



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



In the matter of: )  
)  
) ISCR Case No. 24-02488  
)  
Applicant for Security Clearance )

**Appearances**

For Government:  
Rhett Petcher, Esquire, Department Counsel

For Applicant:  
*Pro se*

02/25/2026

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**Decision**

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ROSS, Wilford H., 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 February 28, 2025, the Department of Defense (DOD) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F. The action was taken 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.

Applicant responded to the SOR in writing (Answer) on April 2, 2025, including attachments, and requested a hearing before an administrative judge. Department Counsel was prepared to proceed on April 16, 2025. The case was assigned to me on July 1, 2025. The Defense Office of Hearings and Appeals (DOHA) issued a Notice of Hearing on July 9, 2025. I convened the hearing as scheduled on September 25, 2025. The Government offered Government Exhibits 1 through 6, which were admitted without objection. Applicant testified on his own behalf and submitted Applicant Exhibits A through E. Applicant's exhibits were admitted without objection. He asked that the record remain open until October 31, 2025, for the receipt of additional documentation. He elected not to submit any additional exhibits. DOHA received the transcript of the hearing (Tr.) on October 7, 2025. The record closed on October 31, 2025. 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 27 years old, married, and has a stepchild. He has an associate degree. At the time of the hearing he was attending college fulltime. He is being sponsored for national security eligibility by that college. (Government Exhibit 1 at Sections 12, 13A, 17, and 18; Tr. 7-10.)

### **Paragraph 1 (Guideline F, Financial Considerations)**

The Government alleges in this paragraph that Applicant is ineligible for clearance because he is financially overextended and therefore potentially unreliable, untrustworthy, or at risk of having to engage in illegal acts to generate funds. Applicant admitted all the allegations with explanations.

Based on the available documentary evidence Applicant is alleged to owe approximately \$23,146 in past-due or charged-off debts. The Government provided credit reports of Applicant dated February 23, 2024; November 4, 2024; and February 20, 2025, supporting the existence of the debts. (Government Exhibits 6, 5, and 4.) The debts are admitted by Applicant in his responses in Section 26 of his Electronic Questionnaire for Investigations Processing, dated February 8, 2024. (Government Exhibit 1.) The debts are also supported by his admissions to an authorized investigator from the Office of Personnel Management during interviews on August 5, 2024; and August 7, 2024.

(Government Exhibit 2.) The existence of the debts is also supported by admissions of Applicant in responses to interrogatories dated December 2, 2024. (Government Exhibit 3.)

Applicant states that the majority of his past-due debts occurred after he and his wife bought a house in 2021 and discovered how much money it took to furnish it. He also stated that the COVID pandemic contributed to the problems. The financial difficulties increased once he became a full-time student in 2023. Finally, his financial assistance, as well as a paid internship, both ended in May 2025. His wife, who works fulltime, provides almost all of the income to the household. She was unemployed or underemployed for a period between 2021 and 2024. He is not currently able to make any payments on any of the debts. He began having difficulty paying his debts within a year of buying his house. He admits having minimal savings and living paycheck to paycheck. (Tr. 21-32, 36-37, 46, 57-58.)

The current status of the debts alleged in the SOR is as follows:

1.a. Applicant admitted that he owed a creditor \$2,911 for a charged-off debt. No recent payments have been made on this debt, and he has no plans to make payments. He was unsuccessful in making a payment arrangement with this creditor. This debt is not resolved. (Tr. 44-46.)

1.b. Applicant admitted that he owed a creditor \$1,094 for a charged-off debt. No recent payments have been made on this debt, and he has no plans to make payments. This debt is not resolved. (Tr. 46.)

1.c. Applicant admitted that he owed a creditor \$171 for a past-due debt. No recent payments have been made on this debt, and he has no plans to make payments. This debt is not resolved. (Tr. 47.)

1.d. Applicant admitted that he owed a creditor \$877 for a past-due debt. No recent payments have been made on this debt, and he has no plans to make payments. This debt is not resolved. (Tr. 47.)

1.e. Applicant admitted that he owed a creditor \$868 for a past-due debt. He attempted to resolve this debt through payments to the creditor, but was unable to continue after making one payment. No recent payments have been made on this debt, and he has no plans to make payments. This debt is not resolved. (Applicant Exhibit D; Tr. 48-51.)

1.f. Applicant admitted that he owed this creditor \$2,134 for a past-due debt. No recent payments have been made on this debt, and he has no plans to make payments. This debt is not resolved. (Tr. 51.)

1.g. Applicant admitted that he owed this creditor \$1,940 for a past-due debt. No payments have been made on this debt, and he has no plans to make payments. This debt is not resolved. (Tr. 52.)

1.h. Applicant admitted that he owed this creditor \$270 for a past-due debt. No payments have been made on this debt, and he has no plans to make payments. This debt is not resolved. (Tr. 52.)

1.i. Applicant admitted that he owed a creditor \$810 for a past-due debt. He attempted to resolve this debt through payments to the creditor, but was unable to continue after making one payment. No recent payments have been made on this debt, and he has no plans to make payments. This debt is not resolved. (Applicant Exhibit E; Tr. 52-54.)

1.j. Applicant admitted that he owed this creditor \$1,804 for a past-due debt. No payments have been made on this debt, and he has no plans to make payments. This debt is not resolved. (Tr. 54.)

1.k. Applicant admitted that he owed this creditor \$6,409 for a past-due debt. No payments have been made on this debt, and he has no plans to make payments. This debt is not resolved. (Tr. 54.)

1.l. Applicant admitted that he owed this creditor \$2,189 for a past-due debt. No payments have been made on this debt, and he has no plans to make payments. This debt is not resolved. (Tr. 54.)

1.m. Applicant admitted that he owed this creditor \$991 for a past-due debt. No payments have been made on this debt, and he has no plans to make payments. This debt is not resolved. (Tr. 54.)

1.n. Applicant admitted that he owed this creditor \$678 for a past-due debt. No payments have been made on this debt, and he has no plans to make payments. This debt is not resolved. (Tr. 54.)

## **Mitigation**

Applicant submitted letters of support from his current program manager, the director of financial aid at the community college he received his associate degree from, and from the senior program manager for the Government internship program he wishes to work for. (Applicant Exhibits A, B, and C.)

## **Policies**

When evaluating an applicant's national security eligibility for a security clearance, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines (AG) list potentially disqualifying conditions and mitigating conditions, which are to be used in evaluating an applicant's national security eligibility.

These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied 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 applicable guidelines in the context 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, "Any 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. I have not drawn inferences based on mere speculation or conjecture.

Directive ¶ E3.1.14, requires the Government to 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 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 national security eligibility. 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 or sensitive information. Finally, as emphasized in Section 7 of Executive Order 10865, "Any determination under this order adverse to an applicant shall be a determination in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned." See *also* Executive Order 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information.)

## **Analysis**

### **Paragraph 1 (Guideline F, Financial Considerations)**

The security concerns relating to the guideline for financial considerations are set out in AG ¶ 18, which reads in pertinent part:

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.

AG ¶ 19 describes two conditions that could raise security concerns and may be disqualifying in this case:

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

Applicant was alleged to have fourteen delinquent debts totaling approximately \$23,146 that he has not paid. AG ¶¶ 19(a) and (c) apply. The burden thereby shifts to Applicant to mitigate the adverse inference of his delinquent debts.

The guideline includes four conditions in AG ¶ 20 that could mitigate the security concerns arising from Applicant's alleged financial difficulties:

- (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.

Applicant has had financial issues for several years. They are the result of expenses from buying a new house, his becoming a full-time student, and his wife's employment issues. He testified that, with minimal exceptions, he has not made any attempt to resolve any of the debts. He also has no current plans to pay any of the debts. None of the mitigating conditions apply. Based on all of the available evidence, Applicant has not mitigated the security concerns of this guideline.

### **Whole-Person Concept**

Under the whole-person concept, the administrative judge must evaluate an applicant's eligibility for national security eligibility 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 national security 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 pertinent facts and circumstances surrounding this case. Applicant is not currently eligible for national security eligibility because of his unresolved financial situation. Paragraph 1 is found against Applicant.

### **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.n:

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 national security eligibility for a security clearance. Eligibility for access to classified information is denied.

WILFORD H. ROSS  
Administrative Judge