



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



In the matter of:	)	
	)	
	)	ISCR Case No. 25-00009
	)	
Applicant for Security Clearance	)	

**Appearances**

For Government: John Renehan, Esq., Department Counsel  
For Applicant: *Pro Se*

02/09/2026

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**Decision**

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LOKEY ANDERSON, Darlene D., Administrative Judge:

**Statement of the Case**

On October 13, 2023, Applicant submitted an Electronic Questionnaire for Investigation Processing (e-QIP). On February 28, 2025, the Defense Counterintelligence and Security Agency Consolidated Adjudication Services (DCSA CAS) issued Applicant a Statement of Reasons (SOR), detailing security concerns under Guideline F, Financial Considerations. The action was taken under Executive Order 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) dated June 8, 2017.

Applicant answered the SOR on March 17, 2025, had it notarized on April 1, 2025, and requested a hearing before an administrative judge. The case was assigned to me on September 8, 2025. The Defense Office of Hearings and Appeals issued a notice of

hearing on November 18, 2025, and the hearing was convened as scheduled on January 7, 2026. The Government offered seven exhibits, marked as Government Exhibits 1 through 7, that were admitted into evidence without objection. The Applicant offered ten exhibits, marked as Applicant's Exhibits A through K, (omitting Exhibit I), that were admitted into evidence without objection. Applicant testified on his own behalf. The record remained open until January 21, 2026, to allow the Applicant the opportunity to submit additional supporting documentation. Applicant requested additional time, and was granted until the end of the month in order to submit additional supporting documentation. On January 23, 2026, Applicant submitted several documents, collectively marked as Applicant's Post-Hearing Exhibit A, that were admitted into evidence without objection. DOHA received the transcript of the hearing (Tr.) on January 20, 2026.

### **Findings of Fact**

Applicant is 39 years old. He has a high school diploma and an Associate degree in Computer Electronics and Engineering. He is married and has two children. He is employed with a defense contractor as a Research Engineering Scientist Associate, Level 5. He is seeking to retain his security clearance in connection with his employment.

Applicant began working for his current employer in November 2015. He started as a Technical Staff Assistant, Level 4, in 2015, earning approximately \$40,000 annually. He has progressed over the years as evidenced by his current job title, and salary increase, to \$91,000 annually. He is hoping for future advancements with his employer. (Tr. pp. 77-78, and Applicant's Exhibit H.)

### **Guideline F – Financial Considerations**

The SOR alleges that Applicant is indebted to the Federal Government for delinquent taxes in the amount of \$38,487.09 for tax years 2017, 2018, 2019, and 2020. It also alleges that he is indebted to the State Workforce Commission for unpaid debt in the amount of \$13,800. Applicant admits each of the allegations set forth in the SOR under this guideline.

Applicant attributes his financial hardships to his wife's health issues that began in about 2015. From about 2015 to 2021, over a six-year period, doctors were unable to determine the actual cause of her symptoms. She was told that she was too young to have cancer and she was diagnosed with various things like Irritable Bowel Syndrome and hemorrhoids. Her troubling symptoms prevented her from working a normal work schedule. She lost several jobs, missed work, and struggled to keep a steady stream of

income due to her illness. Applicant became the sole financial provider for the household. In 2021, doctors finally determined the actual diagnosis. Applicant's wife was diagnosed with an aggressive form of Colorectal Cancer, which by this time had already spread to her local lymph nodes. Following her proper diagnosis, Applicant's wife has undergone radiation therapy, chemotherapy, and surgical resection of the remaining mass. She is now on a surveillance schedule every four months. She is also on hormone therapy for the rest of her life. His wife is now cancer free and under observation. (Applicant's Exhibit E.) In late 2024, Applicant's wife got her old job back and returned to work.

1.a. From 2015 to 2021, without his wife's stable income coupled with the stress of not knowing enough about her condition, Applicant paid what he could afford of the household expenses. He filed his income tax returns, but he could not afford to pay all of the taxes for tax years 2017, 2018, 2019, and 2020. During this period his wife was very sick, she was in and out of different jobs, and Applicant did his best to make ends meet.

In late 2024, Applicant's wife returned to work. In January 2025, he hired a tax assistance firm to help him with both his delinquent Federal taxes and the Texas situation. Applicant stated that he initially started making \$100 payments to the IRS toward his debt. In January 2025, he entered into an installment agreement with the IRS that began on March 28, 2025, requiring that he pay \$200 monthly toward the debt, increasing to \$600 monthly on March 28, 2026, and continuing until the debt is paid. Applicant stated that he plans to negotiate a more reasonable payment agreement soon. He stated that he has continued to make \$200 payments each month since June 2025. (Tr. p. 40.) As stated according to the current agreement, in March 2026, he will begin to make the \$600 monthly payments each month until the debt is paid in full, unless he negotiates a more reasonable installment plan. In any case he will resolve the debt according to their agreement. (Applicant's Exhibits A and B, and Applicant's Post-Hearing Exhibit A.)

1.b. During this period of financial hardship, Applicant also became indebted to the State Workforce Commission in the amount of \$13,757. (Applicant's Exhibit C.) Applicant explained that he was overpaid during a period that he was receiving unemployment benefits. In addition to his full-time job, in 2020, he was also working a part-time job. During Covid, everyone was laid off. Applicant applied for unemployment benefits. At some point, he received a letter informing him that they had overpaid him, and that he was responsible to repay the money. In August 2025, Applicant appealed the decision, but was denied because he had filed the appeal too late. (Applicant's Exhibit D.) Applicant stated that he is currently making monthly payments of \$100 that he started in either January or February 2025. Applicant also stated that to pay this debt off sooner, he is trying to obtain an equity home loan with his bank to pay it off in full. (Tr. p. 46.) A statement from the State Workforce Commission shows that Applicant paid off the

outstanding balance owed in full dated January 22, 2026. (Applicant's Post-Hearing Exhibit A.)

Applicant is currently working with a CPA who suggested that the "Claim of Right Doctrine" might be applicable to his situation when he files his income tax returns for tax years 2025 and 2026. This may allow him to apply a credit or a deduction for the years that he has paid the State Workforce Commission. This would ultimately reduce what he owes to the IRS. (Tr. pp. 54-56.)

Applicant volunteered that he also fell behind on his mortgage payments and his student loans during this period of financial hardship. His mortgage payment was modified for a period to assist him in catching up, and he is now in good standing. His student loans were discharged by the Department of Education in January 2025 based upon the school's material misrepresentations to the Applicant. (Tr. pp. 61-63.) He has also had lots of small debts, including credit cards that he has either managed to pay off or pay down the balances. (Tr. p. 69.)

To pay off his debts faster, Applicant stated that he is currently working three jobs, in addition to his full-time job, he is working two part-time jobs. His full-time job pays him \$91,000 annually. His part-time jobs might bring in about \$2,000 monthly. He plans to keep these jobs until he pays off all of his delinquent debt. He works part-time at a Pin-ball Arcade, and part-time at a Community College as a teacher in Basic Electronics and Industrial Sensors. Applicant's goal is to satisfy all of his debts and to remain in good standing.

A letter of recommendation from Applicant's direct supervisor indicates that Applicant is an outstanding employee. He has been nominated for an excellence award at least twice. He has demonstrated excellence in both technical and management capabilities among other valuable abilities and assets that have been extremely helpful to the laboratory. He is trusted with critical and important DoD-sponsored work, and has never done anything to undermine the confidence in his abilities and actions. Applicant is highly respected by all who know him and is a key contributor to a variety of projects for the United States. He is trustworthy, reliable, uses good judgment, and leads his team effectively and compassionately. (Applicant's Exhibit J.)

Applicant stated that his performance on the job has been outstanding, and his annual performance appraisals for 2022, 2023, and 2024 confirm that. (Tr. p. 79 and Applicant's Post-Hearing Exhibit A.)

## Policies

When evaluating an applicant's suitability for a security clearance, the administrative judge must consider the adjudicative guidelines (AG). 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 AG ¶ 2 describing the adjudicative process. The administrative judge's overarching 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 ¶ 2(b) requires that "[a]ny doubt concerning personnel being considered for national security eligibility will be resolved in favor of 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 the applicant or proven by Department Counsel, and has the ultimate burden of persuasion as to obtaining a favorable clearance decision."

A person who applies for access to classified information seeks to enter 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 protect or safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation as to 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, as follows:

Failure or inability 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 information. An individual who is financially overextended is at risk of having to engage in illegal acts to generate funds.

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

- (a) inability or unwillingness to satisfy debts;
- (c) a history of not meeting financial obligations; and
- (f) failure to file or fraudulently filing annual Federal, state, or local income tax returns or failure to pay annual Federal, state, or local income tax as required.

Circumstances largely beyond the Applicant’s control caused his prolonged period of financial hardship. His wife’s late-stage cancer diagnosis took six years to diagnose, and the stress of not knowing why she was sick for so long caused many financial problems. Applicant did the best he could do as the sole financial provider during this period. The evidence is sufficient to raise the above disqualifying conditions.

Four Financial Considerations 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, or 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; and

(d) the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts.

Since 2024, after Applicant's wife received an accurate medical diagnosis, treatment, and a cancer free prognosis, she has now returned to work. Since then, Applicant has been focused on resolving his delinquent debt. He has hired a professional tax assistance firm to help him in resolving the delinquent back taxes he owes to the IRS. They have helped him set up an installment agreement with the IRS that he is following until his tax debt is completely resolved. He has already paid off the debt he owed to the State Workforce Commission. Under the circumstances of this case, Applicant has made a good-faith effort to resolve his indebtedness. He is now in control of his finances. He is living within his means, and he is able to pay his bills. Applicant has met his burden of demonstrating that he is financially responsible. Mitigating Conditions, ¶ 20.a, 20.b., 20.c., and 20.d., apply. Guideline F is found for Applicant.

### **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 Guideline F in my whole-person analysis. Some of the factors in AG ¶ 2(d) were addressed under that guideline, but some warrant additional comment. Circumstances well beyond the Applicant's control, namely his wife's late-stage cancer diagnosis, which took six years to diagnose, negatively impacted Applicant's finances. Now that his wife is cancer free and back to work, Applicant has focused on controlling his finances. He has made a good-faith effort to resolve his delinquent debts.

Overall, the record evidence leaves me with no questions or doubts as to Applicant's eligibility and suitability for a security clearance. The Financial Considerations security concerns have been mitigated.

### **Formal Findings**

Formal findings for or against Applicant on the allegations set forth in the SOR, as required by ¶ E3.1.25 of the Directive, are:

Paragraph 1, Guideline F:	FOR APPLICANT
Subparagraphs 1.a. and 1.b.	For Applicant

## **Conclusion**

In light of all of the circumstances presented by the record in this case, it is clearly consistent with the national interest to grant Applicant eligibility for a security clearance. Eligibility for access to classified information is granted.

Darlene Lokey Anderson  
Administrative Judge