



**DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS**



Date: June 4, 2026

In the matter of:

Applicant for Security Clearance

ISCR Case No. 25-01023

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 September 9, 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 April 9, 2026, Defense Office of Hearings and Appeals Administrative Judge Charles C. Hale denied Applicant national security eligibility. Applicant appealed pursuant to Directive ¶¶ E3.1.28 and E3.1.30.

Discussion

The SOR alleged that Applicant had two accounts that have been charged off in the approximate amounts of \$11,000 and \$24,000. Applicant admitted both debts in his Answer to the SOR. At hearing, Applicant noted that the first debt had fallen off his credit report and the \$24,000 debt was being disputed. Transcript (Tr.) at 19. The Judge found against Applicant on both allegations. Decision at 8.

On Appeal, Applicant argues that his “financial difficulties arose from circumstances beyond his control, including medical hardship and prolonged involuntary unemployment” and

the Judge “minimized substantial evidence demonstrating rehabilitation, present financial stability, repayment capacity, and reduced future risk.” Appeal Brief at 13. However, the Judge explicitly considered these in his Decision. The Judge weighed Applicant’s current affluence against his past financial difficulties and noted that “the evidence shows that Applicant had the financial resources to resolve the debt based on his employment since at least 2021.” Decision at 7. Yet Applicant chose not to do so. The decision reflects that the Judge considered the record before him, weighed the disqualifying and mitigating conditions, and reasonably determined that Applicant’s “financial issues continue to cast doubt on his current reliability, trustworthiness, and good judgment.” *Id.* Applicant’s disagreement with the Judge’s weighing of the evidence is not sufficient to show that the Judge weighed the evidence in a manner that was arbitrary, capricious, or contrary to law. *See* ISCR Case No. 04-08975, 2006 WL 2725032 at *1 (App. Bd. Aug. 4, 2006) (citation omitted).

Applicant also asserts that he actively pursued repayment arrangements, communicated with creditors, retained professional assistance to address delinquent accounts, and implemented a structured repayment strategy. We are puzzled by this argument, as there is no evidence of any meaningful repayment arrangements or a repayment strategy. Applicant was specifically asked if he had “initiated or are you adhering to any good faith effort to repay either of these creditors or make any other attempts to resolve the debts,” and answered, “No, there’s nothing else I’ve done.” Tr. at 57. His only efforts to resolve the \$11,000 debt occurred in 2019 and did not result in payments. With respect to the \$24,000 debt, Applicant admitted to forgetting about this debt from 2018 to 2021 and acknowledged that he did not reach out to the creditor when he was reminded of the debt. Tr. at 27-29. It was not until after receiving the SOR that he hired a law firm to dispute this debt. Tr. at 30. The Decision reflects that the Judge considered the record before him, weighed the disqualifying and mitigating conditions, and reasonably determined that the concerns about Applicant’s finances were unmitigated.

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.’” *Dep’t 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. 25-01023 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