



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



In the matter of:)
)
) ISCR Case No. 25-00406
)
Applicant for Security Clearance)

Appearances

For Government: Jenny G. Bayer, Esq., Department Counsel
For Applicant: *Pro se*

02/11/2026

Decision

BORGSTROM, Eric H., Administrative Judge:

Applicant did not mitigate the security concerns arising from his unfiled federal income tax returns and his delinquent debts. Eligibility for access to classified information is denied.

Statement of the Case

On May 6, 2025, the Department of Defense (DOD) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F (financial considerations). The DOD acted 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) implemented by the DOD on June 8, 2017.

In Applicant's May 22, 2025 response to the SOR (Answer), he admitted, with explanations, all 12 allegations. He did not attach any documentary evidence. He requested a hearing before a Defense Office of Hearings and Appeals (DOHA) administrative judge. (Answer)

On August 1, 2025, the Government was ready to proceed to a hearing. I was assigned this case on September 30, 2025. This case 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.

On November 19, 2025, a notice was issued scheduling the hearing for December 16, 2025, by video teleconference. The hearing proceeded as scheduled. The Government proffered six evidentiary exhibits, which I admitted as Government Exhibits (GE) 1 through 6, without objection. Applicant testified and submitted four exhibits, which I admitted as Applicant Exhibits (AE) A through D, without objection. At Applicant's request, I left the record open until January 23, 2026, to provide him an opportunity to supplement the evidentiary record. DOHA received the hearing transcript (Tr.) on December 29, 2025. On January 23, 2026, Applicant submitted four additional documents, which I admitted as AE E through H, without objection. The record closed on January 23, 2026.

Amendment to the Statement of Reasons

At the hearing, Department Counsel moved to amend SOR ¶ 1.a., pursuant to Paragraph E3.1.17 of the Directive, to correct a typographical error. SOR ¶ 1.a., as amended, reads, "You failed to file, as required, Federal income tax returns for the tax years 2020, 2021, 2022, and 2023. As of the date of this Statement of Reasons, the tax returns remain unfiled." Without objection, I granted the motion to amend. I also left the record open until January 23, 2026, to provide Applicant an opportunity to supplement the evidentiary record. (Tr. 14-15)

Findings of Fact

Applicant is 40 years old. He graduated from high school in 2004. From June 2004 to April 2014, he served on active duty in the U.S. Navy, from which he received an honorable discharge. From August 2017 to about August 2023, he was a self-employed truck driver. He has never been married and does not have any children. Since January 2024, he has been employed full time as a senior test engineer with a DOD contractor. (GE 1, GE 2; Tr. 30-32)

The SOR alleges financial considerations security concerns arising from Applicant's unfiled federal income tax returns (SOR ¶ 1.a.) and 11 delinquent debts (SOR ¶¶ 1.b.-1.i.). Applicant attributed his financial delinquencies to his failed small business, which struggled due to truck repairs and expenses. With the onset of the COVID-19 pandemic, Applicant's financial problems worsened as his income significantly decreased. He officially shuttered his trucking business in about August 2023 and worked for a trucking company from August 2023 to December 2023, until he started his full-time employment with a DOD contractor in January 2024. (Tr. 34-35)

SOR ¶ 1.a. On August 15, 2023, Applicant certified and submitted an Electronic Questionnaire for Investigations Processing (e-QIP). Under Section 26 – Financial Record, he admitted that he had failed to file his federal income tax returns and to pay

the owed taxes for tax years (TY) 2020, 2021, and 2022. He estimated that he owed approximately \$10,200 total for the three tax years. He noted:

Hired a [certified public accountant (CPA)] to resolve these issues with the [Internal Revenue Service (IRS)]. The issues should be resolved in the near future. Since COVID my income has been drastically reduced and I have decided to shutter the doors of my trucking business in favor of employment that provides a consistent income so I can finally pay my financial obligations. (GE 1)

On April 3, 2024, Applicant was interviewed by an authorized investigator on behalf of the Office of Personnel Management (OPM). During the interview, he confirmed that he had ceased operations of his business in September 2023. From September to December 2023, he was employed full time as a truck driver for a private company. He confirmed that he had failed to timely file his federal income tax returns for TY 2020, 2021, and 2022 or to pay his tax liability for those years. He had retained a CPA to file his tax returns and to negotiate settlements with the IRS. As of the OPM interview, no returns had been filed and no tax payments made. (GE 2)

On December 4, 2024, Applicant responded to DOD interrogatories regarding his unfiled federal income tax returns. He attached IRS account transcripts for TY 2020, 2021, 2022, and 2023. As of December 4, 2024, no returns had been filed for these three years. (GE 3)

In his May 2025 Answer and at the hearing, Applicant admitted that his federal income tax returns remained unfiled. He first engaged the CPA and his firm in July 2023, and he finished paying the retainer (\$2,000) in December 2023. He engaged the CPA to file amended returns for TY 2018 and 2019 and to file returns for TY 2020 through 2023. As of the hearing, none of the amended returns or unfiled returns had been prepared and filed. When he first completed and filed the TY 2019 return, he calculated a tax liability of approximately \$8,000. He has not made any payments on this tax liability and believes that the amended TY 2019 return may reduce his tax liability. He explained that he had provided all of the necessary documentation to his CPA to file the TY 2020 and 2021 returns, and he expressed frustration that these returns had not been prepared or filed. The returns for TY 2022 and 2023 were delayed after his file-storage disc “fried” in July 2025, and he lost critical documentation. He could not explain why this information had not been previously provided to his CPA for the preparation of those returns. It is Applicant’s understanding that, after the returns are filed, the CPA will negotiate a repayment plan for the outstanding tax debt. Applicant did not pay any estimated federal income taxes for TY 2019 through 2023. **As of the close of the record, the returns remained unfiled.** (Answer; Tr. 47-53, 58-61)

DRC 1. In about July 2023, Applicant enrolled five delinquent accounts (including SOR ¶¶ 1.b.-1.e.) with a debt-resolution company (DRC1). He claimed he paid \$356 monthly towards the settlement of these accounts. He provided documentary evidence of the five debts enrolled (SOR ¶¶ 1.b.-1.e., 1.g.), but no evidence of payments. Applicant

testified that he made monthly payments to DRC1 for about a year, ending in mid-2024. He had been disappointed with the lack of progress by DRC1, and he testified that the OPM investigator cautioned him about relying on DRC1. (GE 2; Tr. 45, 54-56)

DRC 2. Between mid-2024 and December 2024, Applicant unsuccessfully sought to contact creditors and resolve his delinquent debts on his own. He was unable to afford the lump-sum settlements proposed by the creditors. In December 2024, he engaged DRC2 to contact creditors and negotiate settlements or payment plans. Initially, Applicant testified that the creditor for five accounts (SOR ¶¶ 1.b.-1.e., 1.g.) would not deal with DRC2 and was seeking to garnish his wages. He later testified that he was actively paying on these accounts through DRC2. (Tr. 45-46, 57, 68, 70-74, 82)

Applicant presented account statements for December 2024 through November 2025. These statements show bi-weekly payments of \$417 from December 2024 through November 2025 which grow his account balance. These statements list “settlement fees,” payments to collection agencies, and subscription and maintenance fees, all deducted from Applicant’s account. It is unclear from these statements which distributions are to DRC2 for its services and which distributions are to Applicant’s creditors. Moreover, these statements do not provide account information to link the notations to Applicant’s alleged accounts. Two creditors listed in the distributions are not named amongst the debts in the SOR. Applicant testified that he himself was unclear which accounts were being paid by DRC2, and he could not link the two collection agencies listed in the account statements with any of the alleged debts. After the hearing, Applicant provided documentary evidence showing five accounts being addressed through DRC2, including SOR ¶¶ 1.b., 1.c., and 1.d.; however, there is no evidence identifying the two remaining accounts for which DRC2 is engaged. (AE B; Tr. 70-72)

SOR ¶ 1.b. This business line of credit was opened in 2017 and was used for truck repairs and maintenance. This account became delinquent in 2020 and was placed for collection in October 2022 in the approximate amount of \$26,138. Applicant’s December 2025 credit report lists this account with a past-due balance of \$22,988, with the most recent payment in November 2025. After the hearing, Applicant provided documentary evidence of 13 payments, totaling \$4,578, completed between December 2024 and December 2025. These payments are scheduled to continue through November 2027. **This debt is being resolved.** (Answer; GE 2-5, GE 6 at 4; AE F; Tr. 45-46, 65-68, 70-72, 82)

SOR ¶ 1.c. Applicant opened this credit-card account to pay for a truck repair, and it was placed for collection in October 2022 in the approximate amount of \$5,276. As of Applicant’s December 2025 credit report, the balance was reduced to \$5,226. After the hearing, Applicant provided documentary evidence of six \$10 payments completed between May and October 2025 and three \$173 payments completed between November 2025 and January 2026, of which two payments occurred after the hearing. These payments appear to have been made through a settlement agreement established by DRC2, with payments to be completed in April 2027. **This debt is being resolved.** (Answer; GE 2-5, GE 6 at 4; AE E; Tr. 76)

SOR ¶ 1.d. This credit-card account was placed for collection in October 2022 in the approximate amount of \$4,044. After the hearing, Applicant provided documentary evidence that this debt was settled for \$1,213 in April 2025. **This debt is resolved.** (Answer; GE 2-6; AE H; Tr. 77-78)

SOR ¶ 1.e. This credit-card account was placed for collection in October 2022 in the approximate amount of \$2,320. Applicant's December 2025 credit report lists the past due balance as \$2,320, with the most recent payment in January 2024. There is no record of any payment arrangements, payments, or other debt-resolution efforts on this account. **This debt is not resolved.** (Answer; GE 2-5, GE 6 at 4; Tr. 78-79, 81)

SOR ¶ 1.f. This credit-card account was opened in November 2011. It was charged off in the approximate amount of \$946. Applicant's December 2025 credit report lists the past due balance as \$946 with no payments since March 2020. Applicant testified that he disputed this debt through the credit-reporting agencies because he did not recognize the account. Applicant's December 2025 credit report lists the dispute as resolved and the debt still owed. Applicant acknowledged that the dispute was resolved and that he should simply pay the debt. He claimed to have engaged DRC2 to investigate this debt. He did not provide any documentary evidence to corroborate his claims or establish his dispute. **This debt is not resolved.** (Answer; GE 4, GE 5, GE 6 at 4; Tr. 83, 88-89, 95-96)

SOR ¶ 1.g. This credit-card account was charged off in the approximate amount of \$816. Applicant claimed that he settled this debt for \$807 and that he still owed approximately \$435. Applicant's December 2025 credit report lists this account as past due in the approximate amount of \$816, with no payments since February 2024. Applicant provided inconsistent testimony as to whether this account is enrolled with DRC2. There is no documentary evidence of any payments or debt-resolution efforts on this account. **This debt is not resolved.** (Answer; GE 4, GE 5, GE 6 at 4)

SOR ¶ 1.h. This credit-card account was charged off in the approximate amount of \$415. Applicant testified that he disputed this account and had engaged DRC2 to investigate this debt. As of the close of the record, there is no documentary evidence establishing that DRC2 is addressing this debt nor evidence of any payment arrangements, payments, or other debt-resolution efforts on this account. **This debt is not resolved.** (Answer; GE 4-5; Tr. 83)

SOR ¶ 1.i. This cell-phone account was opened in November 2014, became delinquent in late 2023, and was placed for collection in the approximate amount of \$172. During his OPM interview, Applicant disputed this debt and claimed to have cancelled this account. Applicant's December 2025 credit report establishes he paid this account in May 2025. **This debt is resolved.** (Answer; GE 4, GE 5, GE 6 at 1; Tr. 73, 77)

SOR ¶ 1.j. This automobile insurance account was placed for collection in the approximate amount of \$76. Applicant testified that he paid this account; however, he has provided no evidence to corroborate this claim. **This debt is not resolved.** (Answer; GE 5; Tr. 84)

SOR ¶ 1.k. This government debt was assigned to collection in April 2017 in the approximate amount of \$1,599 due to an overpayment. Applicant testified that he has contacted the government entity that issued him a payment following his Navy discharge, but he has not ascertained the basis for this delinquent debt. There is no evidence of any payments or other debt-resolution efforts on this account. **This debt is not resolved.** (Answer; GE 4; Tr. 84-85)

SOR ¶ 1.I. This cable utility account was placed for collection in June 2023 in the approximate amount of \$343. Applicant disputed this debt. He testified that he returned the cable service equipment to the brick-and-mortar store and received a receipt. He believed that the delinquent debt was resolved. He did not provide any corroborating evidence. **This debt is not resolved.** (Answer; GE 2, GE 4; Tr. 85-86)

Applicant testified that he contacted the creditor for five accounts (SOR ¶¶ 1.b.-1.e., 1.g.) during the COVID-19 pandemic, as he struggled for consistent income and to pay his expenses. He was unable to afford the lump-sum settlement offer proposed by the creditor. He had insufficient income to maintain his financial obligations and started to regularly miss payments in 2020. (Tr. 81)

When Applicant was hired in January 2024, his starting salary was approximately \$105,000. His current salary is \$108,000, and he estimated that he earns approximately \$118,000 annually due to extra hours worked. Since November 2025, he has received approximately \$150 a month in Veterans Affairs (VA) disability benefits. He estimated that he had approximately \$8,500 in a checking account and approximately \$20,000 in a 401k account. He maintains a monthly budget, and he estimated that he had approximately \$1,800 remaining each month after expenses and DRC2 payments. He explained that, beginning in summer of 2025, he began reducing his food expenses, which increased his monthly remainder. In February 2024, he attended “financial health” presentations through his employer’s employee assistance program (EAP). He learned about finances and retirement; however, he did not participate in any one-on-one financial counseling or discuss his debts. I found Applicant’s testimony honest and sincere; however, his uncertainty and inconsistent testimony about his accounts and his taxes cast doubt on the reliability of his testimony. (Tr. 33, 35-37, 40-44, 85-87, 91-92, 97)

Applicant has never been arrested nor disciplined at his current employer. He testified that he experienced some unexpected expenses in 2025 when his parked car was totaled, requiring him to purchase a new car. He also broke his lease and moved to a safer neighborhood shortly thereafter. He was awaiting a \$14,000 insurance payment for the totaled vehicle. (Tr. 40, 93, 96)

Whole Person

Applicant proffered three character-reference letters in support of his clearance eligibility. His current supervisor praised his professional growth and responsibility, his

adherence to protocol, and his integrity and judgment. He considers Applicant to be an honest, diligent, and trustworthy professional. Applicant's two program managers were aware of his financial issues and that he was actively working to resolve his delinquencies. One manager attested to Applicant's "demonstrated capability and performance." The second manager noted his reliability, trustworthiness, patriotism, and enthusiasm. (AE A, AE C, AE D)

Applicant proffered several awards he received as an U.S. Navy service member and as a contractor supporting Navy programs. In 2008, 2011, and 2012, he earned Navy and Marine Corps Achievement Medals for his "meticulous attention to safety," "demonstrated unsurpassed leadership and tenacious work ethic," and "highest standards of excellence" in performance of his duties. He earned three Navy commendations as a service member for "consistently perform[ing] his demanding duties in an exemplary and highly professional manner." He earned Navy Good Conduct Awards in 2007 and 2010. In July 2025, Applicant was awarded for his "significant contributions" to the Navy program he supports as a contractor. (AE G)

Policies

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(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 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 sensitive 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 sensitive information. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to safeguard sensitive information. Such decisions entail a certain degree of legally permissible extrapolation of potential, rather than actual, risk of compromise of sensitive 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. The following are potentially applicable in this case:

AG ¶ 19(a) inability to satisfy debts;

AG ¶ 19(c) a history of not meeting financial obligations; and

AG ¶ 19(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.

The Government established that Applicant failed to timely file his federal income tax returns for TY 2020, 2021, 2022, and 2023, as required. As of the close of the record, these returns remained unfiled. Applicant’s admissions and the credit reports established his 11 delinquent accounts, totaling approximately \$42,145. AG ¶¶ 19(a), 19(c), and 19(f) apply.

Conditions that could mitigate the financial considerations security concerns are provided under AG ¶ 20. The following are potentially applicable in this case:

- (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;
- (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;
- (d) the individual has initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts;
- (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; and
- (g) the individual has made arrangements with the appropriate tax authority to file or pay the amount owed and is in compliance with those arrangements.

Applicant bears the burdens of production and persuasion in mitigation. An applicant is not held to a standard of perfection in his or her debt-resolution efforts or required to be debt-free. "Rather, all that is required is that an applicant act responsibly given his circumstances and develop a reasonable plan for repayment, accompanied by 'concomitant conduct,' that is, actions which evidence a serious intent to effectuate the plan." ISCR Case No. 15-02903 at 3 (App. Bd. Mar. 9, 2017). See, e.g., ISCR Case No. 13-00987 at 3, n.5 (App. Bd. Aug. 14, 2014).

Applicant credibly testified about his business struggles, culminating in the shuttering of his trucking business in about July 2023. His increased expenses and decreased income contributed to his delinquent accounts. He engaged DRC1 in August 2023 and made monthly payments until about July 2024. He engaged DRC2 in December 2024 and has made monthly payments since. Five accounts – including SOR ¶¶ 1.b., 1.c., and 1.d. – are being addressed through DRC2, and he paid another account on his own (SOR ¶ 1.i.). Notwithstanding his progress on these accounts, there is no documentary evidence of any debt-resolution efforts concerning the remaining seven

debts. He remained unclear as to which debts were being addressed or investigated by DRC2, and other accounts were wholly unaddressed. He demonstrated that he acted responsibly as to the four accounts addressed and payments made through DRC2 and on his own. AG ¶¶ 20(b) and 20(d) apply to SOR ¶¶ 1.b., 1.c., 1.d., and 1.i.

Applicant has observed financial education courses about retirement; however, he has not participated in one-on-one financial counseling or received counseling specifically tailored to his debts and financial situation. He disputed one account through the credit-reporting agencies, and the dispute was resolved in favor of the creditor. He has not provided a reasonable basis for any other dispute. AG ¶¶ 20(c) and 20(e) do not apply.

Applicant failed to file his federal income tax returns for TY 2020 through 2023. He purportedly engaged a CPA to prepare these returns in about July 2023 and provided the necessary documentation to the firm for at least TY 2020 and TY 2021. As of the close of the record, all of the returns remain unfiled.

The Appeal Board in ISCR Case No. 23-00254 at 3 (App. Bd. Sept. 9, 2024) said:

A security clearance adjudication is not a proceeding aimed at inducing an applicant to meet his or her duty to file tax returns. Rather, it is a proceeding aimed at evaluating an applicant's judgment, reliability, and trustworthiness. E.g., ISCR Case No. 07-08049 at 5 (App. Bd. Jul. 22, 2008). Accordingly, even though Applicant eventually filed his tax returns [in the case under appeal], the Judge was obligated to consider the facts and circumstances surrounding the failure to timely meet tax obligations. *Id.*

Regarding the failure to timely file a federal income tax return, the Appeal Board has commented:

Failure to file tax returns suggests that an applicant has a problem with complying with well-established governmental rules and systems. Voluntary compliance with such rules and systems is essential for protecting classified information. ISCR Case No. 01-05340 at 3 (App. Bd. Dec. 20, 2002). As we have noted in the past, a clearance adjudication is not directed at collecting debts. See, e.g., ISCR Case No. 07-08049 at 5 (App. Bd. Jul. 22, 2008). By the same token, neither is it directed toward *inducing an applicant to file tax returns. Rather, it is a proceeding aimed at* evaluating an applicant's judgment and reliability. *Id.* A person who fails repeatedly to fulfill his or her legal obligations does not demonstrate the high degree of good judgment and reliability required of those granted access to classified information. See, e.g., ISCR Case No. 14-01894 at 5 (App. Bd. Aug. 18, 2015). See *Cafeteria & Restaurant Workers Union Local 473 v. McElroy*, 284 F.2d 173, 183 (D.C. Cir. 1960), *aff'd*, 367 U.S. 886 (1961).

ISCR Case No. 14-04437 at 3 (App. Bd. Apr. 15, 2016) (emphasis in original). See ISCR Case No. 15-01031 at 4 (App. Bd. Jun. 15, 2016) (citations omitted); ISCR Case No. 14-

05476 at 5 (App. Bd. Mar. 25, 2016) (citing ISCR Case No. 01-05340 at 3 (App. Bd. Dec. 20, 2002)); ISCR Case No. 14-01894 at 4-5 (App. Bd. Aug. 18, 2015).

Here, Applicant's tax returns have remained unfiled for several years. Although not alleged, he testified that the IRS had concluded that he owed approximately \$8,000 for TY 2019, and he admitted that he owed another \$10,000 for TY 2020 through 2022. Although he engaged the services of a CPA in July 2023, these returns remain unfiled. Applicant himself had not provided all of the necessary documentation to the CPA as of July 2025 to complete his TY 2022 and 2023 returns. The timing of Applicant's debt-resolution efforts is relevant and material to the evaluation of his evidence in mitigation. See, e.g., ADP Case No. 16-03595 at 4 (App. Bd. Aug. 27, 2018) (timing of debt-resolution efforts is relevant in evaluating the sufficiency of case in mitigation). Here, Applicant has not acted responsibly in addressing and filing the missing tax returns. AG ¶ 20(g) does not apply. He did not mitigate the financial considerations security concerns.

Whole-Person Concept

Under the whole-person concept, the administrative judge must evaluate an applicant's eligibility for access to classified information 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 and the factors in AG ¶ 2(d) in this whole-person analysis.

Applicant's current supervisor and two program managers praised his growth, integrity, honesty, trustworthiness, reliability, work ethic, and professionalism. He received several awards for his performance during his Navy service and as a contractor. While I found Applicant's testimony sincere and honest, his inconsistent statements about his tax filings and financial delinquencies cast doubts on his grasp of his finances. He was unable to identify which debts were being addressed by DRC2, what steps he had taken with the accounts not handled by DRC2, or why his tax filings – including those for which all documentation had been provided to the CPA – had not been prepared or filed for over

two years. While circumstances beyond Applicant's control contributed to his financial delinquencies, these circumstances did not diminish his legal obligation to file his federal income tax returns. He has not established that he has acted responsibly regarding his finances or that these circumstances are unlikely to recur. He did not mitigate the financial considerations security concerns. Eligibility for access to classified information is denied.

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
Subparagraph 1.a.:	Against Applicant
Subparagraphs 1.b.-1.d.:	For Applicant
Subparagraphs 1.e.-1.h.:	Against Applicant
Subparagraph 1.i.:	For Applicant
Subparagraphs 1.j.-1.l.:	Against Applicant

Conclusion

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

Eric H. Borgstrom
Administrative Judge