



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



In the matter of: )  
)  
) ISCR Case No. 23-02082  
)  
Applicant for Security Clearance )

**Appearances**

For Government: Nicholas Temple, Esq., Department Counsel  
For Applicant: John V. Berry, Esq.

03/31/2026

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**Decision**

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Curry, Marc E., Administrative Judge:

Applicant has either satisfied her financial delinquencies or is paying them through payment plans. Under these circumstances, I conclude she has mitigated the financial considerations security concerns. Clearance is granted.

**Statement of the Case**

On January 24, 2024, the Defense Counterintelligence and Security Agency (DCSA), issued a statement of reasons (SOR) setting forth allegations under Guideline F, financial considerations, as to why it was unable to find it clearly consistent with the national security to grant security clearance eligibility. The DCSA took the action under Executive Order (EO) 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 National Adjudicative Guidelines (AG) effective for any adjudication made on or after June 8, 2017. On March 1, 2024, Applicant answered the SOR, admitting all of the allegations and requesting a hearing and the case was assigned to me on April 2, 2025. On May 8, 2025, DOHA scheduled a notice of video teleconference hearing for June 17, 2025. The hearing began, as scheduled, but had to be continued to June 27, 2025 because of problems with the connectivity of the video-teleconference system.

The case was completed, as rescheduled. I received six Government exhibits (Government Exhibit (GE) 1 through GE 6), 19 Applicant exhibits (Applicant Exhibit (AE) A through AE S), the testimony of Applicant, and the testimony of a witness qualified as an expert in consumer finance. After the hearing, Applicant's counsel submitted an additional exhibit that I marked and identified as AE T. Department Counsel did not submit any objection, and I subsequently admitted AE T into the record. The transcript of the first part of the hearing was received on June 14, 2025 (Tr. I), and the transcript of the second part of the hearing was received on July 21, 2025 (Tr. II).

### **Preliminary Ruling**

During cross-examination of Applicant, Department Counsel asked her about conduct that was neither alleged in the SOR, nor reasonably related to any conduct that could conceivably be covered under the financial considerations adjudicative guideline. (Tr. II at 132) I instructed Applicant to exit the teleconference portal, then proceeded to ask Department Counsel to proffer the basis for asking the question. He did so, whereupon Applicant's counsel objected to the line of questioning. I sustained the objection, then re-admitted Applicant into the video-teleconference portal, whereupon she completed her testimony. (Tr. II at 132-157)

After the hearing, Department Counsel, on June 30, 2025, filed a Motion for Reconsideration of my original ruling sustaining Applicant's counsel's objection. (Hearing Exhibit (HE) I). On July 18, 2025, Applicant responded, filing a Motion to Strike and Opposition to Agency's Motion for Reconsideration (HE II), seeking to deny Department Counsel's motion and strike any reference to it from the record. On July 22, 2025, Department Counsel responded, filing the Government's Opposition to Applicant's Motion to Strike and Reply in Support of Motion for Reconsideration. (HE III). On September 16, 2025, after considering my original ruling, together with the post-hearing motions, I denied Department Counsel's Motion for Reconsideration and denied Applicant's counsel's motion to strike. (HE IV)

## Findings of Fact

Applicant is a 41-year-old single woman. She earned a bachelor's degree in electronics and computer engineering in 2006 and a master's degree in computer information systems engineering in 2009. (AE A) Since earning her master's degree, she has worked for various employers in the field of systems engineering. She has been working with her current employer as a senior systems engineer since 2021. (AE A) She has held a security clearance since 2009. (Tr. II at 95) Her job duties include overseeing logistics and working with vendors for the purchase of new licenses. (Tr II at 94) Her employer characterizes her as "a team player, not afraid to take on a new, more challenging task as needed." (AE B at 8)

Applicant incurred approximately \$24,000 of delinquent debt, as alleged in the SOR. Through approximately 2015, Applicant earned enough money to "stay in front" of her debt while still being able to "do the things that [she] wanted to do" without paying particular attention to her budget. (Tr. II at 102) These favorable circumstances gradually began to change after her then-employer transferred her from an overseas assignment where she had been receiving a generous per diem for working abroad. (Tr. II at 102) At or about this time, Applicant fell ill and had to undergo surgery. (Tr. II at 108) Her discretionary income decreased further during the COVID crisis when the corresponding shutdown led to the loss of her two part-time jobs. (Tr. II at 34, 102)

After Applicant received the SOR, she contacted her uncle, an attorney and former bankruptcy trustee. A subject matter expert in consumer finance, he has represented thousands of people with debt problems throughout his career. (Tr. I at 25-26, 54) He gifted her \$24,000, which she used to either pay the SOR debts entirely or catch up on delinquent debt payments. (Tr. II at 26) Subsequently, she resolved her SOR delinquencies, as identified and described below:

Subparagraphs 1.a, 1.f, and 1.g, totaling approximately \$80,000, are student loan debts owed to the same creditor. In February 2024, Applicant arranged a payment plan. Through the plan, she has been making a consistent, consolidated \$387 monthly payment toward the satisfaction of all three loans since February 2024. (AE D)

Subparagraph 1.b is a credit card account totaling \$11,398. Applicant contacted this creditor and paid the total balance in February 2024. (AE E)

Subparagraph 1.c, totaling \$4,329, is a delinquent payday loan. In February 2024, Applicant contacted the creditor and paid the balance, which by then totaled \$2,596, as Applicant had been making periodic payments before settling the account. (AE F).

Subparagraph 1.d is a car loan with a total balance of \$27,586. Applicant was delinquent in the amount of \$1,168. This account is no longer in delinquent status. She is making monthly payments towards the satisfaction of the loan. (AE D)

Subparagraph 1.e, totaling \$2,409, is a payday loan. Applicant satisfied it in its entirety in February 2024. (AE H)

Subparagraph 1.h is a payday loan totaling \$1,728. (Tr. II at 25) Applicant contacted this creditor and satisfied the balance entirely. (Tr. II at 26; AE I)

Subparagraph 1.i, totaling \$3,463, is a debt that had been charged off. Applicant contacted the debt collection firm in February 2024 and paid \$3,527, the then outstanding balance, to resolve the debt in full. (AE J)

Subparagraph 1.j, as duplicated in subparagraph 1.m, is another delinquent student loan account with a balance of approximately \$18,539, as of the date of the SOR. (AE K, L) Applicant has been making consistent \$300 monthly payments for the past 18 months through a payment plan that she initiated. (Answer at 5; Tr. II at 117) The current balance is approximately \$12,000. (Tr. II at 118)

Subparagraph 1.k and subparagraph 1.l are other student loan accounts owed to the same creditor. (Tr. II at 118). They total \$19,149 and \$12,840, respectively. In February 2024, Applicant contacted the creditor and negotiated a payment arrangement, whereupon she agreed to pay \$3,578 to initiate a consolidated payment plan and \$200 monthly payments, thereafter. (AE M) She has been consistently paying the agreed monthly payments via auto withdrawals since March 2024. (Tr. II at 119-120)

In September 2016, Applicant was terminated from her job for charging personal expenses on her business credit card. (Answer at 5) She had worked for the company for nine years before her termination. (Tr. II at 126) Up to the year before the termination, the company allowed employees to charge minor expenses such as food and gas on their business credit cards. (Tr. II at 120) The policy subsequently became stricter, forbidding any purchases. (Tr. II at 120)

Applicant has not misused a company credit since this episode ten years ago. (Tr. II at 121) She is not required to use a company credit card with her current job. (Tr. II at 121) If she was ever required to use a company credit card again, she would not repeat what she characterized as her mistake. (Tr. II at 121)

Applicant's uncle testified on her behalf at the hearing, as a designated qualified expert witness in consumer finance. (Tr. I at 55) Applicant earns approximately \$7,000 per month. (Tr. II at 122) Her uncle assisted Applicant with developing a budget. (AE O)

Although Applicant's budget does not reflect much monthly discretionary income, it includes many expenses that her uncle characterized as "subject to modification," including vacation savings, holiday shopping, a personal trainer, and a set-aside for attending her annual college homecomings. (Tr. II at 71, 75; AE O)

Applicant is working with both her uncle and a debt counselor to ensure that her spending stays on track. (AE O) She understands that she must pay her bills before she spends money on discretionary things. (Tr. II at 102-103)

## **Policies**

The U.S. Supreme Court has recognized the substantial discretion the Executive Branch has in regulating access to information pertaining to national security, emphasizing that "no one has a 'right' to a security clearance." *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). When evaluating an applicant's suitability for a security clearance, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are required to be considered in evaluating an applicant's eligibility for access to classified information. These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with the factors listed in the adjudicative process. The administrative judge's overall adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(a), the entire process is a conscientious scrutiny of several variables collectively known as the "whole-person concept." The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a decision.

The protection of the national security is the paramount consideration. AG ¶ 1(d) requires that "[a]ny doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security." In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Under Directive ¶ E3.1.15, the applicant is responsible for presenting "witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by applicant or proven by Department Counsel . . . ." The applicant has the ultimate burden of persuasion to obtain a favorable security decision.

Under the whole-person concept, the administrative judge must consider the totality of an applicant's conduct and all relevant circumstances considering the nine adjudicative process factors in AG ¶ 2(d). They are as follows:

- (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.

## **Analysis**

### **Guideline F: Financial Considerations**

Under this guideline, “[f]ailure 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.” (AG ¶ 18)

Applicant’s incurrence of delinquent debt, totaling approximately \$24,000, triggers the application of AG ¶ 19(a), “inability to satisfy debts,” and AG ¶ 19(c), “a history of not meeting financial obligations.” Applicant’s misuse of her company credit card in 2016 was not fraudulent or deceptive. Consequently, the disqualifying condition set forth in AG ¶ 19(d), “deceptive or illegal financial practices, such as embezzlement, employee theft, check fraud expense account fraud, mortgage fraud, filing deceptive loan statements, and other intentional financial breaches of trust,” does not apply. Nevertheless, it does generate a security concern about Applicant’s ability to manage her finances.

Applicant has either paid her debts in their entirety or caught up on overdue payments, with the help of her uncle who gifted her \$24,000. She keeps a detailed budget and is working with her uncle and a debt counselor. The following mitigating conditions apply under 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;
- (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 problems is being resolved or is under control; and

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

Applicant's termination for using her business credit card to make personal purchases occurred ten years ago. She has not done this again. Her contention that this behavior will not recur is bolstered by the fact that she has gotten her finances under control. In sum, I conclude Applicant has mitigated the financial considerations security concern.

### **Whole-Person Concept**

Applicant has either satisfied her delinquent debt or caught up on previously delinquent monthly debt payments. Moreover, she has worked with her uncle, a consumer finance expert, and is currently working with a debt counselor to ensure that her financial problems do not recur. Under these circumstances, I conclude she has mitigated the financial considerations security concerns.

### **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:	FOR APPLICANT
Subparagraphs 1.a – 1.n:	For Applicant

### **Conclusion**

In light of all of the circumstances presented by the record in this case, it is clearly consistent with the interests of national security to grant or continue Applicant's eligibility for a security clearance. Eligibility for access to classified information is granted.

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Marc E. Curry  
Administrative Judge