



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



Appearances

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

09/22/2025

Decision

LOKEY ANDERSON, Darlene D., Administrative Judge:

Statement of Case

On July 13, 2023, Applicant submitted a security clearance application (e-QIP). On August 15, 2024, the Defense Counterintelligence and Security Agency Consolidated Adjudication Services (DCSA CAS) issued Applicant a Statement of Reasons (SOR), detailing security concerns under Guideline F, Financial Considerations. The action was taken under Executive Order 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 Security Adjudicative Guidelines for Determining Eligibility for Access to Classified Information or Eligibility to Hold a Sensitive Position* (AG), effective within the DoD after June 8, 2017.

Applicant answered the SOR on August 21, 2024, and requested a hearing before an administrative judge. The case was assigned to me on June 30, 2025. The Defense Office of Hearings and Appeals issued a notice of hearing on July 2, 2025, and the hearing was convened as scheduled on August 14, 2025. The Government offered seven exhibits, referred to as Government Exhibits 1 through 7, which were admitted without objection. The Applicant offered no exhibits. Applicant testified on his own behalf. DOHA received the transcript of the hearing (Tr.) on August 25, 2025.

Findings of Fact

Applicant is 53 years old. She is married but separated from her spouse since October 2022, and has no children. She is a high school graduate with two and a half years of college. She is applying for a position as a Security Escort. A security clearance is required in connection with this employment.

Guideline F - Financial Considerations

The Government alleged that Applicant is ineligible for a clearance because she made financial decisions that indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which raise questions about her reliability, trustworthiness and ability to protect classified information.

The SOR identified seven allegations consisting of delinquent debts totaling in excess of \$25,000, which includes collections, charge-offs, and vehicle repossession. Applicant admits each of the allegations with explanations. Credit reports of the Applicant dated August 5, 2023; April 8, 2024; and March 31, 2025, confirm that she is indebted to each of the creditors listed in the SOR. (See Government Exhibits 4, 5, 6 and 7.)

Applicant has for the most part maintained a steady work history, but has struggled financially since about 2008. She has at times worked overseas earning more there than what she would earn in the states; and at times has even been provided housing, but has still found herself in financial trouble. She has spent her money to finance a "bounce house" business venture, sent money to family members for various things they needed, and did not put her bills as a priority. She has a habit of living beyond her means; and as a result, she cannot afford to pay her bills. She has not followed a financial budget, and has done just enough to stay afloat, making a payment here and there to satisfy a creditor. (Tr. 53.) In April 2023, she hired an online credit counseling service to provide her with financial education; to assist in cleaning up her credit report; and to resolve her delinquent debts. She stated that she paid them the initial upfront fee of \$1,500, and \$29 a month for about a year, before she stopped in 2024, when friends informed her that the service they provide will not help her with what she needs done to be eligible for a security clearance. (Government Exhibit 3 and Tr. pp. 39 and 49.)

The following delinquent debts are of security concern:

1.a. Applicant is indebted to a creditor in the amount of \$12,209 for an account that was charged off. This was a vehicle she purchased in about 2017/2018 and made payment on until about October 2021. The car was later repossessed. She intends to pay the debt when she can afford to do so. (Tr. pp. 32-33, and Government Exhibits 2 and 7.)

1.b. Applicant is indebted to a creditor in the amount of \$8,002 for an account that was charged off. This was a vehicle she purchased, could not afford, and was later repossessed. She has made no payments to resolve the debt. (Tr. pp. 33-34, and Government Exhibit 2.) The debt remains owing.

1.c. Applicant is indebted to a creditor in the amount of \$2,813 for an account that was placed for collection. This was a personal loan she took out and used to help her cousin who was laid off of her job. She could not afford to make the payments. She has made no payments to resolve the debt. (Tr. pp. 37-38, and Government Exhibit 2.) The debt remains owing.

1.d. Applicant is indebted to a creditor in the amount of \$874 for an account that was placed for collection. Applicant stated that she does not recognize the debt, and has not made any effort to contact the creditor to inquire about it. (Tr. pp. 38-39 and Government Exhibit 2.) The debt appears on Applicant's most recent credit report. (Government Exhibit 7.) The debt remains owing.

1.e. Applicant is indebted to a creditor in the amount of \$772 for an account that was placed for collection. This is a credit card that she could not afford to pay. She has made no effort to contact the creditor to resolve the debt. (Tr. pp. 39-40, and Government Exhibit 2.) The debt remains owing.

1.f. Applicant was indebted to a creditor in the amount of \$669 for an account that was placed for collection. This is a credit card that she charged up and could not afford to pay. She stated that on January 16, 2025, she made a payment of \$245 and the balance was reduced to \$345. Since then the debt has increased \$524. She stated that she was recently offered a settlement. She plans on contacting the creditor to pay the debt when she can afford to do so. (Tr. pp. 40-41, and Government Exhibits 2 and 7.) The debt remains owing.

1.g. Applicant is indebted to a creditor in the amount of \$152 for an account that was charged off. This is a secured credit card where she paid money down to start the account. She was later offered an actual credit card. She thought she had paid the balance on the account when she had not. She learned that a balance was still owed when she saw her credit report in June 2023. She made no payment to resolve the debt. (Tr. pp. 42-43, and Government Exhibits 2 and 7.) The debt remains owing.

Applicant stated that in addition to the debts listed above, she is also behind on her Navy Federal Credit Card; two Capital One Credit Cards; and numerous student loan accounts. (Tr. pp. 43-45.) She also owes the Federal Government for back taxes in the amount of approximately \$40,000. She has not yet set up a payment plan to resolve any of these debts. (Tr. pp. 55-57.)

Applicant is currently working as a Uber driver and earns about \$5,000 monthly. She spends about \$2,000 or more to rent the car through Uber. After she pays her regular monthly expenses that include her rent that also covers her utilities of \$750, her cell phone bill of \$223, and food, she has nothing left at the end of the month. (Tr. p. 54.) She has no health insurance, and no retirement account. (Tr. p. 55.)

Policies

When evaluating an applicant's suitability for a security clearance, the administrative judge must consider the adjudicative guidelines (AG). 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 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 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 avoided drawing 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, 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 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 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 as to potential, rather than actual, risk of compromise of classified 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. 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.

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

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

Applicant has incurred debt that she cannot afford to pay. She has a history of financial hardship. The evidence is sufficient to raise the above disqualifying conditions.

The following mitigating conditions under the Financial Considerations guideline are potentially applicable under AG ¶ 20:

- (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), 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.

For many years, Applicant has been and continues to be financially indebted, with no ability to pay her delinquent debts. In fact, each of the debts listed in the SOR remains owing, and little or no effort has been made to resolve them. She currently does not have the money to do so. Her history of indebtedness has not improved overtime but has remained a constant problem. Her spending habits and inability to manage her finances casts serious doubts on her current reliability, trustworthiness, and good judgment. There is insufficient evidence in the record to show that the Applicant has carried her burden of proof to establish mitigation of the government security concerns under Guideline F. None of the mitigating conditions are applicable.

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. Applicant may someday be able to demonstrate that she has changed her spending habits, and has made a commitment to resolve her debts, (with regular and systematic payments) and has learned how to properly manage her finances. However, at this time, she has not demonstrated this ability. Applicant is not eligible to access classified information.

I considered the potentially disqualifying and mitigating conditions in light of all relevant facts and circumstances surrounding this case. I conclude Applicant has not mitigated the Financial Considerations security concern.

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

Subparagraphs 1.a. through 1.g.:

Against 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 or continue Applicant's eligibility for a security clearance. Eligibility for access to classified information is denied.

Darlene Lokey Anderson
Administrative Judge