



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



In the matter of:)	
)	
)	ISCR Case No. 24-01871
)	
Applicant for Security Clearance)	

Appearances

For Government: Patricia M. Lynch-Epps, Esq., Department Counsel
For Applicant: *Pro se*

04/21/2026

Decision

Hale, Charles C., Administrative Judge:

Applicant presented insufficient evidence of progress that he has made to resolve his delinquent debt. He failed to mitigate the financial considerations security concerns. His application for a security clearance is denied.

Statement of the Case

On November 18, 2024, the Department of War (DoW) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F, financial considerations, explaining why it was unable to find it clearly consistent with the national interest to grant security clearance eligibility. The DoW took the action under Executive Order (EO) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; Department of Defense 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 November 26, 2024, Applicant answered the SOR admitting all of the allegations and requesting a decision based on the evidence on file rather than a hearing. On January 29, 2025, Department Counsel prepared a File of Relevant Material (FORM), setting forth the Government’s arguments against Applicant’s security clearance worthiness. The FORM contains six attachments, identified as Item 1 through Item 6.

Applicant received a copy of the FORM on February 11, 2025. He was given 30 days to file a response. He did not file a response. The case was initially assigned on June 5, 2025, to another Administrative Judge, who recently passed away. I was assigned the case on April 7, 2026. FORM Items 1 and 2 are pleadings in the case and I admitted Items 3 through 6 into evidence without objection.

Findings of Fact

Applicant is 41-years-old. Applicant earned a bachelor's degree in 2008 and master's degree in 2010. He has been employed by his sponsor since November 2013 as an engineer. He was married from December 2010 to June 2019. He has no children. He does not list any periods of unemployment on his May 2024 security clearance application (SCA). (Item 3.)

Applicant admits all seven debts, SOR ¶¶ 1.a through 1.g. Consistent with his explanations on his SCA, that he "fell into economical hurdle due to on-going divorce," he told the investigator in his June 2024 security clearance interview that, in divorce mediation, he had agreed to assume the debt on three or four of his former spouse's credit cards. His former spouse was unemployed at the time of their divorce. He told the investigator that, prior to the assumption of these debts, he had been current on all payments. He paid off his former spouse's credit cards and cited those debts and his divorce expenses for him being unable to pay off his own debts. He acknowledged his credit-card debts had been charged off but told the investigator he was living within his means and that his three current credit cards were all current on payments. He maintained he is able to meet his routine expenses without using credit and adheres to a budget and is conscious of his spending habits. Applicant's active accounts reflect he is current on his payments. (Item 3; Item 4; Item 6 at 6-7.)

In his response to August 2024 Government interrogatories Applicant stated:

At the time the accounts [became] delinquent I was going through what became a long divorce process. Due to the long lead on the process to settle, most of my income was going into paying for bare necessities such as rent, gas, food, and of course the lawyer.

My financial situation has gotten stable. I currently own three credit cards and have not had any issues making the payments every month on time. (Item 5 at 9.)

SOR ¶ 1.a, an account that has been charged off in the approximate amount of \$9,764. The credit report showed the debt was assigned in April 2019; 150 days past due; and a last activity date of May 2024. Applicant told the investigator this account was used to pay for truck repairs and to pay off his former spouse's credit cards. He thought it would be better to consolidate the debt into one account. (Item 4 at 4; Item 6.) This debt is unresolved.

SOR ¶ 1.b, a credit-card account that has been charged off in the approximate amount of \$3,667. The credit report showed the debt was assigned in April 2014; 150 days past due; and a last activity date of May 2024. Applicant told the investigator he used the credit card to pay for gas, groceries, and essentials, and he does not dispute debt. (Item 4 at 5; Item 6.) This debt is unresolved.

SOR ¶ 1.c, a credit-card account that has been charged off in the approximate amount of \$3,084. The credit report showed the debt was assigned in December 2018; 150 days past due; and a last activity date of May 2024. Applicant told the investigator he used the credit card to pay for repairs on his truck, and he does not dispute the debt. (Item 4 at 5; Item 6.) This debt is unresolved.

SOR ¶ 1.d, an account that has been charged off in the approximate amount of \$2,562. The credit report showed the debt was assigned in January 2016; 150 days past due; and a last activity date of May 2024. Applicant told the investigator he used the credit card to pay for groceries and household items. He allowed the account to become delinquent because he was paying off other debts. He does not dispute the debt. (Item 4 at 7; Item 6.) This debt is unresolved.

SOR ¶ 1.e, an account that has been charged off in the approximate amount of \$2,075. The credit report showed the debt was assigned in April 2018, 180 days past due, and a last activity date of May 2024. Applicant told the investigator he had no knowledge of this account, and he disputes the debt. (Item 4 at 5; Item 6.) This debt is unresolved.

SOR ¶ 1.f, an account that has been charged off in the approximate amount of \$1,305. The credit report showed the debt was assigned in May 2006; 180 days past due; and a last activity date of March 2020. Applicant told the investigator he believed he had paid off the debt and that he would contact the creditor. (Item 4 at 5; Item 6.) This debt is unresolved.

SOR ¶ 1.g, an account that has been charged off and reflects a zero balance, which was assigned in July 2018, with a last activity date of June 2022. Applicant told the investigator he had no knowledge of this account, and he disputes the debt. (Item 4 at 5; Item 6.) This debt is unresolved.

Applicant provided a financial statement that showed a positive income balance after expenses in response to Government interrogatories. He did not provide evidence in response to the Government interrogatories, the SOR, or the FORM that he had acted responsibly under the circumstances to address his delinquent accounts. (Item 5.) The delinquent financial accounts alleged in the SOR remain unresolved.

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 a number of variables 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 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 in light of 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

The security concern under this Guideline states, "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." (AG ¶ 18)

Applicant's history of financial problems triggers the application of AG ¶ 19(a), "inability to satisfy debts," and AG ¶ 19(c), "a history of not meeting financial obligations."

The following mitigating conditions under AG ¶ 20 are potentially applicable:

(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; and

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

Applicant attributes his financial problems to his divorce in 2019. The evidence indicates he was continuously employed from 2013 to the present by his sponsor. Although a divorce is a circumstance beyond his control, he still has the burden of establishing that he acted responsibly. Responsible actions may include enrolling in financial counseling, developing a payment plan, communicating with his creditors, or making some other good-faith effort to resolve the debt. Applicant has provided no evidence he acted responsibly under the circumstances.

Under these circumstances, AG ¶ 20(b) applies partially, with respect to Applicant's debt being caused by circumstances beyond his control, but none of the remaining mitigating conditions apply. Applicant failed to mitigate the financial considerations security concern.

Whole-Person Concept

I considered the whole-person concept factors in my analysis of the disqualifying and mitigating conditions discussed above, and they do not warrant a favorable conclusion.

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 – 1.g:	Against Applicant

Conclusion

In light of all of the circumstances presented by the record in this case, it is not 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 denied.

Charles C. Hale
Administrative Judge