



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



In the matter of:)
)
) ISCR Case No. 24-02043
)
Applicant for Security Clearance)

Appearances

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

01/30/2026

Decision

LAFAYE, Gatha, Administrative Judge:

Applicant failed to provide sufficient evidence to mitigate security concerns raised under Guideline F (financial considerations). Eligibility for access to classified information is denied.

Statement of the Case

Applicant submitted a security clearance application (SCA) on November 6, 2023. On December 26, 2024, the Department of Defense (DOD) issued a Statement of Reasons (SOR) alleging security concerns under Guideline F. Applicant received the SOR on January 6, 2025, answered it on March 4, 2025 (Answer), and elected to have her case decided on the written record in lieu of a hearing. The case was assigned to me on January 8, 2026.

The Government’s written case was submitted on May 2, 2025. A complete copy of the file of relevant material (FORM) was provided to Applicant, who was given an opportunity to file objections and submit material to refute, extenuate, or mitigate the security concerns. Applicant received the FORM on August 28, 2025, and did not respond.

Evidence

Government Exhibit (GE) 1 and GE 2 consist of the SOR and Applicant's Answer, which are the pleadings in the case. GE 3 through GE 8 are admitted in evidence without objection. Applicant's evidence submitted with her Answer is relabeled and referenced as Applicant Exhibit (AE) A in this decision.

Findings of Fact

In her Answer, Applicant admitted all debts alleged in the SOR (§§ 1.a through 1.e). Her admissions are incorporated in my findings of fact. After thorough review of the evidence, I make the following additional findings of fact.

Applicant is 29 years old. She received her high school diploma in June 2014, enrolled in college in September 2014, and earned associate and bachelor's degrees in May 2018 and May 2021, respectively. She has never married and does not have children. (GE 3)

Applicant has worked part time as a security guard for a defense contractor since September 2023. She previously worked as a temporary nurse assistant for a private rehabilitation center from August 2022 until she was fired in August 2023. She said she was unable to get to work at times because she lacked reliable transportation. Her temporary nurse assistant certification expired in July 2023, which she believes was the true reason for her firing. She reported that she was never issued a warning, nor had she ever received verbal counseling for attendance issues. (GE 3, 8)

Applicant worked as a temporary nurse assistant for another private company between November 2021 and August 2022, and as a direct support professional for two companies from March 2019 to November 2021, and again from September 2017 to January 2018. She was unemployed for two periods: January 2018 to October 2018 and January 2019 to March 2019. (GE 3, 8)

Applicant completed her first SCA in November 2023. In Section 26 – Financial Record, she listed three financial issues, including two delinquent debts for auto loans of \$22,000 (SOR § 1.a) and \$10,000 (SOR § 1.b), and a student loan debt of \$50,000, which she later said she listed in error since her student loans are not delinquent. She attributed her debts to poor decisions and immaturity but said she has learned from her financial mistakes, matured, and now takes her financial obligations seriously to prevent financial problems in the future. (GE 3, 8)

The SOR alleges five delinquent debts totaling over \$62,000, supported by Applicant's admissions and statements in her SCA, background interview, three credit bureau reports (CBRs), and a response to financial interrogatories. (GE 3 - 8).

The evidence for all SOR allegations is summarized below:

SOR ¶ 1.a (\$24,711): Applicant admitted this debt, a joint account opened in November 2022 for a 74-month auto loan of \$24,711. (GE 4 - 8) She said her payments were \$730 monthly and that after a few months, she was unable to afford payments on the debt due to other living expenses. She stopped making payments and the car was repossessed. (GE 8) Three CBRs confirm the loan was charged off for \$23,211 in July 2023 after being 180 days past due. Though she said the debt was an individual account, the record reflected it was a joint auto loan. (GE 3 – 8; Answer)

Applicant listed this debt in her November 2023 SCA and discussed it with a DOD investigator during her background interview in February 2024. She simply admitted the debt and said it had not been paid and that she had not contacted the creditor. She told the investigator she intended to contact the creditor to explore her payment options but never mentioned being involved in an auto accident. (GE 8 at 4) She stated for the first time that she was involved in an accident with this car, in her Answer. She said she was “ran off the road” and “did the proper duty by contacting [her] insurance company.” She further explained the situation as follows:

They sent out a check for me and the finance bank to sign for it to be repaired. I tried contacting, I’ve tried emailing consistently because they needed to sign the check as well. I sent over the repairs; I sent everything I needed for them to contact me. I have yet to hear from them. (Answer)

Applicant did not submit documentary evidence of payment; nor did she provide evidence to support the above account of events. Her last payment on the debt was made in May 2023. (GE 5, 6)

SOR ¶ 1.b (\$13,602): Applicant admitted this debt, which is listed as an individual account opened in September 2023 on a \$13,602 auto loan. (GE 6) The debt was charged off in August 2024. In her Answer, she claimed she had a payment plan with the creditor, stating the creditor agreed to “give [her] a settlement agreement.” She provided evidence indicating she contacted the creditor, but she did not provide evidence of a payment plan, or actual payments made on the debt. (GE 5, 6; Answer, AE A)

SOR ¶ 1.c (\$22,531): Applicant admitted this debt, a joint account opened in November 2022 on another auto loan of \$22,531. (GE 4 – 6; Answer) She said her payments were \$640 monthly and that after a few months, she was unable to afford payments on the loan due to her other living expenses. She stopped making payments and the car was repossessed. The debt was charged off for \$10,283 in August 2023.

Applicant disclosed this debt in her November 2023 SCA. She also discussed it with an investigator during her February 2024 background interview. She told the investigator the debt was an individual account, not a joint account. She said she contacted the creditor and that an agreement was reached to settle the debt for \$2,000 by March 20, 2024. (GE 8)

Applicant claimed the debt was purchased by another creditor (creditor 2) in her Answer. She said she made a payment plan with creditor 2, provided proof of the plan, and said the amount owed totaled \$6,770. She provided proof that she paid creditor 2 \$50 every two weeks, from February 2025 to June 2025. However, the original debt is still listed at \$10,283 in her May 2025 CBR. The record shows the debt to creditor 2 was opened in October 2024 for \$6,770, with a different account number and, although creditor 2 is listed as a “debt buyer,” there is no clear correlation to the original debt, and she did not provide clarifying information to support her contention. The two debts appear to be two separate accounts in the record. (GE 3 - 8; AE A)

SOR ¶ 1.d (\$1,071): Applicant admitted this debt, which is an individual account opened in May 2023. It was reported as a collection account in November 2023. Although the 2024 and 2025 CBRs show Applicant disputed the debt, she did not discuss disputing any of the debts alleged in the SOR. In her Answer, she said she made a payment plan with the creditor without providing details about the plan. She submitted evidence of a single payment of \$214.20 on the debt, submitted on an unknown date. (GE 4 – 8; AE A)

SOR ¶ 1.e (\$617): Applicant admitted this debt, which is an individual account opened in November 2023. It was reported as a collection account in November 2023. Though the 2024 and 2025 CBRs indicate she disputed the debt, she did not discuss disputing this debt or any debts in the SOR. (GE 4 - 8) In her Answer, she said she made a payment plan with the creditor without providing details. She submitted evidence she paid \$20.57 weekly on the debt from February 2025 to August 2025. (GE 4 – 8; AE A)

Applicant provided a personal financial statement dated April 19, 2024, with her response to interrogatories. (GE 7) She reported an annual gross income of \$23,000 without providing any other income details, which calculates to about \$1,916 monthly. Her monthly expenses totaled about \$1,279, which left monthly discretionary income of about \$637. No checking or savings account information was provided, nor did she indicate whether she participates in an employer-backed retirement plan or has any other assets. No budgeting or financial counseling information was provided. (GE 7 at 10)

Applicant describes her current financial situation as stable. She stated she has sufficient income to meet her current financial obligations and pays her older financial obligations when she has extra money. (GE 8)

Policies

This case is adjudicated 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 adjudicative guidelines (AG), which became effective on June 8, 2017.

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 to be 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, administrative judges apply the guidelines 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(c), the entire process is a conscientious scrutiny of several 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 national security eligibility will be resolved in favor of the national security."

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 the applicant or proven by Department Counsel." The applicant 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 the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation of potential, rather than actual, risk of compromise of classified information.

Section 7 of EO 10865 provides that adverse 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* EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

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. 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.

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 guideline notes several conditions that could raise security concerns under AG ¶ 19. The following are potentially applicable in this case:

- (a) inability to satisfy debts; and
- (c) a history of not meeting financial obligations.

Applicant's admissions and the evidence in the record establish the disqualifying conditions listed above. AG ¶¶ 19(a) and 19(c) apply.

Conditions that could mitigate the financial considerations security concerns are provided under AG ¶ 20. The following 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;
- (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.

None of the above mitigating conditions are established to mitigate the financial considerations security concerns in this case. Applicant has had longstanding financial issues. Her delinquent debts are recent, ongoing, and unresolved. Though she experienced periods of unemployment in 2018 and 2019, the accounts for debts alleged in the SOR were opened in 2022 or later, a time when she was employed. She is credited with taking some action to address the debts in SOR ¶¶ 1.b, 1.d, and 1.e, but her actions occurred well after the initiation of the security clearance process and she failed to establish a sufficient track record of payments, particularly when compared to the extended period of her financial difficulties. She was placed on notice that her financial issues were a concern when she completed the SCA in November 2023, and again when she responded to interrogatories in April 2024. It is well-settled principle in security clearance law that timing of debt payments is relevant in evaluating an applicant's case in mitigation, and that those who wait until their clearance situation is in jeopardy before resolving debts might be lacking in the judgment expected of those with access to classified information. See ISCR Case No. 15-03208 at 5 (App. Bd. Mar. 7, 2017). There is insufficient evidence of a reasonable basis to dispute the legitimacy of debts alleged in SOR ¶¶ 1.d and 1.e.

I am unable to find that Applicant acted responsibly under the circumstances or that she made a good-faith effort to pay her debts, particularly the debts in SOR ¶¶ 1.a and 1.c. Her financial issues are not under control, and they continue to cast doubt on her current reliability, trustworthiness, and judgment. I find that financial considerations security concerns remain unresolved in this case.

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). I also considered Applicant's comments about the debt in SOR ¶ 1.a, and about being involved in a car accident, reporting damages to her insurance company, and receiving a check from the insurance company that she said she was unable to properly process. It is unclear why these details were not disclosed during her background interview or provided in her response to interrogatories. Because this case is decided on the written record, I had no opportunity to ask questions about any of the security concerns alleged in the case, nor did I have an opportunity to observe her demeanor and assess her credibility.

After weighing the disqualifying and mitigating conditions under Guideline F and evaluating all evidence in the whole-person context, I conclude Applicant did not mitigate the security concerns raised in this case.

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

Conclusion

It is not clearly consistent with the national interest to grant Applicant's eligibility for a security clearance. Eligibility for access to classified information is denied.

Gatha LaFaye
Administrative Judge