



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



In the matter of:

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ISCR Case No. 25-00896

Applicant for Security Clearance

Appearances

For Government: Sakeena Farhath, Esq., Department Counsel
For Applicant: *Pro se*

03/19/2026

Decision

LOKEY ANDERSON, Darlene D., Administrative Judge:

Statement of Case

On May 17, 2024, Applicant submitted a security clearance application (e-QIP). On July 30, 2025, the Defense Counterintelligence and Security Agency Adjudication Services (DCSA CAS) issued Applicant a Statement of Reasons (SOR), detailing security concerns under Guideline F, Financial Considerations. The action was taken under Executive Order 10865 (EO), *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 *National Security Adjudicative Guidelines for Determining Eligibility for Access to Classified Information or Eligibility to Hold a Sensitive Position* (AG), effective within the Department of War after June 8, 2017.

Applicant answered the SOR on August 25, 2025, and requested a hearing before an administrative judge. The case was assigned to me on December 18, 2025. The Defense Office of Hearings and Appeals issued a notice of hearing on January 14, 2026,

and the hearing was convened as scheduled on March 5, 2026. The Government called no witnesses and submitted seven exhibits, referred to as Government Exhibits 1 through 7, which were admitted without objection. The Applicant called no witnesses and submitted four exhibits, referred to as Applicant's Exhibits A through D, which were admitted without objection. Applicant testified on her own behalf. DOHA received the transcript of the hearing (Tr.) on March 16, 2026.

Findings of Fact

Applicant is 51 years old. She is single and has three adult children, ages 29, 26, and 20. She has an Associate's degree. She works as an Administrative Assistant with a defense contractor. She is seeking to obtain a security clearance in connection with her employment.

Guideline F - Financial Considerations

The Government alleged that Applicant is ineligible for a clearance because she made financial decisions that indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which raise questions about her reliability, trustworthiness and ability to protect classified information.

The SOR identified fourteen delinquent debts consisting of consumer and medical debts that were charged off, and are collections accounts, or judgments, totaling approximately \$21,000. Applicant, for the most part, admitted each of the allegations set forth under this guideline. Credit reports of the Applicant dated June 24, 2024; and June 26, 2025, confirm each of the delinquent debts listed in the SOR. (Government Exhibits 5 and 6.)

Applicant served on active-duty in the U.S. Army from December 1993 until November 1994, and was administratively separated due to her pregnancy. She received an Honorable Discharge. She then served in the Army Reserves from 1994 through 2001.

Applicant has a history of financial hardship. From 1996 to 2015, she received public financial assistance and housing. As a single mother of three children, for 28 years, with little to no child support, she has experienced periods of financial strain, and it has been difficult to support her family. After earning her Associate's degree in 2015, she was able to get herself off public assistance and obtain employment. Since gaining employment, she has had periods of stability followed by at least four unexpected temporary periods of unemployment. She was laid off from November 2021 until February 2022; February 2022 until May 2022; the beginning of April 2023 until the end of April 2023; and April 2024 until May 2024, totaling about eight months without income. This caused her to fall farther behind on her household expenses and other bills. Between 2021/2022, she also had health problems, including high blood pressure from stress, and

back surgery, that have contributed to her debts. She is currently on medication for her high blood pressure.

In May 2024, Applicant began working for her current employer. This is her first time applying for a security clearance. She relocated out-of-state to take the job to secure higher paying employment and long-term stability. She currently earns between \$50,000 and \$62,000 annually. Since obtaining this employment she has maintained financial stability and has tried to meet her financial obligations as best as possible.

In November 2024, Applicant's father suffered a massive stroke. She had to do an emergency trip out of state to see him, which was costly. She exhausted her personal savings to travel to see her father and she provided ongoing financial support for his care. In June 2025, her father passed away. She traveled out of state again for the funeral and had to help her siblings with funeral expenses. Applicant borrowed about \$2,500 from her 401k to help pay for these expenses. She spent about \$4,000 total in costs related to her father's unexpected death. (Tr. pp. 59-61.)

Applicant stated that she is committed to addressing all of her delinquent debts responsibly, as soon as she can afford to do so, while managing her immediate obligations. (Answer to SOR.)

The following delinquent debts listed in the SOR were incurred before her current employment and are of security concern:

1.a. Applicant is indebted to a creditor in the amount of \$3,271 for an account that was placed for collection. This was a credit card that she used to buy school clothes for her children. She fell behind on the debt around 2021/2022. A payment of about \$1,000 was garnished from her son's wages because she had opened a bank account for him with her name of it. The creditor obtained a default judgment against her in the amount of \$2,757. (Government Exhibit 3.) She currently owes \$2,500 and contends that the debt is now old, and has fallen off of her credit report. She stated that she tried to set up a payment plan, but they wanted the whole amount at one time, and she could not afford to pay that. The debt remains owing. (Tr. pp. 30-33.)

1.b. Applicant is indebted to a creditor for a medical account in the amount of \$2,290 that was placed for collection. The debt was incurred in relation to her medical issues. She stated that she cannot afford to set up a payment plan at this time. The debt remains owing. (Tr. p. 34.)

1.c. Applicant is indebted to a creditor for a medical account in the amount of \$2,238 that was placed for collection. The debt was incurred in relation to her medical issues. She stated that she cannot afford to set up a payment plan at this time. The debt remains owing. (Tr. p. 34.)

1.d. Applicant is indebted to a creditor in the amount of \$2,181 for an account that was placed for collection. This is a cellular phone bill for cell phones for her three children. She stated that she always made payments on the account but she could not pay as much as was needed. A judgment was entered against the Applicant by the creditor on August 28, 2020 in the amount of \$2,743.45. (Government Exhibit 4.) Applicant contends that the debt is now old and has fallen off of her credit report. The debt remains owing. (Tr. pp. 36-37.)

1.e. Applicant is indebted to a creditor in the amount of \$1,545 for an account that was charged off. This was a department store credit card she used to purchase clothes. She plans to pay the debt as soon as she can afford to do so. The debt remains owing. (Tr. pp. 38-39.)

1.f. Applicant is indebted to a creditor in the amount of \$1,348 for an account that was charged off. This is for a small personal loan. She used the money to buy things. She plans to pay the debt as soon as she can afford to do so. The debt remains owing. (Tr. p. 39.)

1.g. Applicant was indebted to a creditor in the amount of \$1,298 for an account that was charged off. This is a credit card. Applicant made payment arrangements with the creditor of \$30 monthly that she started back in 2024, and has continued each month since then and plans to continue the payments until the debt is paid in full. She has reduced the debt to \$996. The debt is being paid. (Tr. p. 41, and Applicant's Exhibit B, pp.1-2.)

1.h. Applicant is indebted to a creditor in the amount of \$758 for an account that was charged off. This was for an electric bill. Applicant recently set up a payment plan and to make payments in the amount of \$50 monthly that she started on February 16, 2026. She has made one payment so far and plans to continue to do so each month until the debt is completely resolved. The debt remains owing. (Tr. p. 42-43, Applicant's Exhibit B, pp. 3-5.)

1.i. Applicant was indebted to a creditor in the amount of \$750 for an account that was placed for collection. Applicant does not know what the debt is for, and contends that it is no longer on her credit report. She has been unable to get a telephone number for the creditor. The debt remains owing. (Tr. pp. 43-44.)

1.j. Applicant is indebted to a creditor in the amount of \$632 for an account that was charged off. This was a credit card. Applicant contends that she settled the debt for \$350. The debt has been resolved. (Tr. p. 45, and Applicant's Exhibit B, p. 6.)

1.k. Applicant is indebted to a creditor in the amount of \$435 for an account that was placed for collection. This is a television cable bill. The debt remains owing. (Tr. p. 45.)

1.l. Applicant is indebted to a creditor in the amount of \$312 for an account placed for collection. This was a cellular telephone bill. Applicant stated that she plans on settling the debt soon. The debt remains owing. (Tr. pp. 45-46.)

1.m. Applicant was indebted to a creditor in the amount of \$216 for an account that was placed for collection. This is a utility bill. She stated that the debt has been paid off. The debt has been resolved. (Tr. p. 46, and Applicant's Exhibit B, p. 7.)

1.n. Applicant is indebted to a creditor in the amount of \$3,705 for an account that was placed for collection. Applicant explained that this was an apartment she rented before getting her out-of-state job. She spoke to the management about her situation, and they told her that if someone else rented her apartment, she would not be held responsible. Applicant had no further discussions with management about this. In August 2025, Applicant started making monthly payments of \$100 toward resolving the debt. She has reduced the debt to \$3,552. The debt is being paid. (Applicant's Exhibit B, pp. 8-9.)

Applicant offered that she has another delinquent medical account that is not listed in the SOR that she owes in the amount of \$538. She wants to settle the debt soon. (Tr. pp. 48-49, and Applicant's Exhibit C.)

After relocating to take an out-of-state job to improve her financial stability, Applicant contacted a debt recovery counselor for financial assistance. They advised her to stop paying all of her bills, and then they would help her reach settlements with her creditors. They also suggested that she could apply for another loan with their company and then pay off her creditors. She did not think that either of their suggestions was a wise thing to do. She has decided to pay her debts off, one by one, slowly but surely. She believes this to be the best way to resolve her debts. (Tr. p. 49.)

She also stated that she now follows a financial budget and a written log that tracks her bills and payments each month. She makes sure that her rent is paid first, (a letter from her landlord dated January 23, 2026, verifies that she pays her rent on time, and then all of her other essentials. (Applicant's Exhibit D.) After paying her regular monthly expenses, and the delinquent debts that she is making regular monthly payments on, she does not have a lot left to pay anything else until she resolves the delinquent debts that she is currently addressing. She currently has about \$3,400 in her savings account, and \$180 in her checking account. She also has a 401k with about \$16,000 in it.

Following her father's death, to help her relax, Applicant went on vacation for a week in August 2025, to Atlanta, Georgia. She spent about \$2,000 on this trip. (Tr. p. 58.)

Policies

When evaluating an applicant's suitability for a security clearance, the administrative judge must consider the adjudicative guidelines (AG). 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 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 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." In reaching this decision, I have drawn only those conclusions that are reasonable, logical and based on the evidence contained in the record. Likewise, I have avoided drawing inferences grounded on mere speculation or conjecture.

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 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 classified information. Such decisions entail a certain degree of legally permissible extrapolation as to 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. Affluence that cannot be explained by known sources of income is also a security concern insofar as it may result from criminal activity, including espionage.

The guideline notes several conditions that could raise security concerns under AG ¶ 19. Two are potentially applicable in this case:

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

Applicant has a history of financial difficulties. She has for many years supported herself and her three children with limited income, and has recently had unexpected periods of unemployment due to no fault of her own; health issues; and a death in the family. The evidence is sufficient to raise the above disqualifying conditions.

The following mitigating conditions under the Financial Considerations guideline are potentially applicable under 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;
- (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), and the individual acted responsibly under the circumstances;

(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's recent history of financial hardship was caused by four previous and temporary job lay-offs spread over four years; health issues involving her high blood pressure and back surgery; and her father's death and related expenses. Since gaining stable employment in May 2024, she has tried to address her debts, one by one, and is slowly but surely paying them off. Presently, she has not sufficiently resolved enough of her delinquent debt to demonstrate a sustained systematic method of payment. She must continue to work diligently to improve her financial status by making regular monthly payments or otherwise resolve her debts in a systematic method to show that she is financially responsible. Then, she will be in a better situation to show that she is sufficiently responsible to access classified information. However, at this time, Applicant needs more time to demonstrate to the Government that she can and will resolve her delinquent debt and pay her current debt on time. None of the mitigating conditions apply.

There is insufficient evidence in the record at this time to show the Government that Applicant can and will be able to properly manage her finances. This means she must pay her bills on time and live within her means. Applicant still owes a significant amount of money to her creditors. There is insufficient evidence in the record to show that she has carried her burden of proof to establish mitigation of the Government security concerns under Guideline F.

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. Despite the Applicant's financial hardships, there is no evidence that she has ever engaged in any unethical or unlawful behavior to address her financial stress. She is a hard worker and has obviously been a good mother. In the event that Applicant follows through with her commitment to show financial responsibility, sometime in the future she may be found to be sufficiently reliable to properly protect and access classified information, but not at this time.

I considered the potentially disqualifying and mitigating conditions in light of all relevant facts and circumstances surrounding this case. I conclude Applicant has not mitigated the Financial Considerations security concern.

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.f.	Against Applicant
Subparagraphs 1.g., 1.j., 1.m., and 1.n.	For Applicant
Subparagraphs 1.h., 1.i., 1.k., 1.l.	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 eligibility for a security clearance. Eligibility for access to classified information is denied.

Darlene Lokey Anderson
Administrative Judge