DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	
---	)	ISCR Case No. 12-03934
	)	
Applicant for Security Clearance	)	

Appearances

For Government: Benjamin R. Dorsey, Esquire, Department Counsel
For Applicant: *Pro se*

03/29/2016

_____

Decision

_____

GALES, Robert Robinson, Administrative Judge:

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

Statement of the Case

On January 23, 2012, Applicant applied for a security clearance and submitted an Electronic Questionnaire for Investigations Processing (e-QIP) version of a Security Clearance Application.[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 April 17, 2015, he submitted another e-QIP.[3] On September 28, 2015, 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,

[1] Item 4 (e-QIP, dated January 23, 2012).

[2] Item 5 (Applicant's Answers to Interrogatories, dated July 22, 2913).

[3] Item 3 (e-QIP, dated April 17, 2015).

Defense Industrial Personnel Security Clearance Review Program (January 2, 1992), as amended and 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 CAF was unable to make an 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 a sworn statement, dated October 10, 2015, 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 provided to Applicant on December 7, 2015, 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. In addition to the FORM, Applicant was furnished a copy of the Directive as well as the Guidelines applicable to his case. Applicant received the FORM on December 11, 2015. A response was due by January 10, 2016. As of March 1, 2016, Applicant had not submitted any response to the FORM. The case was assigned to me on March 15, 2016.

Findings of Fact

In his Answer to the SOR, while not specifically using the terms "admit" or "deny," Applicant acknowledged and addressed the factual allegations pertaining to financial considerations in the SOR (¶¶ 1.a. through 1.c.). 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 55-year-old employee of a defense contractor. He has been serving as a security officer with his current employer since June 2011.[5] He also held a number of different positions, including that of deputy sheriff, with other employers over the years. A June 1979 high school graduate, Applicant earned some college credits, but did not earn a degree.[6] He enlisted in the U.S. Marine Corps in June 1979 and served honorably until he was discharged in June 1983.[7] In March 1987, he enlisted in the Army National Guard and served honorably until he was discharged in March 1993.[8]

[4] Item 2 (Applicant's Answer to the SOR, dated October 10, 2015).

[5] Item 3, *supra* note 3, at 8-9.

[6] Item 4, *supra* note 1, at 8.

[7] Item 3, *supra* note 3, at 12.

[8] Item 3, *supra* note 3, at 12-13.

Applicant has held a secret security clearance since March 2012.[9] Applicant was married in May 1990.[10] He has two daughters, born in 1986 and 1994.[11]

Financial Considerations[12]

It is unclear when Applicant first began to experience significant financial difficulties. He and his wife were a middle class, two-income family, living day-to-day, caring for the family and meeting their obligations. In January 2012, he reported that his wife had previously been recruited by a headhunter for a position with a federal contractor. Six months after taking the job, she was laid off. As a result of the layoff, she was unemployed for one and one-half years. The family's two incomes diminished to one income, and finances became tight. A variety of accounts, including real estate mortgages, automobile loans, credit cards, and student loans, became delinquent. In an effort to preserve their home, in January 2010, Applicant filed for bankruptcy under Chapter 13 of the U.S. Bankruptcy Code. The following year, Applicant's wife returned to work making a salary that was substantially more than she had previously made. With increased financial stability, he chose to cancel the bankruptcy action and, instead, decided to handle his debts conventionally.

The SOR identified three purportedly continuing delinquent accounts, totaling approximately $142,648, which had been placed for collection. Those debts and their respective current status, according to the above-cited credit reports, Applicant's comments to an investigator from the U.S. Office of Personnel Management (OPM), and his answers to both the interrogatories and the SOR, are described as follows:

SOR ¶ 1.a. – This is a student loan account that appears to be a combination of student loans for both Applicant and his wife. The loans went into a default status and were transferred or sold to various servicing agencies or other lenders before being acquired by the current lender. They were consolidated and placed into a forbearance status in August 2012 due to temporary hardship, and from August 2013 until July 2014 due to loan debt burden.[13] Applicant defaulted on his student loans because he was not allowed to make monthly payments while the bankruptcy was active.[14] Although the

---

[9] Item 3, *supra* note 3, at 25-26.

[10] Item 3, *supra* note 3, at 15.

[11] Item 3, *supra* note 3, at 17-19.

[12] General source information pertaining to the financial accounts discussed below can be found in the following exhibits: Item 3, *supra* note 3, at 27; Item 4, *supra* note 1, at 25-26; Item 6 (Combined Experian, TransUnion, and Equifax Credit Report, dated February 1, 2012); Item 9 (Equifax Credit Report, dated June 27, 2013); Item 8 (Experian Credit Report, dated June 27, 2013); Item 7 (Equifax Credit Report, dated April 29, 2015); Item 5, *supra* note 2; Item 10 (Judiciary Judgments and Liens Search, dated September 16, 2015); Item 2, *supra* note 4.

[13] Item 5 (Deferment/Forbearance Loan Declaration, dated July 29, 2013). An individual having temporary problems repaying his or her federal student loans, for reasons including financial hardship, may be granted a temporary postponement or reduction of loan payments under what is called forbearance.

[14] Item 5 (Personal Subject Interview, dated February 17, 2012), at 2.

April 2015 credit report reflects one loan with a high credit of $75,881, an unpaid balance of $125,180, and a past-due balance of $2,974, a more recent report of the loan details indicates the account was placed into a temporary hardship forbearance on March 30, 2015, and that status will continue until November 30, 2015. While there is unpaid interest, there are no late fees.[15] Applicant failed to submit documentation reflecting that the agreed monthly payments of $212.53 were made upon the termination of the forbearance.

SOR ¶ 1.b. – This is a credit card with an unpaid, past-due balance of $2,085 that was sold to a debt purchaser who increased the unpaid balance to $2,470.[16] Applicant contended that he and the creditor had agreed to a repayment plan and that he was making monthly payments of $130 to $150 under the plan.[17] While he did submit a homepage download of the creditor's debt management program,[18] he failed to submit documentation reflecting either the plan or that the agreed monthly payments were being made.

SOR ¶¶ 1.c. and 1.d. – This is a federal tax lien in the amount of $15,383.19 that was filed against Applicant and his wife on April 20, 2013.[19] Applicant allegedly owed an unspecified amount of federal income tax for the tax years 1999, 2000, 2004, 2005, 2008, 2010, 2011, and 2012. Evidence of Applicant's purported income tax liability for the various tax years is incomplete and confusing, for it relies solely on submissions from Applicant and the OPM report of investigation failed to address the issue. There is no evidence that Applicant owes the IRS any money for the tax years 1999, 2000, 2004, 2005, 2008, or 2012. For the tax year 2009, Applicant should have paid $9,011, but he only had $8,701 withheld. He was credited with an $800 payment, but that meant there was an overpayment by him of $490, and that overpayment was credited to another tax year.[20] For the tax year 2010, Applicant should have paid $8,419, but he had $10,033 withheld. A refund of $2,414 was issued to him. However, a 2013 review of his income for the year resulted in an assessment of additional taxes and interest.[21] For the tax year 2011, Applicant should have paid $21,766, and he had only $17,819 withheld. He paid $100 with his income tax return, leaving an unpaid tax of $3,847. He was subsequently assessed penalty for late payment of tax and interest on the late payment.[22]

[15] Item 2 (Loan Details, undated).

[16] Item 8, *supra* note 12, at 4.

[17] Item 5, *supra* note 2, at 7; Item 5 (Personal Subject Interview), *supra* note 14, at 3.

[18] Item 2 (Homepage Download with handwritten notes, undated).

[19] Item 10, *supra* note 12; Item 8, *supra* note 12, at 1.

[20] Item 5 (Account Transcript, dated July 30, 2013), reflecting actions taken on April 15, 2010.

[21] Item 5 (Account Transcript, dated July 30, 2013), reflecting actions taken in April 2011 and May 2013.

[22] Item 5 (Account Transcript, dated July 30, 2013), reflecting actions taken in April and May 2012.

On December 19, 2012, the IRS issued a Notice of Intent to Levy, but as of January 7, 2013, the notice had still been unclaimed.[23] As noted above, the federal tax lien was filed in April 2013. On June 26, 2013, Applicant submitted a request to the IRS seeking a direct debit installment agreement, and in August 2013, that request was finally approved. Under the installment agreement, the IRS was authorized to deduct up to $900 from Applicant's checking account on the 28th of each month.[24] Applicant contends the monthly payments were made from September 28, 2013 through December 2014.

The subsequent scenario offered by Applicant is confusing. He claimed that on December 5, 2014, he requested by phone that the payment dates be moved from the 15th of each month to the 25th of each month because his wife's payroll cycle had changed.[25] It is unclear why such a move was necessary because the payment date according to the IRS was already the 28th of each month. The IRS customer service agent approved the change, and Applicant was advised that no payment was due for January 2015, with the next payment scheduled for February 25, 2015. The IRS scenario differed, and it stated that Applicant had contacted the IRS on January 5, 2015, not December 5, 2014.[26] Unfortunately there was still a disconnection, and the IRS repeatedly submitted debit attempts in January 2015 causing, what Applicant claims, were over $350 in overdraft fees.[27] On February 12, 2015, he submitted a claim for reimbursement of bank charges.[28] The IRS agreed that there was an error on its part and agreed to support a partial reimbursement of bank charges.[29] The installment agreement was apparently cancelled when the January 2015 payment was not made. Applicant sought to have it reinstated, and apparently was successful, for he resumed making payments to the IRS. An $800 payment was debited from his new bank account on September 25, 2015.[30]

While Applicant did not submit a current Personal Financial Statement reflecting his net monthly income, his estimated monthly expenses, his total debt payments, or any monthly remainder available for discretionary spending or savings, he did submit two Statements of Earnings for two pay periods in 2013. His net earnings for the period January 1, 2013 through June 1, 2013, were $26,779.99.[31]

---

[23] Item 5 (Account Transcript), *supra* note 22.

[24] Item 5 (IRS Letter, dated August 12, 2013).

[25] Item 2 (Letter, dated February 10, 2015); Item 2 (Letter, dated February 12, 2015).

[26] Item 2 (IRS Letter, dated March 2015).

[27] Item 2 (Letter, dated February 10, 2015), *supra* note 25; Item 2 (Letter, dated February 12, 2015), *supra* note 25.

[28] Item 2 (Claim for Reimbursement of Bank Charges, dated February 12, 2015).

[29] Item 2 (IRS Letter), *supra* note 26.

[30] Item 2 (Account Details & Transactions, dated September 25, 2015).

There is no evidence that Applicant ever received financial counseling. While the documentary evidence is sketchy, it appears that Applicant was in the process of resolving his delinquent accounts well before the SOR was issued. Applicant's financial problems are under control and his financial status has improved significantly.

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."[32] 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."[33]

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."[34] 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,

---

[31] Item 5 (Statement of Earnings, dated May 24, 2013); Item 5 (Statement of Earnings, dated June 10, 2013).

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

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

[34] "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).

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.[35]

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."[36]

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."[37] 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 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.

[35] *See* ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005).

[36] *Egan*, 484 U.S. at 531.

[37] *See* Exec. Or. 10865 § 7.

Similarly, under AG ¶ 19(c), "a history of not meeting financial obligations" may raise security concerns. Applicant's significant financial problems arose in 2010 when he had insufficient money to maintain all of his monthly payments. He was apparently forced to prioritize his bills, and various accounts became delinquent. Some of those accounts, both SOR and non-SOR, were placed for collection. Student loans went into default. A federal income tax lien was filed. 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."[38]

AG ¶¶ 20(a), 20(b), 20(c), and 20(d) partially apply. The nature, frequency, and recency of Applicant's somewhat isolated financial difficulties since about 2010 facilitate the conclusions that those financial issues were rather infrequent, and that they occurred under such circumstances that they are unlikely to recur. Applicant's financial problems were not caused by his frivolous or irresponsible spending, and he did not spend beyond his means. Instead, those financial problems were largely beyond his control. Applicant described his situation as a middle class, two-income family, living day-to-day, caring for the family and meeting their obligations. Things changed when, six months after accepting a new position, Applicant's wife was laid off from her job. She remained unemployed for one and one-half years. When the family's two incomes diminished to one income, finances became tight, and a variety of accounts became delinquent. In an effort to preserve their home, in January 2010, Applicant filed for bankruptcy under Chapter 13 of the U.S. Bankruptcy Code. The following year,

[38] 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)).

Applicant's wife returned to work making a salary that was substantially more than she had previously made. Applicant cancelled the bankruptcy action and, instead, decided to handle his debts conventionally. The significance of the unproven allegations of unpaid income taxes for the tax years 1999, 2000, 2004, 2005, 2008, and 2012 is unexplained.

Applicant never shied away from his fiscal responsibilities. He did not ignore his creditors. Instead, he initiated a good-faith effort to repay his overdue creditors and set upon a course to resolve his debts. He resolved a number of the non-SOR accounts and entered into repayment plans well before the SOR was issued. Applicant was unable to make payments on the student loans while his Chapter 13 bankruptcy was still active, and they fell into default. Eventually, his and his wife's student loans were consolidated and salvaged from the default status. They were placed into a forbearance status in August 2012, and they remained in that status until November 30, 2015. In other words, they were not delinquent when several of the credit reports or the SOR were issued. Although Applicant agreed to make monthly payments of $212.53 upon the termination of the forbearance, he failed to submit any documentation, other than his handwritten notes, to support his claim.

The federal income tax lien in the amount of $15,383 involved insufficient income taxes withheld or paid during tax years 2010 and 2011, the period of Applicant's most significant financial difficulties. Applicant had received a refund for the tax year 2009. He also initially received a rather large refund for the tax year 2010, but a subsequent reassessment recalculated his tax liability. He had insufficient taxes withheld for the tax year 2011. In June 2013 – nearly two and one-half years before the SOR was issued – Applicant sought a direct debit installment agreement with the IRS. Such an agreement was finally instituted in August 2013, and routine monthly payments were made. Things were messed up through miscommunication and erroneous advice received from the IRS, and the installment agreement was modified and reinstituted. In fact, Applicant made an $800 payment three days before the SOR was issued.

Applicant's remaining delinquent account is also being addressed. He contends he has a repayment plan and is making payments under that plan. Unfortunately, he failed to submit documentation reflecting either the existence of the plan or that agreed payments have been made. He has no other delinquent accounts. Applicant's financial problems are under control and his financial status has improved significantly. While Applicant may not have enjoyed the benefit of financial counseling, he appears to have acted prudently and responsibly. Applicant's actions, under the circumstances confronting him, no longer cast doubt on his current reliability, trustworthiness, or good judgment.[39]

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

[39] *See* ISCR Case No. 09-08533 at 3-4 (App. Bd. Oct. 6, 2010).

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.

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.[40]

There is some evidence against mitigating Applicant's conduct. Applicant failed to make his monthly payments on a variety of accounts, and they became delinquent. In January 2010, Applicant filed for bankruptcy under Chapter 13 of the U.S. Bankruptcy Code. He later cancelled the bankruptcy. His student loans fell into default status. Because Applicant failed to timely pay his federal income taxes, in April 2013, the IRS filed a tax lien, in the amount of $15,383.19, against Applicant.

The mitigating evidence is more substantial and compelling. Applicant served honorably with both the U.S. Marine Corps and the Army National Guard. He has held a secret security clearance since March 2012. He has been serving as a security officer with his current employer since June 2011. He was formerly a deputy sheriff. There is no evidence of misuse of information technology systems, mishandling protected information, substance abuse, or criminal conduct. Applicant's financial problems were not caused by his frivolous or irresponsible spending, and he did not spend beyond his means. Rather, they were largely beyond his control. Applicant's student loans were eventually retrieved from default and went into forbearance. He had and still has a direct debit installment agreement with the IRS. He has a repayment agreement with his remaining delinquent account. There are clear indications that Applicant's financial problems are being resolved and are under control. He resolved a number of accounts and entered into repayment plans well before the SOR was issued.

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

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

[40] *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. June 2, 2006).

> 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.[41]

Applicant has demonstrated a "meaningful track record" of debt reduction and elimination efforts, and he started to do so years before the SOR was issued. Nevertheless, because Applicant is currently in the process of resolving his student loan accounts and his federal income tax lien, this decision should serve as a warning that Applicant's failure to continue his debt resolution efforts pertaining to those remaining accounts, or the actual accrual of new delinquent debts, will adversely affect his future eligibility for a security clearance.[42]

Overall, the evidence leaves me without questions or 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:

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

[42] While this decision should serve as a warning to Applicant as security officials may continue to monitor his finances, this decision, including the warning, should not be interpreted as a conditional eligibility to hold a security clearance. The Government can re-validate Applicant's financial status at any time through credit reports, investigation, and interrogatories. Approval of a security clearance now does not bar the Government from subsequently revoking it, if warranted. "The Government has the right to reconsider the security significance of past conduct or circumstances in light of more recent conduct having negative security significance." Nevertheless, the Defense Office of Hearings and Appeals (DOHA) has no authority to attach limiting conditions, such as an interim, conditional, or probationary status, to an applicant's security clearance. *See, e.g.*, ISCR Case No. 10-06943 at 4 (App. Bd. Feb. 17, 2012) (citing ISCR Case No. 10-03646 at 2 (App. Bd. Dec. 28, 2011)). *See also* ISCR Case No. 06-26686 at 2 (App. Bd. Mar. 21, 2008); ISCR Case No. 04-03907 at 2 (App. Bd. Sep. 18, 2006); ISCR Case No. 04-04302 at 5 (App. Bd. June 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).

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

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