

DATE: April 15, 2004

In Re:

SSN: -----

Applicant for Security Clearance

ISCR Case No. 02-13451

DECISION OF ADMINISTRATIVE JUDGE

JOSEPH TESTAN

APPEARANCES

FOR GOVERNMENT

Jennifer I. Campbell, Department Counsel

FOR APPLICANT

Pro Se

SYNOPSIS

Applicant's long-standing indebtedness, and her stated intention not to address it, 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 July 15, 2003, 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 July 22, 2003, 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 September 17, 2003. Applicant did not file a response to the FORM. The case was assigned to me on November 4, 2003.

FINDINGS OF FACT

Applicant is a 40 year old employee of a defense contractor.

SOR Allegation 1a: Applicant is indebted to this creditor in the approximate amount of \$400.00. The debt has been past-due since at least April 2002.

SOR Allegation 1b: Applicant is indebted to this creditor in the approximate amount of \$706.00. This cellular phone debt has been past-due since at least April 2002. In a signed, sworn statement that she gave to the Defense Security Service (DSS) in April 2002, she stated she "will not pay this bill."

SOR Allegation 1c: Applicant is indebted to this creditor in the amount of \$2,667.00 as a result of receiving State aid to which she was not entitled. Applicant disputed the State's claim and demand for reimbursement, but following a hearing in 1997, an Administrative Law Judge (ALJ) upheld the State's claim. In arch 2002, a lawsuit was filed by the State against applicant for payment of the debt. The outcome of the lawsuit cannot be determined from the record. Applicant still denies the State's claim, and will not make any payments on the debt.

SOR Allegation 1d: Applicant is indebted to this creditor in the approximate amount of \$1,132.00. After purchasing a sick dog, applicant concluded she had been overcharged and stopped making payments on the debt. She will not make any further payments to this creditor.

In her response to the SOR, applicant denied each of the foregoing allegations and stated that she "filed Chapter 13 Bankruptcy." Because she provided no documentation to corroborate this statement, and in fact offered no other meaningful details about this alleged Bankruptcy filing (e.g., date filed, current status) I cannot give her statement about a Bankruptcy filing any weight.

A personal financial statement prepared by applicant in April 2002 indicates that she has a negative monthly cash flow. This figure did not include payments to any of the four aforementioned creditors.

SOR Allegation 2a: As noted above, it was determined that applicant received State aid to which she was not entitled. In essence, applicant was receiving State aid for her child at the same time she was receiving child support payments from the child's father. I cannot determine from the evidence, however, whether applicant knew she was not entitled to these payments at the time she was receiving them. For this reason, Guideline E is found for applicant.

CONCLUSIONS

The evidence establishes that (1) applicant is indebted to at least four different creditors in the total amount of approximately \$4,900.00, (2) these four debts have all been delinquent since at least April 2002, and (3) applicant has not made any recent payments to any of these long-standing creditors, and has no plans to make payments to any of these creditors. Applicant's failure to honor her financial obligations reflects adversely on her judgment, reliability and trustworthiness, and suggests she cannot be relied upon to safeguard classified information.

With respect to the Financial Considerations guideline, it is clear that 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. It is equally clear that, given applicant's stated intention not to repay any of these creditors, none of the Mitigating Conditions of the Financial Considerations guideline is applicable. Based on the foregoing, Guideline F is found against applicant.

FORMAL FINDINGS

PARAGRAPH 1: AGAINST THE APPLICANT

Subparagraphs 1a, 1b, 1c and 1d found against applicant.

PARAGRAPH 2: FOR 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

