failure to repay his creditors, at least in reasonable amounts, or to arrange payment plans, reflects traits which raise concerns about his fitness to hold a security clearance.

The issue is not simply whether all Applicant's debts have been paid – they have not – it is whether his financial circumstances raise concerns about his fitness to hold a security clearance. (See AG ¶ 2(a)(1).) The record evidence leaves me with questions and doubts about Applicant's eligibility and suitability for a security clearance. For all these reasons, I conclude Applicant has not mitigated the security concerns arising from his financial considerations.

As stated in Applicant's closing argument, "if we were having this conversation one more year from now, I believed everything would be resolved by [Applicant]." (Tr. 90) This decision should not be construed as a determination that Applicant cannot or will not attain the state of true reform and rehabilitation necessary to justify the award of a security clearance. The awarding of a security clearance is not a once in a lifetime occurrence, but is based on applying the factors, both disqualifying and mitigating, to the evidence presented. Under Applicant's current circumstances, a clearance is not warranted. Should Applicant be afforded an opportunity to reapply for a security clearance in the future, having paid the delinquent obligations, established compliance with a repayment plan, or otherwise addressed the obligations, he may well demonstrate persuasive evidence of his security worthiness. However, a clearance at this time is not warranted.

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, Financial Considerations:	FOR APPLICANT
Subparagraph 1.a – e:	Against Applicant
Subparagraph 1.f:	For Applicant
Subparagraph 1.g and h:	Against Applicant
Subparagraph 1.i:	For Applicant
Subparagraph 1.j – m:	Against Applicant
Subparagraph 1.n:	For Applicant
Subparagraph 1.o – q:	Against Applicant
Subparagraph 1.r – t:	For 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 a security clearance. Eligibility for access to classified information is denied.

CLAUDE R. HEINY II
Administrative Judge