



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



In the matter of:

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ISCR Case No. 17-00992

Applicant for Security Clearance

Appearances

For Government: Andre M. Gregorian, Esq., Department Counsel

For Applicant: *Pro se*

04/10/2018

Decision

MATCHINSKI, Elizabeth M., Administrative Judge:

Six of Applicant's credit-card accounts totaling more than \$27,000, two loans of \$3,116 and \$3,481, and a \$147 medical debt were charged off or placed for collection. Applicant has been repaying some of the debts. More progress toward resolving the debts is needed to fully mitigate the financial considerations security concerns. Clearance is denied.

Statement of the Case

On April 28, 2017, 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 May 24, 2017, Applicant answered the SOR allegations and requested a hearing before an administrative judge from the Defense Office of Hearings and Appeals (DOHA). On September 12, 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. I scheduled a hearing to be held on December 7, 2017. In prehearing guidance, Applicant was informed that the Director of National Intelligence (DNI) had issued Security Executive Agent Directive 4 establishing the National Security Adjudicative Guidelines (AG) effective June 8, 2017, for all adjudications for national security eligibility or eligibility to hold a sensitive position.¹

I convened the hearing as scheduled. Five Government exhibits (GEs 1-5) and 11 Applicant exhibits (AEs A-K) were admitted into evidence without objection. Two hearing exhibits (HE) were marked but not entered into evidence: a July 22, 2017 letter forwarding GEs 1-5 to Applicant (HE 1) and a list of the Government's exhibits (HE 2). Applicant testified, as reflected in a transcript (Tr.) received on December 18, 2017.

Summary of Pleadings

The SOR alleges under Guideline F that, as of April 28, 2017, Applicant owed charged-off or collection debts totaling \$37,794 (SOR ¶¶ 1.a-1.i) and financial judgments of \$2,800 from 2015 (SOR ¶ 1.j) and \$5,463 from 2012 (SOR ¶ 1.k). When Applicant answered the SOR, he admitted the debts, but indicated that he has been making monthly payments on the debts in SOR ¶¶ 1.c, 1.d, and 1.h (same debt as SOR ¶ 1.j), and a state tax delinquency (not alleged). He asserted that he was making some payments, when he had the funds, on a federal tax debt (not alleged) and on the judgment in SOR ¶ 1.k (same debt as SOR ¶ 1.a). Applicant admitted he had not been able to make any payments on his student loan (SOR ¶ 1.e), a co-signed personal loan (SOR ¶ 1.f), or a medical collection debt (SOR ¶ 1.i). He attributed the financial delinquencies to the loss of his spouse's income a couple of times within approximately the last five years.

Findings of Fact

After considering the pleadings, exhibits, and transcript, I find that SOR ¶¶ 1.a and 1.k pertain to the same delinquent account. Likewise, SOR ¶¶ 1.h and 1.j are the same debt. Additional findings of fact are as follows.

Applicant is a 39-year-old high school graduate, who has worked at the same facility since April 1999. He stayed on when his present employer acquired the business in July 2015, and he currently works in logistics supply. He earns \$48,000 to \$50,000 annually based on a 48 to 50 hour work week. He has worked part-time at a couple of bagel shops since September 2005, earning about \$8,000 to \$12,000 a year. From 2011 to 2013, he held a second part-time job as a security guard. Applicant underwent a background investigation in approximately 2005. He currently holds a DOD security clearance, but

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

understands that he will be allowed to maintain his employment if he loses his clearance. (GEs 1, 3; Tr. 20-21, 43-46.)

Applicant and his spouse began cohabiting in March 2006 and married in August 2007. His spouse has two daughters, now ages 21 and 18, from a previous relationship. Applicant raised his stepdaughters in his home. (GE 1; Tr. 46-47.) Child support payments to his spouse from her daughters' father were inconsistent and, at times, nonexistent. (Tr. 42.)

Shortly after their marriage, Applicant's spouse began working full time for an office furniture company. After a couple of years, she began employment with a job-training agency. Applicant relied heavily on credit cards when his spouse was working. She was laid off in 2011, and Applicant struggled to pay all his debts without her income of \$28,000 to \$30,000 a year. Over the next few years, his spouse took online classes in web development while working part time at a high school. Toward the end of her studies, she held full-time work with the high school. Applicant worked 50 to 60 hours a week to compensate for her lack of income. Applicant received assurances from his spouse that she would pursue full-time employment once she earned her degree. After she earned her bachelor's degree in June 2014, she was unemployed for almost a year. In May 2015, she began working full time at a grocery store. (Tr. 48-53.)

On October 22, 2015, Applicant completed and certified to the accuracy of an SF 86 on which he responded affirmatively to a financial record inquiry concerning delinquency involving enforcement, including whether he had a judgment entered against him in the last seven years. He disclosed a credit card judgment of \$2,880 (SOR ¶¶ 1.h and 1.j, same debt) incurred because of his spouse's unemployment. He added that he had a repayment plan in place for \$50 a month. In response to SF 86 inquiries concerning any delinquency involving routine accounts, Applicant reported that unsecured credit card accounts had been suspended, cancelled, or charged off for \$8,500 (SOR ¶ 1.c) and \$2,999 (SOR ¶ 1.g) that he was repaying at \$50 each per month and for \$4,600 (not alleged) that he was repaying at \$30 a month. He also indicated that he had defaulted on a credit card debt of \$8,476 (SOR ¶ 1.b), on an unsecured loan of \$3,116 (SOR ¶ 1.f), and on medical debts of \$2,997 (not alleged) and \$150 (SOR ¶ 1.i) that were not currently being repaid because he did not have the funds. (GE 1.)

Applicant was interviewed by an authorized investigator for the Office of Personnel Management on November 19, 2015. Applicant explained that he had fallen behind on some debts because of a lack of spousal income. He had co-signed on a student loan for his spouse (SOR ¶ 1.e) and opened the personal loan with his spouse to consolidate debts (SOR ¶ 1.f) while the other past-due accounts are solely his legal responsibility. He expressed his intention to make payments on his debts. He hoped to pay them off in three or four years. Applicant indicated that with his income of \$3,000 a month and his spouse now working, he was in the process of negotiating with some creditors and making some payments toward some debts. (GE 3.)

On December 22, 2016, Applicant was re-interviewed about his past-due debts by another OPM investigator. Applicant disclosed that he was making some debt payments but that he had been unable to make consistent payments on other accounts due to lack of income and because he owed \$5,000 in federal income taxes and \$1,800 in state income taxes for tax year 2015. Applicant estimated his net household monthly income at \$3,950 (\$750 of which was spousal income), monthly expenses at \$3,680, and debt payments at \$207, which included \$67 per month to the IRS. He had about \$3,000 in a 401(k) account. Applicant indicated that the student loan co-signed for his spouse was in deferment. (GE 2.)

Available credit information (GEs 4-5) and payment records (AEs A-K) show the following account history with respect to the debts in the SOR:

\$8,849 collection debt (SOR ¶¶ 1.a and 1.k)

Applicant opened a revolving charge account in June 2005. He made no payments on the account after January 2011. In October 2011, his account was \$1,272 past due and placed for collection with a balance of \$5,463. In May 2012, the collection entity obtained a \$6,099 judgment (\$5,463 principal balance plus interest) against him. Applicant made sporadic payments of \$50 in April 2012; \$100 in January 2013; \$40 in August 2016, September 2016, and October 2016; and \$20 in November 2016, December 2016, and May 2017. As of October 2017, the judgment balance was \$9,805 with accrued interest. (AEs A-B; Tr. 57-58.)

\$8,476 charged-off debt (SOR ¶ 1.b)

Applicant opened a revolving charge account in February 2006. He made no payments on the account after February 2011. As of October 2015, he owed a collection balance of \$8,476. Applicant has made no payments toward the charged-off debt. The creditor is willing to settle for approximately \$5,000-\$5,500 payable in a lump-sum, but Applicant states that he cannot afford it. (Tr. 59-60.)

\$4,719 charged-off debt (SOR ¶ 1.c)

Applicant opened a revolving charge account in June 2003. His account was charged off for \$8,519 in January 2012. In December 2012, Applicant began paying \$50 a month toward a balance then at \$8,591. He made timely payments by automatic deduction from his bank account to reduce the debt to \$4,219 as of mid-November 2017. (AE C; Tr. 61.)

\$3,982 collection debt (SOR ¶ 1.d)

Applicant opened a revolving charge account in November 2004. He made no payments on the account after February 2011, and his account was placed for collection in October 2012. As of November 2012, his account was past due for \$3,796 on a balance of \$4,280. Applicant began making \$20 monthly payments to a collection entity to reduce the

balance to \$4,002 as of December 2016. The \$20 monthly payments continued by automatic deduction from his bank account to at least November 2017. (AEs A, D; Tr. 61.)
\$3,486 collection debt (SOR ¶ 1.e)

Applicant co-signed on a \$3,481 student loan for his spouse's education in October 2010. In January 2015, the account was charged off and placed for collection for \$3,486. In late October 2017, Applicant was notified that this debt had been purchased by a collection entity, who offered to settle the debt for a lump-sum payment of \$1,568, or three payments of \$639 over three months, or eight payments of \$283 over eight months. The offer was valid for 30 days. Applicant had made no payments as of December 2017. He testified that he does not have the means to do so. (AEs A, E; Tr. 62.)

\$3,116 charged-off debt (SOR ¶ 1.f)

Applicant and his spouse obtained an installment loan of \$6,447 in April 2011 to consolidate debt. Applicant made timely payments of \$160 per month through September 2014. In January 2015, their account was charged off for \$3,146. As of September 2015, the creditor was reporting a past-due balance of \$3,116. In mid-October 2017, a collection entity notified Applicant's spouse that the creditor was willing to settle for \$1,246 or for three payments of \$675. Neither Applicant nor his spouse made any payments toward the \$3,116 balance. According to Applicant, they lack the funds to settle the account. (AEs A, F; Tr. 63.)

\$2,599 charged-off debt (SOR ¶ 1.g)

Applicant opened a revolving charge account in July 2006 that he used for household expenses. In December 2010, the creditor charged off his account for \$2,599. As of October 2015, the creditor was reporting an outstanding balance of \$2,899. Applicant made no payments as of December 2017. (AE A; Tr. 63.)

\$2,420 collection debt (SOR ¶¶ 1.h and 1.i)

Applicant opened a revolving charge account in August 2004. He made no payments after May 2011, and his account was sold. In December 2013, the collection entity in SOR ¶ 1.h acquired a debt balance of \$2,890. In March 2015, the collection entity obtained a judgment of \$2,880 against Applicant. Applicant paid \$200 in late July 2015, and then nothing until January 2016. He made \$50 monthly payments from January 2016 through May 2016, and \$20 payments in July 2016, August 2016, December 2016, and May 2017. As of October 2017, the balance was \$2,350. (AEs A, H; Tr. 64-66.)

\$147 medical debt (SOR ¶ 1.i)

A \$147 dental debt from August 2014 was placed for collection in June 2015. In March 2017, the creditor, through a collection entity, offered to settle the debt for \$125. As of December 2017, Applicant had made no payments. (AE G; Tr. 66-67.)

Regarding the \$4,600 credit-card delinquency listed on his SF 86 but not alleged in the SOR, Applicant paid \$30 per month starting in August 2016 toward a \$4,278 balance. As of October 2017, the debt balance was \$3,858. (AE K.)

Applicant and his spouse's adjusted gross income was \$81,337 in 2015. They underpaid their federal and state income taxes because of insufficient withholdings. After payments to the IRS of \$70 in May 2017, \$73 in August 2017, and \$30 in October 2017, they owe federal income taxes of \$5,152 for tax year 2015. In early May 2017, Applicant and his spouse entered into an installment agreement to pay \$20 a month toward their state tax liability of \$2,082. While they continued to make their installment payments, their tax debt has accrued to \$2,133 as of November 2017 because of penalties and interest. (AEs A, I-J; Tr. 69-71.)

Applicant received pay raises at work between 1999 and 2007. His base pay is \$38,000 annually, but he has averaged about \$50,000 since 2007 because of overtime earnings. By May 2017, Applicant's spouse had reduced her hours at the grocery store to eight to 16 hours a week. She is trying to establish her own business in web and graphic design. It has been a source of contention in their relationship because she has yet to earn any income. (Answer; Tr. 41-42, 48-53, 56, 59.)

Applicant is willing to repay his debts, but he asserts that he cannot afford to make any additional payments beyond his current payments. He is trying to avoid filing for bankruptcy because of his security clearance, and he wants to pay his debts. He and his spouse are currently living from paycheck to paycheck. He inquired about a debt management program several years ago but some of his creditors were unwilling. (Tr. 59, 72, 75-77.)

Applicant and his spouse rent a four-bedroom house at \$1,600 a month. Food for his household costs approximately \$700 a month. He pays \$500 a month for cable (television and Internet) and cell phone service (four phones). Electricity and natural gas bills average \$170 a month. (Tr. 77-78.) As of December 2017, Applicant's stepdaughters were still living in his home. The younger stepdaughter was just finishing high school. The older stepdaughter works at a restaurant. She contributes \$300 per month to the household bills. (Tr. 53-54, 79.)

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. The concern under Guideline F is broader than the possibility that an individual might knowingly compromise classified information in order to raise money to address debts. It encompasses concerns about an individual's self-control, judgment, and other qualities essential to protecting classified information.

Guideline F security concerns are established by the two financial judgments, the credit-card debts charged off or in collection, and the medical collection debt on Applicant's credit record. The SOR alleges that Applicant owed \$46,057 in delinquent debt as of April 2017. The evidence establishes that Applicant defaulted on approximately \$32,000 in individual debt and about \$6,602 in debt co-signed or held jointly with his spouse. Disqualifying conditions AG ¶ 19(a), "inability to satisfy debts," and AG ¶ 19(c), "a history of not meeting financial obligations," apply.

Applicant also incurred federal and state income tax liabilities totaling \$7,234 for tax year 2015 and a credit card delinquency of approximately \$4,600 that was not alleged but was disclosed by Applicant on his SF 86 or during his interviews. The tax debts and this additional credit card delinquency cannot be grounds for disqualification because they are not alleged, but they are relevant in assessing the applicability of a mitigating condition, evidence in reform, and Applicant's security clearance eligibility under the whole-person concept.

Applicant has the burden of establishing one or more of the following potentially mitigating conditions under 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;

(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

(e) the individual has a reasonable basis to dispute the legitimacy of the past-due debt which is the cause of the problem and provides documented proof to substantiate the basis of the dispute or provides evidence of actions to resolve the issue.

AG ¶ 20(a) has limited applicability. The debts were not incurred recently, but Applicant's financial issues are considered ongoing because there has been no progress at resolving some of the delinquencies (SOR ¶¶ 1.b, 1.e, 1.f, 1.g, and 1.i). On the evidence before me, it cannot reasonably be concluded that the lack of household income that caused the financial strain is a circumstance unlikely to recur, given his spouse's decision to start her own business that has yet to realize any income.

AG ¶ 20(b) applies in that Applicant's financial struggles started when his spouse was laid off in 2011. Applicant, who admits that he had relied heavily on consumer credit debt when his spouse was fully employed, counted on her income of \$28,000 to \$30,000 annually to meet their household expenses. Applicant worked overtime in his defense contractor job and on the weekends at a bagel shop while his spouse pursued online classes in web development and worked at a high school over the next few years. After his spouse earned her bachelor's degree in June 2014, she had no success finding employment in her field. Whether due to lack of job openings or some other cause not apparent in the record, Applicant did not have control over whether she received a job offer. His spouse began working full time for a grocery store in 2015, but by May 2017, she had reduced her hours to only or two days a week. With less income from his spouse, Applicant has been unable to comply with the repayment arrangements for the judgment debts and his federal taxes.

AG ¶ 20(b) requires, for full mitigation, that an individual act responsibly under the circumstances, and, in that regard, the evidence is mixed. Applicant has worked long hours so that he could make some payments toward his delinquent debts. On the other hand, when his spouse was working full time in 2015, their adjusted gross income was \$81,337. They underpaid their income taxes for that year, so they had more take-home pay. Applicant presented no evidence of any debt payments in 2015 apart from a \$200 payment in July 2015 on the \$2,880 judgment (SOR ¶¶ 1.h and 1.j, same debt) and \$50 monthly on the debt in SOR ¶ 1.c. He apparently made \$30 monthly payments on the \$4,600 credit-card delinquency that was not alleged, although he provided payment records only from August 2016 through October 2017. He made no payments on several delinquencies in 2015, including the \$6,099 judgment (SOR ¶¶ 1.a and 1.k, same debt). Although his financial situation has been compromised further by his spouse's recent reduction in her work hours, he pays about \$500 a month in combined cable, Internet, and cell phone costs, which is difficult to justify when a dentist is not being paid a debt of only \$147.

AG ¶¶ 20(c) and 20(d) are partially established by Applicant's consistent repayment of the debts in SOR ¶¶ 1.c and 1.d through automatic deduction. Applicant made \$50 monthly payments since December 2012 to reduce the credit-card delinquency in SOR ¶ 1.c by more than \$3,000 to \$4,219. He made \$20 monthly payments since August 2016 to

reduce the balance of the debt in SOR ¶ 1.d from \$4,280 to \$4,002. Those payments are likely to continue. Favorable findings warrant as to those debts, even though they have not been fully resolved. Applicant is also credited under AG ¶ 20(d) with having paid \$530 toward the \$2,880 judgment (SOR ¶¶ 1.h and 1.j, same debt), but his payments have been sporadic. Similarly, since the \$6,099 judgment was issued in May 2012, Applicant has made only seven payments totaling \$280. Due to interest, the balance of the judgment had accrued to \$9,804 as of May 2017. Applicant has made no payments since then. There is no clear indication that the debts in SOR ¶¶ 1.a (same debt in SOR ¶ 1.k), 1.b, 1.e-1.h, and 1.i will be resolved in the near future.

AG ¶ 20(e) applies only in that the debts in SOR ¶¶ 1.k and 1.j were not established to be additional debts. The judgment in SOR ¶ 1.k was obtained to collect the debt in SOR ¶ 1.a. Likewise, the judgment in SOR ¶ 1.j is for the debt in SOR ¶ 1.h. Favorable findings are warranted on the duplicate allegations.

The security clearance adjudication is not aimed at collecting an applicant's personal debts. See ISCR Case No. 09-02160 (App. Bd. Jun. 21, 2010). In evaluating Guideline F cases, the Appeal Board has held that an applicant is not required, as a matter of law, to establish that he has paid off the debts in the SOR. He is required to demonstrate that he has an established plan to resolve his financial problems and that he has taken significant actions to implement that plan. See ISCR 07-06482 at 2-3 (App. Bd. May 21, 2008). Applicant has repayment arrangements with four of the SOR creditors, but has been compliant with repayment on only two of them because he cannot afford to make the payments. He is credited with being compliant with repayment terms for a collection account not alleged in the SOR. He has no repayment plans established for the past-due balances in SOR ¶¶ 1.b, 1.e, 1.f, 1.g, and 1.i. As of December 2017, he owed approximately \$38,500 on the debts in the SOR, \$3,858 on the credit-card collection debt not alleged in the SOR, and \$7,285 in federal and state income taxes for 2015. With Applicant currently living from paycheck to paycheck, his financial issues are likely to persist unless there is a significant increase in household income or an unforeseen financial windfall.

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).² Some of the factors in AG ¶ 2(d) were addressed under Guideline F, but some warrant additional comment.

² 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.

Applicant is credited with taking steps to resolve some of his delinquent debts before the SOR was issued. He has made monthly payments for the past five years toward one credit-card delinquency, which show a willingness to repay his debts. He wants to take responsibility for repaying his debts rather than seek a bankruptcy discharge. His candor about his financial problems weighs in his favor. He knows what he owes and who his creditors are. Although he presented no work or character reference information, his consistent employment at the same facility since 1999 tends to indicate that his work has met his employer's expectations.

A security clearance determination is not an assessment that an applicant is disloyal. Rather, it involves an evaluation of an applicant's judgment, reliability, and trustworthiness in light of the security guidelines in the Directive. See ISCR Case No. 09-02160 (App. Bd. Jun. 21, 2010). 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 (9th Cir. 1990). The extent and duration of Applicant's delinquencies continues to raise financial considerations security concerns. For the reasons discussed, I am unable to conclude that it is clearly consistent with the national interest to continue security clearance eligibility for him at this time.

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
Subparagraphs 1.a-1.b:	Against Applicant
Subparagraphs 1.c-1.d:	For Applicant
Subparagraphs 1.e-1.i:	Against Applicant
Subparagraphs 1.j-1.k:	For Applicant

Conclusion

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

Elizabeth M. Matchinski
Administrative Judge