



**DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF HEARINGS AND APPEALS**



In the matter of:)	
)	
)	ISCR Case No. 23-02663
)	
Applicant for Security Clearance)	

Appearances

For Government: John Renehan, Esq., Department Counsel
For Applicant: *Pro se*

05/07/2025

Decision

OLMOS, Bryan J., Administrative Judge:

Applicant mitigated the security concerns under Guideline E (Personal Conduct). However, he failed to mitigate the security concerns under Guideline F (Financial Considerations). Eligibility for access to classified information is denied.

Statement of the Case

Applicant submitted a security clearance application (SCA) on June 20, 2022. On July 30, 2024, the Department of Defense (DOD) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F, Guideline E and Guideline B (Foreign Influence). The DOD issued the SOR under Executive Order (Exec. Or.) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the Security Executive Agent Directive 4 (SEAD 4), *National Security Adjudicative Guidelines (AG)*, effective June 8, 2017.

Applicant received the SOR on August 21, 2024, submitted an undated answer (Answer) and requested a decision based on the written record by an administrative judge

from the Defense Office of Hearings and Appeals (DOHA), in lieu of a hearing. On February 19, 2025, Department Counsel submitted the Government's File of Relevant Material (FORM) withdrawing the SOR allegations under Guideline B and including Government's Exhibits (GX) 1 through 10. On about March 25, 2025, Applicant submitted a response to the FORM, including updated responses to interrogatories, and provided additional explanations and documents. (Response)

The case was assigned to me on April 22, 2025. The SOR (GX 1) and Answer (GX 3) are the pleadings in this case. GX 2, GX 4 through GX 10, as well as the documents contained in the Response are admitted without objection.

Findings of Fact

In his Answer to the SOR, Applicant admitted SOR allegations ¶¶ 1.a, 1.b, 1.d and 1.f and denied SOR allegations ¶¶ 1.c, 1.e, 1.g, 2.a and 2.b with explanations. His admissions are incorporated into my findings of fact. His admissions and denials to SOR allegations ¶¶ 3.a through 3.c will not be considered as the allegations have been withdrawn. After a thorough review of the pleadings and evidence submitted, I make the following additional findings of fact.

Applicant is 49 years old and married. He has four children, all adult age, from a previous relationship. He completed high school in 1995. Since at least 1997, he has primarily worked as a marine electrician. While he generally maintained full-time employment during his career, he was unemployed for about six-months from 2016 into 2017 and again for most of 2022. He has worked full-time with his current employer since December 2022. (Answer; Response; GX 4, 7)

Financial Considerations

The SOR alleged that Applicant has multiple delinquent accounts, primarily relating to child support and a rental contract, totaling approximately \$103,481. The debts are established through Applicant's admissions and credit reports. The evidence concerning the specific SOR allegations is summarized below. (GX 8-10)

SOR ¶ 1.a (\$69,325) is for child-support arrearage that Applicant owes, through State A, to his former girlfriend for their four children. In his August 2022 background interview with a DOD investigator, Applicant recalled that, in about 2008, he started paying about \$300 every two weeks in child support and admitted there were times that he did not make payments, particularly when he was unemployed or when there would be a delay initiating payments after he changed jobs. (Answer; Response; GX 5, 7)

In about July 2022, Applicant's girlfriend added their fourth child to the support order. This came as a surprise to Applicant as he believed his previous support payments were for all four of his children. The order was retroactive to the child's birthdate and totaled about \$40,000. During his August 2022 interview, Applicant stated that his balance with the State A Child Support Enforcement Agency was \$79,327. (GX 5-7)

In his June 2024 response to interrogatories, Applicant admitted that he had a child-support arrearage and had requested an updated balance from State A. In his July 2024 response to interrogatories, Applicant detailed that \$356 was being withdrawn from his paycheck every two weeks for child support. He submitted a payment history from State A showing biweekly payments of \$345 from July 2023 through June 2024. The balance also decreased from \$78,313 to \$69,325. (GX 5-7)

In his Response, Applicant provided an expanded payment history from State A that showed monthly child-support payments of \$699 from December 2021 through December 2022 and biweekly payments of \$345 from March 2023 through February 2025. The record also reflects that he no longer owes monthly child-support obligations, as all his children are now adults, and the balance for the arrearage has decreased to \$63,448. Applicant stated his intent to allow these payments to continue to be withdrawn from his paycheck and has included them in his budget as part of his monthly expenses. (Response)

SOR ¶¶ 1.b (\$113) and 1.c (\$265) relate to two accounts with an internet/cable provider. During his August 2022 interview, Applicant stated that he fell behind on payments and his service was terminated in July 2022. He believed the balances related to fees for the account being past due and equipment charges. In his Answer, Applicant denied SOR ¶ 1.c and stated it may be a duplicate of SOR ¶ 1.b. However, credit reports show two different account numbers corresponding to the two debts. Applicant did not submit any evidence of payments toward these delinquent debts. (Answer; GX 7-10)

SOR ¶ 1.d (\$4,717) is a personal loan that Applicant opened in 2019. He did not recognize the account during his August 2022 interview but admitted the debt in his Answer. Applicant's credit reports reflect that the account has been charged off. In his Response, he indicated that a payment arrangement had been made, but did not provide any supporting documents or proof of payments. (Answer; Response; GX 7-10)

SOR ¶ 1.e (\$28,024) is a collection account that relates to the balance due on a residential lease. Applicant explained that he moved into an apartment in April 2017. By February 2018, he was financially struggling and stopped paying the monthly rent of \$1,900. He remained in the apartment until October 2021, when he finally moved out under threat of eviction. During his August 2022 interview, he claimed that he attempted to resolve this debt through mediation but was never able to catch up on payments. In his September 2023 response to interrogatories, he stated the debt had not been paid, which is also reflected in multiple credit reports. He stated in his Answer that he was told to move out and would not be charged by the landlord. However, he did not provide any documents reflecting an agreement that he had been relieved of this debt obligation. In his Response, he stated that a payment arrangement with the creditor had been made but did not provide any supporting documents or proof of payment. (Answer; Response; GX 5-10)

SOR ¶ 1.f (\$959) is a collection account originating from a mobile phone provider. Applicant stated he opened an account with the provider in 2015. At an unrecalled date afterwards, he switched providers. The collection account appeared in Applicant's July 2022 credit report, but not in subsequent credit reports. During his August 2022 interview, he suspected the bill related to a new phone that he never returned when he cancelled the contract. He admitted this debt in his Answer and stated he did not have sufficient funds to pay the debt. In his Response, he stated that additional documents showed payment status and proof of payments. However, he did not provide any supporting documents specifically relating to this debt. (Answer; Response; GX 5-8)

SOR ¶ 1.g (\$78) is a collection account relating to a medical debt. Applicant did not recognize this debt during his August 2022 interview and denied it in his Answer. The collection account appeared in Applicant's July 2022 credit report, but not in subsequent credit reports. Applicant did not provide any documents reflecting resolution of this account or his efforts to contest the debt. (GX 7-8)

In addition to periods of unemployment, Applicant stated in his September 2023 interrogatory response that his wife had been diagnosed with cancer, which required an operation at an unspecified date. He stated that hospital bills had created an additional financial burden. Applicant's November 2024 credit report, the most recent in evidence, showed that a medical debt of \$10,791 was placed for collection in about November 2023. The credit report does not reflect any payments toward this debt. (GX 5, 10)

Applicant included pay stubs from September 2023 and January 2025 that reflected he earned just over \$3,000 per pay period, which would equate to an annual salary of about \$78,000. He also provided a budget in September 2023 that showed he and his wife earned about \$6,140 per month. After bills and child support, he estimated that he had a monthly net remainder of about \$1,000. However, in his Response, he submitted an updated budget that showed his expenses outpacing his and his wife's combined income. Nonetheless, he continued to state his commitment to resolving his delinquent accounts. (Response; GX 7)

In his Response, Applicant also included a March 2025 letter from a credit repair company. In the letter, the company stated that Applicant was "an active client" who had "engaged our services to dispute factual errors on their credit report, and to enhance their overall financial standing." The company also stated that Applicant "has open disputes regarding inaccurately reported tradelines. We are working diligently, filing disputes, official complaints, and identify theft reports as necessary, to ameliorate these issues as quickly as possible." The letter did not detail when they were hired by Applicant or specify which accounts they were working to resolve. There is no indication that any accounts had successfully been resolved or that any payment agreements had been reached. (Response)

Personal Conduct

The SOR further alleged that Applicant falsified his June 2022 SCA by failing to disclose he had been delinquent in paying child support (SOR ¶ 2.a) or had any

delinquent debts (SOR ¶ 2.b) in the prior seven years. Applicant denied that he falsified his June 2022 SCA. He stated during his August 2022 interview that he did not list his child-support arrearage by “oversight.” At the time he submitted his SCA, Applicant was making monthly child-support payments. While the account was in arrearage at the time, it was not until about July 2022 that he learned he owed an additional \$40,000 in arrearage payments for his fourth child. He then volunteered details of his child-support obligations during his interview and in subsequent interrogatory responses. (Answer; Response; GX 5-7)

Regarding Applicant’s failure to disclose other delinquent debts in the June 2022 SCA, he stated he had not reviewed his credit report and was unaware of his delinquent accounts. He then volunteered details of his accounts in his August 2022 interview and in subsequent interrogatory responses. In his Answer, Applicant also detailed that he had difficulty navigating the application on the computer and that he made a mistake in not providing details of his accounts. (Answer; Response; GX 5-7)

Throughout his August 2022 interview, initial interrogatory responses, Answer and Response, Applicant detailed his expertise as a marine electrician and declared his pride for his work on Naval vessels. He stated he was working to take care of his debts and meet all his responsibilities. (Answer; Response; GX 7)

Policies

It is well established that no one has a right to a security clearance. As the Supreme Court held in *Department of the Navy v. Egan*, “the clearly consistent standard indicates that security determinations should err, if they must, on the side of denials.” 484 U.S. 518, 531 (1988)

When evaluating an applicant’s suitability for a security clearance, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are used in evaluating an applicant’s eligibility for access to classified information.

These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with the factors listed in the adjudicative process. The administrative judge’s overarching adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(a), the entire process is a conscientious scrutiny of a number of variables known as the “whole-person concept.” The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a decision.

The protection of the national security is the paramount consideration. AG ¶ 2(b) requires that “[a]ny doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security.” In reaching this decision, I have

drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. Likewise, I have not drawn inferences grounded on mere speculation or conjecture.

Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Under Directive ¶ E3.1.15, an “applicant is responsible for presenting witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by applicant or proven by Department Counsel and has the ultimate burden of persuasion to obtain a favorable security decision.”

A person who seeks access to classified information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours. The Government reposes a high degree of trust and confidence in individuals to whom it grants access to classified information. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation of potential, rather than actual, risk of compromise of classified information.

Analysis

Guideline F, Financial Considerations

The security concern relating to the guideline for financial considerations is set out in AG ¶ 18:

Failure to live within one's means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise questions about an individual's reliability, trustworthiness, and ability to protect classified or sensitive information. Financial distress can also be caused or exacerbated by, and thus can be a possible indicator of, other issues of personnel security concern such as excessive gambling, mental health conditions, substance misuse, or alcohol abuse or dependence. An individual who is financially overextended is at greater risk of having to engage in illegal or otherwise questionable acts to generate funds. . . .

The financial security concern is broader than the possibility that an individual might knowingly compromise classified information to raise money. It encompasses concerns about an individual's self-control, judgment, and other qualities essential to protecting classified information. An individual who is financially irresponsible may also be irresponsible, unconcerned, or negligent in handling and safeguarding classified information. See ISCR Case No. 11-05365 at 3 (App. Bd. May 1, 2012)

The adjudicative guideline notes several conditions that could raise security concerns under AG ¶ 19. The following are potentially applicable:

- (a) inability to satisfy debts; and
- (c) a history of not meeting financial obligations.

Applicant's admissions and the evidence reflect that he is in significant arrearage with child-support payments and incurred multiple delinquent accounts over the last several years. The above disqualifying conditions are established.

Once delinquent debts are established, an applicant has the burden of presenting evidence to refute, explain, extenuate, or mitigate the security concerns arising from those debts. See ISCR 20-03146 at 3 (App. Bd. June 6, 2022). The fact that a debt no longer appears on a credit report does not establish any meaningful, independent evidence as to the disposition of the debt. See ISCR Case No. 14-03612 at 3 (App. Bd. Aug. 15, 2015).

Conditions that could mitigate the financial considerations security concerns are provided under AG ¶ 20. The following are potentially applicable:

- (a) the behavior happened so long ago, was so infrequent, or occurred under such circumstances that it is unlikely to recur and does not cast doubt on the individual's current reliability, trustworthiness, or good judgment;
- (b) the conditions that resulted in the financial problem were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, a death, divorce or separation, clear victimization by predatory lending practices, or identity theft), and the individual acted responsibly under the circumstances;
- (c) the individual has received or is receiving financial counseling for the problem from a legitimate and credible source, such as a non-profit credit counseling service, and there are clear indications that the problem is being resolved or is under control;
- (d) the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts; and
- (e) the individual has a reasonable basis to dispute the legitimacy of the past-due debt which is the cause of the problem and provides documented proof to substantiate the basis of the dispute or provides evidence of actions to resolve the issue.

With regard to SOR allegation ¶ 1.a, Applicant began making child-support payments in 2008. He acknowledged that there were breaks in payments during times when he was unemployed or for a few months after he started new employment. However, about \$40,000 of his arrearage came as a surprise in 2022 when he learned he owed child support for his fourth child. An arrearage calculated based on a retroactive

child-support award is not the same as a balance that accrued due to intentional default. See ISCR Case No. 20-03456 at 3 (App. Bd. June 15, 2023). Evidence reflects that, with only a 2-month break in payments in 2022, he maintained child-support payments from December 2021 through February 2025. He has budgeted for ongoing payments. Additionally, as his children are now all adults, he no longer has ongoing child-support obligations, and the balance of the arrearage is decreasing. Given the extensive history of child-support payments and the reduction in the arrearage, SOR ¶ 1.a is mitigated under AG ¶¶ 20(b) and 20(d).

In relation to the remaining debts, Applicant experienced periods of unemployment for about six months from 2016 into 2017 and again for most of 2022. During an unspecified period, his wife also experienced cancer and required surgery. In addition to the likely emotional toll these events had on him, they were also unforeseen, unlikely to recur and negatively impacted his financial circumstances. Mitigation under AG ¶¶ 20(a) and 20(b) must be considered.

However, since first discussing his debts during his August 2022 interview, Applicant has not established that he paid or otherwise resolved any of the remaining SOR alleged debts. Further, his November 2024 credit report reflects ongoing debts as well as a new medical debt of \$10,971. While this additional debt was not alleged in the SOR, it undercuts assertions of mitigation as his financial issues remain recent and ongoing. He has not established that his financial problems are under control. Mitigation under AG ¶¶ 20(a) and 20(b) is not applicable to SOR allegations ¶¶ 1.b through 1.g.

Additionally, Applicant was an “active client” of a credit repair company as of March 2025. However, he has not established that he received any financial counseling through their services. Mitigation under AG ¶ 20(c) is not applicable. While the company stated that Applicant has “open disputes” in relation to his credit report, neither they nor Applicant specified which accounts were being contested or provided documented proof to substantiate the basis of the disputes. Mitigation under AG ¶ 20(e) is not applicable.

Applicant continues to experience financial difficulties. Although his current employment has provided consistent work and income, he has not yet established a sufficient track record of debt resolution to mitigate the ongoing financial security concerns.

Guideline E, Personal Conduct

The security concern relating to personal conduct is set out in AG ¶ 15:

Conduct involving questionable judgment, lack of candor, dishonesty, or unwillingness to comply with rules and regulations can raise questions about an individual's reliability, trustworthiness, and ability to protect classified or sensitive information. Of special interest is any failure to

cooperate or provide truthful and candid answers during national security investigative or adjudicative processes. ...

The adjudicative guideline notes several conditions that could raise security concerns under AG ¶ 16. The following are potentially applicable:

(a) deliberate omission, concealment, or falsification of relevant facts from any personnel security questionnaire, personal history statement, or similar form used to conduct investigations, determine employment qualifications, award benefits or status, determine national security eligibility or trustworthiness, or award fiduciary responsibilities.

When a falsification allegation is controverted, as in this case, the Government has the burden of proving it. An omission, standing alone, does not prove falsification. An administrative judge must consider the record evidence as a whole to determine an applicant's state of mind at the time of the omission. See ISCR Case No. 03-09483 at 4 (App. Bd. Nov. 17, 2004) An applicant's experience and level of education are relevant to determining whether a failure to disclose relevant information on a security clearance application was deliberate. See ISCR Case No. 08-05637 (App. Bd. Sep. 9, 2010)

Applicant failed to disclose his child-support arrearage or any financial delinquencies in his June 2022 SCA. During his August 2022 interview, he admitted it was an oversight to not include those debts in his SCA and subsequently provided details on all his delinquent accounts. He provided further details and a child-support payment record in his responses to interrogatories. In considering his age, education and experience, I find that he did not intentionally provide false information about his finances in his SCA. As such, security concerns under AG ¶ 16(a) are not established.

Whole-Person Concept

Under the whole-person concept, the administrative judge must evaluate an applicant's eligibility for a security clearance by considering the totality of the applicant's conduct and all relevant circumstances. The administrative judge should consider the nine adjudicative process factors listed at AG ¶ 2(d):

(1) the nature, extent, and seriousness of the conduct; (2) the circumstances surrounding the conduct, to include knowledgeable participation; (3) the frequency and recency of the conduct; (4) the individual's age and maturity at the time of the conduct; (5) the extent to which participation is voluntary; (6) the presence or absence of rehabilitation and other permanent behavioral changes; (7) the motivation for the conduct; (8) the potential for pressure, coercion, exploitation, or duress; and (9) the likelihood of continuation or recurrence.

Under AG ¶ 2(c), the ultimate determination of whether to grant eligibility for a security clearance must be an overall commonsense judgment based upon careful consideration of the guidelines and the whole-person concept.

I considered the potentially disqualifying and mitigating conditions in light of all the facts and circumstances surrounding this case. I have incorporated my comments under Guideline F and Guideline E in my whole-person analysis.

Applicant has experienced an extended period of financial difficulties. While he is credited with establishing a track record of payments toward his child-support arrearage and disclosing details of his financial circumstances through the investigatory process, he has not taken reasonable steps to resolve his remaining delinquent accounts. I conclude he has not mitigated the financial considerations security concerns.

Formal Findings

Formal findings for or against Applicant on the allegations set forth in the SOR, as required by section E3.1.25 of Enclosure 3 of the Directive, are:

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraph 1.a:	For Applicant
Subparagraphs 1.b-1.g:	Against Applicant
Paragraph 2, Guideline E:	FOR APPLICANT
Subparagraphs 2.a-2.b:	For Applicant

Conclusion

In light of all of the circumstances, it is not clearly consistent with the national interest to grant Applicant a security clearance. Eligibility for access to classified information is denied.

Bryan J. Olmos
Administrative Judge