



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



In the matter of:

Applicant for Security Clearance

)
)
)
)
)
)
)

ISCR Case No. 16-02981

Appearances

For Government: Bryan Olmos, Esq., Department Counsel
For Applicant: Allen Edmunds, Esq

03/29/2018

Decision

WESLEY, Roger C., Administrative Judge:

Based upon a review of the pleadings and exhibits, I conclude that Applicant failed to mitigate the security concerns regarding her financial considerations. Eligibility for access to classified information is denied.

Statement of Case

On November 4, 2016, the Department of Defense (DOD) Consolidated Adjudications Facility (CAF) issued a Statement of Reasons (SOR) detailing reasons why DOD adjudicators could not make the affirmative determination of eligibility for a security clearance, and recommended referral to an administrative judge to determine whether a security clearance should be granted, continued, denied, or revoked. The action was taken under Executive Order (Exec. Or.) 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 (AGs) implemented by DOD on September 1, 2006.

The Security Executive Agent, by Directive 4, *National Security Adjudicative Guidelines* (SEAD 4), dated December 10, 2016, superceded and replaced the September 2006 adjudicative guidelines (AGs). They apply to all covered individuals who require initial or continued eligibility for access to classified information or eligibility to hold a sensitive position. Procedures for administrative due process for contractor personnel continue to be governed by DOD Directive 5220.6, subject to the updated substantive changes in the AGs, effective June 8, 2017. Application of the AGs that were in effect when the SOR was issued would not affect my decision in this case.

Applicant responded to the SOR on December 25, 2016, and requested a hearing. The case was assigned to me on June 5, 2017, and scheduled for hearing on August 3, 2017. The Government's case consisted of five exhibits (GEs 1-5). Applicant relied on one witness (herself) and 28 exhibits. (AEs A-BB) The transcript was received on August 15, 2017.

Procedural Issues

Before the close of the hearing, Applicant requested the record be kept open to permit her the opportunity to supplement the record with (a) documented filing of her federal tax returns for tax years 2005-2008 and 2011-2013; (b) an IRS payment summary; and (c) Applicant requests for removal of federal tax liens covering tax years 2014-2016. return. For good cause shown, Applicant was granted 14 days to supplement the record. Department Counsel was afforded seven days to respond.

Within the time permitted, Applicant supplemented the record with (a) federal income tax documentation regarding Applicant's proof of filing her federal tax returns, proof of tax payments; (b) state tax documentation of proof of payments; (c) federal student loan documentation; and (d) a salary review statement covering a salary increase. Applicant's submissions were admitted without objection as AEs CC-FF.

Summary of Pleadings

Under Guideline F, Applicant allegedly (a) incurred federal tax liens for tax years 2014-2016 exceeding \$154,000 in the aggregate; (b) accumulated delinquent mortgage debts of \$11,631 on a \$177,458 mortgage balance; (c) accumulated delinquent federally guaranteed student loans exceeding \$22,000; and (d) accumulated delinquent consumer debts exceeding \$3,000. Applicant's delinquent debts remain unresolved and outstanding.

In her response to the SOR, Applicant denied each of the allegations with explanations. She claimed the allegations made against her do not define who she is as a person. She claimed she is making a good-faith effort to correct all of the financial issues. She claimed she is a trustworthy person and completely understands the responsibility and obligations while holding a security clearance.

In July 2017, Department Counsel amended the SOR to add subparagraph 1.o as follows: On various occasions, Applicant failed to timely file her annual tax returns as

required for tax years 2005-2013. In her response to the amendment, Applicant denied the allegations.

Findings of Fact

Applicant is a 55-year-old master test engineer for a defense contractor who seeks a security clearance. The allegations covered in the SOR were not admitted by Applicant and are reserved for fact-finding based on the developed evidence at hearing.

Background

Applicant married in June 1997 and divorced in September 2002. (GEs 1-2) She has no children from this marriage and two adult children from prior relationships. (GEs 1-2 and AE O; Tr. 26-27) She attended on-line college classes between August 2007 and December 2008 and since August 2014, but has not, to date, earned a degree or diploma. (GEs 1-2) Applicant enlisted in the Navy Inactive Reserve in 2000 and was recalled to active duty from November 2001 to September 2003. (GEs 1-2) She returned to the Navy reserve in 2003 and served for five years before she separated in May 2008. Applicant received her honorable discharge for both her reserve and active duty service in May 2008. (GE 1; Tr. 48-49) She currently draws Veterans Affairs (VA) disability benefits of \$550 a month. (Tr. 48-49)

Since October 2014, Applicant has worked for her current defense contractor. (GEs 1-2) Between June 2009 and September 2014, she worked for another employer as a senior software test engineer. While employed for this contractor, she started her own consulting firm, which she operated continuously between May 2014 and September 2014. (GEs 1-2; Tr. 51-52) Between March 2004 and June 2009, she worked for a defense contractor as software engineer. (GEs 1-2; Tr. 51)

Applicant's finances

Tax records confirm that Applicant failed to timely file her federal income tax returns for tax years 2005-2013. (GEs 1-2 and 5; Tr. 53-62) She attributed her filing lapses and debt delinquencies to health issues marked by various surgeries over a number of years (2004, 2006, and 2015-2016). Her medical records document surgical procedures to address elevated blood pressure and diagnosed bilateral mid-renal artery secular aneurysms. (AE BB) Her listed surgeries include a 2006 hammer toe repair, an abdominoplasty in 2014, a hysterectomy in 2015, and a renal artery aneurysm repair in 2016. Some of her surgeries required brief hospital stays; while others were administered on an outpatient basis. (AE MM)

How Applicant's multiple surgeries affected her ability to work is not clear. (AE BB) She claims to have incurred severe income reductions (from \$100,000 to \$40,000) that materially affected her ability to manage her finances. (Tr. 44) Still, she offered few excuses for her late-filing of her returns for tax years 2005-2013. She did cite to her loss of tax records for 2005 as the result of flooding associated with Hurricane Katrina and her

ensuing relocation. (AE P; Tr. 40-41) This forced her to prepare substitute tax records for use in filing her 2005 federal tax returns. (AE P; Tr. 40-43)

From the documentation produced by Applicant, it is not fully clear when she filed her federal tax returns for tax years 2005-2013. She indicated in her testimony that she filed her returns for these years in 2013 and 2014, albeit without any corroboration to substantiate her assurances. (Tr. 55-63) Her most recent tax preparer confirmed only that his firm filed her federal returns for tax years 2005-2016; he did not specify the dates of filing her respective returns for these years. (AEs H and CC) Without IRS transcripts to work with, exact filing dates cannot be determined. Nor can it be reliably determined whether the IRS approved her late-filed returns without imposed penalties and interest. So, while Applicant may be credited with filing her federal returns for tax years 2005-2013, they cannot be considered either timely nor IRS approved without additional penalties and interest.

Between 2009 and 2015, Applicant retained a number of tax preparers to file her federal and state income tax returns. Beginning in January 2009, she retained a small firm (firm A) to file her 2005-2007 returns. (AE G) Firm A provided a list of information requests for Applicant to address. While it is not clear what information Applicant provided firm A, he apparently never completed and filed her federal tax returns for the 2005-2007 tax years. In January 2013, Applicant retained another firm (firm B) to file her 2009-2010 federal and state returns. (AE K) It is unclear whether this firm filed Applicant's tax returns for these 2009-2010 tax years. Applicant believes firm B filed her returns for these years (Tr. 64-65), but could not provide any details. (Tr. 64-65) Based on firm B's advice, she did make a one-time payment of \$5,000 to the IRS in 2013. (Tr. 70-71)

Sometime in 2015, Applicant engaged another tax preparer (firm C) to file her federal tax returns. (AE CC) Firm C confirmed in an undated letter that it prepared and filed Applicant's federal tax returns for tax years 2005-2016. No dates of retainer or tax return filing were provided by firm C, and it is still unclear whether firm C filed Applicant's tax returns for tax years 2005-2014 before or after she completed her application for a security clearance in May 2015. (GE 1) From the time-line presented by Applicant's retained tax firms for work they performed for Applicant between 2009 and 2013, inferences are clearly warranted that she filed her federal returns for tax years 2005-2014 untimely, and likely after she completed her security application in May 2015. Presumably, the IRS did not waive any late filing penalties or accrued interest for any of the covered tax years.

From the correspondence furnished by the IRS tax advocate working with Applicant and her tax preparer, Applicant completed an installment agreement with the IRS in December 2015 covering tax years 2005-2014. (AEs G, I and CC) Terms of the agreement called for monthly payments of \$500 for February 2016 and monthly payments of \$3,090 thereafter, effective February 2017. (AEs and CC) In May 2017, Applicant completed a revised installment agreement. (AEs M and CC). Scheduled monthly payments under this revised agreement were \$1,311 beginning in June 2017, subject to

change in September 2017 to \$2,414 a month, covering tax years 2005-2014. (AEs M and CC)

Applicant's furnished IRS tax summary credits her with payments between 2006 and 2016 for the covered tax years as follows: 2005 (\$380 received in February 2016); 2006 (\$2,000 received in March-April 2016), 2007 (\$500 received in May 2016); 2008 (\$500 received in February 2017); and 2009 (\$1,086 received in June 2017, \$225 received in June 2017, and \$1,311 received in July 2017). Applicant's IRS tax payments made between February 2016 and July 2017 approximate \$7,922. (AE CC) Additional payments scheduled to be made under her 2015 installment agreement and revised 2017 installment agreement are not documented in her payment summary. With over \$156,000 owing in delinquent federal taxes as of August 14, 2017, and no tax payments documented since June 2017, it remains unclear whether Applicant is in compliance with her installment agreements and how she will be able to negotiate another revised installment agreement to reduce her monthly IRS payments for September 2017 and beyond. With her current cash flow, she will likely need such a payment adjustment to sustain her compliance with her negotiated 2017 installment agreement with the IRS. (AEs I and CC)

Federal tax records confirm the existence of three federal tax liens filed against Applicant: one in June 2014 covering taxes owed in the amount of \$77,528; another in November 2015 covering taxes owed in the amount of \$62,937, and third in February 2016 covering taxes owed in the amount of \$13,837. (GEs 2 and 5) These liens total \$156,096 as of August 2017, and remain outstanding without any clear resolution at this time. (AE CC; Tr. 27-28)

Applicant's historical track record of payments under her federal installment agreements of 2016 and 2017 are relatively brief ones with no documented payments meeting the scheduled minimum monthly payment requirements of her installment agreements since July 2017. With so much owed and with a limited amount of confirmed income to service her IRS installment, mortgage repayment plan, student loans once they become active again, her non-SOR listed state tax installment agreement with monthly obligations (\$1,871 on a carried balance of \$24,216), and her other delinquent accounts listed in the SOR, it is questionable whether Applicant will be able to cover these detailed monthly obligations.

Applicant's personal financial statement that she completed in July 2017 reported net monthly income of \$7,296 on a gross annual salary of \$116,000, monthly expenses of \$1,049, debt servicing of \$5,898 (assuming a monthly IRS payment of \$1,311), and a projected net remainder of \$347. (AE AA; Tr. 27-28) With the calculated jump in her monthly IRS payment in September to \$2,414, she promises to face a major shortfall in her available income and corresponding expenses and debts to service. How Applicant is prepared to address her anticipated income shortfall in the coming months is unclear.

Besides her accrued federal tax debts, Applicant incurred a major delinquency on her mortgage. (GEs 2-4) Credit reports confirm that she became delinquent on her

\$177,458 mortgage in the amount of \$11,631(SOR debt ¶ 1.a) in 2016. (GEs 2-4) She arranged for a repayment plan with the lender in June 2016 that calls for monthly payments of \$2,395. (AE B) Applicant is current in her payments, and the debt is no longer in default. (AEs A-B; Tr. 28-29)

Credit reports also confirm that Applicant became delinquent in her Government-guaranteed student loans. (GEs 2-4) She documented her consolidating her four student loans and obtaining forbearance from the lender on the listed loans totaling \$22,000 (SOR debts ¶¶ 1.b-1.c and 1.g-1.h) in July 2017. (GE 4 and AEs C and EE; Tr. 29-32, 87-90) Under its terms, the forbearance was scheduled to expire in September 2017. (AEs E and CC) New monthly payment terms to commence in August 2017 are set at \$350. (AE CC; Tr. 31-32, 34-35, and 91-92) Applicant scheduled this payment in her personal financial statement and assured she will be able to timely meet her monthly payments as they come due. (AE AA) Her assurances are reasonable ones based on her prepared budget plan.

Other debts in reported delinquent status include a debt (SOR 1.j for \$2,147) related to her student loans, which is consolidated with her student loans. (Tr. 87-88) Alleged delinquent debts covered by SOR ¶¶ 1.i (\$2,934), 1.m (\$261) and 1.n (\$191) are disputed by Applicant, who sent dispute notifications to the credit reporting agencies. (AE Q; Tr. 37-39)

Applicant is current with her other accounts. (Tr. 92-93) A state tax lien (not listed in the SOR) covering accrued state taxes of \$24,216 for tax years 2010-2014 has since been addressed under an installment agreement Applicant arranged with the state's tax authority in 2014. (AEs D, E, N, and DD) Appellant's documentation places her in compliance with her installment agreement. (AE DD; Tr. 32-35)

Character references, awards, and performance evaluations

Applicant is well-regarded by her managers, supervisors and coworkers. (AE Y) They credit her with being dedicated, reliable and trustworthy. Her efforts have earned her promotions and awards recognizing her achievements and contributions. (AEs U and W) Her performance evaluations credit her with outstanding performance in all phases of her work. (AE T) Her recognized contributions to her employer earned her a 2.54% pay raise in 2017. (AE FF)

Policies

The SEAD 4, App. A lists guidelines to be used by administrative judges in the decision-making process covering security clearance cases. These guidelines take into account factors that could create a potential conflict of interest for the individual applicant, as well as considerations that could affect the individual's reliability, trustworthiness, and ability to protect classified information. These guidelines include conditions that could raise a security concern and may be disqualifying (disqualifying conditions), if any, and many of the conditions that could mitigate security concerns.

These guidelines must be considered before deciding whether or not a security clearance should be granted, continued, or denied. The guidelines do not require administrative judges to place exclusive reliance on the enumerated disqualifying and mitigating conditions in the guidelines in arriving at a decision. Each of the guidelines is to be evaluated in the context of the whole person in accordance with App. A, AG ¶ 2(c).

In addition to the relevant AGs, administrative judges must take into account the pertinent considerations for assessing extenuation and mitigation set forth in App. A, AG ¶ 2(d) of the AGs, which are intended to assist the judges in reaching a fair and impartial commonsense decision based upon a careful consideration of the pertinent guidelines within the context of the whole person.

The adjudicative process is designed to examine a sufficient period of an applicant's life to enable predictive judgments to be made about whether the applicant is an acceptable security risk. The following App A, AG ¶ 2(d) factors are pertinent: (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.

Viewing the issues raised and evidence as a whole, the following individual guidelines are pertinent in this case:

Financial Considerations

The Concern: 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 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 acts or otherwise questionable acts to generate funds. . . . AG ¶ 18.

Burden of Proof

By virtue of the principles and policies framed by the AGs, a decision to grant or continue an applicant's security clearance may be made only upon a threshold finding that to do so is clearly consistent with the national interest. Because the Directive

requires administrative judges to make a commonsense appraisal of the evidence accumulated in the record, the ultimate determination of an applicant's eligibility for a security clearance depends, in large part, on the relevance and materiality of that evidence. See *United States, v. Gaudin*, 515 U.S. 506, 509-511 (1995).

As with all adversarial proceedings, the judge may draw only those inferences which have a reasonable and logical basis from the evidence of record. Conversely, the judge cannot draw factual inferences that are grounded on speculation or conjecture.

The Government's initial burden is twofold: (1) it must prove by substantial evidence any controverted facts alleged in the SOR, and (2) it must demonstrate that the facts proven have a material bearing to the applicant's eligibility to obtain or maintain a security clearance. The required materiality showing, however, does not require the Government to affirmatively demonstrate that the applicant has actually mishandled or abused classified information before it can deny or revoke a security clearance. Rather, the judge must consider and weigh the cognizable risks that an applicant may deliberately or inadvertently fail to safeguard classified information.

Once the Government meets its initial burden of proof of establishing admitted or controverted facts, the evidentiary burden shifts to the applicant for the purpose of establishing his or her security worthiness through evidence of refutation, extenuation, or mitigation. Based on the requirement of Exec. Or. 10865 that all security clearances be clearly consistent with the national interest, the applicant has the ultimate burden of demonstrating his or her clearance eligibility. "[S]ecurity-clearance determinations should err, if they must, on the side of denials." See *Department of the Navy v. Egan*, 484 U.S. 518, 531 (1988).

Analysis

Security concerns are raised over Applicant's failure to timely file her federal tax returns for tax years 2005-2013, accrual of federal tax liens covering delinquent taxes exceeding \$156,000, and delinquent debts concerning her mortgage and student loan delinquencies and other smaller debts.

Financial Concerns

Applicant's failure to timely file federal tax returns for multiple years and her incurring of delinquent federal and state taxes for the years in issue warrant the application of three of the disqualifying conditions (DC) of the Guidelines: DC ¶¶ 19(a), "inability to satisfy debts"; 19(c), "a history of not meeting financial obligations"; and 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."

Financial stability in a person cleared to protect classified information is required precisely to inspire trust and confidence in the holder of a security clearance that entitles him to access classified information. While the principal concern of a security clearance holder's demonstrated financial difficulties is vulnerability to coercion and

influence, judgment and trust concerns are implicit in cases involving debt delinquencies.

Historically, the timing of filing federal tax returns and resolving federal and state tax delinquencies are critical to an assessment of an applicant's trustworthiness, reliability, and good judgment in following rules and guidelines necessary for those seeking access to classified information or to holding a sensitive position. See ISCR Case No. 14-06808 at 3 (App. Bd. Nov. 23, 2016); ISCR Case No. 14-01894 at 5 (App. Bd. Aug. 18, 2015). Applicant's cited extenuating circumstances (i.e., medical issues resulting in her loss of income between 2004 and 2014, loss of tax records associated with her 2005 displacement following the floods associated with Hurricane Katrina), and insufficient income to pay her accrued delinquent federal and state taxes when due and payable) provide some mitigation credit for her failure to timely file her federal tax returns and address her federal and state taxes due for the tax years 2005-2013. Based on her cited circumstances, MC ¶ 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," has some application to Applicant's situation, especially as to the flooding and displacement problems she endured in 2005-2006.

When Applicant, acting through her tax preparers, filed her federal tax returns for the covered SOR tax years of 2005-2013 is open to question. None of her tax preparers provided any IRS tax transcripts for the tax years in issue (2005-2013) to document their filing dates. Applicant's documented installment agreement arranged with IRS through its tax advocate in December 2015 makes no reference to tax return filing dates, and IRS tax transcripts that would contain this information were not provided by Applicant. Absent probative evidence of filing dates from Applicant, none can be presumed. The most likely inference to draw from Applicant's testimony and the exhibits in evidence is that her returns were filed by her most recently retained tax preparer sometime after Applicant completed her security clearance application in May 2015.

Based on Applicant's cited circumstances, the "acting responsibly" prong of MC ¶ 20(b) has only limited application and cannot excuse her past failures to timely file her tax returns for all of the covered tax years in the SOR, and timely address her owed federal taxes for the tax years in issue (over \$156,000 in delinquent taxes covered by federal tax liens). Applicant's failure or inability to corroborate her tax filing claims, furnish persuasive evidence of her ability to stay current with her revised 2017 installment agreement with the IRS, and demonstrate a good track record of compliance with the agreement's terms precludes her from fully availing herself of the benefits of MC ¶ 20(b). See ISCR Case No. 15-06440 at 3-5 (App. Bd. Dec. 26, 2017); ISCR Case No. 05-11366 at 4 n.9 (App. Bd. Jan. 12, 2007) (citing ISCR Case No. 99-0462 at 4 (App. Bd. Nov. 29, 2005)). For similar reasons, MC ¶ 20(d), "the individual initiated and is

adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts,” is not available to mitigate her federal tax return filing lapses and incurring of federal tax liens (still unresolved) over an extended number of years.

Whether Applicant is entitled to the full mitigating benefits of MC ¶ 20(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,” is unclear at this point. See ISCR Case No. 16-02246, at 2 (App. Bd. Dec. 8, 2017). Applicant provided no documentation at hearing or in permitted post-hearing submissions of her demonstrated ability to sustain her compliance with her revised IRS installment agreement.

To her credit, Applicant has made good progress with her other major creditors. Her completion of repayment agreements with her mortgage and student loan lenders is encouraging and reflects responsible, prudent efforts on her part to return these accounts to current status. In recognition of these efforts, she is entitled to partial application of MC ¶ 20(d), “the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts.” She is entitled, to avail herself of the mitigating benefits of MC ¶ 20(e), “the individual has a reasonable basis to dispute the legitimacy of the past-due debt[s] 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,” as the MC pertains to her SOR debts covered by ¶¶ 1.I-1.n.

In evaluating Guideline F cases, the Appeal Board has stressed the importance of a “meaningful track record” that includes evidence of actual debt reduction through voluntary payment of debts, and implicitly where applicable the timely filing of tax returns. ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008) In Applicant’s case, her late filings of her 2005-2013 federal tax returns after the initiation of the security clearance process and modest efforts in addressing her outstanding federal tax payments due with the benefit of installment agreements with the IRS are not enough to warrant favorable findings and conclusions with respect to raised security concerns.

Whole-Person Assessment

Whole-person assessment is unfavorable to Applicant. She has shown insufficient progress to date in addressing her late-filed federal tax returns for tax years 2005-2013 and delinquent federal taxes (over \$156,000 in the aggregate) covered by federal tax liens filed in 2014, 2015, and 2016. Her most recent installment agreement with the IRS was inferentially arranged with the IRS tax advocate after the security clearance process had already been initiated in May 2015. While her repayment efforts with her mortgage and student loan lenders merit positive credit, they are not enough to overcome her tax filing lapses and insufficiently addressed tax delinquencies.

Applicant's general contributions to the U.S. defense effort through her Navy service and her work in the defense industry are considerable and merit a good deal of respect and appreciation. Her positive credits are insufficient, though to surmount historical trust and judgment issues associated with her failure to timely file her federal tax returns over the course of several years (i.e., 2005-2013) and failure or inability to better address her major federal tax delinquencies with more timely and sustained payments to demonstrate both compliance with the terms of her multiple installment agreements with the IRS and a stronger historical payment history.

Overall, Applicant's actions to date in addressing her finances reflect too little evidence of restored financial responsibility and judgment to overcome reasonable doubts about her trustworthiness, reliability, and ability to protect classified information or occupy a sensitive position. See AG ¶ 18. Conclusions are warranted that her finances are insufficiently stabilized at this time to meet minimum eligibility requirements for holding a security clearance. Unfavorable conclusions are entered with respect to the allegations covered by SOR ¶¶ 1.d-f and o. Favorable conclusions are entered for SOR ¶¶ 1.a-1.c and 1.g-1.n. Eligibility to hold a security clearance under the facts and circumstances of this case is inconsistent with the national interest.

Formal Findings

In reviewing the allegations of the SOR and ensuing conclusions reached in the context of the findings of fact, conclusions, conditions, and the factors listed above, I make the following formal findings:

GUIDELINE F (FINANCIAL CONSIDERATIONS): AGAINST APPLICANT

Subparagraphs 1.d-1.f and 1.o:	Against Applicant
Subparagraphs 1.a-1.c and 1.g-1.n:	For Applicant

Conclusions

In light of all the circumstances presented by the record in this case, it is not clearly consistent with the national interest to grant or continue Applicant's eligibility to hold a security clearance. Clearance is denied.

Roger C. Wesley
Administrative Judge

