



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



In the matter of:

Applicant for Security Clearance

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)  
) ISCR Case No. 25-00492  
)  
)

**Appearances**

For Government: Cassie L. Ford, Esq., Department Counsel

For Applicant: *Pro se*

11/25/2025

**Decision**

HARVEY, Mark, Administrative Judge:

Guideline F (financial considerations) security concerns are not mitigated. Eligibility for access to classified information is denied.

**Statement of the Case**

On September 11, 2024, Applicant completed an Electronic Questionnaires for Investigations Processing or security clearance application (SCA). (Government Exhibit (GE) 1) On April 25, 2025, the 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); Department of Defense (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. (Hearing Exhibit (HE) 2)

The SOR detailed reasons why the 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. (HE 2) On April 30, 2025, Applicant provided her response to the SOR. On June 6, 2025, Department Counsel was ready to proceed. On June 17, 2025, the case was assigned to me.

On June 26, 2025, the Defense Office of Hearings and Appeals (DOHA) issued a notice scheduling the hearing on August 6, 2025. (HE 1) The hearing was held as scheduled using the Microsoft Teams video teleconference system.

During the hearing, Department Counsel offered nine exhibits into evidence, Applicant did not provide any exhibits; there were no objections, and all proffered exhibits were admitted into evidence. (Tr. 10, 17-19; GE 1-GE 9) On August 18, 2025, DOHA received a copy of the transcript. Applicant provided nine documents after the hearing, and the documents were admitted without objection. (Applicant Exhibits (AE) A-AE I) The record closed on October 7, 2025. (Tr. 45, 50) This decision was delayed when all administrative judges were furloughed from October 1 through November 12, 2025, during a federal government shutdown due to a lapse in federal funding.

Some details 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 SOR response, she admitted the SOR allegations in ¶¶ 1.a through 1.p. Her admissions are accepted as findings of fact.

Applicant is a 52-year-old logistics coordinator or dispatcher for a large trucking company, and she has held this position for a little more than three years. (Tr. 6-7, 21-22) In 1991, she graduated from high school, and she has not attended college. (Tr. 6, 21) She has not served in the military. (Tr. 6) She was married in 1994 and divorced in 2012. (Tr. 7, 21) Her four children are ages 22, 23, 25, and 26. (Tr. 7-8)

### **Financial Considerations**

Applicant's financial problems began when she filed for divorce in 2010, and they continue to the present. (Tr. 23) She estimated her legal fees for her divorce over a 30-month period while the divorce was in litigation totaled about \$40,000. (Tr. 23) Her former husband's medical insurance covered their children's medical care until he passed away in August 2017. (Tr. 25-26) In regard to medical expenses for her children and herself, Applicant described multiple surgeries and X-rays in 2018, 2019, 2021, and 2022. (Tr. 26-28) Applicant said:

My daughter was in a physical abusive relationship. We had to go to the ER multiple times. And then my son that's 23 had four knee surgeries and two broken hands in his hand during high school and college. And I have those months and years as well. And then my youngest son had one knee surgery and three foot surgeries over the course of three years as well. And their

dad passed away in July of 2017, and he held their health insurance. And he was a big income during that time when he was alive. So, I didn't have health insurance for many years, [which is] why I have medical debt. (Tr. 15)

The SOR alleges two judgments in ¶ 1.a for \$9,362 and in ¶ 1.b for \$22,722. In 2022, Applicant purchased a vehicle for her son. (Tr. 29) For SOR ¶ 1.a, she said she was underemployed; and she was unable to afford the monthly payments on the vehicle loan. (Tr. 29) She defaulted on the debt. (Tr. 29) She said payments to address the debt were being garnished. (Tr. 29) For SOR ¶ 1.b, she owed a hospital; the hospital obtained a judgment; and at one point her pay was being garnished. (Tr. 30) She was not in contact with the creditor. (Tr. 30)

The SOR alleges Applicant has 14 debts placed for collection: 10 medical collection debts in the approximate total amount of \$15,718: ¶ 1.c for \$3,388; ¶ 1.d for \$2,992; ¶ 1.e for \$2,541; ¶ 1.f for \$2,437; ¶ 1.h for \$1,242; ¶ 1.k for \$889; ¶ 1.m for \$600; ¶ 1.n for \$560; ¶ 1.o for \$551; and ¶ 1.p for \$518.

Applicant has three SOR insurance debts in ¶ 1.g for \$1,476; ¶ 1.i for \$1,201; and ¶ 1.j for \$1,094; and one miscellaneous debt in ¶ 1.l for \$743. Two of the insurance debts resulted from cancellations of vehicle-insurance policies. (Tr. 33) Her father is cosigned on her two vehicle loans, and she is making payments on them. (Tr. 33) When she was unemployed, her father made her car payments.

Applicant was unfamiliar with the insurance debt in SOR ¶ 1.i for \$1,201 and the debt in SOR ¶ 1.l for \$743. (Tr. 34) She did not describe any efforts to learn about these debts. (Tr. 34-35)

The same collection agent was seeking repayment of the six medical debts in SOR ¶¶ 1.c, 1.f, 1.h, 1.k, 1.m, and 1.p. (HE 2) Applicant did not describe any contacts with the collection agents or attempts to resolve the debts. (Tr. 31) Her children did not provide any financial support to her. (Tr. 32)

Applicant made the following statement at her hearing about the source of her debt and the impressive achievements of her children:

[S]omeone's credit report and history in debt does not define them as a person, or their heart, or character and [or capture] their entire picture of an individual's life or circumstances. I also want to say that my biggest achievement are my children. I have a 26-year-old daughter that is a graduate of [a] University with a neuroscience degree. She is beginning her second year of pharmacy school to become a pharmacist. I have a 25-year-old son that graduated from [a university] with a double major in astrophysics and exercise science with a minor in military history. And he is studying for this MCAT to get into medical school. I have a 23-year-old son, that will graduate in the fall from [a university] with a business . . . management degree, [who] just returned from [Europe] to try out for an

overseas basketball team. He was the assistant coach [in two cities] And [he has the possibility of winning a million dollar] cash prize. . . . I have a 22-year-old son starting his third year playing basketball for [a college]. . . . [T]his position that I'm trying to get granted for my work, we are short-staffed and it's very much needed. . . . [A]s far as work goes, that they just paid for us a trip to Florida for 12 people out of, I believe, 120 people. I came in first with the quality achievement award, and that's based on the individuals' phone audit, and performance, and phone answer rate. And basically, my scores are 100 percent on the phones, you know, being nice, customer service, and whatever the requirements are for work. And I understand that credit is assigned to predict a person's likelihood of paying debt but not to assess their moral character or personal worth. (Tr. 14-17)

Applicant continued:

[F]ailure to live within one's means, that's not true. Every dollar that I earn goes for bills, or food on the table, and/or my children, bettering my children. So this has nothing to do with living above one's needs. And I also want to indicate that, as of July 16th, I've taken on another part-time job where I'm working around 20 to 25 hours a week as well to try to financially do better. (Tr. 19)

In sum, Applicant has not made any payments or contacted SOR creditors to resolve the SOR debts in the last year, except in July of 2025, she received part-time employment in a fast-food restaurant. (Tr. 22, 35, 42) Her pay at the fast-food restaurant is \$13.50 an hour. (Tr. 23) She is making her non-SOR vehicle-loan payments. (Tr. 35) After at least one of her car loans are paid, she intends to contact one of the SOR creditors to see if she can arrange a payment plan. (Tr. 35-36)

Applicant's personal financial statement (PFS) indicates her total net monthly income is \$3,730; her monthly expenses are \$2,175; her monthly debt payments on two vehicle loans are \$573; and she has a negative monthly remainder of \$19. (Tr. 36-38; GE 2 at 13) She said she pays \$300 to \$600 monthly to support her children who are still in college; however, this payment was not reflected on her PFS. (Tr. 38-39; GE 2 at 13) She does not use a budget or maintain financial records. (Tr. 40)

Applicant contacted a bankruptcy attorney and learned the attorney wanted \$1,500 to start the bankruptcy process. (Tr. 40) She elected not to pursue bankruptcy. (Tr. 40) When she received her federal income tax refunds for the past two years of about \$1,500, she used the refunds to bring her vehicle loans to current status. (Tr. 42) Her vehicle loans are not reflected as delinquent on her SOR.

## **Character Evidence**

In 2025, Applicant received the Quality Achievement Award from her employer for being the top employee in her category. (AE A; AE E) She received a trophy for being a Star of Excellence. (AE B; AE E) She provided statements from three supervisors at her

company, a retired police officer, the manager of the restaurant for whom she is working part time, and her 2025 performance evaluation. (AE C; AE D; AE F through AE I) The general sense of her character evidence is that she has an excellent character, reliability, and a good work ethic. *Id.* She is trustworthy, honest, diligent, helpful, courteous, and dependable. *Id.* She has a positive attitude and is a valuable asset to her employers. *Id.* The character evidence supports approval of her access to classified information.

## **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, this decision should not be construed to suggest that it is based on any express or implied determination about 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 [or her] 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**

### **Financial Considerations**

AG ¶ 18 articulates the security concern for financial problems:

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.

AG ¶ 19 includes disqualifying conditions that could raise a security concern and may be disqualifying in this case: "(a) inability to satisfy debts" and "(c) a history of not meeting financial obligations."

The Appeal Board explained the scope and rationale for the financial considerations security concern in ISCR Case No. 11-05365 at 3 (App. Bd. May 1, 2012) (citation omitted) as follows:

This concern is broader than the possibility that an applicant might knowingly compromise classified information in order to raise money in satisfaction of his or her debts. Rather, it requires a Judge to examine the totality of an applicant's financial history and circumstances. The Judge must consider pertinent evidence regarding the applicant's self-control, judgment, and other qualities essential to protecting the national secrets as well as the vulnerabilities inherent in the circumstances. The Directive presumes a nexus between proven conduct under any of the Guidelines and an applicant's security eligibility.

In ISCR Case No. 08-12184 at 7 (App. Bd. Jan. 7, 2010), the Appeal Board explained the role of CBRs in financial considerations analysis:

It is well-settled that adverse information from a credit report can normally meet the substantial evidence standard and the government's obligations under [Directive] ¶ E3.1.14 for pertinent allegations. At that point, the burden shifts to applicant to establish either that [he or] she is not responsible for the debt or that matters in mitigation apply.

(internal citation omitted).

The record establishes the disqualifying conditions in AG ¶¶ 19(a) and 19(c), requiring additional inquiry about the possible applicability of mitigating conditions. Discussion of the disqualifying conditions is contained in the mitigation section, *infra*. The financial considerations mitigating conditions under AG ¶ 20 which may be applicable in this case are as follows:

- (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.

The Appeal Board in ISCR Case No. 10-04641 at 4 (App. Bd. Sept. 24, 2013) explained Applicant's responsibility for proving the applicability of mitigating conditions as follows:

Once a concern arises regarding an Applicant's security clearance eligibility, there is a strong presumption against the grant or maintenance of a security clearance. See *Dorfmont v. Brown*, 913 F. 2d 1399, 1401 (9th

Cir. 1990), *cert. denied*, 499 U.S. 905 (1991). After the Government presents evidence raising security concerns, the burden shifts to the applicant to rebut or mitigate those concerns. See Directive ¶ E3.1.15. The standard applicable in security clearance decisions is that articulated in *Egan, supra*. “Any doubt concerning personnel being considered for access to classified information will be resolved in favor of the national security.” Directive, Enclosure 2 ¶ 2(b).

AG ¶ 20(a) does not apply to the SOR debts. “It is also well established that an applicant’s ongoing, unpaid debts demonstrate a continuing course of conduct and can be viewed as recent for purposes of the Guideline F mitigating conditions.” ISCR 22-02226 at 2 (App. Bd. Oct. 27, 2023) (citing ISCR Case No. 15-06532 at 3 (App. Bd. Feb. 16, 2017)).

Applicant was divorced, underemployed, unemployed, and she and her children had medical problems. These circumstances were largely beyond her control. However, “[e]ven if [an applicant’s] financial difficulties initially arose, in whole or in part, due to circumstances outside his [or her] control, the [administrative judge] could still consider whether [the applicant] has since acted in a reasonable manner when dealing with those financial difficulties.” ISCR Case No. 05-11366 at 4 n.9 (App. Bd. Jan. 12, 2007). The DOHA Appeal Board has said:

[A]n applicant must act responsibly given his or her circumstances and develop a reasonable plan for repayment, accompanied by concomitant conduct even if it may only provide for the payment of debts one at a time. ISCR Case No. 07-06482 at 3 (App. Bd. May 21, 2008). What constitutes responsible behavior depends on the facts of a given case and the fact that an applicant’s debts will not be paid off for a long time, in and of itself, may be of limited security concern. ISCR Case No. 09-08462 at 4. Relevant to the equation is an assessment as to whether an applicant acted responsibly given [his or] her limited resources. See, e.g., ISCR Case No. 08-06567 at 3-4 (App. Bd. Oct. 29, 2009).

ADP Case No. 23-00547 at 3 (App. Bd. Apr. 23, 2024). A component is whether she maintained contact with creditors and attempted to negotiate partial payments to keep debts current. Applicant did not provide correspondence from or to the SOR creditors showing she maintained contact with them. She said she was not making payments to SOR creditors. Her post-hearing information is helpful; however, there is insufficient financial information to establish that she acted responsibly under the circumstances.

Applicant’s SOR alleges she has 16 delinquent debts totaling about \$50,000. “[A] single debt can be sufficient to raise Guideline F security concerns.” ISCR Case No. 19-02667 at 3 (App. Bd. Nov. 3, 2021) (citing ISCR Case No. 14-05366 at 3 (App. Bd. Feb. 5, 2016)). “Additionally, a single debt that remains unpaid over a period of years can properly be characterized as a history of not meeting financial obligations.” *Id.*



The Appeal Board has stated that it is reasonable for a Judge to expect an applicant to present documentation corroborating actions taken to resolve debts. ISCR Case No. 19-03757 at 3 (App. Bd. Aug. 18, 2021) (citing ISCR Case No. 19-01599 at 3 (App. Bd. Jan. 15, 2020)). For the SOR debts, Applicant did not provide documentation showing: (1) proof of payments, such as checking account statements, photocopies of checks, or a letter from the creditor proving that she paid or made any payments to the creditors; (2) correspondence to creditors or CBRs showing credible debt disputes indicating she did not believe she was responsible for the debts and why she held such a belief; or (3) evidence of attempts to negotiate payment plans, such as settlement offers or agreements to show that she was attempting to resolve her delinquent debts. Applicant failed to establish mitigation under AG ¶ 20(e) because she did not provide documented proof to substantiate the existence, basis, or the result of any debt disputes.

None of the mitigating conditions fully apply. “[U]ntil an applicant has a meaningful financial track record, it cannot be said as a matter of law that she has initiated a good-faith effort to repay overdue creditors or otherwise resolved debts. The phrase ‘meaningful track record’ necessarily includes evidence of actual debt reduction through payment on debts.” ISCR Case No. 22-02226 at 2 (App. Bd. Oct. 27, 2023) (citing ISCR Case No. 05-01920 at 5 (App. Bd. Mar. 1, 2007)). There is no documentation establishing that Applicant is working to establish payment plans to address her SOR debts. She did not provide detailed documentation showing income fluctuations caused by circumstances beyond her control. Based on her track record of lack of financial responsibility, I am not confident that she will establish payment plans, pay, or otherwise resolve her SOR debts, and maintain her financial responsibility. Financial considerations 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 common-sense judgment based upon careful consideration” of the guidelines and the whole-person concept. My comments under Guideline F are incorporated in my whole-person analysis. Some of the factors in AG ¶ 2(d) were addressed under that guideline but some warrant additional comment.

Applicant is a 52-year-old logistics coordinator or dispatcher for a large trucking company, and she has held this position for a little more than three years. In 1991, she graduated from high school, and she has not attended college. She has not served in the military. She was married in 1994 and divorced in 2012. Her four children are ages 22, 23, 25, and 26.

In 2025, Applicant received the Quality Achievement Award from her employer for being the top employee in her category. She received a trophy for being a Star of Excellence. She provided multiple statements from employers and friends and her 2025 performance evaluation. The general sense of her character evidence is that she has an excellent character, reliability, and a good work ethic. She is very trustworthy, honest, diligent, helpful, courteous, and dependable. She has a positive attitude and is a valuable asset to her employers. The character evidence supports approval of her access to classified information under the whole-person concept.

The evidence against grant of a security clearance is detailed in the financial considerations analysis section, *supra*, and this evidence is more substantial than the evidence of mitigation. She did not establish that she was unable to make more timely and significant documented progress resolving her SOR debts. The financial evidence raises unmitigated questions about her reliability, trustworthiness, and ability to protect classified information. See AG ¶ 18.

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 more effort towards documented resolution of her debts and maintenance of her financial responsibility, she may well be able to demonstrate persuasive evidence of her security clearance worthiness.

I have carefully applied the law, as set forth in *Egan*, Exec. Or. 10865, the Directive, the AGs, and the Appeal Board's jurisprudence, to the facts and circumstances in the context of the whole person. Applicant failed to mitigate financial considerations security concerns.

### **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 through 1.p:

Against Applicant

## **Conclusion**

I conclude that it is not clearly consistent with the interests of national security to grant or continue Applicant's national security eligibility for access to classified information. Eligibility for access to classified information is denied.

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Mark Harvey  
Administrative Judge