



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



In the matter of:)
)
) ISCR Case No. 25-01244
)
Applicant for Security Clearance)

Appearances

For Government: George A. Hawkins, Esq., Department Counsel
For Applicant: I. Charles McCullough, Esq.

03/25/2026

Decision

FOREMAN, LeRoy F., Administrative Judge:

This case involves security concerns raised under Guideline F (Financial Considerations). Clearance is denied.

Statement of the Case

Applicant submitted a security clearance application (SCA) on February 23, 2025. On September 30, 2025, 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 in an undated document and requested a hearing before an administrative judge. Department Counsel was ready to proceed on December 17, 2025. The case was assigned to me on January 6, 2026. On January 23, 2026, the Defense Office of Hearings and Appeals (DOHA) notified Applicant that the hearing was scheduled to be conducted by video teleconference on February 25, 2026. On January 29, 2026, Department Counsel amended SOR ¶ 1.a, alleging failure to timely file federal

income tax returns for tax years 2022 and 2023, by adding an allegation of failure to timely file tax returns for 2021.

I convened the hearing as scheduled. Government Exhibits 1 through 6 were admitted without objection. Applicant testified, presented the testimony of two witnesses, and submitted Applicant's Exhibits A through K, which were admitted without objection. During the hearing, I granted Department Counsel's motion to amend the SOR to conform to the evidence by adding SOR ¶ 1.i, alleging that Applicant was indebted for delinquent state taxes "for tax years 2021, 2022, and/or 2023, in the approximate amount of \$1,800." I granted the motion to amend the SOR, without objection from Applicant. (Tr. 149) At Applicant's request, I kept the record open until March 20, 2026, to enable him to submit additional documentary evidence. He timely submitted three additional exhibits, which were admitted without objection. The exhibits were proffered and marked as AX O, P, and Q, skipping L, M, and N. The markings were corrected to be AX L, M, and N. The corrected marking of Applicant's exhibits is reflected in Hearing Exhibit I, which is attached to the record. DOHA received the transcript on March 10, 2026. The record closed on March 30, 2026.

Findings of Fact

In Applicant's answer to the SOR, he admitted all the allegations in original SOR, with explanations. He did not respond to the amendments to the SOR. His admissions are incorporated in my findings of fact.

Applicant is a 39-year-old cyber security training manager employed by a defense contractor since February 2025. He has never married and has no children. He received a bachelor's degree in information technology in December 2011 and a master's degree in cyber security in May 2025. He was previously cleared for a public trust position on a date not reflected in the record.

Applicant was previously employed by defense contractors as a cyber trainer from May 2020 to October 2022 and as a cyber security analyst from November 2012 to April 2020. He worked for a non-federal employer, earning more than \$200,000 per year, from October 2022 until he was laid off in June 2024. (AX K1-2; Tr. 58) He was unemployed from June 2024 to February 2025. During this period of unemployment, he relied on savings and infrequent speaking engagements for youth and high school students. (GX 5 at 1) His SCA reflects that he made several short vacation trips to the Caribbean and one to South America during this time. (GX 1 at 25-31) He testified that his girlfriend was employed as a university professor and paid for the trips. (Tr. 131)

On August 18, 2025, Applicant responded to DCSA financial interrogatories regarding his failures to timely file federal tax returns for tax years 2021, 2022, and 2023. He stated that his home sustained severe damage from flooding in 2021, requiring major demolition and repairs. In June 2022, a fire destroyed much of his back yard, including his fence and car park, which again required substantial repairs and expenses. In August 2022, a gas leak in his residence required evacuation and repairs. In February 2023, his great aunt, "the matriarch" of his family, passed away while in hospice care. Her passing

was a “devastating personal loss, because she had been the “emotional and spiritual leader” of his family. In April 2023, shortly after the passing of his great aunt, his niece was born prematurely and spent the first month of her life in a hospital. (GX 2 at 10; GX 5 at 1)

In addition to the federal and state tax delinquencies, the SOR alleges four delinquent consumer debts, which Applicant admitted in his answer to the SOR. The debts are reflected in credit reports from September 2025, March 2025, and January 2026. (GX 3, 4, and 6) The evidence concerning these debts and his federal and state income tax filings, as alleged in the amended SOR, is listed below.

SOR ¶ 1.a: failure to timely file federal income tax returns for tax years 2021, 2022, and 2023. Applicant filed the returns for 2021 and 2022 on May 6, 2024, and the return for 2023 on June 3, 2024. (AX A)

SOR ¶ 1.b: failure to timely file state income tax returns for tax years 2022 and 2023. Applicant filed the returns for 2022 and 2023 on February 5, 2026. (AX B) He had filed his 2024 return on April 28, 2025. (GX 2 at 12)

SOR ¶¶ 1.c and 1.d: federal tax debt of \$24,403.99 for tax year 2022 and \$7,808.49 for tax year 2021. Applicant made a payment of \$3,413 in April 2024, but his check was dishonored. (GX 2 at 13.) He has a current installment agreement for the tax debt, providing for monthly payments of \$445, beginning in February 2026. He made the first payment on February 5, 2026. (AX C)

SOR ¶ 1.e: payments past due for \$4,035 on a home mortgage loan with a balance of \$234,125. Applicant testified that he fell behind on his mortgage payments after the Department of Government Efficiency terminated a contract that he was working on. (Tr. 90) As of January 2026, he was 90 days past due. Apparently, he had kept up with his payments while he was laid off from June 2024 to April 2025, because his last payment was in October 2025, after the SOR was issued. (GX 6) On a date not reflected in the record, he withdrew funds from his 401k retirement fund to catch up on his payments, and he changed his homeowner’s insurance company to substantially decrease his cost of insurance and to reduce his monthly mortgage loan payments by about \$1,000. (Tr. 92-93) He is now making payments as agreed on the mortgage. (AX D)

SOR ¶ 1.f: past-due payments on a credit-card account of \$8,748, with an account balance of \$58,124. Applicant’s last payment on this account was in February 2025. (GX 6) In January 2026, he negotiated a payment arrangement providing for payments of \$25 per month beginning in March 2026 and payments of \$1,645 beginning in February 2027. The account is current. (Tr. 25-26; AX E)

SOR ¶ 1.g: credit union account past due for \$1,040, with a balance of \$18,458. Applicant apparently was past due only one month on this account. His last payment on this account was in January 2026. (GX 6) At that time, he negotiated a

minimum monthly payment of \$161 and reduced the balance to about \$16,000. The account is current. (Tr. 98; AX F)

SOR ¶ 1.h: credit-card account past due for \$475 with a balance of \$7,621. Applicant apparently was past due only one month on this account His last payment on this account was in January 2026, when he brought this account up to date. (GX 6; AX G; Tr. 99)

SOR ¶ 1i: (added by amendment at the hearing): state tax debt for tax years 2021, 2022, “and/or 2023” in the approximate amount of \$1,800. At the hearing Applicant admitted that he owes this amount, that it is unpaid, and that he is making payments on the debt. (Tr. 145) He provided no documentary evidence of payments.

Applicant lives in a duplex home. To earn extra money, he lives on one side of the home and rents the other side. His rental income ranges from \$26,000 to \$28,000 per year. (Tr. 99-101) He also makes extra money by working for a home food delivery service. (Tr. 102)

At the hearing, Applicant admitted that he was disorganized and did not have his affairs in order in 2024. He has been diagnosed with a cardiac condition (AFIB), attention deficit hyperactivity disorder (ADHD), major depressive disorder, and anxiety disorder. (AX I) He testified that his ADHD gives him a “low processing speed” in taking care of financial matters. He has been taking medication for ADHD for the previous six to eight months. (Tr. 134-39)

Applicant’s supervisor on a team supporting a federal agency from 2017 to 2020 submitted a letter supporting Applicant’s application for a security clearance. He also testified in person at the hearing. He stated that Applicant demonstrated a high level of dedication to protecting sensitive systems and data, and he displayed attention to detail, sound judgment, and a strong understanding of security policy. He was honest, dependable, and deeply respectful of the responsibilities of working in federal cybersecurity space. (AX K at 3-4) He and Applicant have remained personal friends for seven or eight years, and he is familiar with the allegations in the SOR. He remembers Applicant as being “an amazing employee.” (Tr. 22-24)

A university professor submitted a letter describing Applicant as a person of strong character and judgment, reliable, principled, loyal, trustworthy, and community oriented. (AX K at 5-6). A county prosecutor, who has known Applicant for about ten years, was impressed by his compassion, loyalty, and dependability. (AX K at 7) A senior security architect who supervised Applicant when he was working as a technical trainer was impressed by his willingness to volunteer for assignments, his strong character, and his sound judgment. (AX K at 8) She testified at the hearing that she was aware of the Applicant’s grief when his great aunt passed away, but he did not let it affect his work. (Tr. 75-81)

A senior solutions architect for a major non-federal employer observed Applicant’s performance as a trainer and was impressed by his focus and drive and his devotion to

his family. (AX K at 9) A multi-unit general manager in the automotive industry has known Applicant since they were together in middle school, and he considers Applicant a reliable and steadfast friend and admires him for his commitment to personal growth and education. (AX K at 10)

A technical trainer for the non-federal employer for whom Applicant worked from October 2022 to June 2024 testified that she and Applicant had a personal as well as a professional relationship. She testified that he was trustworthy and honest. He was a team player, volunteering to work with multiple teams. He exercised good judgment. He had one of the highest customer satisfaction scores in the company before he was laid off. (Tr. 64-76)

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 submitted at the hearing establish the disqualifying conditions under this guideline:

AG ¶ 19(a): inability to satisfy debts;

AG ¶ 19(c): a history of not meeting financial obligations; and

AG ¶ 19(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.

The following mitigating conditions are relevant:

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;

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

AG ¶ 20(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.

AG ¶ 20(a) is not established. Applicant's delinquent debts are numerous, recent, and were not incurred under circumstances making recurrence unlikely.

AG ¶ 20(b) is not established for Applicant's failures to timely file his tax returns and pay the taxes due. He encountered several circumstances largely beyond his control: the flooding of his home in 2021, a fire in his yard in 2022, a gas leak in 2022, and the death of a family member with whom he was especially close were all circumstances largely beyond his control. His ADHD is a condition largely beyond his control, although it appears that he is receiving treatment for it, and it apparently did not adversely affect his ability to perform well in previous employments. However, he has not acted responsibly regarding his tax obligations. His tax delinquencies occurred when he was employed and earning \$200,000 per year, with no family responsibilities. His supervisor during this period submitted a letter stating that at work he displayed attention to detail and sound judgment, but that attention to detail apparently did not extend to his duty to

file tax returns and pay taxes. He has offered no credible excuse for not timely filing his tax returns or paying his taxes. He made the first payment on his federal income tax debt on February 4, 2026. He filed his state tax returns on February 5, 2026 (AX B).

Applicant's unemployment from June 2024 to April 2025 was also a condition largely beyond his control that likely contributed to his past-due payments on his home mortgage loan, alleged in SOR ¶ 1.e, and the three credit-card accounts, alleged in SOR ¶¶ 1.f, 1.g, and 1.h. He acted responsibly regarding these debts. When he realized that he had fallen behind on his payments, he contacted the creditors, negotiated payment arrangements, and brought all the accounts up to date.

AG ¶ 20(g) is not established. A security clearance adjudication is not a vehicle aimed at ensuring an applicant's compliance with the tax laws. The fact that Applicant has filed his past-due returns "does not preclude careful consideration of Applicant's security worthiness based on longstanding prior behavior evidencing irresponsibility." ISCR Case No. 12-05053 (App. Bd. Oct. 30, 2014). The timing of the resolution of financial problems is an important factor in evaluating an applicant's case for 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) The mere existence of a payment arrangement with an appropriate tax authority does not compel a Judge to issue a favorable decision. ISCR Case No. 17-03462 (App. Bd. Jun. 26, 2019). As with the application of any mitigating condition, an administrative judge must examine the record evidence and decide whether the favorable evidence outweighs the unfavorable evidence, or *vice versa*. The timing of corrective action is an appropriate factor for an administrative judge to consider in the application of Mitigating Condition 20(g) as well as in considering aspects of other overlapping mitigating conditions. Applicant has filed his past-due tax returns, but he has not established a record of compliance with his payment agreement, which he made after he was questioned by DCSA about his delinquent taxes. The timing of Applicant's corrective actions in this case undercuts the weight of his remedial action.

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). 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 mitigated the concerns raised by his late payments on his credit-card accounts and his home mortgage loan, but he has not mitigated the security concerns raised by his failures to timely file his federal and state tax returns and pay the taxes due.

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.d: **Against Applicant**

Subparagraphs 1.e-1.h: **For Applicant**

Conclusion

I conclude that it is not clearly consistent with the national security interests of the United States to grant Applicant eligibility for access to classified information. Clearance is denied.

LeRoy F. Foreman
Administrative Judge