



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



In the matter of:	)	
	)	
(Redacted)	)	ISCR Case No. 15-08642
	)	
Applicant for Security Clearance	)	

**Appearances**

For Government: Carroll J. Connelley, Esq., Department Counsel  
For Applicant: *Pro se*

07/28/2017

**Decision**

MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant's record of delinquency includes federal and state income taxes from 2011 and student loan debts exceeding \$50,000. He has been granted some relief through a Chapter 7 bankruptcy discharge in December 2015, but his student loans are not dischargeable. He has yet to show that he can handle his personal finances responsibly. Clearance is denied.

**Statement of the Case**

On June 8, 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 him. The DOD CAF took the action under Executive Order (EO) 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 for Determining Eligibility for Access to Classified Information* (AG) effective within the DOD on September 1, 2006.

On July 15, 2016, Applicant answered the SOR allegations and requested a decision on the written record. On August 11, 2016, the Government requested a hearing before an administrative judge from the Defense Office of Hearings and Appeals (DOHA). On March 2, 2017, 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 Applicant. On March 9, 2017, I scheduled a hearing for March 29, 2017.

I convened the hearing as scheduled. Five Government exhibits (GEs 1-5) and four Applicant exhibits (AEs A-D) were admitted into evidence without objection. Applicant testified, as reflected in a transcript (Tr.) received on April 7, 2017.

While this case was pending a decision, Security Executive Agent Directive 4 was issued establishing the National Security Adjudicative Guidelines (AG) applicable to all covered individuals who require initial or continued eligibility for access to classified information or eligibility to hold a sensitive position. The AG supersede the adjudicative guidelines implemented in September 2006 and are effective for any adjudication made on or after June 8, 2017. Accordingly, I have adjudicated Applicant's security clearance eligibility under the new AG.<sup>1</sup>

### **Summary of Pleadings**

The SOR alleges under Guideline F that Applicant filed a voluntary Chapter 7 bankruptcy petition in September 2015 (SOR ¶ 1.a), listing \$66,495 in federal income taxes (SOR ¶ 1.b) and \$9,756 in state income taxes (SOR ¶ 1.c) for tax year 2011; unsecured, nonpriority debts of \$105,749 (SOR ¶ 1.d); and \$207,890 in secured debt (SOR ¶ 1.e). He was granted a Chapter 7 bankruptcy discharge in December 2015 that did not discharge his repayment liability for his federal and state income taxes. Additionally, Applicant allegedly filed a Chapter 7 bankruptcy petition in February 1998 and was granted a discharge in June 1998 (SOR ¶ 1.f).

When Applicant answered the SOR, he disputed the income tax debts in that they had been discharged in his 2015 Chapter 7 bankruptcy. He explained that his 1998 bankruptcy was to discharge debts that accumulated because his then spouse refused to work. Regarding the income tax debts, they were incurred because he cashed in stock from a previous job and could not afford to pay the tax liability. In 2012, he and his now spouse lost their jobs on the same day, and while both eventually found work, they decided to file for the Chapter 7 bankruptcy that discharged his consumer credit debts and income taxes but not his student loans. (Answer.)

### **Findings of Fact**

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

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<sup>1</sup> Application of the AGs that were in effect as of the issuance of the SOR would not change my decision in this case.

Applicant is a 46-year-old outside electrician with an associate degree awarded in September 2009. (GEs 1, 5; Tr. 37.) He graduated from high school in June 1989. He has been employed by a defense contractor since mid-June 2015. (GE 2; Tr. 74.)

Applicant was married to his first wife from July 1991 to June 2000. Applicant was young and financially irresponsible. (Tr. 30.) On February 26, 1998, Applicant and his first wife filed a joint Chapter 7 bankruptcy for approximately \$15,000 in credit card debt that was discharged on June 4, 1998. (GE 4; Tr. 39-40.) He trusted her to pay their debts and claims that he did not know they were delinquent until it was too late. (Tr. 39.) He admits that it should have been a learning experience for him but that it was not. (Tr. 42.)

Applicant entered on active duty in the U.S. military in July 1989. He only served until May 1990, when he was granted an honorable discharge, apparently for medical reasons. (Tr. 37-38.) The evidentiary record does not include any details about his employment from May 1990 until May 1997, when he became employed as a "caster." (GEs 1-2.)

Applicant married his second wife in May 2004. Over the next few years, he opened several consumer credit accounts, including an automobile loan of \$21,682. Applicant purchased a home, obtaining in February 2006 a mortgage loan for \$254,968. (GEs 1-3.)

According to Applicant, he attended a technical institute from November 2008 to September 2009. However, his credit report shows that he obtained student loans between December 2006 and October 2007. (GEs 1, 3.)

While he was in school, Applicant worked as an electrician apprentice from August 2008 to August 2009. Applicant was unemployed for one year after he graduated from the technical institute. He collected unemployment compensation and was supported by his second wife. (Tr. 52.) Around June 2010, he and his second wife separated, and he began cohabiting with his current spouse in her home, although they did not marry until August 2013. (GE 1.) She has two children, who were 21 and 22 and still living at home as of March 2017. (Tr. 39, 68.)

In 2011, Applicant cashed in stock assets of \$165,000 to help his parents, who were about to retire, and his cohabitant girlfriend (now spouse), who was about to lose her home. (Tr. 30-32, 42.) He gave his parents approximately \$60,000, his then girlfriend \$15,000, his sister \$10,000, and an unrecalled amount to his brother. (Tr. 33, 43-44.) He also satisfied a \$7,000 credit card debt. (Tr. 44.) As a result of cashing in his stocks, Applicant incurred federal and state income taxes that he knew he could not pay. (GE 1; AEs B, D; Tr. 30-31, 42-43.) In December 2012, the IRS issued a tax lien against Applicant for \$49,752 for tax year 2011. (AE D.) The state issued a tax lien in 2013, although the amount of the lien is not in evidence. (AE B.) Applicant testified without corroboration that the IRS put him on its "unable to collect list" because of his financial situation. Also uncorroborated, he testified that he made four or five \$100 payments to the state, which was more aggressive in its collection efforts than the IRS and demanded more than he could pay. (Tr. 46-47.)

In April 2012, the mortgage lender holding the loan for the home Applicant shared with his second wife initiated foreclosure proceedings against the loan. In September 2012, the mortgage loan was paid for less than its full balance through a short sale of the property. (GEs 2, 3; Tr. 60.)

Applicant held a full-time job as a security guard from August 2010 to August 2012 when he was terminated, he asserts wrongly, for leaving his post unattended. He found work as a security guard in September 2012, but he left the job over a pay dispute with an account manager in November 2012. (GE 2.) Apparently, Applicant and his spouse lost their jobs on the same day. (Tr. 33, 52.) Applicant was unemployed until February 2014. During part of that time, from November 2013 until May 2014, he attended schooling to become a tractor-trailer driver. He supported himself with his spouse's help, but he defaulted on his student loans, an automobile loan, and three credit card debts. (GEs 1-3.)

In February 2014, Applicant regained employment as a security guard at \$9 an hour. In May 2014, he left the job for a security guard position at \$12 hourly with another employer. He was still employed in that job when he applied for a full-time position with a defense contractor. (GE 1; Tr. 74.)

For his employment in the defense industry, Applicant completed and certified to the accuracy of a Questionnaire for National Security Positions (SF 86) on May 21, 2015. In response to the financial record inquiries, Applicant indicated that he had not paid about \$8,500 in state income taxes and \$55,000 in federal income taxes for tax year 2011 incurred when he cashed in his stocks. Concerning any efforts to satisfy the tax debts, Applicant indicated that he was working with an attorney to file for bankruptcy. About any delinquency involving routine accounts in the past seven years, Applicant disclosed that he was in default of his federal student loans of \$8,000 and \$16,000, a private student loan of \$25,000, and on two credit card debts in collection for \$8,500 and \$3,500. (GE 1.) Applicant started his employment with a defense contractor at \$18.47 an hour in mid-June 2015. (Tr. 74.) Applicant's spouse worked part time until July 3, 2015, when she stopped working for medical reasons. (Tr. 75-76.)

On September 9, 2015, Applicant was interviewed by an authorized investigator for the Office of Personnel Management (OPM). About his finances, he indicated that he would be filing for a Chapter 7 bankruptcy on September 10, 2015. Applicant could not provide any information about his total delinquency or about the debts included on his petition. He did not deny that he defaulted on his student loans; that two automobile loans had been charged off, for \$10,566 (his debt) and \$6,779 (spouse's debt); that credit card debts of \$7,312, \$1,493, and \$1,172 were past due; and that an Internet/phone debt of \$628 and a cell phone debt of \$1,119 were delinquent. He attributed his delinquency to lack of funds caused by unemployment or underemployment. (GE 2.) He also owed insurance debts, nine of them totaling approximately \$3,000, because of his spouse, who kept switching insurance companies to find a better deal. (Tr. 49-50.)

On September 30, 2015, Applicant and his spouse filed a Chapter 7 bankruptcy petition after having received credit counseling. They listed \$207,890 in secured claims,

which consisted primarily of her home, which was valued at \$182,700, less than what she owed on the mortgage. Unsecured priority claims consisted of joint automobile taxes for 2011-2013 of \$1,514, Applicant's federal (\$66,495) and state (\$9,756) income taxes for tax year 2011, and \$368 in non-resident state taxes. They listed \$105,749 in unsecured nonpriority claims, which included Applicant's credit card delinquencies of \$1,172, \$7,312, and \$660; his student loan debts of \$16,827, \$17,690, and \$16,480; the deficiency balances of \$10,566 on his car loan; and some insurance, cell phone, and utility debts. Applicant reported monthly take-home income of \$2,238 from his defense contractor employment. His spouse was unemployed but seeking disability status. (GE 5.) On December 29, 2015, Applicant and his spouse were granted a Chapter 7 discharge. (AE A.) The bankruptcy discharge relieved Applicant of legal repayment liability for his listed debts, including his federal and state income taxes from 2011, but not his student loan debts. On February 18, 2016, the IRS released the tax lien filed in December 2012. (AE D.) On April 22, 2016, the state released its tax lien. (AE B.)

In February 2016, Applicant obtained an automobile loan at 18% interest. He bought a vehicle in an effort to reestablish his credit. Applicant testified without corroboration that he has been current on his \$420 monthly payments. (Tr. 35-36.) Additionally, he tried to arrange for small payments of his private student loan for \$17,690, but the lender would not work with him. In approximately July 2016, he began making \$5 monthly payments toward rehabilitating his student loan debt with the state of \$16,480, which is in collections. (Tr. 34, 58.) He testified that his federal loan debt of \$16,827 is in good standing, but presented no documentation in that regard and admitted that he was not making any payments on the debt as of March 2017. (Tr. 57-59.) According to Applicant, his spouse had been granted social security disability but had yet to receive any disability income. (Tr. 66.) They had no savings and about \$400 in checking deposits. (Tr. 69.) He earns \$22.15 an hour in his defense contractor job. (Tr. 74.) He has taken on more responsibility to ensure that household bills are paid. (Tr. 85.)

## **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(a), 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 national security eligibility will be resolved in favor of the 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 EO 10865 provides that decisions shall be “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” See *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 articulated in AG ¶ 18:

Failure 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 or sensitive information. Financial distress can also be caused or exacerbated by, and thus can be a possible indicator of, other issues of personnel security concern such as excessive gambling, mental health conditions, substance misuse, or alcohol abuse or dependence. An individual who is financially overextended is at greater risk of having to engage in illegal or otherwise questionable acts to generate funds. Affluence that cannot be explained by known sources of income is also a security concern insofar as it may result from criminal activity, including espionage.

An applicant is not required to be debt free, but is required to manage his finances in a way as to exhibit sound judgment and responsibility. Applicant was granted Chapter 7 bankruptcy discharges in 1998 (SOR ¶ 1.f) and in 2015 (SOR ¶ 1.a). As a legal means to address debts, bankruptcy does not necessarily reflect poor financial judgment, especially

if filed to address unforeseen medical debt or other financial obligations caused by circumstances outside of one's control. However, Applicant's bankruptcies were filed to relieve himself of repayment liability for consumer credit debts and tax liabilities. Concerning his 1998 bankruptcy, Applicant admits that he accumulated approximately \$15,000 in credit card debt during his first marriage because he was young and financially irresponsible. Applicant and his current spouse's 2015 bankruptcy includes credit card delinquencies, car loan deficiency balances, defaulted student loans, and some \$76,251 in past-due income tax liabilities from 2011.

Even so, with respect to the 2015 bankruptcy, the SOR is duplicative in separately alleging the filing (SOR ¶ 1.a) and the debts listed on the petition (*i.e.*, his income tax liabilities from 2011 in SOR ¶¶ 1.b and 1.c; the unsecured claims in SOR ¶ 1.d; and the secured claims in SOR ¶ 1.e). SOR ¶ 1.a is resolved in Applicant's favor as bankruptcy is a legal remedy that does not raise security concern separate from the delinquencies. The \$207,890 in secured debt includes \$2,890 in water and sewer taxes, but most of the debt is his spouse's legal liability (her house). SOR ¶ 1.e is therefore resolved in his favor.

However, the Government met its burden of establishing by substantial evidence a record of financial delinquency which raises security concerns under disqualifying conditions AG ¶ 19(a), "inability to satisfy debts;" AG ¶ 19(c), "a history of not meeting financial obligations;" and AG ¶ 19(f), "failure to file or fraudulently filing annual Federal, state, or local income tax returns or failure to pay annual Federal, state, or local income tax as required." Applicant has legal liability for most of \$105,749 in unsecured nonpriority debts (SOR ¶ 1.d). Of the \$78,133 in unsecured priority claims, Applicant owes \$76,351 in income tax liabilities for tax year 2011 (SOR ¶¶ 1.b and 1.c).

Applicant has the burden of presenting evidence of explanation, extenuation, or mitigation to overcome the security concerns raised by his record of delinquency. Under the AG effective for any adjudication on or after June 8, 2017, a record of consumer credit and tax delinquency may be mitigated under one or more of the following conditions under ¶ 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;
- (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, a death, divorce or separation, clear victimization by predatory lending practices, or identity theft), and the individual acted responsibly under the circumstances;
- (c) the person has received or is receiving counseling for the problem from a legitimate and credible source, such as a non-profit credit counseling service, and there are clear indications that the problem is being resolved or is under control;

(d) the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts; and

(g) the individual has made arrangements with the appropriate tax authority to file or pay the amount owed and is in compliance with those arrangements.

The delinquencies that were discharged by Applicant's bankruptcy in 1998 occurred so long ago to partially implicate AG ¶ 20(a). However, his old bankruptcy is part of a persistent pattern of financial problems that continues to cast doubt on Applicant's judgment and reliability.

During his interview with the OPM investigator, Applicant attributed his recent financial problems to lack of income caused by underemployment or unemployment. A loss of employment for reasons other than misconduct is a circumstance that could trigger AG ¶ 20(b), and Applicant was unemployed for one year after he was laid off in August 2009. Applicant had another lengthy unemployment from November 2012 to February 2014, which could also implicate AG ¶ 20(b). Yet, it is difficult to fully apply AG ¶ 20(b) when he left his job in November 2012 over a pay dispute with his account manager. He had cashed in stocks for \$165,000 in 2011. Even accounting for the funds that he gifted to relatives, he should have had approximately \$80,000 remaining to cover his own debt obligations. Low income was certainly a factor in his lack of progress in resolving his debts between February 2014 and June 2015. Applicant earned only \$9 an hour from February to May 2014 and then \$12 an hour until June 2015, when he began working for his current employer. His hourly wage in his defense contractor job has increased from \$18.47 initially to \$22.15 presently. In lieu of arranging for repayment of his debts, he chose to file for a Chapter 7 bankruptcy, knowing that his creditors would have no recourse in the event of a discharge.

AG ¶ 20(c) has some applicability because some of his delinquent debts have been discharged in bankruptcy. He is no longer legally liable to repay those debts subject to the discharge, which apparently includes his income tax debts from 2011. Title 11, Section 727 of the United States Code, provides in pertinent part:

(b) Except as provided in section 523 of this title, a discharge under subsection (a) discharges the debtor from all debts that arose before the date of the order for relief under this chapter, and any liability on a claim that is determined under section 502 of this title as if such claim had arisen before the commencement of the case. . . .

Under Section 523(a)(1), an individual debtor is not discharged from any debt for a tax or customs duty under the following circumstances:

(A) of the kind and for the periods specified in section 507(a)(3) or 507(a)(8) of this title whether or not a claim for such tax was filed or allowed;



(B) with respect to which a return, or equivalent report or notice, if required—

(i) was not filed or given; or

(ii) was filed or given after the date on which such return, report, or notice was last due, under applicable law or under any extension, and after two years before the date of the filing of the petition; or

(C) with respect to which the debtor made a fraudulent return or willfully attempted in any manner to evade or defeat such tax.

Under § 507(a)(8) income taxes have eighth priority with respect to claims. An unsecured claim for a tax on income is allowed if the return for that tax year, including extensions, was last due “after three years before the date of the filing of the petition,” and if the tax was assessed within 240 days before the petition was filed unless there is stay of proceedings against collections. There is no evidence that Applicant filed late returns for tax year 2011. The IRS and state tax authority released the liens after his Chapter 7 discharge.

Nevertheless, neither the release of the federal and state tax liens nor Chapter 7 bankruptcy relief qualifies as adherence to a “good-faith effort to repay overdue creditors” under AG ¶ 20(d) or compliance with arrangements to repay taxes under AG ¶ 20(g). A Chapter 7 bankruptcy does not demonstrate the same indicia of financial responsibility as had Applicant made regular debt payments. The Appeal Board has previously explained what constitutes a good-faith effort to repay overdue creditors or otherwise resolve debts under AG ¶ 20(d):

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) 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)). While Applicant is no longer legally liable for repayment of his income tax debts, he exhibited questionable judgment in handling his tax liabilities.

Furthermore, although Applicant has alleviated some of his financial stress through bankruptcy, his student loans survived the bankruptcy. Section 523(a)(8) of the United States Bankruptcy Code provides that student loans are not dischargeable:

(8) unless excepting such debt from discharge under this paragraph would impose an undue hardship on the debtor and the debtor's dependents, for—

(A)(i) an educational benefit overpayment or loan made, insured, or guaranteed by a governmental unit, or made under any program funded in whole or in part by a governmental unit or nonprofit institution; or

(ii) an obligation to repay funds received as an educational benefit, scholarship or stipend; or

(B) any other educational loan that is a qualified education loan, as defined in section 22(d)(1) of the Internal Revenue Code of 1986, incurred by a debtor who is an individual.

Applicant owes more than \$50,000 in defaulted student loan debt. He indicated in response to the SOR in July 2016 that he was working with his lenders to restore his loans to good standing. He testified in March 2017 that he had paid \$5 a month toward his state student loan for the past eight months. Applicant also claimed that his federal student loan debt was “in good standing.” Yet, he admitted that he was not making any payments on his federal student loan debt. At the same time, he has apparently been paying \$420 a month on a car loan obtained in February 2016 to reestablish his credit. His failure to make resolution of his student loans a priority does not inspire confidence that he will repay his student loans. Applicant lacks a meaningful track record of debt repayment that could provide some guarantee of timely student loan payments in the future. He has yet to persuade me that he can be counted on to handle his finances responsibly. The financial considerations security concerns are not mitigated.

## **Whole-Person Concept**

In the whole-person evaluation, 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(d).<sup>2</sup> Some of the factors in AG ¶ 2(d) were addressed under Guideline F, but some warrant additional comment.

Applicant has a long history of financial mismanagement, as evidenced by his bankruptcy discharges in 1998 and 2015. He now blames his first wife and his current wife for their failure to pay bills on time. However, the responsibility for his large tax debts and

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<sup>2</sup> The factors under AG ¶ 2(d) 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.

for his student loans solely belongs to him. A person who fails to meet his financial obligations in so many aspects (taxes, utilities, insurance, student loans, and credit cards) may also be irresponsible, unconcerned, negligent, or careless in properly handling and safeguarding classified information. Security clearance decisions are not intended to punish applicants, but rather involve an evaluation of an applicant's current judgment, reliability, and trustworthiness in light of the security guidelines in the Directive. See ISCR Case No. 09-02160 (App. Bd. Jun. 21, 2010). Yet, it is well settled that once a concern arises regarding an applicant's security clearance eligibility, there is a strong presumption against the grant or renewal of a security clearance. See *Dorfmont v. Brown*, 913 F. 2d 1399, 1401 (9<sup>th</sup> Cir. 1990.) For the reasons noted above, I conclude that it is not clearly consistent with the national interest to grant Applicant security clearance eligibility.

### **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:	AGAINST APPLICANT
Subparagraph 1.a:	For Applicant
Subparagraphs 1.b-1.d:	Against Applicant <sup>3</sup>
Subparagraph 1.e:	For Applicant
Subparagraph 1.f:	Against Applicant

### **Conclusion**

In light of all of the circumstances, it is not clearly consistent with the national interest to grant Applicant eligibility for a security clearance. Eligibility for access to classified information is denied.

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Elizabeth M. Matchinski  
Administrative Judge

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<sup>3</sup>Even though the federal and state tax liens have been released, security concerns persist because of Applicant's inattention to those debts for several years.