

DATE: October 3, 2006

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In Re:

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SSN: -----

Applicant for Security Clearance

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ISCR Case No. 06-01928

**DECISION OF ADMINISTRATIVE JUDGE**

**JOSEPH TESTAN**

**APPEARANCES**

**FOR GOVERNMENT**

Jennifer I. Goldstein, Department Counsel

**FOR APPLICANT**

*Pro Se*

**SYNOPSIS**

Applicant's financial difficulties are long-standing and unlikely to be resolved anytime soon.

Clearance is denied.

**STATEMENT OF THE CASE**

On March 29, 2006, 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, (as administratively reissued on April 20, 1999), 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 April 17, May 10, and June 8, 2006. The case was assigned to me on July 28, 2006. A Notice of Hearing was issued on August 18, 2006, and the hearing was held on September 6, 2006. The transcript was received on September 25, 2006.

**FINDINGS OF FACT**

Applicant is a 26 year old employee of a defense contractor.

**SOR Allegation 1a:** Applicant settled this debt with the creditor some time ago. As part of the settlement, applicant agreed to pay the creditor \$50.00 per month. Applicant made the agreed-upon payments until a few months ago. She still owes the creditor approximately \$600.00.

**SOR Allegation 1b:** Applicant admits this \$491.00 is past-due. She has had no recent contact with the creditor.

**SOR Allegations 1c, 1d, 1e, 1m and 1n:** These allegations, all of which claim applicant is indebted to "an unknown creditor" for medical accounts placed for collection, are found for applicant.

**SOR Allegation 1f:** Applicant is indebted this creditor in the amount of \$161.00. The debt was placed for collection in 2001. Applicant has had no contact with the creditor or collection agency.

**SOR Allegations 1g:** This \$148.00 debt is past-due. It was charged off by the creditor in 2003.

**SOR Allegation 1h:** This \$127.00 debt was charged off in 2003. Applicant has made no payments to the creditor since then.

**SOR Allegation 1i:** This \$449.00 debt was charged off in 2003. Applicant has had no contact with the creditor since then.

**SOR Allegation 1j:** This \$107.00 debt was charged off in 2004. Applicant has made no payments to the creditor since then.

**SOR Allegation 1k:** This \$223.00 debt was charged off in 2004. Applicant testified that she made a \$50.00 payment to the creditor about a month ago and now only owes the creditor \$150.00.

**SOR Allegations 1l:** This \$658.00 debt was charged off in 2004. Applicant has made no payments to the creditor since then.

**SOR Allegations 1o and 1p:** Applicant had two accounts with this creditor, both of which went delinquent. The total debt that was placed for collection was \$866.00. Applicant testified that she made one payment to this creditor a couple of months ago.

**SOR Allegation 1q:** This \$299.00 debt went delinquent and was placed for collection in January 2005. There is no credible evidence that applicant has made any payments to this creditor since then.

**SOR Allegation 1r:** This \$6,936.00 debt is past-due.

Applicant testified that she intends to satisfy all of her debts. She further testified that she usually has no money left over at the end of each month.

Applicant completed and executed an Electronic Questionnaire for Investigations Processing on August 17, 2005 (Exhibit 1). She provided false material information in response to Question 28 when she stated that (1) she was not then over 90 days delinquent on any debt and (2) during the previous seven years she had not been over 180 days delinquent on any debt. In response to interrogatories sent to her by DOHA in 2006 (Exhibit 4), applicant stated the following about the falsifications:

I wasn't sure about them [the debts] I guess I lost track, and I have been paying on some a little at a time. I wasn't sure of them, but I do plan on taking care of them.

At the hearing she testified that she doesn't "have a clue" why she answered Question 28 the way she did (TR at 35). Based on the evidence presented, I find that applicant's falsification was intentional.

### **CONCLUSIONS**

The evidence establishes that applicant has a long history of not meeting her financial obligations, and that she is unable to satisfy her debts. 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*).

Although applicant testified credibly about problems in her marriage that contributed to her financial difficulties, she failed to offer any specific details that could possibly support application of mitigating Condition E2.A6.1.3.3 (*the*

*conditions that resulted in the behavior were largely beyond the person's control*). And, Mitigating Condition E2.A6.1.3.6 (*the individual has initiated a good-faith effort to repay overdue creditors or otherwise resolve debts*) clearly is not applicable.

Based on the evidence in the record, applicant is experiencing significant financial difficulties, which are likely to continue. As such, her situation fits squarely within the Financial Guideline Concern expressed in the Directive (E2.A6.1.1.1 - *An individual who is financially overextended is at risk of having to engage in illegal acts to generate funds.*). Based on this fact, I have no choice but to conclude that it is not now clearly consistent with the national interest for applicant to have access to classified information.

With respect to Guideline E, applicant's falsification of material facts on the Questionnaire is 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 falsification requires 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