



DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF HEARINGS AND APPEALS



In the matter of:)
)
) ISCR Case No. 24-01034
)
 Applicant for Security Clearance)

Appearances

For Government: Cassie Ford, Esq., Department Counsel
For Applicant: *Pro se*

09/29/2025

Decision

PRICE, Eric C., Administrative Judge:

Applicant did not mitigate Guideline F (Financial Considerations) security concerns. Eligibility for access to classified information is denied.

Statement of the Case

Applicant submitted a security clearance application (SCA) on February 8, 2023. On October 9, 2024, the Defense Counterintelligence and Security Agency (DCSA) sent her a Statement of Reasons (SOR) alleging security concerns under Guideline F. The DCSA acted under Executive Order (Exec. Or.) 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) promulgated in Security Executive Agent Directive 4, *National Security Adjudicative Guidelines* (December 10, 2016), which became effective on June 8, 2017.

On October 16, 2024 and November 1, 2024, Applicant responded to the SOR, and she requested a decision on the written record in lieu of a hearing. On April 11, 2025, Department Counsel submitted the Government's File of Relevant Material (FORM) including documents identified as Government Exhibit (GE) 1 through GE 12. Applicant received the FORM on May 21, 2025. She was afforded an opportunity to file objections

and submit material in refutation, extenuation, or mitigation within 30 days of receipt of the FORM. Applicant submitted an undated response to the FORM including documentary evidence which I marked as Applicant Exhibit (AE) A. There were no objections to the proffered exhibits, GE 1 through GE 12, and AE A are admitted in evidence. The case was assigned to me on September 10, 2025.

Findings of Fact

The SOR alleges 11 delinquent debts totaling about \$21,527 and reflected in credit reports from March and September 2023, May and September 2024, and April 2025. (GE 1, GE 7-11) In Applicant's responses to the SOR, she admitted SOR ¶¶ 1.b-1.g, and 1.i-1.k, and submitted explanations and documentary evidence. She denied the allegations in SOR ¶¶ 1.a and 1.h with explanations. (GE 4) Her admissions are incorporated in my findings of fact.

Applicant is a 50-year-old uniformed protection officer employed by a federal contractor since November 2022. She has worked for several employers in various positions since at least 2013 and sometimes worked two jobs to earn extra income. She reports being unemployed from May 2020 to October 2021, January to July 2018, November 2016 to December 2017, January 2015 to March 2015, and September 2012 to April 2013. (GE 1, GE 12)

Applicant received an associate degree in 2009, a bachelor's degree in 2011, and a master's degree in 2021. She has never been married and has five adult age children. (GE 1, GE 12)

In her February 2023 SCA Applicant reported experiencing financial problems since at least 2017. She disclosed delinquent debts later alleged in the SOR and discussed each debt with a government investigator during interviews conducted from March to July 2023. She reported planning to file for bankruptcy and reported filing for bankruptcy through a nonprofit company in April 2023. The record does not include a bankruptcy petition, and it is unclear if one was filed. (GE 5 at 46-63, GE 12 at 4-11)

Applicant attributes her financial problems to underemployment and periods of unemployment including during the COVID 19 pandemic and in 2022 when she was unable to work for nine months because of a state government's delay in issuing her required credentials. (GE 4 at 2, GE 5 at 46-63, GE 6 at 15, GE 12 at 4-11)

Applicant reported working with several debt negotiation or debt relief companies. She did not submit documentary evidence regarding the first company, or of debts enrolled with that company. (GE 6 at 15) She submitted evidence that on March 7, 2024, she enrolled 10 accounts in a debt relief program including debts later alleged in SOR ¶¶ 1.c, 1.e-1.k. A settlement agreement was in place for one unidentified debt by October 2024. The program required regular deposits of \$259 to pay off enrolled debts in 24-48 months. (GE 4 at 4-5; GE 11 at 12) On about December 19, 2024, she authorized an additional deposit of \$679 into her program account and authorized monthly deposits of \$458 from January through November 2025. (GE 4 at 21) On May 30, 2025, she enrolled

the debts alleged in SOR ¶¶ 1.c-1.g, and 1.i in a debt relief program with another company. Except for evidence that the debts alleged in SOR ¶¶ 1.c and 1.h were resolved through debt relief programs, Applicant did not submit documentary evidence that she made other required or previously authorized payments for either debt relief program. The evidence pertaining to the delinquent debts is summarized below.

SOR ¶ 1.a: auto loan past due for about \$370 with a total balance of \$11,877. Applicant denied this allegation claiming the account was in good standing. (GE 4 at 1-2) She submitted evidence that as of November 2, 2024, the remaining principal balance was \$11,525, and that payments of \$474 were due by November 28, 2024, and December 28, 2024. (GE 4 at 6-7, 22) The account was opened in October 2019 with a high credit of \$17,097. Credit reports from May and September 2024, and April 2025 show the account as past due 60 days for \$864, past due 30 days for \$370 and \$474 with total balances of \$13,136, \$11,877 and \$11,363, respectively with scheduled monthly payments of \$474. (GE 9 at 13, GE 10 at 1, GE 11 at 1-2) Applicant has made some payments on this account but remains past due for at least 30 days and the past due balance increased from \$370 to \$474.

SOR ¶ 1.b: account placed for collection of \$581. Applicant admitted this allegation noting it was in negotiation. (GE 4 at 1-2) This debt was paid in about March 2025. (GE 11 at 1) This debt is resolved.

SOR ¶ 1.c: account placed for collection of \$1,183. Applicant admitted this allegation noting it was in negotiation. (GE 4 at 1-2) Credit reports from May and September 2024, and April 2025 show the account as placed for collection, past due for \$1,243, \$1,183 and \$1,183, respectively. (GE 9 at 3, GE 10 at 10, GE 11 at 11) Applicant submitted documentary evidence this debt was resolved in about June 2025 through the debt relief program she enrolled in on May 30, 2025. (AE A)

SOR ¶ 1.d: account placed for collection of \$1,698. Applicant admitted this allegation noting it was in negotiation. (GE 4 at 1-2) Credit reports from May and September 2024, and April 2025 show the account as placed for collection, past due for \$1,723, \$1,698 and \$1,698, respectively, with the last payment in May 2024. (GE 9 at 3, GE 10 at 11, GE 11 at 10) This debt is not resolved.

SOR ¶ 1.e: account placed for collection of \$601. Applicant admitted this allegation noting it was in negotiation. (GE 4 at 1-2) Credit reports from May and September 2024, and April 2025 show the account as placed for collection, past due for \$601 with last payment in April 2024. (GE 9 at 4, GE 10 at 11, GE 11 at 11) This debt is not resolved.

SOR ¶ 1.f: account placed for collection of \$8,100. Applicant admitted this allegation noting it was in negotiation. (GE 4 at 1-2) Credit reports from March 2023, May and September 2024, and April 2025 show the account as past due and placed for collection of \$8,100. (GE 7 at 2, GE 9 at 2, GE 10 at 11, GE 11 at 10) This debt is not resolved.

SOR ¶ 1.g: credit card charged off for \$1,074. Applicant admitted this allegation noting it was in negotiation. (GE 4 at 1-2) Credit reports from March 2023, May and September 2024 and April 2025 show the account was opened in September 2021, charged off for \$1,074, with the unpaid balance reported as a loss, and last payment in May 2024. The September 2024 credit report shows a past due balance of \$1,036 and the April 2025 credit report shows the debt was disputed and sold to another company. (GE 7 at 3, GE 9 at 3, GE 10 at 11-12, GE 11 at 11) This debt is not resolved.

SOR ¶ 1.h: credit card placed for collection of \$454. Applicant denied this allegation claiming the debt was in negotiation. (GE 4 at 1-2) The account was opened or assigned in August 2021. Credit reports from March 2023, May and September 2024, and April 2025 show the account was opened or assigned in August 2021, charged off for \$454 with the unpaid balance reported as a loss, and last payment in June 2024. The September 2024 credit report shows a past due balance of \$354, and the April 2025 credit report shows the account was paid in about February 2025. (GE 7 at 3, GE 9 at 3, GE 10 at 12, GE 11 at 12) It appears from the record that this debt was resolved through a debt repayment program. This debt is resolved.

SOR ¶ 1.i: credit card charged off for \$1,009. Credit reports from March 2023, May and September 2024, and April 2025 show the account as charged off for \$1,009 and past due in that amount with the last payment in May 2022. (GE 7 at 4, GE 9 at 4, GE 10 at 12, GE 11 at 11-12) This debt is not resolved.

SOR ¶ 1.j: credit card charged off for \$666. Applicant admitted this allegation noting it was in negotiations. (GE 4 at 1-2) Credit reports from March 2023, May and September 2024, and April 2025 show the account was opened or assigned for collection in December 2020, charged off for \$666 and past due in that amount with the last payment in May 2022. The April 2025 credit report shows Applicant disputed the debt. (GE 7 at 4, GE 9 at 4, GE 10 at 12, GE 11 at 12) This debt is not resolved.

SOR ¶ 1.k: account charged off for \$5,791. Applicant admitted this allegation noting it was in negotiation. (GE 4 at 1-2) Credit reports from March 2023, May and September 2024 and April 2025 show the account was charged off for \$5,134, with the unpaid balance reported as a loss, and last payment in May 2022. The September 2024 credit report shows a past due balance of \$5,791, and the April 2025 credit report shows the debt was sold to another company. (GE 7 at 2, GE 9 at 3, GE 10 at 12, GE 11 at 12) This debt is not resolved.

Applicant's income history is incomplete. She submitted evidence that in tax year (TY) 2015 she earned about \$23,000. (GE 6 at 18-20, 28-36) From May to November 2024 her net pay ranged from \$2,309 to \$2,717 every two weeks. (GE 4 at 8-20) The record does not include evidence regarding her monthly net income after expenses. She received credit counseling in October 2023. (GE 6 at 14-15)

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 applicant’s eligibility for access to classified information “only upon a finding that it is clearly consistent with the national interest to do so.” EO 10865.

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, an administrative judge applies these guidelines 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 and 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 that 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 made “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” Exec. Or. 10865 § 7. Thus, a decision to deny a security clearance is merely an indication the applicant has not met the strict guidelines the President and the Secretary of Defense 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* at 531. Substantial evidence is “such relevant evidence as a reasonable mind might accept as adequate to support a conclusion in light of all the contrary evidence in the same record.” See ISCR Case No. 17-04166 at 3 (App. Bd. Mar. 21, 2019) It is “less than the weight of the evidence, and the possibility of drawing two inconsistent conclusions from the evidence does not prevent [a Judge’s] finding from being supported by substantial evidence.” *Consolo v. Federal Maritime Comm’n*, 383 U.S. 607, 620 (1966). “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. ISCR Case No. 15-01253 at 3 (App. Bd. Apr. 20, 2016).

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 burden of proving a mitigating condition, and the burden of disproving it never shifts to the Government. See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005).

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). "[S]ecurity clearance determinations should err, if they must, on the side of denials." *Egan* at 531.

Analysis

Guideline F, Financial Considerations

The security concern under this guideline 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. . . . An individual who is financially overextended is at greater risk of having to engage in illegal or otherwise questionable acts to generate funds. . . .

This concern is broader than the possibility that a person might knowingly compromise classified information to raise money. It encompasses concerns about a person's self-control, judgment, and other qualities essential to protecting classified information. A person who is financially irresponsible may also be irresponsible, unconcerned, or negligent in handling and safeguarding classified information. See ISCR Case No. 11-05365 at 3 (App. Bd. May 1, 2012).

Applicant's admissions and the evidence in the FORM including credit reports establish the following disqualifying conditions under AG ¶ 19:

- (a) inability to satisfy debts; and
- (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;

(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.

AG ¶ 20(a) is not fully established. Applicant's delinquent debts are longstanding and ongoing. She has not shown that her financial problems are unlikely to recur, and her financial behavior casts doubt on her current reliability, trustworthiness, and good judgment.

AG ¶ 20(b) is not fully established. Applicant's unemployment, underemployment and governmental delay in issuing her credentials essential to obtaining employment were conditions beyond her control. However, she has not produced sufficient evidence that she acted responsibly under the circumstances.

AG ¶¶ 20(c) and 20(d) are not fully established. Applicant received financial counseling and resolved debts totaling \$2,218. She resolved the debts alleged in: (1) SOR ¶ 1.b (\$581) in February 2025, (2) SOR ¶ 1.c (\$1,183) in June 2025, and (3) the debt alleged in SOR ¶ 1.h (\$454) sometime after September 13, 2024. However, the timing of her resolution of these debts does not warrant full mitigative credit. ISCR Case No. 15-06440 at 4 (App. Bd. Dec. 26, 2017). Applicant is also credited with enrolling the debts in SOR ¶¶ 1.d-1.g and 1.i-1.k in a debt relief program or programs but has not provided sufficient documentary evidence that she made payments required under the debt relief programs. The evidence is insufficient to establish that her financial problems are being resolved, are under control, or that she initiated and is adhering to a good-faith effort to repay overdue creditors.

AG ¶ 20(e) is not fully established. Credit records show that Applicant disputed the debts alleged in SOR ¶¶ 1.g, 1.h, and 1.j, but she submitted no evidence of the basis for her disputes or of her actions to resolve the issues.

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 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 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 age, work history, her disclosure of her financial problems in her February 2023 SCA and subsequent interviews with a government investigator, her enrollment of much of the SOR debt with debt negotiation or debt relief companies, and that her financial problems were caused in part by conditions beyond her control. I also considered her resolution of the debts alleged in SOR ¶¶ 1.a-1.c and 1.h totaling \$2,218. However, there is insufficient evidence to conclude that Applicant has established a "meaningful track record of debt reduction" including establishing a plan to resolve her financial problems and taking significant action to implement that plan. ISCR Case No. 07-06482 at 2 (App. Bd. May 21, 2008).

It is well settled that once a concern arises regarding an applicant's security clearance eligibility, there is a strong presumption against granting a security clearance. See *Dorfmont v. Brown*, 913 F. 2d 1399, 1401. "[A] favorable clearance decision means that the record discloses no basis for doubt about an applicant's eligibility for access to classified information." ISCR Case No. 18-02085 at 7 (App. Bd. Jan. 3, 2020) (citing ISCR Case No. 12-00270 at 3 (App. Bd. Jan. 17, 2014)). Because Applicant requested a determination on the record without a hearing, I had no opportunity to observe her demeanor, assess her credibility, or question her about her financial circumstances. See ISCR Case No. 01-12350 at 3-4 (App. Bd. Jul. 23, 2003).

I have carefully applied the law, as set forth in *Egan*, EO 10865, and the Directive to the facts and circumstances in the context of the whole person. Applicant failed to meet her burden of persuasion, and the record evidence leaves me with questions and doubts

as to her eligibility and suitability for a security clearance. For all these reasons, I conclude Applicant failed to mitigate financial considerations security concerns.

This decision should not be construed as a determination that Applicant cannot or will not attain the state of reform necessary for award of a security clearance in the future. With a longer track record of financial responsibility, she may be able to demonstrate persuasive evidence of her security clearance worthiness. Overall, the record evidence leaves me with questions and doubts as to her eligibility and suitability for a security clearance at this time.

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 (Financial Considerations): AGAINST APPLICANT

Subparagraph 1.a:	Against Applicant
Subparagraphs 1.b-1.c:	For Applicant
Subparagraphs 1.d-1.g:	Against Applicant
Subparagraph 1.h:	For Applicant
Subparagraphs 1.i-1.k:	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 security to grant Applicant eligibility for a security clearance. Eligibility for access to classified information is denied.

Eric C. Price
Administrative Judge