



DEPARTMENT OF DEFENSE  
DEFENSE OFFICE OF HEARINGS AND APPEALS



## Appearances

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

02/02/2026

## Decision

FOREMAN, LeRoy F., Administrative Judge:

This case involves security concerns raised under Guideline F (Financial Considerations). Clearance is denied.

## Statement of the Case

Applicant submitted a security clearance application (SCA) on May 3, 2024. On July 24, 2025, the Defense Counterintelligence and Security Agency (DCSA) sent her a Statement of Reasons (SOR) alleging security concerns under Guideline F (Financial Considerations). 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 August 7, 2025, and requested a decision on the written record in lieu of a hearing. Department Counsel submitted the Government's written case on August 29, 2025. A complete copy of the file of relevant material (FORM) was sent to Applicant, who was given an opportunity to file objections and submit material to refute, extenuate, or mitigate the Government's evidence. The FORM consists of seven exhibits. Government Exhibits (GX) 1 and 2 are the pleadings in the case. GX 3 through 7 are the evidence in support of the allegations in the SOR. GX 3 through 7 are admitted in evidence without objection.

Applicant received the FORM on September 11, 2025, and did not respond. The case was assigned to me on January 21, 2026.

### **Findings of Fact**

In Applicant's answer to the SOR, she admitted all the allegations in the SOR. Her admissions are incorporated in my findings of fact.

Applicant is a 31-year-old production planner employed by a defense contractor since May 2023. She was previously employed as a teacher from May 2014 until she was hired for her current job. She married in May 2015. Her husband is a teacher. They have four children, ages 13, 10, 7, and 3. She has never held a security clearance.

The SOR alleges nine delinquent debts. The debts are reflected in a credit report dated May 12, 2025. (GX 6) When Applicant was interviewed by a security investigator in July 2024, she attributed her financial problems to her husband's voluntary unemployment for four months in June 2022, while he looked for a job with higher pay. She told the investigator that he had recently accepted a new teaching position at higher pay. Her explanations for the debts are reflected in the summary of the July 2024 interview. (GX 7) The evidence concerning these debts is summarized below.

**SOR ¶ 1.a: excessive mileage on leased car, charged off for \$14,693.** Applicant leased a car for three years, turned it in after four years, and was charged for excessive mileage. She submitted no evidence of effort to resolve this debt. It is not resolved.

**SOR ¶ 1.b: car loan charged off for \$17,180.** Applicant told the investigator that she and her husband fell behind on payments when her husband was unemployed. They made some payments until March 2025. She submitted no other evidence of effort to resolve this debt. It is not resolved.

**SOR ¶ 1.c: personal loan charged off for \$4,421.** Applicant offered payments of \$100 per month, but the creditor wanted \$400 per month. Applicant's last payment was in March 2025. She submitted no further evidence of effort to resolve this debt. It is not resolved.

**SOR ¶ 1.d: telecommunication debt, placed for collection of \$1,267.** Applicant offered no evidence of effort to resolve this debt. It is not resolved. (GX 6)

**SOR ¶ 1.e: telecommunication debt placed for collection of \$447.** Applicant offered no evidence of effort to resolve this debt. It is not resolved.

**SOR ¶¶ 1.f and 1.g: insurance debts placed for collection of \$392 and \$315.** Applicant could not afford payments on an insurance policy when her premiums increased. She cancelled her first policy and opened another with the same insurer, but she fell behind on the premiums again. These debts are not resolved. (GX 6)

**SOR ¶ 1.h: telecommunication debt placed for collection of \$612.** Applicant provided no information about this debt. It is not resolved.

**SOR ¶ 1.i: medical debt placed for collection of \$457.** Applicant was unsure of the source of this debt, thinking it might have been a debt for her son's care. She submitted no evidence of effort to resolve this debt.

Applicant submitted a personal financial statement dated February 26, 2025, after her husband began his new job. She listed her take-home monthly pay as \$2,093, and her husband's take-home monthly pay as \$2,200. She listed total expenses of \$2,350 and no debt payments. (GX 4 at 9)

## 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. . . . 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).

Applicant's admissions and the evidence in the FORM establish two disqualifying conditions under this guideline: AG ¶ 19(a) ("inability to satisfy debts") and AG ¶ 19(b) ("unwillingness to satisfy debts regardless of the ability to do so"). 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; and

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.

Neither mitigating condition is established. Applicant's delinquent debts are numerous, recent, and were not incurred under circumstances making recurrence unlikely. Her husband's period of unemployment was arguably a condition largely beyond her control, but the evidence indicates that he voluntarily left his job and that he was about to begin his higher-paying job at about the time Applicant was interviewed by the security investigator in July 2024. She has not acted responsibly. She submitted no evidence of efforts to resolve her debts after her husband began his new job at higher pay. The record reflects that her last payments on any of the alleged debts was in March 2025. She did not provide any additional evidence after she received the FORM in September 2025.

## **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.

I have incorporated my comments under Guideline F in my whole-person analysis and applied the adjudicative factors in AG ¶ 2(d). Because Applicant requested a determination on the record without a hearing, I had no opportunity to question her or to evaluate her credibility and sincerity based on demeanor. See ISCR Case No. 01-12350 at 3-4 (App. Bd. Jul. 23, 2003). 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 her delinquent debts.

### **Formal Findings**

I make the following formal findings on the allegations in the SOR:

Paragraph 1, Guideline F (Financial Considerations): AGAINST APPLICANT

Subparagraphs 1.a-1.i:	Against Applicant
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### **Conclusion**

I conclude that it is not clearly consistent with the national security interests of the United States to grant Applicant eligibility for access to classified information. Clearance is denied.

LeRoy F. Foreman  
Administrative Judge