



DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF HEARINGS AND APPEALS



Appearances

For Government: Nicholas Temple, Esq., Department Counsel
For Applicant: *Pro se*

12/10/2025

Decision

FOREMAN, LeRoy F., Administrative Judge:

This case involves security concerns raised under Guideline F (Financial Considerations). Clearance is granted.

Statement of the Case

Applicant submitted a security clearance application (SCA) on December 20, 2023. On September 6, 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.

Applicant answered the SOR on September 19, 2024, and requested a hearing before an administrative judge. Department Counsel was ready to proceed on November 22, 2024. The case was assigned to me on April 2, 2025. On April 4, 2025, processing of the case was terminated for loss of jurisdiction. It was reopened on August 26, 2025, after Applicant was employed by another sponsor. On August 27, 2025, the Defense Office of Hearings and Appeals (DOHA) notified Applicant that the hearing was scheduled to be conducted on September 5, 2025. I convened the hearing as scheduled. Government Exhibits (GX) 1 through 8 were admitted in evidence without objection.

Applicant testified but did not present the testimony of any other witnesses or submit any documentary evidence. I kept the record open until September 29, 2025, to enable her to present documentary evidence. She timely submitted Applicant's Exhibits (AX) A, B, D through H, J through M, and two explanatory letters, AX N and O, which were admitted without objection. (There is no AX I or AX C.) DOHA received the transcript on September 18, 2025. My decision was delayed from October 1 through November 12 when all administrative judges were furloughed during a government shutdown due to a lapse in federal funding.

Findings of Fact

In Applicant's answer to the SOR, she admitted all the allegations in the SOR except SOR ¶ 1.b, which she denied. Her admissions are incorporated in my findings of fact.

Applicant is a 39-year-old program analyst employed by a defense contractor. She married in August 2014 and divorced in January 2020. She has four children, ages 20, 27, 7, and 6. She attended college from September 2014 to May 2015 but did not receive a degree.

Applicant received a security clearance in September 2013. She has been employed by various federal contractors from August 2013 until January 2025, with periods of unemployment from June 2014 to May 2015, October 2017 to July 2018, April 2023 to January 2024, and from April 2025 to August 2025. Her unemployment from April 2023 to January 2024 was the result of a termination for unsatisfactory performance in a leadership position rather than any trustworthiness issues. (GX 8) She became unemployed in January 2025 when her employer lost its federal contract.

In August 2025, Applicant was hired by her current employer as a senior program manager, with a salary of about \$92,000 per year. (Tr. 56) She submitted a personal financial statement reflecting net monthly income of \$6,319, monthly expenses of \$5,555, and debt payments of \$450, and a net monthly remainder of \$314. (AX J) Her monthly debt payments include her home mortgage but do not include all the delinquent debts alleged in the SOR. (AX J)

Applicant testified that her husband left her and their four children in about July 2018. Until he left, they were a two-income family. (Tr. 30) Applicant had only a few days of notice that her husband had moved to another state and filed for divorce. She and her husband had substantial joint assets, including a vehicle which was being financed, a

joint bank account, and a joint credit-card account. The divorce decree did not address the dissolution of marital assets. No spousal or child support was ordered. (Tr. 32-35)

After the divorce, Applicant obtained a child-support order providing for \$580 per month. However, as of the date of the hearing, Applicant had not received any child-support payments, and the arrearage was \$81,806. (Tr. 36; AX L)

The SOR alleges ten delinquent debts. The evidence related to these debts is summarized below.

SOR ¶ 1.a: delinquent car loan charged off for \$24,484. The November 2024 credit report reflects that the vehicle was repossessed. (GX 4 at 1) After the hearing, Applicant submitted evidence that the balance had been reduced to \$14,857, apparently due to sale of the repossessed vehicle. She stated that the creditor had agreed to further reduce the balance to \$7,428, conditioned on making a first payment of \$1,238. She stated that she intended to save up money in her “debt savings fund” to make the initial first payment and then make monthly payments. (AX A) She did not provide any documentation of the settlement offer or any payments. This debt is not resolved.

SOR ¶ 1.b: delinquent car loan charged off for \$23,470. Applicant co-signed the contract with her ex-husband. She presented evidence that the debt had been paid. (AX B)

SOR ¶ 1.c: delinquent vehicle loan placed for collection of \$16,537. Applicant purchased this vehicle after she and her husband separated. It was repossessed. (Tr. 70-71) In Applicant’s post-hearing submission, she stated the collection agency listed in the November 2024 credit report, who is identified as a “debt buyer,” is no longer holding this debt, and that she has been unable to determine who is currently holding this debt. (AX C) This debt is not resolved.

SOR ¶ 1.d: unpaid rent placed for collection of \$5,295. Applicant testified that she lived in this apartment for four years and paid her rent on time. She lost her job in April 2023 but continued to pay her rent until August 2023, when she ran out of money and was evicted. (Tr. 77-78) In her post-hearing submission, she stated that the creditor offered to settle the debt for \$3,178 in two payments of \$1,589, with the first payment due immediately. She had not made the first payment, but she stated that she intended to save up in money in her “debt savings fund” to make the first payment. This debt is not resolved.

SOR ¶ 1.e: telecommunication account placed for collection of \$3,045. Applicant testified that this debt was for a cellphone purchased by her ex-husband. (Tr. 74) After the hearing, she submitted evidence that the current debt collector agreed to settle the debt for \$2,000, to be paid in monthly \$250 payments beginning in October 2025. (AX E) Her personal financial statement lists payments on this debt. (AX J) It is being resolved.

SOR ¶ 1.f: credit-card account charged off for \$806. Applicant reached an agreement to settle this debt for \$470, to be paid in 12 monthly payments. She made a

\$50 payment in October 2024 and a \$100 payment in September 2025. (AX F) This debt is being resolved.

SOR ¶ 1.g: insurance debt placed for collection of \$671. Applicant submitted evidence that she made \$50 payments in September and October 2024 and a \$55 payment in September 2025. (AX G) This debt is being resolved.

SOR ¶ 1.h: credit-card account placed for collection of \$423. This debt was settled for less than the full balance. (GX 4 at 1; AX H)

SOR ¶¶ 1.i and 1.j: credit-card accounts: past due for \$491, with a balance of \$7,541; and past due for \$127, with a balance of \$2,266. Both credit-card debts are with the same credit union. In Applicant's post-hearing submission, she stated that the creditor had agreed to settle both debts for a total of \$6,900, conditioned on an initial payment of \$3,500 and monthly payments of an amount to be determined. She had not made the initial payment. She stated, "My plan for this debt is to make payments as able and to save for an initial large deposit." These debts are not resolved.

Policies

"[N]o 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 § 2.

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. . . .

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 submitted at the hearing establish the following disqualifying conditions under this guideline:

AG ¶ 19(a): inability to satisfy debts; and

AG ¶ 19(c): a history of not meeting financial obligations.

The following mitigating conditions are potentially applicable:

AG ¶ 20(a): the behavior happened so long ago, was so infrequent, or occurred under such circumstances that it is unlikely to recur and does not cast doubt on the individual's current reliability, trustworthiness, or good judgment;

AG ¶ 20(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; and

AG ¶ 20(d): the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts.

AG ¶¶ 20(a), 20(b), and 20(d) are established. Applicant's delinquent debts are recent and frequent, but they occurred under circumstances making them unlikely to recur. Applicant and her then husband had incurred numerous financial obligations jointly, and they became delinquent when her then husband abandoned her and their four children and left her solely responsible for the joint debts. She was unemployed from January to August 2025 when her employer lost its federal contract. She has acted responsibly by contacting her creditors, resolving as many debts as possible, and establishing a "debt savings fund" for debts that are not yet resolved.

Whole-Person Analysis

Under AG ¶ 2(c), the ultimate determination of whether to grant a security clearance must be an overall commonsense judgment based upon careful consideration of the guidelines and the whole-person concept. An administrative judge must evaluate an applicant's security eligibility by considering the totality of the applicant's conduct and all the relevant circumstances. An 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.

I have incorporated my comments under Guideline F in my whole-person analysis and applied the adjudicative factors in AG ¶ 2(d). I have considered Applicant's history of federal employment since September 2013. I have considered that she has held a security clearance during all her federal employment, apparently without incident. Her current employment is contingent on having a clearance. She was sincere, candid, and credible at the hearing. After weighing the disqualifying and mitigating conditions under Guideline F and evaluating all the evidence in the context of the whole person, I conclude Applicant has mitigated the security concerns raised by her delinquent debts

Formal Findings

I make the following formal findings on the allegations in the SOR:

Paragraph 1, Guideline F (Financial Considerations): FOR APPLICANT

Subparagraphs 1.a-1.j:

For Applicant

Conclusion

I conclude that it is clearly consistent with the national security interests of the United States to continue Applicant's eligibility for access to classified information. Clearance is granted.

LeRoy F. Foreman
Administrative Judge