



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



In the matter of:

Applicant for Security Clearance

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)  
) ISCR Case No. 24-00845  
)  
)

**Appearances**

For Government: Karen Moreno-Sayles, Esq., Department Counsel

For Applicant: *Pro se*

09/16/2025

**Decision**

HOGAN, Erin C., Administrative Judge:

Applicant did not mitigate the security concerns raised under Guideline F, Financial Considerations, and Guideline E, Personal Conduct. Eligibility for access to classified information is denied.

**Statement of the Case**

On May 18, 2023, Applicant completed and signed an Electronic Questionnaires for Investigations Processing (e-QIP). On June 6, 2024, the Department of Defense Counterintelligence and Security Agency (DCSA) issued a statement of reasons (SOR) to Applicant under Executive Order (Exec. Or.) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960); DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (Directive) (January 2, 1992), as amended; and Security Executive Agent Directive 4, establishing in Appendix A the *National Security Adjudicative Guidelines for Determining Eligibility for Access to Classified Information or Eligibility to Hold a Sensitive Position* (AGs), effective June 8, 2017.

The SOR detailed reasons why DCSA did not find under the Directive that it is clearly consistent with the interests of national security to grant or continue a security clearance for Applicant and recommended referral to an administrative judge to

determine whether a clearance should be granted, continued, denied, or revoked. Specifically, the SOR set forth security concerns arising under Guideline F, Financial Considerations, and Guideline E, Personal Conduct. On August 15, 2024, Applicant responded to the SOR and requested a hearing before an administrative judge. On November 30, 2024, Department Counsel amended the SOR to add additional allegations under Guideline E. Applicant submitted a Response to the Amended Statement of Reasons on June 1, 2025. On December 4, 2024, Department Counsel was ready to proceed. The case was assigned to me on April 2, 2025. On May 5, 2025, DOHA issued a notice of hearing, setting the hearing for June 4, 2025. The hearing was held as scheduled via video-teleconference.

During the hearing, Department Counsel offered nine exhibits, Government Exhibits (GE) 1 - 9, which were admitted without objection. Applicant offered ten exhibits which were admitted as Applicant Exhibits (AE) A - J, without objection. The record was held open until June 18, 2025, to allow Applicant to submit additional exhibits. He timely submitted a nine-page document which was marked and admitted as AE K, without objection. On June 13, 2025, DOHA received a transcript (Tr.) of the hearing. The record closed on June 18, 2025.

Some details in the decision were excluded to protect Applicant's right to privacy. Specific information is available in the cited exhibits and transcript.

### **Findings of Fact**

In Applicant's response to the initial SOR, he admitted the allegations in SOR ¶¶ 1.b - 1.c and denied the allegations in SOR ¶¶ 1.a - 1.d. In his response to the amended SOR, Applicant admitted the allegations but provided explanations during the hearing explaining why some of his actions were not intentional. His admissions are accepted as findings of fact. Additional findings follow.

Applicant is a 47-year-old employee of a defense contractor seeking to maintain a security clearance. He has worked for his current employer since March 2023. Prior to that, he has worked for numerous government contractors. He estimates he received his first security clearance as a contractor in 2008. He has held security clearances off and on since that time. He has deployed as a contractor on four occasions – two to Iraq and two to Afghanistan. He served on active duty in the United States Army from 1995 to 2000. The characterization of his discharge was honorable under general conditions. His discharge characterization was upgraded to honorable. He is married and has two children, ages 17 and 8, and one adult stepchild. (Tr. 51-54; GE 1)

### **Guideline F – Financial Considerations**

The SOR alleges four debts, which include: a \$3,448 delinquent debt that was placed for collection. (SOR ¶ 1.a: GE 5 at 2; GE 8 at 2; GE 9 at 1); a \$13,066 debt as a result of a car repossession (SOR ¶ 1.b: GE 5 at 3; GE 8 at 2; GE 9 at 1); a mortgage account that is past due in the approximate amount of \$43,462 (SOR ¶ 1.c: GE 5 at 4;

GE 8 at 3); and a \$1,486 delinquent credit card account that was placed for collection. (SOR ¶ 1.d: GE 5 at 3).

As a contractor, Applicant has endured several periods of unemployment which resulted in several delinquent debts and past due mortgage payments. Periods of unemployment included May 2019 to October 2019; April 2012 to October 2021 and October 2022 to March 2023. On March 1, 2023, Applicant joined a debt restoration group. The program disputes debts on his credit reports, negotiates and establishes payment plans with active verified collection and judgment accounts. While they claim that they provide clients with the knowledge to make the best financial decisions to restore their credit, it is unclear what sort of advice is provided. (Tr. 74; GE 5 at 12-19)

The status of the SOR debts is:

SOR ¶ 1.a: \$3,448 delinquent debt that was placed for collection. Applicant claims this debt was paid. It is listed on his March and September 2024 credit reports. The debt is unresolved. (Tr. 35-36; GE 8-9)

SOR ¶ 1.b: \$13,066 debt from an automobile repossession: Applicant testified that the resolution of this debt is still pending. The debt is not resolved. (Tr. 36)

SOR ¶ 1.c: Delinquent mortgage account that is past due \$43,462. Applicant testified that the mortgage is currently in a forbearance program. After the hearing, he provided a letter from the mortgage holder dated May 16, 2025, which states that his mortgage qualifies for a loan modification. The letter advised Applicant that he had until June 23, 2025, to submit the Loan Modification Agreement Document Package. It is not clear whether Applicant completed the paperwork. The debt is not resolved. (Tr. 36; AE K at 7-8)

SOR ¶ 1.d: \$1,486 delinquent credit card account that was placed for collection: Applicant claims this debt was resolved. He provided a receipt showing the debt is paid. The debt is resolved. (Tr. 41; AE I; AE K at 3-4)

Applicant provided proof that he resolved a delinquent account that was not alleged in the SOR. (Tr. 36; AE J) He is current on federal and state taxes. (Tr. 75)

### **Guideline E – Personal Conduct**

The Amended SOR contained six allegations including:

SOR ¶ 3.a: Applicant falsified material facts on an e-QIP dated May 18, 2023 in response to Section 22 – Police Record. “Other than those offenses already listed, have you EVER had the following happen to you? – Have you EVER been convicted in any court of the United States of a crime . . . (Include all qualifying convictions in Federal, state, local, or military court, even if previously listed on this form) – Have you EVER been charged with any felony offense? (Include those under the Uniform Code of Military

Justice and non-military/civilian felony offense) . . . Have you EVER been charged with an offense involving firearms or explosives?” He answered, “No” and therefore deliberately failed to disclose that he was charged with felony embezzlement in May 2001 and felony carrying a deadly weapon in May 2004. (GE I at 36; AE 6)

SOR ¶ 3.b: Applicant falsified material facts on an e-QIP dated June 10, 2018, in response to Section 22 – Police Record. “Other than those offenses already listed, have you EVER had the following happen to you? – Have you EVER been convicted in any court of the United States of a crime . . . (Include all qualifying convictions in Federal, state, local, or military court, even if previously listed on this form) – Have you EVER been charged with any felony offense? (Include those under the Uniform Code of Military Justice and non-military/civilian felony offense) . . . Have you EVER been charged with an offense involving firearms or explosives?” He answered, “No” and therefore deliberately failed to disclose that he was charged with felony embezzlement in May 2001 and felony carrying a deadly weapon in May 2004. (GE 6 at 27-28, 95)

SOR ¶ 3.c: Applicant falsified material facts on an E-QIP dated June 10, 2018 in response to Section 13A – Employment Activities when he deliberately failed to list his employment with Employer A in or around 2001, which was the employment he was at when he stole money from a customer’s account, despite the fact that he listed employments both before and after his employment with Employer A. (GE 6 at 80)

SOR ¶ 3.d: Applicant falsified material facts during a June 13, 2018, security interview with an authorized investigator for the Federal Bureau of Investigation (FBI), when in response to questions regarding his criminal arrest history that specifically instructed him to disclose offenses for which he was arrested for, *i.e.*, the Original Violation (if pled to a lesser charge),” he disclosed that he was arrested for “falsifying business documents” when, in fact, he was originally arrested and charged with felony embezzlement for stealing \$2,500 from a customer’s account. He further falsified information about the penalty/disposition of that arrest, when he disclosed that he had to pay a \$2,500 fine when, in fact, he was found guilty and sentenced to one year incarceration (suspended) and one year probation. (GE 6 at 106-107)

SOR ¶ 3.e: Applicant falsified material facts during a June 13, 2018, security interview with an authorized investigator for the FBI when he told the investigator the incident that led to his 2001 arrest and conviction involved a “coworker” logging into the system with Applicant’s login information and” transferring funds to Applicant’s account.” Applicant later admitted that he acted alone when he withdrew the money from a customer’s bank account to pay for his parents’ medical bills and his own back rent. (GE 6 at 28, 53)

SOR ¶ 3.f: Applicant falsified material facts on an e-QIP dated May 18, 2023, in response to Section 25 – Investigations and Clearance Record, “Has the U.S. Government . . . EVER investigated your background and/or granted you a security clearance eligibility/access?” when he omitted that the FBI had investigated his background in 2018. (GE 1 at 38-41; see GE 6)

SOR ¶ 3.g: Applicant falsified material facts on an e-QIP dated March 15, 2023, in response to Section 25 – Investigations and Clearance Record, “Has the U.S. Government . . . EVER investigated your background and/or granted you a security clearance eligibility/access?” when he omitted that the FBI had investigated his background in 2018. (GE 2 at 25-28; see GE 6)

In early 2001, Applicant worked at a bank - Employer A. On January 23, 2001, he withdrew approximately \$1,500 to \$2,500 in funds from a bank customer’s account and used it for his own personal purposes. He was subsequently arrested by the local police department on May 27, 2001. He was charged with violating a state statute involving theft of \$1,000 or greater (fraudulently converts); theft under \$1,000 (fraud) and two charges of falsifying business records. On June 25, 2002, the charges of theft and one charge of falsifying business records were ruled *nolle prosequi* by the court. Applicant pled and was found guilty of one count of falsifying business records and sentenced to one year in jail (suspended) and one year probation. He was ordered to pay \$95 court costs, \$2,500 restitution, \$50 public defender fees, and a \$1 video phone fee. (GE 6 at 6-7; AE K at 6)

On May 25, 2004, Applicant was arrested for carrying a concealed deadly weapon. He was initially charged with a felony. He claimed the deadly weapon was a knife. On October 25, 2006, he pled guilty to a misdemeanor charge of carrying a concealed dangerous instrument. He was sentenced to one year of unsupervised probation. He was ordered to pay \$100 court costs, a \$200 fine, \$36 to the Victim’s Compensation Fund, \$50 public defender fees, \$30 sheriff’s fee and a \$2 video phone fee. (GE 4 at 3; GE 6 at 8; AE K at 5)

After his arrests and convictions, Applicant worked for numerous defense contractors. He was granted a secret security clearance in July 2008 and a top-secret clearance in August 2009. He also indicated that he held a secret security clearance when he was on active duty in the U.S. Army from 1997 to 2000. (GE 6 at 20)

In conjunction with his seeking a position with the FBI, Applicant completed a security clearance application on June 10, 2018. In response to Section 13A-Employment Activities, which asks:

List all of your employment activities, including unemployment and self-employment, beginning with the present and working back 10 years. The entire period must be accounted for without breaks. If the employment activity was military duty, list separate employment activity periods to show each change of military duty station. Provide separate entries for employment activities with the same employer but having different physical addresses. Do not list employment before your 18<sup>th</sup> birthday unless to provide a minimum of 2 years employment history. (GE 6 at 72)

While the scope of a security clearance background investigation is 10 years, the FBI considers a candidate’s entire employment history. The FBI’s Personnel Security

Interview (PSI) Form requires the investigator to tell the interviewer the following information:

Any issues regarding habits or experiences that concern you should be discussed during this interview to assure successful completion of the investigation, Candor and forthrightness are significant considerations during the application process. Lack of candor may disqualify you from employment. Holding back or refraining from discussing any issues of concern can negatively impact the results of your investigation. Concealed matters in your life could be the basis for coercion, attempted pressure or influence. While the scope of a background investigation is 10 years, the FBI considers all information and conduct in evaluating the suitability of candidates. Therefore, in certain areas, candidates are required to provide information for their entire lifetime rather than just the last 10 year period. (GE 6 at 12)

Applicant listed his employment history going all the way back to his service in the Army in July 1995. He separated from the Army in January 2000. After his discharge, he listed that he was unemployed from January 2000 to August 2001. This was the time period that he worked for Employer A. He left his employment with Employer A off the list of his employers, even though he listed the employers before and after his employment with Employer A. When asked about the omission during the hearing, Applicant said it was a gross error on his part and that he listed his employment with Employer A on previous security clearance applications and investigations. (Tr. 66-68; AE 6 at 75-79)

On the same e-QIP, dated June 10, 2018, Applicant did not list that he was arrested in 2001 and charged with theft greater than \$1,000 (fraudulently converts), theft lesser than \$1,000 (fraud), and two charges of falsifying business records in response to Section 22 – Police Record (EVER). He also did not list his charge of carrying a concealed weapon in 2004. Both charges were initially charged as felonies but were reduced to misdemeanors. Applicant testified that he was confused about the difference between a charge and a conviction. Since he was not convicted of a felony in either offense, he thought he did not have to list them. (Tr. 20-23, 68-71; GE 6 at 95)

On June 13, 2018, Applicant was interviewed by an authorized investigator for the FBI. The record indicates he was required to complete a questionnaire before the interview. In response to the question, “Have you EVER been charged or arrested for a crime, including the aggravated traffic offenses such as those involving alcohol or drugs?” Applicant answered, “Yes.” He listed a 2002 arrest and charge for Driving on a Suspended License; a charge of Carrying a Concealed Weapon around 2003 or 2004, and in 2001 or 2002 he was arrested for Falsifying Business Documents. (GE 6 at 38-39) Applicant described the falsifying business documents charge as follows:

Coworker logged into system with [Applicant’s] login information. Coworker transferred funds to [Applicant’s] account. [Applicant] was required to pay a \$2,500 fine. (GE 6 at 39)

As part of the pre-employment process with the FBI, Applicant was asked to undergo a polygraph test. He showed up for his polygraph on June 29, 2018. During the pretest interview, Applicant told the polygrapher about his conduct while at Employer A:

On or about 17 years ago I was working at [Employer A] for less than one year when I decided to take \$2,500 from an account I was servicing as a customer service rep. I took the money to pay for my father's meds and to catch up on rent for the location I was living in . . . " (AE 6 at 53-56)

Based on his admission, Applicant was not given a polygraph test. On October 25, 2018, the FBI deemed Applicant unsuitable for employment with the FBI. The basis for doing so included:

Applicant's failure to list his employment with Employer A on his June 10, 2018, security clearance application. He listed he was unemployed from January 2000 to August 2001. Applicant's theft of funds from Employer A occurred on January 23, 2001. (GE 6 at 106)

Applicant's false statement to an FBI investigator on June 13, 2018, that his co-worker logged into Employer A's system using Applicant's login information and transferred funds into Applicant's account. He changed his story during the pre-polygraph interview by admitting that he took the money himself from a client's account. He made no mention of a co-worker. (GE 6 at 106)

The FBI concluded Applicant's failure to accurately report his employment information on his e-QIP appears to have been intentional and there is evidence Applicant sought to deliberately mislead the investigation, provide false information, and omit certain facts. The FBI concluded his conduct showed a lack of candor. He displayed a lack of integrity, honesty, and trustworthiness when he initially placed the blame for his criminal conduct on a coworker. Applicant's candidacy for a position with the FBI was discontinued because of his lack of candor and criminal behavior. (GE 6 at 107-108)

On May 18, 2023, Applicant submitted another e-QIP to maintain his security clearance. In response to Section 22 – Police Record- EVER "Other than those offenses already listed, have you EVER had the following happen to you? . . . Have you EVER been charged with any felony offense? (Include those under the Uniform Code of Military Justice and non-military/civilian felony offense) . . . Have you EVER been charged with an offense involving firearms or explosives?" He answered, "No" and did not list his 2001 felony charge of theft over \$1,000 (fraudulently converts); theft under \$1,000 (fraud), and two charges of falsifying business records. He ultimately pled to a misdemeanor charge of falsifying business records. He also failed to disclose being charged with a felony offense of a carrying a concealed weapon in May 2004. Applicant pled to a misdemeanor. (GE 1 at 36; GE 4 at 3-4; AE K at 5-6)

Applicant also failed to list that the FBI investigated his background in 2018 in response to Section 25 – Investigations and Clearance Record on both his March 15, 2023 and May 28, 2023 e-QIP applications. (GE 1 at 38-41; GE 2 at 25-28)

### **Applicant's Response to Guideline E Allegations**

In response to the SOR allegations, Applicant profusely apologized for the confusion created as a result of his answers regarding past criminal charges in response to question 22 – Police Record on both his June 2018 and May 2023 e-QIP applications. He was confused about the difference between a criminal charge and a conviction. He believed that unless a criminal charge resulted in a conviction, it did not need to be disclosed or was not relevant. He now understands that a criminal charge refers to the formal accusation of a crime, regardless of outcome and a conviction is a legal determination of guilt following a trial or plea. He claims he did not intend to deceive the government when he omitted his felony charges on his e-QIP applications. He now understands that clarity and honesty are always a better path. (AE A)

Applicant also apologizes for not disclosing his FBI background investigation in 2018. He says he is absolutely accountable for his actions, and he is committed to complete honesty and transparency. In the future, he hopes to earn back the trust he has lost. (AE A)

During the hearing, Applicant testified that he did not intend to hide his past criminal charges. He did not understand the difference between a criminal charge and a conviction. He also thought that since some of the charges were nolle prossed, they did not need to be incorporated. Regarding the allegation in SOR ¶ 3.e, about his failure to list his employment in response to Section 13A – Employment Activities, Applicant testified that the question only required to list his employment activities for the past ten years, which would have been 2008. He was employed by Employer A after he was discharged from the Army in 2000. (Tr. 20-27)

Regarding SOR ¶ 3.d, Applicant apologizes for his misleading responses during an interview with the authorized investigator who conducted his FBI background investigation in June 2018. He admits that he was not fully truthful about his criminal arrest history in response to SOR ¶ 3.d. He disclosed that he was arrested for falsifying business documents. Court records indicate that he was charged with a felony, theft of property of over \$1,000 (fraudulent convert); theft of property under \$1,000 (fraud), and two counts of falsifying business records. I find he omitted these charges rather than the charge of felony embezzlement. He also failed to disclose his complete sentence when he listed that he had to pay a \$2,500 fine but did not list that he was sentenced to one year incarceration (suspended) and one year of probation. (Tr. 30; GE 106 -107; AE K at 6-7) I find SOR ¶ 3.d for Applicant because his omissions were not material. While he did not list his original felony charges, he disclosed the charge that he pled guilty to for this offense. This should have put the Government on sufficient notice of his arrest. His failure to provide his full sentence was not material for the same reason. SOR ¶ 3.d is found for Applicant.



Applicant also admits the allegation in SOR ¶ 3.e. He initially falsified facts during his June 13, 2018, FBI background interview when he initially stated a co-worker was involved in the theft of \$2,500 from the bank customer's account. However, he points out that he fully disclosed that he was acting alone during a pre-polygraph interview with the FBI on June 29, 2018. (Tr. 31; Gov 6 at 53-56)

Regarding SOR ¶¶ 3.f and 3.g, which alleged Applicant failed to list that the FBI investigated his background in response to question 25 - Investigations and Clearance Record on his March 15, 2023, and May 18, 2023, e-QIP applications, he testified that he misinterpreted the question and thought he would only have to list his background investigation with the FBI if he was cleared for a security clearance. He also believed the FBI did not complete a full background investigation. Upon reflection, he realized that he should have listed his 2018 FBI background investigation. He did not intend to hide this information. He was aware that this information would likely be discovered during DOD's background investigation. In the future, when he completes a security clearance application, he will seek counsel when answering these questions so that he appropriately answers the questions on the security clearance application in the future. (Tr. 32-34)

### **Whole-Person Evidence**

Applicant provided several documents in support of his whole person to include a Letter of Appreciation addressed to his supervisor from the program manager of an agency where they successfully completed a project that was described as "extensive and complex, involving significant facility upgrades for physical security, secure networking, and personnel access controls" (AE B); an e-mail commendation from his supervisor commending him for a great job he did during a specific training (AE C); an e-mail indicating Applicant was cleared for entry on duty (EOD) in May 1, 2023 (AE D); and a team performance award awarded to Applicant in November 2013.(AE G)

Applicant also provided three letters of recommendation. The officer in charge of his unit when he deployed as a contractor to Afghanistan in 2018 praised his enthusiasm and willingness to do extra work. He stated Applicant has "a superior work ethic, integrity, intelligence, and experience, and desire to be the best he can be." (AE E) In January 2019, Ms. S.T. provided a favorable reference for future employment. She described Applicant as "a consummate professional in all regards." (AE F) Mr. C. also provided a favorable reference for Applicant based on his experience working with him at a non-DOD government agency. (AE H)

### **Policies**

The U.S. Supreme Court has recognized the substantial discretion of the Executive Branch in regulating access to information pertaining to national security emphasizing, "no one has a 'right' to a security clearance." *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). As Commander in Chief, the President has the authority to control access to information bearing on national security and to determine whether an individual

is sufficiently trustworthy to have access to such information. *Id.* at 527. The President has authorized the Secretary of Defense or his designee to grant applicants eligibility for access to classified information “only upon a finding that it is clearly consistent with the national interest to do so.” Exec. Or. 10865, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960), as amended.

Eligibility for a security clearance is predicated upon the applicant meeting the criteria contained in the adjudicative guidelines. These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with an evaluation of the whole person. An administrative judge’s overarching adjudicative goal is a fair, impartial, and commonsense decision. An administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable.

The Government reposes a high degree of trust and confidence in persons with access to classified information. This relationship transcends normal duty hours and endures throughout off-duty hours. 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 about potential, rather than actual, risk of compromise of classified information. Clearance decisions must be “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” See Exec. Or. 10865 § 7. Thus, a decision to deny a security clearance should not be construed to suggest that it is based, in whole or in part, on any express or implied determination about an applicant’s allegiance, loyalty, or patriotism. It is merely an indication the applicant has not met the strict guidelines the President, Secretary of Defense, and Director of National Intelligence have established for issuing a clearance.

Initially, the Government must establish, by substantial evidence, conditions in the personal or professional history of the applicant that may disqualify the applicant from being eligible for access to classified information. The Government has the burden of establishing controverted facts alleged in the SOR. See *Egan*, 484 U.S. at 531. “Substantial evidence” is “more than a scintilla but less than a preponderance.” See *v. Washington Metro. Area Transit Auth.*, 36 F.3d 375, 380 (4th Cir. 1994). The guidelines presume a nexus or rational connection between proven conduct under any of the criteria listed therein and an applicant’s security suitability. See ISCR Case No. 95-0611 at 2 (App. Bd. May 2, 1996).

Once the Government establishes a disqualifying condition by substantial evidence, the burden shifts to the applicant to rebut, explain, extenuate, or mitigate the facts. Directive ¶ E3.1.15. An applicant “has the ultimate burden of demonstrating that it is clearly consistent with the national interest to grant or continue his security clearance.” ISCR Case No. 01-20700 at 3 (App. Bd. Dec. 19, 2002). The burden of disproving a mitigating condition never shifts to the Government. See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005). “[S]ecurity clearance determinations should err, if they must, on the side of denials.” *Egan*, 484 U.S. at 531; see AG ¶ 2(b).

## Analysis

### Guideline F, Financial Considerations

AG ¶ 18 expresses the security concern for 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.

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.

Applicant has a history of financial problems and delinquent debts. The SOR alleged four delinquent accounts, an approximate total of \$61,462. Of that amount, \$4,934 was from two delinquent credit card accounts that were placed for collection, a \$13,066 delinquency resulting from a car repossession that was charged off, and a mortgage account that was past due in the amount of \$43,462. AG ¶¶ 19(a) and 19(c) are applicable.

The guideline also includes conditions that could mitigate security concerns arising from financial difficulties. I have considered all of the mitigating conditions under AG ¶ 20 and the following potentially apply:

- (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 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 under control; and

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

AG ¶ 20(b) is not established. Applicant suffered several periods of unemployment which was a circumstance beyond his control and resulted in financial difficulty for Applicant. I cannot conclude he acted responsibly under the circumstances. While he has entered into a credit restoration program, I cannot conclude he acted responsibly under the circumstances because it is unclear whether he completed the loan modification paperwork for his largest delinquent account, his mortgage. (SOR ¶ 1.c) The debts alleged in SOR ¶¶ 1.a and 1.b remain unresolved.

AG ¶ 20(c) partially applies. Applicant enrolled in a credit restoration program in March 2023. The program disputes items on his credit reports that are incorrect, negotiates and establishes payment plans with active verified collection and judgment accounts. While they indicate that they provide clients with the knowledge to make the best financial decisions to restore their credit, it is unclear what sort of advice is provided. Applicant still has significant debt remaining. For this reason, this mitigating condition is given less weight.

AG ¶ 20(d) partially applies. Applicant resolved the debt alleged in SOR ¶ 1.d. He also resolved another debt that was not alleged in the SOR. While he has taken steps to modify his mortgage, he did not provide documentation of his mortgage modification request or proof that he sent the paperwork in by the June 23, 2025, deadline. The debts alleged in SOR ¶¶ 1.a – 1.c remain unresolved.

Applicant still has a significant amount of unresolved debt. He has not met his burden of proof to mitigate the concerns raised under financial considerations.

## **Guideline E – Personal Conduct**

The security concern relating to the guideline for Personal Conduct is set out in AG ¶ 15:

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 the national security or adjudicative processes. . .

The following disqualifying condition under AG ¶ 16 potentially apply to Applicant's 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; and

(b) deliberately providing false or misleading information; or concealing or omitting information concerning relevant facts to an employer, investigator, security official, competent medical or mental health professional involved in making a recommendation relevant to a national security eligibility determination, or other official government representative.

AG ¶ 16(a) applies to SOR ¶¶ 3.a, 3.b, 3.f and 3.g. Applicant admits that he deliberately failed to list his January 2001 felony arrest for theft of over \$1,000 (Fraudulently converts); theft of under \$1,000 (Fraud) and two counts of falsifying business records and his May 2004 felony arrest for carrying a concealed weapon on his e-QIPs dated June 10, 2018 and May 18, 2023. He also failed to list his 2018 FBI background investigation in response to Section 25 – Investigations and Clearance Record on his March 15, 2023, and May 18, 2023, e-QIPS.

AG ¶ 16(b) applies to SOR ¶ 3.e. Applicant falsified material facts during his June 13, 2018, interview with an authorized investigator of the FBI when he falsely implicated a co-worker in his theft of \$2,500 from a customer's account while working for a bank.

Under Guideline E, the following mitigating condition potentially applies in Applicant's case:

AG ¶ 17(a) the individual made prompt, good-faith efforts to correct the omission, concealment, or falsification before being confronted with the facts;

AG ¶ 17(c) the offense is so minor, or so much time has passed, or the behavior is so infrequent, or it happened under such unique circumstances that is unlikely to recur and does not cast doubt on the individual's reliability, trustworthiness, or good judgment.

AG ¶ 17(a) applies with respect to SOR ¶ 3.e. While Applicant deliberately misled the FBI during his June 13, 2018, security interview when he stated that a co-worker at the bank assisted him with the \$2,500 theft from a customer's bank account, he disclosed during a pre-polygraph interview that he acted alone. This occurred on June 29, 2018, 16 days after he provided his initial false statement. On his own accord, he made a prompt good-faith effort to correct his false statement before being confronted with the facts. SOR ¶ 3.e is mitigated.

AG ¶ 17(c) does not apply. Applicant's deliberate falsifications of his felony arrests on his June 10, 2018, and his May 18, 2023, raised questions about his reliability and

trustworthiness. He initially omitted the arrests on his June 2018 e-QIP when he was applying for a position with the FBI. The FBI found him not suitable based on his deliberate falsifications. Applicant should have learned that he should be truthful at all times when completing security clearance applications, but he continued to omit his felony arrests on his May 2023 security clearance application. Applicant also deliberately omitted his 2018 FBI investigation in response to Section 25 – Investigations and Clearance Record on two e-QIP applications in March 2023 and May 2023. His claim of misreading the question is not credible.

The Government expects individuals who are granted access to classified information to be truthful and straight-forward at all times. Intentional falsifications cut to the heart of the security clearance process. It is serious because a person should not receive access to classified information based on false information. A person who lies during the security-clearance process is not trustworthy. They cannot be relied upon to report a security infraction or violation. Overall, Personal Conduct security concerns are not mitigated.

### **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), "[t]he ultimate determination" of whether to grant a security clearance "must be an overall commonsense judgment based upon careful consideration of the guidelines, each of which is to be evaluated in the context of the whole person." My comments under Guideline F are incorporated in my whole-person analysis. Some of the factors in AG ¶ 2(d) were addressed under those guidelines but some warrant additional comment.

I considered Applicant's history of employment with DOD contractors including his two deployments to Afghanistan and two deployments to Iraq. I considered that he is married and has two children and a stepchild. I considered his active-duty service in the Army from 1995 to 2002 and his discharge from the Army for misconduct with a discharge characterized as general under honorable conditions. I considered that his discharge characterization was upgraded to honorable. I considered the favorable information and recommendations related to his performance as a DOD contractor.

While Applicant's deliberate lies to the FBI were serious, he was punished by the FBI finding him unsuitable for employment. This action should have put the Applicant on notice to be truthful on his security clearance applications going forward. Yet he falsified his May 2023 security clearance application by failing to list his felony arrests in 2001 related to his theft of \$2,500 from customer's account at the bank where he worked and his felony arrest in 2004 for carrying a concealed weapon. His failure to provide accurate information about his criminal background continues to raise questions about his honesty, trustworthiness, and reliability. While Applicant took steps towards resolving his delinquent accounts, a significant amount of unresolved debt remains. The security concerns raised under Financial Considerations and Personal Conduct are not mitigated.

### **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
Subparagraph 1.d:	For Applicant
Subparagraphs 1.a – 1.c:	Against Applicant
Paragraph 3, Guideline E:	AGAINST APPLICANT
Subparagraphs 3.a - 3.c, 3.f -3.g:	Against Applicant
Subparagraphs 3.d, 3.e:	For Applicant

### **Conclusion**

In light of all of the circumstances 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.

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Erin C. Hogan  
Administrative Judge