

KEYWORD: Financial

DIGEST: Applicant's failure to address his long-standing delinquent debts precludes a finding that it is clearly consistent with the national interest to grant him access to classified information. Clearance is denied.

CASENO: 06-14455.h1

DATE: 06/28/2007

DATE: June 28, 2007

In Re:)	
)	
)	
-----)	ISCR Case No. 06-14455
SSN: -----)	
)	
Applicant for Security Clearance)	
)	

**DECISION OF ADMINISTRATIVE JUDGE
JOSEPH TESTAN**

APPEARANCES

FOR GOVERNMENT

J. Theodore Hammer, Department Counsel

FOR APPLICANT

Pro Se

SYNOPSIS

Applicant's failure to address his long-standing delinquent debts precludes a finding that it is clearly consistent with the national interest to grant him access to classified information. Clearance is denied.

STATEMENT OF THE CASE

On August 31, 2006, the Defense Office of Hearings and Appeals (DOHA), pursuant to Executive Order 10865 and Department of Defense Directive 5220.6 (Directive), dated January 2, 1992, issued a Statement of Reasons (SOR) to applicant which detailed reasons why DOHA could not make the preliminary affirmative finding under the Directive that it is clearly consistent with the national interest to grant or continue a security clearance for applicant and recommended referral to an Administrative Judge to determine whether clearance should be denied or revoked.

Applicant responded to the SOR in writing on November 11, 2006, and elected to have his case determined on a written record in lieu of a hearing. Department Counsel submitted the Government's written case (FORM) on or about March 2, 2007. Applicant did not file a response to the FORM. The case was assigned to me on May 24, 2007.

FINDINGS OF FACT

Applicant is a 46 year old employee of a defense contractor.

SOR Allegation 1a: Applicant is indebted to this creditor in the approximate amount of \$1,418.00. This credit card debt is past-due.

SOR Allegation 1b: Applicant is indebted to this creditor in the approximate amount of \$4,551.00. This credit card debt is past-due.

SOR Allegation 1c: Applicant is indebted to this creditor in the approximate amount of \$3,733.00. This credit card debt is past-due.

SOR Allegation 1d: Applicant is indebted to this creditor in the approximate amount of \$2,305.00. The credit card debt is past-due and was placed for collection.

SOR Allegation 1e: Applicant is indebted to this creditor in the approximate amount of \$2,529.00. This credit card debt is past-due.

SOR Allegation 1f: In February 2006, applicant told an investigator that he had stopped making payments on his "credit debts" in September 2002. He further stated that he would initiate contact with each of his creditors by April 2006 in order to address the debts.

SOR Allegation 1g: In his July 2006 response to interrogatories sent to him by DOHA, applicant stated it was not in his best interests to contact the creditors referred to in SOR Allegations 1.a. through 1.e. until he was prepared to resolve the accounts in full.¹ He further stated “I will assure you that it is my intention to pay all this debt over the next 18 months.”

In his response to the SOR, applicant stated he intends to pay off one of his delinquent debts in November, another one in January, and then continuing paying them off one by one until all five are paid.

CONCLUSIONS

_____ The evidence establishes that applicant has five debts, totaling \$14,536.00, that have been past-due for many years. Applicant’s failure to honor his financial obligations reflects adversely on his judgment and reliability, and suggests he cannot be relied upon to safeguard classified information. Disqualifying Conditions E2.A6.1.2.1 (*a history of not meeting financial obligations*) and E2.A6.1.2.3 (*inability or unwillingness to satisfy debts*) are applicable.

Once the Government established a *prima facie* case under Guideline F, the burden shifted to applicant to show he has reformed. Applicant failed to meet his burden. Although on at least two occasions he stated he intended to begin addressing the five credit card debts, he offered no credible evidence that he (1) has followed through with his stated intention and taken any meaningful action to address any of them, (2) is in a position to significantly reduce this past-due indebtedness anytime soon, or (2) is unlikely to experience additional financial difficulties. Applicant does not qualify for any Mitigating Condition, and Guideline F is found against him.

FORMAL FINDINGS

PARAGRAPH 1: AGAINST THE APPLICANT

DECISION

In light of all the circumstances presented by the record in this case, it is not clearly consistent with the national interest to grant or continue a security clearance for applicant.

¹Applicant believes that if he initiates contact with his creditors, his accounts may be “reactivated,” which may result in additional fees and interest. He further believes that he can avoid this risk if he is in a position to resolve his accounts in full when he initiates contact.

Joseph Testan
Administrative Judge