



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



In the matter of:)	
)	
)	ISCR Case No. 24-01686
)	
Applicant for Security Clearance)	

Appearances

For Government: Cynthia Ruckno, Esq., Department Counsel
For Applicant: *Pro se*

01/21/2026

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 May 8, 2023. On January 2, 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 January 28, 2025, and requested a hearing before an administrative judge. The case was assigned to me on July 10, 2025. On July 21, 2025, the Defense Office of Hearings and Appeals (DOHA) notified Applicant that the hearing was scheduled for August 8, 2025. I convened the hearing as scheduled.

Government Exhibits (GE) 1 through 8 were admitted in evidence without objection. The documents included with Applicant's Answer are admitted as Applicant Exhibit (AE) A. Applicant testified and I held the record open until September 9, 2025, to enable either side to submit documentary evidence. Applicant timely submitted AE B, which was admitted in evidence without objection. DOHA received the transcript (Tr.) on August 21, 2025.

Findings of Fact

Applicant admitted four debts SOR ¶¶ 1.a through 1.c and 1.h. He denied SOR ¶¶ 1.d through 1.g on the basis he could not locate information about these debts on his credit report, and he denied SOR ¶ 1.g on the basis that his 2017 bankruptcy was resolved. His statements are incorporated into the findings of fact.

Applicant is a 56-year-old armed security guard. He joined his current company in 2022. He has worked as an armed security guard since February 2019. He also worked as an employment specialist from 2017 until 2022. He is a naturalized U.S. citizen as of 2018. He married in 2017. He has three adult children. He is a high school graduate and attended one year of college. (GE 1; GE 8; Tr. 24-26.)

Applicant cited a medical issue and being "cheated" by his insurance company as the trigger for the medical-related debts, SOR ¶¶ 1.a through 1.f. These medical debts pertained to him and his youngest son. He explained that he had private insurance, and his insurance stopped paying his medical bills on the basis that he "was over the top" and that the agent kept saying, "oh, I'm waiting to hear back." Eventually the agent stopped answering his questions. In his post-hearing submission, he provided medical records covering medical visits between November 2021 and July 2025. He stated:

I've been having, as I told you earlier, the hiccups and belching, which doctors haven't been able to figure out for the longest time what it -- what it is. I've gotten almost every test. They sent me to ever[y] specialist that they can think of. So it's been an ongoing health situation.

I had private insurance, but I feel like I got cheated because I went through an agent because our job insurance was too high -- is too high, period. So I went through a private insurance company, US something, and which was part of [health insurance company].

They stopped paying bills, my bills, saying that I was either over the top. Every time I contacted the agent, he said, make sure I went through him. I would contact him, speak to him. He's saying, oh, I'm waiting to hear back. (Tr. 32.)

Later he testified:

I had -- 2023. I've had two surgeries in the last couple of year[s]. One to try to get these hiccups stopped. They opened me up and said they had to straighten out my intestines. They were twisted, which obviously didn't help. And then the stroke or sudden death that I just had in June. I believe that that surgery would've been 2024, but maybe it was 2023. September, around that time. (Tr. 72.)

Applicant provided medical records related to the hiccup and belching symptoms, but he provided single pages from records that indicate he was submitting incomplete records. On page 7 of AE B is a transaction printout showing a payment of \$50 with a credit card on July 10, 2024, for an office visit. The other notations reflect that he was being seen by heart and vascular specialists to treat advanced heart failure. (Tr. 29, 32, 33; AE B.)

SOR ¶ 1.a: You are indebted to [Creditor A] for a medical account previously held by [Creditor B] that is seriously past due in the approximate amount of \$2,135. As of the date of this Statement of Reasons, the account remains delinquent. Applicant admits the debt. The debt arose from medical treatment for his youngest son and himself. He was not aware of the debt until it came up in his security clearance interview. He was able to pay it off for less the full amount in January 2025 and included a letter dated January 27, 2025, from the creditor with his Answer supporting resolution of the debt. He testified he was not sure when he initiated contact with the creditor only that it was in either 2023 or 2024. He stated, "they may have sent me some mail that I just threw away because I didn't pay any attention to, but not that I recall speaking to anybody about it, no." (Answer; AE A; GE 4 at 3; Tr. 32-35.) This debt was resolved after the SOR was issued.

SOR ¶ 1.b: You are indebted to [Creditor C] for a medical account placed for collection by [Creditor B] in the approximate amount of \$750. As of the date of this Statement of Reasons, the account remains delinquent. Applicant admits the debt and states he was in the process of satisfying this debt. He offered a credit card transaction receipt dated August 15, 2024, showing a payment of \$50 with his Answer. He testified he had made more than one \$50 payment. (Tr. 38-40.) This debt is unresolved.

SOR ¶ 1.c: You are indebted to [Creditor D] for a medical account placed for collection by [Creditor B] in the approximate amount of \$2,132. As of the date of this Statement of Reasons, the account remains delinquent. Applicant admits the debt and states he was in the process of satisfying this debt. He offered a credit card payment receipt dated July 16, 2024, showing a payment of \$50 with his Answer. He testified he had made more than one \$50 payment and thought he had paid the debt off. GE 5 listed the debt at \$2,182. (GE 2 at 7; GE 3 at 3; GE 4 at 2; Answer; GE 5 at 4; Tr. 42-43.) This debt was discussed during his June 14, 2023 security clearance interview. He told the investigator he was not aware of the debt. (GE 8 at 6.)

SOR ¶ 1.d: You are indebted to [Creditor D] for a medical account placed for collection by [Creditor B] in the approximate amount of \$7,675. As of the date of this Statement of Reasons, the account remains delinquent. Applicant denied this debt on the basis he could not find the debt on his credit report. He testified he had been in contact with the creditor, but the creditor did not have any information for him. The May 2024 credit report shows the date assigned as August 2023, and the November 2024 credit report shows the account “seriously past due.” (Tr. 42-45; GE 3 at 3; GE 4 at 2.) This debt is unresolved.

SOR ¶ 1.e: You are indebted to [Creditor F] for a medical account placed for collection in the approximate amount of \$1,539. As of the date of this Statement of Reasons, the account remains delinquent. Applicant denied this debt on the basis he could not find the debt on his credit report. A credit report from May 2023 shows the date assigned as October 2022 and that he disputed the debt. Neither the May 2024 nor the November 2024 credit reports show the debt. (Tr. 47-48; GE 3; GE 4; GE 5 at 4.) This debt was discussed during his June 14, 2023 security clearance interview with a DoD investigator. He told the investigator he was not aware of the debt. (GE 5 at 4; GE 8 at 6.) Applicant is credited with this debt being unsubstantiated because it does not appear on any credit reports of record after 2022.

SOR ¶ 1.f: You are indebted to a creditor identified as medical account on your credit report dated May 24, 2023, for an account in collection in the approximate amount of \$26. As of the date of this Statement of Reasons, the account remains delinquent. Applicant denied this debt on the basis he could not find the debt on his credit report. When asked if he paid the debt he testified, “yeah, I think I sent that to them. I didn’t even -- I believe I sent that to him just to get it off because I didn’t -- \$26 isn’t that much. I don’t even care if it’s fraud, just get it off.” He thought he had paid it in January 2025 with a credit card. A 2023 credit report shows the date assigned as October 2020. The November 2024 credit report does not show the debt. (Tr. 49-50; GE 3; GE 5 at 4.) This debt was discussed during his June 14, 2023 security clearance interview. He told the investigator he was not aware of the debt. (GE 8 at 6.) Applicant is credited with this debt being unsubstantiated because it does not appear on any credit reports of record after 2022.

SOR ¶ 1.g: You are indebted to [Creditor G] on a civil court action filed against you in 2017, resulting in a writ of garnishment entered against you in approximately April 2019 in the approximate amount of \$8,002. Applicant denied this debt on the basis he could not find the debt on his credit report. The garnishment paperwork was sent to an address where his son and daughter and their mother were living. His son also goes by the same first name as Applicant and is an adult. The judgment was issued close in time to the bankruptcy but does not appear as a debt in the bankruptcy. The Government noted, “[the creditor(s)] were not listed as one of the creditors in your bankruptcy. And this -- the judgment did appear to be in -- close in time to the -- to the bankruptcy” and that the debt was not coming up under Applicant’s social security number. He has not had his wages garnished during the time period when a

judgment would likely be enforced. (Tr. 51-54; GE 6; GE 7.) This debt is resolved in Applicant's favor.

SOR ¶ 1.h: You filed Chapter 7 Bankruptcy in about May 2017. This bankruptcy was discharged in about August 2017. Applicant admitted the allegation. He cited two car accidents for triggering his financial problems. One car belonged to him and the other was a rental. He had not gotten insurance on the rental car and could not afford to replace the damaged rental car. He also blamed losing a co-tenant and having to pay the full rent on his property for creating additional debt. He explained that attorneys convinced him that bankruptcy would be the best thing for him to do at the time even though there was not that much owed. The summary of liabilities in his bankruptcy filings totaled \$41,190. He determined that bankruptcy would give him "a fresh start and get everything done" because he felt he "was never going to get out of this hole." His most recent credit reports show his largest debts, a mortgage and car payments, as current. (GE 3 at 1; GE 4; GE 5; GE 7 at 10; Tr. 26-30.) This matter is resolved.

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). SOR ¶ 1.h was denied by Applicant and the Government's evidence ties the judgment to a place Applicant did not live but was a place where his son, who goes by the same name, lived. There is no evidence that Applicant was responsible for the debt. None of the Government credit reports reflect a judgment against him. Even if the judgment occurred, it was likely automatically discharged through his bankruptcy. This debt is resolved.

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.

AG ¶ 20(a) is fully established for SOR ¶ 1.h. The bankruptcy alleged has been resolved for more than eight years. The only other debts alleged are medical debts, which are related to ongoing health issues. The credit reports show he is current on his mortgage and car payments.

AG ¶ 20(c) is established. His Chapter 7 necessarily would have included financial counseling.

AG ¶¶ 20(a), 20(b), and 20(d) are not fully applicable. Applicant's credit history reflects a range of behavior. He has been responsible in paying his mortgage and car payments. He provided evidence of some payments on the debts alleged and he documented a medical condition that requires regular treatment raising AG ¶¶ 20(a), 20(b), and 20(d). However, the evidence did not establish that he acted responsibly under the circumstances. The payment history he submitted shows single payments without further evidence of additional payments. The one debt that he settled for less than the full amount occurred after the SOR date. His medical problems are circumstances beyond his control which adversely affected his finances. There is evidence he disputed one debt, which supports his testimony regarding issues with his health insurance, but he was unaware of the debt when asked about it during his security clearance interview. He did

not provide copies of his medical insurance policies, and he may have exceeded his policy limits or have substantial copays. He provided evidence of his medical condition but did not provide documents related to his billing issues. He did not provide sufficient evidence that he was not responsible for his medical debts or unable to pay his debts. His debts are not so infrequent, and his responses are incomplete, which does cast doubt on his current reliability, trustworthiness, and good judgment.

Addressing AG ¶ 20(d) further, Applicant's actions are reactive to the security clearance process. While he has some track record of payments to his creditors, which includes two single \$50 payments on two debts and resolution of SOR ¶ 1.a for a negotiated amount, they are limited. His claim of paying SOR ¶ 1.f is only supported by it no longer being on his credit report. The payments occurred after his 2023 security clearance application and his settlement occurred after the SOR date. 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). A security clearance adjudication is an evaluation of an individual's judgment, reliability, and trustworthiness. It is not a debt-collection procedure. ISCR Case No. 09-02160 (App. Bd. Jun. 21, 2010.) 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.

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.a, 1.e-1.g:	For Applicant
Subparagraphs 1.b-1.d:	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