



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



In the matter of:

Applicant for Security Clearance

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ISCR Case No. 17-01750

Appearances

For Government: Carroll J. Connelley, Esq., Department Counsel

For Applicant: *Pro se*

01/25/2018

Decision

MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant incurred approximately \$112,000 in delinquent debt, consisting largely of defaulted student loans. Recent small payments toward two consolidated student loans are not sufficient to mitigate the financial security concerns. Criminal conduct security concerns persist primarily because of larceny offenses in 2015 and 2016. In 2013, he repeatedly drove a motor vehicle while his driver's license was suspended, and in one of those instances, he had marijuana in his possession. Clearance is denied.

Statement of the Case

On June 7, 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 Guideline J, criminal conduct. The SOR explained why the DOD CAF 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.

Applicant filed an initial response to the SOR on August 2, 2017, which was incomplete in that he failed to respond to SOR allegation 1.o. In an email of August 10, 2017, Applicant responded to SOR ¶ 1.o. Applicant 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. On October 12, 2017, I scheduled a hearing for November 15, 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, to all adjudications for national security eligibility or eligibility to hold a sensitive position.¹

At the hearing, eight Government exhibits (GEs 1-8) were admitted in evidence. Applicant testified, as reflected in a transcript (Tr.) received on November 24, 2017. I held the record open for one month for documentary evidence from Applicant. The deadline passed with no indication that Applicant submitted any documents for my consideration.

Summary of SOR Allegations

The SOR alleges under Guideline F that, as of June 7, 2017, Applicant owed \$102,524 in delinquent student loan debt (SOR ¶¶ 1.a-1.j, 1.l-1.m, 1.q-1.s, and 1.u-1.w); a \$1,304 wireless telephone debt in collection (SOR ¶ 1.k); medical collection debts of \$431, \$522, and \$296 (SOR ¶¶ 1.n and 1.x-1.y); a \$205 utility debt in collection (SOR ¶ 1.o); a \$1,099 judgment debt (SOR ¶ 1.p); and a \$5,934 charged-off credit card balance (SOR ¶ 1.t). Under Guideline J, Applicant was alleged to be on probation until August 2017 for an April 2016 larceny offense (SOR ¶ 2.a). Additionally, Applicant had been given a 90 day suspended jail sentence for a February 2015 larceny offense (SOR ¶ 2.b), and he had been arrested for failure to appear in December 2013 (SOR ¶ 2.c); operation of a motor vehicle under suspension in October 2013, April 2013, February 2013, and January 2012 (SOR ¶¶ 2.d-2.f and 2.h); and for possession of marijuana in February 2013 (SOR ¶ 2.g). When he responded to the SOR, Applicant admitted all of the allegations without explanation.

Findings of Fact

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

Applicant is a 38-year-old carpenter who was offered a position as a structural design draftsman with a defense contractor in November 2014, contingent on him obtaining a DOD secret clearance. Applicant previously worked as an outside contractor for

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

the defense contractor from April 2003 to May 2005. He was a self-employed carpenter from 2005 to 2015, although from 2012 to 2015, he was “just doing odd jobs working for other people.” (GE 1; Tr. 39, 42-43, 48, 77.)

Applicant was awarded an associate degree in May 2006. He obtained student loans to help pay for his schooling, and he continued to take classes until March 2008. Because he was working at the time, he was required to repay some of his student loans while still in school. He initially paid \$300 a month on his student loans. (Tr. 43.) He could not afford to maintain those payments, and his income from his carpentry business was too high for him to qualify for financial aid. He withdrew from school about three core classes short of obtaining a journeyman’s license. (Tr. 36, 44-45.)

Applicant has never married, but he was in a cohabitant relationship from 2006 to 2013. Applicant and his ex-girlfriend have a five-year-old son. Applicant has his son every weekend. Under an informal agreement negotiated with his ex-girlfriend, Applicant gives her \$150 a week for their son’s care. (Tr. 74-75, 79-80.) Applicant would like to work for the defense contractor so that he can provide for his son financially and for the benefits, including health insurance. (Tr. 38.)

Financial

Applicant completed and certified to the accuracy of a Questionnaire for National Security Positions (SF 86) on January 30, 2015. Applicant disclosed that a small claims judgment was filed against him in November 2013, but he indicated that the debt had been resolved in June 2014. As for delinquencies involving routine accounts, Applicant indicated that he owed approximately \$84,902 in student loan debt; \$296 and \$431 in medical debts; and a \$205 utility debt. Applicant explained that he was unable to make payments because he was unemployed, but that he would make payments once he resumed working. (GE 1.)

As of February 2015, the credit bureaus were reporting that Applicant owed an unpaid judgment debt of \$1,099; delinquent student loan debt totaling \$95,948 (\$81,413 in collection and \$14,535 charged off); a \$5,934 credit card debt that was charged off in November 2009; a cell phone debt of \$1,304 in collection since November 2013; three medical debts in collection for \$522, \$431, and \$296; and a \$205 utility debt in collection since November 2014. (GE 2.)

On October 14, 2016, Applicant was interviewed by an authorized investigator for the Office of Personnel Management (OPM). Applicant indicated that he was still self-employed, even though he testified at his hearing that he dissolved his business in 2015. (Tr. 42-43.) Applicant explained that the judgment debt on his credit record was for construction work he had started but had not completed. He indicated that he had resolved the debt. Applicant did not recognize the charged-off student loan (SOR ¶ 1.q). He acknowledged that he owed approximately \$81,413 in student loans in collection. He explained that he worked while attending school from 2003 to 2005 and so was required to make payments on his loans while also paying tuition, and he could not afford to pay both.

Applicant indicated that he was in the process of repaying his student loans. Applicant did not dispute the credit card delinquency or the medical bills in collection. (GE 8.)

Applicant supported himself by taking odd carpentry jobs, and by filling in for other carpenters. (Tr. 77.) As of February 2017, Applicant's credit report showed no progress on the student loans in SOR ¶¶ 1.a-1.j, and 1.l-1.m with an aggregate balance of \$51,667. Applicant also reportedly had made no payments on the \$1,304 cell phone debt (SOR ¶ 1.k), the \$1,099 judgment debt (SOR ¶ 1.p), the \$431 medical collection debt (SOR ¶ 1.n), or the \$205 utility services debt (SOR ¶ 1.o). Another \$50,857 in student loan debt (SOR ¶¶ 1.q-1.s and 1.u-1.w), the credit card delinquency (SOR ¶ 1.t), and two of the medical collection debts (SOR ¶¶ 1.x and 1.y) had been dropped from his credit record. (GE 3.)

In April 2017, Applicant began working as a carpenter at \$24 an hour for a company in the commercial sector. (Tr. 42, 79.) He had been receiving collection notices for his student loans, and after he became employed full-time, he arranged with a collection entity to repay two consolidated student loans at \$35 and \$21 a month. Applicant began making those payments in July or August 2017. (Tr. 36, 78.) At his hearing, he was unable to identify which of his student loans are covered by the repayment arrangement. (Tr. 40, 46-47.) He presented no documentation corroborating those payments.

Applicant made only one payment of an undisclosed amount toward the \$1,099 judgment debt. He was supposed to make monthly payments in an amount between \$25 and \$100. (Tr. 53-54.) The credit card debt was for supplies for his business. The bank creditor offered to settle the \$5,934 debt for a lump sum of \$3,500, which he could not afford. Applicant has paid nothing toward the debt and has no plan at present to make any payments. (Tr. 49-50.) Applicant has also not made any payments toward the \$1,304 cell phone debt or the \$205 utility debt. There have been no recent attempts at collection. (Tr. 51-52, 56-57.) Applicant expressed his belief that the \$431 medical debt (SOR 1.n) has been paid, although he presented no proof. He made no payments toward the \$522 and \$296 medical debts. (Tr. 56.)

Applicant's take-home pay is approximately \$700 a week. He pays \$600 a month for rent, which includes utilities. (Tr. 58.) Applicant has no discretionary income after he pays his expenses. Any extra money is spent on tools needed for his employment as a carpenter. (Tr. 61.)

Criminal Conduct

On his January 2015 SF 86, Applicant disclosed that he had a police record. He listed an April 2013 failure to appear, 2nd degree, offense for which he was placed in an accelerated rehabilitation program for one year; a March 1999 underage possession of alcohol offense, for which he paid a fine; and a February 2013 possession of marijuana offense that was dropped. Applicant also disclosed that he had used marijuana two to three times over two days in February 2013 after a childhood friend's serious accident. Applicant denied any intention to use marijuana again. (GE 1.)

During his October 2016 interview with the OPM investigator, Applicant indicated that he was ticketed in 2010 for talking on his cell phone while driving. He apparently paid his fine late, and his license was suspended without his knowledge. He cites an address change as a possible reason for why he failed to receive notice that his license had been suspended. (Tr. 69.) In January 2012, Applicant was pulled over for a traffic violation and charged with driving on a suspended license. (GE 8.)

Applicant missed a court date for operating a motor vehicle on a suspended license in February 2013 because he was stopped for a traffic violation in route to the courthouse. (GE 8; Tr. 69.) In April 2013, he appeared in court on charges of driving on a suspended license, equipment failure (no tail lamps), and operating an unregistered vehicle. The operating an unregistered motor vehicle charge was dismissed and the other charges were not prosecuted. (GEs 7-8.)

In a separate incident in February 2013, Applicant was charged with operating under suspension, operation of an unregistered motor vehicle, and possession of marijuana (less than four ounces). Applicant was observed driving into a gasoline service station at a high rate of speed. A license check showed Applicant's vehicle's registration had expired, and Applicant was unable to produce a valid driver's license. He appeared nervous and reached in the back of his vehicle in an attempt to hide something. The officer detected a strong odor of marijuana about the vehicle. Applicant's passenger (Mr. X) was in possession of non-prescribed narcotics. The police found marijuana in a duffel bag in the back of the vehicle and arrested Applicant and Mr. X. (GEs 6, 8.) Applicant told the police that the marijuana belonged to Mr. X. (GE 6.) Applicant recalls that he and Mr. X had "agreed to share the charge because it would be a lesser amount than one of us taking it." Applicant now denies any use of marijuana since 2003 (Tr. 72-74), which is discrepant with what he reported on his SF 86. The marijuana charge was dismissed. Applicant was convicted of the operating a motor vehicle under suspension charge and fined \$150. (GE 4.)

In October 2013, Applicant was charged with failure to drive in the proper lane, which was not prosecuted, and with driving on a suspended license, which was dismissed. (GE 7.)

At his hearing, Applicant did not deny that he had been charged four times with operating a motor vehicle under a suspension between January 2012 and October 2013. His explanation for driving on a suspended license is that he had to commute to work. (Tr. 68, 76.)

Applicant was arrested in December 2013 on two counts of failure to appear. He was supposed to appear in court in early December 2012, but was stopped for an improper tail light and for driving on a suspended license before he could get to the courthouse. He appeared in court two weeks later and was placed on accelerated rehabilitation. (GE 8.)

In February 2015, Applicant was with Mr. X, whom Applicant asserts had stolen some items from a store and placed them in his vehicle without his knowledge. (GE 8; Tr.

66.) Applicant was arrested on two counts of larceny in the 6th degree for “two minor things . . . like a \$12 wallet.” (Tr. 66-67.) Available court information indicates that Applicant pleaded guilty to the larceny charge in June 2015. He was sentenced to 90 days in jail (suspended) and given a conditional discharge for one year on one count. (GEs 4-5; Tr. 68.)

In April 2016, Applicant was charged with larceny in the 5th degree and with risk of injury to a child. Applicant was with his son in a home improvement store. He was stopped by store security as he exited the store for having an item in his cart (likely a pair of pliers) that he had not purchased. Applicant told the OPM investigator in October 2016 that it was unintentional. (GE 8.) He now asserts, “It was a mistake.” Court information shows that Applicant pleaded guilty in August 2016 to the larceny charge. He was sentenced to six months in jail (execution suspended) and to one year of probation, which included an order to undergo a drug evaluation. (GE 4.) Applicant met with a probation officer monthly until his drug evaluation. He was then placed on non-reporting status. (Tr. 63-64.) The disposition of the risk of injury to a child charge is “unknown.” (GE 7.) Applicant submits that “it’s just something that happened. It wasn’t planned or anything.” (Tr. 75.) Applicant asserts that he has satisfied all the terms of his probation. (Tr. 65.)

Applicant has not been cited for any infraction or criminal violation since April 2016. (Tr. 66.) He no longer associates with Mr. X and submits that he began to change with the birth of his son, which was “an awakening” for him. (Tr. 74-75.)

Policies

The U.S. Supreme Court has recognized the substantial discretion the Executive Branch has in regulating access to information pertaining to national security, emphasizing that “no one has a ‘right’ to a security clearance.” *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). When evaluating an applicant’s suitability for a security clearance, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are required to be considered in evaluating an applicant’s eligibility for access to classified information. These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with the factors listed in the adjudicative process. The administrative judge’s overall adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(a), the entire process is a conscientious scrutiny of a number of variables known as the “whole-person concept.” The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a decision.

The protection of the national security is the paramount consideration. AG ¶ 2(b) requires that “[a]ny doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security.” In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. Under Directive ¶ E3.1.14, the Government must present evidence

to establish controverted facts alleged in the SOR. Under Directive ¶ E3.1.15, the applicant is responsible for presenting “witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by applicant or proven by Department Counsel. . . .” The applicant has the ultimate burden of persuasion to obtain a favorable security decision.

A person who seeks access to classified information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours. The Government reposes a high degree of trust and confidence in individuals to whom it grants access to classified information. Decisions include, by necessity, consideration of the possible risk that the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation about potential, rather than actual, risk of compromise of classified information. Section 7 of EO 10865 provides that decisions shall be “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” See also EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

Analysis

Guideline F: Financial Considerations

The security concerns about financial considerations are articulated in AG ¶ 18:

Failure to live within one’s means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise questions about an individual’s reliability, trustworthiness, and ability to protect classified or sensitive information. Financial distress can also be caused or exacerbated by, and thus can be a possible indicator of, other issues of personnel security concern such as excessive gambling, mental health conditions, substance misuse, or alcohol abuse or dependence. An individual who is financially overextended is at greater risk of having to engage in illegal or otherwise questionable acts to generate funds. Affluence that cannot be explained by known sources of income is also a security concern insofar as it may result from criminal activity, including espionage.

An applicant is not required to be debt free, but is required to manage his finances in a way as to exhibit sound judgment and responsibility. Applicant owed approximately \$112,315 in delinquent debt as of January 2017. He defaulted on his educational loans, a credit card used for his business, a wireless telephone debt, an electric utility debt, and three medical debts. A former customer for his carpentry services obtained a judgment against him that he has not paid. Disqualifying conditions AG ¶ 19(a), “inability or unwillingness to satisfy debts,” AG ¶ 19(b), “unwillingness to satisfy debts regardless of the ability to do so,” and AG ¶ 19(c), “a history of not meeting financial obligations,” apply.

Applicant does not dispute the debts, although he submits that some of his student loans have been consolidated and that the \$431 medical collection debt has been paid. Approximately \$102,524 of Applicant's past-due debt was incurred for his education. Another \$1,249 was for non-discretionary medical expenses. His lone credit card delinquency was for business expenses and not the result of frivolous spending. His large delinquent debt raises concerns that he may have to engage in illegal or otherwise questionable acts to generate funds.

Under AG ¶ 20, his undisputed financial delinquencies may be mitigated under one or more of the following conditions:

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

The mitigating conditions have minimal applicability in this case. AG ¶ 20(a) applies in that the debts were not incurred recently, but the ongoing delinquency casts doubt on Applicant's current reliability, trustworthiness, and judgment. Applicant testified that he took carpentry jobs here and there from 2012 until 2015, when he dissolved his business. Lack of income is a circumstance that could trigger AG ¶ 20(b), but it is unclear whether his delinquencies are a result of a business downturn, or to choices that he made regarding employment opportunities, or to a combination of factors. Applicant had an obligation to his creditors, and he failed to show that he attempted to work with his creditors to address his debts before they became seriously delinquent. His ongoing financial support for his son at \$150 a week is understandably a priority for him, but it is also not clear when he began making those payments. AG ¶ 20(b) does not fully apply without a showing that Applicant acted reasonably under the circumstances.

Regarding AG ¶¶ 20(c) and 20(d), Applicant presented no documentation to corroborate that he paid the \$431 medical debt in collection (SOR ¶ 1.n) or that he began making monthly payments of \$21 and \$35 toward consolidated student loans. He had claimed on his SF 86 that the judgment debt had been resolved when he now admits that

he had made only one payment toward that debt. Even assuming that he has made small monthly payments toward his student loans, three or four months of payments is not enough to fully establish either AG ¶ 20(c) or AG ¶ 20(d). Applicant was unable to identify which of his student loans had reportedly been consolidated, which raises some concerns about his financial management. He has no plan to make any payments toward the credit card debt. The utility and cell phone debts have been outstanding for over three years with no attempt at repayment. Moreover, there is little prospect of Applicant making significant progress toward his delinquent accounts in the near future, given that he has no discretionary income. The financial considerations security concerns are not mitigated.

Guideline J: Criminal Conduct

The security concern about criminal conduct is articulated in AG ¶ 30:

Criminal activity creates doubt about a person's judgment, reliability, and trustworthiness. By its very nature, it calls into question a person's ability or willingness to comply with laws, rules and regulations.

The criminal conduct concerns are established by Applicant's larceny convictions in 2015 and 2016, by his recidivist driving on a suspended license in 2013, and by his February 2013 possession of marijuana charge. Two disqualifying conditions under AG ¶ 31 apply:

- (a) a pattern of minor offenses, any one of which on its own would be unlikely to affect a national security eligibility decision, but which in combination cast doubt on the individual's judgment, reliability, or trustworthiness; and
- (b) evidence (including, but not limited to, a credible allegation, an admission, and matters of official record) of criminal conduct, regardless of whether the individual was formally charged, prosecuted, or convicted.

AG ¶ 32 provides for mitigation under the following four conditions:

- (a) so much time has elapsed since the criminal behavior happened, or it happened under such unusual circumstances, that it is unlikely to recur and does not cast doubt on the individual's reliability, trustworthiness, or good judgment;
- (b) the individual was pressured or coerced into committing the act and those pressures are no longer present in the person's life;
- (c) no reliable evidence to support that the individual committed the offense; and
- (d) there is evidence of successful rehabilitation; including, but not limited to, the passage of time without recurrence of criminal activity, restitution,

compliance with the terms of parole or probation, job training or higher education, good employment record, or constructive community involvement.

There is no evidence that Applicant has driven a vehicle on a suspended license since 2013, but his recidivist disregard of his license suspension over an extended period of time precludes me from finding that it was infrequent and is unlikely to recur. Moreover, it cannot be viewed in isolation from his larceny offenses in 2015 and 2016, which are too recent for mitigation under AG ¶ 32(a). Mr. X was involved in Applicant's marijuana possession in February 2013 and the February 2015 larceny, but there is no evidence that he pressured Applicant in any way. AG ¶ 32(b) was not shown to apply. Regarding AG ¶ 32(c), while Applicant may not have initially known that his license had been suspended in 2012, he knowingly violated his license suspension on several subsequent occasions in 2013. Applicant claims that he did not know that Mr. X had stolen some items from a store and placed them in his vehicle in February 2015. Applicant also maintains that he did not intend to steal the item from the home improvement store in April 2016. However, Applicant pleaded guilty to larceny in both instances.

Applicant shows some rehabilitation under AG ¶ 32(d) in that he has not possessed any marijuana since February 2013 and does not intend to use marijuana again. He no longer associates with Mr. X. There is no evidence that Applicant violated the terms of his probation for the April 2016 larceny. Nevertheless, Applicant undermines his case for mitigation under AG ¶ 32(d) by failing to acknowledge responsibility for his own criminal behavior in the February 2013 marijuana use and possession, the February 2015 larceny, and the April 2016 larceny. The arresting officer reports that he saw Applicant attempting to conceal something in the rear of his vehicle in February 2013 where the duffel bag containing marijuana was then found. Applicant asserts that the marijuana belonged to Mr. X, and he denies that he used marijuana on that occasion. However, he had indicated on his SF 86 that he had used marijuana two to three times over two days and was ticketed for marijuana possession in February 2013. Despite his guilty plea to the larceny charge, Applicant would have the DOD believe that Mr. X had placed stolen items in his car without his knowledge in February 2015. Likewise, he pleaded guilty to the April 2016 larceny charge but now claims that he had unknowingly had an unpurchased item in his cart when he attempted to exit the home improvement store. Applicant has not demonstrated sufficient reform for mitigation under AG ¶ 32(d). The criminal conduct security concerns are not mitigated.

Whole-Person Concept

In the whole-person evaluation, the administrative judge must consider the totality of an applicant's conduct and all relevant circumstances in light of the nine adjudicative process factors in AG ¶ 2(d).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

The security clearance adjudication is not aimed at collecting an applicant's personal debts. 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). In evaluating Guideline F cases under the whole-person concept, the Appeal Board has established that an applicant is not required to pay off every debt in the SOR:

The Board has previously noted that the concept of a meaningful track record necessarily includes evidence of actual debt reduction through payment of debts. However, an applicant is not required, as a matter of law, to establish that he has paid off each and every debt listed in the SOR. All that is required is that an applicant demonstrate that he has established a plan to resolve his financial problems and taken significant actions to implement that plan. The Judge can reasonably consider the entirety of an applicant's financial situation and evaluating the extent to which that applicant's plan for the reduction of his outstanding indebtedness is credible and realistic.

See ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008) (internal citations and quotation marks omitted). Applicant presented no documentation of any payments or repayment arrangements. His desire to work for the defense contractor so that he can provide financially for his son may serve as a deterrent to any future criminal conduct, but Applicant has raised considerable concerns about his judgment by committing larceny in February 2015 and April 2016 after he had completed his SF 86. It is well settled that once a concern arises regarding an applicant's security clearance eligibility, there is a strong argument against the grant or renewal of a security clearance. See *Dorfmont v. Brown*, 913 F. 2d 1399, 1401 (9th Cir. 1990). For the reasons noted above, I conclude that it is not clearly consistent with the national interest to grant Applicant security clearance eligibility.

Formal Findings

Formal findings for or against Applicant on the allegations set forth in the SOR, as required by section E3.1.25 of Enclosure 3 of the Directive, are:

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraphs 1.a-1.y:	Against Applicant
Paragraph 2, Guideline J:	AGAINST APPLICANT
Subparagraphs 2.a-2.h:	Against Applicant

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.

Conclusion

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

Elizabeth M. Matchinski
Administrative Judge