

Complimentary Self-Serve Fax Cover Sheet

To: Kenneth Nicholson

From: David Spears

Fax #: (202) 318-7652

Phone #: (702) 448-5027

Date: 10/5/2010

~~Reply Fax #:~~ (240) 529-5706

Number of Pages (Including Cover):

Urgent Confidential Confirm Receipt

1+6

please have Eric call me today. I will
be on "vacation" from 10/7 to 10/12. I will
have my cell phone (240) 529-5706

We'll do it right the first time — guaranteed.

HerP

Black & white copies • Color copies • Custom printing • Binding • Folding • Wide-format copying • Custom stamps • UPS shipping and more

that was easy.®



DEPARTMENT OF DEFENSE
DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS
POST OFFICE BOX 3656
ARLINGTON, VIRGINIA 22203-1995



September 22, 2010

Mr. David P. Spears
c/o Northrop Grumman Information Technology
8211 Terminal Road
Lorton, VA 22079

Dear Mr. Spears:

The matter of your eligibility for security clearance has been referred to this office in accordance with DoD Directive 5220.6 (copy enclosed).

The enclosed Statement of Reasons recommends that it is *not* clearly consistent with the national interest to grant the security clearance requested for you and that any security clearance you currently hold should be revoked.

YOU MUST do the following:

1. Answer the Statement of Reasons by stating "I admit" or "I deny" for *each* paragraph and subparagraph. Every paragraph and subparagraph *must* be identified clearly and answered in this manner.
2. **State whether or not you wish to have a hearing or a decision without a hearing.**
3. Provide a telephone number where you can be reached during the daytime.
4. Sign your completed answer under *oath* or *affirmation* before a *Notary Public*.
5. Return your complete, *signed, notarized* answer *within 20 days of receipt* of this letter to DOHA, P.O. Box 3656, Arlington, Virginia 22203.

YOU MAY do the following:

Provide additional information that explains, refutes, extenuates or mitigates the information set forth in each paragraph and subparagraph of the Statement of Reasons together with documentation supporting your explanation. Doing this *may* provide a basis for favorable resolution of your case without the need for further proceedings.

IF YOU OR DEPARTMENT COUNSEL REQUEST A HEARING, it will be held in the United States near where you live or work before an Administrative Judge who will decide your case. The attorney employed as a Department Counsel by the Government will present evidence and argument supporting the allegations made against you in the Statement of Reasons. You may appear without counsel or with an attorney or personal representative. You may cross-examine government witnesses, and introduce witnesses and other evidence in your own behalf. Further guidance about the hearing process is contained in the attached DoD Directive 5220.6.

IF YOU REQUEST AN ADMINISTRATIVE DETERMINATION, documentary information supporting the Statement of Reasons will be given to an Administrative Judge. You will be given a copy of this information and will have 30 days to submit your written response to the Administrative Judge who will then make a decision in your case on the basis of the written materials provided to him. ***If you do not submit a written response, your case will be decided on the basis of the material submitted to the Administrative Judge by Department Counsel.***

If your employer does not require that you have a security clearance for access to classified information at any level, your employer's security officer must provide a JCAVS (Joint Clearance and Verification System) print-out showing your separation date to the Defense Office of Hearings and Appeals (DOHA). If your company does not access JCAVS, your employer may submit notice to terminate the need for your security clearance on company letterhead, signed by the facility security officer (FSO). Upon receipt of either a JCAVS separation notification or company letter, this office will cancel any further processing of this matter and any existing security clearance you have will be terminated.

IF YOU DO NOT TIMELY ANSWER THE STATEMENT OF REASONS COMPLETELY AND PROPERLY, as instructed in subparagraphs 1 through 5 of this letter, or notify this office of termination of need for ***any security clearance*** within ***20 days*** of receipt of this letter, processing of your case will be discontinued. Any security clearance that you have been issued will be terminated and any pending security clearance requested for you will be denied. ***These actions could possibly result in loss of your present employment and have an adverse affect on any future employment requiring access to classified information.***

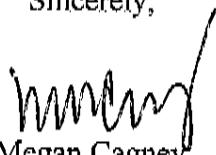
It is imperative you keep DOHA advised of any changes in your mailing address. Direct any questions you may have on procedures for answering the Statement of Reasons to the undersigned Security Specialist (703) 696-1873.

Before submitting your notarized answer, make and keep a copy of it in case your mailed copy is lost or delayed in the mail.

DOHA Department Counsel will provide you with a copy of records he or she will use to support the allegations set forth in the SOR whether you request a hearing or wish to have your case resolved without a hearing. If you nonetheless would like a copy of your investigative file, please submit a notarized request in writing to:

FOIP
OPM-FIPC
1137 Branchton Road
Boyers, PA 16018-0618

Sincerely,



Megan Cagney
Deputy Chief

Initial Due Process Adjudication And Reapplication Division

3 Enclosures

1. Statement of Reasons
2. Privacy Act Notification
3. DoD Directive 5220.6



DEPARTMENT OF DEFENSE
 DEFENSE LEGAL SERVICES AGENCY
 DEFENSE OFFICE OF HEARINGS AND APPEALS
 POST OFFICE BOX 3656
 ARLINGTON, VIRGINIA 22203-1995



In re:)
)
 SPEARS, David Paul)
 SSN: 491-46-4124)
)
 Applicant for Security Clearance)

September 22, 2010
 ISCR Case: 10-01183

STATEMENT OF REASONS

A review of your eligibility for security clearance has been made pursuant to Executive Order 10865 (as amended) and as implemented by DoD Directive 5220.6, dated, January 2, 1992, (as amended), and this office is unable to find that it is clearly consistent with the national interest to grant you access to classified information and recommends that your case be submitted to an Administrative Judge for a determination whether to deny or revoke your security clearance. This recommendation is based on the following reasons:

1. Guideline F: Failure or inability to live within one's means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise questions about an individual's reliability, trustworthiness and ability to protect classified information. An individual who is financially overextended is at risk of having to engage in illegal acts to generate funds. Compulsive gambling is a concern as it may lead to financial crimes including espionage. Affluence that cannot be explained by known sources of income is also a security concern. It may indicate proceeds from financially profitable criminal acts. Available information raising this concern shows that:

- a. You are indebted to BB&T Mortgage for a bad debt in the approximate amount of \$402,456.00. As of the date of this Statement of Reasons, it remains unpaid.
- b. You failed to file both your Federal and State taxes for at least the tax years of 2006, 2007, 2008, and 2009.

c. You are indebted to the State of Maryland for unpaid taxes from the 2002 tax year in the approximate amount of \$10,000.00. As of the date of this Statement of Reasons, it remains unpaid.

2. Guideline E: Conduct involving questionable judgment, lack of candor, dishonesty, or unwillingness to comply with rules and regulations can raise questions about an individual's reliability, trustworthiness and ability to protect classified information. Of special interest is any failure to provide truthful and candid answers during the security clearance process or any other failure to cooperate with the security clearance process. Available information raising this concern shows that:

a. You falsified material facts on an Electronic Questionnaires for Investigations Processing (e-QIP), executed by you on or about May 1, 2009, in response to **"Section 26. Financial Record c. Have you failed to pay Federal, state, or other taxes, or to file a tax return, when required by law or ordinance? You answered "No" to this question; whereas in truth, you deliberately failed to disclose that information set forth in subparagraphs 1.b., above.**

The guidelines cited above were implemented for the Department of Defense by the Undersecretary of Defense for Intelligence on August 30, 2006 and made effective for any Statement of Reasons issued on or after September 1, 2006 and are provided to you along with this Statement of Reasons as Enclosure 2 to the copy of DoD Directive 5220.6, dated January 2, 1992 contained in this package.



Megan Cagney
Deputy Chief

Initial Due Process Adjudication And Reapplication Division

REQUIREMENTS OF THE PRIVACY ACT OF 1974
(5 U. S. C. 552a)

The Privacy Act of 1974 requires each Federal agency to inform individuals from whom information is requested by what authority the information is requested; the purpose of the request; the routine use which may be made of the information; a statement of whether disclosure of the information is voluntary or mandatory and the effect on the individual of act providing the requested information.

The following are the Privacy Act data requirements for information requested from individuals by the Defense Office of Hearings and Appeals.

AUTHORITY: Executive Order 10865, "Safeguarding Classified Information Within Industry," as amended, and as implemented by Department of Defense Directive 5220.6 dated January 2, 1992, "Defense Industrial Personnel Security Clearance Review Program."

PRINCIPAL PURPOSES: To obtain information needed to reach determinations whether it is clearly consistent with the national interest for the individual from whom information is requested to be granted, or to be authorized to retain a security clearance for access to classified information.

ROUTINE USES: Information is used to:

- (1) Evaluate the background and personal history of individuals in order to reach a clearance determination.
- (2) Provide contracting Federal Agencies information of cases under review.
- (3) Prepare and present information to Hearing Examiners, Appeal Board or Justice Department In controverted cases where full due process is provided.
- (4) Provide information to authorized Federal agency investigative and security functions of adjudicative determinations and their bases.

MANDATORY OR VOLUNTARY DISCLOSURE AND THE EFFECT ON INDIVIDUAL OF NOT PROVIDING INFORMATION: Disclosure of the requested information is voluntary. Failure or refusal to furnish part or all of the information requested on constitutional or other grounds may prevent the Department of Defense from reaching a determination whether the granting or retention of security clearance is clearly consistent with the national interest. In such instances, any security clearance already in effect may be suspended and further processing of the case will be discontinued. Employers will be notified of the suspension and discontinuance actions.