



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



Date: March 26, 2026

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In the matter of:)
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Applicant for Security Clearance)
_____)

ISCR Case No. 24-02289

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 11, 2025, DoD issued a Statement of Reasons (SOR) advising Applicant of the basis of that decision — security concerns raised under Guideline F (Financial Considerations), Guideline J (Criminal Conduct), Guideline I (Psychological Conditions), and Guideline E (Personal Conduct) 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 March 16, 2026, Defense Office of Hearings and Appeals Administrative Judge Darlene D. Lokey Anderson denied Applicant national security eligibility. Applicant appealed pursuant to Directive ¶¶ E3.1.28 and E3.1.30.

The Judge found adversely to Applicant on the Guideline F allegation and on a related Guideline E allegation (SOR ¶ 4.b). She found favorably for Applicant on the other Guideline E allegations, as well as the Guideline I and Guideline J allegations. They are not in issue on appeal, and the Judge’s facts and analysis surrounding them will not be discussed.

Background

The SOR alleged only one financial concern – a charged off debt of approximately \$19,900. Although Applicant denied the allegation in his answer to the SOR, a credit report in evidence confirmed the delinquency. Decision at 2; Government Exhibit (GE) 3 at 2. Applicant took out the loan in 2017 to finance a car. Within a few weeks of the purchase, Applicant was involved in an accident in which the car was “totaled.” Decision at 2. Applicant testified that the insurance company denied coverage because it deemed him at fault for the accident.

For reasons that are not entirely clear in the record, the financial institution did not properly record its lien, and Applicant held the title to the car. GE 1 at 33; GE 2 at 10. Applicant stated that he kept the vehicle for two years—until 2019—and made monthly payments of \$100 per month on the unsecured loan. In preparing to sell the car in 2019, Applicant negotiated with the financial institution to resolve the account. The bank offered to settle for \$9,000, and Applicant countered with an offer of \$5,000 – the price at which he sold the car. The parties did not come to an agreement, and Applicant neither paid off the loan nor forwarded the \$5,000 as a payment. Transcript (Tr.) at 32–33. He stopped making the monthly payments when the bank closed his bank account without his permission. Throughout the adjudicative process, Applicant consistently stated that he had no intention to resolve this debt, which has since aged off his credit report. GE 1 at 33; GE 2 at 10; Tr. at 34.

As alleged under Guideline E, Applicant told the investigator during his 2024 background interview that he was not paying the debt “out of spite” because the financial institution closed his bank account and did not promptly forward his balance. GE 2 at 10. At hearing, Applicant testified that he was joking when he used the word “spite” during his subject interview. The Judge, however, found: “This was not a joking matter. Applicant owed the creditor close to \$20,000, and he did not pay the debt.” Decision at 7.

The Judge noted that Applicant testified that he is otherwise financially responsible, that his most recent credit report confirmed the same, that Applicant had a favorable credit score, and that he recently purchased a home. She concluded, however, that “Applicant has simply failed to pay the debt for no good reason” despite his ability to do so, demonstrating “immaturity, poor judgment, unreliability, and untrustworthiness.” *Id.* at 10.

Discussion

On appeal, Applicant challenges some of the Judge’s factual findings, as well as her analysis and conclusions. 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).

A consistent theme in Applicant's appeal is that the Judge did not give proper weight to the fact that his debt had "expired" and that she "erroneously insisted" that the debt was still due. Appeal Brief at 1, 2, 3. Applicant argues that he "is under no current obligation to pay the debt because of federal and state statutes." *Id.* at 2. In closing, Applicant argues that "[the] way the debt is being described would lead any reasonable person to determine he is currently not being responsible when in reality he is not more bound to pay an old, expired debt than any other regular person under the same circumstances and conditions. *Id.* at 3.

Contrary to Applicant's argument, the Judge's analyses and conclusions regarding his debt are well-grounded in Appeal Board precedent. The record establishes that Applicant initially made some payments on the loan but that he ultimately chose not to settle or pay the debt and to rely instead on the statute of limitations. Security clearance decisions are not constrained by any statute of limitation. A security clearance adjudication is not a proceeding aimed at collecting an applicant's personal debts. Instead, a security clearance adjudication is a proceeding aimed at evaluating an applicant's judgment, reliability, and trustworthiness to determine security eligibility. Accordingly, even if a delinquent debt is legally unenforceable under state law, a judge may properly consider the circumstances surrounding an applicant's conduct in failing to satisfy the debt when evaluating whether an applicant demonstrated good judgment, trustworthiness, and reliability. *See* ISCR Case No. 07-09966 (App. Bd. Jun. 25, 2008). That is precisely what the Judge did here. Moreover, our review of the Judge's decision confirms that she considered all the evidence presented, including that evidence cited by Applicant in his appeal. Her conclusion that Applicant did not act responsibly under the circumstances is supported by the record.

The remainder of Applicant's brief argues for a different weighing of the evidence. Applicant's disagreement with the Judge's weighing of the evidence, or his 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. Applicant has failed to establish the Judge committed any harmful error. The Judge examined the relevant evidence and articulated a satisfactory explanation for the decision, which is sustainable on this record. "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. 24-02289 is **AFFIRMED**.

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