



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



In the matter of:)	
)	
)	ISCR Case No. 24-01265
)	
)	
Applicant for Security Clearance)	

Appearances

For Government: Aubrey M. De Angelis, Department Counsel
For Applicant: *Pro se*

02/09/2026

Decision

LOKEY ANDERSON, Darlene D., Administrative Judge:

Statement of Case

On December 21, 2022, and April 19, 2024, Applicant submitted security clearance applications (e-QIPs). On July 29, 2024, 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 (EO), *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; Department of Defense Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the *National Security Adjudicative Guidelines for Determining Eligibility for Access to Classified Information or Eligibility to Hold a Sensitive Position* (AG), effective within the DoD after June 8, 2017.

Applicant answered the SOR on August 8, 2024, and requested a hearing before an administrative judge. The case was assigned to me on July 21, 2025. The Defense Office of Hearings and Appeals issued a notice of hearing on December 2, 2025, and the hearing was convened as scheduled on January 8, 2026. The Government offered seven exhibits, referred to as Government Exhibits 1 through 7, which were admitted without objection. The Applicant offered two exhibits, referred to as Applicant's Exhibits A and B, which were admitted without objection. Applicant testified on his own behalf. DOHA received the transcript of the hearing (Tr.) on January 20, 2026. This decision was delayed when all Administrative Judges were furloughed from October 1 through November 12, 2025, during a Federal Government shutdown due to a lapse in Federal funding.

Findings of Fact

Applicant is 45 years old. He is divorced and has no children. He has an Associate degree in Engineering and is currently working towards a Bachelor's degree in Artificial Intelligence and Machine Learning. He holds the position of IT Systems Engineer. He is seeking to obtain a security clearance in connection with his employment with a defense contractor.

Guideline F - Financial Considerations

The Government alleged that Applicant is ineligible for a clearance because he made financial decisions that indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which raise questions about his reliability, trustworthiness and ability to protect classified information.

The SOR identified six delinquent debts totaling in excess of \$25,000. Applicant admitted each of the allegations set forth under this guideline. Credit reports of the Applicant dated August 25, 2022; April 23, 2024; November 15, 2024; and June 12, 2025, confirm the indebtedness listed in the SOR. (Government Exhibits 4, 5, 6, and 7.)

Applicant married his wife in 2008, and they were divorced in 2016. He stated that according to the divorce decree, he incurred all of the debt from the marriage. His wife "walked away" with the house and everything else. He got all the bills.

He served in the active duty U.S. Army from 1999 to 2003; the Army National Guard from September 2003 to December 2006; and again in the active duty Army from January 2007 to December 2011. He ultimately received an Honorable Discharge for medical reasons. While on military duty he tore his Achilles tendon in three places and

injured his knees and hips. In 2009, he underwent surgery for his Achilles tendon. Applicant stated that he had many injuries in the military, but he did his best to hide them because he wanted to continue his service. Following his military discharge, he initially had an 80 percent disability rating. Until two months ago, his ex-wife received a portion of his monthly disability benefit. Most recently things have changed. Applicant stated that he currently has a 90 percent disability rating and his ex-wife no longer receives any of his disability benefits.

Since leaving military service, Applicant has worked for a number of defense contractors in various capacities and has held a security clearance. During the Covid pandemic he caught Covid five separate times, while serving as an essential employee. He did not receive pay for about a six-week period because insurance claims were denied. His final infection was so bad he was treated by the VA with monoclonal antibody therapy and his recovery left him incapacitated for over two months. (Applicant's Exhibit A.)

Applicant stated that in 2021 he lost his job. He also stated that when the door fell off of the airplane, and 30,000 employees lost their jobs, he was one of them. (Tr. p. 67.) He also stated that from August 2023 to April 2024, he was unemployed. (Tr. p. 44.) During this time he was living solely on his VA disability. Then he got a job with another defense contractor, which was initially consistent with steady work. He was later moved to an on-call status, then rehired from IT into engineering, and then placed back on an on-call status again. This created periods of inconsistent pay, with no stability and did not provide sufficient financial support. For almost a two-year period Applicant did not have stable employment. He was either unemployed or under-employed, and he was homeless. He stated that he bounced around from couch to couch, and home to home, or wherever he could steady himself. He also stayed overnight at homeless shelters and in his car. (Tr. p. 54.) He stated that he did not file his income tax returns for tax year 2024, because he did not have the documentation to do so, and he needed an address and he did not have one. (Tr. p. 55.)

In July 2025, Applicant started working for his current employer, and has now been working there for about six months. He currently earns about \$120,000 annually. To accept the job, he had to move to another city, which was costly. He stayed in hotels because he did not have enough money to afford an apartment. He put his things in storage, and he has been making those monthly payments. He finally saved enough money to get an apartment in November 2025. (Tr. p. 53.) Applicant has no family or friends to depend on for help. The city he moved to is expensive, and everything else there has been expensive for him during the process of getting settled. He has not quite reached the point where he has any excess monies available to pay his delinquent debts.

Applicant is indebted to at least six creditors for delinquent debt that is of concern to the Department of Defense. He stated that at one time he was debt-free and he paid his bills on time. However, at this point, he has not been able to set up any payment plans or pay off any of the delinquent debts listed in the SOR. He has had to concern himself with mere survival. He is now paying for rent, telephone, and utilities, and trying to save some money. He intends to pay his delinquent debts when he can afford to do so.

The following delinquent debts are of security concern:

1.a. Applicant is indebted to a creditor for a delinquent debt that was charged off in the amount of \$14,418. This was Applicant's vehicle that was repossessed. Applicant stated that he had to make a decision between paying the rent or making the car payment. He chose to pay the rent. The debt remains owing. (Tr. p. 59.)

1.b. Applicant is indebted to a creditor for a delinquent debt that was charged off in the amount of \$5,921. This was a credit card that Applicant and his wife had during his marriage. The debt remains owing. (Tr. p. 60.)

1.c. Applicant is indebted to a creditor for a delinquent debt that was placed for collection in the amount of \$2,232. Applicant does not know what that is. The debt remains owing. (Tr. p. 60.)

1.d. Applicant is indebted to a creditor for a delinquent medical account that was placed for collection in the amount of \$2,213. Applicant remembers going one time to a hospital, instead of the VA hospital, because he was sick. Usually he goes to the VA hospital. The debt remains owing. (Tr. pp. 60-61.)

1.e. Applicant is indebted to a creditor for a delinquent debt that was placed for collection in the amount of \$247. Applicant stated that at the time he did not have the money to pay this bill. Since then he forgot about the debt. The debt remains owing. (Tr. pp. 61-62.)

1.f. Applicant is indebted to a creditor for a delinquent debt in the amount of \$296. Applicant stated that he did not know about this debt. The debt remains owing. (Tr. p. 62.)

Applicant stated that he has not had the means to address his delinquent debts. He does not want to be in a situation where he gives the creditor a payment or something in a stressed situation, and then he does not have anything to eat after that. He stated that he must make sure that he can pay his rent first. (Tr. p. 63.)

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. 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." In reaching this decision, I have drawn only those conclusions that are reasonable, logical and based on the evidence contained in the record. Likewise, I have avoided drawing inferences grounded on mere speculation or conjecture.

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 clearance 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 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:

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. Affluence that cannot be explained by known sources of income is also a security concern insofar as it may result from criminal activity, including espionage.

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

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

Applicant has a history of not addressing his financial obligations. His actions or inactions both demonstrate a history of not addressing his debt and/or an inability to do so. The evidence is sufficient to raise the above disqualifying conditions.

The following mitigating conditions under the Financial Considerations guideline are potentially applicable under 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;

(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), 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 has faced a number of challenging circumstances and periods that were beyond his control that contributed to his financial hardships. His numerous Covid illnesses without pay, his loss of employment, and his extended periods of underemployment have all contributed to his financial setbacks. After losing his job, when he became employed, it was an on-call job that was not stable or consistent and did not provide sufficient income to sustain him. His current employment began in July 2025, just six months ago. He stated that he has been homeless until November 2025, when he was finally able to afford to move into an apartment. He has not been able to pay anything towards his six delinquent debts set forth in the SOR. Applicant's situation is a unique one. However, his failure to address even one relatively small debt in the amount of \$247 clearly casts doubt on his current reliability, trustworthiness, and good judgment. Applicant appears to want to resolve his debts, but he has made no effort to do so, and as he stated, he is currently unable to do so. At this time, Applicant needs more time to show the Government that he will properly resolve his financial delinquencies with regular systematic payments and consistency. None of the mitigating conditions are applicable.

There is insufficient evidence in the record to show that Applicant has made a good-faith effort to resolve his debts. Overall, Applicant shows no progress towards resolving his debts. He owes a significant amount of money to all six creditors listed in the SOR. There is insufficient evidence in the record to show that he has carried his burden of proof to establish mitigation of the government security concerns under Guideline F. Accordingly, Guideline F is found against the 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. In the event that Applicant follows through with a commitment to pay his debts by making a good-faith effort to show financial responsibility, sometime in the future he may be found to be sufficiently reliable to properly protect and access classified information, but not at this time.

I considered the potentially disqualifying and mitigating conditions in light of all relevant facts and circumstances surrounding this case. I conclude Applicant has not mitigated the Financial Considerations security concern.

Formal Findings

Formal findings for or against Applicant on the allegations set forth in the SOR, as required by ¶ E3.1.25 of Enclosure 3 of the Directive, are:

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraphs 1.a., through 1.f	Against Applicant

Conclusion

In light of all of the circumstances presented by the record in this case, it is not clearly consistent with the national interest to grant or continue Applicant's eligibility for a security clearance. Eligibility for access to classified information is denied.

Darlene Lokey Anderson
Administrative Judge