

DATE: July 29, 2004

In Re:

SSN: -----

Applicant for Security Clearance

ISCR Case No. 02-15072

DECISION OF ADMINISTRATIVE JUDGE

JOSEPH TESTAN

APPEARANCES

FOR GOVERNMENT

Stephanie C. Hess, Department Counsel

FOR APPLICANT

Pro Se

SYNOPSIS

Applicant's long-standing indebtedness, together with the lack of any credible evidence that would suggest her financial condition is likely to significantly improve anytime soon, 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 September 30, 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 October 29, 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 April 5, 2004. Applicant filed a response to the FORM on or about May 15, 2004. The case was assigned to me on May 28, 2004.

FINDINGS OF FACT

Applicant is a 48 year old employee of a defense contractor.

SOR Allegation 1a: Applicant is indebted to this creditor in the approximate amount of \$349.46. This past-due debt was charged off by the creditor in or about February 1999.

SOR Allegation 1b: Applicant was indebted to this creditor in the approximate amount of \$1,843.00. This delinquent debt was charged off in or about June 1999 and was subsequently placed for collection. In March 2004, applicant

reached an agreement with the collection agency to transfer the debt (which, with penalties and/or interest had risen to \$2,240.00) to a newly issued Visa card. To date, applicant has made one payment, in the amount of \$68.00.

SOR Allegation 1c: Applicant is indebted to this creditor in the amount of \$3,920.00. This past-due debt was charged off by the creditor in or about April 1999.

SOR Allegation 1d: Applicant was indebted to First USA Bank in the approximate amount of \$5,887.00. The debt went delinquent and was charged off in or about April 1999. The debt was sold to Capital One in August 2001. In August 2001, applicant began making monthly payments to Capital One, and by doing so, has reduced the debt to \$4,675.90 as of March 2003.

SOR Allegation 1e: Applicant is indebted to this creditor in the approximate amount of \$4,854.00. The debt was charged off by the creditor in or about October 1999.

SOR Allegation 1f: Applicant was indebted to this creditor in the approximate amount of \$64.00. The debt was charged off in or about March 1999. Applicant satisfied the debt in late 2003.

SOR Allegation 1g: Applicant is indebted to this creditor in the approximate amount of \$213.00. This debt is past-due and was charged off in or about January 1999.

SOR Allegation 1h: This is the same debt as the debt alleged in SOR Paragraph 1b.

SOR Allegation 1i: Applicant was indebted to this creditor in the approximate amount of \$105.00. This past-due debt was placed for collection in or about ay 2002. In late 2003, applicant satisfied it.

SOR Allegation 1j: Applicant is indebted to this creditor in the approximate amount of \$102.00. This past-due debt was placed for collection in or about September 1998. Applicant satisfied the debt in late 2003.

SOR Allegation 1k: Applicant is indebted to this creditor in the approximate amount of \$494.00. This past-due debt was placed for collection in or about August 1998.

SOR Allegation 1l: Applicant is indebted to this creditor in the approximate amount of \$272.00. This past-due debt was placed for collection in or about June 2001.

SOR Allegation 1m: This \$1,439.00 debt became past-due. Applicant eventually satisfied it.

SOR Allegation 1n: This is the same debt as the debt alleged in SOR Paragraph 1e.

CONCLUSIONS

All of the debts listed in the SOR, except the duplicates, were/are past-due. 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, 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.

The evidence establishes that as of March 2004, applicant (1) satisfied four of the debts, (2) made payments and/or payment arrangements on two other debts, and (3) has not made any payments on six of the debts. The total amount of indebtedness she satisfied (the four satisfied debts totaled \$1,710.00), together with the reduction in debt she accomplished by making payments to two of the creditors (approximately \$1,279.10), represents just a small percentage of the past-due indebtedness alleged in the SOR that still remains unaddressed and unsatisfied (approximately \$16,950.00). The fact that applicant has made some effort to address her long-standing indebtedness is a factor in her favor. However, given the fact she waited years before taking this action, and the fact she still has not addressed the bulk of her past-due indebtedness, I cannot conclude she has initiated a good-faith effort to resolve her past-due indebtedness. Accordingly, itigating Condition E2.A6.1.3.6 (*the individual has initiated a good-faith effort to repay*

overdue creditors or otherwise resolve debts) is not applicable.

I have considered applicant's evidence that her financial difficulties are, to a certain extent, the result of factors beyond her control. The major surgery she underwent in the mid-1990s, which left her out of work for four months, is certainly a factor beyond her control. However, viewing the evidence as a whole, I cannot conclude that her failure to honor her financial obligations to so many creditors over such a long period of time is largely the result of factors beyond her control. Accordingly, Mitigating Condition E2.A6.1.3.3 (*the conditions that resulted in the behavior were largely beyond the person's control*) is not applicable.

In view of applicant's long history of financial difficulties, and the lack of any credible evidence that would suggest her financial condition is likely to significantly improve anytime soon, it is not now clearly consistent with the national interest to grant her access to classified information. Based on the foregoing, Guideline F is found against applicant.

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