DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
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	)	
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Applicant for Security Clearance	)	

Appearances

For Government: Bryan Olmos, Esq., Department Counsel
For Applicant: *Pro se*

07/11/2018

Remand Decision

WESLEY, Roger C., Administrative Judge:

Based upon a review of the pleadings and exhibits, I conclude that Applicant did not mitigate the security concerns regarding her financial considerations. Eligibility for access to classified information is denied.

Statement of Case

On May 26, 2017, 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Executive Agent, by Directive 4, *National Security Adjudicative Guidelines* (SEAD 4), dated December 10, 2016, superceded and replaced the September 2006 adjudicative guidelines (AGs).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 for the issuance of the SOR would not affect my decision in this case.

Applicant responded to the SOR on June 16, 2017, and she requested a hearing. The case was assigned to me on July 14, 2017, and scheduled for hearing on August 4, 2017. The Government's case consisted of four exhibits (GEs 1-4). Applicant relied on three witnesses (including herself) and seven exhibits. (AEs A-G) The transcript was received on August 14, 2017.

Procedural Issues

Before the close of the hearing, both parties asked to keep the record open to permit them to check on Applicant's current sponsorship for a security clearance. While sponsorship was confirmed by Department Counsel at hearing (Tr. 112-113), the record was kept open to permit both parties to double-check and submit clarifying information if necessary. For good cause shown, the parties were granted 14 days to supplement the record if necessary. Neither party supplemented the record with sponsorship information, and based on the information furnished at hearing, findings are in order that Applicant continues to be sponsored for her security clearance by her current employer.

Prior to the close of the hearing, Applicant asked about leaving the record open to submit additional clarifying documents covering her school's Chapter 7 bankruptcy and any Government involvement in the bankruptcy. (Tr. 108) Ultimately, she declined to request leaving the record open for providing additional documentation, and the record closed as to evidence presented for consideration of the merits of the case. (Tr. 108-109) Nonetheless, Applicant submitted post-hearing documents covering her for-profit university and her claims against the university that should have been addressed, but were not. These submissions are admitted without objection as AE H.

Remand Instructions

On April 24, 2018, the Appeal Board remanded this hearing decision of February 1, 2018 with instructions to resolve cited errors by Applicant and issue a new decision consistent with the remand instructions. Issues to be resolved under the Appeal Board's mandate cover Applicant's family members, her education credits and achievements, her employment history, her payment history, and the import of the supplemental materials she provided that were not referred to in the hearing decision.

Following the remand, I offered the parties the opportunity to open the proceedings with post-remand submissions covering background information and any updates on the private loans she admittedly received to finance her education costs associated with the

for-profit private university she was enrolled in between 2009 and 2015. Both in her SOR response and in her hearing testimony, Applicant submitted a newspaper article covering the settlement of a class action brought by university two students seeking recovery of tuition payments paid to the university, but no other documents. Applicant's newspaper submission was admitted without objection as AE I.

Included in Applicant's AE H submission are the following: Email correspondence from Applicant, school forgiveness program information, a February 2014 federal complaint naming Applicant's for-profit school, a message from the Secretary of Education (DOE) to students, explained borrower defense to repayment, article covering for-profit school federal students on their own, closed-school-loan-discharge form, DOE ban announcement on enrollment of new students by for-profit school, Law School study of potential paths to debt cancellation for former for-profit school students, increased oversight of for-profit school and its impact on students, article covering for-profit school's September 2016 Chapter 7 bankruptcy petition, article covering private loan forgiveness relative for students of for-profit school, article exploring private student loan consolidations, article covering debt-relief programs, students' law suit against for-profit school, and article coverage of 2014 federal complaint against for-profit school.

Summary of Pleadings

Under Guideline F, Applicant allegedly accumulated four delinquent student loans exceeding $64,000. Allegedly, these debts remain outstanding.

In her response to the SOR, Applicant admitted each of the allegations. She provided no explanations or claims.

Findings of Fact

Applicant is a 37-year-old security information assurance analyst for a defense contractor who seeks a security clearance. The allegations covered in the SOR and admitted by Applicant are incorporated and adopted as relevant and material findings. Additional findings follow.

Background

Applicant recently married and has no children. (GEs 1-2; Tr. 48) She earned a bachelor's degree in mathematics in May 2008 from university one and financed her education with Sallie/Mae guaranteed loans exceeding $100,000. (GE 1; Tr. 41-43, 48-49, 82-83) She consolidated her public loans in August 2016 and maintains these loans in current status with a balance of $98,000 and monthly payments of $135. (AEs F-G; Tr. 67) She earned associate degrees from a then nationally accredited private for-profit technical institution (university two) in December 2009 and September 2015.(Tr. 87) She earned a bachelor's degree in October 2011 from the same institution. (GEs 1-2; Tr. 50-51, 84-88) She financed her technical training in part with federally guaranteed student loans and post-2009 technical education courses with private loans from a lender referred

by her for-profit school, but separate and apparently independent of her for-profit school. (GEs 1-2 and A-C; Tr. 50-51, 59-60) Once her for-profit school closed its facilities in June 2016, its accreditation was withdrawn by the certifying Association of American Universities. (Tr. 87) Applicant reported no military service.

Applicant has worked for her current employer since June 2011. (GEs 1-2; Tr. 52-53, 65-66) Between November 2010 and June 2011, she was employed by another firm, and she was self-employed as a network computer technician (less than 20 hours a week) for another employer between January 2002 and November 2010. (GEs 1-2; Tr. 51-53) Between December 2009 and June 2016, she also worked as a math tutor to supplement her income, but ceased her tutoring work after her for-profit school shut down in June 2016. (GEs 1-2; Tr. 51)

Applicant's finances

Between April 2009 and July 2009, Applicant obtained federally-guaranteed loans to finance her course work with her university two for-profit school. (GEs 3-4; Tr. 88-89) These loans have since been consolidated under a new payment plan completed in August 2016 and carries a reduced balance of $98,229. With monthly payments of $135.31. (AEs E-G). These government loans are current and are not in issue.

After exhausting available federal funding in 2009, Applicant explored school funding from private banking sources. (AEs A-B; Tr. 64, 86) These other private lenders declined to give her a loan due to her school's vocational status. (AE A; Tr. 43, 86-88) Unsuccessful in obtaining private financing with other financial institutions, Applicant turned to her current private lender for her student loans in 2009. (Tr. 45-46, 86-88) Between 2009 and 2011 she obtained four student loans from a banking source arranged by university two (covered by SOR ¶¶ 1.a-1.d), but not integrated into the administrative structure of university two's institutional hierarchy. (GEs 3-4; Tr. 45-46, 55)

While Applicant believes that the initial private lender covered in the SOR was referred to her by her school as a separate stand-alone lender, she could not be sure and still lumps the lender together with another lending entity she was referred to by her for-profit school and maintains occasional contact with this latter entity. (AEs 3-4; Tr. 41-42, 46) This latter lending entity identified by Applicant is not matched by any of the reported loans covered in the SOR. On-line reports confirm only that SOR creditor 1.a-1.d is a private student loan lender that was formed in 2009 by seven credit unions to assist students of university two to obtain private student loans. *See* www.cutimes.com.

Based on Applicant's credit reports that reference the current creditor for her private student loans covered by SOR ¶¶ 1.a-1.d originated by the lender between 2009 and 2011 with ensuing charge-offs in December 2016 and January 2017, the only inferences that can be reasonably made with the information available is that her private lender is an independently operated lender that is not, and has never been in a documented control-relationship with university two.

Between 2009 and 2015, Applicant accumulated over $65,000 in student loan debts from her initial private lender while enrolled in on-line courses with her technical institute between December 2009 and October 2015. Applicant's monthly payments on her private loans approximated $800 a month. (Tr. 42) For several months after completing her studies, she made her scheduled $800 payments, while unsuccessfully seeking consolidation with the lender to lower her monthly payments. (Tr. 54, 67)

Struggling to make both her federally guaranteed and private loan payments, Applicant ceased making her scheduled private loan payments in 2012 and dropped her payments to $25 a month for several months while continuing to pursue loan consolidation and lower payments from the lender. (Tr. 44-48, 69-70) After the private lender summarily denied her requests to lower her payments, she ceased making payments altogether, even before the school's closing in June 2016. (citing the school's refusal to consolidate her loans), and has made no further attempts to contact the lender to explore consolidating her four loans with lower monthly payments. (Tr. 46-48)

Applicant's for-profit university story

In recent years, Applicant's for-profit university two has increasingly become the subject of state and federal investigations, as well as lawsuits by federal and state regulators. (AE H) In August 2016, the Secretary of the Department of Education (DOE) opened oversight actions to prevent university two from continuing to add students that put taxpayer-funded student aid at risk. (AE H) For evidentiary purposes here, the Secretary's decision did not effect Applicant's private loans with university two. (AE H) Instructions on loan discharge applications were not provided either in the Secretary's DOE press release. (AE H) What is clear is that university two has been under increasing financial and operational scrutiny since August 2014 by the President Obama administration. In June 2016, the DOE expanded its oversight of the institution, citing significant concerns over the school's administrative resources, organizational integrity, financial viability, and the school's overall ability to serve its students. (AE H)

In an abrupt move impacting more than 35,000 current and former students who were left saddled with outstanding student loans, university two shut down its more than 100 university campuses, accusing the federal government of unfairly stripping it of eligibility for extending financial aid. (AE H) University two also eliminated more than 8,000 employees in response to the President Obama Administration's barring university two from allowing any new students to use federal loans to pay for university two classes. (AE H)

University two students filed a class action suit in August 2016 in response to university two's closing of its facilities. (AE I) In January 2018, a federal judge approved a class action settlement that recognizes a $1.5 billion claim that students who attended university two between 2006 and 2016 asserted against the school for breach of contract and consumer protection violations. (AE I) Under the terms of the settlement, (a) nearly $600 million that students still owed university two will be erased; (b) $3 million in temporary credits issued by the university to cover remaining tuition after federal and

private loans were accounted for were to be canceled; and (c) students (inclusive of Applicant) will be able to participate with other unsecured creditors claiming economic losses and compete for what remains in university two's assets in the pending Chapter 7 bankruptcy. (AE I)

Following the DOE's actions, university two's largest creditor seized the university's assets. Federal and state regulators and other interested parties followed with a spate of lawsuits against university two claiming fraud and misleading students over the quality of its programs and the employment potential of the students after graduation. One still pending lawsuit was a federal suit filed by a federal consumer fraud protection agency in February 2016 accusing university two of predatory student lending practices. (AE H) This suit and others are still pending. (AE H)

As a result of the DOE's actions and the creditor's seizure, university two petitioned for Chapter 7 bankruptcy protection in September 2016. (AEs C-D and I) Applicant, in turn, filed a proof of claim in the bankruptcy in January 2017 seeking reimbursement of her tuition payments totaling $65,214. (AEs C-D) The lender's bankruptcy proceeding remains pending with no time estimates of when the petitioner will receive its discharge, or when and how Applicant's claim will be resolved. (Tr. 107-108)

On-line bankruptcy records confirm that university two and two affiliated for-profit institutions petitioned for emergency Chapter 7 bankruptcy protection in September 2016 following the seizure of its assets by its major creditor in August 2016 in the wake of university two's shuttering of its facility. *See* Case No. 16–02707 (SD Ind. Sept. 2016) covered fully in university two's on-line website at *http://www.ITTchapter7.com.* Uncertified schedule estimates are as follows based on approximated net book values of the listed assets: Schedules A/B report real property of $100,356,457 and personal property of $288,819,477.

Liability estimates covered by schedules E/F of university two's bankruptcy petition report secure claims of $47,611, unsecured priority claims of $9,387,474, and unsecured non-priority claims of $1,092,674,661. These scheduled unsecured non-priority claims do not include the recently court-approved student claims of $1.5 billion that have been added to the scheduled unsecured non-priority schedule of claims by the federal court approving a class action settlement for the former university two students who opt into the settlement. (AE I) Based on these reported figures, in what promises to be a liquidation case, any potential recovery for Applicant and her former university two students is likely to be small, if at all.

University two's bankruptcy records contain over 3,000 pages and a service list of over two hundred parties and their representatives. *See* university two's website at *http://www.ITTchapter7.com* for more information pertaining to the suits filed and defended by the trustee. Pending lawsuits include federal and state regulatory and tax enforcement agencies and trustee suits against various creditors.

To date, Applicant has received no response from her school's bankruptcy trustee or the school itself about the status of her proof of claim. (Tr. 56-57) And the recent court-approved settlement is limited to only student receivables owed directly to the school (sometimes known as temporary credits) and does not address any loan amounts owed to other entities, including Applicant's initial private lender and its successor assignee. (AE H)

Updates on Applicant's charged-off student loans

At this point, Applicant's student loans covered by SOR ¶¶ 1.a-1.d remain in default status and charged off by the lender. Applicant has not been able to shed any additional light on the loans, or whether she ever signed the notes covering the loans. Although, she does acknowledge receiving the loan proceeds from the four loans she received from the private lender and has filed a proof of claim in university two's Chapter 7 bankruptcy.

Conceivably, Applicant's student loan agreements with her private lender covered by SOR ¶¶ 1.a-1.d contain contingency clauses extending loan forgiveness or discharge of Applicant's loans in circumstances, where, *inter alia*, the institution filed for bankruptcy or other legal relief that adversely affected the value of her educational achievements or lender-borrower relationships. (Tr. 58-60, 62-63) Possibly, her loan agreements covered any school closures and other events that precluded the school from fulfilling its educational commitments to Applicant and her lender. (Tr. 62-63)

All of these loan resolution possibilities are speculative, though, and cannot be resolved with any degree of factual certainty without access to Applicant's loan application and lender approvals. Absent any applicable forgiveness provisions in her loan agreements, though, she remains liable to her lender for her outstanding loans, irrespective of the merits of the claims she has made against her school in its pending Chapter 7 petition.

At this time, too little is known about Applicant's payment terms and options with her private lender to draw any clear inferences about the scope of her payment responsibilities with her lender. Her private lender has since charged off her loans, and the lender's status as a viable entity is unknown. Whether she has any further financial recourse against her school cannot be ascertained without copies of her loan agreements and other information from the school that might provide answers and clarifications of recourse she could conceivably have against the lender. From the evidence developed in the record, there is nothing to warrant assigning any lender responsibility for ensuring Applicant a quality education from the school who received Applicant's authorized loan funds from her lender and applied them to her tuition billings.

Because Applicant did not provide a personal financial statement (covering her monthly net income, monthly expenses, and any monthly remainder), or other documented evidence of discretionary spending available to her, a probative assessment of her

finances cannot be made. As the record stands, there is no evidence of a budget or any financial counseling to assess her ability to address her outstanding student loan debts.

Character references

Applicant is well-regarded by her mother and husband who characterized her as trustworthy and reliable. Her husband, who has known Applicant for 20 years, credited her with being committed to her schooling and "squeaky clean." (Tr. 93). Likewise, her mother characterized her as devoted to her educational pursuits and trustworthy and reliable in every way. (Tr. 103-104) While she could not cite to any corroborative evidence, she expressed the belief that the Obama Administration bore some responsibility for closing university two. (Tr. 99-101)

Based on the evidence produced, Applicant's mother's account can be credited with some validity, for the Obama Administration did crack down on university two's ability to receive federal funding in June 2016 following years of heightened scrutiny over the school's operational and financial practices. Ultimately, though, principal fault for the school's abrupt closing and petitioning for Chapter 7 bankruptcy relief lies with Applicant's school, and not with the federal government.

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, ¶ 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, ¶ 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 chances; (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 of 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 accumulating delinquent school loans (four in all) with a private lender exceeding $65,000. These loans remain delinquent. Applicant's past efforts to consolidate her loans and reduce the monthly payments were unsuccessful, and despite the closing of her university amidst charges of mismanagement defrauding of students, her continuing loan deficiencies remain unresolved and warrant the application of two of the disqualifying conditions (DC) of the Guidelines: DC ¶¶ 19(a), "inability to satisfy debts;" and 19(c), "a history of not meeting financial obligations."

Applicant's pleading admissions with respect to her listed student loan debts negate the need for any independent proof. *See McCormick on Evidence,* § 262 (6th ed. 2006). Applicant's delinquent debts are fully documented in her credit reports and create some initial judgment issues. *See* ISCR Case No. 03-01059 at 3 (App. Bd. Sep. 24, 2004).

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 her 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.

Extenuating circumstances (i.e., lack of sufficient income to cover her private student loans) have accounted for a good deal of Applicant's financial problems over the course of the past several years while she was completing her on-line studies. 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, clear victimization by predatory lending practices, or identity theft), and the individual acted responsibly under the circumstances," partially applies to Applicant's situation.

Since 2016, Applicant has made no additional payments to her student loan lender (citing the lender's unwillingness to work with her and its abrupt closing) and still hopes to consolidate her loans with lower monthly payments. Progress to date in addressing these loans, individually or through her lender's Chapter 7 bankruptcy is

very limited. Because Applicant did not provide a personal financial statement or other evidence documenting her net monthly income, monthly expenses, and available income for discretionary spending, her financial situation cannot be fully assessed with the information furnished by her. What can be derived from this record is that her cumulative repayment efforts lack the strength of sustained purpose to meet the acting responsibly prong of MC ¶ 20(b). *See* 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).

Applicant's corrective steps taken to resolve her delinquent private student loan debts are not enough to enable her to avail herself of the mitigation benefits of MC ¶ 20(d), "the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts." And, while she continues to look for set-offs of her loans to account for her school's actions toward her that dilute the value of her education, she raises no reasonable dispute about the validity of her student loans or the application of the loan proceeds. That the debts were charged-off by the lender and will eventually be dropped from her credit report do not alter the probative facts that Applicant accepted the loans and benefitted from the loans that fell into delinquent status for non-payment. *See* ISCR Case No. 14-05803 at 3 (App. Bd. July 7, 2016)(citing ISCR Case No. 14-03612 at 3 (App. Bd. Aug. 25, 2015).

Taken together, Applicant's disputes with her lender over payment terms and her school over the diminished value of her education do not meet the evidentiary criteria required to claim the benefits of MC ¶ 20(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." More probative evidence of the terms of her loans with her private lender are needed to assess her continuing payment obligations to the lender.

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. ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008) (internal citations omitted) In Applicant's case, she has a very limited track record in addressing her private student loan debts. She has not been in contact with her lender since she ceased making small payments to the lender in 2016 and has no immediate plans to resume her monthly payments.

Whole-Person Assessment

Whole-person assessment is a mixed one for Applicant. While she is credited for her honesty, trustworthiness, and reliability by her mother and husband, she has shown only modest progress to date in addressing her private student loan debts through a combination of trying to work with her lender while pursuing her proof of claim in her school's Chapter 7 bankruptcy proceeding. Overall, Applicant's actions to date in addressing her finances reflect modest but insufficient financial responsibility and good

judgment to credit her with restoring her trustworthiness, reliability, and ability to protect classified information. *See* AG ¶ 18.

Conclusions are warranted that Applicant's 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 subparagraphs 1.a-1.d of the SOR. 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.a-1.d	Against 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