



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



In the matter of:)
)
) ISCR Case No. 24-02091
)
Applicant for Security Clearance)

Appearances

For Government: Brittany White, Esq., Department Counsel
For Applicant: *Pro se*

01/05/2026

Decision

BLAZEWICK, R. 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 November 26, 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 January 3, 2025 (Answer) and requested a decision on the written record in lieu of a hearing. The Government's written case was submitted on March 6, 2025. 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 18, 2025. He timely submitted documentation which was labeled as Applicant's Exhibit (AE) A. The case was assigned on September 4, 2025.

On December 1, 2025, the record was reopened to allow for the admission of additional evidence. Applicant timely submitted AE B through G, and the record closed on December 19, 2025. The Government exhibits included in the FORM and AE A-G 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 alleges Applicant has nine delinquent debts totaling \$50,076. In his Answer he admitted four allegations (SOR ¶¶ 1.a-1.c, 1.f) and denied the remainder and provided some explanations but no supporting documentation.

Applicant is 53 years old. He earned a bachelor's degree in 2002 and master's degrees in 2008, 2015, and 2017. He served in the U.S. military from 1993 to 2013, retiring with an honorable discharge. He has been married since 2019 and was previously married from 1995 to 2003. He has two adult children and one minor child. He has been employed by a defense contractor since May 2022. He also reported being a civilian employee in the U.S. Federal Government since February 2021. He filed for Chapter 7 bankruptcy in April 2012, which was discharged in July 2012. (Items 3, 8)

Applicant did not report any financial issues on his 2023 security clearance application (SCA). He had a background subject interview (SI) with an authorized DOD investigator in August 2023, where he was confronted with numerous delinquent debts reported on his credit bureau report (CBR). He wrote down all the information and told the investigator he would call each creditor and then update the investigator on the status of the accounts. (Item 12)

In a follow-up interview, Applicant reported to the investigator that he had researched the accounts at issue and was working to make payment arrangements with accounts he agreed with and disputing accounts he did not recognize. He also provided documentation regarding the delinquent accounts, including a letter explaining that he had no idea he had the delinquent debts until confronted with them in the SI. The information he provided in this follow-up interview and documentation is discussed in further detail below. (Items 9, 12)

In his Answer, Applicant stated that he was actively working with a "third party" to address all his delinquencies, and he would provide more documentation as it became available. He explained that his mother died in March 2022 and that necessitated him relocating so he could care for his father. This resulted in him "deprioritizing" his debts while dealing with family matters. He stated that he accepts responsibility for not addressing his debts sooner and that he is not in financial hardship. (Item 2)

In February 2025 correspondence with government counsel, Applicant submitted a debt relief program (DRP) agreement he entered into on February 22, 2025. The enrolled debts include SOR ¶¶ 1.a and 1.c as well as several that are not alleged on the SOR (discussed in further detail below). The terms of the DRP are for Applicant to pay \$416 per month while the DRP works to resolve his enrolled debts. He informed government counsel that he and the DRP are still working to resolve the debts he denied in his Answer. He later submitted documentation showing he has made ten timely payments toward the DRP. (Items 10, 11; AE C)

SOR ¶¶ 1.a (\$10,297 charge off) and 1.b (\$6,819 charge off) are with the same creditor and are listed on the November 2024, October 2024, October 2023, and March 2023 CBRs, all of which indicate the accounts have a zero balance and were purchased by another lender. In the follow-up interview and documentation, Applicant provided proof that he set up a payment plan, to begin in September 2023, for the debt in SOR ¶ 1.a, and he stated he was still working on payment arrangements for the debt in SOR ¶ 1.b. In his Answer, he admitted both allegations and stated that “this was just prior to COVID-19 and once everything shut down, the companies delayed payments.” He stated he made numerous attempts to resolve the debts, but he never received anything from the company. He stated that a “third party” was assisting him in resolving the debts. He did not mention the payment plan he set up in September 2023, nor did he provide proof that he had made any of those scheduled payments.

The DRP agreement lists the account number associated with SOR ¶ 1.a as one of the enrolled debts, but with a higher balance than alleged on the SOR. Applicant explained to government counsel that it corresponds to both accounts with the creditor and is the total amount due, according to the DRP. The enrolled amount is \$12,000, and the sum of the amounts alleged in SOR ¶¶ 1.a and 1.b is \$17,116. According to the November 2024 CBR, the original loan amount for SOR ¶ 1.a was \$12,000, and no payments are reported. The December 2025 CBR reflects that SOR ¶ 1.a was opened in June 2021 with last payment in July 2022, and SOR ¶ 1.b was opened in September 2021 with last payment in January 2022. There is no evidence that the payments Applicant has made to the DRP have been applied to either of these debts yet. (Items 2, 4, 9-12; AE E)

SOR ¶ 1.c (\$6,682 charge off) is listed on the November 2024, October 2024, October 2023, and March 2023 CBRs. In the follow-up interview and documentation, Applicant acknowledged that he owed this debt and stated he was working on reaching out to the creditor to make payment arrangements. In his Answer, he admitted this allegation and stated that “this was just prior to COVID-19 and once everything shut down, the companies delayed payments.” He stated he made numerous attempts to resolve the debt, but he never received anything from the company. He stated that a “third party” was assisting him in resolving the debt. In the DRP agreement, this debt is listed as enrolled. Applicant’s December 2025 CBR reflects this account was opened in May 2019 and was last paid in December 2019. There is no evidence that the payments Applicant has made to the DRP have been applied to this debt yet. (Items 2, 4-7, 9-12; AE E)

SOR ¶ 1.d (\$7,137 collection) is listed on the November 2024, October 2024, October 2023, and March 2023 CBRs. In the follow-up interview and documentation, Applicant stated he was disputing this account because he did not recognize it. In his Answer, he denied the allegation and stated that he had never received correspondence from the creditor, he previously reached out to them, and they could not provide him with information. (Items 2, 4-7, 9, 12)

SOR ¶ 1.e (\$7,323 charge off) is listed on the November 2024 and October 2024 CBRs. This account was not discussed in Applicant’s SI. In his Answer, he denied the allegation but acknowledged that he was a co-signor on this debt for a family member.

He indicated that he became aware that this debt was delinquent in mid-2024, and at the time the company told him the loan was in default, and they would provide him with information on how to resolve it. He did not hear back from them. This account is listed on Applicant's December 11, 2025 CBR as a repossession with a balance of \$6,246, opened in August 2019 and last paid in September 2024. He submitted a settlement offer for this account, proposed by the creditor, that would begin on December 29, 2025. He indicated he intends to accept this agreement. (Items 2, 4, 5; AE B, E, and H)

SOR ¶ 1.f (\$1,147 collection) is listed on the October 2024, October 2023, and March 2023 CBRs. It appears to have gone into collection in about July 2022. In the follow-up interview and documentation, Applicant stated he was disputing this account because he did not recognize it. In his Answer, he admitted the allegation and stated it was currently being resolved. He later submitted documentation showing that this debt was paid off in March 2025 and has a zero balance. This debt is resolved. (Items 2, 5-7, 9, 12; AE D)

SOR ¶¶ 1.g (\$847 collection) and 1.i (\$8,677 charge off) are listed on the October 2023, March 2023, and July 2018 CBRs. In the follow-up interview and documentation, Applicant stated he was disputing these accounts because he did not recognize them. In his Answer, he denied both allegations. He stated that he reached out to the SOR ¶ 1.g creditor to determine if he is indebted to them. He stated he never received correspondence from the creditor in SOR ¶ 1.i. (Items 2, 6-9, 12)

The only account matching the names of the two creditors listed in SOR ¶ 1.h (\$1,147 collection) is a collection account listed on the October 2023 CBR, but the balance of the account is significantly different from what is alleged in the SOR. This is presumably a scrivener's error on the SOR, and the correct amount in collection should be \$315.00, as reflected in the October 2023 CBR. There is no evidence in the record that this debt has a balance of \$1,147, as alleged on the SOR. This account was not discussed in the SI. In his Answer, Applicant denied the allegation and stated he had never received any correspondence from the creditor. He reached out to the creditor, and they were not able to provide him with any information. (Items 2, 6)

In his response to the FORM, Applicant submitted a letter in which he reported that he has taken "comprehensive and proactive steps" to resolve his financial issues. He stated that he has a formal plan to address his debts, and with the help of the DRP he has "negotiated and implemented agreements with creditors that have significantly reduced or eliminated the delinquencies in question." He did not provide any supporting documentation to substantiate his statements. (AE A)

Applicant's most recent credit report from December 2025 lists several new delinquent debts. This includes: a closed credit card with a last payment date of November 2025 and a remaining balance of \$411; a credit card charged off in November 2024 for \$1,112; an unsecured account charged off in August 2025 for \$292; and a credit card placed for collection in June 2025 for \$1,403. These accounts are all enrolled in Applicant's DRP. (Item 11; AE E)

Applicant submitted an updated letter discussing the current status of his efforts, some of which has been incorporated above. He stated that his DRP is still engaging with the accounts that he denied in order to resolve them. He also pointed out that his credit score has been steadily improving over the past year and described his financial situation as “situational and temporary.” He reiterated his “unwavering commitment to duty, national service, and the trust placed in [him] . . .” throughout his 30-year career in government service. He submitted documentation reflecting that he received a cash bonus in 2023 in recognition of his performance. (AE B, G)

Applicant submitted a number of letters of recommendation. His program manager rated him as “exemplary” and described him as trustworthy, reliable, and credible. Another program manager praised Applicant’s strength of character, integrity, and unwavering commitment to ethical conduct. A retired Marine colonel pointed to Applicant’s “unwavering integrity, steadfast reliability, and profoundly trustworthy conduct.” One of Applicant’s subordinates provided a letter attesting to Applicant’s “strong moral character, sound judgment, and unwavering reliability.” Another individual who has known Applicant personally and professionally for over ten years provided a letter praising Applicant’s “natural leadership,” “strength of character,” and that he is “truly genuine.” (AE F)

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 establish 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;

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(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.

Applicant stated that SOR ¶¶ 1.a-1.c became delinquent due to the COVID-19 pandemic when "companies delayed payments." SOR ¶ 1.c, however, was opened in May 2019 and the last payment was made only a few months later in December, which was still several months before the pandemic reached the United States. SOR ¶¶ 1.a and 1.b were opened in 2021, over a year after the beginning of the pandemic, and last payments were both in 2022, so it is unclear how the pandemic could have affected those accounts.

Applicant also explained that his mother's death in 2022 necessitated him "deprioritizing" his debts to care for his father. Although this may apply to SOR ¶¶ 1.a, 1.b, and 1.f, which became delinquent in 2022, it does not apply to SOR ¶ 1.c, which became delinquent in 2019, nor to SOR ¶¶ 1.g and 1.i, which are listed on the 2018 CBR. It also does not apply to the most recent, unalleged debts on his December 2025 CBR. Taken together with the fact that Applicant declared Chapter 7 bankruptcy in 2012, it is clear that he has a long history of financial mismanagement that cannot be explained by his 2022 family circumstances alone. He did not begin to responsibly address his debts in any substantial way until the beginning of 2025, when he paid one debt and entered into an agreement with the DRP—months after the SOR was issued, and years after the

events of 2022. Given his financial history and that all but one of the debts are still unpaid, it is clear that Applicant's behavior is recent, frequent, and did not occur under circumstances unlikely to recur. AG ¶¶ 20(a) and 20(b) do not apply.

Applicant has negotiated a payment plan for SOR ¶ 1.e to begin this month. He has enrolled SOR ¶¶ 1.a and 1.c in the DRP, on which he is making timely payments. It does not appear, however, that either creditor has yet received payments. Furthermore, although he told the government counsel that SOR ¶ 1.b is also enrolled in the DRP, there is no evidence of this based on the agreement terms. Neither the account number nor the delinquent amount for SOR ¶ 1.b is listed on the agreement and no other evidence indicates that debt is being addressed. Applicant has resolved one debt, SOR ¶ 1.f. AG ¶ 20(d) is established for SOR ¶ 1.f. AG ¶ 20(d) is only partially established for SOR ¶¶ 1.a, 1.c, and 1.e because payments to those creditors have not yet commenced.

Applicant has stated that he does not recognize the debts alleged in SOR ¶¶ 1.d, 1.g, 1.h, and 1.i, and that he was disputing them with the help of the DRP. Together they account for almost \$17,000 in delinquent debt, a substantial portion of his overall delinquent debt. He has not provided a basis to dispute the legitimacy of the debts, nor has he provided documented proof to substantiate the basis of the disputes or evidence of actions taken to resolve them. AG ¶ 20(e) is not established for those allegations.

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). Nevertheless, I gave substantial weight to Applicant's long and honorable military service, his educational achievements, his excellent civilian work history, and his favorable recommendations from friends and co-workers. That evidence,

however, was not sufficient to outweigh the extensive and ongoing financial concerns in this case.

Applicant is mature and experienced enough in government to know the importance of living within one's means, satisfying debts, and meeting financial obligations. He began accumulating delinquent debt within about six years of discharging his debts in Chapter 7 bankruptcy, and yet he did not begin taking substantial steps toward addressing his financial situation until February 2025, when he engaged the services of the DRP. This lack of financial responsibility is too egregious to be overlooked. 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-1.e:	Against Applicant
Subparagraph 1.f:	For Applicant
Subparagraphs 1.g-1.i:	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