

KEYWORD: Personal Conduct; Financial

DIGEST: Applicant's (1) long-standing financial difficulties and (2) dishonest conduct preclude a finding that it is clearly consistent with the national interest to grant her access to classified information. Clearance is denied.

CASENO: 04-07384.h1

DATE: 12/29/2005

DATE: December 29, 2005

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In Re:

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SSN: -----

Applicant for Security Clearance

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ISCR Case No. 04-07384

**DECISION OF ADMINISTRATIVE JUDGE**

**JOSEPH TESTAN**

**APPEARANCES**

**FOR GOVERNMENT**

Jason Perry, Department Counsel

## **FOR APPLICANT**

*Pro Se*

### **SYNOPSIS**

Applicant's (1) long-standing financial difficulties and (2) dishonest conduct preclude a finding that it is clearly consistent with the national interest to grant her access to classified information. Clearance is denied.

### **STATEMENT OF THE CASE**

On February 11, 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 in writing on March 21, 2005, and elected to have her case determined on a written record in lieu of a hearing. Department Counsel (DC) submitted the Government's written case (FORM) on or about April 6, 2005. Applicant did not file a response to the FORM. The case was assigned to me on May 31, 2005.

### **FINDINGS OF FACT**

Applicant is a 31 year old employee of a defense contractor.

**SOR Allegation 1a:** Applicant and a roommate shared an apartment. Applicant moved out of the apartment before the roommate. When a representative of the apartment later contacted applicant about the rent that was due, applicant indicated she was not responsible for it. The landlord filed a lawsuit against her in 1996 and eventually obtained a judgment against her in the approximate amount of \$1,800.00. In her response to the SOR, applicant stated, "this debt is no longer and has been taken care of by [her former roommate]." Applicant offered no evidence to corroborate this statement. I find that applicant is still indebted to this creditor in the approximate amount of \$1,800.00.

**SOR Allegation 1b:** This debt was satisfied by applicant in or before July 2000.

**SOR Allegation 1c:** Applicant is indebted to this creditor in the approximate amount of \$504.00. This debt is many years past-due.

**SOR Allegation 1d:** Applicant is indebted to this creditor in the approximate amount of \$84.00. She states in her SOR response that this debt "is resolved," but offered no proof.

**SOR Allegation 1e:** Applicant claims this debt arose from her use of a corporate credit card, and that when she left that company, the company should have paid the debt. Despite her claim she is not responsible for the debt, in her SOR response she stated, "payments are being made on a timely basis to this debt." She offered no evidence to corroborate this statement. I find that applicant is indebted to this creditor in the approximate amount of \$604.00.

**SOR Allegation 1f:** Applicant has consistently disputed this alleged debt. [\(1\)](#) The Government's evidence is insufficient to establish applicant is indebted as alleged.

**SOR Allegation 1g:** This debt was satisfied by applicant in February 2005.

**SOR Allegation 1h:** Applicant is indebted to this creditor in the approximate amount of \$175.00. In her SOR response she states, "payments are being made on a timely basis to this debt," but offered no proof.

**SOR Allegation 1i:** Applicant is indebted to this creditor in the approximate amount of \$1,158.00. In her SOR response she states, "payments are being made on a timely basis to this debt," but offered no proof.

**SOR Allegation 1j:** This debt was satisfied in October 2004.

**SOR Allegation 1k:** This debt was satisfied (Exhibit 9).

In a November 18, 2004 signed, sworn statement that she gave to the DSS (Exhibit 6), applicant stated her "financial troubles began because of youthful, careless spending."

**SOR Allegations 2a and 2b:** The Government alleges that on a Security Clearance Application (SCA) she caused to be electronically submitted on March 18, 2003, applicant lied about her financial history when, in response to both Question 38, which asked, "In the last 7 years, have you been over 180 days delinquent on any debt(s)?" and Question 39, which asked, "Are you currently over 90 days delinquent on any debt(s)?" she stated "no." In her response to the SOR, applicant stated that at the time she completed the SCA, she "honestly did not know" about her financial delinquencies. Based on the evidence presented, including the fact applicant was interviewed about numerous past-due debts, collection accounts, and charged off accounts by the FBI in 2000, I find applicant's statement that she didn't know about her delinquencies to be incredible.

## **CONCLUSIONS**

With respect to Guideline F, the evidence establishes that applicant is indebted to at least six creditors listed in the SOR for past-due debts in an amount in excess of \$4,000.00. Applicant's failure to honor her financial obligations reflects adversely on her judgment and reliability, 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.

Once the Government established a *prima facie* case under Guideline F, the burden shifted to applicant to show she has reformed. Applicant failed to meet her burden. Although she offered credible evidence that she satisfied four of the debts listed in the SOR, she offered no credible evidence that she (1) satisfied or is satisfying the remaining debts listed in the SOR, (2) is in a position to significantly reduce her past-due indebtedness anytime soon, or (3) is unlikely to experience additional financial difficulties. Applicant does not qualify for any Mitigating Condition under Guideline F.

With respect to Guideline E, applicant's falsifications of material facts on the SCA are extremely troubling. The Government relies heavily on the honesty and integrity of individuals seeking access to our nation's secrets. When such an individual intentionally falsifies material facts on a security clearance application, it is extremely difficult to conclude that he or she nevertheless possesses the good judgment, reliability and trustworthiness required of clearance holders. Applicant's intentional falsifications require application of Disqualifying Condition E2.A5.1.2.2 (*the deliberate omission, concealment, or falsification of relevant and material facts from any personnel security questionnaire . . .*). No Mitigating Conditions apply. Based on the foregoing, Guideline E is found against applicant.

### **FORMAL FINDINGS**

PARAGRAPH 1: AGAINST THE APPLICANT

PARAGRAPH 2: 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.

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Joseph Testan

Administrative Judge

1. Exhibit 6, page 2-3; Exhibit 9, page 1.