



**DEPARTMENT OF DEFENSE
DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS
APPEAL BOARD
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Date: August 12, 2025

In the matter of:

Applicant for Security Clearance

ISCR Case No. 24-01994

APPEAL BOARD DECISION

APPEARANCES

FOR GOVERNMENT

Andrea M. Corrales, Deputy Chief Department Counsel

FOR APPLICANT

Pro se

The Department of Defense (DoD) declined to grant Applicant a security clearance. On December 11, 2024, DoD issued a Statement of Reasons (SOR) advising Applicant of the basis of that decision – security concerns raised under Guideline F (Financial Considerations) of the National Security Adjudicative Guidelines (AG) in Appendix A of Security Executive Agent Directive 4 (effective June 8, 2017) and DoD Directive 5220.6 (Jan. 2, 1992, as amended) (Directive). On July 14, 2025, Defense Office of Hearings and Appeals Administrative Judge Braden M. Murphy denied Applicant national security eligibility. Applicant appealed pursuant to Directive ¶¶ E3.1.28 and E3.1.30.

Discussion

The SOR alleged that Applicant carried seven delinquent debts totaling approximately \$62,000, all of which he admitted and attributed to his 2021 divorce and resulting financial strain. Citing Applicant's financial decisions and failure to begin to address the debts until after he received the SOR in late 2024, the Judge concluded that Applicant's debts continue to cast doubt on his judgment, trustworthiness, and reliability, and he resolved four outstanding debts totalling

more than \$54,000 adversely. On appeal, Applicant requests reconsideration of the decision, arguing that the Judge failed to properly apply the mitigating conditions and Whole-Person Concept.

Applicant first contends that AG ¶ 20(d)¹ was fully mitigating and argues that the Judge improperly emphasized the recency of Applicant's debt resolution efforts and ignored that he "acted promptly after receiving the [SOR], retained legal counsel, and began resolution before the hearing." Appeal Brief at 1. This argument is unpersuasive. It is well-settled that the timing of debt resolution efforts is an important factor in evaluating mitigation "because an applicant who begins to resolve financial problems only after being placed on notice that his clearance was in jeopardy may lack the judgment and self-discipline to follow rules and regulations over time or when there is no immediate threat to his own interests." ISCR Case No. 15-06440 at 4 (App. Bd. Dec. 26, 2017). Moreover, until an applicant has a "meaningful financial track record," it cannot be said "that he has initiated a good-faith effort to repay overdue creditors or otherwise resolve debts." ISCR Case No. 01-21386 at 2 (App. Bd. Jun. 11, 2003). Here, the Judge's conclusion that Applicant's post-SOR efforts were insufficient to establish such a track record or to fully mitigate the financial concerns is reasonable and supported by the record and Appeal Board precedent.

Applicant also argues that the Judge erred in failing to apply AG ¶ 20(b)² and insufficiently weighed that the debts resulted from circumstances beyond his control, *i.e.*, his 2021 divorce and related financial obligations. In this regard, the Judge found that "Applicant's debts originated due to overspending and living beyond his means during his second marriage," that he accepted responsibility for the debts in his divorce settlement, and that, although he prioritized his child support payments over addressing his delinquencies, he also "purchased several expensive trucks and sports cars in recent years, all with high sale prices and large monthly payments." Decision at 7. Additionally, in about April 2024, Applicant refinanced his mortgage and followed bad financial advice "to ignore his debts so they would age out of the statute of limitations and become uncollectible." *Id.* at 7. Considering these unchallenged factual findings, the Judge reasonably declined to fully apply AG ¶ 20(b) and we find no reason to disturb that decision on appeal.

Applicant's final challenge – to the Judge's analysis under the Whole-Person Concept – again merely advocates for a different weighing of the evidence, which is insufficient to demonstrate that the Judge weighed the evidence or reached conclusions in a manner that is arbitrary, capricious, or contrary to law. *See* ISCR Case No. 04-08975 at 1 (App. Bd. Aug. 4, 2006) (citation omitted). Contrary to Applicant's argument, the Judge acknowledged his 20-year military service, related service awards, and honorable discharge, his lengthy security clearance history, and his personal and professional recommendations, but found that "Applicant's debts remain largely unresolved, and he has only recently begun a good-faith effort to address them." Decision

¹ AG ¶ 20(d): the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts.

² AG ¶ 20(b): the conditions that resulted in the financial problem were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, or a death, divorce or separation, clear victimization by predatory lending practices, or identity theft), and the individual acted responsibly under the circumstances.

at 8. Accordingly, the Judge reasonably concluded that the record left “questions and doubts as to Applicant’s eligibility and suitability for a security clearance.” *Id.*

Conclusion

Applicant has not established that the Judge’s conclusions were arbitrary, capricious, or contrary to law. Rather, the Judge examined and 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 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. 24-01994 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