



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



In the matter of:

Applicant for Security Clearance

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ISCR Case No. 15-00646

Appearances

For Government: Douglas R. Velvel, Esquire, Department Counsel

For Applicant: *Pro se*

03/28/2017

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 August 16, 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 February 12, 2016, the Department of Defense (DOD) Consolidated Adjudications Facility (CAF) issued a Statement of Reasons (SOR) to him, under 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 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

¹ GE 1 (e-QIP, dated August 16, 2012).

reasons why the DOD adjudicators were unable to find that it is clearly consistent with the national interest to grant or continue a security clearance for Applicant. The SOR recommended referral to an administrative judge to determine whether a clearance should be granted, continued, denied, or revoked.

Applicant received the SOR on March 2, 2016. On March 14, 2016, he responded to the SOR and requested a hearing before an administrative judge. Department Counsel indicated the Government was prepared to proceed on April 6, 2016. The case was assigned to me on June 6, 2016. A Notice of Hearing was issued on June 28, 2016. I convened the hearing as scheduled on July 12, 2016.

During the hearing, four Government exhibits (GE) 1 through GE 4, and six Applicant exhibits (AE) A through AE F, were admitted into evidence without objection. Applicant testified. The transcript (Tr.) was received on July 20, 2016. I kept the record open to enable Applicant to supplement it. He took advantage of that opportunity and timely submitted additional documents, which were marked and admitted as AE G through AE L, without objection. The record closed on August 2, 2016.

Findings of Fact

In his Answer to the SOR, Applicant admitted only one of the factual allegations pertaining to financial considerations (¶ 1.d.) of the SOR. Applicant's admissions and 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:

Applicant is a 43-year-old employee of a defense contractor. He has been a material handler with the company since August 2004. He was previously an electronic technician with another company from June 2002 until February 2003. He is a 1991 high school graduate. He received an associate's degree in 1993. He never served in the U.S. military. It is unclear if he actually holds a secret security clearance, but he believes he does so. Applicant has never been married. He has one son (born in 1998).

Financial Considerations²

Applicant was laid off in February 2003, and unemployed until August 2004, during which time he drew upon his savings and unemployment compensation to sustain himself. It is unclear when he first began experiencing significant financial difficulties to the extent that accounts frequently became delinquent. Some individual accounts became delinquent for various periods, but, for the most part, he subsequently brought most of them current. Applicant did not dispute his debts, and he acknowledged that he simply overspent. He did not tie them to circumstances that were beyond his control,

² General source information pertaining to the financial accounts discussed below can be found in the following exhibits: GE 1, *supra* note 1; GE 3 (Combined Experian, TransUnion, and Equifax Credit Report, dated August 22, 2012); GE 2 (Equifax Credit Report, dated January 6, 2015); GE 4 (Personal Subject Interview, dated October 16, 2012); Applicant's Answer to the SOR, dated March 14, 2016. More recent information can be found in the exhibits furnished and individually identified.

although he did attribute some of his financial problems to assisting his son's mother when she lost her job. Although he had never received financial counseling, Applicant reached out to his known creditors, including those not alleged in the SOR, in an effort to resolve his delinquent debts.

The SOR identified nine purportedly delinquent debts that had been placed for collection as reflected by his August 2012 credit report³ or his January 2015 credit report.⁴ Several of the accounts alleged in the SOR appear to be duplicates or separate versions of the same account. Some of the accounts have been paid off or otherwise settled, some are in the process of being resolved, and a few accounts remain in an ambiguous status. The account numbers listed in the credit reports are inconsistent, with some listings only offering the first two numerical digits, some a string of numbers without the final few digits, and even others with completely different numbers associated with the collection agent, rather than the original creditor. Those debts and their respective current status, according to the credit reports, other evidence submitted by the Government and Applicant, and Applicant's comments regarding same, are described below:

(SOR ¶ 1.a.): This is an unspecified type of bank account, thought to be a credit card, with an unpaid past-due balance of \$4,947 that was placed for collection.⁵ Applicant contended that in 2012 he established a repayment plan and paid the creditor, the identity of which he could not always remember, and he disputed the credit report listing because he had already resolved the account.⁶ The account is not listed in his March 2016 credit report,⁷ or any of his June 2016 credit reports.⁸ Applicant failed to submit documentation, such as the repayment agreement, receipts, or cancelled checks to support his contentions. In the absence of such documentation, it remains unclear if the account has been resolved.

(SOR ¶ 1.b.): This is a bank credit card account with a \$2,232 credit limit and an unpaid and past-due balance of \$2,638 that was placed for collection, charged off, and sold to a debt purchaser. The debt purchaser increased the unpaid balance to \$3,007.⁹ Applicant contended that in 2012 he established a repayment plan and paid the creditor, and he disputed the credit report listing because he had already resolved the account.¹⁰ The account is not listed in his four 2016 credit reports. Applicant failed to submit

³ GE 3, *supra* note 2.

⁴ GE 2, *supra* note 2.

⁵ GE 3, *supra* note 2, at 8; GE 2, *supra* note 2, at 1.

⁶ Tr. at 31-33.

⁷ AE A ((Combined Experian, TransUnion, and Equifax Credit Report, dated March 2, 2016).

⁸ AE D (Experian Credit Report, dated June 21, 2016); AE E (Equifax Credit Report, dated June 27, 2016); AE F (TransUnion Credit Report, dated June 28, 2016).

⁹ GE 3, *supra* note 2, at 5, 8; GE 2, *supra* note 2, at 2.

¹⁰ Tr. at 33.

documentation, such as the repayment agreement, receipts, or cancelled checks to support his contentions. In the absence of such documentation, it remains unclear if the account has been resolved.

(SOR ¶ 1.c.): This is a bank credit card account with a \$1,712 credit limit and an unspecified unpaid and past-due balance that was placed for collection, charged off, and sold to a debt purchaser.¹¹ The debt purchaser acknowledged that the credit limit was \$1,713, but reported that the unpaid and past-due balance was initially \$2,284 and subsequently \$2,538.¹² Applicant contended that in 2012 he established a repayment plan and paid the creditor, and he disputed the credit report listing because he had already resolved the account.¹³ The account is not listed in his four 2016 credit reports. Applicant failed to submit documentation, such as the repayment agreement, receipts, or cancelled checks to support his contentions. In the absence of such documentation, it remains unclear if the account has been resolved.

(SOR ¶ 1.d.): This is a bank credit card account (incorrectly alleged in the SOR to have been opened with a particular bank when the actual bank was an unaffiliated one with a completely different name) with a \$1,259 credit limit and an unpaid and past-due balance of \$1,781 that was placed for collection, charged off, and sold to a debt purchaser.¹⁴ The debt purchaser acknowledged that the credit limit was \$1,259, but reported that the unpaid and past-due balance was initially \$2,219 and subsequently \$2,222.¹⁵ Applicant contended that he established a repayment plan and paid the debt purchaser.¹⁶ The account is listed in only one of his four 2016 credit reports as unpaid, but not listed in the other two credit reports.¹⁷ Applicant failed to submit documentation, such as the repayment agreement, receipts, or cancelled checks to support his contentions. In the absence of such documentation, it remains unclear if the account has been resolved.

(SOR ¶¶ 1.e. and 1.i.): These are two different snapshots of the same bank credit card account with an unspecified credit limit, a high credit of \$3,822, and an unpaid and past-due balance of \$1,586 that was placed for collection, charged off, and sold in turn to two different debt purchasers.¹⁸ The most recent debt purchaser obtained a \$4,647.45 judgment against Applicant, and that amount was garnished from his wages until March

¹¹ GE 3, *supra* note 2, at 7-8; GE 2, *supra* note 2, at 2.

¹² GE 3, *supra* note 2, at 8; GE 2, *supra* note 2, at 2.

¹³ Tr. at 33.

¹⁴ GE 3, *supra* note 2, at 8; GE 2, *supra* note 2, at 2; AE A, *supra* note 7, at 12; Tr. at 38. It appears that Applicant may have been confused by the SOR error, for, in light of that error, he claimed that the accounts alleged in SOR ¶¶ 1.b. and 1.d. are the same. They are not the same. See AE J (Letter, dated July 15, 2016).

¹⁵ AE A, *supra* note 7, at 12; GE 2, *supra* note 2, at 2.

¹⁶ Tr. at 37.

¹⁷ AE A, *supra* note 7, at 12.

¹⁸ GE 3, *supra* note 2, at 10, 12; GE 2, *supra* note 2, at 2.

2016. A Satisfaction of Judgment was issued on March 3, 2016.¹⁹ The account has been resolved.

(SOR ¶ 1.f.): This is a bank overdraft account with an unpaid balance of \$276 that was placed for collection and charged off.²⁰ Applicant contended that he proved that it was a bank error, and the matter was resolved without having to pay any money.²¹ The account is not listed in any of his four 2016 credit reports.²² Applicant failed to submit documentation from the bank to support his contentions. In the absence of such documentation, it remains unclear if the account has been resolved.

(SOR ¶ 1.g.): This is a child support account with an unpaid balance of \$1,515 that was placed for collection in 2006.²³ Applicant contended that he and the child's mother disagreed regarding the status of the account, and that it never went to collection.²⁴ However, in March 2016, the Bureau of the Fiscal Service, U.S. Department of the Treasury, offset \$1,195 from Applicant's income tax refund to resolve the debt.²⁵ The account is not listed in his 2015 or any of his four 2016 credit reports. Applicant's Payment Coupon reflects a required normal monthly payment of \$473.²⁶ It also reflects a past-due amount of \$1.75, essentially a *de minimus* amount. The account has been resolved.

(SOR ¶ 1.h.): This is a bank credit card account with a \$575 credit limit and an unpaid and past-due balance of \$1,116 that was placed for collection, charged off, and sold to a debt purchaser.²⁷ The debt purchaser reported that the unpaid and past-due balance was initially \$1,116.²⁸ Applicant contended that he established a repayment plan and paid the debt purchaser.²⁹ Applicant's 2015 and March 2016 credit reports both reflect a zero balance.³⁰ The account is not listed in any of his other 2016 credit reports. The account has been resolved.

¹⁹ AE B (Satisfaction of Judgment, dated March 3, 2016); AE H (Better Business Bureau Report, undated).

²⁰ GE 3, *supra* note 2, at 6; GE 2, *supra* note 2, at 2.

²¹ Tr. at 41.

²² AE A, *supra* note 7, at 12.

²³ GE 3, *supra* note 2, at 6.

²⁴ Tr. at 42-43.

²⁵ AE C (Offset Notice, dated March 9, 2016).

²⁶ AE L (Payment Coupon, dated August 15, 2016).

²⁷ GE 3, *supra* note 2, at 7, 10; GE 2, *supra* note 2, at 3; AE A, *supra* note 7, at 11, 15.

²⁸ GE 3, *supra* note 2, at 7.

²⁹ Tr. at 44.

³⁰ GE 2, *supra* note 2, at 3; AE A, *supra* note 7, at 11, 15.

In July 2016, Applicant submitted a Personal Financial Statement reflecting a family net monthly income of \$2,974; monthly expenses of \$1,815.58; and a monthly remainder of \$1,158.42 available for saving or spending. He also listed \$1,400 in savings, \$1,250 in a checking account, and \$12,000 in retirement accounts.³¹ Applicant was aware that because of his delinquencies, his credit was not good. Over a period of three or four years, he contacted his creditors and collection agents in an effort to resolve his debts. He settled a number of debts and paid off others. He no longer has any delinquent accounts. During that rehabilitation period, he changed some of his practices. Applicant now refuses to mess up his credit any more.³² He keeps a budget to track his expenses.³³ Applicant has made substantial progress in resolving his delinquent accounts, including several that were not alleged in the SOR. It appears that Applicant's financial status has improved significantly, and that his financial problems are finally under control.

Character References

A friend who has known Applicant since they were in high school in 1990, is very supportive of him. She characterized him as loyal, caring, reliable, dependable, considerate, empathetic, trustworthy, strong by resolve, a man of faith whose behavior is consistent with his beliefs, authentic, and sincere. She noted that Applicant volunteers for, and participates in, various civic activities in the community.³⁴ An educator who has known Applicant for nearly three years, is also enthusiastic in supporting his application. She commented on Applicant's integrity, kindness, generosity, strong sense of duty, and his tenacity. She has seen him working on resolving his financial issues for several years by establishing payment plans and paying off unresolved debt. He "is, in short, a good person."³⁵

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."³⁶ 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."³⁷

³¹ AE G (Personal Financial Statement, dated July 31, 2016).

³² Tr. at 46.

³³ Tr. at 27.

³⁴ AE I (Character Reference, undated).

³⁵ AE K (Character Reference, dated July 30, 2016).

³⁶ *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988).

³⁷ Exec. Or. 10865, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960), as amended and modified.

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."³⁸ The Government initially has the burden of producing evidence to establish a potentially disqualifying condition under the Directive, and has the burden of establishing controverted facts alleged in the SOR. Once the Government has produced substantial evidence of a disqualifying condition, under Directive ¶ E3.1.15, the applicant has the burden of persuasion to present evidence in refutation, explanation, extenuation or mitigation, sufficient to overcome the doubts raised by the Government's case. The burden of disproving a mitigating condition never shifts to the Government.³⁹

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."⁴⁰

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."⁴¹ Thus, nothing in this

³⁸ "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).

³⁹ See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005).

⁴⁰ *Egan*, 484 U.S. at 531.

⁴¹ See Exec. Or. 10865 § 7.

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. Similarly, under AG ¶ 19(c), a "history of not meeting financial obligations" may raise security concerns. Applicant's financial problems initially arose at some point in 2003, and increased during an early portion of the following year. Accounts became delinquent, with some placed for collection or charged off. One account went to judgment. 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."⁴² In addition,

⁴² The Appeal Board has previously explained what constitutes a good-faith effort to repay overdue creditors or otherwise resolve debts:

AG ¶ 20(e) may apply where “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.”

AG ¶¶ 20(a), 20(b), 20(c), and 20(d) all partially apply. AG ¶ 20(e) does not apply. Applicant was unemployed from February 2003 until August 2004, during which time he drew upon his savings and unemployment compensation to sustain himself. Although some individual accounts became delinquent for various periods, for the most part, he subsequently brought most of them current. Applicant did not dispute his debts, and he acknowledged that he simply overspent. Despite that acknowledgment, there is little evidence that Applicant’s financial problems were caused by frivolous or irresponsible spending. He did not tie his delinquent debts to circumstances that were beyond his control, although he did attribute some of his financial problems to assisting his son’s mother when she lost her job. Although he had never received financial counseling, Applicant reached out to his known creditors, including those not alleged in the SOR, in an effort to resolve his delinquent debts.

Notwithstanding the absence of documentation supporting Applicant’s contentions regarding his settling or paying a number of SOR-related debts, it is significant that those debts are no longer listed in a variety of his recent (2015 and 2016) credit reports. It is well-settled that adverse information from a credit report can normally meet the substantial evidence standard and the government’s obligations under ¶ E3.1.14 for pertinent allegations.⁴³ At that point, the burden shifts to Applicant to establish either that he is not responsible for the debt or that matters in mitigation apply. Applicant contended he paid off or otherwise resolved a number of accounts, and while there is minimum documentation supporting his contentions, most of the accounts lack that documentation. The absence of documentation can be difficult to overcome, but in this instance, Applicant has clearly resolved some accounts. Given his reputation for integrity, reliability, and dependability, the absence of the accounts he claimed he resolved from his most recent credit reports, and my assessment of his credibility, I conclude that those accounts have been resolved.

Of the nine, or actually eight, SOR-related accounts, Applicant clearly resolved three (or four, counting the duplication) accounts. The status of five of the accounts

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)).

⁴³ See, e.g., ISCR Case No. 03-20327 at 3 (App. Bd. Oct. 26, 2006).

remains unclear because of the absence of documentation. There are no other delinquent accounts in his most recent 2016 credit reports. While he never received financial counseling, Applicant's financial status has improved significantly. Applicant's successful efforts actually reflect that he acted prudently and responsibly. Applicant's actions, under the circumstances confronting him, no longer cast doubt on his current reliability, trustworthiness, and good judgment.⁴⁴

Whole-Person Concept

Under the whole-person concept, the administrative judge must evaluate an applicant's eligibility for a security clearance by considering the totality of the applicant's conduct and all the circumstances. The administrative judge should consider the nine adjudicative process factors listed at AG ¶ 2(a):

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

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.⁴⁵

There is some evidence against mitigating Applicant's conduct. Applicant failed to maintain his normal monthly payments regarding a number of his accounts, and a number of them became delinquent and were placed for collection or charged off. One judgment was filed against him.

The mitigating evidence under the whole-person concept is more substantial. There is no evidence of misuse of information technology systems or mishandling protected information. Applicant is a well-respected citizen who is active in his community. When he lost his job in early-2003, he was unable to make all of his monthly payments. Accounts became delinquent, but for the most part, he managed to resolve most of them. He chose not to ignore his delinquent debts. Also, he was candid in reporting delinquent accounts in his e-QIP. It appears that the last delinquent debts were those included in the SOR. Of those SOR-related accounts, to date, Applicant clearly resolved three (or four,

⁴⁴ See ISCR Case No. 09-08533 at 3-4 (App. Bd. Oct. 6, 2010).

⁴⁵ 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).

counting the duplication) accounts. The status of five of the accounts remains unclear because of the absence of documentation. There are no other delinquent accounts in his most recent 2016 credit reports. Applicant did not simply promise to address his debts, he actually did so.⁴⁶

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 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.⁴⁷

Applicant has demonstrated a “meaningful track record” of debt reduction and elimination efforts. He keeps track of his expenses and maintains a budget. Overall, the evidence leaves me without questions or doubts as to Applicant’s security worthiness. 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

Subparagraphs 1.a through 1.i:

For Applicant

⁴⁶ The Appeal Board has indicated that promises to pay off delinquent debts in the future are not a substitute for a track record of paying debts in a timely manner and otherwise acting in a financially responsible manner. ISCR Case No. 07-13041 at 4 (App. Bd. Sept. 19, 2008) (citing ISCR Case No. 99-0012 at 3 (App. Bd. Dec. 1, 1999)).

⁴⁷ ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008) (internal citations omitted).

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