



DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF HEARINGS AND APPEALS



Appearances

For Government: Brian Farrell, Esq., Department Counsel
For Applicant: *Pro se*

12/31/2025

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 March 27, 2025, 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 April 3, 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 April 24, 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 May 13, 2025, and she elected not to respond. The case was assigned to me on July 9, 2025. The Government's

documents, identified as Government Exhibits (GE) 1 through 8 in its FORM, are admitted in evidence without objection.

Findings of Fact

Applicant admitted all the SOR allegations in her Answer. (GE 1-2) She is 30 years old and a single mother of three minor children. As of her April 2024 security clearance application (SCA), she had been living with relatives since 2004. (GE 3)

Applicant graduated from high school in 2013 and subsequently attended college until 2015 but did not earn a degree. She worked as a cashier for a home improvement retail company from March 2013 to March 2016, a teacher assistant from March 2016 to July 2017, a clerk for a utility company from July 2017 to January 2021, a customer service representative for a multinational transport company from January 2021 to April 2023, and a warehouse clerk for a transportation provider from April 2023 to April 2024. Since then, she has worked as a customer service representative for her employer, a DOD contractor. She has never held a clearance. (GE 3-4, 8)

The SOR alleges Applicant had nine delinquent consumer debts totaling approximately \$26,524. The allegations are established by Applicant's admissions in her Answer, her May 2024 and June 2024 background interviews, her December 2024 response to interrogatories, and credit bureau reports (CBRs) from May 2024 and February 2025. The debts in SOR ¶¶ 1.a and 1.c-1.i are reported on the May 2024 CBR, and the debts in SOR ¶¶ 1.a-1.f are reported on the February 2025 CBR. (GE 4-6)

Applicant attributes her delinquent debts to minimal income, being a single mother of three children, and moving expenses. (GE 3-4, 8) She stated in her response to interrogatories that "paying my debt was not in my budget. This is causing me some serious hardship since I have to pay these debts off." (GE 4) While she noted in her background interviews and in her response to interrogatories that she intends to pay her debts, she made payments arrangements for her debts, and she was making payments on some of her debts, she did not provide any documentation to corroborate her claims. She also did not provide any documentation to show that she was disputing any of her debts. (GE 4, 7-8) During her June 2024 background interview, she characterized her overall financial situation as paycheck to paycheck. She also indicated she was focused on paying basic necessities for her and her three children. (GE 8)

Applicant's monthly budget that she provided with her response to interrogatories reflected a gross monthly income of \$3,600 and totally monthly expenses of \$2,967, not including any payments on any of the SOR debts. Her net pay for a two-week period in January 2025 was \$860. (GE 4) There is no evidence in the record that she has received financial counseling.

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. She has not provided documentation to corroborate her claims of payment, payment arrangements, or disputes for any of her debts. She has not provided sufficient evidence that she has acted responsibly under her circumstances. She did not provide evidence that she initiated or is adhering to a good-faith effort to repay or otherwise resolve her overdue creditors. There are not clear indications that her financial problems are being resolved or are under control. There is no evidence that she has received any financial counseling. I find that her 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. 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 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.i:

Against 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