



DEPARTMENT OF DEFENSE  
DEFENSE OFFICE OF HEARINGS AND APPEALS



## Appearances

For Government: Andre M. Gregorian, Esq., Department Counsel  
For Applicant: *Pro se*

02/03/2026

## Decision

Dorsey, Benjamin R., Administrative Judge:

Applicant did not mitigate the financial considerations security concerns or the personal conduct security concerns. Eligibility for access to classified information is denied.

## Statement of the Case

On July 15, 2025, the Department of Defense (DOD) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F (financial considerations) and Guideline E (personal conduct). Applicant responded to the SOR on August 1, 2025 (Answer), and requested a decision based on the written record.

The Government submitted its written file of relevant material (FORM) on August 30, 2025. A complete copy of the FORM was provided to Applicant, along with information advising her that she had 30 days from her date of receipt to make objections to evidence, and submit material to refute, extenuate, or mitigate the security concerns. Applicant received the FORM on September 15, 2025, and provided a response dated September 15, 2025 (FORM Response). The case was assigned to me on January 20, 2026. The Government exhibits included in the FORM, marked as Items 1 through 7, and the FORM Response are admitted in evidence, without objection.

## Findings of Fact

Applicant is a 50-year-old employee of a government contractor for which she has worked since November 2024. She was unemployed from July 2024 until November 2024 after being terminated from a job with Company A that she held from June 2020 until July 2024. According to employment records, Company A terminated her for unexcused absences and not participating in the reasonable accommodation process. In April 2024, she received a written warning from Company A and received a 30-day performance improvement plan (PIP). She acknowledged the written warning through her signature, dated May 15, 2024. She graduated from high school in 1994. She has been taking college course since August 2024, but she has not earned an undergraduate degree. She is single, having been married from 2000 until a divorce in 2010. She has no children. (Items 3, 6, 7; FORM Response)

In the first paragraph of the SOR, the Government alleged Applicant had eight delinquent consumer accounts totaling about \$32,000 (SOR ¶¶ 1.a through 1.h). In the Answer, she admitted all the SOR accounts, except the account listed in SOR ¶ 1.e. She denied that allegation because she did not recognize the account. Her admissions are incorporated into the findings of fact. All the Guideline F allegations are established by her admissions and the Government's evidence, including two credit reports listing all the SOR debts. (Items 1-5; FORM Response)

During the November 2024 security interview (SI), Applicant told the DOD investigator that she became delinquent on the SOR debts because of periods of unemployment, a denial of auto insurance coverage, an illness, and a failure to update a debit card on which automatic payments were being drawn. She claimed that she would pull a credit report and make payment arrangements on the SOR debts. She also claimed that she would research the debt in SOR ¶ 1.e and dispute it, if necessary. The DOD investigator offered her the opportunity to provide documents regarding her accounts, but she did not provide any. (Item 6)

In the Answer, Applicant claimed that she was working on paying the smaller SOR accounts first and had made a payment arrangement on the debts in SOR ¶¶ 1.f through 1.h. She provided no documentation regarding her resolution efforts, such as proof of a payment arrangement, payments made, or satisfactions of debts. She claimed that she disputed the account in SOR ¶ 1.e with the credit bureau and was waiting on a response. (Item 2)

In the FORM Response, Applicant reiterated her intention to pay her debts but also wrote that she had a few disputes. She did not specify the nature of her disputes, or to which accounts the disputes were applicable. She claimed that she had contacted her creditors and had made arrangements on when she would be able to start making payments on her debts. This statement implies that she had not begun making any payments on the SOR accounts. She provided no additional information regarding her

dispute of the debt listed in SOR ¶ 1.c. She provided no documents with her FORM Response. (FORM Response)

In the second paragraph of the SOR, the Government alleged Applicant falsified facts on her October 2024 security clearance application (SCA) when she wrote that she was employed with Company A from June 2020 to the present, when, in fact, she had been terminated from Company A in July 2024. She did not divulge in the SCA that Company A had terminated her employment or that she had received a written warning. The language that the DOD investigator used to describe their discussion of her employment with Company A is equivocal as to whether she volunteered certain information or was confronted with it. Regardless, the SI does not reflect that she admitted that Company A terminated her. Instead, the DOD investigator wrote that they discussed a written warning she received, and that she left the employment due to her illness and because Company A could not accommodate her medical needs. (Items 3, 6, 7; FORM Response)

In the Answer, Applicant claimed that she did not intentionally provide false information in the SCA. She claimed that she thought she listed the correct end date for her employment with Company A and apologized for the “oversight.” In the FORM Response, she again claimed it was an oversight that she did not provide the appropriate end date for her employment with Company A. She provided no explanation as to why she did not indicate Company A had terminated her in the SCA or during the SI. (Items 2, 7; FORM Response)

## **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 within DOD 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 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 ¶ 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 for financial considerations 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 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 had 11 delinquent debts totaling about \$28,000. The above disqualifying conditions are established.

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.

It is reasonable to expect Applicant to present documentation about the resolution of specific debts. See, e.g., ISCR Case No. 15-03363 at 2 (App. Bd. Oct. 16, 2016). Applicant has provided no such documents. In her FORM Response, she indicated that she will be making payments in the future; not that she already made payments. Applicant's financial delinquencies are recent and ongoing. Therefore, I do not find they are unlikely to recur. AG ¶ 20(a) does not apply.

The conditions that led to Applicant's financial problems were both within and beyond her control. For example, her illness was beyond her control, but not updating debit card information and being terminated from a job for cause were arguably within her control. Regardless, for AG ¶ 20(b) to apply, she must show that she acted responsibly under the circumstances. In a similar vein, for AG ¶ 20(d) to apply, she must show that she initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts. Applicant has not provided sufficient evidence to establish that she met

either of these standards. While she claimed to have made a payment arrangement on some of the SOR accounts, she provided no documents to corroborate these claims. In her FORM Response, she implied that she would be making payments on the SOR accounts in the future. AG ¶¶ 20(b) and 20(d) do not apply.

AG ¶ 20(e) does not apply. Applicant has not provided documentation to substantiate the basis of any dispute. She also did not provide evidence of actions she took to resolve the disputes or the results of those actions.

## **Guideline E, Personal Conduct**

The security concern for personal conduct is set out in AG ¶ 15:

Conduct involving questionable judgment, lack of candor, dishonesty, or unwillingness to comply with rules and regulations can raise questions about an individual's reliability, trustworthiness, and ability to protect classified or sensitive information. Of special interest is any failure to cooperate or provide truthful and candid answers during national security investigative or adjudicative processes.

The guideline notes several conditions that could raise security concerns under AG ¶ 16. The following is potentially applicable in this case:

(a) deliberate omission, concealment, or falsification of relevant facts from any personnel security questionnaire, personal history statement, or similar form used to conduct investigations, determine employment qualifications, award benefits or status, determine security clearance eligibility or trustworthiness, or award fiduciary responsibilities.

Applicant provided inaccurate information regarding her employment with Company A when she claimed that she was still employed with them when she completed the SCA in November 2024. This information was inaccurate because Company A terminated her in July 2024. To find the above-referenced subparagraph of Guideline E applicable, I must determine whether her falsification was deliberate. I find it was deliberate for several reasons. First, the patently false information she provided just four months after her termination benefitted her, so she had motivation to hide the fact that she had been terminated. Next, she provided incomplete and arguably inaccurate information again during the SI when she claimed that she left her employment with Company A because of health reasons, and because they would not accommodate her medical needs. She failed to mention that Company A terminated her for having too many unexcused absences and for not participating in her reasonable accommodation request. AG ¶ 16(a) is established.

AG ¶ 17 provides conditions that could mitigate personal conduct security concerns. The following mitigating conditions potentially apply in Applicant's case:

(a) the individual made prompt, good-faith efforts to correct the omission, concealment, or falsification before being confronted with the facts;

(c) the offense is so minor, or so much time has passed, or the behavior is so infrequent, or it happened under such unique circumstances that it is unlikely to recur and does not cast doubt on the individual's reliability, trustworthiness, or good judgment; and

(d) the individual has acknowledged the behavior and obtained counseling to change the behavior or taken other positive steps to alleviate the stressors, circumstances or factors that contributed to untrustworthy, unreliable, or other inappropriate behavior, and such behavior is unlikely to recur.

None of the Guideline E mitigating conditions are applicable. There is no evidence that Applicant volunteered her termination from Company A during the SI. Instead, the evidence shows that she may have volunteered that she received a written warning from Company A during the SI, but she indicated that she left the job because Company A could not accommodate her. Her deliberate falsification is not minor, as deliberately omitting or falsifying required information during the security clearance process strikes at the heart of the process, which relies on candid and honest reporting. She has not acknowledged the behavior, as she continued to attempt to excuse her deliberate falsification as a mere innocent oversight. She did not provide evidence of counseling or other positive steps she took to alleviate the factors that contributed to the untrustworthy behavior.

### **Whole-Person Concept**

Under the whole-person concept, the 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. The 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.

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. I considered the potentially disqualifying and mitigating conditions in light of all the facts and circumstances surrounding this case. I have incorporated my comments under Guidelines F and E in my whole-person analysis.

Overall, given the lack of evidence of Applicant's resolution of her SOR debts and the evidence of her deliberate falsification of relevant facts without acknowledging it, I conclude Applicant did not mitigate the financial considerations or the personal conduct security concerns.

### **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.h:	Against Applicant
Paragraph 2, Guideline E:	AGAINST APPLICANT
Subparagraph 2.a:	Against Applicant

### **Conclusion**

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

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Benjamin R. Dorsey  
Administrative Judge