



**DEPARTMENT OF WAR  
DEFENSE LEGAL SERVICES AGENCY  
DEFENSE OFFICE OF HEARINGS AND APPEALS  
APPEAL BOARD**



Date: March 19, 2026

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In the matter of: )  
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Applicant for Security Clearance )  
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ISCR Case No. 25-00555

**APPEAL BOARD DECISION**

**APPEARANCES**

**FOR GOVERNMENT**

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

**FOR APPLICANT**

Grant Couch, Esq.

The Department of Defense (DoD) declined to grant Applicant a security clearance. On August 5, 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 February 12, 2026, Defense Office of Hearings and Appeals Administrative Judge Roger C. Wesley denied Applicant national security eligibility. Applicant appealed pursuant to Directive ¶¶ E3.1.28 and E3.1.30.

**Background**

Applicant, in his early 30s, is employed in aircraft assembly at a defense contractor. He earned his high school degree through an alternative program in 2023. The SOR alleged 14 delinquent consumer accounts. For eleven of the alleged debts, the SOR specified the amount of the delinquency, and those debts totaled about \$24,000. In responding to the SOR, Applicant stated that he was working with a credit repair agency to resolve other debts, and he included proof of

monthly payments to the agency beginning in September 2024, about 11 months prior to the SOR being issued. Answer at 5, 10; Government Exhibit (GE) 4 at 17-24. Additionally, Applicant stated that he had settled the debts alleged at SOR ¶¶ 1.1 and 1.m, which were owed to the same original creditor (UNI), and that he was attaching evidence of payments under the agreed-upon payment plans. The documents that Applicant submitted on these debts indicate payments to two law firms—both representing the same debt buyer (CAM) rather than UNI. The payments to the two firms were in the respective amounts of \$285 per month and \$270 per month. Answer at 4, 7-9.

In submitting the file of relevant material (FORM), the Government attached documents regarding one of the two debts to CAM that Applicant had referenced. Those documents consisted of 1) a motion by the law firm to vacate a default judgment in favor of CAM of approximately \$13,600 and to adopt a settlement stipulation; and 2) the settlement agreement calling for payments of \$285 per month. GE 8. The Government asserted that these documents established an additional, non-alleged debt that undercut any claims of mitigation. Applicant responded to the FORM with proof of continuing payments to his credit repair agency, including some sizable payments, and continued payments on the two debts owed to CAM. The Judge found adversely to Applicant on all allegations.

### **Discussion**

On appeal, Applicant asserts generally that the Judge’s decision did not properly consider his overall efforts to resolve his debts and specifically that the Judge did not credit either his payments to his credit repair agency or his significant efforts to resolve the debts alleged at SOR ¶¶ 1.1 and 1.m. This argument has merit.

Several problems are apparent in the Judge’s factual findings. For example, the Judge referred twice to 23 delinquent debts, rather than the correct number of 14. Decision at 2. The Judge then credited Applicant with installment payments on “two of the listed delinquent accounts” but did not specify to which alleged accounts he was referring. *Id.*

The most troubling issues, however, arise from the Judge’s disregard or misunderstanding of certain evidence. For example, as Applicant argues, the Judge made no mention of Applicant’s documented efforts to resolve debts through his credit repair agency, although Applicant submitted evidence of pre-SOR payments in response to two sets of Government interrogatories, the SOR, and the FORM. Another such error arises from a default judgment against Applicant in the amount of \$13,600 that the Government submitted as Government Exhibit 8 with its FORM. The Government argued, and the Judge found, that it was an additional, non-alleged delinquency. However, exhibits in the record easily trace the \$13,600 judgment to the debts alleged in SOR ¶¶ 1.1 and 1.m. While Applicant did not explicitly state that the two debts owed to UNI (SOR ¶¶ 1.1 and 1.m) had been bought by CAM, the creditor who sought judgment against him, those facts were implicit in his response and easily confirmed in the record. Applicant stated, “both [UNI] accounts have been settled and payment plans have been set and have already started, I will attach paperwork showing proof of ongoing agreed upon payment.” Answer at 3. His attached documents reflected balances owed to CAM that neatly aligned with the debt alleged at SOR ¶ 1.1 and closely aligned with the debt alleged at SOR ¶ 1.m. Answer at 4, 7–9; GE 5 at 6; GE 6 at 4; GE 7 at 2; GE 8 at 3. Moreover, all three credit reports submitted by the Government reflected that the UNI

accounts were “purchased by another lender.” GE 5 at 6; GE 6 at 4; GE 7 at 2. Regarding the account alleged at SOR ¶ 1.1, the Government’s most recent credit report explicitly stated, “Sold portfolio to: [CAM].” GE 7 at 2. In summary, our review of the record confirms that Applicant submitted proof of settlement agreements and payments on the two debts alleged at SOR ¶¶ 1.1 and 1.m.

In its FORM, however, the Government misinterpreted Applicant’s submissions and its own evidence. Instead of recognizing Applicant’s payments on two alleged debts, the Government imputed an additional sizable debt to him and argued that “the *new debt* runs counter to any assertions of mitigation or improved financial circumstances” and instead “shows a continued pattern of indebtedness that buttresses the government’s concerns under Guideline F . . . revealing continuing issues with Applicant’s trustworthiness and reliability.” FORM at 2, 3 (emphasis added). Regrettably, the Judge adopted this erroneous interpretation of the evidence and relied upon it. He found that the debt was “[n]ot covered by the SOR” and that Applicant’s response to the FORM did not reflect any additional payments on this judgment debt. Decision at 3. Both of these findings are in error, as 1) this debt was alleged and 2) Applicant’s FORM response established an additional payment on the debt. The Judge also highlighted that “non-SOR delinquent debts which are admitted and documented (as here) may be considered in the Government’s case in chief for purposes of credibility, application of mitigation initiatives, and whole-person analysis.” *Id.* at 5.

Applicant is entitled to an adjudication of his security eligibility after consideration of all available, reliable information. Directive ¶ 6.3. Public confidence in the industrial security program relies in part on the appearance of a fair and impartial adjudication in light of the record as a whole. In a case where a judge makes multiple findings about an applicant that are contradicted by the record, the judge’s decision is undermined and so is confidence in the industrial security program. *See* ISCR Case No. 11-01393 at 2 (App. Bd. Jul. 25, 2012). Taken together, the errors identified above undercut the presumption that the Judge considered all the record evidence. We cannot conclude that these errors were harmless, as they may have been outcome determinative. *ISCR Case No. 95-0495*, 1996 WL 481030 at \*3 (App. Bd. Mar. 22, 1996) (citing *N.L.R.B v. American Geri-Care*, 697 F.2d 56, 64 (2d Cir. 1982) (remand required where there is a significant chance that, but for the error, a different result might have been reached), *cert. denied*, 461 U.S. 906 (1983)).

### **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. 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. 25-00555 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