



or mitigate the alleged security concerns. Applicant received the FORM on June 24, 2025, and submitted responsive documents on three occasions: June 24, 2025, June 27, 2025, and August 7, 2025 (FORM Response #1, #2, and #3). Of the 11 allegations that remained on the amended SOR, the Judge found against Applicant on eight and favorably on three.

### **Background**

Applicant graduated from high school in 2001 and enlisted in the U.S. military in 2003. She deployed to Afghanistan from September 2014 to March 2015. In June 2020, Applicant transferred into the Reserve Force but remained in an active status until retirement. She earned a bachelor's degree in 2020, a master's degree in 2022, and an All-But-Dissertation status for a doctorate degree in 2025. Applicant was granted a security clearance in 2010. She had an offer of employment from a defense contractor in February 2025, contingent on maintaining her clearance. As of the date of her FORM Responses in 2025, Applicant was unemployed.

As amended, the SOR alleged 11 delinquent consumer debts totaling \$49,549 (SOR ¶¶ 1.a-1.g, 1.n). Applicant attributed her delinquent debts to a number of factors: being a single mother of two children; becoming the sole provider during her second marriage when her then-spouse faced grave medical problems; providing financial support and funeral expenses for her terminally ill father, who died in June 2023; and financial hardships that began while she was stationed overseas from September 2016 to July 2018, when her youngest child was diagnosed with an emotional condition and suspected autism. Regarding the last situation, her then-commander attested that Applicant worked 12-hour night shifts due to understaffing at her military unit, which required Applicant to pay for a combination of after-school and in-home childcare to cover her duty schedule hours and created a significant financial hardship. FORM Response #2 at 1.

Applicant also submitted documentation that reflected a series of long-running problems with her military pay, including overpayment of a re-enlistment bonus in 2016 followed by recoupment, overpayment of at least one travel claim followed by recoupment, and her unit's confusion over travel entitlements stemming from her status as a Reserve Force member on active orders. FORM Responses. Applicant noted that she also experienced significant delays in receiving pay and allowances following her transfer to the Reserve Force in 2020, at the onset of the COVID-19 pandemic. Applicant provided letters of support from a senior officer and senior enlisted for whom she worked, who attested to her character, professionalism, and dedication.

In her mitigation analysis, the Judge concluded that circumstances beyond Applicant's control contributed to her delinquent debts, within the meaning of AG ¶ 20(b), but that Applicant did not provide sufficient evidence that she acted responsibly under her circumstances.<sup>2</sup> The Judge found that Applicant did not submit sufficient documentation to corroborate certain claimed payments and that she did not provide sufficient evidence of a good-faith effort to resolve others. *Id.* We detail those specific debts and the Judge's conclusions in the discussion below.

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<sup>2</sup> 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, a death, divorce or separation, clear victimization by predatory lending practices, or identity theft), and the individual acted responsibly under the circumstances.

## Scope of Review

On appeal, the Board does not review a case *de novo*, but rather addresses material issues raised by the parties to determine whether there is factual or legal error. When a judge's factual findings are challenged, the Board must determine whether the "findings of fact are supported by such relevant evidence as a reasonable mind might accept as adequate to support a conclusion in light of all the contrary evidence in the same record." Directive ¶ E3.1.32.1.

When a judge's ruling or conclusions are challenged, we must determine whether they are arbitrary, capricious, or contrary to law. Directive ¶ E3.1.32.3. A judge's decision can be arbitrary or capricious if: it does not examine relevant evidence; it fails to articulate a satisfactory explanation for its conclusions, including a rational connection between the facts found and the choice made; it does not consider relevant factors; it reflects a clear error of judgment; it fails to consider an important aspect of the case; it offers an explanation for the decision that runs contrary to the record evidence; or it is so implausible that it cannot be ascribed to a mere difference of opinion. *See* ISCR Case No. 95-0600, 1996 WL 480993 at \*3 (App. Bd. May. 16, 1996) (citing *Motor Vehicle Mfrs. Ass'n v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43 (1983)). In deciding whether a judge's rulings or conclusions are contrary to law, the Board will consider whether they are contrary to provisions of Executive Order 10865, the Directive, or other applicable federal law. *See* ISCR Case No. 03-22861 at 2 (App. Bd. Jun. 2, 2006).

When an appeal issue raises a question of law, the Board's scope of review is plenary. *See* DISCR OSD Case No. 87-2107, 1992 WL 388439 at \*3-4 (App. Bd. Sep. 29, 1992) (citations to federal cases omitted). If an appealing party demonstrates factual or legal error, then the Board must consider the following questions: (1) Is the error harmful or harmless?; (2) Has the nonappealing party made a persuasive argument for how the judge's decision can be affirmed on alternate grounds?; and (3) If the judge's decision cannot be affirmed, should the case be reversed or remanded? *See* ISCR Case No. 02-08032 at 2 (App. Bd. May. 14, 2004).

## Discussion

On appeal, Applicant argues that the Judge erred in several ways, but a central theme to her argument is that the Judge either did not receive or failed to consider certain evidence she submitted, in particular evidence pertaining to the largest debt, which is alleged at SOR ¶ 1.a. Following our review, we are convinced that Applicant's submissions were properly included in the record but that some of the relevant documents in an admittedly voluminous record may have been overlooked or not duly considered by the Judge. Our specific areas of concern include the following:

**SOR ¶ 1.a:** This loan debt of approximately \$20,500 represents 44% of the delinquent debt remaining in issue. In resolving this debt adversely to Applicant, the Judge relied primarily upon two facts: 1) that Applicant made only two payments of \$300 after issuance of the December 2024 SOR; and 2) that, although an August 2025 letter from the creditor reflected that the account was paid in full, the letter did not represent a lien release. Decision at 3, 6.

The evidence indicates that the balance was initially about \$26,400 when the account was opened in August 2021; that it was reduced by monthly payments to \$22,100 by September 2023 when the account became delinquent; that Applicant made five lump sum payments in 2024 — prior to the SOR — totaling about \$9,200, accounting for the majority of the missed payments, and reducing the balance to approximately \$14,200 by the time the SOR was issued in December 2024; that the balance was further reduced to about \$13,600 by the time of the Government’s May 2025 FORM; and that she apparently resolved the debt in August 2025. FORM Response #1 at 115-121; FORM Response #3. We are puzzled by the Judge’s focus on Applicant’s two **post-SOR** payments rather than Applicant’s overall payment history and her significant efforts to reduce this debt **prior** to issuance of the December 2024 SOR. We have frequently held 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). If we give less weight to post-SOR efforts, it follows that we should give more weight to pre-SOR efforts. Putting aside the fact that this debt appears to have been completely resolved, the Judge’s failure to consider the pre-SOR payment history was error.

**SOR ¶ 1.b:** This debt to MILITARY STAR of approximately \$10,500 represents 22% of the delinquent debt remaining in issue. It was apparently placed for collection with Transworld Systems Inc. (TSI). FORM Response #1 at 110. In her FORM response, Applicant detailed her payments to TSI, noting that her initial arrangement of \$600 per month was modified in May 2024 to \$800 per month and subsequently modified to \$400 per month. *Id.* at 133. In resolving this debt adversely to Applicant, the Judge stated that Applicant “did not provide documentation to corroborate her claim of payments toward SOR ¶ 1.b.” Decision at 6. Our review of the record, however, confirms that Applicant submitted evidence corroborating payments to TSI at the amounts she described: those payments began in April 2023, and the balance as of May 2025 was reduced to approximately \$7,300. FORM Response #1 at 137–139. The Judge’s failure to review this evidence constitutes error.

**SOR ¶¶ 1.c-1.g:** These five debts, which total approximately \$15,800, represent the remaining delinquencies in issue. About them, the Judge concluded: “[W]hile she enrolled the debts in SOR ¶¶ 1.c-1.g in the debt-relief program, she did not provide sufficient evidence that she initiated or is adhering to a good-faith effort to repay or otherwise resolve **these remaining overdue creditors.**” Decision at 6 (emphasis added). The Judge’s emphasis on a lack of a track record of payments for these five specific debts is misplaced. The Judge failed to consider that Applicant — in addition to making payments on the debts alleged at SOR ¶¶ 1.a. and 1.b — had already resolved four other — albeit smaller — alleged debts through this same debt relief program, which is reflected in her evidence (FORM Response #1 at 29), in the Government’s withdrawal of SOR ¶¶ 1.l and 1.m, and in the Judge’s favorable findings on SOR ¶¶ 1.i through 1.j. An applicant is not required to be debt-free nor to develop a plan for paying off all debts immediately or simultaneously. *See* ISCR Case No. 09-08462 at 4 (App. Bd. May 31, 2011). Instead, an applicant must act responsibly given her circumstances and develop a reasonable plan for repayment, accompanied by concomitant conduct — even if it may only provide for the payment of debts one at a time. *See* ISCR Case No. 07-06482 at 3 (App. Bd. May 21, 2008). In

failing to consider the five debts alleged at SOR ¶¶ 1.c through 1.g in the context of Applicant's ongoing resolution of other debts, the Judge erred.

A security clearance adjudication is not a proceeding aimed at collecting an applicant's debts. Rather, it is a proceeding aimed at evaluating an applicant's judgment, reliability, and trustworthiness. *See* ISCR Case No. 07-08049 at 5 (App. Bd. Jul. 22, 2008). Given that Applicant's financial problems arose from circumstances beyond her control, the key issue is whether she acted responsibly under the circumstances and, if so, whether the remaining security concerns are mitigated under AG ¶ 20(b). The Judge failed to acknowledge or consider the entire range of Applicant's efforts to resolve these debts and failed to explain why they did not constitute a responsible course of conduct under Applicant's particular circumstances.

### **Conclusion**

We conclude that the best resolution of this case is to remand it to the Judge to address the errors identified herein and thereafter determine if Applicant has or has not sufficiently mitigated the Government's remaining concerns under Guideline F. *See* ISCR Case No. 22-01002 at 4 (App. Bd. Sep. 26, 2024) (remand is appropriate when the errors can be corrected and there is a significant chance of reaching a different result upon correction.). Upon remand, the Judge is required to issue a new decision. Directive ¶ E3.1.35. The Board retains no jurisdiction over a remanded decision; however, the Judge's decision issued after remand may be appealed. Directive ¶¶ E3.1.28 and E3.1.30.

**Order**

The decision in ISCR Case No. 24-02030 is **REMANDED**.

Signed: Moira Modzelewski

Moira Modzelewski  
Administrative Judge  
Chair, Appeal Board

Signed: Allison Marie

Allison Marie  
Administrative Judge  
Member, Appeal Board

Signed: Jennifer I. Goldstein

Jennifer I. Goldstein  
Administrative Judge  
Member, Appeal Board