

KEYWORD: Financial

DIGEST: Applicant's long history of not paying her income tax when due, and her failure to offer any meaningful evidence of reform, precludes a finding that it is now clearly consistent with the national interest to grant her access to classified information. Clearance is denied.

CASENO: 06-19051.h1

DATE: 06/05/2007

DATE: June 5, 2007

In Re:)	
)	
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SSN: -----)	ISCR Case No. 06-19051
)	
Applicant for Security Clearance)	
)	

**DECISION OF ADMINISTRATIVE JUDGE
JOSEPH TESTAN**

APPEARANCES

FOR GOVERNMENT

Jeff A. Nagel, Department Counsel

FOR APPLICANT

Pro Se

SYNOPSIS

Applicant's long history of not paying her income tax when due, and her failure to offer any meaningful evidence of reform, precludes a finding that it is now clearly consistent with the national interest to grant her access to classified information. Clearance is denied.

STATEMENT OF THE CASE

On November 27, 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 January 30, 2007, 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 February 28, 2007. Applicant filed a response to the FORM on or about March 26, 2007. The case was assigned to me on May 22, 2007.

FINDINGS OF FACT

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

Applicant was indebted to the IRS in the amount of \$14,212.21 for tax year 1985. In 1992, the IRS filed a tax lien against her. The lien was released in 1996.

Applicant was indebted to the IRS in the total amount of \$3,374.88 for tax years 1989 and 1990. In February 1996, the IRS filed a tax lien against her. In March 2007, the lien was released.

It is not clear from the evidence if the two aforementioned tax liens were released because the IRS gave up trying to collect the debts or because the debts were paid. In her response to the SOR, applicant admitted that she was indebted to the IRS in the foregoing amounts for the foregoing years, but stated these were old debts that are "past [the] Statute of Limitations." In a different statement (Exhibit 4) she again referenced the running of the Statute of Limitations, but then stated: "Through the years the IRS has taken our tax returns any time that we had money coming back and even emptied our bank account one time and yet the amount owed has never gone down."

Applicant was due an income tax refund for tax year 2004. In April 2005, this refund, in the amount of \$3,303.00, was applied to applicant's remaining tax liability for tax year 1999.

CONCLUSIONS

_____ The evidence establishes that applicant has a long history of not paying her Federal income tax when due. This conduct reflects adversely on her judgment and reliability, and suggests she cannot be relied upon to safeguard classified information. Disqualifying Conditions 19(a) (*inability or unwillingness to satisfy debts*) and 19(c) (*a history of not meeting financial obligations*) are applicable.

Once the Government established a *prima facie* case under Guideline F, the burden shifted to applicant to show she has reformed. Applicant failed to meet her burden. Although she offered credible evidence that the tax liens filed against her have been released, she failed to provide (1) a satisfactory explanation for why she repeatedly failed to pay her income taxes when due, (2) any credible evidence that would support a finding that she is current on all of her Federal income tax

liabilities, and (3) any credible evidence that would support a finding that she is likely to satisfy future income tax obligations when due. No Mitigating Conditions are applicable.

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