



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



In the matter of:

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ISCR Case No. 17-01789

Applicant for Security Clearance

Appearances

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

For Applicant: *Pro se*

02/01/2018

Decision

MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant settled several delinquent accounts in 2017 for less than their full balances. He made nine months of payments starting in December 2016 to rehabilitate federal student loans totaling \$18,834. He is not likely to incur new delinquent debt, knowing that it could compromise his security clearance eligibility needed for defense-contractor employment. Clearance is granted.

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. 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 answered the SOR on June 27, 2017, 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. On October 13, 2017, I scheduled a hearing for November 16, 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, four Government exhibits (GEs 1-4) and nine Applicant exhibits (AEs A-I) were admitted in evidence. Applicant and three witnesses testified, as reflected in a transcript (Tr.) received on December 1, 2017. I held the record open until January 2, 2018, for Applicant to supplement the record. On December 27, 2017, Applicant submitted AE J, which showed a pending settlement payment for a defaulted vehicle loan. The document was admitted with no objections from the Government.

On January 23, 2018, I reopened the record for one week for Applicant to provide proof that the December 2017 loan settlement payment cleared his account and to update the record concerning recent student loan payments. On January 26, 2018, Applicant submitted AE K showing the car loan payment was processed. On January 29, 2018, he submitted AE L reflecting a student loan payment. AEs K and L were admitted into evidence with no objections from the Government.

Summary of SOR Allegations

The SOR alleges under Guideline F that, as of June 7, 2017, Applicant owed \$12,482 on a charged-off auto loan (SOR ¶ 1.a); \$18,834 in defaulted federal student loans (SOR ¶¶ 1.b-1.d); \$3,278 for wireless telephone, cable and satellite television, and utility services (SOR ¶¶ 1.e-1.h, 1.j, and 1.l); a \$1,045 judgment for medical services (SOR ¶ 1.i); and a \$181 medical collection debt (SOR ¶ 1.k). When he responded to the SOR, Applicant admitted the defaulted car loan; the wireless telephone debts of \$1,315 (SOR ¶ 1.e), \$573 (SOR ¶ 1.g), and \$362 (SOR ¶ 1.h); the satellite and cable debts of \$756 (SOR ¶ 1.f) and \$272 (SOR ¶ 1.j); and the utility debt of \$75 (SOR ¶ 1.l). Applicant denied the federal student loan delinquencies, explaining that he has been in a repayment program since December 2016. He also denied the medical debts because the medical care should have been covered by his medical insurance.

Findings of Fact

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

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

Applicant is a 34-year-old pipefitter who worked for a defense contractor from October 2015 to June 2017. In June 2017, Applicant was laid off from his defense contractor employment because of the issuance of the SOR. His recall depends on favorable adjudication of his security clearance eligibility. (GEs 1, 4; Tr. 37-38, 61.)

Applicant was married to his ex-wife from 2007 to 2014. He has been in a cohabitant relationship since May 2014. Applicant has two sons now ages nine and 11. Applicant's girlfriend has two children ages 10 and 12. All four children live with Applicant and his girlfriend. (GE 1; Tr. 53-54.)

Applicant worked as a full-time security guard and bartender for a restaurant from May 2005 to October 2007. He was then employed part time as a warehouse associate for a retailer until March 2008, when he moved to his present area and found work as a full-time security guard. In November 2008, his younger son was born with an illness, which kept him hospitalized for weeks. Applicant missed too many days from work, and he was involuntarily terminated from his employment in January 2009. Applicant held full-time employment as a residential counselor from January 2009 to October 2010, when he left for a staff job with a resource institute at higher pay and a shorter commute. (GEs 1, 4.)

While in that position, Applicant began attending a local community college in January 2013. Between February 2013 and October 2014, Applicant obtained three federal student loans for \$13,639 (SOR ¶ 1.b), \$3,500 (SOR ¶ 1.c), and \$3,098 (SOR ¶ 1.d). (GE 2.) Applicant stopped attending school in December 2014 and did not earn a degree. (GE 1.)

In March 2014, Applicant left his employment of 3.5 years for a compliance specialist position with his girlfriend's employer. Near the end of his probationary period, Applicant was involuntarily terminated in May 2014 for the stated reason that he was not a good fit. (GE 1.) Applicant had to drive his personal vehicle to other worksites to train employees, and he asked to be compensated for his mileage. Applicant believes he was terminated because the company did not want to compensate him for his mileage. (GE 4.)

Applicant was unemployed from May 2014 to May 2015. He collected unemployment benefits during that time. Applicant held a part-time job from May 2015 until October 2015 when he began his defense-contractor employment at \$15.15 an hour. (GE 4; Tr. 55.) Applicant was not eligible to work overtime during his probationary period of six months. (Tr. 55.)

On October 28, 2015, Applicant completed and certified to the accuracy of a Questionnaire for National Security Positions (SF 86). He did not disclose any financial issues on his SF 86. (GE 1.)

As of November 13, 2015, the credit bureaus were reporting that Applicant owed \$1,045 on a medical judgment from June 2013 (SOR ¶ 1.i); \$12,482 on an automobile loan charged off in September 2015 for \$12,602 (SOR ¶ 1.a); and \$1,315, \$756, \$362, \$278, \$272, \$181, and \$75 on accounts placed in collection between May 2013 and June 2015

(SOR ¶¶ 1.e-1.f, 1.h, 1.j-1, and an unalleged \$278 medical debt).² Applicant was also reportedly past due \$673 on his largest student loan (SOR ¶ 1.a). His other student loans were rated as current. (GE 2.) In September 2016, a \$573 wireless phone debt was placed for collection (SOR ¶ 1.g). (GE 3.)

Only one year into his job with the defense contractor, Applicant had already made noteworthy contributions. He handled some of the more critical tasks and completed a large variety of work that had been “constantly first time quality with a sharp focus on safety.” He had gained knowledge and qualifications surpassing that typical of a first-year employee. Reliable in problem solving, Applicant displayed great attention to detail with stellar results. Because of Applicant’s “stellar performance,” Applicant’s general foreman submitted him as a candidate for accelerated advancement to the classification of third class mechanic. Retaining Applicant in the department was considered important to the department’s future success. (AE I.) Applicant was reclassified from a step 3 learner to a mechanic class 3 in February or March 2017. His hourly wage increased from \$17 to \$21. (Tr. 56-57.)

On February 28, 2017, Applicant was interviewed by an authorized investigator for the Office of Personnel Management (OPM). Applicant volunteered that he had some cell phone, cable television, medical bills, and student loans that were placed for collection because he did not have the income to pay them. Applicant was unable to provide details about the debts. When confronted with the adverse information on his credit record, Applicant recognized the \$1,315 wireless phone debt (SOR ¶ 1.e), and he expressed an expectation that he would satisfy it in the next three months. He erroneously believed that the \$272 collection debt was owed to the telecommunications provider in SOR ¶ 1.g rather than the creditor in SOR ¶ 1.j. He acknowledged the charged-off automobile loan (SOR ¶ 1.a), which he explained was for a 2014 model-year vehicle that he returned to the dealership shortly after purchase when he realized he could not afford the payments.³ Applicant also recognized the student loans (SOR ¶¶ 1.b-1.d), but indicated that he had been repaying them at \$5 a month for nine months to rehabilitate them. Applicant did not recognize some of the collection debts (SOR ¶¶ 1.f, 1.h, 1.k, and 1.l) or the medical judgment debt (SOR ¶ 1.i). He described his overall financial situation as fair but improving and explained that he and his girlfriend were expecting a settlement of up to \$5 million in the future from a vehicular accident. (GE 4.)

As of April 21, 2017, Applicant’s credit report reflected no progress toward repaying the charged-off automobile loan, the \$1,045 medical judgment, or the collection debts for wireless phone, cable television, and satellite television services (SOR ¶¶ 1.e-1.h).

² Applicant’s credit reports show dates of last activity of June 2015 for the \$1,315 phone debt (SOR ¶ 1.e), July 2014 for the \$756 satellite television debt (SOR ¶ 1.f), November 2011 for the \$362 wireless phone debt (SOR ¶ 1.h), October 2009 for the \$272 cable television debt (SOR ¶ 1.j), and September 2016 for the \$573 wireless phone debt (SOR ¶ 1.g). (GEs 2-3.)

³ Available credit information indicates that Applicant obtained a car loan of \$29,777 in May 2013. Last activity on the account was variously reported as November 2013 (GE 3) and as April 2014. (GE 2.) As of March 2017, the loan had a past-due balance of \$12,482. (GE 3.) Applicant assumed he would be contacted when the returned vehicle was sold. (Tr. 68.)

Applicant's federal student loans were past due for \$11,762, \$3,766, and \$3,306 (SOR ¶¶ 1.b-1.d). Applicant was making timely payments of \$339 per month on a vehicle loan obtained for \$14,760 in December 2016. The collection debts in SOR ¶¶ 1.j-1.l were no longer on his credit record. (GE 3.)

Applicant volunteered without pay as a part-time basketball coach for his city's recreational department from late November 2016 to March 2017 and for another league from March 2017 to June or July 2017. That team traveled every weekend, and Applicant had expenses for gasoline and food. (Tr. 57-58.) After he was laid off unexpectedly in June 2017 from his defense-contractor employment, Applicant applied for unemployment compensation. It took a month for his benefit to be approved. To pay his household bills, Applicant withdrew his entire 401(k), which was only \$1,900 after taxes. (Tr. 59, 61-62.) In August 2017, Applicant was hired as a part-time private contractor at \$40 an hour two to three nights a week training pipefitters for the defense contractor. (Tr. 60, 62-63.) When a new class started in September 2017, his hours increased to 30 per week. He worked for six weeks until the class ended. (Tr. 63-64.)

As of November 2017, Applicant was collecting unemployment compensation at \$450 per week. In early November 2017, Applicant paid \$420 in full settlement of the debt in SOR ¶ 1.f. (AE D.) He also settled the \$1,315 phone debt for \$756 (SOR ¶ 1.e) and the \$362 phone debt for \$290 (SOR ¶ 1.h). (AEs A, C; Tr. 75-76.) He had no success in determining the entity that currently holds the \$573 wireless telephone debt (SOR ¶ 1.g). The collection entity identified in the SOR advised him the debt had been transferred to another assignee while the original creditor indicated that the collection entity still held the debt. (Tr. 77.) He contacted the cable provider about the \$272 debt (SOR ¶ 1.1.j), which was for cable boxes that he did not return. Applicant was advised that since the equipment was over two years old, the company would not take them back. Applicant did not have the extra funds to pay the debt. (Tr. 82.) In mid-November 2017, he satisfied the utility debt in SOR ¶ 1.i. (AE G; Tr. 81.) He was living from paycheck to paycheck but knew with his security clearance pending that he had to make some effort to address his delinquencies. (Tr. 64-65, 70.)

In late December 2017, the collection entity for the \$12,482 charged-off auto loan agreed to accept \$5,500 in full settlement on receipt of an initial payment of \$2,000 due immediately and \$700 per month from January 2018 to May 2018. Applicant paid the \$2,000. (AEs J, K.) Applicant plans to continue to take care of his debts because he wants to purchase a home. (Tr. 66.)

Applicant made hardship payments of \$5 a month for nine consecutive months from December 2016 to remove his federal student loans from default. He presented documentation showing recent payments of \$10 in October 2017 and \$5 in November 2017 to his current loan servicer. (AE E; Tr. 71-72.) Applicant testified that his monthly payments were to increase to a "manageable" \$152 in December 2017. (Tr. 74.) In late January 2018, Applicant made a monthly payment of approximately \$220. (AE L.)

Applicant has made no payments toward the \$1,045 medical judgment (SOR ¶ 1.i) or the \$181 medical collection debt. He focused on resolving those debts that are considered discretionary in that he did not have to incur them. (Tr. 79-80.)

Applicant's girlfriend is employed at \$13 an hour. She owes some student loans from her studies at a community college toward an associate degree, but her loans are deferred. (Tr. 86.) Applicant and his girlfriend maintain separate bank accounts. They share the bills, although Applicant paid the majority of the household bills during the six weeks in September and October 2016 because she paid most of the bills when he was unemployed. (Tr. 84.) His girlfriend covered their rent of \$1,300 per month in November 2017. Their other monthly expenses include car payments (his at \$340 and hers almost \$300); cable television at \$235; electricity at \$200; propane at \$300 when the tank gets filled; and \$280 for four cell phones. (Tr. 85-88.) If Applicant is recalled to work for the defense contractor, his girlfriend plans to resign from her job and attend nursing school. (Tr. 94.)

Applicant's girlfriend anticipates receipt of \$2.75 million in settlement funds from a motor vehicle accident in which her two children lost their father. Applicant's girlfriend was scheduled to receive a lump sum of \$60,000 and back child support covering the three years since the accident, followed by "\$2,000 a week or something like that" going forward to care for her two children. (Tr. 90-91.) The settlement is being contested by her children's father's girlfriend, who survived the crash but wanted approximately \$2 million to \$4 million in addition to the \$13 million she had already received in settlement. (Tr. 92-95.)

Work References

Applicant's general foreman during Applicant's defense-contractor employment confirms that Applicant received the higher classification and "continued to demonstrate and pursue what [they] hoped was a long-term career with [the defense contractor]." (Tr. 36-37.) This general foreman "absolutely" considers Applicant to be an asset to the company. Applicant exceeded the foreman's expectations. (Tr. 34.) From work performance and character perspectives, Applicant was someone key to the department's day-to-day operations. (Tr. 39.) The loss of Applicant's contributions since July 2017 have hindered the department's productivity and ability to do the job. (Tr. 40.)

An operations manager, who has 380 employees reporting to him, testified about Applicant's job tasks being very critical. Applicant was one of a very limited number of employees qualified to perform his specific duties. Applicant was usually available to work weekends when needed. (Tr. 44-45.) The operations manager indicated that Applicant would be recalled to his position "tomorrow" if his security clearance is adjudicated favorably. (Tr. 46.) Applicant's union representative also recommends Applicant for security clearance eligibility. (Tr. 50.) Applicant did not share the government's concerns about his security clearance eligibility with his union representative (Tr. 51), the operations manager (Tr. 45-46), or the general foreman. (Tr. 39.)

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. 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 Applicant's record of financial delinquency. He returned a vehicle to a dealership when he could not afford the payments. In September 2015, a \$12,602 balance was charged off, and, as of June 2017, he owed a deficiency balance of \$12,482 on the loan. In 2015, he defaulted on federal student loans totaling approximately \$18,834. Five accounts for phone, electric utility, and cable and satellite television services totaling \$3,353 were placed for collection between May 2013 and September 2016. In June 2013, a medical provider obtained a \$1,045 judgment against Applicant. In November 2013, a \$181 medical debt was placed for collection. None of these debts had been resolved as of June 2017, although Applicant was making small hardship payments of \$5 monthly toward rehabilitating his student loans. Disqualifying conditions AG ¶ 19(a), "inability to satisfy debts," and AG ¶ 19(c), "a history of not meeting financial obligations," apply.

A record of financial delinquency may be mitigated under one or more of the following 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.

Some of Applicant's delinquent debts were incurred more than five years ago, such as the cable television debt (SOR ¶ 1.j) and the \$362 wireless phone debt (SOR ¶ 1.h). Last activity on the car loan (SOR ¶ 1.a) was more recent, however. He defaulted on his student loans (SOR ¶¶ 1.b-1.d) and on the \$573 cell phone debt (SOR ¶ 1.g) in 2015, which makes it difficult to conclude that the debts were incurred so long ago to no longer cast doubt on Applicant's judgment, reliability, and trustworthiness. AG ¶ 20(a) is not established.

AG ¶ 20(b) is applicable because Applicant experienced low income and unemployment, which led to his financial struggles beginning in 2014. After losing his employment in May 2014 for not being a good fit, Applicant was unemployed for a year. Applicant then held only a part-time position from May 2015 until October 2015 when he started working for the defense contractor at \$15.15 an hour. His cohabitant girlfriend had steady employment at \$13 an hour, but she was receiving no child support for her two children following the untimely death of her children's father. In February or March 2017, Applicant received a significant pay increase to \$21 an hour on his reclassification for reasons of stellar work performance. However, he was laid off unexpectedly by the defense contractor in June 2017 after the issuance of the SOR, and it took one month for him to receive unemployment compensation. In August 2017, Applicant was hired as a part-time private contractor at \$40 an hour two to three nights a week. When a new class started in September 2017, his hours increased to 30 per week for the next six weeks until he again found himself without a job.

AG ¶ 20(b) requires that an individual act responsibly under the circumstances, and Applicant is credited with making payments to rehabilitate his federal student loans starting in December 2016. He took steps to address some of his other delinquencies in November 2017 while on unemployment compensation. With a tight budget, he focused on paying

those obligations that he considered discretionary in that he did not have to incur them. Applicant's disregard of a court judgment to pay a debt raises some concerns about his judgment, but he is making progress toward resolving his debts.

AG ¶¶ 20(c) and 20(d) are established because Applicant has fully settled for less than their full balances those debts in SOR ¶¶ 1.e, 1.f, and 1.h. He paid in full the \$75 debt in SOR ¶ 1.i. He rehabilitated his federal student loans through nine months of small payments, and he has made the payments since then to keep his loans current. At his security clearance hearing, Applicant expressed an intention to continue to address his debts provided he has the income to do so. He showed his commitment in that regard by reaching a settlement of the defaulted automobile loan in late December 2017, which requires him to pay \$5,500 in a lump sum of \$2,000 followed by six monthly payments of \$700. He provided proof that he made the \$2,000 payment.

Applicant has not made any payments toward the cable debt (SOR ¶ 1.j), the \$573 wireless phone debt (SOR ¶ 1.g), the medical judgment (SOR ¶ 1.i), or the medical collection debt (SOR ¶ 1.k). He offered to return the cable television equipment, but the creditor refused to accept it because of its age. He had no success locating the entity currently holding the wireless phone debt. There is no evidence of any actions on his part to address the medical debts. Without some proof that the medical debts should have been covered by his medical insurer, AG ¶ 20(e) is not satisfied as to his delinquent medical debts. Applicant does not dispute his legal liability for the wireless telephone debt.

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).⁴ Some of the factors in AG ¶ 2(d) were addressed under Guideline F, but some warrant additional comment.

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:

⁴ 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.

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's payments to satisfy or settle four debts in the SOR are viewed favorably, despite the recency of their resolution. After paying \$235 since October 2017 toward his student loans, he still owes more than \$18,000, but his student loans are now current. Applicant has yet to make \$700 monthly payments from January 2018 through May 2018 to fully settle the charged-off car loan. He has made no payments toward the delinquencies in SOR ¶¶ 1.g and 1.i-1.k totaling \$2,071.

In the whole-person evaluation, Applicant demonstrated his commitment to his job when he was employed by the defense contractor. His position was reclassified to bring his pay commensurate with the quality of his work. Applicant's managers from his defense-contractor employment want Applicant recalled to work if his security clearance is adjudicated favorably. His value to the company is evident in him being given a contract position to train pipefitters.

Applicant's financial issues were largely caused by a lack of income rather than by a disregard of his legitimate obligations. There is no evidence of any overreliance on consumer credit, frivolous spending, or other financially irresponsible behavior that could compromise his financial situation in the future. Provided he has the income to make payments, I am persuaded that Applicant will continue to address his delinquencies. He is not seen as likely to jeopardize classified information to obtain funds to pay debts. After considering all the facts and circumstances, I conclude that it is 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: FOR APPLICANT

Subparagraphs 1.a-1.l: For Applicant

Conclusion

In light of all of the circumstances, it is clearly consistent with the national interest to grant Applicant eligibility for a security clearance. Eligibility for access to classified information is granted.

Elizabeth M. Matchinski
Administrative Judge