



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



In the matter of: )  
)  
) ISCR Case No. 25-00478  
)  
Applicant for Security Clearance )

**Appearances**

For Government: Sakeena Farhath, Esq., Department Counsel  
For Applicant: *Pro se*

04/30/2026

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**Decision**

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DORSEY, Benjamin R., Administrative Judge:

Applicant did not mitigate the financial considerations security concerns. Eligibility for access to classified information is denied.

**Statement of the Case**

On May 20, 2025, the Department of War (DOW) issued a Statement of Reasons to Applicant detailing security concerns under Guideline F (financial considerations). Applicant responded to the Statement of Reasons on May 23, 2025, and requested a hearing before an administrative judge from the Defense Office of Hearings and Appeals (DOHA). The case was assigned to me on January 29, 2026.

The hearing was convened as scheduled on April 2, 2026, over the Microsoft Teams online network. Government Exhibits (GE) 1 through 5 were admitted in evidence, without objection. Applicant did not offer any documentary evidence. DOHA received a transcript of the hearing (Tr.) on April 9, 2026.

**Findings of Fact**

Applicant is a 34-year-old employee of a government contractor for which he has worked as a corrosion specialist since January 2025. Since he began his current employment, he was stationed in Country S and then Country Q until mid-March 2026,

when his employer sent their employees from Country Q back to the U.S. for operational safety. He has been married since July 2025. He has two children, ages six months and nine. He earned a high school diploma in 2010 and a professional certificate in 2011. (Tr. 16-20; GE 1)

In the SOR, the Government alleged that Applicant had four delinquent accounts totaling approximately \$23,000. These accounts consist of the following: a credit card placed for collection in the approximate amount of \$14,397 (SOR ¶ 1.a); a credit card placed for collection in the approximate amount of \$6,112 (SOR ¶ 1.b); a medical account placed for collection in the approximate amount of \$1,960 (SOR ¶ 1.c); and a medical account placed for collection in the approximate amount of \$970 (SOR ¶ 1.d). He admitted the SOR allegations. His admissions are incorporated in my findings of fact. The SOR allegations are established by his admissions and the Government's credit reports. (SOR; Answer; GE 1-5)

Applicant used the credit cards alleged in SOR ¶¶ 1.a and 1.b in early 2024 to pay for home and remodeling expenses when the floor of his home caved in. He paid between \$20,000 and \$25,000 for the renovations. He did not have any savings at the time to draw upon because he was not earning as much money from the job he had at the time. He was delinquent on the accounts by about April 2024. In January 2025, the creditor for the debt account in SOR ¶ 1.a offered him a lump sum settlement payoff, but he could not afford it. Since then, Applicant has not contacted either of these credit-card creditors, nor has he made any payments on the accounts. He claimed that he could not contact them because he did not have a cell phone from which he could make international calls from Country S or Country Q. (Tr. 33-38; Answer; GE 2-5)

Applicant also has not contacted the medical-account creditors for the accounts in SOR ¶¶ 1.c and 1.d. He again claimed that his lack of ability to place an international phone call from Country S and Country Q. He explored the possibility of subscribing to a cell phone plan that allowed him to place calls internationally, but they were "higher priced," so he did not follow through. He did not contact any of the SOR creditors online because he claimed that he could not log into his accounts after he became delinquent on them. He testified that he could not have his spouse contact the creditors to try to resolve these accounts because they are in his name, so the creditors would not communicate with her. He recently pulled a credit report and now has phone numbers for the SOR creditors. As he is in the U.S for now, he plans on contacting them so that he can either negotiate a lump sum payment or a payment plan. He has not undergone any financial counseling. (Tr. 38-43; GE 2-5)

Applicant's annual base salary with his current employer is \$80,000. However, in his first year, he earned between \$142,000 and \$150,000 because of "uplifts," such as working overseas. Despite being in the U.S. since mid-March, he continued to earn the same salary as though he was overseas through the hearing date. He has a savings account that had a balance of about \$20,500 and a checking account that had a balance of about \$10,000. He also has a retirement account, but he is unsure of its

balance. In response to interrogatories, in January 2025, he answered questions concerning his SOR debts and one other account delinquent in the approximate amount of \$4,600. He also provided a completed personal financial statement (PFS). In the interrogatory responses, he claimed that he would contact creditors to settle his SOR accounts. He provided documentary evidence that a lawsuit the non-SOR creditor filed against him had been dismissed. A credit report confirmed that the non-SOR account was settled for less than the full balance in December 2024. In the PFS, he wrote that he had a surplus of about \$5,500 per month after paying his expenses. However, he testified that, as of the hearing, he has about \$2,500 to \$2,800 in surplus funds at the end of each month. He places these savings in the two aforementioned bank accounts. He does not follow a written budget. (Tr. 16-17, 20-23, 26-33, 43-45; GE 2)

The March 2026 credit report indicates that Applicant has an auto loan account that is 90-days past due in the approximate amount of \$2,690. About three years ago, he co-signed on the loan that created this account to help a friend purchase a vehicle. His friend recently had a collision with this vehicle, and the friend is in the process of having his guaranteed asset protection (GAP) insurance pay off the loan. Applicant received an e-mail about a week before the hearing notifying him that the account was past due, so he contacted his friend. His friend told him that the account should be in a hold status, and no payments should be due. Applicant planned to call the creditor to determine the status and potentially help his friend pay the account, but he has yet to do so. (Tr. 23-26; GE 5)

## **Policies**

This case is adjudicated under Executive Order (EO) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG), which became effective on June 8, 2017.

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 to be used 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, administrative judges apply the guidelines in conjunction with the factors listed in the adjudicative process. The administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(c), 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 the national security is the paramount consideration. AG ¶ 2(b) requires that “[a]ny doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security.”

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 the applicant or proven by Department Counsel.” The applicant has the ultimate burden of persuasion to obtain a favorable security decision.

A person who seeks access to classified information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours. The Government reposes a high degree of trust and confidence in individuals to whom it grants access to classified information. 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 of potential, rather than actual, risk of compromise of classified information.

Section 7 of EO 10865 provides that adverse decisions shall be “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” See *also* EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

## **Analysis**

### **Guideline F, Financial Considerations**

The security concern for financial considerations 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. 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 guideline notes several conditions that could raise security concerns under AG ¶ 19. The following are potentially applicable in this case:

- (a) inability to satisfy debts; and
- (c) a history of not meeting financial obligations.

Applicant had four delinquent accounts totaling approximately \$23,000. He was not making timely payments on the two largest of these accounts by April 2024. The above-referenced disqualifying conditions are established.

Conditions that could mitigate the financial considerations security concerns are provided under AG ¶ 20. The following 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; and
- (d) the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts.

Applicant has the burden of proof to show evidence in mitigation. Since January 2025, he has not made, or attempted to make, payment arrangements on his SOR debts. For at least a portion of this time, he arguably had the available funds to do so but claimed he could not contact creditors because he did not have an appropriate phone to call them from Country S or Country Q. Applicant's financial delinquencies are ongoing, therefore, I do not find they are unlikely to recur. AG ¶ 20(a) does not apply.

Applicant's financial issues were arguably caused by conditions such as underemployment and unexpected house repairs that were largely beyond his control. However, for AG ¶ 20(b) to apply, he must also show that he acted responsibly under the circumstances. I do not find that he acted responsibly when he failed to attempt to resolve his debts because he did not have a cell phone from which he could make calls to the U.S. from Country S and Country Q. There were several other responsible options that he could have attempted. For example, he might have purchased a cell phone with an appropriate plan from which he could make international calls to the U.S. While he claimed that these plans were expensive, he was making a significant amount of money, and he did not present any evidence to show those plans were beyond his means. If creditors would not deal directly with his spouse, another option was to give her power of attorney to negotiate settlements on his behalf. He also could have e-mailed the creditors to attempt to negotiate settlement agreements. He could have

written to the creditors and asked them to call him. He could have negotiated settlements during the two weeks he was back in the U.S. before the hearing. He did none of these things and appears to have been unmotivated to resolve these accounts, even when he had the money to do so. AG ¶ 20(b) does not apply.

Applicant resolved one of his non-SOR accounts in December 2024. He appears to have been motivated by a lawsuit that the creditor filed against him, which lessens the mitigative value because it undermines his showing that he made the effort in good faith. Applicant has not attempted to resolve any of his SOR accounts since January 2025. He has another account on which he cosigned that is now 90-days past due, but he has not attempted to resolve that account, either. AG ¶ 20(d) does not apply.

### **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 relevant 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), the ultimate determination of whether to grant eligibility for a security clearance must be an overall commonsense judgment based upon careful consideration of the guidelines and the whole-person concept. I have incorporated my comments under Guideline F in my whole-person analysis. I am hopeful that Applicant will now act on his commitment, quickly resolve these accounts with his savings, and then he may be able to gain security clearance eligibility in the future. As it currently stands, he has not mitigated the financial considerations security concerns, and I have doubts regarding his judgment, reliability, and trustworthiness.

### **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.d:	Against Applicant

## **Conclusion**

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.

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Benjamin R. Dorsey  
Administrative Judge