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APPEAL BOARD
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Regarding the consumer accounts, the Judge found that Applicant had paid the two smaller debts in-full and was addressing a third through monthly payments (SOR ¶ 1.b), and he resolved those accounts in her favor. Noting that Applicant had made no payments on the other two consumer debts (SOR ¶¶ 1.a and 1.c) since quitting her job in 2022, the Judge resolved those allegations adversely.

On appeal, Applicant challenges the adverse findings for SOR ¶¶ 1.a and 1.c on the basis that the accounts were turned over to the debt resolution attorney who is addressing SOR ¶ 1.b. She testified to the same at hearing and explained that the attorney had reached a settlement on SOR ¶ 1.b for which Applicant was making monthly payments. She further testified, however, that SOR ¶ 1.b was “the only one that had agreed for a settlement” and the attorney was not actively addressing SOR ¶¶ 1.a and 1.c as of the hearing. Tr. at 31-32. This limited payment progress is further reflected in the documentary evidence, and the Judge’s conclusion that SOR ¶¶ 1.a and 1.c remain unpaid is sustainable.

Turning to the federal tax debt, the Judge found that Applicant had reduced the balance to about \$4,200. Because the debt resulted from Applicant claiming seven tax exemptions when she was entitled to no more than three, the Judge “[could not] ignore Applicant’s fraudulent tax filings going back over ten years ago, covering a period of seven years” and resolved the federal tax debt adversely. Decision at 5.

Applicant challenges the Judge’s finding that her federal tax balance was about \$4,200, arguing instead that it is reduced to \$2,300. The Judge’s finding was based on Applicant’s September 2024 Internal Revenue Service (IRS) online account statement, which reflects a balance of about \$4,200 owed for tax years 2015, 2016, and 2018. Applicant Exhibit 1 at 10-11.¹ Applicant points to no evidence in the record to support her claimed \$2,300 federal balance. Our review of the record, however, reveals that Applicant’s post-hearing evidence – a screenshot seemingly from her IRS account – reflected a balance of about \$3,600 as of about October 2024. Post-Hearing Exhibit 1 at 9-10. The evidence does not explain this additional \$600 reduction. Even assuming most favorably that it resulted from Applicant’s direct payment, the Judge’s erroneous finding was harmless. *See* ISCR Case No. 00-0250 at 4 (App. Bd. Jul. 11, 2001). The Judge’s adverse conclusion was based in significant part on the reason underlying Applicant’s tax balance – *i.e.*, her years of over-claiming exemptions – and we do not believe an additional \$600 balance reduction would likely have resulted in a different outcome.

Conclusion

Applicant has not established that the Judge’s conclusions were arbitrary, capricious, or contrary to law. In the instant case, the Judge examined the relevant evidence, weighed the disqualifying and mitigating evidence, and articulated a satisfactory explanation for the decision. The record is sufficient to support that the Judge’s findings and conclusions are sustainable. “The

¹ It bears noting that the IRS statement specifically *does not* reference tax year 2013, for which Applicant previously owed about \$3,200 but believed the IRS would “write off” due to age. *See* Government Exhibit 4 at 1; Tr. at 22. Accordingly, the evidence does not support that Applicant actually resolved the 2013 balance but, rather, that she did not pay it and it simply aged off her account statement. The favorable credit afforded by the Judge to Applicant’s tax balance reduction appears undue; however, any such error inured to Applicant’s benefit and is therefore harmless.

general standard is that a clearance may be granted only when ‘clearly consistent with the interests of the national security.’” *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). “Any doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security.” AG ¶ 2(b).

Order

The decision in ISCR Case No. 23-02653 is **AFFIRMED**.

Signed: Moira Modzelewski

Moira Modzelewski
Administrative Judge
Chair, Appeal Board

Signed: Jennifer I. Goldstein

Jennifer I. Goldstein
Administrative Judge
Member, Appeal Board

Signed: Allison Marie

Allison Marie
Administrative Judge
Member, Appeal Board