



DEPARTMENT OF WAR  
DEFENSE OFFICE OF HEARINGS AND APPEALS



In the matter of: )  
)  
) ISCR Case No. 25-01314  
)  
Applicant for Security Clearance )

**Appearances**

For Government: Tovah A. Minster, Esq., Department Counsel  
For Applicant: *Pro se*

05/14/2026

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**Decision**

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Hale, Charles C., Administrative Judge:

Applicant failed to mitigate the financial considerations security concerns. His application for a security clearance is denied.

**Statement of the Case**

On November 21, 2025, 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 December 1, 2025, Applicant answered the SOR, admitting all eleven allegations, and requesting a decision based on the administrative (written) record in lieu of a hearing. On January 21, 2026, Department Counsel prepared a File of Relevant Material (FORM), setting forth the Government’s arguments against Applicant’s security clearance worthiness. The FORM contains seven attachments, identified as FORM Items 1 through 7.

Applicant received a copy of the FORM on February 25, 2026. He was given 30 days to file a response, to file objections, and submit material to refute, extenuate, or mitigate the security concerns. He did not file a response. The case was assigned to me on May 6, 2026. FORM Items 1 and 2 are pleadings in the case. FORM Items 3 through 7 are admitted into evidence without objection.

### **Findings of Fact**

Applicant is 41 years old. He has worked for his sponsor, a federal contractor, since November 2004. He graduated from high school in 2002. He married in 2007 and has four children ranging in age from 10 to 18. He has owned his home since July 2009. (Item 3.)

The SOR alleges Applicant has delinquent accounts totaling over \$32,000. In his Answer to the SOR, he denied two allegations (SOR ¶¶ 1.e and 1.j) on the basis these debts were settled previously and that he had attached evidence in a previous response to the government. (Answer.) He admitted the remaining allegations and, except for SOR ¶ 1.k, he stated, "I admit. This is still owed and I will make payment with the company after my child is born." (Answer.) For SOR ¶ 1.k he stated, "I admit that this was an account that I had, but it has been several years and has since fallen off of my credit report." (Answer.)

Applicant listed most of his debts on his December 2024 Security Clearance Application (SCA) (SOR ¶¶ 1.a, 1.b, 1.f, 1.h, 1.j, and 1.k). He concluded his SCA with:

I know I have some debt and have had issues but since I have had the vehicle repossession, I am taking steps to be better with my finances. I am making better choices and not making unnecessary purchases. I am also willing to reach out [and work with my creditors] to try and satisfy any and all debts with reasonable payments with all. I will admit I have not had the best track record in regards to my finances and this does not cloud my judgment nor will it.

Applicant, in his January 2025 security clearance interview, was not familiar with many of the accounts discussed. He indicated he would contact his creditors. He was given the opportunity to provide additional documentation regarding his financial delinquencies as part of the interview but did not. (Item 4 at 3-5.)

SOR ¶ 1.a, an account that has been charged off in the approximate amount of \$12,837. The narrative on the August 2025 credit report lists the debt as a \$12,837 write-off, with a last activity date of November 2024. (Item 7 at 2.) This debt is unresolved.

SOR ¶¶ 1.b and 1.d, are accounts that have been charged off in the approximate amounts of \$1,630 and \$900, respectively, from the same creditor. The narrative on the August 2025 credit report lists \$1,630 debt as a write-off, with a last activity date of January 2020 and the \$900 debt as a write-off, with a last activity date of July 2022. (Item

7 at 3.) In his response to August 2025 Government interrogatories, he provided an undated letter that stated he had contacted the creditor about these two accounts and that, beginning August 15, 2025, he would “be resuming payments of “100” until account is paid out.” He offered no evidence he was in compliance with this agreement. (Item 5 at 110.) These debts are being resolved.

SOR ¶ 1.c, an account that has been charged off in the approximate amount of \$978. The narrative on the August 2025 credit report lists the debt as a \$978 write-off, with a last activity date of January 2020. This is the same creditor as the debts alleged in SOR ¶¶ 1.b and 1.d. (Item 7 at 2-3.) This debt is unresolved.

SOR ¶ 1.e, an account placed for collection in the approximate amount of \$868. As of the date of this Statement of Reasons, the account remains delinquent. This was one of two debts which Applicant denied on the basis it had settled previously. He attached, in response to Government interrogatories, an offer to settle the debt for \$434. He states in his interrogatory response that, “this item has been settled with proof attached.” This debt is being resolved. (Item 5 at 106, 109.)

SOR ¶¶ 1.f and 1.g, are accounts that have been charged off in the approximate amounts of \$551 and \$500, respectively, by the same creditor. The narrative on the August 2025 credit report lists \$551 debt as a write-off, with a last activity date of April 2024 and the \$500 debt as a write-off, with a last activity date of January 2024. (Item 7 at 3.) These debts are unresolved.

SOR ¶ 1.h, an account that has been charged off in the approximate amount of \$5,975. As of the date of this Statement of Reasons, the account remains delinquent. Applicant admitted this account but noted it was an old account, which had fallen off his credit report. The narrative on the January 2025 credit report lists the debt as a \$5,975 charge-off, with a last activity date of May 2018. (Item 6 at 3.) This debt is unresolved.

SOR ¶ 1.i, an account placed for collection in the approximate amount of \$3,027. As of the date of this Statement of Reasons, the account remains delinquent. The narrative on the January 2025 credit report lists the debt as in collection for \$3,027, with a last activity date of December 2024. (Item 6 at 5.) This debt is unresolved.

SOR ¶ 1.j, an account placed for collection in the approximate amount of \$612. As of the date of this Statement of Reasons, the account remains delinquent. The narrative on the January 2025 credit report lists the debt as in collection for \$612, with a last activity date of December 2024. (Item 6 at 3.) In his response to August 2025 Government interrogatories, he provided a June 24, 2025 letter from the creditor thanking him for this payment on the account and confirming that the account was settled in full on June 19, 2025. (Item 5 at 104.) This debt is resolved.

SOR ¶ 1.k, an account that has been charged off in the approximate amount of \$4,571. As of the date of this Statement of Reasons, the account remains delinquent. Applicant admitted this account, but noted it was an old account, which had fallen off his

credit report. The narrative on the January 2025 credit report lists the debt as a \$4,571 charge-off, with a last activity date of November 2024. (Item 6 at 7.) This debt is unresolved.

Applicant in his response to Government interrogatories provided the following explanation for the circumstances that caused his accounts to become delinquent:

These accounts became delinquent because I was naive with money. I have learned to be more cognizant with my money and not overextending myself. I am dedicated to being better with my spending and borrowing habits. None of these were done with malicious intent. I hope that I am able to show that I am dedicated to working towards being better as well. Not only for myself but also for my family. (Item 5.)

Applicant acknowledged he has been with his sponsor for over 21 years. He noted he has no gambling issues, mental health conditions, or unexplained sources of income and that his debt is not “severe enough to elicit criminal activity” on his part. (Answer.)

### **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 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 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;

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

(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.

Applicant failed to mitigate the financial considerations security concerns. He attributed his financial problems to being naive with money. He has only recently begun payments on some of his outstanding debt. His financial issues are recent and ongoing and did not occur under such circumstances that are unlikely to recur. His inaction with respect to his financial delinquencies continues to cast doubt on his current reliability, trustworthiness, and judgment. AG ¶ 20(a) does not apply.

The evidence indicates Applicant has been fully employed since 2004 and even if the first prong of AG ¶ 20(b) were triggered, under the second prong of AG ¶ 20(b), he must establish that he acted responsibly under the circumstances. He only fully demonstrated payment and resolution of one debt. Under these circumstances, 20(b) does not apply.

AG ¶ 20(d) is not applicable. Applicant indicated he would contact his creditors, but there is no evidence he is adhering to a good-faith effort to repay overdue creditors or is adhering to an agreement. He demonstrated payment and resolution of one debt and some limited progress on others.

### **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. Applicant did not sufficiently document that his debts are under control or resolved. Because Applicant requested a determination on the record without a hearing, I had no opportunity to evaluate his credibility and sincerity based on demeanor. See ISCR Case No. 01-12350 at 3-4 (App. Bd. Jul. 23, 2003). Overall, the record evidence leaves me with questions and doubts as to Applicant's eligibility and suitability for a security clearance.

This decision should not be construed as a determination that Applicant cannot or will not attain the state of true reform and rehabilitation necessary to be eligible for a security clearance. The determination of an individual's eligibility and suitability for a security clearance is not a once in a lifetime occurrence, but is based on applying the factors, both disqualifying and mitigating, to the evidence presented. Under Applicant's current circumstances, a clearance is not warranted. In the future, he may well demonstrate persuasive evidence of his security worthiness.

After weighing the disqualifying and mitigating conditions under Guideline F and evaluating all the evidence in the context of the whole person, I conclude Applicant has not mitigated the security concerns raised by his delinquent debts.

### **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.c, 1.f-1.i, and 1.k :	Against Applicant
Subparagraphs 1.b, 1.d, 1.e, and 1.j:	For 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