



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



In the matter of:)
)
) ISCR Case No. 25-00104
)
Applicant for Security Clearance)

Appearances

For Government: Troy Nussbaum, Esq., Department Counsel
For Applicant: *Pro se*

02/17/2026

Decision

DRISKILL, A. M., Administrative Judge:

Applicant did not mitigate the security concerns under Guideline F (Financial Considerations). The security concern under Guideline E (Personal Conduct) was not established. Eligibility for access to classified information is denied.

Statement of the Case

On March 27, 2025, the Department of Defense (DOD) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guidelines F and E. Applicant responded to the SOR in an undated response (Answer) and requested a decision on the written record in lieu of a hearing. The Government’s written case was submitted on September 9, 2025. A complete copy of the file of relevant material (FORM) was provided to Applicant, who was afforded an opportunity to file objections and submit material to refute, extenuate, or mitigate the security concerns. Applicant received the FORM on September 26, 2025, and she did not respond. The case was assigned to me on January 8, 2026. The Government exhibits included in the FORM are admitted in evidence without objection.

Findings of Fact

The SOR alleges Applicant has two delinquent debts totaling \$21,145 (SOR ¶¶ 1.a and 1.b) and that she falsified material facts on her July 2024 security clearance application (SCA) by not reporting her delinquent debts (SOR ¶ 2.a). She admitted all the allegations, however, in her Answer, she stated that she forgot about the debts when filling out the SCA, and I construe her statement to be a denial of the Guideline E allegation. The allegations are supported by Applicant's July 2024 SCA, her 2022 and 2024 subject interviews (SI) with government investigators, and her August 2024 and March 2025 credit bureau reports (CBR). (Items 4-7)

Applicant is 44 years old. She earned an associate degree in 2013 and a bachelor's degree in 2021 and did not serve in the military. She has been married three times, from 2001 to 2003, from 2008 to 2013, and from 2018 to the present. She has three minor children. She has worked for her current employer since October 2024. (Item 4, 7)

In her November 2022 SI, Applicant denied having any delinquent debts and had to be confronted with nine accounts, including the two alleged on the SOR.¹ On her July 2024 SCA, she answered "No" to a set of questions under Section 26 – Financial Record, which asked a series of questions regarding delinquencies involving routine accounts. This section included questions such as whether, in the last seven years, she had any bills or debts turned over to a collection agency or any accounts or credit cards suspended, charged off, or cancelled for failing to pay as agreed. In her October 2024 SI, she reported one unalleged delinquent account to the investigator and stated she had no other delinquent accounts. She had to be confronted with seven accounts, including the two alleged on the SOR. (Items 4, 7)

SOR ¶ 1.a is a time share plan Applicant shares with her spouse. In the 2022 SI, she stated the account had fallen behind due to her spouse being laid off but that the account was current, and she was making monthly payments on it. In the 2024 SI, she said she stopped making payments on the account and was trying to get out of the agreement. She stated she did not plan on doing anything on the account until contacted by the creditor. Notably, the reported balances on the account in 2022 and 2024 are identical, and are the same amount listed in the most recent CBR. (Items 5, 7)

Applicant did not recognize the debt alleged in SOR ¶ 1.b either time she was asked about it in her SIs. It is only listed on the August 2024 CBR. (Items 6, 7)

In her 2022 SI, Applicant attributed her financial problems to her spouse losing his job and to childcare costs. She stated her husband handles the family finances. In her 2024 SI, she attributed her financial problems to being diagnosed with stage four breast cancer in November 2022, which distracted her from paying her debts on time. She stated her husband "now" manages their finances and they live within their means. (Item 7)

¹ Applicant's corresponding SCA was not included in the FORM.

Applicant filed for Chapter 7 bankruptcy in 2009 with her then-husband. It was discharged in June 2009. (Item 8)

In her Answer, Applicant stated that she had forgotten about her delinquent debts when completing her SCA and did not remember them until asked by the investigator in October 2024. She acknowledged having the debts and that she should have reported them on her SCA. She further explained that, since receiving her cancer diagnosis in November 2022, she has “forgotten a lot of things.” She attached medical records substantiating her diagnosis. She did not provide any additional information regarding the delinquent debts alleged on the SOR.

Policies

This case is adjudicated 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) implemented by the DOD on June 8, 2017.

“[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*, 484 U.S. at 531. “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. See 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*, 484 U.S. at 531.

Analysis

Guideline F, Financial Considerations

The 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. 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 evidence establishes the following disqualifying conditions under this guideline:

AG ¶ 19(a): inability to satisfy debts;

AG ¶ 19(b): unwillingness to satisfy debts regardless of the ability to do so; and

AG ¶ 19(c): a history of not meeting financial obligations.

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;

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; and

AG ¶ 20(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.

In 2022, Applicant denied the SOR ¶ 1.a account was delinquent. At the time, she attributed financial issues to her husband's job loss and to child care expenses, but she insisted that they had brought the account current in spite of those circumstances. Two years later, although she made a generalized statement that her cancer diagnosis distracted her from making timely payments on her debts, she stated that for this debt she decided to stop payments and was trying to get out of the contract, but did not intend to act until contacted by the creditor. Although she said her diagnosis caused her to forget to pay her debts, she has stated several times that her husband handles the family finances, so her forgetfulness should not have prevented her husband from paying the family bills as he usually did. While a spouse's job loss and a serious medical diagnosis were clearly beyond her control, it is not at all clear that either of those events were what caused this account to become delinquent. Even assuming either or both events caused the account to become delinquent, by choosing to take no action on it, Applicant has not acted responsibly toward the debt.

Applicant has provided no information regarding the debt alleged in SOR ¶ 1.b apart from stating she did not recognize it. If she did not recognize it because it is in fact not a legitimate debt, she has not provided any evidence to prove a reasonable basis to dispute it.

Both debts have been delinquent for years despite Applicant being confronted with them twice. Her debts are recent and remain unresolved. She did not provide sufficient evidence to show that her financial problems are unlikely to recur, and her failure to make

any efforts to resolve her debts casts doubt on her current reliability, trustworthiness, and good judgment. None of the mitigating conditions apply.

Guideline E, Personal Conduct

The security concern under this guideline 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 following disqualifying conditions are relevant to this case:

AG ¶16(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 national security eligibility or trustworthiness, or award fiduciary responsibilities.

When a falsification allegation is controverted, as in this case, the Government has the burden of proving it. An omission, standing alone, does not prove falsification. An administrative judge must consider the record evidence as a whole to determine an applicant's state of mind at the time of the omission. See ISCR Case No. 03-09483 at 4 (App. Bd. Nov. 17, 2004). An applicant's experience and level of education are relevant to determining whether a failure to disclose relevant information on a security clearance application was deliberate. See ISCR Case No. 08-05637 (App. Bd. Sep. 9, 2010).

Applicant is a mature, well-educated adult. She had undergone the security-clearance process at least once before submitting an SCA in July 2024. Two years before completing that SCA, she had been confronted in an SI with the same debts at issue in the SOR. That being said, she received a very serious cancer diagnosis shortly after her 2022 SI. She has explained that receiving that diagnosis and the treatment she has undergone since then have caused her to forget many things, including her delinquent debts. Although she should have made the effort to complete the SCA as accurately as possible, her explanation is reasonable, and the evidence fails to prove deliberate omission in this case. AG ¶ 16(a) is not established.

Whole-Person Concept

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 applying the whole-person concept, an 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. 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 Guidelines F and E 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 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 Guidelines F and E and evaluating all the evidence in the context of the whole person, I conclude the Guideline E, personal conduct security concern was not established, but Applicant has not mitigated the security concerns raised under Guideline F, financial considerations.

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-b:	Against Applicant
Paragraph 2, Guideline E:	FOR APPLICANT
Subparagraph 2.a:	For Applicant

Conclusion

I conclude 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.

A. M. Driskill
Administrative Judge