



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



In the matter of:)	
)	
)	ISCR Case No. 24-02457
)	
Applicant for Security Clearance)	

Appearances

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

02/19/2026

Decision

DRISKILL, A. M., Administrative Judge:

Applicant did not mitigate the security concerns under Guideline F (Financial Considerations). Eligibility for access to classified information is denied.

Statement of the Case

On April 7, 2025, the Department of Defense (DOD) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F. Applicant responded to the SOR on April 28, 2025 (Answer), and requested a decision on the written record in lieu of a hearing. The Government’s written case was submitted on July 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 November 17, 2025, and he did not respond. The case was assigned to me on February 5, 2026. The Government exhibits included in the FORM are admitted in evidence without objection.

Findings of Fact

The SOR alleges Applicant failed to timely file Federal and State A income tax returns for tax years (TY) 2016-2018 (SOR ¶¶ 1.a and 1.b). It also alleges that he has a tax lien from State A for TY 2023 (SOR ¶ 1.c) and that he has eight delinquent consumer debts totaling approximately \$19,669 (SOR ¶¶ 1.d-1.k). In his Answer, he denied four of the delinquent consumer debts without explanation. He admitted the remaining allegations. All the allegations are established by Applicant's security clearance application (SCA), his interrogatory response, his April 2024, December 2024, and June 2025 credit bureau reports (CBR), and a State A notice of tax lien. (Items 4-9)

Applicant is 44 years old. He has been employed by his current employer since 2022. He attended school from August 2012 to June 2015, earning a welding technology certification and an associate degree; April to May 2018, earning an unmanned maritime systems certification; and August 2015 to May 2019, with no degree or diploma awarded. He has never married and has one adult child. (Items 4, 5)

In his 2024 SCA, Applicant reported one period of unemployment, from November 2017 to March 2019, and indicated that he was self-employed from February 2013 to October 2017. He also reported failing to file Federal and State A income tax returns for TY 2017, explaining that he was attending school and unemployed, so he did not think he had to file if he had no income to report. He further stated that he had hired an accountant the year prior who was assisting him in amending or filing all required returns. He also reported receiving assistance from a credit-restoration service that is helping him pay or settle accounts in collection. He did not specifically list any of his delinquent debts. (Item 4)

In his June 2024 subject interview (SI) with a government investigator, Applicant stated that, during his period of unemployment, he was a full-time college student and received financial support from his family and from student loans. He confirmed that he failed to file his TY 2017 Federal and State A income tax returns because he did not have any income in 2017. He stated he was made aware that he needed to file this return after hiring a financial service to help him with his credit. (Item 5)

In his response to an interrogatory, Applicant stated that he discovered that, in addition to his TY 2017 returns, his TY 2016 and 2018 Federal and State A tax returns were also not filed. He stated his accountant was reviewing his records to determine next steps. He confirmed that all his pre-TY 2014 Federal and State A returns were filed and provided Federal tax account transcripts and State A tax transcripts for TY 2019 through 2023. All but TY 2021 returns were filed on time, and he does not owe any Federal taxes for those years. His State A tax transcript also reflects timely filing of TY 2014 and 2015 and that he owes \$565.88 for TY 2023. The State A notice of tax lien shows a lien was filed in November 2024 in the amount of \$512.24 for TY 2023. (Items 5, 9)

During the SI, the investigator discussed all the alleged SOR debts with Applicant except for the collection account alleged in SOR ¶ 1.h and the tax lien in SOR ¶ 1.c. Of the seven accounts discussed, Applicant told the investigator that each one was enrolled with the credit-restoration service he reported on his SCA. He explained that he pays the

service a monthly fee which is then distributed to each creditor. He said he was also working with the service to try to settle the accounts for less than their full value and that he intended to continue paying the debts until they are paid in full or a settlement is reached. He attributed his financial circumstances to not having consistent work and to not being financially responsible. He stated that he started to get behind on his debts while unemployed and attending college. (Item 5)

Applicant submitted a personal financial statement. His net monthly remainder is about \$676.¹ He has over \$400 in investments. He pays about \$4,672 in monthly expenses and debts. He did not specifically include his monthly payments to his credit-restoration service, so it is unclear what he pays them every month and if this payment is incorporated into his budget. (Item 5)

The April 2024 CBR lists SOR ¶¶ 1.d-1.g and 1.i-1.k. The December 2024 CBR lists SOR ¶¶ 1.d-1.j. The June 2025 CBR lists SOR ¶¶ 1.e, 1.g, 1.h, and 1.j. The balance on the debt in SOR ¶ 1.f decreased by \$110 from the April to December 2024 CBRs. The balances on all other alleged debts reported across CBRs remained the same. The June 2025 CBR lists a new delinquent debt that is 90 days past due in the amount of \$1,463. (Items 6-8)

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.

¹ Applicant listed his yearly salary under “monthly income,” causing him to report a net monthly remainder of \$19,705. Because he also included his TY 2024 W-2, I was able to determine this was an error and calculate the correct amount for the net monthly remainder.

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.

Although Applicant denied four of the alleged consumer debts, he provided no basis or explanation for his denials, and all four are reported on the CBRs in the Government's evidence, which sufficiently substantiates those debts. Applicant's admissions and the evidence in the FORM establish the following disqualifying conditions under this guideline:

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 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;

AG ¶ 20(d): the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts; and

AG ¶ 20(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 initially reported only failing to file his TY 2017 tax returns, explaining that he was in school full-time and did not earn enough income that year to meet the minimum income requirement for filing. He reported on his SCA, however, that he was self-employed in 2017 until October. He reported being unemployed and in school full-time throughout 2018, so it seems likely he may have confused these two years. In any case, Applicant reported three years' worth of unfiled tax returns, including two years in

which he was employed (TY 2016 and 2017), and it appears he believes, based on the information he has been given from his accountant, that he is required to file some or all of those returns.

Applicant has not provided any evidence to show the returns are now filed or that he is not required to file them. Furthermore, he owes State A taxes for TY 2023 and has not provided any proof that he has satisfied that debt. An applicant who fails repeatedly to fulfill their legal obligations, such as filing tax returns and paying taxes when due, does not demonstrate the high degree of good judgment and reliability required of those granted access to classified information. See ISCR Case No. 15-06707 at 3 (App. Bd. Aug. 15, 2017). His unfiled returns and delinquent taxes did not arise from circumstances beyond his control. None of his tax issues have been resolved, indicating this is current and ongoing behavior, it did not occur under circumstances making it unlikely to recur, and it casts doubt on his current reliability, trustworthiness, and good judgment. None of the mitigating conditions apply to his failure to file his tax returns nor to his tax lien (SOR ¶¶ 1.a-1.c).

Likewise, Applicant's consumer debt is an ongoing concern that casts doubt on his current reliability, trustworthiness, and good judgment. He attributed his delinquent debts to unsteady work, although he reported steady employment since 2019. Even if this were considered a circumstance largely beyond his control, there is no evidence that he acted responsibly toward his debts. He said that he has been working with a credit-restoration service, but he did not provide any documentation regarding the service such as which debts are enrolled, a history of timely payments made toward the service, or whether any of the enrolled debts are being paid. The Appeal Board has held that "it is reasonable for a Judge to expect applicants to present documentation about the satisfaction of specific debts." See ISCR Case No. 09-07091 at 2 (App. Bd. Aug. 11, 2010) (quoting ISCR Case No. 04-10671 at 3 (App. Bd. May 1, 2006)). Applicant indicated he has received some financial counseling, but he did not provide any documentation of counseling, nor are there clear indications that his financial problems are being resolved or are under control. None of the mitigating conditions apply to the consumer debt accounts (SOR ¶¶ 1.d-1.k).

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 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 evaluate his 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 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-k:	Against 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