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## Bad credit can cost you your job

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[Sandra Chapman](#)/13 Investigates

Your credit is supposed to be a private matter. But 13 Investigates found out that the government is using it to fire its workers.

It's a trend that could trickle down to the private sector. In fact, national experts report a 55-percent increase in employment credit checks over the last five years.

More than a dozen workers say they are caught in the downpour of a security clearance assault that could, or has, cost them their jobs.

Eyewitness News met with more than a dozen workers who say they are caught in the downpour of a security clearance assault. A former soldier, a divorced mother of five and a heart attack survivor are among the collateral damage of a post 9/11 policy that puts employees with bad credit on borrowed time.



Retail spending and medical bills are costing Hoosiers their jobs at the Defense Finance and Accounting Service in Lawrence. It handles payroll for 5.9 million people and \$424 billion in disbursements. According to the United States Department of Defense, employees with delinquent debt over 180 days are considered imminent threats to national security.

The firings are happening at the Defense Finance and Accounting Service in Lawrence.

"I couldn't afford to lose my job and I did," said Thomas Turner. He also asked, "Why would that [credit] label me as a thief or a criminal or even, God forbid, a terrorist?"

"I'm a veteran of Vietnam and Desert Storm," said Joseph Rucker. "I've served 32 years plus. I'm tired of seeing this go on, 'cause they got me on the bubble. I am not Bin Laden or any of those people."

But the Defense Department believes these employees are attractive targets for terrorists who are willing to pay top dollar for top secret information. While defense officials wouldn't talk about it on camera, a Pentagon spokesman provided these details:

"The shake-up began with a presidential order and reclassification of jobs. In March 2005 new background checks got underway, examining 13 different areas, including credit history."

Now two years later, workers are experiencing the fallout.

According to the D.O.D., about 1 percent of the clearance applications are denied or revoked. That's about 8,500 workers fired or forced out and many for one unsettling reason: credit.

Alan Chvotkin of Arlington, Virginia represents government contractors facing the same security requirements.

"We've urged the Department of Defense and the National Security to take what we call the 'whole person look,' because someone who has a long standing history of quality employment and no problems might not be a risk," said Chvotkin.

Someone like Kerry Dickerson, a team leader, hand-picked at DFAS to handle the travel vouchers for some of the nation's most prominent dignitaries.

"We were paying payments for Condoleeza Rice and her security battalion, her personal security folks, Dick Cheney, his security folks," said Dickerson.

Commendations and a 99-percent accuracy rate back up her performance. Her bosses called her outstanding, a top producer and a valuable asset. She was even sent to Walter Reed Army Medical Center to help take care of payments there for wounded soldiers and their families, something Dickerson enjoyed. "I loved helping hundreds of thousands of soldiers and their families."

But when the Defense Department saw \$12,000 in unpaid debt for this 82nd airborne division veteran, she says her work for the government didn't count. Even though nearly half of her debt was from medical bills, Kerry Dickerson was fired.

Bonita Wilson, a 56-year-old grandmother, is facing an uncertain future too. "Like everyone else, I felt like a criminal. I was embarrassed, humiliated, all of that stuff because I had worked for 30 years, no problems. I had never been reprimanded," Wilson said.

But a bankruptcy, divorce, and \$7,000 in unpaid debt, including \$4,000 in medical bills from a heart attack and by-pass surgery, took a toll.

In a cruel twist, just four hours after she was presented a service plaque for her 30th anniversary, she got a letter from the government saying her "financial issues remain a security concern." She was suspended without pay.

Wilson's only option is a forced and early retirement. Still, she considers herself one of the lucky ones.

But these angry employees say there are a few exceptions to the rule, starting with the man who signed their letters of denial: Department of Defense Security Officer Joe L. Lancaster.

Kerry Dickerson says Lancaster made a surprising admission. "He said, 'I filed bankruptcy, I know what you're going through.'"

13 Investigates spoke with the security officer who helped process these employees' complaints. He confirms that he did indeed file bankruptcy in 1995, but his job is not in question.

Joe Lancaster told Eyewitness News, "Each case is based on its own merit. Just because an individual files bankruptcy does not mean that they're going to lose their job. They have to clean up the issues that are identified."

Working under a warning, some of the workers are under constant review because the credit bureau made a mistake. Diane Turner is one of those workers. "They found a judgment on one of my credit bureaus. I've never had a judgment in my life."

Those are the very issues that caught the attention of lawmakers like Indiana Congressman Mike Pence. He says he has many questions including, "Is their debt profile being fairly and accurately assessed?" But Pence says in defense of the nation, it's important that those who deal with sensitive or classified information are free from the lure of payoffs.

"It is oftentimes long-term employees who get into difficult financial straits who then become targets for compromise by foreign intelligence services," said Pence.

Employees say the government has checks and balances in place. But they believe it has failed to weigh the trickle down effect.

"You lose faith in the government you're working so hard for," said Dickerson.

Rep. Pence (R-IN06) is looking into the process to ensure the records used are accurate.

Previous lawsuits challenging the government's suitability process have not produced any changes. Chvotkin says Federal Courts give the government the right to ask sensitive questions as it pertains to security.

Local union members say they're still looking at ways to pursue a class action. 13 Investigates will continue to investigate and bring new developments.

[FTC: Privacy initiatives](#)

[FTC: Credit reports](#)

[See statements from Rep. Pence and Sen. Richard Lugar on this issue](#)

#### **Statement from Senator Evan Bayh:**

"Our office has not been contacted, but it is something that we are going to look into further."

Jonathan Swain  
Spokesman



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