



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



In the matter of: )  
)  
) ISCR Case No. 25-00625  
)  
Applicant for Security Clearance )

**Appearances**

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

03/03/2026

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**Decision**

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Dorsey, Benjamin R., Administrative Judge:

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

**Statement of the Case**

On July 8, 2025, the Department of Defense (DOD) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F (financial considerations). Applicant responded to the SOR on August 14, 2025 (Answer), and requested a decision based on the written record.

The Government submitted its written file of relevant material (FORM) on November 21, 2025. A complete copy of the FORM was provided to Applicant, along with information advising her that she had 30 days from her date of receipt to make objections to evidence, and submit material to refute, extenuate, or mitigate the security concerns. Applicant received the FORM on December 10, 2025, and provided a response dated January 11, 2026 (FORM Response). The case was assigned to me on February 18, 2026. The Government exhibits included in the FORM, marked as Items 1 through 15, and the FORM Response are admitted in evidence, without objection. Applicant did not provide any documents other than the narratives in the Answer and the FORM Response.

## Findings of Fact

Applicant is a 58-year-old who has been employed as a background investigator by various government contractors since at least 2013. She has also worked as a part-time delivery driver during this time. She graduated from high school in 1986, earned an undergraduate degree in 1994, and earned a master's degree in 2012. She was married from 2003 until a divorce in 2005. She has resided with a cohabitant since 2019. She has no children. (Items 4, 5; FORM Response)

Applicant has a significant history of financial issues. She filed petitions in Chapter 7 Bankruptcy in 2002 and 2015, receiving forgiveness of her dischargeable debts in 2003 and 2016, respectively (SOR ¶¶ 1.a and 1.b). She did not timely file her federal income tax returns for tax years (TY) 2021 and 2023, despite being required to do so (SOR ¶ 1.c). She owes delinquent federal taxes in the amount of about \$26,000 for TY 2014 through 2019 (SOR ¶ 1.d). She owes delinquent income taxes to State A in the approximate amount of \$639 (SOR ¶ 1.e). She has about 37 delinquent consumer and medical accounts totaling about \$31,000 (SOR ¶¶ 1.f through 1.pp). (Items 1-15; FORM Response)

In the SOR, the Government alleged the aforementioned financial issues. In the Answer, Applicant admitted her two bankruptcy petitions, her failure to file her federal income taxes and her delinquent federal and state taxes. She claimed that her TY 2021 and 2023 income tax returns are ready to file but she has not submitted them. She claimed that she did not know that she owed so much in federal taxes, and she would make paying them her first priority. She claimed that she thought she had paid her delinquent state taxes but will make a payment arrangement. (Items 1-4; FORM Response)

Applicant admitted 24 of the 37 delinquent SOR consumer or medical accounts. The balances on the accounts which she admitted total about \$21,000. For some of these admitted accounts, she claimed she owes a lesser amount (SOR ¶¶ 1.i, 1.m, 1.n, and 1.o). Her admissions are adopted into my findings of fact. She denied the remaining accounts with additional comments. Her denials can be generally classified as follows: a denial with no reason given (SOR ¶ 1.hh); she does not recognize the account (SOR ¶¶ 1.h, 1.j, 1.l, 1.p, 1.u, 1.aa, 1.ll, 1.jj, and 1.pp); she signed up for services or credit but did not use them (SOR ¶¶ 1.bb and 1.nn); and she claimed there is a duplicate account (SOR ¶ 1.ii). Record evidence showing different account numbers and balances tends to refute her claim that this is a duplicate account. She also claimed that some of the accounts no longer appear on her credit report. The Guideline F allegations are established by her admissions and the Government's evidence, including credit reports, official bankruptcy records, official records of a tax lien, and online Lexis records of judgments and liens. (Items 1-4, 8, 10-15; FORM Response)

Applicant claimed her financial issues have been caused by unemployment, underemployment, the COVID-19 pandemic, and the 2025 Government shutdown. In the

FORM Response, she claimed that she currently only has enough money to pay her living expenses, but that she will pay some of her debts as she is able. She claimed she will file her late federal tax returns by March 2026. She also claimed that she received some financial assistance from her church to help her pay her rent, as she is behind on her payments. She wrote that she had received some assistance to pay her utilities. She enrolled in a non-profit credit counseling service in January 2026, but she acknowledged that she is in “survival mode.” She did not provide documentation showing: (1) proof of payments, such as checking account statements, photocopies of checks, or a letter from the creditor proving that she paid or made any payments on the SOR accounts; (2) correspondence to creditors or credit reporting agencies showing credible debt disputes indicating she did not believe she was responsible for the debts and why she held such a belief; or (3) evidence of attempts to negotiate payment plans, such as settlement offers or agreements to show that she was attempting to resolve her delinquent SOR debts. (Items 3, 5; FORM Response)

### **Policies**

This case is adjudicated 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), which became effective within DOD on June 8, 2017.

When evaluating an applicant’s suitability for a security clearance, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are to be used in evaluating an applicant’s eligibility for access to classified information.

These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, administrative judges apply the guidelines 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(c), 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.

The protection of the national security is the paramount consideration. AG ¶ 2(b) requires that “[a]ny doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security.”

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 the applicant or proven by Department Counsel.” The applicant has the ultimate burden of persuasion to obtain a favorable security 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 classified information. Such decisions entail a certain degree of legally permissible extrapolation of potential, rather than actual, risk of compromise of classified information.

Section 7 of EO 10865 provides that adverse decisions shall be “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” See *also* EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive 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;
- (c) a history of not meeting financial obligations; and
- (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.

Applicant has twice sought and received Chapter 7 Bankruptcy discharges. She did not file her TY 2021 and 2023 federal income tax returns, as required. She owes delinquent federal and state taxes. She has 37 delinquent consumer and medical debts totaling about \$31,000. The above disqualifying conditions are established.

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;
- (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; and
- (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.

It is reasonable to expect Applicant to present documentation about the resolution of specific debts. See, e.g., ISCR Case No. 15-03363 at 2 (App. Bd. Oct. 16, 2016). Applicant has provided no such documents. She has not filed her delinquent federal income tax returns. She has not made, or attempted to make, payment arrangements on her SOR debts. She acknowledged that she is in "survival mode" and receives charitable support to help her pay her basic financial obligations. Applicant's financial delinquencies are recent and ongoing, therefore, I do not find they are unlikely to recur. AG ¶ 20(a) does not apply.

The conditions that led to Applicant's financial problems were arguably beyond her control. For AG ¶ 20(b) to fully apply, she must also show that she acted responsibly under the circumstances. In a similar vein, for AG ¶ 20(d) to apply, she must show that she initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts. Applicant has not provided sufficient evidence to establish that she met either of these standards. She has not filed her late income tax returns, has not made payment arrangements on her delinquent debts, and has made vague, unsubstantiated and unacted-upon claims of dispute. None of these actions are acting responsibly or in good faith. AG ¶¶ 20(b) and 20(d) do not apply.

Applicant claimed that she has enrolled in not-for-profit credit counseling. However, for the reasons I have enumerated herein, there is insufficient evidence to show that her financial issues are being resolved or are under control. AG ¶ 20(c) does not apply.

AG ¶ 20(e) does not apply. For any debts Applicant disputed, she did not provide documented proof to substantiate the existence, basis, or the result of any debt disputes. Instead, she made unsubstantiated claims that she did not recognize a debt, the debt was not her responsibility, or she believed the balance was lower. These vague, unexplored claims lacking in corroborating documentation are insufficient to prove mitigation under AG ¶ 20(e).

Finally, there is insufficient evidence to show that Applicant has made arrangements with the IRS or the taxation authority for State A to file her late income tax returns or pay her delinquent taxes. Her claims that she will file said income tax returns and make payment arrangements in the future do not meet the standard required under AG ¶ 20(g).

### **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 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 the facts and circumstances surrounding this case. I have incorporated my comments under Guideline F in my whole-person analysis. Overall, given the lack of evidence of Applicant's resolution of her financial issues, and her past and continuing financial insecurity, I conclude Applicant did not mitigate the financial considerations security concerns.

### **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-1.pp:	Against Applicant

### **Conclusion**

It is not clearly consistent with the national interest to grant Applicant eligibility for a security clearance. Eligibility for access to classified information is denied.

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Benjamin R. Dorsey  
Administrative Judge