

KEYWORD: Financial

DIGEST: Applicant has approximately \$12,500.00 in unsecured debt that has been past-due for many years. There is little to no chance she will be in a position to satisfy this debt anytime soon. Clearance is denied.

CASENO: 06-18586.h1

DATE: 02/06/2007

DATE: February 6, 2007

_____)	
In Re:)	
)	
-----)	ISCR Case No. 06-18586
SSN: -----)	
)	
Applicant for Security Clearance)	
_____)	

**DECISION OF ADMINISTRATIVE JUDGE
JOSEPH TESTAN**

APPEARANCES

FOR GOVERNMENT
Candace L. Le'i, Department Counsel

FOR APPLICANT
Pro Se

SYNOPSIS

____ Applicant has approximately \$12,500.00 in unsecured debt that has been past-due for many years. There is little to no chance she will be in a position to satisfy this debt anytime soon.

Clearance is denied.

STATEMENT OF THE CASE

On September 19, 2006, the Defense Office of Hearings and Appeals (DOHA), pursuant to Executive Order 10865 (as amended) 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 on October 3, 2006, and elected to have her case determined on a written record in lieu of a hearing. Department Counsel submitted the Government's written case (FORM) on or about November 13, 2006. Applicant filed a response to the FORM on or about December 1, 2006. The case was assigned to me on December 27, 2006.

FINDINGS OF FACT

Applicant is 27 years of age. She has been with her current defense contractor employer since October 2005.

SOR Allegation 1a: Applicant is indebted to Medcah, Inc. in the approximate amount of \$400.00. This debt went delinquent and was referred for collection in about June 2003.

SOR Allegation 1b: This \$9.00 returned check fee debt was referred for collection in 2003. It was recently satisfied.

SOR Allegation 1c: Applicant is indebted to Bank of America in the approximate amount of \$5,339.00. This debt went delinquent and was charged off in 2003.

SOR Allegation 1d: Applicant is indebted to Target NB in the approximate amount of \$511.00. This debt went delinquent and was charged off in 2003.

SOR Allegation 1e: Applicant is indebted to Capital One Bank in the approximate amount of \$871.00. This debt went delinquent and was charged off in 2003.

SOR Allegation 1f: Applicant is indebted to GEMB/JC Penney in the approximate amount of \$219.00. This account went delinquent and was charged off in 2004.

SOR Allegation 1g: Applicant is indebted to Credit Service in the approximate amount of \$921.00. This debt went delinquent and was referred for collection in about August 2005.

SOR Allegation 1h: Applicant is indebted to Credit Systems, Inc. in the approximate amount of \$2,727.00. This account went delinquent and was referred for collection in about September 2005.

SOR Allegation 1i: Applicant is indebted to AWA Collection in the approximate amount of \$862.00. This debt originated with Nextel Partners, and was referred to AWA Collection by Nextel Partners for collection in about October 2005.

SOR Allegation 1j: Applicant is indebted to AFNI, Inc. in the approximate amount of \$683.00. This debt originated with Nextel, and was referred to AFNI, Inc. by Nextel for collection in about May 2006.

SOR Allegation 1k: Because the name of the creditor was not provided to applicant in the SOR, this allegation is found for applicant.

Applicant's financial problems began in October 2002 when her husband walked out on her and her son. At the time she had "no money no job and credit card debt in [her] name already."¹ She had no choice but to use her credit cards "to get food and to cover everyday living expenses."² When they legally separated February 2003, he agreed to pay her \$520.00 a month in support.³ She received just one payment from him.

Since their separation, applicant has had periods of underemployment and unemployment, as well as medical problems, all of which contributed to her inability to satisfy her past-due financial obligations. She now believes she is in the position where she can begin to repay this past-due debt. She intends to take care of all of her debts within the next year.

CONCLUSIONS

_____The evidence establishes that (1) applicant has been experiencing significant financial difficulties since 2003, (2) she is still indebted to numerous creditors for past-due debts in the approximate total amount of \$12,500.00, and (3) despite the optimism she expressed about her ability to begin satisfying these past-due financial obligations, there is little to no chance she will be in a position to satisfy them anytime soon. Disqualifying Conditions 19a. (*inability or unwillingness to satisfy debts*) and 19c.(*a history of not meeting financial obligations*) are applicable.

Applicant offered credible evidence that her financial problems were caused by her marital separation and her husband's refusal to honor his obligation to pay her monthly support. Accordingly, Mitigating Condition 20a. (*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*) is applicable.

At the present time, applicant is clearly experiencing significant financial difficulties.

¹Response to FORM.

²Response to FORM.

³Separation Agreement attached to Response to Form.

Although factors beyond her control caused these financial difficulties, the fact remains her present situation fits squarely within one of the primary concerns expressed in the Financial Considerations section of the Directive, to wit: *An individual who is financially overextended is at risk of having to engage in illegal acts to generate funds.*⁴ Based on this fact, I have no choice but to conclude it is not now clearly consistent with the national interest for applicant to have access to classified information.

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.

Joseph Testan
Administrative Judge

⁴Guideline F, Financial Considerations, Page 30, Paragraph 18, *The Concern*.