



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



In the matter of:	)	
	)	
	)	ISCR Case No. 25-00466
	)	
Applicant for Security Clearance	)	

**Appearances**

For Government: Sakeena Farhath, Esq., Department Counsel  
For Applicant: *Pro se*

01/16/2026

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**Decision**

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FOREMAN, LeRoy F., Administrative Judge:

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

**Statement of the Case**

Applicant submitted a security clearance application (SCA) on June 26, 2024. On April 10, 2025, the Defense Counterintelligence and Security Agency (DCSA) sent him 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 April 22, 2025, and requested a decision on the written record in lieu of a hearing. Department Counsel submitted the Government's written case on August 28, 2025. A complete copy of the file of relevant material (FORM) was sent to Applicant, who was given an opportunity to file objections and submit material to refute, extenuate, or mitigate the Government's evidence. Applicant received the FORM on September 23, 2025, but he did not respond to it. The FORM consists of Government Exhibits (GX) 1 and 2, which are the pleadings in the case, and GX 3 through 8, which are the documents in support of the allegations in the SOR. GX 3 through 8 are admitted in evidence. The case was assigned to me on January 6, 2026.

### **Findings of Fact**

In Applicant's answer to the SOR, he admitted the allegations in SOR ¶¶ 1.a, 1.b, and 1.c. He denied the allegation in SOR ¶ 1.d. His admissions are incorporated in my findings of fact.

Applicant is a 41-year-old environmental community planner employed by a federal contractor since May 2024. He served on active duty in the U.S. Army from February 2008 to September 2016 and received an honorable discharge. He held a security clearance in the Army. He received a bachelor's degree in July 2021 and is currently in a master's degree program. He has never married and has no children.

When Applicant submitted his SCA, he disclosed three delinquent debts, including the debt alleged in SOR ¶ 1.b. He explained that his debts were due to "Car issues, trying to catch up on all bills." When he was interviewed by a security investigator in August 2024, he attributed his delinquent debts to "supporting his extended family." He did not provide any additional information. (GX 8)

The SOR alleges four delinquent debts. The evidence concerning these debts is set out below:

**SOR ¶ 1.a: delinquent automobile loan charged off for \$15,001.** When Applicant was interviewed by a security investigator in August 2024, he erroneously described this debt as a credit-card account on which he was making monthly payments of \$514. When Applicant responded to DCSA interrogatories in December 2024, he indicated that the debt was not paid, no payment arrangements had been made, and he was not making payments on it. (GX 7 at 2) In Applicant's answer to the SOR, he admitted this debt and stated, "Balance will fall off," apparently referring to the provision in the Fair Credit Reporting Act, 15 U.S.C. § 1681c, which prohibits listing in a credit report any accounts placed for collection, charged off debts, or civil judgments that antedate the credit report by more than seven years, or until the statute of limitations has run, whichever is longer.

**SOR ¶ 1.b: delinquent appliance store debt charged off for \$4,417.** Applicant disclosed this debt in his SCA and described it as "ongoing." During his security interview in August 2024, he stated that he was making payments on the debt and the account was

in good standing. In his answer to the SOR, he said that he was making monthly \$250 payments on the debt, and he attached documentary evidence of the payments.

**SOR ¶ 1.c: credit-card account charged off for \$1,596.** When Applicant was interviewed by a security investigator in September 2024, he stated that he was making monthly \$100 payments on the debt. In his answer to the SOR, he attached documentary evidence that the debt was resolved.

**SOR ¶ 1.d: a debt for online information services placed for collection of \$7,116.** During the security interview in September 2024, Applicant stated that he was unable to provide any information about this debt. (GX 8 at 5) In response to DCSA interrogatories in December 2024, he checked the appropriate boxes to reflect that the debt was not resolved or being resolved. He did not dispute the existence of the debt. In his response to the SOR, he stated, “I have no idea what this balance pertains to.” In his response to the FORM, he did not provide any evidence that he had disputed the debt with the original creditor, the collection agency, or the credit bureau, or had otherwise resolved it.

In response to DCSA interrogatories on December 31, 2024, Applicant submitted a personal financial statement reflecting net monthly income of \$10,501; monthly expenses of \$3,505; a debt payment of \$250 to the creditor alleged in SOR ¶ 1.b; and a net monthly remainder of \$4,700. (GX 7 at 9)

### **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).

The evidence in the FORM establishes two 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;

AG ¶ 20(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;

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

AG ¶ 20(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.

AG ¶ 20(a) is not established. Applicant's delinquent debts are ongoing, numerous, and were not incurred under circumstances making recurrence unlikely.

AG ¶ 20(b) is not established. Applicant has attributed his delinquent debts to "car issues," and "supporting his extended family," but he presented no evidence of circumstances largely beyond his control.

AG ¶ 20(c) is not established. Applicant presented no evidence of financial counseling.

AG ¶ 20(d) is not established for the debt alleged in SOR ¶ 1.a. Applicant is waiting for this debt to "age off" his credit report. Merely waiting for a debt to drop off a credit

report by the passage of time is not a factor in an applicant's favor. ISCR Case No. 99-9020 at 5-6 (App. Bd. Jun. 4, 2001). The fact that a creditor is no longer actively seeking payment or that a debt is not otherwise collectable does not establish that the debt has been resolved within the meaning of the Directive. ISCR Case No. 10-03656 (App. Bd. Jan. 19, 2011).

This mitigating condition is established for the debts alleged in SOR ¶¶ 1.b and 1.c, which are being resolved. It is not established for the debt alleged in SOR ¶ 1.d, because Applicant presented no evidence of efforts to resolve it.

AG ¶ 20(e) is not established. Applicant has not disputed any of the debts alleged in SOR ¶¶ 1.a-1.d. Although Applicant has claimed to have no knowledge of the debt alleged in SOR ¶ 1.d, he submitted no evidence of any efforts to identify the creditor or to dispute the debt with the original creditor, the collection agency, or the credit bureaus.

### **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). Because Applicant requested a determination on the record without a hearing, I had no opportunity to evaluate his credibility and sincerity based on demeanor or to question him about his financial problems. 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 by his delinquent debts.

### **Formal Findings**

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

Paragraph 1, Financial Considerations:

AGAINST APPLICANT

Subparagraph 1.a:	Against Applicant
Subparagraphs 1.b and 1.c:	For Applicant
Subparagraph 1.d:	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.

LeRoy F. Foreman  
Administrative Judge