



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



In the matter of:

Applicant for Security Clearance

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ISCR Case No. 24-02375

**Appearances**

For Government: Cassie L. Ford, Esq., Department Counsel  
For Applicant: *Pro se*

01/21/2026

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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 granted.

**Statement of the Case**

Applicant submitted a security clearance application (SCA) on March 8, 2024. On March 26, 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 May 28, 2025, and requested a hearing before an administrative judge. Department Counsel was ready to proceed on June 17, 2025. The case was assigned to me on September 9, 2025. On September 16, 2025, the Defense Office of Hearings and Appeals (DOHA) notified Applicant that the hearing was scheduled to be conducted on October 20, 2025. The hearing was cancelled when all administrative judges were furloughed from October 1 to November 12, 2025, during a federal government shutdown due to a lapse in federal funding. On November 18, 2025, DOHA notified Applicant that his hearing was rescheduled for December 17, 2025. I convened the hearing as rescheduled. Government Exhibits (GX) 1 through 8 were admitted in evidence without objection. Applicant testified and submitted Applicant's Exhibits (AX) A, B, and C, which were admitted without objection. I held the record open until January 9, 2026, to enable Applicant to submit additional documentary evidence. He timely submitted AX D, E, and F, which were admitted without objection. DOHA received the hearing transcript on December 29, 2025.

### Findings of Fact

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

Applicant is a 47-year-old supervisor of a janitor division in a federal government facility. He has been employed in that position since November 2023. He has never married. He has two sons, ages 18 and 14. The younger son lives with him. (Tr. 19) He received a general educational development certificate in October 1978. He has never held a security clearance.

The SOR alleges three delinquent debts. The evidence concerning the debts is set out below:

**SOR ¶ 1.a: automobile loan, placed for collection and then account charged off for about \$22,464.** In response to DCSA interrogatories in October 2024, Applicant stated that he intended to resolve this debt. The debt arose when Applicant's vehicle was stolen in October 2023. When it was found in November 2023, it was badly damaged, had several bullet holes in it, several car parts had been removed, and it was unusable. It was impounded by the police in December 2023. (AX F) He was required to pay the towing company \$800 for transporting it to the impound lot. (Tr. 20) He told the finance company that he did not want to keep the vehicle, and he requested that the company retrieve the vehicle from the impound lot. The company did not retrieve it until September 2024, almost a year after it was stolen and after Applicant threatened to report the vehicle as abandoned. (Tr. 15).

Applicant offered to make payments on the balance of the loan after the vehicle was recovered, but the finance company would not accept payments until the vehicle was sold. (GX 3 at 7-8) In October 2024, the vehicle was sold for \$8,900. (GX 4) A family member gave him a vehicle to replace the one that was stolen and wrecked. (Tr. 40) After the vehicle was sold, he offered to make an agreement for automatic monthly or bi-

monthly payments, but the creditor declined his offer. (Tr. 26) Thus, he did not have a fixed payment plan for the debt. However, in spite of his limited income, he made payments in February, March, and June 2025 and reduced the amount due from \$26,451 to \$20,383. (GX 4; GX 7; GX 8) He testified that he contacted the finance company repeatedly after making the June 2025 payment, hoping to arrange another payment, but the company did not return his calls. (Tr. 27)

**SOR ¶ 1.b: medical debt placed for collection of \$522.** This debt was incurred when Applicant visited an emergency room, expecting that his medical insurance would cover it, but coverage was denied. He consulted with his company's benefits advisor, who recommended that he resubmit the bill to the insurance company. At the hearing, he testified that he had resubmitted the bill, hoping that part of this expense will be covered. (Tr. 28) The resubmission apparently was successful, because the debt is not reflected in a December 2025 credit report. (GX 8)

**SOR ¶ 1.c: an insurance company debt placed for collection of \$181.** In response to the October 2024 interrogatories, Applicant testified that he set up automatic payments and was making payments of \$110 per month on this debt. He provided documentary evidence of two payments in September and October 2024. (GX 3 at 154) These payments apparently resolved the debt, because it does not appear on recent credit reports. (GX 7; GX 8)

Applicant submitted a personal financial statement when he responded to DCSA interrogatories, reflecting that he had a net monthly remainder of about \$746 after paying his monthly expenses and contractual obligations. At the hearing, he testified that his living expenses had increased to the extent that his net monthly remainder is now only about \$240. (GX 3 at 9) He recently incurred an unexpected \$800 repair bill for his car, which he paid. Notwithstanding his limited income, he submitted 12 pages of documents reflecting on-time payments on debts not alleged in the SOR and a payment on a telecommunication debt reflected in a December 2025 credit report but not alleged in the SOR. (AX C) After the hearing, he submitted three more documents reflecting current debt payments. (AX D; E, and F)

Applicant's operations chief submitted a letter describing him as an exceptional leader who possesses "a remarkable leadership mindset, demonstrating poise and confidence in every situation." (AX A) His facility manager submitted a letter praising him for excellent interpersonal skills, strong work ethic, and dependability. (AX B)

## **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).

Applicant's admissions and the evidence submitted at the hearing raise 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; and

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

All three mitigating conditions are established. Applicant acted responsibly toward the automobile loan by notifying the lender who financed the purchase of his stolen vehicle, making vigorous efforts to recover the vehicle, and making payments on the loan, notwithstanding the creditor's refusal to accept a payment agreement and the creditor's subsequent failures to respond to Applicant's offers to make payments. He has significantly reduced the balance due. He acted responsibly on the medical debt by consulting with his benefits advisor and resubmitting his claim for payment of the medical debt. He acted responsibly on the insurance debt by maintaining contact with the creditor and paying the debt in full.

## **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.

Applicant was sincere, candid, and credible at the hearing. I have incorporated my comments under Guideline F in my whole-person analysis and applied the adjudicative factors in AG ¶ 2(d). 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 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, Guideline F (Financial Considerations): FOR APPLICANT

Subparagraphs 1.a-1.c:

For Applicant

## **Conclusion**

I conclude that it is clearly consistent with the national security interests of the United States to grant Applicant eligibility for access to classified information. Clearance is granted.

LeRoy F. Foreman  
Administrative Judge