



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



In the matter of: )  
 )  
 ) ISCR Case No. 25-00252  
 )  
Applicant for Security Clearance )

**Appearances**

For Government: Andrew Henderson, Esq., Department Counsel  
For Applicant: *Pro se*

09/18/2025

**Decision**

GLENDON, John Bayard, Administrative Judge:

Applicant failed to mitigate the financial considerations security concerns. Eligibility for access to classified information is denied.

**Statement of the Case**

On June 2, 2024, Applicant submitted a Questionnaire for National Security Positions (Questionnaire). On March 5, 2025, the Defense Counterintelligence and Security Agency (DCSA) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F (financial considerations). The DCSA acted under Executive Order (EO) 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) implemented by the DOD on June 8, 2017.

In Applicant's April 10, 2025 response to the SOR (Answer), he admitted, with an explanation, all three of the allegations. He attached seven character reference letters and requested a hearing before a Defense Office of Hearings and Appeals (DOHA) administrative judge.

On April 28, 2025, the Government was ready to proceed to a hearing. I was assigned this case on May 5, 2025. On June 11, 2025, DOHA issued a notice scheduling the hearing for July 10, 2025, by video teleconference. The hearing proceeded as scheduled. The Government proffered five evidentiary exhibits, which I admitted without objection as Government Exhibits (GE) 1 through 5. Applicant testified, but did not offer any additional evidence. DOHA received the hearing transcript (Tr.) on July 17, 2025. The record closed on July 10, 2025. (Tr. at 11-12, 15.)

### **Findings of Fact**

Applicant is 59 years old. He graduated from high school in 1984 and has taken some college courses. He has also received two certifications in his field. He married in 1989 and divorced in 2014. He has lived with his partner since 2015. He has three children. One of his children lives in his home. His partner also has one child living with them. Applicant served in the U.S. Army from 1984 to 1990, when he was honorably discharged. He has been employed as a supervisor by a DOD contractor since 2023.

The SOR alleged that Applicant has three unpaid debts that are in collection. The total amount of the debts is about \$34,000.

**SOR ¶ 1.a. Credit-Card Debt of \$27,752.** This credit-card account was a joint account that Applicant opened and maintained with his former wife. Applicant believes that in their divorce he was assigned responsibility for this debt and the other two listed in the SOR (¶¶ 1.b and 1.c, below). He also testified that he is not completely sure of the details of the division of the marital assets and liabilities. He believes he stopped paying on the credit card about seven years ago. A credit report in the record reflects that the last payment of this debt was in August 2019. The creditor has charged off this debt. Applicant testified that all three SOR debts have similar histories. (Tr. at 29-36; GE 4 at 2; GE 5 at 3.)

**SOR ¶ 1.b. Credit-Card Debt of \$3,915.** Applicant made his last payments on this credit card in October 2019. The creditor has charged off this debt. (Tr. at 29-36; GE 4 at 3; GE 5 at 3-4.)

**SOR ¶ 1.c. Credit-Card Debt of \$2,464.** Applicant made his last payment on this credit card in November 2019. The creditor has charged off this debt. (Tr. at 29-36; GE 4 at 3; GE 5 at 3-4.)

At the hearing, Applicant explained that at the time his divorce finalized in 2014, he was working at a high-paying job that required him to be away from home much of the time. In 2016, he decided to work for himself and be home for his children. That decision upended his financial situation, because he could not earn enough to support his children and home and also keep his debts current. After two or three years, he decided to continue paying to support his children and their home and to stop paying the three credit-card debts that are alleged in the SOR. He did not want to file for bankruptcy. He believes he made the best decision he could for the best interests of his family. He has made other

positive changes to his finances and is now stable with retirement and savings accounts, along with an interest in his employer's stock. (Answer at 5-6; Tr. at 30-34, 38; GE 1 at 11-12.)

Based upon the advice of a bankruptcy attorney, Applicant made no effort to start repaying the SOR debts once he began to earn more money. He is trying to rebuild his credit. He believes that if he began to make payments on these debts now, the time for the debts to "fall off" his credit would restart. He believes that any payments he makes on the three debts at this time would result in the debts remaining on his credit for seven more years, which would set back his efforts to rebuild his credit. He has no intention to repay the debts. (Tr. at 34-36.)

### **Whole Person**

Applicant's reference letters were prepared by his current supervisor, four colleagues, and two friends. Each of the letter writers praise Applicant's integrity, character, and leadership skills. The references write about their admiration for his dedication to his family, his company, and his country. A long-time friend wrote about Applicant's trustworthiness and his commitment to his family. Each writer believes that Applicant has the qualities necessary to be an excellent candidate for a security clearance. (Answer at 7-13.)

### **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 to be 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, administrative judges apply the guidelines 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."

Under Directive ¶ E3.1.14, the Government must 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.” The applicant has the ultimate burden of persuasion to obtain a favorable security decision.

A person who seeks access to sensitive 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 sensitive information. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to safeguard sensitive information. Such decisions entail a certain degree of legally permissible extrapolation of potential, rather than actual, risk of compromise of sensitive information.

Section 7 of EO 10865 provides that adverse 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* EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

## **Analysis**

### **Guideline F: Financial Considerations**

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

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

The record evidence established that Applicant has both a history of not being able to satisfy his debts and of not meeting his financial obligations. Both potentially disqualifying conditions are established.

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

- (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 has initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts;

Applicant bears the burdens of production and persuasion in mitigation. An applicant is not held to a standard of perfection in his debt-resolution efforts or required to be debt-free. "Rather, all that is required is that an applicant act responsibly given his circumstances and develop a reasonable plan for repayment, accompanied by 'concomitant conduct,' that is, actions which evidence a serious intent to effectuate the plan." ISCR Case No. 15-02903 at 3 (App. Bd. Mar. 9, 2017). See, e.g., ISCR Case No. 13-00987 at 3, n. 5 (App. Bd. Aug. 14, 2014).

Applicant has pursued a self-help remedy for dealing with his three unpaid credit-card accounts that involved waiting until the debts became too old to be relevant to his credit score. While this approach may work when the measure of success is a rise in one's credit score after years of waiting, it has no application in the context of national security eligibility. None of the above mitigation conditions apply to the facts of this case.

Applicant's three debts have been delinquent since 2019, but they are still outstanding and unresolved. Moreover, he has expressed his intention to not make any payments on these debts. That makes Applicant's behavior current and not just a past decision. His behavior casts doubt on his current reliability, trustworthiness, and good judgment. AG ¶ 20(a) is not established.

Applicant's financial problems arose out of his voluntary decision to cease working in a position that paid him well to work for himself and avoid constant travel. He did not earn sufficient income to pay all of his bills after that decision. This was not a circumstance that was largely beyond his control. Moreover, he did not act responsibly by resuming to

pay the creditors holding his SOR debts once he regained financial stability with a larger income in his present employment. AG ¶ 20(b) is not applicable.

The only counseling Applicant received was from a bankruptcy attorney who encouraged him to ignore his unpaid accounts to avoid extending the time he would remain responsible for those debts. Applicant's adoption of that advice did nothing to resolve the debts or to bring them under control. AG ¶ 20(c) is not applicable. Also, AG ¶ 20(d) is not applicable because Applicant has not initiated a good-faith effort to repay his overdue creditors.

As a result of Applicant's refusal to commence repayment efforts due to his credit strategy, he has failed to act responsibly and in good faith. Applicant has not mitigated the financial considerations security concerns.

### **Whole-Person Concept**

Under the whole-person concept, the administrative judge must evaluate an applicant's eligibility for a position of trust 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 the factors in AG ¶ 2(d) in this whole-person analysis. I have weighed the opinions of the persons who wrote very supportive character reference letters on Applicant's behalf. I have also weighed Applicant's integrity in wanting to take care of the needs of his family. However, Applicant made a strategic decision in 2019 to default on his credit cards due to insufficient income. He has continued to avoid paying his debts since 2023 when he began working for a DOD contractor by strategically favoring his credit score at the expense of his creditors and his financial responsibility. His decision making raises serious questions about his reliability, trustworthiness, and judgment. Overall, the record evidence leaves me with questions and doubts as to Applicant's 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 section E3.1.25 of Enclosure 3 of the Directive, are:

Paragraph 1, Guideline F:                      AGAINST APPLICANT

Subparagraphs 1.a.-1.c.:                      Against Applicant

### **Conclusion**

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

John Bayard Glendon  
Administrative Judge