



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



In the matter of:)
)
) ISCR Case No. 25-01148
)
Applicant for Security Clearance)

Appearances

For Government, William Miller, Esq., Department Counsel
For Applicant: *Pro se*

04/14/2026

Decision

WESLEY, ROGER C. Administrative Judge

Based upon a review of the case file, pleadings, exhibits, and testimony, Applicant did not mitigate financial consideration and personal conduct concerns. Eligibility for access to classified information or to hold a sensitive position is denied.

Statement of the Case

On October 7, 2025. the Defense Counterintelligence and Security Agency (DCSA) Adjudications and Vetting Services (AVS) issued a statement of reasons (SOR) to Applicant detailing reasons why under the financial consideration and personal conduct guidelines the DCSA AVS could not make the preliminary affirmative determination of eligibility for granting a security clearance, and recommended referral to an administrative judge to determine whether a security clearance should be granted, continued, denied, or revoked. The action was taken under Executive Order (Exec. Or.) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960); Department of Defense (DoD) Directive 5220.6 *Defense Industrial Personnel Security Clearance Review Program*, (January 2, 1992) (Directive); and Security Executive Agent Directive 4, establishing in Appendix A the *National Security Adjudicative Guidelines for Determining Eligibility for Access to Classified Information or Eligibility to Hold a Sensitive Position* (AGs), effective June 8, 2017.

Applicant responded to the SOR on October 21, 2025, and requested a hearing. This case was assigned to me on February 17, 2026. A hearing was scheduled for March 26, 2026, and the case was heard on the scheduled date. At the hearing, the Government's case consisted of six exhibits (GEs 1-6), which were admitted without objection. Applicant relied on one witness (himself) and no exhibits. The transcript (Tr.) was received on April 9, 2026.

Summary of Pleadings

Under Guideline F, Applicant allegedly accumulated 19 delinquent debts, exceeding \$52,000. Allegedly these debts remain unresolved and outstanding.

Under Guideline E, Applicant allegedly falsified his electronic questionnaires for investigations processing (e-QIP) of August 27, 2024, by answering no to questions asking him about debt delinquencies. Allegedly by answering no to questions inquiring about the state of his finances, he knowingly and willfully failed to disclose requested material information.

In Applicant's response to the SOR, he admitted most of the allegations. He denied only the allegations covered by SOR ¶ 1.s and SOR ¶ 2.a. He claimed he paid off his back rent debt dated covered by SOR ¶ 1.s and claimed he made a mistake in answering the allegations covered by SOR ¶ 2.a.

Findings of Fact

Applicant is a 42-year-old employee of a defense contractor who seeks a security clearance. Allegations covered in the SOR and admitted by Applicant are incorporated and adopted as relevant and material findings. Additional findings follow.

Background

Applicant married in January 2012 and divorced in October 2015. (GEs 1-2) He has three minor children (ages 13, 14, and 16) who reside with him. (GEs 1-2; Tr. 21) He earned a high school diploma in June 2001 and attended college classes between January 2013 and June 2013 without earning a degree or diploma. (GEs 1-2; Tr. 20-21) Applicant enlisted in the Air Force Inactive Reserve and served six years of active duty before receiving an honorable discharge. (GE 1; Tr. 20-21)

Since September 2024, Applicant has been employed in part time jobs pending his approval of his security clearance application. (GE 1; Tr. 22) Between 2014 and 2024, he worked for other employers in various jobs. Applicant has held an interim clearance but has never held an approved security clearance. (GE 1; Tr. 22) He is currently sponsored by his employer of record. (Tr. 22)

While undergoing investigation for his clearance, Applicant's interim clearance was withdrawn. Dates and reasons for the withdrawal of his interim clearance are not available in the record.

Applicant's finances

Between 2020 and 2024, Applicant accumulated 19 delinquent debts exceeding \$52,000. (GEs 2-6 and AE A; Tr. 24) Applicant's consumer debts are covered in the SOR as follows: SOR ¶¶ 1.a (a post-car repossession deficiency of \$24,159); 1.b (a post-car repossession deficiency of \$10,750); 1.c-1.o; (multiple delinquent consumer debts exceeding \$16,000); 1.p (child support arrearage exceeding \$3,600); and 1.q-1.s (three additional delinquent consumer debts exceeding \$5,000).

Applicant attributed his debt delinquencies to periods of underemployment and child support obligations stemming from his previous marriage. (GEs 2; Tr. 37-38) Except for his child support arrearage, which he has favorably resolved for the most part, Applicant has not paid or otherwise resolved any of his remaining debt delinquencies.

Afforded an opportunity to provide post-hearing documentation of his SOR-listed debts, Applicant was able to document only his child support payments discharging most of his arrearage. (GE 3 and AE A; Tr. 32) With his acquired custody of his three children and ensuing child support order extinguishing most of his child support obligations, he is left with only \$400 owing on his arrears, which he intends to discharge shortly. (Tr. 36-37) While his security clearance application is pending, he makes ends meet with part time jobs that pay him between \$20,000 and \$30,000 a year. (Tr. 23)

Because Applicant provided no personal financial statement, evidence of financial counseling, or debt consolidation programming, reliable estimates of financial resources potentially available to Applicant could not be made. (GE 2; Tr. 43) Without more information, it is unclear how Applicant can address his debts in the near term.

E-QIP omissions

Asked to complete an e-QIP in August 2024, Applicant omitted material facts related to his delinquent debts he accumulated between 2020 and 2024. (GEs 1-6; Tr. 41-42) More specifically, when asked in his August 2024 e-QIP for answers covering any delinquent accounts he incurred, any involuntary repossessions, any accounts turned over to a collection agency, any accounts charged off or cancelled for failure to pay as agreed, any garnishments or attachments for any reason, and any accounts over 120 days delinquent within the previous seven years, he declined to provide any affirmative answers or explanations or qualifications in the comment section of the e-QIP. (GE 1; Tr. 41-42)

In a follow-up personal subject interview (PSI) in November 2024 with an investigator from the Office of Personnel Management (OPM), Applicant was asked during the course of his interview whether he has any delinquent accounts, to which he

responded negatively before being confronted by the OPM investigator. (GE 2; Tr. 42-43) Once he was confronted, he confirmed the identified debts as his debts that were either previously or currently delinquent. (GE 2)

Afforded an opportunity at hearing to explain his responses to the OPM investigator's questioning of his debts, Applicant concurred with the investigator's accounts of their exchange. Considered together, and taking account of all of the circumstances surrounding Applicant's debt accruals and ensuing denials and disclosure, Applicant's withholding of material information about the details of his accumulated debt delinquencies in his 2024 e-QIP, inferences are warranted that his omissions were the result of candor and judgment lapses that were corrected only after confrontation by his interviewing OPM investigator in his November 2024 PSI. Applicant's claimed mistakes in not initially providing more information about his debts do not meet either credible or plausible criteria.

Policies

By virtue of the jurisprudential principles recognized by the U.S. Supreme Court in *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988), "no one has a 'right' to a security clearance." 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.

Eligibility for access to classified information may only be granted "upon a finding that it is clearly consistent with the national interest to do so." See Exec. Or. 10865, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960), as amended.

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, these guidelines are applied 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, reliable information about the person, past and present, favorable and unfavorable.

The AGs list guidelines to be considered by judges in the decision-making process covering DOHA cases. These guidelines take into account factors that could create a potential conflict of interest for the individual applicant, as well as considerations that could affect the individual's reliability, trustworthiness, and ability to protect classified information.

The guidelines include conditions that could raise a security concern and may be disqualifying (disqualifying conditions), if any, and all of the conditions that could mitigate security concerns, if any. These guidelines must be considered before deciding whether or not a security clearance should be granted, continued, or denied. Although, the

guidelines do not require judges to place exclusive reliance on the enumerated disqualifying and mitigating conditions in the guidelines in arriving at a decision.

In addition to the relevant AGs, judges must take into account the pertinent considerations for assessing extenuation and mitigation set forth in ¶ 2(a) of the AGs, which are intended to assist the judges in reaching a fair and impartial, commonsense decision based on a careful consideration of the pertinent guidelines within the context of the whole person. The adjudicative process is designed to examine a sufficient period of an applicant's life to enable predictive judgments to be made about whether the applicant is an acceptable security risk.

When evaluating an applicant's conduct, the relevant guidelines are to be considered together with the following ¶ 2(d) factors: (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 of the conduct; (8) the potential for pressure, coercion, exploitation, or duress; and (9) the likelihood of continuation or recurrence.

Viewing the issues raised and evidence as a whole, the following individual guidelines are pertinent herein:

Financial Considerations

The Concern: Failure or inability 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. . . . AG ¶ 18.

Personal Conduct

The Concern: Conduct involving questionable judgment, lack of candor, dishonesty, or unwillingness to comply with rules and regulations can raise questions about an individual's reliability, trustworthiness, and ability to protect classified or sensitive information. Of special interest is any failure to cooperate or provide truthful and candid answers during national security investigative and adjudicative processes. . . . AG ¶ 15.

Burdens of Proof

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 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 “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” See Exec. Or. 10865 § 7. See *also* Exec. Or. 12968 (Aug. 2, 1995), § 3.1.

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. 95-0611 at 2 (App. Bd. May 2, 1996).

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 ultimate burden of demonstrating that it is clearly consistent with the national interest to grant or continue his [or her] security clearance.” ISCR Case No. 01-20700 at 3 (App. Bd. Dec. 19, 2002).

The burden of disproving a mitigating condition never shifts to the Government. See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005). “[S]ecurity clearance determinations should err, if they must, on the side of denials.” *Egan*, 484 U.S. at 531; see AG ¶ 2(b).

Analysis

Security concerns are raised over Applicant’s accumulation of 19 delinquent accounts exceeding \$52,000 and failure to address most of them prior to the issuance of the SOR in October 2025.. Additional security concerns are raised over Applicant’s candor lapses associated with his omissions of material information regarding his accumulated delinquent debts.

Financial concerns

Applicant’s documented accumulation of delinquent debts warrant the application of two of the disqualifying conditions (DC) of the financial consideration guideline. DC ¶¶

19(a), “inability to satisfy debts”; and 19(c), “a history of not meeting financial obligations” apply to Applicant’s situation.

Applicant’s admitted delinquent account accruals require no independent proof to substantiate them. See Directive 5220.6 at E3.1.1.14; *McCormick on Evidence* § 262 (6th ed. 2006). His admitted accumulation of delinquent accounts is fully documented and raises judgment issues as well over the management of his finances. See ISCR Case No. 03-01059 (App. Bd. Sept. 24, 2004).

Financial stability in a person cleared to protect classified information is required precisely to inspire trust and confidence in the holder of a security clearance that entitles the person to access classified information. While the principal concern of a security clearance holder’s demonstrated difficulties is vulnerability to coercion and influence, judgment and trust concerns are implicit in cases involving delinquent debts.

Historically, the timing of addressing and resolving debt delinquencies are critical to an assessment of an applicant’s trustworthiness, reliability, and good judgment in following rules and guidelines necessary for those seeking access to classified information or to holding a sensitive position. See ISCR Case No. 14-06808 at 3 (App. Bd. Nov. 23, 2016); ISCR Case No. 14-01894 at 5 (App. Bd. Aug. 18, 2015); ISCR Case No. 14-00221 at 2-5 (App. Bd. June 29, 2016).

The Appeal Board has consistently imposed evidentiary burdens on applicants to provide documentation corroborating good-faith actions taken to resolve delinquent debt and other financial problems. See ISCR Case No. 19-02593 at 4-5 (App. Bd. Oct. 18, 2021); ISCR Case No. 19-01599 at 3 (App. Bd. Jan. 20, 2020). Applicant’s efforts to date fall short of the requirements needed to satisfy his evidentiary burden.

Applicable mitigating conditions potentially available to Applicant are few. MC ¶¶ 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”; and 20(d) “the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts.” have very limited application. Evidence of Applicant’s good faith efforts to address his debts with the resources available to him are minimal.

While Applicant has made promises to address the balance of his delinquent accounts in the future, he has not made any appreciable progress to date in fulfilling his promises on most of his debts. Only with his child support arrears has he been able to resolve with payments. Promises to pay or otherwise resolve delinquent debts in the future are not a substitute for a track record of paying debts in a timely manner and otherwise acting in a financially responsible manner. See ISCR Case No. 17-04110 at 3 (App. Bd. Sep. 26, 2019); ISCR Case No. 09-05252 at 3 (App. Bd. Dec. 3, 2010).

Personal Conduct Concerns

Additional security concerns arise over Applicant's failure to disclose relevant material information in his August 2024 e-QIP and later to an OPM investigator when asked to do so before confrontation. Applicant's omissions warrant the application of two DCs of Guideline E. DCs ¶¶ 16(a), "deliberate omission, concealment, or falsification of relevant facts from any personnel security questionnaire, personal history statement, or similar form used to conduct investigations, determine employment qualifications, award benefits or status, determine national security eligibility or trustworthiness, or award benefits or status, determine national security eligibility or trustworthiness, or award fiduciary responsibilities"; and 16(b), "deliberately providing false or misleading information; or concealing or omitting information, concerning relevant facts to an employer, investigator, security official, competent medical or mental health professional involved in making a recommendation relevant to a national security eligibility determination, or other official government representative," are fully applicable.

Considered together, Applicant's multiple omissions of his delinquent accounts in his completed 2024 e-QIP, for which he acknowledged only after being confronted by an ensuing OPM investigator, reflect serious candor and judgment lapses by him. When aggregated, Applicant's individual lapses in candor and judgment conflate to create material questions about his overall trustworthiness, reliability, and good judgment. None of the mitigating conditions potentially available to Applicant are applicable.

Whole-person assessment

Whole-person assessment of Applicant's clearance eligibility requires consideration of whether his history of debt delinquencies is fully compatible with minimum standards for holding a security clearance. Applicant's civilian contributions are not enough to overcome his history of difficulties in managing his finances.

More is required of Applicant to stabilize his finances. Overall trustworthiness, reliability, and good judgment are not established. Based on a consideration of all of the facts and circumstances covered in this case, overall trustworthiness, reliability, and good judgment are not established.

I have carefully applied the law, as set forth in *Department of Navy v. Egan*, 484 U.S. 518 (1988), Exec. Or. 10865, the Directive, and the AGs, to the facts and circumstances in the context of the whole person. I conclude financial considerations and personal conduct security concerns are not mitigated. Eligibility for holding a security clearance is denied

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:

GUIDELINE F (FINANCIAL CONSIDERATIONS): AGAINST APPLICANT

 Subparagraphs 1.a-1.o and 1.q-1.s: Against Applicant
 Subparagraph 1.p: For Applicant

GUIDELINE E (PERSONAL CONDUCT): AGAINST APPLICANT

 Subparagraph 2.a: 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 Applicant eligibility for a security clearance. Eligibility for access to classified information is denied.

Roger C Wesley
Administrative Judge