



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



In the matter of:)
)
) ISCR Case No. 15-06052
)
Applicant for Security Clearance)

Appearances

For Government: Robert J. Kilmartin, Esq., Department Counsel
For Applicant: *Pro se*

08/29/2016

Decision

MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant has a history of delinquency on routine living expenses because of her unemployment, low income, and ongoing medical expenses for her oldest son. On workers' compensation since April 2016, she lacks the income presently to address her debts, which total approximately \$10,000. She is incurring no new debt that could compromise her finances further. Her debt is not so excessive to deny her the clearance that she needs to pay it. Clearance is granted.

Statement of the Case

On April 19, 2016, the Department of Defense Consolidated Adjudications Facility (DOD CAF) issued a Statement of Reasons (SOR) to Applicant, detailing the security concerns under Guideline F, financial considerations, and explaining why it was unable to find it clearly consistent with the national interest to grant or continue security clearance eligibility for her. The DOD CAF took the action under 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.

On May 11, 2016, Applicant answered the SOR allegations and requested a hearing before an administrative judge from the Defense Office of Hearings and Appeals (DOHA) if the information she provided was not sufficient for a favorable determination. On July 14, 2016, the case was assigned to me to conduct a hearing to determine whether it is clearly consistent with the national interest to grant or continue a security clearance for her. On July 22, 2016, I scheduled a hearing for August 9, 2016.

I convened the hearing as scheduled. Four Government exhibits (GEs 1-4) and six Applicant exhibits (AEs A-F) were admitted into evidence without objection. Applicant testified, as reflected in a transcript (Tr.) received on August 18, 2016.

Summary of SOR Allegations

The SOR alleges under Guideline F that Applicant owes financial judgments of \$1,083 (SOR ¶ 1.a) and \$788 (SOR ¶ 1.b); \$2,162 in charged off electric utility debt (SOR ¶ 1.c); \$2,064 in electric utility debt in collection (SOR ¶ 1.e); \$1,188 in wireless phone debt in collection (SOR ¶ 1.f); \$1,066 in cable telecommunications debt in collection (SOR ¶ 1.g); and unidentified collection debts of \$3,214 (SOR ¶ 1.d), \$794 (SOR ¶ 1.h), \$126 (SOR ¶ 1.i), \$206 (SOR ¶ 1.j), and \$199 (SOR ¶ 1.k). Applicant provided a detailed response to the SOR in which she denied the legitimacy of the judgment in SOR ¶ 1.a, explaining that the creditor delivered home heating oil to a residence she had vacated. Applicant indicated that the creditor in SOR ¶ 1.b was a former landlord and that she would inquire about the judgment debt. She denied owing the electricity debt in SOR ¶ 1.c, the natural gas debt in SOR ¶ 1.e (which she believed was from a gas leak, but evidence shows was likely an earlier gas heating debt from 2009), and the cable debt in SOR ¶ 1.g. Applicant admitted the cell phone debt in SOR ¶ 1.f. She neither admitted nor denied the unidentified collection debts in SOR ¶¶ 1.d and 1.h-1.k because she did not recognize them. Applicant cited periods of unemployment, low income, and costs associated with the care of her son, who has mental health issues diagnosed in 2008.

Findings of Fact

After considering the pleadings, exhibits, and transcript, I make the following findings of fact.

Applicant is a 50-year-old high school graduate with a certificate from a community college awarded in June 1997. Her first marriage of only two years was annulled in November 1987. Applicant then had three sons from another relationship. She raised her sons, now ages 27, 26, and almost 25, with some help from her family. A subsequent marriage in December 1998 ended in divorce in November 1999. (GEs 1, 2; AEs B, C.)

Applicant worked part-time as needed in an administrative/technical support position in state government for a local housing authority from July 2000 to August 2005. In August

2005, she began working about 25 hours a week as an office manager for a structural engineering company. (Tr. 63.) She left the job in August 2007 because of unwanted sexual advances and was unemployed until April 2008. She collected unemployment compensation during that time. (GE 1; AEs B, C.)

Applicant then worked full-time for a caterer from approximately May 2008 to June 2008, when she resigned due to conflicts with her manager. Applicant was employed in retail clothing sales for a couple of months, but she resigned when her oldest son began having mental health issues. (AE B.) Due to her low income caused by inconsistent employment, Applicant became seriously delinquent on some accounts. A MasterCard account opened by Applicant in November 2007 was charged off for \$2,151 in August 2008 and placed for collection (SOR ¶ 1.d). In November 2008, an electric utility provider charged off her account for \$2,162 (SOR ¶ 1.c).

Applicant began working in purchasing for a construction company around September 2008. She earned \$6,144 during the first couple of months in 2009 before being laid off. Applicant collected unemployment compensation totaling \$3,619 for about six months in 2009. (GEs 1, 2; AE C; Tr. 60-61.) Credit reports show that a former landlord obtained a \$788 judgment against her in May 2009 (SOR ¶ 1.b). In July 2009, a home heating oil provider obtained a \$1,083 judgment against Applicant (SOR ¶ 1.a). (GE 3.) Between 2008 and 2010, Applicant paid out-of-pocket costs for her son's mental health medication. His insurance through the state did not cover the cost, and she did not realize that her son's father should have kept him on his insurance. (Tr. 63-64.)

In August 2009, Applicant secured a contract secretarial position through a temporary agency with a defense contractor (contractor #1). (GE 1.) On August 28, 2009, Applicant certified to the accuracy of a Questionnaire for National Security Positions (SF 86) for a DOD secret clearance.¹ Applicant was presumably granted an interim clearance because the evidence shows that the DOD adjudicated her security clearance eligibility favorably on April 7, 2010. (AE D.) According to the supervisor of subcontracts, Applicant performed her secretarial responsibilities in an exemplary manner. (AE A.) Applicant took in approximately \$20,791 in total income in 2009, of which \$17,172 was earned income. (Tr. 60-61.) In March 2010, she lost her job when her position was eliminated due to budget constraints. (AE A.)

Applicant was unemployed until November 2010, when she began working full time as an administrative assistant. (Tr. 68-69.) In February 2011, her position was eliminated due to an office merger. Applicant worked for a couple of restaurants as part-time wait staff until July 2011 and as part-time counter help at a delicatessen from September 2011 to August 2012. (GE 1; AE C.) She had surgery in March 2012 and collected unemployment

¹ The copy of the SF 86 submitted by Applicant (AE B) is incomplete. Among the missing pages are those that would contain the financial record inquiries. It cannot be determined whether she listed any financial delinquencies on that form. About her failure to disclose her delinquencies on her 2012 SF 86, Applicant indicated that the form is very confusing and that it is not clear whether a box has been checked until it is finished. She added that she does not think that she would have told the truth in 2009 and then lied in 2012 and 2014. She would have lied on her first application if she was going to lie. (Tr. 78.)

while working part time. (GE 2; Tr. 70.) Around that time, her oldest son developed an opiate addiction from a legal prescription that led to non-covered costs for his Suboxone medication.²

In August 2012, Applicant was placed by a company in a contract position with contractor #1. To renew her security eligibility, she completed an SF 86 on August 15, 2012. Applicant responded negatively to inquiries concerning any delinquencies involving enforcement, including any financial judgments in the last seven years, and to inquiries involving any routine delinquencies. However, she added the following comment regarding section 26:

I have been out of work since I got laid off in February, which was then followed by surgery in March; recovery was 8 weeks' time. So my finances are all behind and I am trying to get current each week since I started working. (GE 1.)

On September 27, 2012, Applicant was interviewed by an authorized investigator for the Office of Personnel Management (OPM). When reviewing her SF 86, Applicant responded affirmatively about whether she had been over 120 days delinquent on any debts in the last seven years and whether any bills had been placed for collection. Applicant also indicated that she had credit cards suspended and charged off. Applicant was asked about several collection debts that were apparently on her credit record, including the debts in SOR ¶¶ 1.j-1.k, which Applicant thought were medical bills but she was not sure. She did not dispute the debts in SOR ¶ 1.c (\$2,162 for electric services from November 2008), SOR ¶ 1.d (credit card debt from 2008 charged off) SOR ¶ 1.f (\$1,187 for cell phone service from 2011), and SOR ¶ 1.g (\$1,065 for cable television from 2008). She did not dispute SOR ¶ 1.e (\$2,064 for natural gas from 2009), but indicated that she was contesting a separate debt of \$2,779 with the creditor from a gas leak. Applicant did not dispute that she owed rent to a former landlord (SOR ¶ 1.b).³ Applicant described her current financial situation as better because she had become employed full time in August 2012 and was earning enough to pay her monthly expenses. She expressed her intent to attempt to resolve her debts. (GE 2.) Applicant earned \$11,097 from August 2012 through December 2012 for her work in a classified vault at contractor #1. (Tr. 59.)

In March 2013, Applicant again found herself out of work when the contract for her services at contractor #1 ended. Her background investigation was closed without an adjudication of her security clearance eligibility.⁴ (AE D.) She collected unemployment at

² Applicant testified that with help from her family, she has paid about \$4,000 per month for his medications from 2010 or 2011 to 2015. (Tr. 66-68.) However, she told an OPM investigator in April 2015 that she had previously paid her son's medical costs in the amount of \$1,500 a month. (AE D.)

³ The report of subject interview (GE 2) indicates that Applicant did not dispute the amount owed of \$5,099. Credit reports in evidence show that the creditor was issued a judgment of only \$788. (GEs 3, 4.)

⁴ Apparently, the subcontractor either failed to monitor Applicant's security clearance eligibility to ensure that she was cleared to work within a security vault at defense contractor #1 or knew that Applicant's security clearance was pending adjudication and did not inform its customer. (Tr. 36.)

approximately \$200 a week (Tr. 57-58) until October 2013 when she found work with an electrician business. She was laid off in March 2014 and unemployed until October 2014, when she began working part time at \$10 an hour at a delicatessen for some income. (AE D; Tr. 57.)

On December 19, 2014, Applicant completed an SF 86 to work for defense contractor #2.⁵ She indicated that she was disputing the debt from the natural gas leak in that charges should not have been assessed against her as a tenant. She responded negatively to financial record inquiries concerning any delinquencies, but also commented that she was behind on her finances because of her lack of steady employment since 2009 and costs for her son's medication that depleted her savings. She added that she was hoping to secure steady employment that would allow her to rectify her financial issues. Applicant reported on her SF 86 that she had a DOD secret clearance granted to her in August 2012. (AE C; Tr. 36.) However, OPM records do not reflect a favorable adjudication in August 2012. (AE D.)

Applicant started working as a full-time administrative assistant at \$23 an hour with defense contractor #2 in December 2014, apparently with the understanding that she held an interim security clearance. (Tr. 18, 56.) A check of Applicant's credit on January 6, 2015, revealed two unsatisfied judgments of \$1,083 (SOR ¶ 1.a) and \$788 (SOR ¶ 1.b) from 2009; a \$2,162 charge-off debt for electricity (SOR ¶ 1.c); and eight collection debts totaling \$8,857 (SOR ¶¶ 1.d-1.k), including a disputed \$1,066 debt for cable television services. (GE 3.) Record checks during her latest background investigation showed that the collection agency identified in SOR ¶ 1.d purchased the MasterCard debt in October 2010. As of May 2015, the balance was \$3,226. The investigator verified that Applicant still owed the balances in SOR ¶¶ 1.c and 1.e-1.g. However, the court could not find any record of the \$1,083 judgment (SOR ¶ 1.a) in its computer records. (AE D.)

On April 8, 2015, Applicant was interviewed at work by an authorized investigator for the OPM. Applicant indicated that she had received a bill of approximately \$3,000 from a natural gas provider following a gas leak. She was planting flowers in the yard in 2011 or 2012 and hit a gas line. She was disputing the debt because she does not own the property. Applicant denied any other financial delinquencies.⁶ She was then confronted about the past-due debts on her credit record, including the collection accounts. Applicant expressed no awareness of the details and disagreed with the amounts, but she would check her credit to determine how to proceed toward clearing any valid delinquency. She

⁵ The Government apparently did not have a copy of Applicant's latest SF 86 in its file.

⁶ Applicant testified discrepantly that she alerted the investigator to her debts (Tr. 41), but the investigator's report substantiates her claim only with respect to the debt for the natural gas leak, which appears to be a different debt than that alleged in SOR ¶ 1.e. The debt in SOR ¶ 1.e is reported as a collection debt assigned in April 2012 with a last activity date of June 2009. (GE 3.) Applicant testified that she was living at her current address when she hit the gas line. (Tr. 42.) According to her 2012 (GE 1) and 2014 (AE C) security clearance applications, she moved to her current address around October 2010. (GE 1.) So, either the date of last activity on the account is wrong or the gas bill in SOR ¶ 1.e is a different debt. It is noted that when she was interviewed in September 2012, Applicant was asked about two different accounts with the utility provider. She admitted owing \$2,064 for prior service (SOR ¶ 1.e) but not the second unalleged debt of \$2,779.

denied receiving any bills for any of the accounts. Applicant maintained that she was paying her bills on time, which included \$1,500 in out-of-pocket monthly medical expenses for her son.⁷ (AE D.) On April 13, 2015, Applicant executed releases authorizing the OPM to investigate the delinquencies on her record. (AE F.)

On April 20, 2016, Applicant obtained her credit report, which listed only the collection debts of \$2,064 (SOR ¶ 1.e) and \$1,188 (SOR ¶ 1.f) and the \$1,083 judgment (SOR ¶ 1.a). (AE E.) Applicant has made no progress toward resolving those debts or any of the delinquencies that no longer appear on her credit report because of a lack of income.

Applicant earned approximately \$30,000 in 2015 from her work at defense contractor #2. (Tr. 56.) She indicated that she had to leave her job in late April 2016 because of a lack of clearance needed to perform her duties. Applicant testified that she would be recalled to her job if her security clearance was adjudicated favorably.⁸ (Tr. 12-13.) Applicant then testified discrepantly that she has been paid workers' compensation at \$600 a week, about half her regular pay, since April 2016 from injuring her neck in February 2015. (Tr. 71-72, 76.) Apparently, stress aggravated a preexisting injury. (Tr. 75.)

At her hearing in August 2016, Applicant disputed the \$1,083 and \$788 judgments (SOR ¶¶ 1.a and 1.b). Regarding the default judgment for home heating oil (SOR ¶ 1.a), she testified that she had her service at a prior residence on automatic fill-up, had notified the creditor in advance that she was moving, and the creditor nonetheless filled the oil tank after she moved. (Tr. 45-47.) Applicant provided no documentation to corroborate her claimed notification to the creditor, but available residence information indicates that she lived at the address at issue from December 2006 to October 2008. (GE 1.) As for the \$788 judgment awarded a former landlord, she explained that she has lived in low income housing since 1994 and the housing authority had no record of that debt. According to Applicant, she would not have been allowed to enter into a lease at another location if she owed money from a previous rental. (Tr. 45.) Applicant asserted that she has made payment arrangements with her utility providers (Tr. 19), but she provided no evidence about the arrangements. Applicant presumed that the electric utility debt in SOR ¶ 1.c and the gas bill in SOR ¶ 1.e are the same debt, but she was not certain. (Tr. 49-50.) She recently submitted a dispute about the utility debt in SOR ¶ 1.e with the service provider. (Tr. 53.) Applicant did not dispute the \$1,188 cell phone debt in SOR ¶ 1.f. She testified, "That's a bill that I had that I have to pay, pay monthly for." She indicated that she was not currently able to make monthly payments until she returns to work. (Tr. 51.) Applicant maintained that she satisfied the \$1,066 cable television debt in SOR ¶ 1.g when she returned the equipment. (Tr. 51.) Applicant apparently made some attempt to verify the collection debts in SOR ¶¶ 1.h-1.k (Tr. 52), but she did not elaborate about her efforts

⁷ Applicant submitted in evidence the report of her latest subject interview (AE D). It is unclear whether the Government had that report in its file. It was operating off a previous SF 86 and submitted only the report of Applicant's September 2012 interview. However, both the Government (GE 3) and the Applicant (AE D) submitted her credit report dated January 6, 2015.

⁸ I retained jurisdiction to determine Applicant's security clearance eligibility based on the defense contractor's intent to recall Applicant to her position if the decision is favorable.

other than to indicate that she signed releases for the OPM investigator in April 2015. (AE F.)

Applicant's oldest son still lives with her. According to Applicant, he does not leave the house. (Tr. 54.) She has not used any credit cards in years and has no open credit card accounts, although her recent credit report of April 2016 shows some credit inquiries by a couple of credit card companies in 2015. (AE F.) Applicant has no funds left over after she pays her bills. When she received her income tax refund of approximately \$3,000 for 2015, she had \$4,900 in the bank, but the funds have been depleted in the four months that she has been out of work. (Tr. 75-76.)

Policies

The U.S. Supreme Court has recognized the substantial discretion the Executive Branch has in regulating access to information pertaining to national security, emphasizing that "no one has a 'right' to a security clearance." *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). 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 are required to 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 overall 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 national 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 that the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation about potential,

rather than actual, risk of compromise of classified information. Section 7 of Executive Order 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 *also* EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

Analysis

Guideline F, Financial Considerations

The security concerns about financial considerations are set forth 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.

All the delinquencies alleged in the SOR are listed on Applicant’s January 6, 2015 credit report (GE 3). In ISCR Case No. 08-12184 at 7 (App. Bd. Jan. 7, 2010), the Appeal Board explained:

It is well-settled that adverse information from a credit report can normally meet the substantial evidence standard and the government’s obligations under [Directive] ¶ E3.1.14 for pertinent allegations. At that point, the burden shifts to applicant to establish either that she is not responsible for the debt or that matters in mitigation apply.

(internal citation omitted). Applicant had two unpaid financial judgments of \$1,083 (SOR ¶ 1.a) and \$788 (SOR ¶ 1.b) on her credit record. She does not deny that a default judgment was obtained by a home heating company (SOR ¶ 1.a), but she contests the validity of the debt because the company filled the oil tank after she had vacated the premises. In September 2012, Applicant affirmed the judgment debt in SOR ¶ 1.b owed a previous landlord, although she reportedly checked with the housing authority, who could not confirm the judgment. The OPM investigator was unable to verify the judgment in SOR ¶ 1.a in the court’s computer records when searched under Applicant’s name in 2015, but it was still on her credit record as of April 2016. The judgment in SOR ¶ 1.b no longer appears on her credit record.

The evidence clearly shows that Applicant has had some difficulty meeting her routine expenses. She owes electric utility debts of \$2,064 from June 2009 (SOR ¶ 1.e) and \$2,162 from November 2008 (SOR ¶ 1.c). Applicant speculated at her hearing that those two debts were the same, but the creditors are two competing utility providers in her state and the account numbers, dates of delinquency, and balances do not match. Moreover, Applicant admitted owing both debts when she was interviewed by an OPM

investigator in September 2012. Record checks conducted during Applicant's latest background investigation clearly show the \$3,124 collection debt in SOR ¶ 1.d is a credit card debt that had been charged off in August 2008 for \$2,121. Applicant admitted in September 2012 that she had a credit card account with a high credit of \$2,151 that had been charged off and closed by the bank. The past-due balance of \$1,188 for cell phone service (SOR ¶ 1.f) is not disputed by Applicant. As for the \$1,066 cable television debt from 2008 was assigned for collection in July 2013, Applicant submits that the debt was satisfied when she returned the equipment. Her credit report shows that the account was in dispute as of November 2014. It does not appear on her more recent credit reports. Both the SOR and credit reports are not specific with respect to identifying the creditors that placed the debts in SOR ¶¶ 1.h through 1.k for collection. The validity of the debts is not sufficiently established in the record. Two disqualifying conditions, AG ¶ 19(a), "inability or unwillingness to satisfy debts," and AG ¶ 19(c), "a history of not meeting financial obligations," are sufficiently established with respect to the judgment in SOR ¶ 1.a and the debts in SOR ¶¶ 1.c-1.g to place the burden on Applicant of showing extenuating circumstances or mitigation to overcome the Government's prima facie case of Guideline F security concerns.

Mitigating condition AG ¶ 20(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," applies in that most of the delinquencies are from 2008 and 2009. Only the cell phone debt with last activity in November 2011 is more recent.

AG ¶ 20(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," is applicable in that her financial problems are largely due to inconsistent employment, low income when she was employed, and medical costs for her son not covered by insurance. The evidence is conflicting about her payments of her son's medical costs. She indicated in April 2015 that she was previously paying her son's out-of-pocket medical costs at \$1,500 a month. She testified at her hearing in August 2016 that the medical expenses averaged \$4,000 a month from 2010 or 2011 to 2015. She received some financial assistance from her parents for the medical expenses, which could explain the discrepancy. It is difficult to accurately assess the extent to which her finances were compromised without some documentation of the medical expenses incurred and dates and amounts of payment. That being said, she has faced some difficult life circumstances that have reasonably taken priority over resolving her old debts.

Neither AG ¶ 20(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," nor AG ¶ 20(d), "the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts," is fully established in this case. Apart from apparently returning the cable television equipment (SOR ¶ 1.g), Applicant has made little effort, if any, to address delinquencies that she has known about since 2012.

Whole-Person Concept

Under the whole-person concept, the administrative judge must consider the totality of an applicant's conduct and all relevant circumstances in light of the nine adjudicative process factors in AG ¶ 2(a).⁹ The analysis under Guideline F is incorporated in my whole-person analysis. Some of the factors in AG ¶ 2(a) were addressed under that guideline, but some warrant additional comment.

This case has some troubling aspects, including the status of Applicant's security clearance eligibility when she worked as a subcontractor in a classified vault. Whether because of problems completing the forms electronically, ignorance of her own financial situation, or intentional omission, Applicant completed SF 86 forms that do not accurately reflect her record of delinquency. Even so, the concerns in this case are largely financial.

The Government must be assured that Applicant accepts responsibility for her legitimate obligations and is doing what she can to address them. She is now confused about some accounts that she had previously recognized in 2012. For example, she testified that she made repayment arrangements with both creditors named in SOR ¶¶ 1.c and 1.e (Tr. 19), but she later indicated that they were the same debt and that it pertained to the gas leak (Tr. 49) when the evidence does not bear that out. Her dispute with the creditor awarded the \$1,038 judgment does not relieve her of her obligation to either pay the debt or attempt to have the judgment vacated.

In all fairness to Applicant, she has faced some difficult life circumstances that have of necessity demanded her focus. She appears to be living within her limited means. She has not used any credit cards in some time and is not incurring debt that could compromise her finances further. Her income of \$30,000 from her employment with the defense contractor in 2015 went to catch up on bills. Since learning on receipt of the SOR that her outstanding delinquencies were of concern to the DOD, she has not been in a position financially to address them. Her workers' compensation income has been about half of what she would have earned had she been working. She cannot reasonably be expected to give priority to repaying her old debts over necessities for herself and her son during this period. She appeared willing to make monthly payments toward the cell phone debt in SOR ¶ 1.f when she is financially able to do so. There is no evidence of active collection efforts, which does not relieve her of her obligation to pay legitimate debts, but as a practical matter, it reduces the risk of her having to engage in illegal acts to generate funds. There is no information in the record about her work performance for defense contractor #2.

⁹ The factors under AG ¶ 2(a) are as follows:

(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.

However, she demonstrated an ability to handle multiple tasks in a high volume, stressful environment at defense contractor #1. She is not seen as likely to jeopardize her employment that she needs to support herself and her son and to address the issues of concern to the DOD because of delinquent debt around \$10,000. After considering all the facts and circumstances, including the considerable financial impact caused by factors outside of her control, I find it is clearly consistent with the national interest to grant or continue security clearance eligibility for Applicant.

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
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Subparagraphs 1.a-1.k:	For Applicant
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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 or continue Applicant's eligibility for a security clearance. Eligibility for access to classified information is granted.

Elizabeth M. Matchinski
Administrative Judge