



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



In the matter of:	)	
	)	
	)	ISCR Case No. 15-01890
	)	
Applicant for Security Clearance	)	

**Appearances**

For Government: Eric H. Borgstrom, Esq., Department Counsel  
For Applicant: *Pro se*

07/11/2016

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**Decision**

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MATCHINSKI, Elizabeth M., Administrative Judge:

Applicant incurred delinquent debt following a Chapter 7 bankruptcy discharge in April 2010. Factors outside of his control have contributed to his recent financial difficulties, but he has yet to demonstrate that he can manage his finances responsibly. Clearance is denied.

**Statement of the Case**

On October 20, 2015, the Department of Defense Consolidated Adjudications Facility (DOD CAF) issued a Statement of Reasons (SOR) to Applicant, detailing the security concerns under Guideline F, Financial Considerations, and explaining why it was unable to find it clearly consistent with the national interest to grant or continue security clearance eligibility for him. The DOD CAF took the action under Executive Order 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 (AG) effective within the DOD on September 1, 2006.

On November 10, 2015, Applicant answered the SOR allegations and requested a hearing before an administrative judge from the Defense Office of Hearings and Appeals (DOHA). On January 15, 2016, 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 him. On January 18, 2016, I scheduled a hearing for February 11, 2016.

I convened the hearing as scheduled. Six Government exhibits (GEs 1-6) and four Applicant exhibits (AEs A-D) were admitted into evidence without objection. A chart prepared by Department Counsel as a supplement to his oral closing argument was marked as a hearing exhibit (HE 1) for the record but was not admitted as an evidentiary exhibit. Applicant testified on his behalf, as reflected in a transcript (Tr.) received on February 19, 2016.

I held the record open for one month for post-hearing submissions from Applicant. No documents were received by the deadline, so the record closed on March 11, 2016.

### **Findings of Fact**

The SOR alleges under Guideline F that Applicant was granted a Chapter 7 bankruptcy discharge in April 2010 (SOR ¶ 1.a) and that he owed \$13,794 in collection debt as of the issuance of the SOR on October 20, 2015 (SOR ¶¶ 1.b-1.k). When he answered the SOR allegations, Applicant admitted the bankruptcy and the past-due debts. His admissions are accepted and incorporated as findings of fact. After considering the pleadings, exhibits, and transcript, I make the following additional findings of fact.

Applicant is a 45-year-old painter who has worked for a defense contractor since July 2014. He has been married since September 2011. He has a 31-year-old stepson and a 27-year-old stepdaughter. (GE 1; Tr. 24-25, 30.)

Applicant worked as a painter from May 2000 to September 2008 when he left because he wanted a change. He started at \$11.50 an hour, but was paid \$16 an hour his last two years on the job. (GEs 1, 5; Tr. 57.) He leased a large sport utility vehicle at \$537 per month from August 2006 to early 2008, when he bought a more fuel-efficient vehicle with a car loan of \$24,241. (GE 4; Tr. 68, 74.)

Applicant worked as a stock clerk at a market from October 2008 to October 2011. (GE 1; Tr. 57.) His hourly wage increased from \$12 to \$14 during his three years there (Tr. 58), but he could not keep up with his car payments of \$427 per month. The vehicle was repossessed in 2009. (Tr. 31-32, 45.) In January 2010, Applicant filed a Chapter 7 bankruptcy petition. (GE 1; Tr. 27.) He listed \$25,327 in unsecured nonpriority claims, consisting of \$1,200 in fitness club dues; \$2,473 in credit card debt; \$486 in telephone debt; \$10,761 for a repossessed motorcycle purchased in 2007; and \$10,407 in loan deficiency for his car loan following repossession of the vehicle. (Tr. 69-70.) In April 2010, Applicant was granted a discharge of \$31,149 in scheduled claims (SOR ¶ 1.a). (GEs 4, 6.)

Applicant was extended credit after his bankruptcy. In May 2010, he obtained an automobile loan for \$18,072. In October 2011, Applicant began working as a welder for a local manufacturing company at \$14 an hour, which was an increase over his previous job and a shorter commute. (Tr. 27-28.) His spouse was on disability pay. (AE A.) Despite his full-time employment, Applicant could not keep up with the \$335 monthly payments on the car loan, and he voluntarily surrendered the vehicle in 2012, leaving a deficiency balance of \$6,221 on the loan (SOR ¶ 1.j). (GE 2; Tr. 45.) On June 26, 2013, the creditor obtained a \$6,591 judgment against him. (AE C.) A \$200 medical debt was placed for collection in July 2012 (SOR ¶ 1.f). A wireless telephone company referred two debts for collection: of \$1,501 in October 2012 (SOR ¶ 1.h) and \$460 in November 2012 (SOR ¶ 1.g). (GE 4.)

In 2013, Applicant's spouse began working at a technical institute. (AE A.) She had received disability income since 2011. (Tr. 52.) Applicant purchased a used car for his spouse around July 2013, obtaining a \$13,170 loan to be repaid at \$416 per month for 44 months.<sup>1</sup> (GE 2.) In September 2013, Applicant began repaying the judgment for the repossessed vehicle (SOR ¶ 1.j) at \$150 per month. (AE C.)

Applicant and his spouse moved to a new apartment at rent of \$950 per month in October 2013. (Tr. 50.) Around February 2014, Applicant left his job with the welding company and returned to work as a painter at \$16 an hour for a previous employer. (Tr. 28.) In June 2014, Applicant and his spouse moved to their current residence, a two-bedroom summer home on a pond, which was located closer to her work. (Tr. 50-51.) Applicant's spouse was taking home \$650 every two weeks from her job as an instructor at the technical institute. (Tr. 51.)

Applicant testified that he was laid off and collected unemployment for about one month before he began working for his current employer in mid-July 2014. (GE 5; AE A; Tr. 25-30.) Yet, as part of the application process for his employment with a defense contractor, he completed and certified to the accuracy of a Questionnaire for National Security Positions (SF 86) on which he indicated that he was still working as a painter. (GE 1.) In response to a financial record inquiry concerning any bankruptcy filing in the last seven years, Applicant disclosed his Chapter 7 bankruptcy discharge in April 2010. As for any delinquencies involving routine accounts, Applicant listed one debt of \$850 for apartment rent (SOR ¶ 1.c), which he was disputing because a cosigner on the lease agreed to take over the rent payments after he moved out. (GE 1.) Applicant had lived in the apartment with a girlfriend from December 2010 to May 2011. When they ended their relationship, he vacated the apartment and moved in with his parents until he married. According to Applicant, his ex-girlfriend had agreed to cover the rent for the two months remaining on the lease, but she left without paying the balance of the lease. (GE 5.)

A check of Applicant's credit on July 12, 2014, showed that his former landlord had placed a \$1,000 balance for collection (SOR ¶ 1.c).<sup>2</sup> He also reportedly owed collection

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<sup>1</sup> Applicant testified that his car payment is \$384 per month. (Tr. 35.) His credit report of August 2015 shows a scheduled monthly payment of \$416. (GE 2.)

<sup>2</sup> A more recent credit report of August 2015 shows that the landlord placed two debts of \$1,000 (SOR ¶ 1.c)

balances of \$200 for medical services (SOR ¶ 1.f); \$460 (SOR ¶ 1.g) and \$1,501 (SOR ¶ 1.h) for wireless phone services from 2012; and \$597 (SOR ¶ 1.k) for wireless phone service from May 2014. (GE 4.) His credit report did not reflect the judgment for the repossessed vehicle or that he had been making payments of \$150 per month on the debt since September 2013 to reduce the balance to \$5,753. (AE C.)

Applicant started working for his current employer on July 23, 2014, at \$16 an hour. (Tr. 25, 54.) On August 8, 2014, Applicant was interviewed by an authorized investigator for the Office of Personnel Management (OPM). About the apartment debt (SOR ¶ 1.c) listed on his SF 86, Applicant explained that he disputed the debt because he felt his ex-girlfriend was responsible for paying the rent after he moved out. He admitted legal liability in that his name was also on the lease, but he did not have the funds to pay the debt. When asked whether he had any other outstanding debts, Applicant indicated that he had a 2002 model-year vehicle voluntarily repossessed in the spring of 2012 because he could no longer afford the \$150 monthly payment. Applicant recalled no other delinquent debts, but when confronted, he did not deny owing the collection debts in SOR ¶¶ 1.f-1.h and 1.k. Applicant indicated that he had forgotten about the debts when he completed his SF 86. He expressed an intent to pay the debts within the next 12 months, now that he was employed by a defense contractor. (GE 5.)

Applicant's spouse injured her knee in a fall at a supermarket in July 2014. She was on medical leave from her knee surgery in late January 2015 until March 2015,<sup>3</sup> when she returned to work at the technical institute on reduced hours. (AE A.)

A check of Applicant's credit on August 27, 2015, showed no progress toward resolving his outstanding collection debts. His former landlord had reportedly placed a second debt in collection for \$119 (SOR ¶ 1.d). He also owed collection debts placed since October 2014: \$1,602 for cable television services (SOR ¶ 1.e); \$150 for electric power services (SOR ¶ 1.b); and \$1,944 for fiber optic television services (SOR ¶ 1.i). (GE 2; Tr. 33-34.) Applicant testified that he has made eight payments of \$150 toward the judgment for the repossessed vehicle (SOR ¶ 1.j) (Tr. 46), but his account history shows payments of \$150 per month from September 2013 through November 2015, to reduce the balance to \$4,631. (AE C.)

Applicant's spouse was fired from her employment at the technical institute in November 2015. (AE A.) She has a lawsuit pending against her former employer for wrongful termination. (Tr. 37-40.) As of February 2016, she was collecting unemployment compensation of \$370 per week. (Tr. 34.)

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and \$119 (SOR ¶ 1.d) for collection in April 2012. (GE 2.)

<sup>3</sup> Applicant's spouse had knee surgery on January 9, 2015. She prepared a timeline in which she indicated that she was "out of work until March 2016 [sic] reduced hours." She also indicated that she was fired while on leave under the FMLA in November 2015. Applicant testified that his spouse was out of work for one month following her surgery. (Tr. 39) His testimony is consistent with a return by his spouse to her job in March 2015 on reduced hours.

Applicant's hourly wage has increased by \$.75 every six months since he started his employment. (Tr. 54.) With his latest raise in January 2016, he earns about \$18.25 an hour. As of February 2016, Applicant has made no payments to his former landlord (SOR ¶¶ 1.c, 1.d), the utility/cable/Internet providers (SOR ¶¶ 1.b, 1.e, 1.g-1.i, 1.k), or the medical collection debt (SOR ¶ 1.f). (AE D; Tr. 36, 40-44, 73.) Applicant claims that he returned the equipment to the telecommunications companies in SOR ¶ 1.e and ¶ 1.i in January 2016 (Tr. 44.) His recent credit report of February 2016 shows an \$884 balance to the provider in SOR ¶ 1.i, so that debt may well have been reduced, but there is no evidence of a reduction in the \$1,602 balance of the debt in SOR ¶ 1.e. Applicant's plan is to address his old delinquencies with funds from his spouse's settlement with the supermarket. He expects her case to be settled in late summer 2016. (Tr. 36-38, 63.)

Applicant and his spouse's monthly expenses total approximately \$3,235, which includes \$1,200 for rent, \$384 car payment for her vehicle, \$136 for cable television and Internet service, \$86 in cell phone charges, and \$150 in her home shopping network purchases, but does not include the \$150 toward the judgment. (AE B.) Applicant and his spouse were three weeks late in paying their rent in November 2015, December 2015, and January 2016, although he believes his spouse paid their rent on time in February 2016. (Tr. 47.) Applicant and his spouse owe about \$1,000 in total outstanding medical debt not included in their monthly expenses. (AE B; Tr. 65.) The cable bill of \$136 per month is in her name. (Tr. 45.) Applicant drives a 1994 model-year vehicle that his mother purchased for him as a gift. (Tr. 46.) He has not opened a new credit card account since August 2010. That credit card account was closed and charged off in May 2012 with no balance currently owed. (GEs 2, 4.) Applicant and his spouse have stopped eating out to reduce their expenses. (Tr. 49.) His plan as of February 2016 was to find a cheaper place to live when their lease ended in May 2016. (Tr. 56, 72.)

Applicant borrowed \$1,800 in December 2015 and \$900 in February 2016 to pay household expenses, including rent. He is repaying the two loans at \$7 and \$5 weekly, respectively. (Tr. 75-76.) Applicant's spouse had recently been offered a position at \$14 an hour as of February 2016. She had not yet started work as of Applicant's security clearance hearing. (Tr. 72, 77.)

Bankruptcy docket records show that Applicant filed certificates noting his completion of credit counseling in January 2010 for his bankruptcy filing and of a financial management course in February 2010 for his bankruptcy discharge. (GE 6.) Applicant has had no other financial counseling. (Tr. 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(c), 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 access to classified information will be resolved in favor of 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 Executive Order 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 set forth in AG ¶ 18:

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 information. An individual who is financially overextended is at risk of having to engage in illegal acts to generate funds.

Applicant overextended himself financially before his marriage by taking on car and motorcycle payments, which he could not afford. He was given a financial fresh start in a Chapter 7 bankruptcy discharge in April 2010, but three disqualifying conditions under AG ¶ 20 apply because of financial delinquency that led him to file for bankruptcy:

- (a) inability or unwillingness to satisfy debts;
- (c) a history of not meeting financial obligations; and
- (e) consistent spending beyond one's means, which may be indicated by excessive indebtedness, significant negative cash flow, high debt-to-income ratio, and/or other financial analysis.

After the bankruptcy, Applicant resided with an ex-girlfriend. He vacated the apartment when they ended their relationship around May 2011, but neither he nor his ex-girlfriend paid the rent remaining on the lease. Their former landlord placed two debts for collection totaling \$1,119 (SOR ¶¶ 1.c, 1.d). Applicant is liable since he was also on the lease. In July 2012, a hospital placed a \$200 debt for collection (SOR ¶ 1.f). In 2012, Applicant defaulted in 2012 on a vehicle loan opened in May 2010. Following a voluntary repossession, he did not pay the \$6,221 deficiency balance on his loan, and in June 2013, the creditor obtained a \$6,591 judgment against him (SOR ¶ 1.j). In the fall of 2012, a wireless phone service provider placed \$1,961 for collection (SOR ¶¶ 1.g, 1.h). Furthermore, Applicant and his spouse have struggled of late to pay other monthly obligations. Three accounts totaling \$3,696 for telecommunications and electricity services were placed for collection in the 1.5 years preceding Applicant's security clearance hearing (SOR ¶¶ 1.b, 1.e., 1.i). AG ¶¶ 20(a) and 20(c) apply to the delinquencies incurred since his bankruptcy.

Mitigating condition 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," cannot reasonably apply in this case. The debts in the SOR were incurred in the last five years, after Applicant had been afforded a fresh financial start through bankruptcy, and Applicant has been making payments on only one of them.

AG ¶ 20(b), "the conditions that resulted in the financial problem were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, or a death, divorce or separation), and the individual acted responsibly under the circumstances," does not apply in mitigation of the financial issues that led to his bankruptcy filing. Applicant exercised poor financial judgment by taking on more debt than he could afford on his income. Applicant bought a motorcycle on credit for \$15,373 in April 2006. Four months later, he leased a large SUV at \$537 per month. He was earning only \$16 an hour as a painter. He lowered his monthly car costs by purchasing a fuel-efficient car in January 2008, but both that car and the motorcycle were repossessed.

Concerning delinquencies incurred after the bankruptcy, he defaulted on the car loan opened in May 2010 (SOR ¶ 1.j) because he could not afford the monthly payment. Assuming that Applicant had good reason to trust that his ex-girlfriend would pay the rent through the remainder of their lease, the debts owed to his former landlord (SOR ¶¶ 1.c and 1.d) are not fully mitigated under AG ¶ 20(b) when he has made no attempt to resolve them. Similarly, the medical debt in SOR ¶ 1.f and the telecommunications debts in SOR ¶¶ 1.g and 1.h have been in collection since 2012 with no evidence of any efforts to arrange for repayment. Applicant now recalls that he was out of work for a month before he started his job with a defense contractor in July 2014, and his spouse fell at the supermarket just before he started his current job. His job layoff only minimally implicates AG ¶ 20(b), given Applicant has been employed full time since July 2014. His spouse's fall compromised the household income, although primarily since March 2015, when she returned to work after surgery on reduced hours. When asked about his spouse's lost time after her fall, Applicant testified that she was out of work for one month after her surgery in January 2015. (Tr. 39.) Applicant did not provide information about the reduction in his spouse's income, if any, between July 2014 and January 2015. During that time, a cable company placed a \$1,602 balance for collection (SOR ¶ 1.e) in October 2014. The high balance would seemingly indicate some difficulties paying the debt before her injury. The telecommunications debts in SOR ¶¶ 1.i and 1.k were delinquent in late spring 2014, before his spouse fell. Both Applicant and his spouse were gainfully employed at that time, and there is no evidence of any unforeseen factor that caused the delinquencies.

To the extent that Applicant's ability to repay his debts has been compromised because of the loss of spousal income, his ongoing financial difficulties cannot completely be attributed to factors outside of his control. With their move in June 2014, Applicant and his spouse increased their rent by \$250 per month when they were struggling to pay some bills on time (SOR ¶¶ 1.i and 1.k) and making no payments on some older delinquencies (SOR ¶¶ 1.b-1.d and 1.f-1.g). Applicant has not exercised the financial responsibility required to fully mitigate the security concerns under AG ¶ 20(b).

AG ¶ 20(c), "the person has received or is receiving counseling for the problem and/or there are clear indications that the problem is being resolved or is under control," has some applicability in this case, but only to the automobile loan deficiency in SOR ¶ 1.j. Albeit in response to a June 2013 financial judgment, Applicant has been repaying the debt at \$150 per month since September 2013. His payments in response to a judgment do not fully establish AG ¶ 20(d), "the individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts." Nonetheless, the consistency in his payments over the past two years leads me to conclude that his largest debt is likely to be resolved. Neither AG ¶ 20(c) nor AG ¶ 20(d) mitigate the delinquencies yet to be addressed as of the close of the record in March 2016. The financial considerations security concerns are not fully mitigated under the adjudicative guidelines.

### **Whole-Person Concept**

Under the whole-person concept, 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(a).<sup>4</sup> The analysis under Guideline F is incorporated in my whole-person analysis. Some of the factors in AG ¶ 2(a) were addressed under that guideline, but some warrant additional comment.

Applicant expressed intent to resolve his delinquent accounts with funds from an expected settlement of his spouse's claim against the supermarket. The DOHA Appeal Board recently reaffirmed that promises to repay delinquent debts in the future are not a substitute for a track record of repaying debts in a timely manner and otherwise acting in a financially responsible manner. See *e.g.*, ISCR 14-05359 (App. Bd. May 4, 2016). At the same time, he is not required to establish that he has paid off each debt in the SOR, or even that the first debts paid be those in the SOR.<sup>5</sup> As of mid-February 2016, Applicant's finances were impacted by his spouse's unemployment, although his spouse had a reasonable job prospect that was pending pre-employment screening. Even assuming an increase in their household income going forward, Applicant has yet to show that he can be counted on to manage his finances responsibly. His record of financial delinquency after his bankruptcy discharge raises doubt about whether he benefitted from the credit counseling and financial management he completed in the bankruptcy process. He borrowed \$1,800 from his 401(k) in December 2015 to meet household expenses and yet did not pay his rent on time for January 2016. His financial situation was tenuous as of his hearing, as evidenced by the fact that he had to take out a second loan from his 401(k) in

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<sup>4</sup> The factors under AG ¶ 2(a) 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.

<sup>5</sup> The DOHA Appeal Board stated in ISCR Case No. 07-06482, decided on May 21, 2008, in part:

In evaluating Guideline F cases, the Board has previously noted that the concept of "meaningful track record" necessarily includes evidence of actual debt reduction through payment of debts." See, *e.g.*, ISCR Case No. 05-01920 at 5 (App. Bd. Mar. 1, 2007). 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. See, *e.g.*, ISCR Case No. 02-25499 at 2 (App. Bd. Jun. 5, 2006). 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." See, *e.g.*, ISCR Case No. 04-09684 at 2 (App. Bd. Jul. 6, 2006). The Judge can reasonably consider the entirety of an applicant's financial situation and his actions in evaluating the extent to which that applicant's plan for the reduction of his outstanding indebtedness is credible and realistic. See Directive ¶ E2.2(a) ("Available, reliable information about the person, past and present, favorable and unfavorable, should be considered in reaching a determination.") There is no requirement that a plan provide for payments on all outstanding debts simultaneously. Rather, a reasonable plan (and concomitant conduct) may provide for the payment of such debts one at a time. See, *e.g.*, ISCR Case No. 06-25584 at 4 (App. Bd. Apr. 4, 2008). Likewise, there is no requirement that the first debts actually paid in furtherance of a reasonable debt plan be the ones listed in the SOR.

February 2016. Applicant presented no evidence after the hearing from which I could reasonably conclude that his spouse is likely to settle her injury or wrongful termination claims in the near future or that his financial problems will not persist.

It is well settled that once a concern arises regarding an applicant's security clearance eligibility, there is a strong presumption against the grant or renewal of a security clearance. See *Dorfmont v. Brown*, 913 F.2d 1399, 1401 (9<sup>th</sup> Cir. 1990). A determination of an applicant's eligibility for a security clearance should not be made as punishment for specific past conduct, but on a reasonable and careful evaluation of the evidence to determine if a nexus exists between established facts and a legitimate security concern. Applicant has not shown the good judgment that is required of persons granted access to classified information. While his financial situation was not completely of his own making, he has not been proactive about resolving debts that he is legally liable to repay. After considering all the facts and circumstances, it is not clearly consistent with the national interest to grant him security clearance eligibility at this time.

### **Formal Findings**

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

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraphs 1.a-1.i:	Against Applicant
Subparagraph 1.j:	For Applicant
Subparagraph 1.k:	Against Applicant

### **Conclusion**

In light of all of the circumstances presented by the record in this case, 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.

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Elizabeth M. Matchinski  
Administrative Judge