DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS
APPEAL BOARD

Date: June 5, 2026

In the matter of:	)	
	)	
------------	)	ISCR Case No. 25-00687
	)	
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 July 2, 2025, DoD issued a Statement of Reasons (SOR) advising Applicant of the basis of that decision – security concerns raised under Guideline F (Financial Considerations) 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 May 12, 2026, Defense Office of Hearings and Appeals Administrative Judge Mark Harvey denied Applicant national security eligibility. Applicant appealed pursuant to Directive ¶¶ E3.1.28 and E3.1.30.

Discussion

Under Guideline F, the SOR alleged that Applicant carried four delinquent consumer debts totaling approximately $5,900, that she failed to timely file federal and state income tax returns for tax year 2023, and that she owed delinquent tax balances of at least $42,700 to the federal government for tax years 2015, 2016, 2017, 2019, 2021, 2022, and 2023, and $2,700 to the state government for tax year 2023. The SOR further alleged under Guideline E that Applicant deliberately failed to disclose the foregoing tax delinquencies on her 2022 and 2023 security clearance applications (SCAs). In response to the SOR, Applicant admitted all but one of the financial allegations with explanation, denied that she owed a state tax balance, and denied the falsification allegations.

Noting that Applicant "provided proof that she resolved two of the past-due debts on her 2025 CBR," established "an overall track-record of paying her non-tax debts," and made some payments on her tax debts, the Judge concluded that the Guideline F concerns were mitigated and resolved all favorably. Decision at 12-13. He resolved both Guideline E falsification concerns adversely, however, concluding that the record evidence established that "Applicant knowingly elected not to disclose information about her [federal and state income taxes] on her 2022 and 2023 SCAs." *Id*. at 16.

On appeal, Applicant challenges the Judge's conclusion that she deliberately falsified information on her SCAs, explaining that she focused on the "failed to pay" element of the relevant tax question and did not interpret the question as applicable to her because, at the time she completed the SCAs, she "had active IRS payment arrangements in place and was actively working toward resolution of the debt." Appeal Brief at 1. Applicant further asserted, "I believed that because I had filed my taxes and had active IRS payment plans in place, I was actively addressing and paying the taxes within the meaning of the question being asked." *Id*. at 1-2. Throughout her appeal, Applicant contends that her "response was based on misunderstanding and interpretation rather than any intent to conceal information from the Government." *Id*. at 2.

On both her December 2022 and April 2023 SCAs, Applicant responded "No" to "In the last seven (7) years have you failed to file or pay Federal, state, or other taxes when required by law or ordinance?" Government Exhibit 1 at 42; GE 2 at 38. At hearing, in explanation for her negative response on the 2022 SCA, Applicant testified that she "inadvertently chose the wrong" answer due to "not reading the question in its totality." Tr. at 54. Her explanation for responding negatively to the question on her 2023 SCA aligns with that offered on appeal, that she misinterpreted the question as not applying to her because she had a payment plan. *Id*. at 54-55.

Citing applicable Appeal Board precedent, the Judge noted that Applicant's explanations were relevant evidence for him to consider, but then appropriately proceeded to address the circumstantial evidence reflective of Applicant's intent and state of mind when she completed the recent SCAs.[1] To that end, the Judge specifically considered Applicant's experience in the national security investigation process, including having completed SCAs in 2015, which ended favorably after a February 2018 hearing that addressed delinquent consumer debt and taxes, and again in October 2018, wherein she disclosed some of her then-existing tax problems. The Judge opined that "[t]hese security interactions . . . sensitized her to the importance of providing complete and accurate [tax] information on her SCAs." Decision at 16. He also noted that, in addition to the tax debts alleged in the SOR, Applicant failed to disclose in her 2022 SCA that her federal returns for tax years 2019, 2020, and 2021 remained unfiled at the time. Although not alleged in the SOR, the Judge permissibly considered Applicant's additional failure to disclose the unquestionably

[1] *See* ISCR Case No. 02-23133, 2004 WL 2152744 at *4 (App. Bd. Jun. 9, 2004) (judge must consider the record as a whole to determine whether there is direct or circumstantial evidence concerning the applicant's intent or state of mind at the time the omission occurred).

delinquent tax filings in his mitigation, credibility, and Whole-Person analyses.[2] Based on the foregoing, the Judge reasonably found that Applicant falsified her SCAs and sustainably concluded that her "false denials of delinquent tax debt and untimely filing of tax returns continue to cast doubt on her reliability, trustworthiness, and good judgment." Decision at 16.

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. 25-00687 is **AFFIRMED**.

<u>Signed: Moira Modzelewski</u>
Moira Modzelewski
Administrative Judge
Chair, Appeal Board

<u>Signed: Allison Marie</u>
Allison Marie
Administrative Judge
Member, Appeal Board

<u>Signed: Jennifer I. Goldstein</u>
Jennifer I. Goldstein
Administrative Judge
Member, Appeal Board

[2] *See* ISCR Case No. 03-20327, 2006 WL 3545116 at *3 (App. Bd. Oct. 26, 2006).