



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



In the matter of: )  
)  
) ISCR Case No. 25-00992  
)  
Applicant for Security Clearance )

**Appearances**

For Government: Tova Minster, Esq., Department Counsel  
For Applicant: *Pro se*

03/05/2026

**Decision**

NAGEL, Jeff A., Administrative Judge:

Applicant did not mitigate the financial considerations security concerns. Eligibility for access to classified information is denied.

**Statement of the Case**

Applicant submitted a Questionnaire for National Security Positions (SCA) on December 1, 2024. On August 6, 2025, the Defense Counterintelligence and Security Agency (DCSA) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F (Financial Considerations). The action was taken under Executive Order 10865, *Safeguarding Classified Information Within Industry* (February 20, 1960), as amended; Department of Defense (DoD) Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG) effective within DoD after June 8, 2017.

On September 17, 2025, Applicant responded to the SOR in writing (Answer) and requested that the case be decided on the written record in lieu of a hearing. In her Answer, Applicant admitted each allegation. On December 9, 2025, Department

Counsel submitted the Government's written case in a File of Relevant Material (FORM). A complete copy of the FORM, consisting of Government Exhibits (GE) 1 to 5 and the Government's arguments in support of the SOR, was received by the Applicant on December 10, 2025. She was afforded an opportunity to file objections and submit material to refute, extenuate, or mitigate the security concerns. Within the allotted time she submitted twelve pages of various documents (Response) concerning her financial situation. The case was assigned to me on February 20, 2026, and GE 1 to 5 were admitted without objection, as was the Response.

### **Findings of Fact**

Applicant is a 62-year-old high school graduate who works as a client manager for a defense contractor. Applicant served in the United States Navy from September 1987 until December 1997 and received an honorable discharge. She is twice divorced and has two adult children. (Item 3)

The SOR alleges six delinquent debts totaling approximately \$70,000 consisting of charge-offs and collections. Applicant listed these debts on her SCA. The debts are also listed on a December 2021 credit report and a January 2023 credit report. Applicant admitted to all the allegations in the SOR. (Items 2-5)

Applicant had periods of unemployment which created financial hardships, and she used her credit cards to live and provide food and shelter. (Item 3)

Applicant has a debt to NAVY FCU (SOR ¶ 1.a) on an account that has been placed for collection in the approximate amount of \$19,469. She admitted to defaulting on this debt but stated she was seeking to resolve it through a debt relief program. There is no evidence that she has done so or taken any action on this debt. (Items 1-5)

Appellant has a debt to DISCOVER PL (SOR ¶ 1.b) on an account that has been charged off in the approximate amount of \$18,318. She admitted that she has taken no action on this debt but stated she was seeking to resolve it through a debt relief program. There is no evidence that she has done so or taken any action on this debt. (Items 1-5)

Applicant has a debt to JPMCB CARD (SOR ¶ 1.c) on an account that has been placed for collection in the approximate amount of \$12,709. She admitted to being in default and having taken no action on this debt but stated she was going to seek financial guidance. There is no evidence that she has done so or taken any action on this debt. (Items 1-5)

Appellant has a debt to DISCOVERCARD (SOR ¶ 1.d) on an account that has been charged off in the approximate amount of \$11,058. She admitted to this debt being unresolved but stated she was going to seek financial guidance. There is no evidence that she has done so or taken any action on this debt. (Items 1-5)

Applicant has a debt to CBNA (SOR ¶ 1.e) on an account that has been placed for collection in the approximate amount of \$5,894. She admitted to this debt and having not taken any action on it. (Items 1-5)

Applicant has a debt to 1<sup>ST</sup> FRANKLIN (SOR ¶ 1.f) on a personal loan account that has been placed for collection in the approximate amount of \$2,782. She admitted to this debt and having not taken any action on it. (Items 1-5)

### **Policies**

This case is adjudicated under DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG), which became effective on June 8, 2017.

When evaluating an applicant's suitability for a security clearance, the administrative judge must consider the disqualifying and mitigating conditions in the AG. 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 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.

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 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 sensitive information. Such decisions entail a certain degree of legally permissible extrapolation of potential, rather than actual, risk of compromise of classified 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 under AG ¶ 19. The following are potentially applicable in this case:

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

Applicant has a history of financial problems, including multiple charge-offs and collections. AG ¶¶ 19(a) and 19(c) are applicable.

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

- (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 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 attributed her financial situation to periods of unemployment which created financial hardships, and using credit cards and a personal loan to live and provide food and shelter. These are all legitimate factors, and I have considered them. However, I am unable to find that she has acted reasonably and responsibly under the circumstances or that she made a good-faith effort to pay her debts. She stated that she was going to seek financial guidance or resolve them through a debt relief program. There is no evidence that she has done either or addressed her approximately \$70,000 of debt in any manner. Her financial issues are ongoing and not being resolved. Accordingly, they continue to cast doubt on her current reliability, trustworthiness, and good judgment. None of the mitigating conditions are sufficiently applicable to mitigate the security concerns.

### **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 public trust position 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 Guidelines F in my whole-person analysis. I also considered Appellant's military service.

Overall, the record evidence leaves me with questions and doubts about Appellant's eligibility and suitability for a security clearance. I conclude Appellant has not mitigated the financial considerations security concerns.

### **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.e:	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 Applicant national security eligibility. Eligibility for access to classified information is denied.

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Jeff A. Nagel  
Administrative Judge