



DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF HEARINGS AND APPEALS



Appearances

For Government: Troy Nussbaum, Esq., Department Counsel
For Applicant: *Pro se*

12/22/2025

Decision

GARCIA, Candace Le'i, Administrative Judge:

Applicant did not mitigate the financial considerations security concerns. Eligibility for access to classified information is denied.

Statement of the Case

On December 20, 2024, the Department of Defense (DOD) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F (financial considerations). The action was taken under Executive Order (Exec. Or.) 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 DOD on June 8, 2017.

Applicant submitted a response to the SOR (Answer) on February 26, 2025, and elected to have her case decided on the written record in lieu of a hearing. The Government's written case was submitted on May 29, 2025. A complete copy of the file of relevant material (FORM) was provided to Applicant, and she was afforded an opportunity to file objections and submit material to refute, extenuate, or mitigate the security concerns. Applicant received the FORM on June 24, 2025, and she responded on June 24, 2025, June 27, 2025, and August 7, 2025 (FORM Response). The case was assigned to me on July 9, 2025. The Government's documents, identified as

Government's Exhibits (GE) 1 through 6 in its FORM, and Applicant's FORM Response, are admitted in evidence without objection.

Findings of Fact

In its FORM, Department Counsel withdrew SOR ¶¶ 1.k, 1.l, and 1.m. In her Answer, Applicant admitted SOR ¶¶ 1.a-1.g and 1.n, and she denied SOR ¶¶ 1.h-1.j. (GE 1-2)

Applicant is 41 years old. She married in 2004, divorced in 2007, remarried in 2007, and divorced in 2015. She has two children, ages 20 and 16. (GE 3)

Applicant graduated from high school in 2001. She earned a bachelor's degree in 2020, a master's degree in 2022, and an All-But-Dissertation status for a doctorate degree in 2025. She also earned various certifications in 2004 and 2019. She enlisted as active duty in the U.S. military in November 2003 and was transferred to the Reserve in June 2020. She deployed to Afghanistan from September 2014 to March 2015. She was granted a security clearance in 2010. She had an offer of employment from a defense contractor in February 2025, contingent on maintaining her clearance. As of the date of her FORM Response, she was unemployed. (GE 2-3; FORM Response)

The SOR alleges Applicant had 11 delinquent consumer debts totaling \$49,549 (SOR ¶¶ 1.a-1.g, 1.n). The allegations are established by Applicant's admissions in her Answer, her December 2022 security clearance application (SCA), and credit bureau reports (CBRs) from December 2023, June 2024, and May 2025. The December 2023 CBR lists SOR debts ¶¶ 1.b-1.d, 1.f-1.j. The June 2024 CBR lists SOR debts ¶¶ 1.a-1.j and 1.n. The May 2025 CBR lists SOR debts ¶¶ 1.a-1.e, 1.g, and 1.i-1.j. (GE 2-6)

Applicant attributes her delinquent debts to a number of factors: being a single mother; becoming the sole provider during her second marriage when her then-spouse faced significant medical challenges; her divorces; caring for her ill parents, and her terminally ill father who passed away in June 2023; and financial hardship that began while she was stationed overseas from September 2016 to July 2018, when her youngest child was diagnosed with an emotional condition and suspected autism, for which he was scheduled to undergo autism testing in early 2023. (GE 3; FORM Response) She was required during that period to pay for "daytime after school care and in-home care due to my rotating 24/7 shift work situation," which then hindered her "ability to prevent a financial hardship that created a domino effect with the rest of my financial obligations." (GE 3) She noted she also experienced significant delays in receiving her pay when she transferred to the Reserve in 2020, at the onset of the COVID-19 pandemic. She stated her financial situation was exacerbated as a result of military financial inconsistencies, such as her basic allowance for housing and other vouchers not being paid, and an out-of-service debt created by the Defense Finance and Accounting Service for an overpayment that occurred during her transfer to the Reserve in 2020, which she was unaware of for two years. She also cited to inaccurate record-keeping by the U.S. military that affected her pay, a relocation, a significant

reduction in income after resigning from a contracting position, and her recent unemployment, at dates not in the record. (GE 2-3; FORM Response)

In her SCA, Applicant claimed: (1) she paid the credit card debt in SOR ¶ 1.i; (2) she was paying the credit card debts in SOR ¶¶ 1.b and 1.h; (3) she planned to pay the outstanding loans in SOR ¶¶ 1.c and 1.f and the credit card debts in SOR ¶¶ 1.g and 1.j. She acknowledged she had not yet contacted the creditor for the loan in SOR ¶ 1.e. (GE 3)

In her FORM Response, she claimed she was paying the auto loan in SOR ¶ 1.a and the credit card debt in SOR ¶ 1.b. She also stated she enrolled in a debt-relief program in 2023 to resolve her credit card debts in SOR ¶¶ 1.d and 1.g, and her loan in SOR ¶ 1.f. (FORM Response) She also stated she requested an investigation into the debt in SOR ¶ 1.n, and learned that this debt was for a credit improvement program that she could not afford upon experiencing financial hardship. She stated she intends to pay this debt. She also stated she created a strict budget to manage her finances, and she sought advice from financial counselors. (FORM Response)

With her FORM Response, Applicant provided documentation to corroborate her claim that she paid SOR ¶ 1.h, as a January 2025 letter reflects that she has a zero balance on this account. She also provided documentation reflecting her payment history for SOR ¶ 1.a. This document reflects that after the issuance of the December 20, 2024 SOR, she made only two payments of \$300 in March 2025, and her principal balance as of March 2025 was \$13,628. In addition, an August 2025 letter from the creditor for SOR ¶ 1.a reflects that this account was paid in full, "subject to a final reconciliation and accounting. This letter does NOT represent a lien release. [Applicant] . . . will be responsible for the outstanding balance if payment is returned." Further, a one-page, March 2025 document from the debt relief program reflects the debts in SOR ¶¶ 1.c-1.g are enrolled in the program. It also notes that the debts in SOR ¶¶ 1.i and 1.j were settled in the amounts of \$395 and \$366, respectively, and paid in July 2024. She also provided documentation reflecting that the creditor for the debt in SOR ¶ 1.n deleted this debt from Applicant's credit profile as of March 2025, upon her request for an investigation into this debt. (FORM Response)

Applicant provided letters of support, from March 2025, from individuals who attested to her character, professionalism, and dedication. Among these individuals were a friend of 16 years, a supervisor who has known her for five years, and a friend of four years. They stated they were aware of her financial situation, and her efforts to enroll in a debt counseling program and pay her debts. (GE 2; FORM Response)

Policies

When evaluating an applicant's suitability for a security clearance, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are used in evaluating an applicant's eligibility for access to classified information.

These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with the factors listed in the adjudicative process. The administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(a), the entire process is a conscientious scrutiny of a number of variables known as the "whole-person concept." The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a decision.

The protection of the national security is the paramount consideration. AG ¶ 2(b) requires that "[a]ny doubt concerning personnel being considered for access to classified information will be resolved in favor of the national security." In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Under Directive ¶ E3.1.15, an "applicant is responsible for presenting witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by applicant or proven by Department Counsel, and has the ultimate burden of persuasion to obtain a favorable security decision."

A person who seeks access to classified information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours. The Government reposes a high degree of trust and confidence in individuals to whom it grants access to classified information. Decisions include, by necessity, consideration of the possible risk that an applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified information.

Section 7 of Exec. Or. 10865 provides that decisions shall be "in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned." See *also* Exec. Or. 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

Analysis

Guideline F: Financial Considerations

AG ¶ 18 expresses the security concern pertaining to 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.

AG ¶ 19 describes conditions that could raise a security concern and may be disqualifying. I considered as relevant AG ¶ 19(a), an “inability to satisfy debts,” and AG ¶ 19(c), “a history of not meeting financial obligations.” Applicant has a history of not paying her debts. AG ¶¶ 19(a) and 19(c) apply.

Of the mitigating conditions under AG ¶ 20, I have determined the following to be relevant:

- (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.

Circumstances beyond Applicant’s control contributed to her delinquent debts. Documentation reflects she has resolved the debts in SOR ¶¶ 1.h-1.j and 1.n, and I resolve those debts in her favor.

While Applicant's documentation concerning SOR ¶ 1.a reflects the debt as paid as of August 2025, it also noted therein that the lien had not yet been released, her account was subject to a final reconciliation and accounting, and she would be responsible for the outstanding balance if her payment was returned. Given that her last payments toward this debt since the issuance of the SOR consisted of only two payments of \$300 in March 2025, leaving her with a principal balance of \$13,628, Applicant has failed to establish how she has resolved this debt and that this debt is, in fact, resolved. She also did not provide documentation to corroborate her claim of payments toward SOR ¶ 1.b. Further, while she enrolled the debts totaling \$15,872 in SOR ¶¶ 1.c-1.g in the debt-relief program, her documentation does not reflect that any payments had yet commenced toward these creditors. More time is needed to show that her financial situation is under control.

Even if I were to find that Applicant also resolved the debt in SOR ¶ 1.a, she has not provided sufficient evidence that she has acted responsibly under her circumstances. Again, while she enrolled the debts in SOR ¶¶ 1.c-1.g in the debt-relief program, she did not provide sufficient evidence that she initiated or is adhering to a good-faith effort to repay or otherwise resolve these remaining overdue creditors. While she indicated she received financial counseling, there are not clear indications that her financial problems are being resolved or are under control. While she is not required to resolve all her debts to mitigate the financial considerations security concerns, I find that her remaining financial problems continue to cast doubt on her current reliability, trustworthiness, and judgment. AG ¶¶ 20(a), 20(b), 20(c), 20(d), and 20(e) are not established.

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 have incorporated my comments under Guideline F in my whole-person analysis. I considered her service in the U.S. military and her deployment to Afghanistan. Overall, the record evidence

leaves me with questions and doubts as to Applicant's eligibility and suitability for a security clearance. I conclude that Applicant did not mitigate all of the 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-1.g:	Against Applicant
Subparagraph 1.h-1.j:	For Applicant
Subparagraphs 1.k-1.m:	Withdrawn
Subparagraph 1.n:	For Applicant

Conclusion

In light of all of the circumstances presented by the record in this case, it is not clearly consistent with the interests of national security to grant Applicant eligibility for a security clearance. Eligibility for access to classified information is denied.

Candace Le'i Garcia
Administrative Judge