



DEPARTMENT OF DEFENSE  
DEFENSE OFFICE OF HEARINGS AND APPEALS



In the matter of:

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ISCR Case No. 24-01891

Applicant for Security Clearance

**Appearances**

For Government: Daniel P. O'Reilly, Esq., Department Counsel

For Applicant: *Pro se*

01/29/2026

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**Decision**

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Hale, Charles C., Administrative Judge:

Applicant presented insufficient evidence to demonstrate the progress, if any, he has made to resolve his delinquent debt. Under these circumstances, he failed to mitigate the financial considerations security concerns. His application for a security clearance is denied.

**Statement of the Case**

On December 13, 2024, the Department of Defense (DoD) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F, financial considerations, explaining why it was unable to find it clearly consistent with the national interest to grant security clearance eligibility. The DoD took the action under Executive Order (EO) 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 National Adjudicative Guidelines (AG) effective for any adjudication made on or after June 8, 2017.

On March 18, 2025, Applicant answered the SOR, admitting 15 of 21 allegations, and requesting a decision based on the administrative (written) record in lieu of a hearing.

On March 20, 2025, Department Counsel prepared a File of Relevant Material (FORM), setting forth the Government's arguments against Applicant's security clearance worthiness. The FORM contains seven attachments, identified as Government Exhibits (GE) 1 through 7.

Applicant received a copy of the FORM on July 25, 2025. He was given 30 days to file a response, to file objections, and submit material to refute, extenuate, or mitigate the security concerns. He did not file a response. The case was assigned to me on December 19, 2025. GE 1 and 2 are pleadings in the case. GE 3 through 7 are admitted into evidence without objection.

### **Findings of Fact**

Applicant is 40 years old. He served honorably in the U.S. Air Force from April 2007 until October 2016. He earned a master's degree in 2021. He married in January 2010 and divorced in July 2019. He and his ex-wife have three children together, ages 12, 9, and 9. He has two children from two other relationships, ages 11 and 1. (GE 3 at 5, 9, 15, 29, 31, 37-43.)

Applicant has worked overseas since November 2022. In August 2023, he became a legal permanent resident (LPR) of a European country. Prior to receipt of his LPR status, he had been working on a temporary work visa due to his employment with his sponsor. He previously held a clearance while in the Air Force. (GE 3 at 7, 50.)

The SOR alleges Applicant has delinquent accounts totaling approximately \$180,000, including approximately \$110,000 in child support arrearages. In his response to the SOR, he denies, without explanation, six allegations (SOR ¶¶ 1.e 1.j, 1.k, 1.l, 1.n, and 1.t) and admits, without explanation, the remaining allegations. He listed several of the alleged debts on his July 2023 security clearance application (SCA). (Answer; GE 3 at 54-57.)

After Applicant's discharge from the Air Force, he worked various temporary jobs or was self-employed from April 2017 until approximately April 2023. During this period, he was pursuing his master's degree. In April 2021, he purchased a 2016 Mercedes for \$29,000, with car loan (SOR ¶ 1.c), which was charged off in February 2023. Since his employment by his sponsor in April 2023, he has not had a break in employment. He has not provided documentary evidence showing he has resolved any of the delinquent accounts or established payment arrangements with any of the creditors. (GE 3; GE 7 at 2.)

Applicant, in his July 2023 SCA, states he is "getting assistance to improve financial wealth" and that the "first appointment is October 18, 2022 @ 12 PM EST." (GE 3 at 52.) In the additional comments section of his SCA he states:

I moved to [European country] to get back into contracting. Obtaining this clearance allows me the opportunity to give my kids the future they deserve.

I had some bumps in the road in the past in which I regret. But now I'm being a man and recovering from those mistakes. When this clearance is granted, I promise to pay all my debt off as I'm trying to leave a nice legacy for my family. (GE 3 at 66.)

Applicant denied SOR ¶ 1.e, that he was indebted for an account placed for collection by a [landlord] in the approximate amount of \$2,572, which as of the date of the SOR remains delinquent. He discussed the debt with a DoD investigator and disputed the amount. He explained he had discussed his breach of lease with his landlord. He stated his security deposit should have covered his breach. The breach of lease occurred because he moved to Europe for work. (GE 4 at 6.) After appearing on the initial credit report from September 2023, this debt does not appear on the most recent credit reports. (GE 5 at 4; GE 6; GE 7.) This debt is resolved.

Applicant denied SOR ¶ 1.j, that he was indebted for an account placed for collection in the approximate amount of \$560, which as of the date the SOR remains delinquent. He discussed the debt with a DoD investigator. He had purchased a vacuum cleaner, and, when his income was reduced, he fell behind on the payments. He told the investigator he would contact the creditor to fulfill his financial obligation. This debt is unresolved. (GE 4 at 8; GE 7 at 1.)

Applicant denied SOR ¶ 1.k, that he was indebted for a past due account in the approximate amount of \$333, which as of the date the SOR remains delinquent. He discussed the debt with a DoD investigator. He acknowledged being contacted by a collection agency about the debt. He told the investigator he would contact the creditor to fulfill his financial obligation. This debt is unresolved. (GE 4 at 8; GE 7 at 8.)

Applicant denied SOR ¶ 1.l, that he was indebted for an account placed for collection in the approximate amount of \$289, which as of the date the SOR remains delinquent. He was unaware of the debt when asked by the DoD investigator. This debt is unresolved. (GE 4 at 9; GE 7 at 7.)

Applicant denied SOR ¶ 1.n, that he was indebted for an account charged off in the approximate amount of \$231, which as of the date the SOR remains delinquent. He discussed the debt with a DoD investigator. He used this account to purchase fishing equipment. He told the investigator he would contact the creditor to fulfill his financial obligation. This debt is unresolved. (GE 4 at 9; GE 7 at 9.)

Applicant denied SOR ¶ 1.t, that he was indebted for an account placed for collection in the approximate amount of \$950, which as of the date the SOR remains delinquent. He was unaware of the debt when asked by the DoD investigator. This debt is unresolved. (GE 4 at 7; GE 5 at 5.)

For the remaining SOR allegations, SOR ¶¶ 1.a-1.d, 1.f-1.i, 1.m, and 1.o-1.s, Applicant admitted the debts in his Answer without explanation. These debts are

supported by the credit reports. (GE 5-7.) In his interview with the DoD investigator, he indicated he was working on resolving these debts but offered no supporting evidence.

Applicant told a DoD investigator during his November 2023 security clearance interview that his infidelity led to his ex-wife filing to receive child support (CS) services from him through Child Services in 2015 while they were still married. The CS order stipulated that he pay \$1,139 a month to his ex-wife for the care of their children. In 2021, he told the investigator he attempted to resolve his outstanding CS balance, which he understood was over \$100,000. While on active duty, his CS payments were automatically deducted from his salary until his discharge. After his discharge, he was unemployed and was unable to make his CS payments, which resulted in him falling behind on his CS payments. In 2018, when he found a job, he paid his ex-wife \$300 to \$400 per month from his account to their daughter's bank account. In 2019, he petitioned to lower his CS payments. However, Child Services denied his petition. He admitted to the investigator that, after his petition was denied, his CS payments were sporadic. (GE 4 at 3-4.)

## Policies

The U.S. Supreme Court has recognized the substantial discretion the Executive Branch has in regulating access to information pertaining to national security, emphasizing that “no one has a ‘right’ to a security clearance.” *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). 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 required to be considered 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 overall 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 ¶ 1(d) requires that “[a]ny doubt concerning personnel being considered for national security eligibility 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, the applicant is responsible for presenting “witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by applicant or proven by Department Counsel. . .” The applicant has the ultimate burden of persuasion to obtain a favorable security decision.

Under the whole-person concept, the administrative judge must consider the totality of an applicant's conduct and all relevant circumstances in light of the nine adjudicative process factors in AG ¶ 2(d). They are as follows:

- (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.

## **Analysis**

### **Guideline F: Financial Considerations**

The security concern under this Guideline states, “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.” (AG ¶ 18)

Applicant’s history of financial problems triggers the application of AG ¶ 19(a), “inability to satisfy debts,” and AG ¶ 19(c), “a history of not meeting financial obligations.”

The following mitigating conditions under AG ¶ 20 are potentially applicable:

- (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 debt; 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.

Applicant failed to mitigate the financial considerations security concerns. None of the mitigating conditions apply. He attributed his financial problems to underemployment after being discharged from the military. Applicant's wife sought CS payments while they were still married due to Applicant's own actions. He admitted only making sporadic payments on his child support after losing his petition to lower his CS payments. His financial issues are recent and ongoing and did not occur under such circumstances that are unlikely to recur. Applicant's inaction with respect to his financial delinquencies continues to cast doubt on his current reliability, trustworthiness, and judgment. AG ¶ 20(a) does not apply.

The evidence indicates Applicant may have been underemployed after he was discharged from the military, a circumstance which may have been beyond his control, which is the first prong of AG ¶ 20(b). However, under the second prong of AG ¶ 20(b), he must establish that he acted responsibly under the circumstances. Under these circumstances, 20(b) does not apply. Only the first prong of AG ¶ 20(b) applies.

AG ¶ 20(d) is not applicable. Applicant indicated he would contact his creditors but there is no evidence he is adhering to a good-faith effort to repay overdue creditors or is adhering to an agreement. His landlord debt (SOR ¶ 1.e), for breach of lease due to working overseas, is mitigated and does not appear on his most recent credit report. He indicated he was going to contact his landlord to dispute it because he had forgone his security deposit. AG ¶ 20(f) is applicable.

AG ¶ 20(c) is not applicable. While Applicant indicated on his SCA that he had some financial counseling, there is insufficient information in the record what the counseling was and that the problem is being resolved or is under control.

### **Whole-Person Concept**

I considered the whole-person concept factors in my analysis of the disqualifying and mitigating conditions, discussed above, and they do not warrant a favorable conclusion. While Applicant's financial delinquencies can be attributable to circumstances beyond his control, he did not document that his debts are under control or resolved. 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). Overall, the record evidence leaves me with questions and doubts as to Applicant's eligibility and suitability for a security clearance.

This decision should not be construed as a determination that Applicant cannot or will not attain the state of true reform and rehabilitation necessary to be eligible for a security clearance. The determination of an individual's eligibility and suitability for a security clearance is not a once in a lifetime occurrence, but is based on applying the factors, both disqualifying and mitigating, to the evidence presented. Under Applicant's current circumstances, a clearance is not warranted. In the future, he may well demonstrate persuasive evidence of his security worthiness.

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**

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.d:	Against Applicant
Subparagraph 1.e:	For Applicant
Subparagraphs 1.f-1.t:	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 or continue Applicant's eligibility for a security clearance. Eligibility for access to classified information is denied.

Charles C. Hale  
Administrative Judge