

DATE: July 31, 2006

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In re:

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SSN: -----

Applicant for Security Clearance

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ISCR Case No. 04-03365

**ECISION OF ADMINISTRATIVE JUDGE**

**ELIZABETH M. MATCHINSKI**

**APPEARANCES**

**FOR GOVERNMENT**

Eric H. Borgstrom, Esq., Department Counsel

**FOR APPLICANT**

*Pro Se*

**SYNOPSIS**

Applicant owed about \$54,500 in delinquent debt due to a job layoff when he and his spouse were overextended on credit. While several of the debts have been discharged in a recent Chapter 7 bankruptcy, financial considerations persist where Applicant was behind in his mortgage and property tax obligations. Personal conduct concerns raised by his failure to disclose any delinquent indebtedness on his SF 86 are not mitigated. Clearance is denied.

**STATEMENT OF THE CASE**

On May 3, 2005, the Defense Office of Hearings and Appeals (DOHA) issued a Statement of Reasons (SOR) to the Applicant. The SOR detailed reasons under Guideline F, financial considerations, and Guideline E, personal conduct, 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 the Applicant. [\(U\)](#)

On June 6, 2005, Applicant answered the SOR and requested a hearing before a DOHA administrative judge. The case was assigned to me on January 3, 2006. Counsel for Applicant entered his appearance on January 12, 2006. On February 27, 2006, I convened a hearing pursuant to formal notice dated January 17, 2006. Applicant appeared *pro se*. Eight government exhibits and one Applicant exhibit were admitted, and testimony was taken from Applicant, as reflected in a transcript received March 13, 2006.

The record was held open until March 20, 2006, for Applicant to submit bankruptcy records and other financial documentation. On March 9, 2006, Applicant timely forwarded a joint Chapter 7 voluntary petition. The document was admitted as Applicant Exhibit B, the government having filed no objection by the arch 24, 2006, deadline.

**FINDINGS OF FACT**

Applicant was alleged under Guideline F to owe \$54,863.37 in delinquent debt, and under Guideline E to have

deliberately falsified his security clearance application (SF 86) by failing to disclose a June 2002 tax lien, and debts that had been delinquent more than 180 days in the preceding seven years and debts then delinquent more than 90 days. Applicant denied the allegations. He contended he no longer owed any of the debts as he was in the process of filing a Chapter 7 bankruptcy. As for the alleged falsification, Applicant averred his denials were based on a credit report provided to him by the Defense Security Service (DSS). After a thorough review of the evidence of record, I make the following findings of fact:

Applicant is a 59-year-old first class outside machinist who has been employed by a defense contractor since late February 2003. He seeks a secret-level security clearance for his duties.

Applicant worked as an assistant supervisor on the assembly floor for a local manufacturer from January 1990 until April 2002 when he was laid off. He had 11 weeks of severance pay and 26 weeks of unemployment compensation, but it was not enough to pay their obligations, even with his spouse working full-time in sales. Several consumer credit accounts became delinquent, and he also owed back property taxes to the town, and liens were filed against his residence. In about January 2004, his spouse was diagnosed with cancer. Because of chemotherapy treatments, she was unable to work full-time, but they still earned joint income of about \$54,000 in 2004, which was the same as in 2003. <sup>(2)</sup> As of the issuance of the SOR in May 2005, he owed over \$54,500, as set forth in the following table:

Debt as alleged in SOR	Delinquency history	Status as of February 2006
\$238 heating oil debt in collection (¶ 1.a.)	\$238 balance in collection as of Mar 02, unpaid as of Sep 02	Paid Oct 02
\$319 debt in collection (¶ 1.b.)	Cellular phone debt \$319 placed with assignee Apr 02, balance \$321 as of Mar 03, still owed as of Jun 04	No proof it was paid or included in bankruptcy
\$1,654.87 property tax debt (¶ 1.c.)	\$1,654 tax lien filed Jun 02	Claims to have paid it through a 2004 mortgage refinancing; no proof
\$4,199 credit card debt (¶ 1.d.)	Opened Nov 00, \$3,278 written off Oct 02, still owed as of Jan 05	\$4,676.32 discharged in bankruptcy Jan 06
\$2,775 charged off debt (¶ 1.e.)	Opened Jul 01; \$2,775 balance charged off Jul 02	No proof it was paid or included in bankruptcy
\$1,907 credit card debt (¶ 1.f.)	Opened Jan 01, \$3,044 high credit; \$1,907 charged off, last activity Sep 02	No proof it was paid or included in bankruptcy
\$1,937 credit card debt (¶ 1.g.)	Opened Apr 97 as co-maker, \$82 past due 30 days on \$1,027 balance as of Oct 02; \$1,492 written off Jun 03; balance \$1,937 as of Jan 05	\$2,137 discharged in bankruptcy Jan 06
\$1,438 charge with home improvement retailer (¶ 1.h.)	Opened as authorized user Apr 01, \$70 past due 60 days on \$1,125 balance as of Oct 02; \$1,438 transferred to recovery Apr 03	\$1,438 discharged in bankruptcy Jan 06
\$2,400 credit card debt (¶ 1.i.)	Opened Apr 01, \$1072 balance as of Nov 02; \$1,776 bad debt as of Jan 03; \$2,400 balance as of ar 05	Balance listed as "unknown" on Oct 05 bankruptcy petition

\$321 cellular phone debt in collection (¶ 1.j.)	(Same debt as ¶ 1.b.)	No proof it was paid or included in bankruptcy (see ¶ 1.b.)
\$2,381 credit card debt (¶ 1.k.)	Opened as authorized user Feb 98, \$99 past due 30 days on \$1,825 balance as of Oct 02; \$406 120 days past due on \$2,381 balance as of Apr 03	\$2,603 discharged in bankruptcy Jan 06
\$1,714 credit card debt (¶ 1.l.)	Opened as co-maker Apr 01; \$1,714 balance written off Apr 03	No proof it was paid or included in bankruptcy
\$5,241 credit card debt (¶ 1.m.)	Opened Nov 00, past due 60 days on \$4,415 balance Oct 02; \$5,241 written off May 03	Balance listed as "unknown" on Oct 95 bankruptcy petition
\$3,568 credit card debt (¶ 1.n.)	Opened as co-maker May 00, \$2,515 balance as of Nov 02; \$3,432 owed as of Apr 03; \$3,568 charged off May 03	Credit report reflects account may have been included in bankruptcy <a href="#">(3)</a>
\$1,240 credit card debt (¶ 1.o.)	Opened Jul 01, \$30 past due 30 days on \$540 balance as of Oct 02; \$136 120 days past due on \$964 balance as of Apr 03; \$1,240 charged off May 03	\$1,478 discharged in bankruptcy Jan 06
\$635 retail credit card debt (¶ 1.p.)	Opened as co-maker Nov 98, past due \$91 on \$713 balance Nov 02; \$246 past due 120 days on \$635 balance as of May 03	\$749 discharged in bankruptcy Jan 06
\$413 retail credit card debt (¶ 1.q.)	Opened as co-maker May 00, past due \$30 on \$370 balance Nov 02; \$121 past due on \$413 balance as of May 03	\$443 discharged in bankruptcy Jan 06
\$153 sewer tax debt (¶ 1.r.)	No proof of sewer tax debt	
\$3,120 property tax debt (¶ 1.s.)	\$3,120 tax lien filed Jun 03	Claims to have paid it through a 2004 mortgage refinancing; no proof
\$1,492 retail credit card debt (¶ 1.t.)	Opened as authorized user Nov 99, \$161 past due 120 days on \$1,503 balance as of May 03; \$1,492 charged off Jun 03	\$1,492 discharged in bankruptcy Jan 06
\$420 gasoline credit card debt (¶ 1.u.)	Opened Jun 01, \$195 past due 120 days on \$420 balance as of May 03, transferred to recovery Jun 03	Balance listed as "unknown" on Oct 05 bankruptcy petition <a href="#">(4)</a>
\$491 gasoline credit card debt (¶ 1.v.)	Opened Jun 01, \$263 past due 120 days on \$491 balance as of Apr 03, transferred to recovery Jun 03	\$265.31 discharged in bankruptcy Jan 06
\$155 medical debt in collection (¶ 1.w.)	\$155 listed for collection Sep 03, disputed	Liability not proven
\$229 heating oil debt in collection (¶ 1.x.)	\$229 for collection Oct 03, unpaid as of Mar 04	No proof it was paid or included in bankruptcy
\$15,439 automobile	Co-maker on \$16,642 loan taken out Jun 03, pays as agreed as	Balance listed as "unknown"

loan debt (¶ 1.y.)	of Oct 03, involuntary repossession ar 04, balance \$15,439	on Oct 05 bankruptcy petition
\$983 judgment in favor of gas company (¶ 1.z.)	\$983 judgment Dec 04	No proof it was paid

In February 2003, Applicant started working for his current employer as an outside machinist. In applying for a secret-level clearance, Applicant executed a SF 86 on February 7, 2003. He responded "NO" to question 36 ["In the last 7 years, have you had a lien placed against your property for failing to pay taxes or other debts?"], question 38 ["In the last 7 years, have you ever been over 180 days delinquent on any debt(s)?"], and question 39 ["Are you currently over 90 days delinquent on any debt(s)?"]. Applicant also did not indicate on his SF 86 any layoff or break in his employment, even though he now indicates unemployment in 2002 was a significant cause of his delinquent debt.

A check by the Defense Security Service (DSS) of Applicant's credit on February 11, 2003, revealed a tax lien had been filed against him in June 2002 in the amount of \$1,654 (¶ 1.c.), and an earlier lien of \$1,496 filed in June 2001 had been released in October 2001. An oil debt placed for collection in March 2002 had been paid in October 2002 (¶ 1.a.). While Applicant was paying on several of his accounts according to agreed upon terms, the debts in ¶¶ 1.g. and 1.k. were reportedly 30 days, and ¶ 1.h. and 1.m. 60 days past due as of October 2002. The debt in ¶ 1.d. was reported to be 30 days past due as of December 2002, although a subsequent check of Applicant's credit on December 11, 2003, reported the debt had been charged off in October 2002. The debt in ¶ 1.i., which was rated as current in the prior credit report, was charged off as a bad debt in early 2003. A \$321 unpaid cellular phone debt (¶ 1.j.) had been placed for collection in March 2003. A more recent credit check of March 2005 indicated that the debt in ¶ 1.f., which had been rated as current in the February 2003 credit report, had been charged off in September 2002. A December 2005 credit check turned up for the first time an unpaid balance of \$2,775 reportedly charged off in July 2002 (¶ 1.e.).

On January 27, 2004, Applicant was interviewed by a DSS special agent about his delinquencies and their omission from his SF 86. Applicant admitted the unpaid balances of debts ¶¶ 1.d., 1.g.1.h., 1.i., 1.j., 1.k., 1.l., 1.m., 1.n., 1.o., 1.p., and 1.q. He also acknowledged a tax liability to his town of about \$6,300 (partly delinquent), but denied any other delinquent debts. He attributed his financial difficulties to being unemployed from April 2002 to February 2003, and he expected to file for Chapter 7 bankruptcy within the next two months to resolve his debts, and thereafter to refinance his home to pay off the town taxes. He indicated that he had omitted his debts from his SF 86 because he believed he was not more than 60 days behind when he completed his SF 86 in February 2003 ("I tried to keep up on payments to my various creditors as much as I could, trying to stay only 30 or 60 days behind, and when I completed the Security Clearance Application (SCA) on 11 Feb 03, I did not believe that I was more than 60 days behind on my debts.").

In about March 2004, Applicant's vehicle was repossessed for failure to make his \$396 monthly payment on a loan taken out for \$16,642 in June 2003 (¶ 1.y.). As of June 2004, he owed \$15,439 on the loan.

In response to DOHA interrogatories concerning any consumer credit counseling or bankruptcy filing, Applicant indicated on July 7, 2004, that he had met with a consumer credit counseling service in May 2003, but had entered into no debt repayment plan. Nor had he filed a bankruptcy petition, despite having consulted legal counsel. He explained that the delay in filing was because his spouse had been diagnosed with cancer in January 2004 for which she had been treated with chemotherapy. He expressed his intent to file a joint petition with her (estimated within the next two months) following her recuperation from surgery scheduled for August 2004. Applicant furnished DOHA with a letter dated July 7, 2004, from his bankruptcy attorney representing the bankruptcy petition would be prepared for signature in approximately one month.

A DSS check of Applicant's credit on March 15, 2005, revealed he had not paid his delinquent debt, and that a gas company had obtained a judgment against him in December 2004 for \$983 (¶ 1.z.). In October 2005, Applicant and his spouse filed for joint bankruptcy under Chapter 7, seeking discharge of unsecured nonpriority claims totaling \$21,785.24, excluding the unpaid balances of ¶ 1.i., 1.m., and 1.y., which he indicated were "unknown," but including \$6,503.61 (\$3,250 in medical and the remainder consumer credit) in debt that does not appear on his credit reports but is listed as joint debt. In late January 2006, they were granted a Chapter 7 discharge.

A DSS check of Applicant's credit on December 22, 2005, revealed Applicant was more than \$3,000 behind in his

primary mortgage opened in December 2001, and \$658 behind in his second mortgage loan, which he took out in January 2002. Applicant initially claimed as of February 2006 that he was current in his mortgage payments (Tr. 34-35). Asked about what kind of guarantees he could provide that their financial problems were not likely to continue, Applicant responded that he was making sure that the bills were getting paid. (Tr. 58) When confronted with his \$3,000 plus delinquency in his primary mortgage as of November 2005, Applicant testified, "I'd have to check on that. I know they sent two payments out." (Tr. 62)

Since about 1999, Applicant has had a part-time job as a manager at a country club. As of October 2005, he earned about \$737.10 in gross income from that job. His spouse had 12 years in a sales job. They had combined monthly income of \$5,603.86 and expenses of \$5,358 on combined earnings of \$72,000 by October, due largely to Applicant working substantial overtime on temporary duty for the defense contractor. He was away from home on temporary duty from about November 2005.

As of late February 2006, he had not yet paid his property taxes which were due in January 2006. He owes about \$8,000 in total, half due in January 2006. He was waiting for his income tax refund to pay the debt. Applicant and his spouse had about \$274 in a checking account and zero in savings, although he had not yet deposited his spouse's paycheck for February 2006. Applicant denied using any credit cards himself since 2002/03 (Tr. 50) or that he and his spouse had any active credit card accounts. His December 22, 2005, credit report reflected no new reliance on credit. Their adult daughter, who lives with them, has been handling the payment of their bills since his spouse got sick.

Applicant denies knowing he was more than 90 days behind when he applied for his secret-level clearance. Specifically confronted with the adverse credit information reflecting that his debt for home heating oil (¶ 1.a.) had been in collection since March 2002 but paid in October 2002, <sup>(S)</sup> Applicant initially responded, "The main reason I didn't [list it was] because they billed me once and then I didn't hear from them again, and I actually omitted it." He indicated he had forgotten about it only after Department Counsel queried specifically whether he had omitted it because he had forgotten about it. (Tr. 37) Concerning his failure to report the liens filed against him in 2002 for unpaid property and sewer taxes, Applicant initially admitted he had known that his property taxes were not paid, but later claimed to have no knowledge they had not been paid, as reflecting in the following exchange between him and Department Counsel:

Q Okay. How about the taxes? You must have known that your property taxes were not paid?

A Right, but that was in February, and the taxes came out in January. So I was waiting to, you know, get employment so I could pay it.

Q I'm sorry, I don't understand. When the tax lien was dated from June 2002 to [city omitted]; isn't that right?

A Yes.

Q Okay. So both the property tax and the sewer tax were both-liens were filed; isn't that right?

A Yes.

Q Okay. So eight months later, when you were filling out your application in February 2003, you had to have known about those two tax debts?

A I actually did not know about those two tax debts.

Q And how is that possible?

A Like I said, my wife handled the finances, and I did not know.

(Tr. 38-39). A reasonable inference of deliberate falsification of question 36 is warranted in this case, given the delinquent property taxes and the lien filed in June 2002 (¶ 1.c.). Furthermore, the evidentiary record shows that debts had been over 180 days delinquent or were more than 90 days past due as of February 2003. The revolving charge debt ¶ 1.d. in his name had been charged off in October 2002. Another debt (¶ 1.e.) had been charged off even earlier, in July

2002. He knew that he had not paid his oil debt (1.a.). The credit card debt in ¶ 1.f. had been charged off in September 2002. His recent testimony to his spouse keeping him in the dark about their indebtedness is contradicted by the rationale he provided in January 2004 for the omissions: "I tried to keep up on payments to my various creditors as much as I could, trying to stay only 30 or 60 days behind." (Ex. 3) Either he had a hands-off approach to their finances or he monitored them to make sure they did not fall delinquent more than 90 days. He cannot have it both ways. Given the record evidence it strains credulity to conclude that he did not know he was seriously behind in some of his accounts, especially the property taxes.

## POLICIES

"[N]o one has a 'right' to a security clearance." *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). As Commander in Chief, the President has "the authority to . . . control access to information bearing on national security and to determine whether an individual is sufficiently trustworthy to occupy a position . . . that will give that person access to such information." *Id.* at 527. The President has authorized the Secretary of Defense or his designee to grant applicants eligibility for access to classified information "only upon a finding that it is clearly consistent with the national interest to do so." Exec. Or. 10865, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960). Eligibility for a security clearance is predicated upon the applicant meeting the security guidelines contained in the Directive. An applicant "has the ultimate burden of demonstrating that it is clearly consistent with the national interest to grant or continue his security clearance." ISCR Case No. 01-20700 at 3.

Enclosure 2 of the Directive sets forth personnel security guidelines, as well as the disqualifying conditions (DC) and mitigating conditions (MC) under each guideline. In evaluating the security worthiness of an applicant, the administrative judge must also assess the adjudicative process factors listed in ¶ 6.3 of the Directive. The decision to deny an individual a security clearance is not a determination as to the loyalty of the applicant. *See* Exec. Or. 10865 § 7. It is merely an indication that the applicant has not met the strict guidelines the President and the Secretary of Defense have established for issuing a clearance.

After considering the evidence of record, the following adjudicative guidelines are pertinent to an evaluation of Applicant's security suitability:

**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. (¶ E2.A6.1.1.)

**Personal Conduct.** Conduct involving questionable judgment, untrustworthiness, unreliability, lack of candor, dishonesty, or unwillingness to comply with rules and regulations could indicate that the person may not properly safeguard classified information. (¶ E2.A5.1.1.)

## CONCLUSIONS

Having considered the evidence of record in light of the appropriate legal precepts and factors, and having assessed the credibility of the Applicant, I conclude the government established its case with respect to Guideline F, financial considerations, and Guideline E, personal conduct, as follows:

Under Guideline F, financial considerations, the security concerns arise when the applicant is shown to have a history of excessive indebtedness, recurring financial difficulties, or a history of not meeting his financial obligations. The government must consider whether individuals granted access to classified information are, because of financial irresponsibility, in a position where they may be at risk of having to engage in illegal acts to generate funds. As of the issuance of the SOR, Applicant owed about \$54,500 in delinquent debt, \$15,439 of which was the deficiency balance after involuntary repossession of his vehicle in 2004. DC ¶ E2.A6.1.2.1. *A history of not meeting financial obligations*, and ¶ E2.A6.1.2.3. *Inability or unwillingness to satisfy debts*, apply.

Mitigating condition (MC) ¶ E2.A6.1.3.3. *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)* applies. Several of the consumer credit card accounts in particular became delinquent in 2002 when

Applicant was laid off from his job. However, there is ample evidence of financial irresponsibility that cannot be attributed to factors beyond his control. Applicant's failure to maintain timely payments when he had 11 weeks of severance pay, 26 weeks of unemployment compensation, and his spouse's salary, shows the extent to which he and his spouse had overextended themselves on credit before his layoff. Furthermore, the automobile that was repossessed in March 2004 was financed in June 2003, when Applicant and his spouse were both working full-time and had earned annual income of about \$54,000. While his spouse's illness reasonably explained their delay in filing for bankruptcy, the family's income remained steady in 2004, despite her inability to work full-time.

Even with his spouse back to work full-time and joint earnings of already \$72,000 as of October 2005, Applicant made little to no headway toward resolving his indebtedness in 2005. Applicant's failure to make any payments toward his consumer credit debt is understandable, given they intended to file for bankruptcy. However, he had been advised by his lawyer that property taxes were not dischargeable. Tax liens were filed against him in June 2001 for \$1,496 (released October 2001), June 2002 for \$1,654, and June 2003 for \$3,120. Although he maintains his property tax delinquency was satisfied by a mortgage refinancing, there is no proof the taxes were paid or that he even refinanced a mortgage after the June 2002 and June 2003 tax liens had been filed. His December 2005 credit report (Ex. 5) shows his primary mortgage was taken out in December 2001. Another loan with the same lender, which Applicant testified was a second mortgage, was taken out in January 2002. There are no subsequent mortgages reported.

Clearly, much of the financial pressure has been alleviated with the January 2006 Chapter 7 bankruptcy discharge. Applicant is no longer legally responsible for those debts in ¶¶ 1.d., 1.g., 1.h., 1.k., 1.o., 1.p., 1.q., 1.t., 1.u., and 1.v., and any further collection is prohibited. While he is likely also discharged from any further liability with regard to other listed creditors with "Unknown" claims against him, his failure to accurately reflect debt balances for these accounts on his Chapter 7 petition raises serious questions as to whether he can properly manage his finances in the future. Concerns in this regard are compounded by his recent delinquencies in his mortgage and property tax obligations. As of November 2005, he was two months late in his mortgage, which he claimed to know nothing about. As of late February 2006, he had not yet paid the property taxes due on his home in January 2006. In his favor, Applicant has not relied on credit himself since the 2002/03 time frame, and he cut up his spouse's credit cards. Yet, where he is not able to pay his living expenses on time, his financial situation continues to present an unacceptable security risk. Favorable findings are returned as to those debts that have been paid (¶ 1.a.) or otherwise included in his bankruptcy, and as to ¶ 1.r. (no proof of a lien) and ¶ 1.w. (disputed before SOR was issued). In the absence of any proof of a good faith effort to resolve ¶¶ 1.b., 1.c., 1.e., 1.f., 1.j., 1.l., 1.s., 1.x., as well as the judgment debt in ¶ 1.z., those subparagraphs are concluded against him.

Applicant's lack of candor about his indebtedness, including the tax lien filed in June 2002, raises security significant Guideline E concerns. While many of his financial accounts were current as of February 2003, and a couple of revolving charges had recently fallen behind since October 2002, others had been charged off months before he completed his SF 86. He also knew he owed delinquent property taxes and as a consequence, there was an outstanding lien against his home as of the time he completed his SF 86. DC ¶ E2.A5.1.2.2. *The deliberate omission, concealment, or falsification of relevant and material fact from any personnel security questionnaire, personal history statement, or similar form used to conduct investigations, determine employment qualifications, award benefits or status, determine security clearance eligibility or trustworthiness, or award fiduciary responsibilities, applies.*

None of the Guideline E mitigating conditions (MC) apply. Applicant did not dispute the delinquent debt when asked about it by a DSS agent in January 2004, but claimed he was unaware that the debts were more than 60 days behind as of his SF 86. Reform of the judgment concerns raised by his lack of candor are not established by his ongoing denials of intentional misrepresentation on his SF 86 or by hearing testimony that was inconsistent. For example, he denied being late in his mortgage, but after he was confronted with the evidence of delinquency in excess of \$3,000, indicated he knew his daughter had recently sent two payments. Applicant also failed to disclose on his SF 86 that he had been unemployed for about a year. SOR subparagraphs 2.a., 2.b., and 2.c. are resolved against him.

## FORMAL FINDINGS

Formal findings as required by Section 3, Paragraph 7 of Enclosure 1 to the Directive are hereby rendered as follows:

Paragraph 1. Guideline F: AGAINST THE APPLICANT

Subparagraph 1.a.: For the Applicant

Subparagraph 1.b.: Against the Applicant

Subparagraph 1.c.: Against the Applicant

Subparagraph 1.d.: For the Applicant

Subparagraph 1.e.: Against the Applicant

Subparagraph 1.f.: Against the Applicant

Subparagraph 1.g.: For the Applicant

Subparagraph 1.h.: For the Applicant

Subparagraph 1.i.: For the Applicant

Subparagraph 1.j.: Against the Applicant

Subparagraph 1.k.: For the Applicant

Subparagraph 1.l.: Against the Applicant

Subparagraph 1.m.: For the Applicant

Subparagraph 1.n.: For the Applicant

Subparagraph 1.o.: For the Applicant

Subparagraph 1.p.: For the Applicant

Subparagraph 1.q.: For the Applicant

Subparagraph 1.r.: For the Applicant

Subparagraph 1.s.: Against the Applicant

Subparagraph 1.t.: For the Applicant

Subparagraph 1.u.: For the Applicant

Subparagraph 1.v.: For the Applicant

Subparagraph 1.w.: For the Applicant

Subparagraph 1.x.: Against the Applicant

Subparagraph 1.y.: For the Applicant

Subparagraph 1.z.: Against the Applicant

Paragraph 2. Guideline E: AGAINST THE APPLICANT

Subparagraph 2.a.: Against the Applicant



Subparagraph 2.b.: Against the Applicant

Subparagraph 2.c.: 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. Clearance is denied.

**Elizabeth M. Matchinski**

**Administrative Judge**

- 1.
2. Applicant listed on his bankruptcy petition (Ex. B) combined annual income of \$54,000 in each of 2003 and 2004, and \$72,000 in 2005 as of only mid-October.
3. Applicant's December 2005 credit report indicates that an account of the same or similar name was included in the bankruptcy. It is not clear from the bankruptcy petition itself that the debt was included. There is no creditor by that name and no debt similar in amount to what had been owed on ¶ 1.n.
4. Applicant's credit reports show he had two gasoline credit cards. The debt in ¶ 1.v. appears to have been originally a Texaco card. The debts in ¶ 1.u. and 1.v. are separate accounts that were listed together on the bankruptcy petition with balance of claim "unknown." A Texaco debt was listed as owed to an assignee in the amount of \$265.31.
5. Applicant's credit report of February 11, 2003, shows it was paid. Department Counsel did not acknowledge the payment in his questioning of the Applicant, but the debt still should have been reported in response to question 38 on the SF 86 (financial delinquencies over 180 days in the past seven years).