

DATE: July 18, 2005

In Re:

SSN: -----

Applicant for Security Clearance

ISCR Case No. 03-24079

DECISION OF ADMINISTRATIVE JUDGE

JOSEPH TESTAN

APPEARANCES

FOR GOVERNMENT

Julie R. Edmunds, Department Counsel

FOR APPLICANT

Pro Se

SYNOPSIS

Applicant is indebted to 12 different creditors in the approximate amount of \$27,000.00. Most, if not all, of these debts are past-due, some for many years. These facts, together with the lack of any evidence suggesting applicant's financial condition is likely to significantly improve anytime soon, precludes a decision favorable to applicant. Clearance is denied.

STATEMENT OF THE CASE

On December 27, 2004, 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 on January 5, 2005, and elected to have his 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, 2005. Applicant did not file a response to the FORM. The case was assigned to me on ay 31, 2005.

FINDINGS OF FACT

Applicant is a 39 year old employee of a defense contractor.

Applicant admits without qualification that he is indebted as alleged in SOR Paragraphs 1a, 1c, 1d, 1e, 1f, 1g, 1h, 1i, 1k, 1l, and 1m. These allegations are therefore incorporated by reference as Findings of Fact.

The Government's evidence is insufficient to establish that applicant is indebted as alleged in SOR Paragraph 1b. Accordingly, this allegation is found for applicant.

In his response to the SOR, applicant denied he is indebted as alleged in SOR Paragraph 1j. However, in a signed, sworn statement he gave to the Defense Security Service (DSS) in September 2003, he admitted that he was indebted to this creditor in the past-due amount of \$1,474.00. In addition, a bill in this amount addressed to applicant's minor child from the named creditor was offered in evidence. I find that applicant is indebted as alleged.

Applicant attributes his financial problems to losing a job in 1999, attorney fees he incurred in divorce and custody proceedings, and "irresponsible . . . spending at times" (Exhibit 5).

As of September 2003, applicant had a negative monthly cash flow of \$256.00.

CONCLUSIONS

The evidence establishes that applicant is indebted to twelve creditors in the total amount of approximately \$27,000.00. Most, if not all, of these debts are past-due. Some of them have been past-due for years. Applicant's failure to honor his financial obligations reflects adversely on his judgment, reliability and trustworthiness, and suggests he 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.

In view of applicant's numerous past-due debts, his inability or unwillingness to address them in any significant way, and the lack of any credible evidence that his financial condition is likely to significantly improve anytime soon, Guideline F is found against applicant. No Mitigation 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