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

Date: July 8, 2026

In the matter of:	)	
----------	)	ISCR Case No. 25-00822
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 22, 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 May 29, 2026, Defense Office of Hearings and Appeals Administrative Judge Benjamin R. Dorsey denied Applicant national security eligibility. Applicant appealed pursuant to Directive ¶¶ E3.1.28 and E3.1.30.

The SOR alleged 12 delinquent debts totaling approximately $47,000, all credit card accounts that were either charged off or placed for collection. In his Answer to the SOR, Applicant neither admitted nor denied the debts. The Judge found adversely to Applicant on all allegations.

Background

Applicant is in his early fifties and single, with no children. In recent years, he has been unemployed during two periods: from March 2020 until September 2020 because of the COVID pandemic and for three months in early 2023.

Applicant was current on the alleged debts until 2019, when he hired a debt consolidation company (RC) to negotiate with his creditors and reduce his payments. On its advice, Applicant stopped making payments to the creditors and instead made monthly payments to RC. From the fall of 2019 until March 2020, when he lost his job, he made payments of about $450 to $750 per month, for a total of about $3,000 to $4,000. RC in turn paid a portion of the debt alleged in SOR ¶ 1.i, but neither Applicant nor RC has made any payments to that creditor since March 2020.

Of the 12 debts alleged on the SOR, Applicant entered into payment arrangements on six. He settled and paid one of those debts for less than the full balance (SOR ¶ 1.g) and is complying with the scheduled payments for the other five (SOR ¶¶ 1.d, 1.f, 1.j, 1.k, and 1.l). Notably, Applicant entered into payment agreements for four of those accounts only after the creditors filed lawsuits and the parties participated in court-sponsored mediation.

Applicant has not contacted the creditors for any of the six remaining delinquencies (SOR ¶¶ 1.a, 1.b, 1.c, 1.e, 1.h, and 1.i). In explanation, he stated that he did not want to overextend himself by making payment arrangements that he could not afford. The creditor for the account in SOR ¶ 1.b cancelled the debt in January 2026 and sent Applicant an IRS Form 1099-C. Applicant intends to settle the remaining unresolved accounts after he completes the payment arrangements that he already has in place. Applicant has no other delinquent accounts.

In his analysis, the Judge found that two disqualifying conditions applied: AG ¶¶ 19(a) inability to satisfy debts; and 19(c) a history of not meeting financial obligations. Turning to mitigation, the Judge concluded that none of the applicable mitigating conditions fully applied. He highlighted that Applicant first became delinquent in 2019 because he voluntarily defaulted on his debts, an event of his own creation. The Judge acknowledged that Applicant has made payment arrangements with 6 of the 12 creditors and complied with those arrangements, but he noted that Applicant "did so after either being sued by creditors or approached by them with a settlement offer" and that "[w]aiting until he was sued tends to diminish a showing of good-faith resolution of these debts." Decision at 7. Moreover, the Judge noted, "Applicant has not contacted half the SOR creditors or made any payments on those accounts." *Id*. Finally, the Judge concluded that the budget to which Applicant testified "tends to show that he could afford to do more to address his debts, which undermines his evidence of showing that he acted responsibly under the circumstances." *Id*.

Discussion

On appeal, Applicant does not dispute the Judge's factual findings but challenges his mitigation analysis. Specifically, Applicant asserts that the decision is not "fully consistent with the mitigating factors" and that it "does not sufficiently explain why the mitigation evidence presented was inadequate." Appeal Brief at 1. In deciding whether the Judge's rulings or conclusions are erroneous, we review the decision to determine whether: 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. ISCR Case No. 97-0435 at 3 (App. Bd. Jul. 14, 1998). Following our review, we find no error and affirm.

Applicant argues that the Judge failed to give appropriate weight to the following factors: he lost his job during the COVID-19 pandemic, which was an event entirely outside his control; he learned from his mistake of choosing a debt consolidation plan that required him to let his debts become delinquent; and he has paid off or nearly paid off several smaller accounts while making progress on larger accounts. He argues that he demonstrated a good-faith effort to resolve the debts and that the decision does not clearly explain why those efforts were insufficient**.** However, the Judge's conclusions that Applicant did not act responsibly under the circumstances and that he exercises questionable financial judgment are sufficiently supported by the record.

Applicant's appeal is premised on the incorrect belief that he mitigated the Government's concerns by negotiating payments and settling six of the alleged debts. While those are factors the Judge considered with respect to mitigation and the Whole-Person Concept, repayment alone does not establish mitigation. A security clearance adjudication is not a proceeding aimed at inducing an applicant to meet his duty to repay delinquent debts. Rather, it is a proceeding aimed at evaluating an applicant's judgment, reliability, and trustworthiness. *E.g.*, ISCR Case No. 07-08049 at 5 (App. Bd. Jul. 22, 2008). Accordingly, even though Applicant eventually set up payment plans for five of the twelve alleged debts and resolved another, the Judge properly considered all of the facts and circumstances surrounding Applicant's failure to timely resolve his financial obligations, to include his entry into payment plans only after lawsuits and court-sponsored mediation.

Overall, Applicant's brief advocates for an alternative weighing of the evidence. An applicant's "disagreement 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 that the Judge weighed the evidence or reached conclusions in a manner that is arbitrary, capricious, or contrary to law." ISCR Case No. 06-17409 at 3 (App. Bd. Oct. 12, 2007). Here, the Judge considered the status of each debt in detail but found that the circumstances surrounding the accrual and repayment of the debts outweighed the mitigation presented. Applicant has failed to establish any harmful error below. The record supports a conclusion that the Judge examined the relevant evidence and articulated a satisfactory explanation for the decision. "The general standard is that a clearance may be granted only when 'clearly consistent with the interests of the national security.'" *Dept. of 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. 25-00822 is **AFFIRMED**.

Signed: Moira Modzelewski
Moira Modzelewski
Administrative Judge
Chair, Appeal Board

Signed: Allison Marie
Allison Marie
Administrative Judge
Member, Appeal Board

Signed: Jennifer Goldstein
Jennifer Goldstein
Administrative Judge
Member, Appeal Board