



DEPARTMENT OF WAR  
DEFENSE OFFICE OF HEARINGS AND APPEALS



In the matter of: )  
)  
) ISCR Case No. 24-01628  
)  
Applicant for Security Clearance )

**Appearances**

For Government: Nicole A. Smith, Esq., Department Counsel  
For Applicant: Sean Rogers, Esq.

04/17/2026

**Decision**

HARVEY, Mark, Administrative Judge:

Guideline F (financial considerations) security concerns are not mitigated. Eligibility for access to classified information is denied.

**Statement of the Case**

On October 4, 2023, Applicant completed an Electronic Questionnaire for Investigations Processing (e-QIP) or security clearance application (SCA). (Government Exhibit (GE) 1) On November 5, 2024, the Defense Counterintelligence and Security Agency (DCSA) issued a statement of reasons (SOR) to Applicant 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* (Directive) (January 2, 1992), as amended; 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. (Hearing Exhibit (HE) 1)

The SOR detailed reasons why DCSA did not find under the Directive that it is clearly consistent with the interests of national security to grant or continue a security clearance for Applicant and stated her case would be submitted to an Administrative

Judge for a determination as to whether to grant, deny, or revoke her security clearance. Specifically, the SOR set forth security concerns arising under Guideline F. (HE 1) On December 6, 2024, Applicant responded to the SOR. (HE 2) On February 14, 2025, Department Counsel was ready to proceed. On September 1, 2025, the case was assigned to me. On September 24, 2025, DOHA issued a notice scheduling the hearing for December 17, 2025. (HE 3) This decision was delayed when all administrative judges were furloughed from October 1 through November 12, 2025, during a federal government shutdown due to a lapse in federal funding. The hearing was held as scheduled on December 17, 2025, using the Microsoft Teams video teleconference system.

During the hearing, Department Counsel offered two exhibits; Applicant provided 15 exhibits; and all proffered exhibits were admitted into evidence without objection. (Tr. 13-17, GE 1-GE 2; Applicant Exhibits (AE) A-AE O) On January 4, 2026, DOHA received a copy of the transcript. Applicant provided 10 post-hearing exhibits, which were admitted into evidence. (AE P-AE Y) The record closed on April 6, 2026. (HE 4 (email extension))

Some details were excluded to protect Applicant's right to privacy. Specific information is available in the cited exhibits and transcript.

### **Findings of Fact**

In Applicant's SOR response, she admitted the allegations in SOR ¶¶ 1.a and 1.b. (HE 2) She also provided extenuating and mitigating information. Her admissions are accepted as findings of fact.

Applicant is a 37-year-old information security analyst and project manager who has been employed by a Department of War (DoW) contractor for several years. (GE 1; AE K) In 2001, she graduated from high school. She served in the Air Force from 2007 to 2013. (AE K) She left active duty as a senior airman. (AE L) She received a general discharge under honorable conditions. (GE 1 at 22; AE L) In 2012, she received a bachelor's degree in operations management and analysis. (AE I) She earned several professional certifications. (AE H)

From August of 2015 to September of 2019, Applicant was employed in Kuwait. (AE K) She was unemployed from September of 2019 to June of 2021. (AE K) She lived all of 2020 in the United States because of the COVID-19 pandemic. (Tr. 41) From June of 2021 to May 16, 2024, she was employed in a combat zone. (Tr. 61; AE K (IRS Form 2555)) From June of 2024 to January of 2025, she was a project manager in Germany. (AE K) She is currently unemployed. (Tr. 65)

Applicant's October 4, 2023 SCA indicates she lived in the United States with her parents from September of 2019 to June of 2021. (GE 1 at 8) She is a resident of a state that does not have a state income tax. (GE 1)

## Financial Considerations

While Applicant was in Kuwait, she learned that filing federal income tax (FIT) returns were deferred while she was serving in a combat zone. (Tr. 38) She was advised that she could send a written statement to the Internal Revenue Service (IRS) on official company letterhead indicating she was serving in a combat zone to receive the combat-zone extension to filing her FIT return. (Tr. 39) She disclosed her failure to file her FIT returns on her SCAs. (Tr. 40) Applicant acknowledged that she was in the United States for 180 days around mid-2020, and at that time, her FIT returns were due for TYs 2018 and 2019, and she did not file them. (Tr. 59) In 2020, she was focused on the death of her sister, handling her sister's estate, and in 2023, her mother and brother passed away. (Tr. 59-62, 67) She did not think about her FIT returns because of the deaths in her immediate family. (Tr. 59)

The overseas tax exemption has gradually increased from \$104,000 in 2015 to \$128,000 at present. (Tr. 40) She said her income was always under the overseas exemption threshold, and she did not worry about filing her FIT returns. (Tr. 41) In June of 2024, she moved to Germany, and she was advised that she was not eligible for the combat-zone extension. (Tr. 42-43)

SOR ¶ 1.a alleges Applicant failed to timely file FIT returns for tax years (TYs) 2018 through 2023. SOR ¶ 1.b alleges Applicant is indebted to the federal government for past due taxes for about \$8,975. At the hearing, Department Counsel moved to amend the amount in SOR ¶ 1.b to "about \$21,000." (Tr. 75) There was no objection, and I granted the motion. (Tr. 75)

Applicant provided FIT returns and IRS tax transcripts (TT) for TYs 2018 through 2023, and those documents establish her FIT returns were filed from July through October of 2024. (HE 2; AE P-AE U) The information shown in the following table is from her April 6, 2026 IRS TTs and SOR response. (HE 2; AE P-AE U) Income is rounded to the nearest \$1,000 and taxes are rounded to the nearest \$100.

Tax Year	Date Tax Return Dated or Processed	Income	Tax Owed (O) Tax Refund (R)	Exhibit
2018	Oct. 3, 2024	\$113,000	\$0	HE 2
2018 TT	Oct. 24, 2024	\$9,000	\$0	AE P
2019	Oct. 3, 2024	\$52,000	O-\$4,300	HE 2
2019 TT	Oct. 28, 2024	\$52,000	O-\$7,500	AE Q
2020	Oct. 3, 2024	\$0	R-\$1,800	HE 2
2020 TT	Oct. 3, 2024	\$0	\$0	AE R
2021	Oct. 3, 2024	\$52,000	O-\$3,100	HE 2
2021 TT	Sept. 17, 2024	\$52,000	O-\$7,100	AE S
2022	Oct. 3, 2024	\$104,000	R-\$2,100	HE 2
2022 TT	Oct. 3, 2024	\$0	\$0	AE T
2023	Oct. 3, 2024	\$152,000	O-\$4,400	HE 2
2023 TT	July 24, 2024	\$32,000	O-\$6,200	AE U

The adjusted gross income in the above table from her IRS TTs is after taking the foreign resident income exclusion. (AE P-AE U) The IRS issued refunds totaling \$1,800 in 2020 and 2021. (AE C) Applicant had a \$2,100 refund in TY 2022, and it was transferred to address a FIT debt for TY 2014. (AE E) No adverse inference is drawn for her having a FIT debt for TY 2014.

In Applicant's October 4, 2023 SCA, Applicant said "I will start filing my taxes for years 2018-2022 this month, October 2023. I anticipate that all years will be filed by November 2023." (GE 1 at 57)

When Applicant filed her FIT returns in October of 2024, she said she did not pay in full the FIT that was due because at that time she did not have the funds. (Tr. 62) She paid \$3,000 towards her overall tax debt when she believed it was \$8,000. (Tr. 66) When she moved to Germany in June of 2024, she elected to purchase [or rent] a house, and purchase a car, which she paid with credit cards instead of paying her FIT debt because she believed that paying her FIT debt in full is "not a requirement." (Tr. 62, 72)

In September of 2025, Applicant paid the IRS \$2,000. (AE Y) On December 16, 2025, Applicant signed an agreement with the IRS on an IRS website called Tax Rise with the intention of settling her FIT debt. (Tr. 44; AE N) She also submitted an IRS Form 8821, Tax Information Authorization. (AE N) She was unable to get an IRS installment agreement and a payoff amount before her hearing. (Tr. 45-46) She estimated her total tax bill was about \$21,000. (Tr. 47, 65) She provided a personal financial statement (PFS) indicating she had a net monthly remainder of \$4,600 when she was employed. (Tr. 47) She receives about \$4,500 monthly in disability from the Department of Veterans Affairs (VA). She has \$35,000 in her savings accounts, which she can use to address her FIT debt. (Tr. 48) She intends to file future FIT returns when they are due. (Tr. 48-49)

At her hearing, Applicant said she filed her FIT return for TY 2024 in September of 2025, and she said she did not owe any taxes to the IRS for that tax year. (Tr. 66) After her hearing, she provided an IRS tax transcript that indicated her TY 2024 FIT return was not filed. (AE V) She provided her TY 2024 FIT return which indicated her tax return was prepared on April 1, 2026; her taxable income was \$34,000; and she owed the IRS \$7,700. (AE W)

Applicant's TY 2024 FIT return indicates she left a combat zone on May 16, 2024. (AE W) She provided an October 15, 2025 email to the IRS indicating she wanted to request a combat-zone extension to filing her FIT returns. (AE X) She stated:

This serves to officially inform you of my Combat Zone status to the Middle East area of operation. Please see below for the required information. I am formally requesting a tax filing exten[s]ion until January 2026 as I am currently awaiting a CPA to review previous tax years and file taxes for 2024. (AE X)

Applicant's status, at the time she sent this email on October 15, 2025, was that she had left the combat zone on May 16, 2024, and she was not in a combat zone. Based

on this departure date, her tax returns were due to be filed on November 12, 2024 (180 days later). There is no evidence that the IRS granted her requested extension.

### **Character Evidence**

In February of 2023, Applicant's employer recognized her exemplary service in a newsletter. (AE J at 3) Her friends, coworkers, and family attested to her excellent character. (Tr. 20-34, 50-56; AE L) The general sense of their statements is that Applicant is trustworthy, responsible, intelligent, diligent, productive, loyal, and professional. (Tr. 20-34; AE L) One friend said:

[Applicant] has consistently demonstrated the qualities of a person with truly exceptional character. She is honest, trustworthy, and unwavering in her commitment to doing what is right, even in challenging circumstances. Her integrity is evident in both her personal interactions and professional conduct, and she carries herself with a level of responsibility and maturity that earns the respect of those around her.

[Applicant] is also an incredibly dependable individual[,] someone who can always be counted on to follow through with her commitments, support those who rely on her, and maintain a calm, rational presence in any situation. She brings a natural warmth and kindness to those around her, along with a genuinely funny and uplifting personality that makes her a pleasure to be around. Her humor is always appropriate, and she uses it to create positive, respectful environments both personally and professionally. (AE L)

A senior project manager said:

[Applicant] is one of the most impressive professionals I have encountered in my career. [She] is sharp, dependable, and incredibly dedicated—not just to the Air Force mission, but to the people who work alongside her. She shows up every day with a strong sense of purpose and pride, and she consistently goes above and beyond to make sure the mission is supported at the highest level.

[Applicant] is a true patriot in every sense of the word. She bleeds red, white, and blue, and you can see that in the way she carries herself, the respect she shows for the work we do, and the unwavering loyalty she brings to her team. She is the kind of person who puts others first and never hesitates to step in when someone needs help.

What sets [her] apart even further is her positive energy and the way she uplifts everyone around her. She has a natural ability to make the workplace feel lighter, more enjoyable, and more connected. Whether the day is running smoothly or we're navigating a tough challenge, [she] is the person

who keeps morale up and reminds everyone that we're in it together. Her presence makes a real difference.

In every interaction I've had with her, [she] has demonstrated character, integrity, and an exceptional work ethic. She is the type of employee any organization would be fortunate to have, and I am proud to speak on her behalf. (AE L)

Applicant's DD Form 214 indicates she has the following Air Force (AF) awards: AF Achievement Medal with 1 oak leaf cluster; AF Outstanding Unit Award; AF Good Conduct Medal; National Defense Service Medal; Global War on Terrorism Service Medal; AF Longevity Service; AF Noncommissioned Officer Professional Military Education (PME) Graduate Ribbon; and AF Training Ribbon. (AE L)

### **Policies**

The U.S. Supreme Court has recognized the substantial discretion of the Executive Branch in regulating access to information pertaining to national security emphasizing, "no 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 War or his designee to grant applicant 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, *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 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. Thus, nothing in an unfavorable decision should be construed to suggest that it is based on any express or implied determination about an applicant's allegiance, loyalty, or patriotism. An unfavorable decision is merely an indication the applicant has not met the

strict guidelines the President, Secretary of War, and Director of National Intelligence 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. 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. Sept. 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**

### **Financial Considerations**

AG ¶ 18 articulates the security concern for financial problems:

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.

The Appeal Board explained the scope and rationale for the financial considerations security concern in ISCR Case No. 11-05365 at 3 (App. Bd. May 1, 2012) (citation omitted) as follows:

This concern is broader than the possibility that an applicant might knowingly compromise classified information to raise money in satisfaction of his or her debts. Rather, it requires a Judge to examine the totality of an applicant’s financial history and circumstances. The Judge must consider

pertinent evidence regarding the applicant's self-control, judgment, and other qualities essential to protecting the national secrets as well as the vulnerabilities inherent in the circumstances. The Directive presumes a nexus between proven conduct under any of the Guidelines and an applicant's security eligibility.

AG ¶ 19 includes disqualifying conditions that could raise a security concern and may be disqualifying in this case:

- (a) inability to satisfy debts;
- (c) a history of not meeting financial obligations; and
- (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 record establishes the disqualifying conditions in AG ¶¶ 19(a), 19(c), and 19(f), requiring additional inquiry about the possible applicability of mitigating conditions. Discussion of the disqualifying conditions is contained in the mitigation section, *infra*.

The financial considerations mitigating conditions under AG ¶ 20, which may be applicable in this case, are as follows:

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

(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.

The Appeal Board in ISCR Case No. 10-04641 at 4 (App. Bd. Sept. 24, 2013) explained Applicant’s responsibility for proving the applicability of mitigating conditions as follows:

Once a concern arises regarding an Applicant’s security clearance eligibility, there is a strong presumption against the grant or maintenance of a security clearance. See *Dorfmont v. Brown*, 913 F. 2d 1399, 1401 (9th Cir. 1990), *cert. denied*, 499 U.S. 905 (1991). After the Government presents evidence raising security concerns, the burden shifts to the applicant to rebut or mitigate those concerns. See Directive ¶ E3.1.15. The standard applicable in security clearance decisions is that articulated in *Egan, supra*. “Any doubt concerning personnel being considered for access to classified information will be resolved in favor of the national security.” Directive, Enclosure 2 ¶ 2(b).

SOR ¶¶ 1.a and 1.b allege Applicant failed to timely file her FIT returns for TYs 2018 through 2023, and she owes about \$21,000 in FIT, respectively. Applicant served in combat zones until late 2019, and then from June of 2021 to May 16, 2024. After she departed from combat zones, she was required to file her FIT returns within 180 days. She filed her FIT returns for TYs 2018 through 2023 in July through October 2024. In September of 2025, she paid the IRS \$2,000. The following table shows the amount of time three of the five FIT returns were late. She is credited with timely filing of her TY 2021 through 2023 FIT returns.

Tax Year	Due Date	Date FIT Returns Actually Filed	Months Late
2018	June 2020	Oct. 2024	52
2019	June 2020	Oct. 2024	52
2020	Apr. 15, 2021	Oct. 2024	42
2021	Nov. 2024	Sept. 2024	0
2022	Nov. 2024	Oct. 2024	0
2023	Nov. 2024	July 2024	0

ISCR Case No. 23-01614 at 3-6 (App. Bd. Dec. 18, 2024) provides a good discussion of taxpayer responsibilities in connection with combat-zone extensions.

AG ¶ 20(a) does not apply to the SOR issues. “It is also well established that an applicant’s ongoing, unpaid debts [and history of not timely filing tax returns and paying taxes] demonstrate a continuing course of conduct and can be viewed as recent for purposes of the Guideline F mitigating conditions.” ISCR Case No. 22-02226 at 2 (App. Bd. Oct. 27, 2023) (citing ISCR Case No. 15-06532 at 3 (App. Bd. Feb. 16, 2017)). AG ¶ 20(b) does not fully apply. Applicant cited the death of her sister in 2020, and the deaths

of her brother and mother in 2023 as delaying the filing of her FIT returns, and she receives some mitigating credit. She did not assert a good enough reason or other circumstances partially or fully beyond her control, which caused her not to timely file multiple FIT returns for such long periods of time. She had the funds available to pay her federal income taxes and elected not to do so.

A willful failure to timely make (means complete and file with the IRS) a FIT return is a misdemeanor-level federal criminal offense. Title 26 U.S.C. § 7203, willful failure to file return or supply information, reads:

Any person . . . required by this title or by regulations made under authority thereof to make a return, keep any records, or supply any information, who willfully fails to . . . make such return, keep such records, or supply such information, at the time or times required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a misdemeanor. . . .

A willful failure to make return, keep records, or supply information when required, is a misdemeanor offense without regard to the existence of any tax liability. *Spies v. United States*, 317 U.S. 492 (1943); *United States v. Walker*, 479 F.2d 407 (9th Cir. 1973); *United States v. McCabe*, 416 F.2d 957 (7th Cir. 1969); *O'Brien v. United States*, 51 F.2d 193 (7th Cir. 1931). For purposes of this decision, I am not considering Applicant's failure to timely file her FIT returns against her as a crime. In regard to the failure to timely file FIT returns, the Appeal Board has commented:

Failure to file tax returns suggests that an applicant has a problem with complying with well-established governmental rules and systems. Voluntary compliance with such rules and systems is essential for protecting classified information. ISCR Case No. 01-05340 at 3 (App. Bd. Dec. 20, 2002). As we have noted in the past, a clearance adjudication is not directed at collecting debts. See, e.g., ISCR Case No. 07-08049 at 5 (App. Bd. Jul. 22, 2008). By the same token, neither is it directed toward inducing an applicant to file tax returns. Rather, it is a proceeding aimed at evaluating an applicant's judgment and reliability. *Id.* A person who fails repeatedly to fulfill his or her legal obligations does not demonstrate the high degree of good judgment and reliability required of those granted access to classified information. See, e.g., ISCR Case No. 14-01894 at 5 (App. Bd. Aug. 18, 2015). See *Cafeteria & Restaurant Workers Union Local 473 v. McElroy*, 284 F.2d 173, 183 (D.C. Cir. 1960), *aff'd*, 367 U.S. 886 (1961).

ISCR Case No. 14-04437 at 3 (App. Bd. Apr. 15, 2016). See ISCR Case No. 15-01031 at 4 (App. Bd. June 15, 2016) (citations omitted); ISCR Case No. 14-05476 at 5 (App. Bd. Mar. 25, 2016) (citing ISCR Case No. 01-05340 at 3 (App. Bd. Dec. 20, 2002)); ISCR Case No. 14-01894 at 4-5 (App. Bd. Aug. 18, 2015).

The Appeal Board in ISCR Case No. 15-01031 (App. Bd. June 15, 2016) explained that in some situations, even if no taxes are owed when tax returns are not timely filed, grant of access to classified information is inappropriate. In that case, the applicant filed

his 2011 FIT return in December 2013, his 2012 FIT return in September 2014, and his 2013 FIT return in October 2015. He received FIT refunds of at least \$1,000 for each year. Nevertheless, the Appeal Board reversed the administrative judge's decision to grant access to classified information because the tax returns were not timely filed.

In ISCR Case No. 24-02193 at 5 (App. Bd. Feb. 19, 2026) (citing ISCR Case No. 17-01807 at 3-4 (App. Bd. Mar. 7, 2018)), the Appeal Board said:

The mere filing of delinquent tax returns or the existence of a payment arrangement with an appropriate tax authority does not compel a Judge to issue a favorable decision. As with the application of any mitigating condition, the 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 the Judge to consider in the application of mitigating condition 20(g) as well as in considering aspects of other overlapping mitigating conditions, such as, in determining whether an applicant acted responsibly under the circumstances, whether an applicant's past financial deficiencies are unlikely to recur, or whether an applicant initiated good-faith efforts to resolve financial problems.

The Appeal Board clarified that even in instances where an “[a]pplicant has purportedly corrected [his or her] federal tax problem, and the fact that [applicant] is now motivated to prevent such problems in the future, does not preclude careful consideration of [a]pplicant’s security worthiness in light of [his or her] longstanding prior behavior evidencing irresponsibility” including a failure to timely file FIT returns. See ISCR Case No. 15-01031 at 3 & n.3 (App. Bd. June 15, 2016) (characterizing “no harm, no foul” approach to an applicant’s course of conduct and employing an “all’s well that ends well” analysis as inadequate to support approval of access to classified information with focus on timing of filing of tax returns after receipt of the SOR).

In this instance, Applicant failed to file, as required, FIT returns for TYs 2018 through 2020. She filed those FIT returns in July through October of 2024. After applying the 180-day combat-zone extension, those three FIT returns were not filed when due. She owes about \$21,000 in delinquent FIT debt for those tax years. She also owes about \$7,000 for TY 2024. The late filing and unpaid FIT debt for TY 2024 were not alleged in the SOR and will not be considered for disqualification purposes. The handling of her TY 2024 FIT will be considered in the mitigation analysis and under the whole-person concept.

AG ¶ 20(g) is not fully applicable. Applicant filed all required tax returns before the record closed, and in September of 2025, she paid the IRS \$2,000. However, these actions are not sufficient to fully mitigate SOR ¶¶ 1.a and 1.b. Her overall handling of her taxes leaves lingering security concerns. See ISCR Case No. 24-02104 at 2 (App. Bd. Jan. 26, 2026) (affirming denial of security clearance and noting despite some mitigation under AG ¶ 20(g) that evidence as a whole did not support mitigation).

In ISCR Case No. 06-10320 at 2 (App. Bd. Nov. 7, 2007), the Appeal Board said:

The application of disqualifying and mitigating conditions and whole-person factors does not turn simply on a finding that one or more of them apply to the particular facts of a case. See, e.g., ISCR Case No. 01-14740 at 7 (App. Bd. Jan. 15, 2003). Thus, the presence of some mitigating evidence does not alone compel the Judge to make a favorable security clearance decision. As the trier of fact, the Judge must weigh the evidence as a whole and decide whether the favorable evidence outweighs the unfavorable evidence, or vice versa.

Applicant did not prove that she was unable to make greater progress sooner in the filing of her overdue tax returns and the paying of her FIT debt. Under all the circumstances, and considering the evidence “as a whole,” Applicant’s failures regarding her FITs are not mitigated.

### **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 the 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), “[t]he 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. My comments under Guideline F are incorporated in my whole-person analysis. Some of the factors in AG ¶ 2(d) were addressed under that guideline but some warrant additional comment.

Applicant is a 37-year-old information security analyst and project manager who has been employed by a DoW contractor for several years. She served in the Air Force from 2007 to 2013. She received a general discharge under honorable conditions. She has a disability rating from the VA. She received multiple AF awards and ribbons. In 2012, she received a bachelor’s degree in operations management and analysis. She earned several professional certifications. In February of 2023, Applicant’s employer recognized her exemplary service in a newsletter. She served overseas in a combat zone as a DoW contractor. She provided multiple character statements from family, friends, and coworkers. Her character evidence supports approval of her security clearance.

The evidence supporting denial of Applicant's security clearance is detailed in the financial considerations section, *supra*, and this evidence is more substantial than the evidence of mitigation.

It is well settled that once a concern arises regarding an applicant's security clearance eligibility, there is a strong presumption against granting a security clearance. See *Dorfmont*, 913 F. 2d at 1401. "[A] favorable clearance decision means that the record discloses no basis for doubt about an applicant's eligibility for access to classified information." ISCR Case No. 18-02085 at 7 (App. Bd. Jan. 3, 2020) (citing ISCR Case No.12-00270 at 3 (App. Bd. Jan. 17, 2014)).

I have carefully applied the law, as set forth in *Egan*, *Dorfmont*, Exec. Or. 10865, the Directive, the AGs, and the Appeal Board's jurisprudence to the facts and circumstances in the context of the whole person. Applicant failed to mitigate financial considerations security concerns.

This decision should not be construed as a determination that Applicant cannot or will not attain the state of reform necessary for award of a security clearance in the future. With continued effort to establish and maintain her financial responsibility, she may well be able to demonstrate persuasive evidence of her security clearance worthiness.

### **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:

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraphs 1.a and 1.b:	Against Applicant

### **Conclusion**

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

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Mark Harvey  
Administrative Judge