



DEPARTMENT OF DEFENSE
DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS
APPEAL BOARD
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Date: February 12, 2026

In the matter of:)	
)	
-----)	ISCR Case No. 25-00562
)	
Applicant for Security Clearance)	

APPEAL BOARD DECISION

APPEARANCES

FOR GOVERNMENT

Andrea M. Corrales, Esq., Deputy Chief Department Counsel

FOR APPLICANT

Pro se

The Department of Defense (DoD) declined to grant Applicant a security clearance. On June 4, 2025, 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 January 23, 2026, Defense Office of Hearings and Appeals Administrative Judge Ross D. Hyams denied Applicant national security eligibility. Applicant appealed pursuant to Directive ¶¶ E3.1.28 and E3.1.30.

Judge’s Findings of Fact

Applicant is in his mid-40s. He married in 2009 and divorced in 2025. He has five minor children. He graduated from high school and attended trade school in 1999. He is currently working at a shipyard. Applicant attributed his financial problems to his ex-wife. He claimed he was working in overseas assignments during their marriage, and his wife was supposed to take care of their bills and file his taxes. He took overseas assignments for varying periods from 2017 to 2024. Applicant claimed that his wife’s actions resulted in the loss of equity in their home and

the repossession of her car. He reported she had previously defaulted on her car payments back in 2013.

The Judge found:

SOR ¶ 1.a alleges Applicant failed to timely file his 2021-2023 federal income tax returns. He provided tax account transcripts showing: 2016 return was filed late in September 2017; 2017 return was filed late in September 2019; 2018 return was filed late in May 2019; and 2019 and 2020 returns were timely filed. His 2021-2023 returns were filed late in February 2025. His 2024 return was filed late in July 2025.

SOR ¶¶ 1.b through 1.e allege Applicant is indebted to the IRS for delinquent taxes totaling more than \$41,000 for tax years 2015, 2016, 2018, and 2019. He stated that he had reduced the balance by \$7,000, through the IRS recapturing his refunds. Post-hearing, he provided a tax account transcript showing: 2016 with a balance of about \$8,000; 2018 with a balance of about \$18,000; 2019 with a balance of about \$8,000; and 2023 with a balance of about \$19,000. No transcript was produced for 2015. His delinquent tax debts as of September 2025, not including any debt from tax year 2015, were approximately \$52,000. He has not established a payment plan with the IRS.

SOR ¶ 1.f alleges Applicant is indebted to State A for delinquent taxes totaling more than \$500 for tax year 2023. He claimed this debt was about \$11,000 larger at the start, and he has repaid the remaining balance. He did not offer documentation substantiating these claims.

SOR ¶¶ 1.g through 1.i allege Applicant is indebted on six charged-off accounts totaling about \$1,300. No action has been taken, and these debts remain unresolved.

SOR ¶¶ 1.m through 1.s allege Applicant is indebted on seven accounts in collection totaling approximately \$4,000. No action has been taken, and these debts remain unresolved.

SOR ¶ 1.t alleges Applicant filed a Chapter 13 Bankruptcy in 2012, which was dismissed 2017. He could not explain why the case was dismissed. Applicant has been earning about \$20 an hour in his current employment in State A. He pays about \$2,800 monthly for child support, which leaves him with only a few hundred dollars to pay his expenses. He is currently staying with his mother to reduce his monthly expenses.

Applicant stated he had made about \$92,000 while working overseas. He intends to return to his overseas work and then will resolve his delinquent tax and other debts. Post hearing, he sent an email stating that he was offered a job in State A, and if he starts that position, clearance pending, he will plan to start resolving his delinquent tax and other debts.

Applicant stated he has not had financial counseling and did not provide a budget. Records indicate that he previously had his security clearance denied in 2017 for financial reasons, although he denied this occurred.

Discussion

The Judge held adversely on all allegations. On Appeal, Applicant argues: 1) that the Judge made erroneous factual findings; 2) that the Judge failed to correctly apply the Whole-Person Concept and consider his “decade of elite service” and his “extreme” hardships; and 3) that Judge and Department Counsel made inaccurate statements on the record. Appeal Brief at 1. For the following reasons, we affirm the Judge’s decision.

Erroneous Factual Findings

Applicant’s claim of harmful error regarding the Judge’s finding on SOR ¶ 1.f is without merit. While Applicant submitted a document from State A showing a zero balance, its significance is questionable as it fails to identify the relevant tax year or payment history. Applicant Exhibit C at 18. Even if the Judge erred in overlooking this document, such an error would be harmless. The disposition of this single allegation does not materially affect the validity of the other nineteen allegations supporting the decision. Error is harmless when there is not a significant chance that, but for the identified error, the judge would have reached a different result. *See* DISCR OSD Case No. 91-0129, 1992 WL 388334 at *3 (App. Bd. Jul. 23, 1992).

We regard the remainder of Applicant’s assertions of error as disagreements with how the Judge weighed the evidence. “[D]isagreement with the Judge’s weighing of the evidence, or an ability to argue for a different interpretation of the evidence, is not sufficient to demonstrate the Judge weighed the evidence or reached conclusions in a manner that is arbitrary, capricious, or contrary to law.” ISCR Case No. 04-08975 at 1 (App. Bd. Aug. 4, 2006). For example, Applicant testified during the hearing, and reiterated on appeal, that he was not denied security clearance eligibility in 2017. Transcript (Tr.) at 57. However, the Judge gave greater weight to a report of investigation in which the Applicant disclosed he was denied security clearance eligibility in 2017. Government Exhibit 8; Tr. at 57. He also claimed that the Judge erred in stating he was a “shipyard” employee, when in fact he is a “railroad yard” employee. Yet, on the record Applicant responded to the question, “So, you’re working at a shipyard?” with “Yes, sir.” Tr. at 19. Thus, this finding was reasonable. Next, Applicant contests the Judge’s finding that his approximately \$52,000 tax debt is “unresolved.” Applicant submits that fulfilling his filing obligations for the missing tax years resolved all but the 2023 tax year, which awaited administrative processing due to backlogs at the IRS. However, the Judge’s finding relates to the unpaid tax debts, not the delinquent filings of the federal income tax returns.

Whole-Person Considerations

Regarding the Judge’s analysis under the Whole-Person Concept, he identified the AG ¶ 2(d) factors and explicitly noted that he “considered Applicant’s past service to the government working overseas for defense contractors.” Decision at 6. The Whole-Person Concept requires a judge to analyze an applicant’s circumstances based on consideration of the full record; however, a judge is not required to discuss each of the Whole Person factors and a decision does not turn simply on finding that one or more of them apply to the facts of a particular case. *See* ISCR Case No. 11-08546 at 4 (App. Bd. Feb. 27, 2013). Applicant’s assertions regarding the sufficiency of the Judge’s Whole Person analysis advocate again for a different weighing of the evidence, which is insufficient to demonstrate error.

Inaccurate Statements

Applicant asserts that the Judge’s statement at hearing that, “the IRS will not take your money before child support is paid,” made during the hearing was legally inaccurate. Tr. at 72. Applicant cites Internal Revenue Code § 6331 to support his explanation that he prioritized paying child support to avoid incarceration. While the statement made by the Judge during the hearing was an oversimplification of a nuanced law, that statement was made in reaction to Applicant’s expressed fears of being incarcerated if the IRS would levy his wages and does not appear to be the basis of any part of his Decision. Applicant failed to demonstrate error.

Applicant also disputes Department Counsel’s assertion that he was irresponsible in his decision to trust his former spouse with their finances. Appeal Brief at 1. However, “Department Counsel represent the Government’s interests in these proceedings and are not required to be neutral, impartial, or unbiased. In performing their professional responsibilities, Department Counsel are expected to advocate in a manner that is contrary to an applicant’s positions or interests.” ISCR Case No. 19-00883 at 5 (App. Bd. Dec. 20, 2022). Here, Department Counsel’s advocacy was appropriate and persuasive.

We find that the Judge addressed Applicant’s circumstances and debt resolution efforts in his decision and reasonably concluded that Applicant had not established a sufficient record of payments and responsible financial conduct. Moreover, Applicant’s arguments fail to rebut the presumption that the Judge considered all of the record evidence. The Judge’s conclusion that Applicant failed to mitigate the financial security concerns is sustainable.

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. 25-00562 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