

DATE: June 29, 2004

In Re:

SSN: -----

Applicant for Security Clearance

ISCR Case No. 03-12321

DECISION OF ADMINISTRATIVE JUDGE

JOSEPH TESTAN

APPEARANCES

FOR GOVERNMENT

Stephanie C. Hess, Department Counsel

FOR APPLICANT

Pro Se

SYNOPSIS

Applicant's long-standing indebtedness 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 March 8, 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 in writing on March 15, 2004, 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 9, 2004. Applicant did not file a response to the FORM. The case was assigned to me on June 3, 2004.

FINDINGS OF FACT

Applicant is a 42 year old employee of a defense contractor.

Applicant admits all of the factual allegations in the SOR. Accordingly, SOR Allegations 1a through 1k are incorporated by reference as Findings of Fact.

In a January 5, 2004 letter to DOHA, applicant stated, "I will be filing chapter 7 bankruptcy this year because I'm the only working person in my household. y husband only gets one check a month. [The husband] was medical retired in June 1991. I've had one heart attack over stress and I'm not going to have another."

CONCLUSIONS

The evidence establishes that (1) applicant filed a Chapter 7 bankruptcy action in 1997, and that in January 1998, over \$64,000.00 of unsecured debt was discharged by the bankruptcy court, (2) since that discharge, applicant has had at least six debts placed in collection and at least three debts "charged off" by various creditors, (3) as of January 2004, applicant's monthly expenses exceeded her monthly income by approximately \$368.00. These facts require application of 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*). No mitigating conditions are applicable. [\(1\)](#)

In view of applicant's history of financial difficulties, and the lack of any 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

All subparagraphs found against 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

1. There is some evidence in the record indicating that health problems experienced by applicant and her husband contributed to her financial difficulties. However, the extent to which these health problems contributed to applicant's financial difficulties cannot be determined from the record. 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.