



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



In the matter of:	)	
	)	
	)	ISCR Case No. 24-02252
	)	
Applicant for Security Clearance	)	

**Appearances**

For Government: Cassie L. Ford, Esq., Department Counsel  
For Applicant: *Pro se*

02/25/2026

**Decision**

HALE, Charles C., Administrative Judge:

This case involves security concerns raised under Guideline F (Financial Considerations). Eligibility for access to classified information is denied.

**Statement of the Case**

Applicant submitted a security clearance application (SCA) on March 27, 2024. On January 28, 2025, the Department of Defense (DoD) sent him a Statement of Reasons (SOR) alleging security concerns under Guideline F. The DoD acted under Executive Order (Exec. Or.) 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) promulgated in Security Executive Agent Directive 4, National Security Adjudicative Guidelines (December 10, 2016).

Applicant answered the SOR on February 3, 2025, and requested a hearing before an administrative judge. The case was assigned to me on September 2, 2025. On September 9, 2025, the Defense Office of Hearings and Appeals (DOHA) notified Applicant that the hearing was scheduled for October 1, 2025. The hearing was

rescheduled 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. The hearing was convened as scheduled on January 13, 2026. Government Exhibits (GE) 1 through 7 and the documents included with Applicant's Answer, which were marked as Applicant Exhibit (AE) A, were admitted in evidence without objection. The record was held open until January 29, 2026, and at the request of Applicant, with no objection, the date was extended to February 17, 2026. Applicant timely submitted three exhibits marked and admitted as AE B, AE C, and AE D.

### **Findings of Fact**

Applicant admitted 13 debts, SOR ¶¶ 1.a through 1.d, 1.f through 1.j, and 1.l through 1.o. He denied five allegations, SOR ¶¶ 1.e, 1.k, 1.p, 1.q, and 1.r. He denied SOR ¶¶ 1.e and 1.p on the basis they were duplicate accounts and that he was in the process of making payment arrangements, and he denied SOR ¶¶ 1.k and 1.r on the same basis. He attached with his Answer his payment agreement and payment history for SOR ¶¶ 1.k and 1.r. (AE A). He denied SOR ¶ 1.q on the basis it was being paid off. His statements are incorporated into the findings of fact.

Applicant is a 46-year-old carpenter. He joined his current company in 2021. From May 2012 to October 2021, he worked as custodian at two medical centers. He took a second custodial job in September 2020, with a school district, which he continues to hold. He has been married for over 20 years and has three minor children, ages 12, 8, and 3. He is a high school graduate and has attended some college. (Answer at 3; GE 1; Tr. 22-23.)

Applicant explained that his financial problems began because of a move and the resulting long commute, which was three and a half hours one way. (Answer at 3; Tr. 26-27, 63.) His explanation is reflected in a summary of interview prepared by a DoD investigator in May 2024:

Reason for the [Applicant's] general financial issues were that the [Applicant] relocated to State 2 in 2018 and commuted daily from State 1 to State 2 from 2018-2020. The daily commute caused financial hardship. [Applicant] took a new job in State 2 in 2020, which promised a higher salary. [Applicant] states the salary was not higher as promised, and he was unable to find a higher paying job. From 2020-2024 [Applicant's] family grew to three children and the [Applicant] lived above his means with the use of credit cards to keep up with bills and household expenses. In 2021 [Applicant's] wife was unable to work due to pregnancy complications which created further financial hardship. [Applicant] has been working two jobs from 2021-present, to help pay debts. [Applicant] explained that he had no knowledge of the delinquent accounts on the credit report as [Applicant's] wife handles the financial business in the household. [Applicant's] overall characterization of his current financial situation is improving due to working

two jobs. [Applicant] plans to consult with a debt consolidation service to pay down the debts and live within his means. (GE 6 at 12-13.)

Consistent with his Answer, Applicant testified that SOR ¶ 1.a arose from the purchase of a “towable RV” that he intended to use as investment to make additional income to offset some of his commuting costs. However, the RV violated the restrictions of the mobile home park where he lived. He immediately called the company where he had purchased it and told them that he had made a huge mistake and that he needed to return the RV, which occurred “approximately three, four months later.” He could not recall how much was owed on the debt. Since late 2019 he has not made any payments and “recently when [he and his wife] were going through this hearing” they contacted the creditor by phone about “working a lower payment plan so [they] can start making payments in good faith.” (Answer; Tr. 27-29, GE 3 at 2.)

Applicant admitted SOR ¶ 1.b, a \$3,603 debt that had been placed in collection. He did not know when he acquired the debt. Regarding whether he had been in contact with the creditor he stated, “it’s possible, my wife and I are looking into all of them. So, but I don’t really retain stuff like that. It’s hard for me to understand numbers and stuff like that.” He did not have any supporting documentation regarding his actions. (Tr. 28-30; GE 3 at 3.)

Applicant admitted SOR ¶¶ 1.c, 1.f, 1.m, and 1.n, which were debts in collection from the same creditor. He was not familiar with what the debts were “for, or what company they’re from.” He stated it was possible he had been in contact with the company but noted, “we contacted a lot of people over time to try to work some numbers out” through phone calls. He acknowledged that these debts were not paid. (GE 3 at 3-6; Tr. 30-32.)

Applicant admitted SOR ¶ 1.d, a \$3,120 debt that had been charged off. He thought it was a store card used for “daily use stuff for the kids and probably the wife and myself.” He could not remember making any arrangements to pay it off. He acknowledged that the debt was not paid. (Tr. 32-33; GE 3 at 3.)

Applicant denied SOR ¶¶ 1.e and 1.p on the basis they were same creditor. SOR ¶ 1.e is a \$1,792 debt that had been placed in collection and SOR ¶ 1.p is a judgment for \$1,679. In his Answer, he stated that in December 2024 he had been in contact with the creditor and would begin making payments in February 2025. He testified he was making \$25 payments. He acknowledged these payments were by garnishment. He did not believe the debt was paid off because “it had stopped when [I] stopped working.” He thought he had been in touch with the creditor since payments stopped. Any contacts with the creditors were by phone. (Tr. 33-36; GE 1 at 37.) This debt is being resolved.

Applicant admitted SOR ¶¶ 1.g, 1.j, and 1.i, which were debts for \$1,548, \$1,066, and \$886 respectively, all with the same creditor that were in collection. He could not remember how these debts were incurred and believed they were not recent but

“longstanding” debts. He was not sure if he had opened the accounts but stated there was no fraud involved. (Tr. 36-39; GE 3 at 4-5; GE 5 at 2-3.)

Applicant admitted SOR ¶ 1.h, a \$1,391 debt that had been placed in collection. He did not believe it was a duplicate debt with SOR ¶ 1.e. He was not sure if he had contacted the creditor. He believed he started making calls “when I received, I guess this whole -- well, a little before the packet or the clearance cancellation notice and job suspended.” He thought they were “just making one or two payments at a time to pay it off, but just by phone basically. Nothing in letter form or anything.” (Tr. 40-41; GE 4 at 3.)

Applicant admitted SOR ¶ 1.i, a \$ 1,322 debt that had been placed in collection. He was not sure what the debt was from or when they had fallen behind. He acknowledged the debt was unpaid. (Tr. 42; GE 4 at 3.)

Applicant denied SOR ¶ 1.k, a \$957 debt that had been placed in collection because it was duplicative with SOR ¶ 1.r, which was a judgment for \$1,510. He acknowledged during his testimony that SOR ¶ 1.k was his debt and that the judgment was against him. He stated he had paid off SOR ¶ 1.k. In his SCA he had stated he had been making \$68 payments. In his Answer, he had stated he had made payment arrangements in January 2024 and was not able to access the website for the next year. He established a payment arrangement in February 2025 and attached screenshots of cleared bank payments with his Answer. (Tr. 42-45, 48; GE 1 at 36-37; GE 2 at 1; AE A.)

When asked about his Answer regarding SOR ¶ 1.r, Applicant stated:

It’s very possible. I’m not a 100 percent sure because I don’t make -- I don’t deal with like the bills and the finances and stuff. My wife just basically says, hey, this is what we’re going to pay, this is how we’re going to do it. You just need to provide the money. So, it’s kind of hard for me to put one and one together. But I know -- I do know it is all mine. It just sounds funny because it sounds like it’s -- like somebody asked me something and I said it wasn’t. So, that’s why I was trying to understand why it feels like I answered wrong, but I -- but it is my debt. It’s not like there was fraudulent charges. (Tr. 44-45.)

Applicant stated it was paid off but could not recall when. (AE A; Tr. 45-46.) This debt is being resolved.

Applicant admitted SOR ¶ 1.o, a \$3,891 default judgment. He did not know the status of the debt and could not recall making any payment arrangements. When asked if he ever had to appear in court Applicant stated, “I don’t know what the judgment was for, and I don’t recall going to court for it.” (Tr. 46-48; GE 2 at 10.)

Applicant denied SOR ¶ 1.p, a \$3,605 judgment. He acknowledged the debt was his but did not know how it was incurred, the status of the debt, and could not recall making any payment arrangements. (Tr. 49; GE 2 at 4.)

In his Answer, Applicant cited the COVID pandemic as a cause for his financial problems. Both he and his wife worked in healthcare, both contracted COVID, and were out of work for months. His wife unexpectedly became pregnant in July 2020 and experienced pregnancy complications, which left her unable to return to work. There were complications at birth that required additional hospitalization for the baby and his wife. The complications required him to take unpaid days off to help care for his wife and to drive her and his son to necessary doctor appointments. He noted they were only able to save their house thanks to a government grant. GE 5, a May 2025 credit report, reflects the mortgage as “current/was 150 days past due” and that his car payments were on time. A January 2026 credit report showed his car lease payments were on time. (GE 5 at 1, 2; GE 7 at 2; Tr. 69; Answer.)

Applicant described their family budget as notes on the refrigerator designating what they need to pay. Neither he nor his wife have had financial counseling. He explained, “I hand her over my checks, or they direct deposit and we take care of it that way.” He does not know what his monthly expenses are. He described his financial situation as “struggling.” They avoid “unnecessary spending” and focus on the “regular” bills, “lights, electric, and all that stuff, household payments and so forth.” In addition to his work with his sponsor he has a job with a school district. The school district picked him up full time while his security clearance is being adjudicated. (Tr. 52-55, 59-60, 62-63.)

In Applicant’s post-hearing submissions, he offered a February 10, 2026 confirmation email from a law firm stating he was enrolled in a debt resolution program. (AE C.) He offered an email exchange with a debt relief company inquiring about the programs offered by the debt relief company. The email exchange with the debt relief company began on February 3, 2026 and finished on February 6, 2026. (AE B.) There was no evidence of what his monthly payments would be or what debts were enrolled in the debt relief program. In a post-hearing statement, he offered:

I’m doing everything in my power to rectify the situation. I’ve sent you some articles. I hope that’s [sufficient]. I also have been calling to try to get letters of paid off accounts as well. I just really hope this is what you’re looking for to get me back to work. My family needs me to get back to work. They rely on me very much just trying to give them everything I didn’t have. I grew up in the foster system so I did not have the best role models growing up so I’m trying to be a role model and a dad and a husband and anything else I can be American dream it’s not how hard you get hit whether you get back up. I will always get back up if you can see a judge, please [grant] me the clearances. I need to get me back to work thank you, sir. (AE D.)

### **Policies**

“[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 security 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. An individual who is financially overextended is at greater risk of having to engage in illegal or otherwise questionable acts to generate funds. . . .

This concern is broader than the possibility that a person might knowingly compromise classified information to raise money. It encompasses concerns about a person’s self-control, judgment, and other qualities essential to protecting classified information. A person who is financially irresponsible may also be irresponsible, unconcerned, or negligent in handling and safeguarding classified information. See ISCR Case No. 11-05365 at 3 (App. Bd. May 1, 2012).

Applicant’s admissions and the documentary evidence establish the following disqualifying conditions under this guideline: AG ¶ 19(a) (inability to satisfy debts), and AG ¶ 19(c) (a history of not meeting financial obligations).

The following mitigating conditions under AG ¶ 20 are relevant:

(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; and

(d) the individual initiated and is adhering to a good-faith effort to repay

overdue creditors or otherwise resolve debts.

A security clearance adjudication is not a debt-collection procedure. It is a procedure designed to evaluate an applicant's judgment, reliability, and trustworthiness. Applicants are not required to be debt-free to qualify for a security clearance. All that is required is that an applicant act responsibly given his or her circumstances and develop a reasonable plan for repayment, accompanied by actions which evidence a serious intent to effectuate the plan. There is no requirement that an applicant make payments on all delinquent debts simultaneously, nor is there a requirement that the debts alleged in the SOR be paid first. See ISCR Case No. 23-01434 at 2-3 (App. Bd. May 7, 2024).

AG ¶¶ 20(a), 20(b), and 20(d) are not fully applicable. Applicant's credit history reflects a range of behavior. He has generally been responsible in paying his mortgage and car payments. His employment has generally been continuous. His behavior is recent and did not occur under such circumstances that it is unlikely to recur, which cast doubt on his current reliability, trustworthiness, and good judgment. His testimony about underemployment after changing jobs, COVID, and his wife's pregnancy and subsequent complications is evidence of circumstances beyond his control. However, he failed to establish that he acted responsibly under the circumstances given his lack of familiarity with his debts and the timing of his actions. His remedial actions in 2025 and 2026 were reactive to his security clearance application. He acknowledged his contacts with creditors were recent and were generally undocumented. Only the first prong of AG ¶ 20(b) applies.

In his May 2024 interview, he mentioned engaging a debt relief company and days before the record closed in February 2026, he initiated contact with one. In ISCR Case No. 24-01994 at 2 (App. Bd. Aug. 12, 2025), the Appeal Board stated:

It is well-settled that the timing of debt resolution efforts is an important factor in evaluating mitigation "because an applicant who begins to resolve financial problems only after being placed on notice that his clearance was in jeopardy may lack the judgment and self-discipline to follow rules and regulations over time or when there is no immediate threat to his own interests." ISCR Case No. 15-06440 at 4 (App. Bd. Dec. 26, 2017). Moreover, until an applicant has a "meaningful financial track record," it cannot be said "that he has initiated a good-faith effort to repay overdue creditors or otherwise resolve debts." ISCR Case No. 01-21386 at 2 (App. Bd. Jun. 11, 2003).

Applicant was generally unfamiliar with his debts and the evidence reflects he began to address them after the security clearance application process had been initiated. AG ¶ 20(d) is only partially established. There is limited evidence he is adhering to a good-faith effort to repay overdue creditors. Given the recency of his agreement with the debt relief company, there was no evidence of what debts were enrolled or any monthly payments made. Applicants who begin to address their security-significant conduct only when their personal interests are at stake may be lacking in judgment and reliability. ISCR

Case No. 16-01211 (App. Bd. May 30, 2018). Even if an applicant has paid his or her debts, an administrative judge may still consider the circumstances underlying the debts for what they may reveal about the applicant's eligibility for a clearance. ISCR Case No. 14-02394 (App. Bd. Aug. 17, 2015.) AG ¶ 20(d) does not apply.

AG ¶ 20(c) is not applicable. While debt relief companies often provide some form of financial counseling, there is no information in the record of counseling.

### **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.

After weighing the disqualifying and mitigating conditions under Guideline F and evaluating all the evidence in the context of the whole person, and mindful of my obligation to resolve close cases in favor of national security, I conclude Applicant has not mitigated all of the security concerns based on financial considerations.

This decision should not be construed as a determination that Applicant cannot or will not attain the state of true reform and rehabilitation necessary to be eligible for a security clearance. The determination of an individual's eligibility and suitability for a security clearance is not a once in a lifetime occurrence, but is based on applying the factors, both disqualifying and mitigating, to the evidence presented. Under his current circumstances, a clearance is not warranted. In the future, he may well demonstrate persuasive evidence of his security worthiness.

### **Formal Findings**

I make the following formal findings on the allegations in the SOR:

Paragraph 1, Guideline F:

AGAINST APPLICANT

Subparagraphs 1.e, 1.k, 1.p, 1.r:	For Applicant
Subparagraphs 1.a-1.d, 1.f-1.j, 1.l-1.o, 1.q:	Against Applicant

**Conclusion**

I conclude that it is not clearly consistent with the national interest to grant Applicant eligibility for access to classified information. Clearance is denied.

Charles C. Hale  
Administrative Judge