



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



In the matter of:

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ISCR Case No. 23-02542

Applicant for Security Clearance

**Appearances**

For Government: Andrew Henderson, Esq., Department Counsel

For Appellant: *Pro se*

05/21/2025

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**Decision**

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GLENDON, John Bayard, Administrative Judge:

Applicant did not mitigate the security concerns raised under either Guideline F (Financial Considerations) or Guideline E (Personal Conduct). National security eligibility for access to classified information is denied.

**Statement of the Case**

Applicant submitted a Questionnaire for National Security Positions on April 25, 2023 (Questionnaire). On December 11, 2023, the Defense Counterintelligence and Security Agency (DCSA) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guidelines F and E. The action was taken under Executive Order 10865, *Safeguarding Classified Information Within Industry* (February 20, 1960), as amended; Department of Defense (DoD) Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG) effective within DoD after June 8, 2017.

Applicant responded to the SOR allegations on February 27, 2024 (Answer) and requested a hearing before an administrative judge from the Defense Office of Hearings and Appeals (DOHA). Department Counsel was prepared to proceed on December 20, 2024. The case was assigned to me on January 15, 2025. The case was initially scheduled to be heard via Microsoft Teams video teleconference on February 28, 2025. Applicant failed to appear as scheduled, and I adjourned the hearing. He advised Department Counsel that he was unavailable on the initial hearing date but would be available for a hearing on April 16, 2025. I rescheduled the hearing for that date, and DOHA issued an Amended Notice of Hearing on February 28, 2025.

I convened the hearing as rescheduled. Department Counsel offered six documents marked as Government Exhibits (GE) 1 through 6, which I admitted without objection. Applicant testified but did not submit any documents. DOHA received the transcript of the hearing (Tr.) on April 23, 2025. (Tr. at 10.)

### **Findings of Fact**

Applicant is 41 years old. He has a high school diploma and has taken some college courses. He has worked for a U.S. Government contractor since 2017. He presently works as a repair mechanic. Applicant is seeking national security eligibility and a security clearance for the first time. He is married and has three children, ages 19, 18, and 12. (Tr. at 12-15, 30; GE 1 at 5, 7-8, 13-14, 16-17, 24.)

The Government alleged in the SOR that Applicant is ineligible for a security clearance because he has four delinquent debts totaling about \$34,000. In the Answer, he admitted each of the SOR allegations and provided some explanations. The SOR also alleged that he deliberately provided false information about his financial condition by failing to disclose the four debts in response to two questions in the Questionnaire. I find the following facts developed at the hearing and detailed in the documentary record:

#### **Paragraph 1, Guideline F (Financial Considerations)**

**SOR ¶ 1.a. Vehicle Loan Delinquency Charged Off in the Amount of \$8,383.** In the Answer, Applicant claimed that he checked his credit report prior to filling out the Questionnaire, and this debt was not on his report. He claimed the debt was settled and closed. This debt was for the balance due on a vehicle loan after the vehicle was repossessed. A credit report offered by the Government confirmed that the debt had been settled in 2024. He resolved this debt in response to receiving the SOR. (Tr. at 19-20; GE 3 at 2; GE 4 at 1.)

**SOR ¶ 1.b. Debt Placed for Collection in the Amount of \$3,544.** In the Answer, Applicant claimed this debt did not appear on his credit report. This debt was for a home security system he purchased, and the debt was to be paid over time. Applicant acknowledged that this debt is unpaid and that he had not made any attempts to resolve

it. He could not provide a reason at the hearing as to why he had not contacted the collection agency to seek a resolution. (Tr. at 21-23; GE 3 at 2.)

**SOR ¶ 1.c. Insurance Debt Placed for Collection in the Amount of \$894.** In the Answer, Applicant acknowledged the debt was on his credit report at the time of his July 11, 2023 security interview. He wrote that he was getting in contact with the creditor and working on settling this debt. At the hearing, Applicant testified that he had not made any attempt to resolve this debt. He said, “I just haven’t gotten to it.” He wants to settle it by the end of 2025. (Tr. at 23-24; GE 3 at 3; GE 4 at 2.)

**SOR ¶ 1.d. Vehicle Loan Delinquency Charged Off in the Amount of \$21,218.** In the Answer, Applicant admitted that he co-signed a loan for a vehicle purchased by his mother and claimed he was working on settling the debt. He testified that his mother returned the truck to the seller “years ago” when she could no longer pay for it. He believes that the debt arose about ten years ago. (Tr. at 24-25; GE 3 at 3.)

The Government’s most recent credit report in the record (GE 4) reflects two delinquent debts that have been added to Applicant’s credit since the issuance of the SOR in December 2023. The Government did not seek to amend the SOR by adding these debts as additional allegations under Guideline F. One of the new debts is for a credit-card account in the amount of \$1,164. The second is also a credit-card account in the amount of \$1,181. Applicant testified that he intends to work on both accounts to resolve them. (Tr. at 25-28; GE 4 at 2-3.)

Applicant has not created a budget of his family income and expenses to help him manage his personal finances. Also, he has not sought financial counseling services. Applicant’s wife is employed. Together, their net monthly income is about \$8,000. They pays rent of \$2,200 per month and car payments of \$1,100 per month. His car insurance costs \$800 per month. (Tr. at 28-31.)

Applicant filed for Chapter 7 bankruptcy relief in 2011. He received a discharge of his debts totaling about \$80,000. He testified that he accrued these debts when he was young and was overspending. He took a mandatory class about personal financial management in connection with the bankruptcy. (Tr. at 17, 28, 31.)

## **Paragraph 2, Guideline E (Personal Conduct)**

**SOR ¶ 2.a. Falsification of Responses in the Questionnaire.** Applicant answered “No” to the following question in Section 26 of the Questionnaire despite having the four past-due debts listed in paragraph 1 of the SOR:

Have any of the following happened to you? . . . **In the past seven (7) years**, you had bills or debts turned over to a collection agency? [and] **in the past seven (7) years**, you had any account or credit card suspended, charged off, or cancelled for failing to pay as agreed? (Include financial

obligations for which you were the sole debtor, as well as those for which you were a cosigner or guarantor).

Applicant claimed that he did not list the four SOR debts because he thought they were “past the seven-year” timeframe of the question. He testified that he reviewed his credit report before answering “No” on the April 25, 2023 Questionnaire. He claimed that none of the SOR debts appeared on the credit report he reviewed. The Government’s May 23, 2023 credit report lists each of the four SOR debts as delinquent. Applicant denied that he was intentionally trying to hide information about these debts from DOD by not disclosing the debts on the Questionnaire. (Tr. at 18-19, 21, 33; GE 3 at 2-3.)

### **Policies**

When evaluating an applicant’s suitability for national security eligibility, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines (AG) list potentially disqualifying conditions and mitigating conditions, which are to be used in evaluating an applicant’s national security eligibility.

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 AG ¶ 2 describing the adjudicative process. The administrative judge’s overarching adjudicative goal is a fair, impartial, and commonsense decision. The entire process is a conscientious scrutiny of applicable guidelines in the context 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, “Any 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. I have not drawn inferences based on mere speculation or conjecture.

Directive ¶ E3.1.14, requires the Government to present evidence to establish controverted facts alleged in the SOR. Under Directive ¶ E3.1.15, “The applicant is responsible for presenting witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by the applicant or proven by Department Counsel, and has the ultimate burden of persuasion as to obtaining a favorable clearance 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 national

security eligibility. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to protect or safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified or sensitive information. Finally, as emphasized in Section 7 of Executive Order 10865, “Any determination under this order adverse to an applicant shall be a determination in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” See *also* Executive Order 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information.)

## **Analysis**

### **Paragraph 1, Guideline F (Financial Considerations)**

The security concerns relating to the guideline for financial considerations are set out in AG ¶ 18, which reads in pertinent part:

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.

AG ¶ 19 describes three conditions that could raise security concerns and may be disqualifying in this case:

- (a) inability to satisfy debts;
- (c) a history of not meeting financial obligations; and
- (e) consistent spending beyond one’s means or frivolous or irresponsible spending, which may be indicated by excessive indebtedness, significant negative cash flow, a history of late payments or of non-payment, or other negative financial indicators.

The Government’s credit reports in the record, Applicant’s admissions in the Answer, and his testimony at the hearing established that the SOR debts remain delinquent, with the exception of the debt alleged in SOR ¶ 1.a. Other evidence established Applicant’s history of overspending and not being able to pay his debts.

Accordingly, the above potentially disqualifying conditions are applicable. The burden, therefore, shifts to Applicant to mitigate security concerns under Guideline F.

The guideline includes the following five conditions in AG ¶ 20 that can mitigate security concerns arising from financial difficulties:

- (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, or 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.

AG ¶ 20(a) has not been established. Applicant has shown a consistent pattern of incurring debts that he cannot pay. The pattern extends beyond the SOR debts to the debts discharged in Applicant's 2011 Chapter 7 bankruptcy and up to the present with two new debts arising after the issuance of the SOR. The unresolved SOR debts cast doubt on his current reliability, trustworthiness, and judgment.

The facts of this case do not support the application of any of the remaining four mitigating conditions quoted above. None of the SOR debts arose out of circumstances beyond Applicant's control. He has not sought out any financial counseling, and there is no indication that the debts are under control. Lastly, Applicant has not initiated a good-faith effort to resolve his debts, and he does not dispute any of the unpaid debts.

## **Paragraph 2, Guideline E (Personal Conduct)**

The security concerns relating to the guideline for personal conduct are set out in AG ¶ 15, which states:

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.

AG ¶ 16 describes the following condition that may raise security concerns and potentially be disqualifying in this case:

(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.

The record evidence does not establish the allegation at SOR ¶ 2.a that Applicant deliberately omitted in the Questionnaire the delinquent debts set forth in paragraph 1 of the SOR. He testified that when he completed the Questionnaire, he did not believe that any of his debts had been turned over to a collection agency or charged off within the prior seven years. His testimony was credible and was supported by his general lack of awareness of and control over his financial situation.

## **Whole-Person Concept**

Under the whole-person concept, the administrative judge must evaluate an applicant's eligibility for national security eligibility 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 national security 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 above whole-person factors and the potentially disqualifying and mitigating conditions in light of all pertinent facts and circumstances surrounding this case. Applicant's lack of control over his financial situation borders on indifference or apathy and does not meet the national security requirements of responsibility and maturity. Overall, the record evidence leaves me with questions and doubts as to Applicant's present suitability for national security eligibility and a security clearance.

### **Formal Findings**

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

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

### **Conclusion**

In light of all of the circumstances presented by the record in this case, it is not clearly consistent with the national interest to grant Applicant national security eligibility. Eligibility for access to classified information is denied.

JOHN BAYARD GLENDON  
Administrative Judge