



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



In the matter of:)
))
) ISCR Case No. 24-01878
))
))
Applicant for Security Clearance)
))

Appearances

For Government: Mark D. Lawton, Esq., Department Counsel
For Applicant: *Pro se*

03/18/2026

Decision

FOREMAN, LeRoy F., Administrative Judge:

Applicant did not mitigate the security concerns under Guideline F, Financial Considerations. His application for eligibility for access to classified information and assignment to duties designated as national security sensitive is denied.

Statement of the Case

Applicant submitted a Questionnaire for National Security Positions (SF86) on April 4, 2023. On November 14, 2024, the Defense Counterintelligence and Security Agency (DCSA) sent him a Statement of Reasons (SOR) alleging security concerns under Guideline F. The DCSA acted under Executive Order (Exec. Or.) 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) promulgated in Security Executive Agent Directive 4, *National Security Adjudicative Guidelines* (December 10, 2016), which became effective on June 8, 2017.

Applicant answered the SOR on January 23, 2025, and requested a decision on the written record in lieu of a hearing. Department Counsel submitted the Government's written case on March 12, 2025. A complete copy of the file of relevant material (FORM) was sent to Applicant, who was given an opportunity to file objections and submit material to refute, extenuate, or mitigate the Government's evidence. He received the FORM on April 3, 2025, and he did not respond or object to any of the exhibits. The case was assigned to me on March 9, 2026.

The FORM consists of the pleadings in the case (Government Exhibit (GE) 1) and the documents in support of the allegations in the SOR (GE 2 through 6). GE 2 through 6 are admitted into evidence.

Findings of Fact

The SOR alleges 12 separate delinquent accounts comprised of consumer debt totaling approximately \$52,854. In his Answer to the SOR, Applicant admits to all but two of the allegations, SOR ¶¶ 1.f and 1.k His admissions are incorporated in my findings of fact.

Applicant is a 30-year-old divorcee with two minor children. He attended high school, but obtained no degree. He has also taken college courses at three different online schools, with hopes to transfer to a university and earn a Bachelor of Science in Cyber Security. He served active duty in the United States Navy from 2013 to 2023. He has been employed and sponsored for a security clearance by a federal government contractor since August 2023. He did not disclose any of the alleged debts in his SF86, which he certified on April 4, 2024. (GE 2)

On or about January 10, 2025, Applicant retained the services of a debt resolution company and enrolled six separate debts totaling approximately \$15,029. The documentation he attached to his Answer reflects that five of the debts enrolled are those alleged in SOR ¶¶ 1.b, 1.c, 1.d, 1.e, and 1.j. An unalleged debt of \$3,776 owed to a credit union was the sixth enrolled account. Per the debt resolution plan program summary, he was to make bi-weekly payments of \$115 for 48 months beginning January 11, 2025. The payments would total approximately \$12,000 – \$7,514 of which would be dispersed to his creditors and \$4,534 would cover the program fees. No additional documentation was submitted to evidence actual payments made towards this arrangement or any other action taken to resolve the debts owed to the above creditors. (GE 1, 3-6)

The evidence establishes the allegation detailed in SOR ¶ 1.b, a charged-off debt owed to a consumer creditor in the approximate amount of \$5,607. In Applicant's Answer, he admits this debt and states, "I plan to settle this loan for an amount that I can pay back."

The evidence establishes the allegations detailed in SOR ¶ 1.c and 1.j, charged-off debts owed to the same cellular telecommunication creditor for two separate accounts which total approximately of \$3,047. In his Answer, he admits both debts and states, "I

plan on paying back this debt in hopes to use the services again.”

The evidence establishes the allegation detailed in SOR ¶ 1.d, a telecommunication company debt placed for collection in the approximate of \$1,908. Applicant admits this debt and references the above-discussed debt-resolution program, “Plan listed at the bottom of the page.” (GE 1, 3-6)

The evidence establishes the allegation detailed in SOR ¶ 1.e, a credit card debt placed for collection in the approximate of \$691. Applicant admits this debt and references the above-discussed debt-resolution program, “Plan listed at the bottom of the page.” (GE 1, 3-6)

The evidence establishes the allegation detailed in SOR ¶ 1.a, a charged-off debt for an automobile loan in the approximate amount of \$24,615. In his Answer, Applicant admits this debt and states, “I plan to refinance this loan at a later date.” The record is void of any additional documentation or evidence to support his future plan to refinance said debt. (GE 1, 3-6)

The evidence establishes the allegation detailed in SOR ¶ 1.g, a charged-off debt to a financial services creditor in the approximate amount of \$15,261. In his Answer, Applicant admits this debt and states, “I plan to refinance this loan at a later date.” The record is void of any additional documentation or evidence to support his future plan to refinance said debt. (GE 1, 3-6)

The evidence establishes the allegations detailed in SOR ¶¶ 1.h, 1.i, and 1.l, consumer debts that are past due or have been placed for collection by three separate creditors totaling approximately \$925. In his Answer, he admits the three debts and states, “Plan listed at the bottom of the page.” However, his attached documentation makes no reference to any of the three named creditors. (GE 1, 3-6)

SOR ¶¶ 1.f and 1.k reference the same debt with the original creditor alleged in ¶ 1.k and the collection agency in ¶ 1.f. After this debt was sold to a collection agency, Applicant settled and paid it on November 15, 2024, as evidenced by the e-mail receipt he attached to his Answer. (GE 1, 3-6)

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* at 531. Substantial evidence is "such relevant evidence as a reasonable mind might accept as adequate to support a conclusion in light of all the contrary evidence in the same record." See ISCR Case No. 17-04166 at 3 (App. Bd. Mar. 21, 2019). It is "less than the weight of the evidence, and the possibility of drawing two inconsistent conclusions from the evidence does not prevent [a Judge's] finding from being supported by substantial evidence." *Consolo v. Federal Maritime Comm'n*, 383 U.S. 607, 620 (1966). "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. 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* 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 evidence in the FORM 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 are potentially applicable:

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;

AG ¶ 20(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;

AG ¶ 20(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

AG ¶ 20(d): the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts.

AG ¶ 20(a) is not established. Applicant's delinquent debts are numerous and accrued during an extended period of time, and he has presented insufficient evidence to meet his burden to show that they were incurred under circumstances that are unlikely to recur.

AG ¶ 20(b) is not established. Applicant presented no evidence to support that his financial difficulties were due to circumstances beyond his control and that he took responsible action at the time of the occurrence.

AG ¶ 20(c) is not established. Though Applicant retained the services of a debt resolution company, there is no evidence that he received financial counseling and that his financial issues are being resolved or are under control.

AG ¶ 20(d) is established for the debts listed at SOR ¶¶ 1.f and 1.k. This mitigating condition is not established for the remaining allegations because Applicant did not submit any proof of payments or attempts at good-faith resolution. Although he retained the services of a debt-resolution company for the five debts listed at SOR ¶¶ 1.b, 1.c, 1.d, 1.e, and 1.j, there is no evidence of payments made towards that or any other agreement.

Whole-Person Analysis

Under AG ¶ 2(c), the ultimate determination of whether to grant a security clearance must be an overall commonsense judgment based upon careful consideration of the guidelines and the whole-person concept. An administrative judge must evaluate an applicant's security eligibility by considering the totality of the applicant's conduct and all the 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.

I have incorporated my comments under Guideline F in my whole-person analysis and applied the adjudicative factors in AG ¶ 2(d). Because Applicant requested a determination on the record without a hearing, I had no opportunity to evaluate his credibility and sincerity based on demeanor. See ISCR Case No. 01-12350 at 3-4 (App. Bd. Jul. 23, 2003). After weighing the disqualifying and mitigating conditions under Guideline F and evaluating all the evidence in the context of the whole person, I conclude

Applicant has not mitigated the security concerns raised by his financial condition.

Formal Findings

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

Paragraph 1, Guideline F (Financial Considerations): AGAINST APPLICANT

Subparagraphs 1.a – 1.e, 1.g – 1.j and 1.l: Against Applicant

Subparagraphs 1.f and 1.k: For 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.

LeRoy F. Foreman
Administrative Judge