



**DEPARTMENT OF DEFENSE  
DEFENSE LEGAL SERVICES AGENCY  
DEFENSE OFFICE OF HEARINGS AND APPEALS  
APPEAL BOARD  
POST OFFICE BOX 3656  
ARLINGTON, VIRGINIA 22203  
(703) 696-4759**

Date: September 3, 2025

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In the matter of:	)	
	)	
	)	
-----	)	ISCR Case No. 24-01523
	)	
	)	
Applicant for Security Clearance	)	
_____	)	

**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 September 24, 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) (SEAD 4) and DoD Directive 5220.6 (Jan. 2, 1992, as amended) (Directive). On July 17, 2025, Defense Office of Hearings and Appeals Administrative Judge Bryan J. Olmos denied Applicant national security eligibility. Applicant appealed pursuant to Directive ¶¶ E3.1.28 and E3.1.30.

**Discussion**

The SOR alleged and Applicant admitted three delinquent consumer debts totaling approximately \$24,000. Applicant disclosed the accounts in his 2023 security clearance application and has consistently explained that his financial problems arose in about 2016 due to underemployment and his eventual decision to stop repaying the credit cards when he was unable to afford the minimum payments. He took no further action to resolve the debts and considered

them “nearly resolved” because the seven-year statute of limitations for collectability had almost expired and the accounts were beginning to fall off his credit reports. Applying disqualifying conditions AG ¶¶ 19(a), 19(b), and 19(c),<sup>1</sup> the Judge found that “Applicant never attempted to repay his delinquent debts,” choosing instead “to ignore the debts until they were eventually unenforceable under the statute of limitations.” Decision at 7. Noting that he “prioritized his future financial goals at the cost of his past creditors,” the Judge concluded that Applicant’s “decision to not address his delinquent debt for nearly a decade continues to cast doubt on his current reliability, trustworthiness, and judgment.” *Id.* at 8.

There is no presumption of error below and the appealing party has the burden of raising claims of error with specificity. Directive ¶ E3.1.30. The Appeal Board does not review cases *de novo* and our authority to review a case is limited to matters in which the appealing party has raised a claim of harmful error. Applicant has not alleged any such error. Rather, Applicant’s appeal challenges the Judge’s application of AG ¶¶ 19(a) and 19(b), arguing that he has “both the ability and the willingness to settle these debts,” and requests that he be given 24 months to do so if that “would satisfy the grounds to reinstate [his] trustworthiness of a security clearance.” Appeal Brief.

We interpret Applicant’s appeal as a request for conditional security eligibility. Appendix C of SEAD 4 provides authority to grant conditional security eligibility, “despite the presence of issue information that can be partially but not completely mitigated, with the provision that additional security measures shall be required to mitigate the issue(s).” Applicant did not request conditional eligibility at hearing and nothing in the record supports a conclusion that the Judge erred in not granting it. Moreover, although Appendix C provides authority to grant conditional security eligibility,<sup>2</sup> our review of the record below reflects no evidence of proposed additional security measures or the efficacy thereof. Accordingly, Applicant has not established that the granting of an exception under Appendix C is merited.

### 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).

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<sup>1</sup> AG ¶¶ 19: (a) inability to satisfy debts; (b) unwillingness to satisfy debts regardless of the ability to do so; (c) a history of not meeting financial obligations.

<sup>2</sup> DIR. FOR DEF. INT. (INT. & SEC.), Memorandum (Jan. 12, 2018) (“Effective immediately, authority to grant clearance eligibility with one of the exceptions enumerated in Appendix C is granted to any adjudicative, hearing, or appeal official or entity now authorized to grant clearance eligibility when they have jurisdiction to render the eligibility determination.”).

## **Order**

The decision in ISCR Case No. 24-01523 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