



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



In the matter of:

)
)
)
)
)

ISCR Case No. 25-00095

Applicant for Security Clearance

Appearances

For Government: Carroll J. Connelley, Esq., Department Counsel

For Applicant: *Pro se*

12/31/2025

Decision

HALE, Charles C., Administrative Judge:

This case involves security concerns raised under Guideline F (Financial Considerations). The Guideline F concerns are not mitigated. Eligibility for access to classified information is denied.

Statement of the Case

Applicant submitted a security clearance application (SCA) on May 7, 2024. On March 12, 2025, the Department of Defense (DoD) sent her a Statement of Reasons (SOR) alleging security concerns under Guideline F. The DoD acted 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) promulgated in Security Executive Agent Directive 4, National Security Adjudicative Guidelines (June 8, 2017).

Applicant answered the SOR on May 8, 2025, and requested a decision on the written record without a hearing. Department Counsel submitted the Government's written

case on June 19, 2025. A complete copy of the file of relevant material (FORM) was received by Applicant on July 7, 2025, who was given an opportunity to file objections and submit material to refute, extenuate, or mitigate the Government's evidence. She elected to not respond. The case was assigned to me on December 4, 2025.

The SOR and Answer are the pleadings in the case and are listed as Government Exhibit (GE) 1. Appellant included a number of items with her Answer, which will be referenced as Answer with the applicable GE 1 page number. GE 2 through GE 6 are admitted into evidence without objection.

Findings of Fact

Applicant is 33 years old. She has been attending a university since May 2023. She has never married. She has three minor children. She has worked in her current position in the personnel department since April 2024. From September 2022 until March 2023, she worked as a pharmacy technician, and from March 2023 until she began working in her current position she was unemployed. (GE 2; GE 3.)

In her Answer, Applicant admits all thirteen SOR allegations, SOR ¶¶ 1.a-1.m, and provides a statement stating what she had done to address her debts. With her Answer she provided documentation showing she had established payment plans for eight of the thirteen debts, SOR ¶¶ 1.d through 1.i, 1.k, and 1.m. In her Answer she stated that since being notified of security clearance review, she: 1) contacted the listed creditors and initiated payments arrangements for many delinquent accounts and entered into structured payment plans or negotiated settlements; 2) is in active communication with the remaining creditors to finalize arrangements; and 3) has adjusted her personal budget to prioritize debt repayment and ensured she could meet all obligations consistently. She went on to state that she is fully committed to fulfilling her financial responsibilities.

The debts for which Applicant did not provide documentation, SOR ¶¶ 1.a-1.c, 1.j, and 1.l, total just over \$58,000. The bulk of the debt is from SOR ¶¶ 1.a-1.c, which arise from charged off automobile accounts. During her August 2024 interview with a DoD investigator, she discussed her car debts. SOR ¶ 1.a (\$26,267) pertains to a vehicle she obtained in 2022. The monthly payment was \$720, and she paid this on note for one year. When she could not afford the payments due to her employment situation, she had the vehicle voluntarily repossessed in early 2024. She told the investigator that the credit agency had sent a letter stating that the balance on the vehicle was over \$10,000 after it had been sold by the creditor. (Answer; GE 2; GE 3.)

SOR ¶ 1.b (\$22,535) pertains to a vehicle she obtained in 2019. When she could not afford her monthly payment, she called the creditor to repossess the vehicle. She acknowledged to the investigator that she was not taking bills seriously at the time. (GE 3.)

SOR ¶ 1.c (\$8,814) pertains to a vehicle she obtained in February 2017, and when she could not afford her monthly payment, she called the creditor to repossess the

vehicle. She acknowledged to the investigator that she was not taking bills seriously at the time. (GE 3 at 3-4, 6; GE 5 at 2, 5.)

After the March 12, 2025 SOR, Applicant initiated payments plans for SOR ¶¶ 1.d through 1.i, 1.k, and 1.m. For SOR ¶ 1.d (\$2,004) she established a payment plan based on reducing the total to be paid by \$1,301. She was to begin making payments in May 2025 and have the debt resolved after six payments. (Answer at 15-16.)

For SOR ¶ 1.e (\$829) she arranged in April 2025 to begin making \$70 payments starting in May 2025, with an initial \$63 payment in April 2025, and if she complied with the agreement her account would be resolved after six payments. There was no evidence that she had submitted the payment. (Answer at 22.)

For SOR ¶ 1.g (\$605) she arranged to begin making \$65 payments in April 2025, and if she complied with the agreement her account would be resolved. There was no evidence that she had submitted the payment. (Answer at 21.)

For SOR ¶ 1.h (\$543) she arranged to begin making \$40 payments in April 2025, and if she complied with the agreement her account would be resolved. There was no evidence that she had submitted the payment. (Answer at 20-21.)

For SOR ¶ 1.i (\$421) she arranged to begin making payment in May 2025 and have the debt resolved after six payments. (Answer at 12.) For SOR ¶ 1.k (\$286) she arranged to begin making payment in May 2025 and have the debt resolved after six payments. (Answer at 17-18.)

For SOR ¶ 1.m (\$186) she arranged to begin making payments in May 2025 and have the debt resolved after five payments. (Answer at 12.)

When the Applicant received the June 19, 2025 FORM, she did not offer any supporting evidence that she had made the initial payments referenced in her Answer or that she was in compliance with the payment agreements.

Applicant told the DoD investigator in August 2024 that she was aware of her debts and stated that once she was financially a secure in her current position, she would contact the creditors and resolve these debts. She told the investigator she did not have the funds to rectify these debts at the time of the interview. She stated she had not thought her debts were important to pay in the past and was uneducated on finances. She assured the investigator that she planned to start paying these debts within the year and would contact the creditors to settle the debts. The documents in her Answer show she initiated payment efforts in April and May of 2025, only after receiving the March 2025 SOR. (Answer; GE 3.)

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*, 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. 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.

The following disqualifying conditions are potentially applicable in AG ¶ 19:

- (a) inability to satisfy debts; and
- (c) a history of not meeting financial obligations.

Applicant's debts are documented in her credit reports and security clearance interview. The above disqualifying conditions apply.

The following mitigating conditions are potentially applicable in 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
- (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.

AG ¶ 20(a) is not established for SOR ¶¶ 1.a-1.m. Applicant's delinquent debts are recent, numerous, and ongoing, which cast doubt on her current reliability, trustworthiness, and judgment.

AG ¶ 20(b) is not established for SOR ¶¶ 1.a-1.m. The record does show a period of unemployment in 2023, but many of her debts precede her period of unemployment. She did provide some evidence with her Answer that after receiving the SOR she was now making a good faith effort to fulfill her financial obligations. However, she did not provide sufficient evidence showing that she was complying with her payment plans, and her actions were after receipt of the SOR. An applicant who waits until her clearance is in jeopardy before resolving debts may be lacking in the judgment expected of those with access to classified information. See ISCR Case No. 16-01211 (App. Bd. May 30, 2018) (citing ISCR Case No. 15-03208 at 5 (App. Bd. Mar. 7, 2017)). She failed to show she acted responsibly under the circumstances.

Mitigating Condition ¶ 20(d) is not fully applicable. Applicant negotiated a settlement on eight debts but has yet to adhere “to a good faith effort to repay overdue creditors or otherwise resolve debts.” See ISCR Case No. 08-06058 at 5 (App. Bd. Sep. 21, 2009).

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 her 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 concerns raised by her financial considerations.

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 establishment of a track record of satisfying her debts and documenting her actions she may well be able to demonstrate persuasive evidence of her security clearance worthiness.

Formal Findings

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

Paragraph 1, Guideline F:	AGAINST APPLICANT
---------------------------	-------------------

Subparagraphs 1.a-1.m:	Against Applicant
------------------------	-------------------

Conclusion

I conclude that 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.

Charles C. Hale
Administrative Judge