

DATE: May 18, 2006

n Re:

SSN: -----

Applicant for Security Clearance

CR Case No. 04-06499

DECISION OF ADMINISTRATIVE JUDGE

JOSEPH TESTAN

APPEARANCES

FOR GOVERNMENT

Robert Coacher, Department Counsel

FOR APPLICANT

Pro Se

SYNOPSIS

Applicant is indebted to numerous creditors in the approximate amount of \$30,000.00. 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 May 24, 2005, 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 June 13, 2005, 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 July 26, 2005. Applicant did not file a response to the FORM. The case was assigned to me on September 20, 2005.

FINDINGS OF FACT

Applicant is a 36 year old employee of a defense contractor.

SOR Allegation 1a: Applicant filed a Chapter 13 bankruptcy petition in July 1998. Her petition was dismissed.

SOR Allegation 1b: Applicant filed a Chapter 13 bankruptcy petition in June 1999. Her petition was dismissed.

SOR Allegation 1c: Applicant has consistently denied any knowledge of this creditor. However, Exhibit 7 indicates this

creditor obtained a \$2,286.00 judgment against her in 1996.

SOR Allegations 1d and 1e: Applicant admits being indebted to this creditor. Exhibit 7 establishes that applicant is indebted to this creditor on two accounts totaling \$21,099.00, and that the last activity on both accounts occurred in 1998.

SOR Allegation 1f: Applicant is indebted to this creditor in the amount of \$429.00. This is a bad debt that was charged off (Exhibits 7 and 8).

SOR Allegation 1g: Applicant is indebted to this creditor in the amount of \$161.00. The debt is past-due and was charged off (Exhibit 8).

SOR Allegation 1h: Applicant is indebted to this creditor in the amount of \$596.00. This debt has been past-due since 2002.

SOR Allegation 1i: Applicant is indebted to this creditor in the amount of \$7,159.00 for an auto loan account that was charged off as a bad debt.

SOR Allegation 1j: Applicant has been indebted to this creditor in the amount of \$151.00 since 2003.

SOR Allegation 1k: Applicant denies this debt. She claims that she was sold a "lemon" by the car dealer, that the dealer refused to honor the warranty, and that the creditor took possession of the vehicle straight from the dealer's lot. This allegation is found for applicant.

SOR Allegation 1l: The Government's evidence is insufficient to establish that applicant is indebted as alleged. Accordingly, this allegation is found for applicant.

Applicant's financial problems are due in part to marital difficulties she and her now former husband experienced.

CONCLUSIONS

The evidence establishes that applicant is indebted to numerous creditors in the total amount of approximately \$30,000.00. Most, if not all, of these debts are past-due. Some of them have been past-due for years. Applicant's failure to honor her financial obligations reflects adversely on her judgment, reliability and trustworthiness, and suggests she cannot be relied upon to safeguard classified information. 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, her inability or unwillingness to address them in any significant way, and the lack of any credible evidence that her financial condition is likely to significantly improve anytime soon, Guideline F is found against applicant. No Mitigating 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