



DEPARTMENT OF DEFENSE  
DEFENSE OFFICE OF HEARINGS AND APPEALS



## Appearances

For Government: Karen Moreno-Sayles, 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. The personal conduct security concerns were not established. Eligibility for access to classified information is denied.

## Statement of the Case

On August 18, 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). He answered the SOR on September 15, 2025, and requested a decision based on the written record in lieu of a hearing.

The Government submitted its written case on September 26, 2025. A complete copy of the file of relevant material (FORM) was provided to Applicant, who was advised that he had 30 days from his date of receipt to file objections and submit material to refute, extenuate, or mitigate the security concerns. Applicant received the FORM on October 3, 2025, and provided a response on November 3, 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 6, and the FORM Response are admitted in evidence, without objection. I note that Item 3 consists of unexecuted interrogatories addressed to Applicant from Department Counsel that seek the adoption and verification of the accuracy of three of Applicant's subject interviews dated February 12, 2025, February 16, 2025, and February 19, 2025 (collectively SI). While the document does not include Applicant's adoption or verification of the SI, in the FORM Response he did not object to any of the Government's proposed evidence (including the SI). He therefore waived any objection to Item 3, and, as I referenced herein, I admitted Item 3 in evidence.

### **Findings of Fact**

Applicant is a 25-year-old employee of a government contractor for whom he has worked since May 2020. He has not been married and has no children. He earned a high school diploma in 2018 and a bachelor's degree in 2020. (Items 2, 3)

In the first paragraph of the SOR, the Government alleged Applicant's 11 delinquent consumer debts totaling approximately \$28,000 (SOR ¶¶ 1.a through 1.k). The delinquent accounts consist of the following: an auto loan (SOR ¶ 1.a); credit cards (SOR ¶¶ 1.b, 1.c, 1.d, 1.f through 1.k); and a cellular-phone account (SOR ¶ 1.e). In the Answer, he denied the Guideline F SOR allegations, with additional comments. He provided no documentation to corroborate the status of the accounts, payments made, or any efforts to resolve or dispute the accounts. Despite his denials, the SOR allegations are established through the record evidence, including the three credit reports the Government provided. (Items 1-6)

In the second paragraph of the SOR, pursuant to Guideline E, the Government alleged that Applicant failed to divulge the delinquent debts listed in SOR ¶¶ 1.b through 1.k in his September 19, 2024 security clearance application (SCA) (SOR ¶ 2.a). It also alleged that he falsified material facts when he told the DOD investigator that he had "one financial issue," and did not divulge the accounts in SOR ¶¶ 1.b through 1.k (SOR ¶ 2.b). Finally, it alleged that he falsified material facts when he told the DOD investigator that he researched his delinquent accounts and that most of the accounts in collections were his student loans (SOR ¶ 2.c). In the Answer, he denied the Guideline E allegations with additional comments. (Items 1-6)

Applicant provided inconsistent information about the SOR accounts. Initially, in the SCA, he denied that he had any delinquent accounts except for a non-SOR account with the same creditor in SOR ¶ 1.a, which he claimed he resolved. All three credit reports reflect either a paid charge-off or a zero balance on this non-SOR account, which is consistent with his representations regarding this account. In the SI, on the first day he was interviewed about his delinquencies, the DOD investigator confronted him with the SOR accounts. He responded that he thought he paid the account in SOR ¶ 1.g and did not believe it was ever delinquent. He also recognized the account in SOR ¶ 1.e, acknowledged it was delinquent, but forgot to list it on his SCA. He then claimed that he

did not recognize the rest of the accounts, but they may have been opened by his parents who open accounts in his name to pay their bills. (Item 3)

On the second day Applicant was interviewed, he told the DOD investigator that he had researched some of the SOR accounts and believed the accounts in SOR ¶¶ 1.b through 1.e and 1.g through 1.k were most likely his student loans that he would pay within a year. He told the investigator that the account listed in SOR ¶ 1.h was a credit card that he would pay off within a year. He showed the investigator documentation that the non-SOR account referenced in the previous paragraph was satisfied, but, other than having the same creditor, he provided no documentation to show that the account he satisfied was a duplicate account to that listed in SOR ¶ 1.a. All three credit reports show this account as a separate account with a different account number. (Item 3)

On the third and final day he was interviewed, Applicant again could not provide any documentation to show that the account in SOR ¶ 1.a was the same as the non-SOR account that he satisfied. Applicant simply assumed that it was the same account. He told the DOD investigator that if it was not the same account it must be a credit card, but that he would research it and pay it off within a year. He told the DOD investigator that he simply assumed the accounts listed in SOR ¶¶ 1.b through 1.e and 1.g through 1.k were most likely his student loans because they had similar balances to his student loans. He told the investigator that if they were not student loans, they must be credit cards and other loans that he opened while he was in college. He acknowledged that he was "young and dumb" in college and took out some loans and credit cards to help pay for his college. He thought he had paid on these accounts but could not recall a payment history and indicated he would have to do more research on them. He acknowledged that he opened the account listed in SOR ¶ 1.f a couple of years prior to the SI. The original creditor was a large electronics store chain, and he used the account to buy electronics. He believed he paid the account, but did not recall a payment history and had no documents regarding the account. One of the credit reports confirms that this account has been satisfied. (Items 3-5)

During the third interview, Applicant acknowledged that none of the SOR accounts were accounts his parents opened in his name. He claimed that his parents told him that any accounts they opened in his name are current. He told the DOD investigator that he would do more research on the SOR accounts and pay them within a year. (Item 3)

As referenced herein, Applicant denied all the SOR debts in his Answer. He claimed that he had a payment plan set up with the creditor in SOR ¶ 1.c to pay \$1,532. He provided no documents regarding this settlement. He claimed he had agreed to settle the accounts in SOR ¶¶ 1.i through 1.k, and that a letter of proof had been sent. He provided no documents regarding his resolution of these accounts. With respect to the other accounts, he claimed that he was paying the smaller accounts first but plans to have them settled by next year. He provided no documentation regarding these remaining accounts. He did not dispute any of the accounts in the Answer. On the contrary, he claimed he had either arranged a settlement or would do so in the future. He claimed that he did not list all the SOR accounts in the SCA because he was unaware of them. He

claimed that he was not able to provide information regarding the SOR accounts because he did not recognize the creditors, and they had not contacted him about the accounts. (Item 1)

In the FORM Response, Applicant claimed that the debt in SOR ¶ 1.f has been dismissed by a court in State A. He provided no documentation regarding this dismissal. He claimed that he satisfied the accounts in SOR ¶¶ 1.i and 1.k. He provided no documents regarding these settlements. He further claimed that he had satisfied other accounts but has not received confirmation letters and that some accounts have changed their account numbers, so he is unable to “link the information . . . .” (FORM Response)

The September 2025 credit report reflects an additional delinquent debt that is not listed in the SOR. This delinquency is another cellular-phone account that he opened in May 2025 and that is in collections in the approximate amount of \$1,889. He owns three vehicles, as they are his “hobby.” He owns one vehicle free and clear of any liens but pays approximately \$750 per month combined on the other two vehicles. I will not use unalleged conduct for disqualification purposes. I will use it for appropriate purposes such in analyzing mitigation, and in the whole-person analysis.

## 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.

Applicant's financial delinquencies are recent and ongoing. He has an additional delinquency not listed in the SOR on an account that he opened in about May 2025. Therefore, I do not find his delinquencies are unlikely to recur. AG ¶ 20(a) does not apply.

There is insufficient evidence to show that his financial problems were caused by conditions largely beyond his control. The only evidence in the record relevant to a cause of his financial problem is that he was "young and dumb," but this cause was not beyond his control. Even if we were to assume for the sake of argument that the conditions that led to his financial problems were largely beyond his control, for AG ¶ 20(b) to apply, he must show that he acted responsibly under the circumstances. In a similar vein, for AG ¶ 20(d) to apply, he must show that he initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts. With the exception of the account listed in SOR ¶ 1.f, Applicant has not provided sufficient evidence that he has met either of these standards. Most of his claims of settlement are vague and without the context of dates or amounts. While he claimed to have made payment arrangements on various accounts and to have satisfied some of them, he provided no documents to corroborate these claims. 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). AG ¶¶ 20(b) and 20(d) do not apply to any debts other than the account listed in SOR ¶ 1.f. Credit reports corroborate his claim that the debt in SOR ¶ 1.f has been satisfied. Therefore, I find for Applicant with respect to that allegation.

AG ¶ 20(e) does not apply. While Applicant initially indicated that he disputed some of the SOR debts because he did not recognize them, he has since acknowledged these

debts by agreeing to pay them. Even if he still does dispute the debts, he has not provided documentation to substantiate the basis of any dispute. He also did not provide evidence of actions he 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 are 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; and
- (b) deliberately providing false or misleading information; or concealing or omitting information, concerning relevant facts to an employer, investigator, security official, competent medical or mental health professional involved in making a recommendation relevant to a national security eligibility determination, or other government officially.

For these subparagraphs of Guideline E to apply, the Government bears the burden to show Applicant's intent; namely that his omissions and inaccurate information in the SCA and during the SI were deliberate. I find that the Government has not met that burden. While there is certainly available evidence to show that Applicant gave inaccurate and inconsistent information, there is also evidence that portrays an individual who is financially irresponsible, unaware of his financial obligations, and in no hurry to become aware of those obligations. While these characteristics are not desirable, they do not convey dishonesty. There are several reasons why I find his financial unawareness to be plausible as a cause of his misinformation. First, he lists a financial delinquency in the appropriate section of the SCA. While the delinquency he listed is not included in the SOR, he has put the Government on notice that he had a delinquency and indicated a willingness to list derogatory information. Next, a plausible reading of the SI is that he initially genuinely does not recognize the SOR accounts. This reading is supported by his gradual acceptance, after looking into the accounts, that the accounts are his, and he must pay them. I also note that I was unable to observe Applicant testify to further assess his credibility and his intent, which was the Government's burden to prove. For these

reasons, I find that the Guideline E security concerns were not established, and I find for Applicant with respect to those allegations.

### **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, the record evidence leaves me with questions and doubts about Applicant's eligibility and suitability for a security clearance. I conclude Applicant did not mitigate the financial considerations security concerns. The personal conduct security concerns were not established.

### **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.k:	Against Applicant
Paragraph 2, Guideline E:	FOR APPLICANT

Subparagraphs 2.a-2.c:

For 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