



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



In the matter of:)
)
) ISCR Case No. 24-01255
)
Applicant for Security Clearance)

Appearances

For Government: Lauren A. Shure, Esq., Department Counsel
For Applicant: *Pro se*

06/20/2025

Decision

GARCIA, Candace Le'i, Administrative Judge:

Applicant did not mitigate the financial considerations security concerns. Eligibility for access to classified information is denied.

Statement of the Case

On September 27, 2024, the Department of Defense (DOD) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F (financial considerations). The action was taken 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 adjudicative guidelines (AG) implemented by DOD on June 8, 2017.

Applicant submitted a response to the SOR (Answer) on November 1, 2024, and elected to have her case decided on the written record in lieu of a hearing. The Government's written case was submitted on November 21, 2024. A complete copy of

the file of relevant material (FORM) was provided to Applicant on November 21, 2024, and she was afforded an opportunity to file objections and submit material to refute, extenuate, or mitigate the security concerns. Applicant received the FORM and she responded on January 27, 2025. The case was assigned to me on April 2, 2025. The Government's documents, identified as Items 1 through 8 in its FORM, are admitted in evidence without objection.

Findings of Fact

Applicant admitted all the SOR allegations in her Answer except for SOR ¶¶ 1.h and 1.j, which she denied. (Items 1-2) She is 38 years old. She married in June 2016 and divorced in October 2021. She has one child, a minor. She previously owned a home from April 2019 to November 2020, and she has since rented. (Items 3-4, 8)

Applicant graduated from high school in 2004 and subsequently attended college until 2006 but did not earn a degree. She served in the U.S. military from January 2007 to October 2007 and received a general under honorable conditions discharge. She was granted a security clearance by another government agency in July 2011. She worked as a correctional officer from September 2012 until she resigned in October 2021. She was unemployed until July 2022. She then worked as a retail sales consultant until her employer fired her in April 2023 because she was unable to meet her new work schedule requirements due to a lack of childcare. Since May 2023, she has worked as a security officer for her employer, a DOD contractor. (Answer; Items 3, 8)

The SOR alleges Applicant had twelve delinquent consumer debts totaling \$30,095. The allegations are established by Applicant's admissions in her Answer, her May 2023 security clearance application (SCA), her background interview with an authorized DOD investigator in November 2023 (PSI), her April 2024 response to interrogatories, and credit bureau reports (CBRs) from June 2023, January 2024, and November 2024. (Items 2-8)

SOR ¶ 1.a is a charged off account for \$7,719. Applicant voluntarily surrendered this car after her divorce in 2021 because she could no longer afford to make the monthly payments. She stated in her Answer she contacted the creditor who agreed to settle the debt. She intends to consolidate this debt with her other debts with the same creditor (SOR ¶¶ 1.c and 1.i) after she resolves some of her smaller debts and has the financial means to do so. (Answer; Items 5-8)

SOR ¶ 1.b is for a credit card placed for collection for \$3,795. Applicant used this credit card after her divorce when she was unemployed to pay for daily living expenses for her and her child. She stated in her Answer she began setting aside \$50 monthly in her banking account so that she can resolve this debt. (Answer; Items 6-7)

SOR ¶ 1.c is a credit union account placed for collection for \$2,803. Applicant obtained this loan in 2020 to purchase a vacation for her and her then-spouse. Her

monthly payments were \$120. She intends to consolidate this debt with SOR ¶¶ 1.a and 1.i, as discussed above. (Answer; Items 5-8)

SOR ¶ 1.d is an account placed for collection for \$1,323. Applicant incurred this debt for a spiritual retreat after her divorce. She stated in her Answer she was enrolled in a monthly payment plan of \$135. Documentation reflects payments in accordance with the plan were scheduled to occur from November 2024 to August 2025, but she did not provide documentation to show she made any such payments. (Answer; Items 5-8)

SOR ¶ 1.e is an account placed for collection for \$1,131. Applicant obtained this online retail credit card in April 2020 to furnish her child's room after her divorce. She provided documentation with her Answer reflecting this debt had a zero balance as of October 2024. It is not reported on her most recent CBR from November 2024. This debt has been resolved. (Answer; Items 5-6, 8)

SOR ¶ 1.f is a cable, internet, and mobile service account placed for collection for \$863. Applicant incurred this debt after her divorce. She was approved for an affordability program for low-income households but fell behind on paying her monthly bill. She stated in her Answer she contacted the creditor and validated the debt, and she began setting aside \$50 monthly in her banking account so that she can resolve this debt. Although this debt is only reported on her January 2024 CBR, she did not provide documentation reflecting she has resolved it. (Answer; Item 6)

SOR ¶ 1.g is for a credit-card account charged off for \$858. Applicant used this credit card when she was unemployed for daily living expenses for her and her child. She stated in her Answer she was repaying the debt through a monthly payment plan of \$80. Documentation reflects she was scheduled to make 11 monthly payments of \$80 beginning in November 2024 to resolve this debt, but she did not provide documentation to show she made any such payments. (Answer; Items 5-8)

SOR ¶ 1.h is an account placed for collection for \$299. Applicant indicated in her PSI she was unaware of this debt but would contact the creditor to validate it and resolve the balance. She stated in her Answer she has not had an account with this creditor in over ten years, and she could not locate this debt after an extensive search of her CBRs. It is reported on all three of her CBRs and she did not provide documentation reflecting she disputed this debt. (Answer; Items 5-8)

SOR ¶ 1.i is a credit union account placed for collection for \$7,484. Applicant indicated in her PSI she obtained this loan in 2020 to purchase a car, and her monthly payments were \$402. She indicated she had recently sold the car to purchase a new one and she no longer had a balance on the loan. She did not provide documentation to corroborate her claim that this account has a zero balance. As discussed above, she stated in her Answer she intends to consolidate this debt with SOR ¶¶ 1.a and 1.c. (Answer; Items 6-8)

SOR ¶ 1.j is for an account placed for collection for \$2,213. Applicant indicated in her PSI this debt was for unpaid rent and late fees from a previous residence in November 2021. She provided documentation reflecting she disputed this debt in September 2024. It is only reported on her June 2023 CBR. (Answer; Items 5, 8)

SOR ¶ 1.k is for a cellular phone in collection for \$813. Applicant obtained this phone in 2004 and her monthly payment was \$100. She cancelled the service when she changed to a different phone carrier and returned the phone via mail, but the carrier did not receive it. She stated in her Answer she disputed the debt; the creditor settled it for \$448 in October 2024; she made a \$100 payment; and she intended to pay the remaining balance of \$348 in November 2024. Documentation reflects she made a \$100 payment in October 2024 and her remaining balance was \$713. She provided no further documentation reflecting she resolved this debt. (Answer; Items 5, 7-8)

SOR ¶ 1.l is for an account placed for collection for \$794. Applicant contacted the creditor and verified that she accrued the debt when she purchased bedroom furniture from an online home store. She believed she paid the debt in full during the time of purchase, but she was not able to provide the creditor with a receipt to corroborate her claim. She entered a monthly payment plan of \$40 at a date not in the record, but she did not provide documentation to show that she made payments in accordance with the plan. It is only reported on her June 2023 CBR. (Answer; Items 4-5, 8)

Applicant attributes her delinquent debts primarily to her divorce and the consequent loss of her then-spouse's income, her period of unemployment and underemployment following her resignation from a job she held for nine years and trying to raise her young child. (Items 3-4) She stated in her response to interrogatories that she is "actively working to pay all my debt through the snowball method. Once done managing the current payment plans (over \$600 month) I will move on to other accounts." She characterized her overall financial situation as rebuilding and stated she has established a savings account to help ensure she does not have any future financial issues. (Answer; Items 4, 8)

Applicant disclosed on her SCA and discussed during her PSI that her wages were being garnished biweekly since late 2022 to satisfy a \$9,800 personal loan she obtained to start a business that failed after she resigned as a correctional officer in 2021, and to pay for daily living expenses after her divorce. This debt is reported on her three CBRs as charged off for approximately \$8,100. A paystub and garnishment letter from March 2024 reflects she has an approximate net pay of \$800 after this creditor garnishes her wages in the amount of approximately \$120 to \$160. As of September 2024, the balance of her garnishment was \$511. Once this debt is resolved, she intends to use the money that was being garnished to repay her remaining debts. (Items 3-5)

The three CBRs also reflect Applicant has two additional consumer debts not alleged in the SOR: one in collection for \$1,427 and the other in collection for \$1,105. She indicated during her background interview that the former debt was a credit card she used for daily living expenses, and she was unaware of the latter debt.

Documentation reflects she entered a payment agreement for both debts in March 2024, consisting of monthly payments of \$150 and \$118, respectively, beginning April 2024 and continuing until both debts are paid. She did not provide documentation reflecting she made any payments in accordance with the payment plans. The most recent CBR from November 2024 reflects both debts are past due, and she disputed them. (Items 4-8) These three debts were not alleged in the SOR and cannot be used for disqualification purposes but may be used while assessing the applicability of mitigating conditions and in the whole-person analysis.

Applicant's April 2024 monthly budget reflects a net monthly income of \$2,800, monthly expenses totaling \$2,780, and payments to three debts totaling \$1,180, revealing a negative net remainder. (Item 4) There is no evidence in the record that she has received financial counseling. She traveled to Mexico and Costa Rica for pleasure in 2017 and 2021, respectively. (Item 3)

Policies

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 access to classified information 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. 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 that an applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified information.

Section 7 of Exec. Or. 10865 provides that decisions shall be “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” See *also* Exec. Or. 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

Analysis

Guideline F: Financial Considerations

AG ¶ 18 expresses the security concern pertaining to financial considerations:

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. Affluence that cannot be explained by known sources of income is also a security concern insofar as it may result from criminal activity, including espionage.

AG ¶ 19 describes conditions that could raise a security concern and may be disqualifying. I considered as relevant AG ¶ 19(a), an “inability to satisfy debts,” and AG ¶ 19(c), “a history of not meeting financial obligations.” Applicant has a history of not paying her debts. AG ¶¶ 19(a) and 19(c) apply.

Of the mitigating conditions under AG ¶ 20, I have determined the following to be relevant:

(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;

(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.

Circumstances beyond Applicant's control contributed to her delinquent debts. Documentation reflects she has resolved the debt in SOR ¶ 1.e and I resolve that debt in her favor. However, she has not provided documentation to corroborate her claims of payment or resolution for her remaining debts. She did not provide documentation to corroborate her claim she disputed the debt in SOR ¶ 1.h or the outcome of her disputes for the debt in SOR ¶ 1.j. She has not provided sufficient evidence that she has acted responsibly under her circumstances. She did not provide sufficient evidence that she initiated or is adhering to a good-faith effort to repay or otherwise resolve her overdue creditors. There are not clear indications that her financial problems are being resolved or are under control. I find that her remaining financial problems continue to cast doubt on her current reliability, trustworthiness, and judgment. AG ¶¶ 20(a), 20(b), 20(d), and 20(e) 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 the 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 have incorporated my comments under Guideline F in my whole-person analysis. Overall, the record evidence

leaves me with questions and doubts as to Applicant's eligibility and suitability for a security clearance. I conclude that Applicant did not mitigate 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
Subparagraphs 1.a-1.d:	Against Applicant
Subparagraph 1.e:	For Applicant
Subparagraphs 1.f-1.l:	Against Applicant

Conclusion

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

Candace Le'i Garcia
Administrative Judge