



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



In the matter of: )  
)  
) ISCR Case No. 24-02293  
)  
Applicant for Security Clearance )

**Appearances**

For Government: William H. Miller, Esq., Department Counsel  
For Applicant: *Pro se*

09/19/2025

**Decision**

Hale, Charles C., Administrative Judge:

Applicant presented insufficient evidence of what progress, if any, that she has made to resolve her delinquent debt. Under these circumstances, she failed to mitigate the financial considerations security concerns. Her application for a security clearance is denied.

**Statement of the Case**

On December 27, 2024, the Department of Defense (DoD) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F, financial considerations, explaining why it was unable to find it clearly consistent with the national interest to grant security clearance eligibility. The DoD took the action under Executive Order (EO) 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 National Adjudicative Guidelines (AG) effective for any adjudication made on or after June 8, 2017.

On March 18, 2025, Applicant answered the SOR, admitted 13 of 15 allegations, and requested a decision based on the administrative (written) record in lieu of a hearing.

On April 2, 2025, Department Counsel prepared a File of Relevant Material (FORM), setting forth the Government's arguments against Applicant's security clearance worthiness. The FORM contains nine attachments, identified as Item 1 through Item 9.

Applicant received a copy of the FORM on April 4, 2025. She was given 30 days to file a response to file objections and submit material to refute, extenuate, or mitigate the security concerns. She did not file a response. The case was assigned to me on September 2, 2025. FORM Items 1 and 2 are pleadings in the case. Items 3 through 9 are admitted without objection.

### **Findings of Fact**

Applicant is 50 years old. She has never married and has one minor child. (Item 3 at 5, 9, 18, 20, Item 5 at 21.)

Applicant graduated high school in 1993. She has never held a security clearance. She has been employed by her sponsor since September 2023. She worked as a sales manager for a private company from October 2017 to September 2023. She worked in various sales jobs from 2014 to 2017 and only lists one period of unemployment, from November 2013 to January 2014, on her security clearance application (SCA) that she completed in October 2023. (Item 3 at 9, 10-15, 31.)

Applicant denied SOR ¶ 1.a, that she was indebted to [mortgage holder] on a mortgage account that is in foreclosure status with a loan balance of \$226,668, a balance which was delinquent as of the date of SOR. In her Answer she stated, "I deny. Is no longer on credit report, sold." Item 9, the December 2024 credit report, lists the account as "[p]aid/zero balance" and foreclosure proceeding started. She did not provide documentation showing the resolution of the account or the current status. (Item 7 at 8, Item 8 at 4, Item 9 at 1.)

Applicant denied SOR ¶ 1.o, that she was indebted to [creditor] on an account that has been charged off in the approximate amount of \$3,342, which as of the date of the SOR remained delinquent. In her Answer she stated, "I deny. Looking into this. I don't see [it] on the credit report." She did not provide documentation showing the resolution of the account or the current status. (Item 7 at 3.)

For the remaining SOR allegations, SOR ¶¶ 1.b through 1.n, and 1.p, Applicant admitted the debts. In her Answer to each of these allegations but one, she stated, "I admit. Signed up with [Debt Relief Company (DRC)] and a settlement has been reached. Payments are being made to DRC," with the exception of SOR ¶ 1.n where she stated "I admit. Will be added the DRC account." (Items 7-9.)

Applicant told a DoD investigator during her February 2024 security clearance interview she began to have financial challenges when her mortgage payment increased from \$1,100 to \$1,500 a month and her income was insufficient to meet her financial obligations. As a result, she stopped making payments to her credit card accounts

because she did not have enough money to pay the bills. She told the investigator she had hired DRC to develop a debt resolution plan and get her finances under control. (Answer; Item 4.)

Two days after Applicant's February 2024 interview with a DoD investigator, she enrolled \$31,168 in debt with DRC. (Item 4; Item 6.) The estimated length of her program with DRC is 48 months, with reoccurring bi-weekly payments of \$246, to commence on March 8, 2024. DRC estimated her last payment would be in March 2028. The DRC package does not list what debts are enrolled. (Item 6.) She did not provide any documentation showing whether she was current on these bi-weekly payments with DRC.

In June 2024, the Government issued Applicant interrogatories asking about listed debts (a) through (p). She responded in November 2024. With the exception of three debts listed in the interrogatories, she marked "yes" that payment arrangements had been made. One exception was for her mortgage (SOR ¶ 1.a), where she marked "paid" for her mortgage debt. (Item 5 at 8 debt (l).) She did not explain how this debt was paid or provide sufficient evidence substantiating this claim. For one of the other exceptions, she marked "yes" making payments (debt (d) \$2,256), which appears to be SOR ¶ 1.I, which alleges a lesser amount of \$2,050 for the same creditor. The other exception (debt (m)) is marked "paid" and does not appear to be alleged on the SOR. The explanation she provided in her interrogatory response for the circumstances that caused her accounts to become delinquent was, "[g]ot into too much credit card debt and with only making minimum payments got too much. There was change in job with less pay and fell behind trying to keep up with payments." (Item 5.) She did not provide any documents showing whether she was current on her bi-weekly payments of \$246 with DRC. Without providing additional information she stated DRC had settled some of her accounts and that some were still under negotiation. (Item 5 at 13, Item 6.)

## **Policies**

The U.S. Supreme Court has recognized the substantial discretion the Executive Branch has in regulating access to information pertaining to national security, emphasizing that "no one has a 'right' to a security clearance." *Department of the Navy v. Egan*, 484 U.S. 518, 528 (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 required to be considered 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 overall 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 ¶ 1(d) 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. 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 applicant or proven by Department Counsel. . . .” The applicant has the ultimate burden of persuasion to obtain a favorable security decision.

Under the whole-person concept, the administrative judge must consider the totality of an applicant’s conduct and all relevant circumstances in light of the nine adjudicative process factors in AG ¶ 2(d). They are as follows:

- (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.

## **Analysis**

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

The security concern under this Guideline states, “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.” (AG ¶ 18)

Applicant’s history of financial problems triggers the application of AG ¶ 19(a), “inability to satisfy debts,” and AG ¶ 19(c), “a history of not meeting financial obligations.”

The following mitigating conditions under AG ¶ 20 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; and

(d) the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debt.

Applicant failed to mitigate the financial considerations security concerns, none of the mitigating conditions apply. She initially attributed her financial problems to an increase in her mortgage payment and then later cites underemployment as the cause for falling behind on her financial obligations. Applicant's financial issues are recent and ongoing and did not occur under such circumstances that are unlikely to recur, which continue to cast doubt on her current reliability, trustworthiness, and good judgment. AG ¶ 20(a) does not apply.

The evidence indicates Applicant may have been underemployed when she changed jobs but the basis for the increase in her mortgage is unexplained. Although these circumstances may have been beyond her control, she still has the burden of establishing that she acted responsibly under the circumstances. Under these circumstances, only the first prong of AG ¶ 20(b) applies. AG ¶ 20(d) is only partially established. She enrolled over \$31,000 in debt with DRC after meeting with the DoD investigator but there is no evidence she is adhering to a good-faith effort to repay overdue creditors or is adhering to her agreement with DRC to make \$246 bi-weekly payments to resolve her debts. The one debt, SOR ¶ 1.I, which decreased from the interrogatory amount was the one debt she marked on the interrogatories as making payments.

Applicant's financial issues are recent and ongoing and did not occur under such circumstances that it is unlikely to recur, which continue to cast doubt on her current reliability, trustworthiness, and good judgment. AG ¶ 20(a) does not apply.

AG ¶ 20(c) is not applicable. While Applicant appears to have received some financial counseling when she contracted with DRC, there is insufficient information in the record what the counseling was and that the problem is being resolved or is under control.

### **Whole-Person Concept**

I considered the whole-person concept factors in my analysis of the disqualifying and mitigating conditions, discussed above, and they do not warrant a favorable

conclusion. While Applicant's financial delinquencies can be attributable to circumstances beyond her control, she did not document that her debts are under control or resolved. Because Applicant requested a determination on the record without a hearing, I had no opportunity to evaluate her credibility and sincerity based on demeanor. See ISCR Case No. 01-12350 at 3-4 (App. Bd. Jul. 23, 2003). Overall, the record evidence leaves me with questions and doubts as to Applicant's eligibility and suitability for a security clearance.

This decision should not be construed as a determination that Applicant cannot or will not attain the state of true reform and rehabilitation necessary to be eligible for a security clearance. The determination of an individual's eligibility and suitability for a security clearance is not a once in a lifetime occurrence, but is based on applying the factors, both disqualifying and mitigating, to the evidence presented. Under Applicant's current circumstances, a clearance is not warranted. In the future, she may well demonstrate persuasive evidence of her security worthiness.

After weighing the disqualifying and mitigating conditions under Guideline F and evaluating all the evidence in the context of the whole person, I conclude Applicant has not mitigated the security concerns raised by her delinquent debts.

### **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.k:	Against Applicant
Subparagraph 1.l:	For Applicant
Subparagraphs 1.m-1.p:	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 or continue Applicant's eligibility for a security clearance. Eligibility for access to classified information is denied.

Charles C. Hale  
Administrative Judge