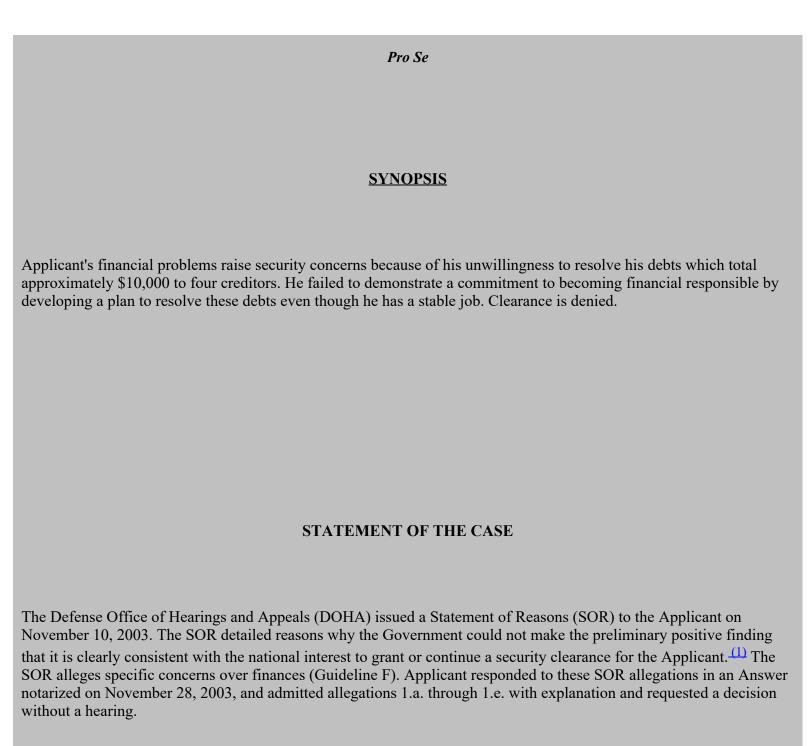
KEYWORD: Financial
DIGEST: Applicant's financial problems raise security concerns because of his unwillingness to resolve his debts which total approximately \$10,000 to four creditors. He failed to demonstrate a commitment to becoming financial responsible by developing a plan to resolve these debts even though he has a stable job. Clearance is denied.
CASENO: 02-30123.h1
DATE: 04/04/2005
DATE: April 4, 2005
In Re:
SSN:
Applicant for Security Clearance
ISCR Case No. 02-30123
DECISION OF ADMINISTRATIVE JUDGE
KATHRYN MOEN BRAEMAN
<u>APPEARANCES</u>
FOR GOVERNMENT
Eric H. Borgstrom, Department Counsel

FOR APPLICANT

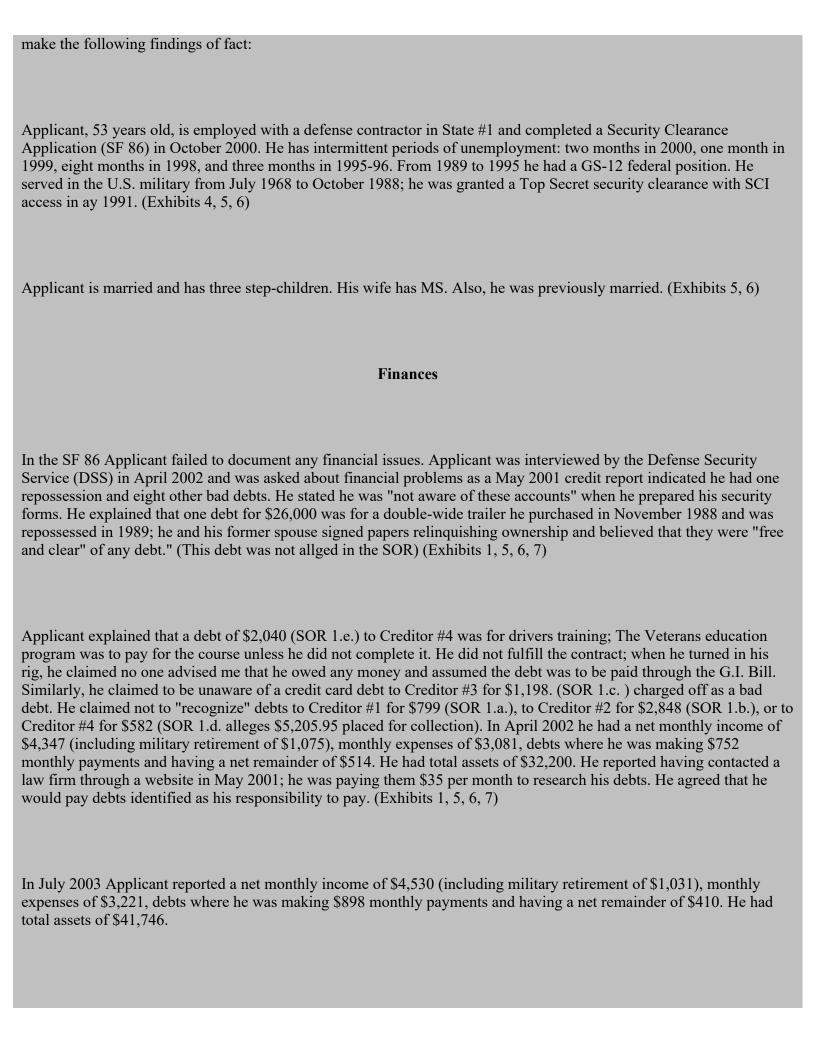


Department Counsel prepared a File of Relevant Material (FORM) on April 7, 2004, which was forwarded to Applicant.

He received it on May 30, 2004, and failed to respond. On July 19, 2004, the case was assigned to me.

FINDINGS OF FACT

After a complete and thorough review of the evidence in the record, and upon due consideration of that evidence, I



Applicant does not have a plan in place to resolve any of these debts. In November 2003, he admitted all of the debts alleged in the SOR. (Exhibit 3)
POLICIES
Enclosure 2 of the Directive sets forth adjudicative guidelines to consider in evaluating an individual's security eligibility. They are divided into conditions that could raise a security concern and may be disqualifying and conditions that could mitigate security concerns in deciding whether to grant or continue an individual's access to classified information. But the mere presence or absence of any given adjudication policy condition is not decisive. Based on a consideration of the evidence as a whole in evaluating this case, I weighed relevant Adjudication Guidelines as set forth below:
Guideline F - Financial Considerations
An individual who is financially overextended is at risk of having to engage in illegal acts to generate funds. Unexplained affluence is often linked to proceeds from financially profitable criminal acts.
The responsibility for producing evidence initially falls on the Government to demonstrate that it is not clearly consistent with the national interest to grant or continue Applicant's access to classified information. Then the Applicant presents evidence to refute, explain, extenuate, or mitigate in order to overcome the doubts raised by the Government, and to demonstrate persuasively that it is clearly consistent with the national interest to grant or continue the clearance. Under the provisions of Executive Order 10865, as amended, and the Directive, a decision to grant or continue an applicant's security clearance may be made only after an affirmative finding that to do so is clearly consistent with the national interest. In reaching the fair and impartial overall common sense determination, the Administrative Judge may draw only those inferences and conclusions that have a reasonable and logical basis in the evidence of record.
CONCLUSIONS
Financial Considerations

Applicant's conduct raises security concerns because he has (1) a history of financial problems and subsequently has shown (3) an inability or unwillingness to resolve any of his debts. He offered no plan or no time table to resolve approximately \$10,000 in debts to four creditors. While 1.d. alleges a debt of over \$5,000 which was placed for collection, I note that the credit report reports this debt as \$582. Nevertheless, he admitted the larger debt and has made no efforts to develop a payment plan to resolve any of these long-standing debts even though he has been in his job for several years.

Thus, Applicant failed to mitigate (3) these concerns. Although he implied that his wife and child's health issues contribute to his financial issues, he did not state how those expenses are linked to his long-term delinquencies. He has a stable job and sufficient resources to develop a plan to resolve these debts. While he reported he contacted a law firm to challenge the accuracy of his credit reports in May 2001, he subsequently has provided no information about what they have done in this regard. Nor has he established that any of the alleged debts are not his debts. Further, he has not documented that he sought any financial help or financial counseling. While he has stable employment, he has not demonstrated his willingness to make a good-faith effort to resolve these debts even though he was alerted to security concerns in his 2002 DSS interview and by the 2004 SOR.

After considering the Adjudicative Process factors and the Adjudicative Guidelines, I rule against Applicant under SOR Paragraph 1; I conclude that he has failed to mitigate the allegations in SOR subparagraphs 1.a. through 1.e.

FORMAL FINDINGS

After reviewing the allegations of the SOR in the context of the Adjudicative Guidelines in Enclosure 2 and the factors set forth under the Adjudicative Process section, I make the following formal findings:

Paragraph 1. Guideline F: AGAINST APPLICANT

Subparagraph 1.a.: Against Applicant

Subparagraph 1.b.: Against Applicant

Subparagraph 1.c.: Against Applicant

Subparagraph 1.d.: Against Applicant

Subparagraph 1.e.: Against Applicant
<u>DECISION</u>
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 the Applicant. Clearance is denied.
Kathryn Moen Braeman
Administrative Judge
1. This procedure is required by Executive Order 10865, as amended, and Department of Defense Directive 5220.6, dated January 2, 1992 (Directive), as amended by Change 4, April 20, 1999.
2. Conditions that could raise a security concern and may be disqualifying include: 1. A history of not meeting financial obligations; 3. Inability or unwillingness to satisfy debts.
3. Conditions that could mitigate security concerns include: 1. The behavior was not recent; 2. It was an isolated incident; 3. The conditions that resulted in the behavior were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, or a death, divorce or separation); 4. The person has received or is receiving counseling for the problem and there are clear indications that the problem is being resolved or is under control; 5. The affluence resulted from a legal source; and 6. The individual initiated a good-faith effort to repay overdue creditors or otherwise resolve debts.