



DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF HEARINGS AND APPEALS



In the matter of:

Appearances

For Government: Lauren Shure, Esq., Department Counsel
For Applicant: *Pro se*

12/05/2025

Decision

BLAZEWICK, Robert B., Chief Administrative Judge:

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

Statement of the Case

On August 5, 2024, the Department of Defense (DOD) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F. Applicant responded to the SOR on August 27, 2024 (Answer) and requested a decision on the written record in lieu of a hearing. The Government's written case was submitted on April 2, 2025, wherein Department Counsel amended the SOR to add an additional allegation. A complete copy of the file of relevant material (FORM) was provided to Applicant, who was afforded an opportunity to file objections and submit material to refute, extenuate, or mitigate the security concerns. Applicant received the FORM on April 27, 2025, and he did not respond. The case was assigned on September 4, 2025. The Government exhibits included in the FORM are admitted in evidence without objection. 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.

Findings of Fact

The SOR as amended alleges Applicant has two delinquent debts totaling \$40,610. He denied the first allegation (SOR ¶ 1.a) and, because he did not respond to the FORM, I will treat the second allegation (SOR ¶ 1.b) as a denial. He did not provide any supporting documentation in his Answer. SOR ¶ 1.a is supported by all six admitted credit bureau reports (CBR). (Items 4, 5, 7-9, 11) SOR ¶ 1.b is supported by the February 7, 2023 and July 31, 2024 CBRs. (Items 4, 9) Items 5, 7, 8, and 11 are all Experian CBRs, whereas Item 4 is a combined CBR reporting all three credit bureaus, and Item 9 is a Transunion CBR. Item 4 reflects that both Transunion and Equifax report the account in SOR ¶ 1.b.

Applicant is 32 years old. He graduated from high school in 2011. He served in the Army National Guard from 2011 to 2017, receiving an honorable discharge. He has been married since 2023 and does not have children. He has been employed by a defense contractor since October 2022. (Items 3, 13)

Applicant did not report any financial issues on his 2023 security clearance application (SCA). When interviewed by a government investigator in 2023 (SI), he denied having any delinquent debt and had to be confronted with delinquent debts on his CBR, including the two alleged. He stated he was unaware of the account alleged in SOR ¶ 1.a and that the account in SOR ¶ 1.b was a personal loan that he was currently paying. He conceded he may have missed a payment on the account but never intentionally. In a follow-up to the interview, Applicant told the investigator that he had set up autopayments for the SOR ¶ 1.b account and that it was an auto loan. (Item 13)

In response to interrogatories, Applicant stated that the SOR ¶ 1.a debt was being paid off monthly until he needed to use the money for his “housing arrangement” and then, when he began making payments again, he was transitioning to his current employer and experienced a period of unemployment so he could only afford necessities at that time. He did not report any periods of unemployment on his SCA or in his SI. His written explanation does not provide a clear timeline or chronology of this narrative. He reported that payment arrangements had been made on this debt, but payments were not currently being made. (Item 12)

In the response to interrogatories, Applicant stated that the SOR ¶ 1.b debt “was paid off [sic] that amount but I no longer have the property for that company.” It is unclear what he means, and the pertinent CBR does not reflect a repossession. He also provided a budget showing a net monthly remainder of about \$305. (Items 9, 12)

The most recent CBR from April 2025 reflects a charged off amount of \$30,001 for SOR ¶ 1.a. It also shows two new, unalleged past-due accounts. (Item 11) The July 2024 CBR reflects SOR ¶ 1.b was charged off in the amount of \$11,360. (Item 9)

Policies

This case is adjudicated under Executive Order 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; DOD Directive 5220.6,

Defense Industrial Personnel Security Clearance Review Program (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG) implemented by the DOD on June 8, 2017.

“[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*, 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. 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*, 484 U.S. at 531.

Analysis

Guideline F, Financial Considerations

The 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. 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.

The evidence in the FORM establishes 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; and

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.

Neither of these mitigating conditions are established. Applicant has provided little information about the two alleged debts, at various times saying he did not recognize one of them; he was making payments on them; he was not making payments on them; and

that he could not pay due to unemployment. He did not provide any evidence whatsoever to substantiate any of these assertions, nor to establish the current status of these two debts and his efforts, if any, to address them. The evidence as it stands indicates that both of these debts are delinquent and unmitigated, and the presence of new past-due debts on his most recent CBR indicates that his financial circumstances are an ongoing concern.

Whole-Person Concept

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. In applying the whole-person concept, an administrative judge must evaluate an applicant's eligibility for a security clearance by considering the totality of the applicant's conduct and all relevant circumstances. 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). Because Applicant requested a determination on the record without a hearing, I had no opportunity to evaluate his credibility and sincerity based on demeanor. See ISCR Case No. 01-12350 at 3-4 (App. Bd. Jul. 23, 2003). 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 not mitigated the security concerns raised under Guideline F, financial considerations.

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-b: Against Applicant

Conclusion

I conclude it is not clearly consistent with the national security interests of the United States to grant Applicant eligibility for access to classified information. Clearance is denied.

Robert B. Blazewick
Chief Administrative Judge