



DEPARTMENT OF WAR
DEFENSE OFFICE OF HEARINGS AND APPEALS



In the matter of:)
)
) ISCR Case No. 25-00138
)
Applicant for Security Clearance)

For Government: Nicole A. Smith, Esq., Department Counsel
For Applicant: *Pro se*

05/19/2026

Decision

HARVEY, Mark, Administrative Judge:

Guidelines F (financial considerations) and E (personal conduct) security concerns are not mitigated. Eligibility for access to classified information is denied.

Statement of the Case

On April 2, 2024, Applicant completed a Questionnaire for National Security Positions or security clearance application (SCA). (Government Exhibit (GE) 1) On March 18, 2025, 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 said his case will be submitted to an Administrative Judge for a determination as to whether to grant, deny, or revoke his security clearance. Specifically, the SOR set forth security concerns arising under Guidelines F and E. (HE 1) On April 24, 2025, Applicant responded to the SOR. (HE 2) On August 12, 2025,

Department Counsel was ready to proceed. On December 19, 2025, the case was assigned to me. On January 7, 2026, DOHA issued a notice scheduling the hearing for March 2, 2026. (HE 3) The hearing was held as scheduled, using the Microsoft Teams video teleconference system.

During the hearing, Department Counsel offered four exhibits; Applicant did not offer any exhibits; and all proffered exhibits were admitted into evidence without objection. (Tr. 14-16; GE 1-GE 4) On March 23, 2026, DOHA received a copy of the transcript. On April 23, 2026, I received three post-hearing exhibits from Applicant, and they were admitted into evidence without objection. (Tr. 59, 66; Applicant Exhibits (AE) A (judgment documentation); AE B (federally guaranteed student loans); AE C (IRS tax transcripts)) The record closed on May 4, 2026. (Tr. 34, 37)

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, he admitted SOR ¶¶ 1.a and 1.b, and he denied SOR ¶ 2.a. (HE 2) He also provided extenuating and mitigating information.

Applicant is a 44-year-old principal contract administrator who has worked for his current employer for two years. (Tr. 7-8; GE 1) His April 2, 2024 SCA does not show any unemployment in the previous 10 years. In 1999, he graduated from high school. (Tr. 7) In 2011, he received a bachelor's degree with a major in mass communications. (Tr. 7) He was in a master's degree program from 2020 to 2022, and he was awarded a master's degree in business administration (MBA) in 2022. (Tr. 8) He has never been married, and his two daughters are ages 22 and 26. (Tr. 8-9)

At his hearing, Applicant said that he has not served in the military. (Tr. 8) However, Applicant's June 12, 2024 Office of Personnel Management (OPM) summary of interview under oath states:

Subject answered no on his case papers to having ever served in the U.S. Military. The subject attempted to join the Navy Reserves in approximately 2001. . . . Subject does not believe that he actually joined the U.S. Navy due to having never attending Navy boot camp or having an actual Navy Swearing into the Military. Subject believes that he did attend MEPS and passed the Military Physical. Subject was initially participating in the monthly Drills activity with the Unit he was assigned while waiting to attend boot camp. . . . Subject believed that since he did not attend boot camp he did not officially join the U.S. Military. Subject believed that he received an administrative separation from the Navy reserves due to not participating in the monthly [drill] activities with his unit. . . . Subject believes that he missed four or five months of Drills with his unit. Subject was released from the unit by the unit commander after missing numerous months of Drills. Subject believes that he did receive an Administrative Separation Form from the

Navy Reserves. Subject believes that his record of Discharge [lists] the type of discharge as General discharge due to not participating in reserves. Subject is not certain of his U.S. Navy Reserves or Discharge. Subject does not believe that he was officially in the Military. Subject could not recall additional information concerning his enlistment or discharge from the U.S. Navy reserves. (GE 4 at 2)

Financial Considerations

SOR ¶¶ 1.a and 1.b allege Applicant has delinquent student loan debts owed to the same creditor for \$16,022 and \$4,579, respectively, which have been charged off. He said that the loans were accumulated when he was in college from 2007 to 2011. (Tr. 17-18) The student loans in SOR ¶¶ 1.a and 1.b were private student loans and not federally guaranteed student loans. (Tr. 29-30) His CBRs are generally positive with most accounts in paid or other positive status. (GE 2; GE 3) His current CBR does not list the debts in SOR ¶¶ 1.a and 1.b. (Tr. 35)

Applicant's April 18, 2024 CBR has the following information about the debts in SOR ¶ 1.a (\$16,022): the original amount was \$11,161; the balance is \$16,022; it was assigned in August of 2011; and it was charged to profit and loss write off. (GE 2) For SOR ¶ 1.b (\$4,579) it shows the following information: the original amount was \$3,708; the balance is \$4,579; it was assigned in January of 2011; it was 180 days past due; and it was charged to profit and loss write off. (GE 2) Both accounts are closed. (GE 2)

At his hearing, Applicant said from 2007 to 2011, he made timely \$50 monthly payments to pay the \$4,579 debt in SOR ¶ 1.b. (Tr. 19) After he graduated from college, he had a six-month deferment, and then he started making \$315 monthly payments on his two student loans. (Tr. 19-20) He did not provide any documentation corroborating his statements about making these payments.

Applicant said the two student loans became delinquent in 2017, when his car insurance increased from about \$100 monthly to about \$600 monthly because he was insuring his 15-year-old daughter. (Tr. 21) He requested and received a three-month hardship deferment from the creditor in SOR ¶¶ 1.a and 1.b. (Tr. 21-22) He said when payments resumed, the monthly payments were "between \$600 and \$800." (Tr. 22-23) In 2017 or 2018, he sent a dispute to the creditor concerning the significant increase in his monthly payment. He said the creditor told him to withhold payments while the creditor investigated it. (Tr. 23) He did not provide documentation from the creditor to support his statement about changes in the account.

Around 2018, Applicant received a notice to go to court for a possible judgment. (Tr. 23) He went to court, and the judge denied the creditor's request for a judgment. (Tr. 24) In 2018 or 2019, he contacted the creditor, and the creditor advised him that nothing could be done to resolve the account because the account has been transferred to a third-party collector. (Tr. 24, 30) He has not attempted to contact the creditor since 2021. (Tr. 30)

After his hearing, Applicant provided some court records from the SOR ¶¶ 1.a and 1.b creditor's lawsuit to attempt to obtain a judgment. On January 23, 2020, Applicant filed a statement with the state court in which he asserted the creditor had not provided consistent documentation showing how interest was charged, and he accused the creditor of fraudulently seeking extra charges for interest. He told the court:

I have contacted [the creditor] for many years requesting documents to confirm how interest and fees accrued on my loan as I had submitted document for the Servicemembers [Civil] Relief Act (SCRA)¹ where the rate should have been 6%. I also had been on the rate reduction program and completed the term and rate modification program, however all of the documents including [t]hose at charge-off show an interest rate of 11.50% or more. (AE A)

A court order signed on April 19, 2023, said that "Pursuant to the order filed on September 14, 2021, it is ordered that this action be dismissed." (AE A) Applicant said he was unaware of the current identity of the creditor seeking payment of the two student loans. (Tr. 30)

Federal Guaranteed Student Loans

The SOR did not allege that Applicant's federally guaranteed student loans raised a security concern. His December 3, 2024 CBR shows four federally guaranteed student loans as follows: (1) the funds were borrowed in August 2016; the original balance was \$8,328; the current balance is \$9,629; \$0 is past due; and the status is payment deferred; (2) the funds were borrowed in January 2013; the original balance was \$79,963; the current balance is \$102,536; \$0 is past due; and the status is payment deferred; (3) the funds were borrowed in August 2021; the original balance was \$17,716; the current balance is \$17,716; \$0 is past due; and the status is payment deferred; and (4) the funds were borrowed in May 2021; the original balance was \$5,943; the current balance is \$5,943; \$0 is past due; and the status is pays as agreed. (GE 2 at 3-4)

At his hearing, Applicant said his federally guaranteed student loans were current before the COVID-19 pandemic. (Tr. 28) They were in a forbearance during the COVID-19 pandemic. (Tr. 28) After the COVID-19 pandemic and President Biden's deferments ended, Applicant received correspondence indicating a new payment plan called Save was being initiated, and he could provide an application for the new version of the Save Plan. (Tr. 32) The new Save Plan is on hold. (Tr. 33)

After his hearing, Applicant provided information from the federal student loan website, which informed him that his Income-Driven Repayment Plan (IDRP) was "closed"

¹ The Servicemembers Civil Relief Act (SCRA) provides for a 6% interest rate cap, which is applicable to loans entered before active-duty military service. The 6% interest rate cap remains in effect during the period of military service and one year thereafter (P.L. 110-289, 122 Stat. 2654 (July 30, 2008)). Applicant did not provide any evidence at his hearing that he was qualified for the 6% interest rate under the SCRA in 2020. He told the OPM investigator that his Navy service was in 2001, which was before he borrowed the student loans in SOR ¶¶ 1.a and 1.b.

in 2015, 2018, 2019, 2020, and 2021. (AE B) On August 18, 2025, his IDRП request was submitted. (AE B) The payments for his IDRП are scheduled to start on August 6, 2026. (AE B)

Income

Applicant said his annual income has increased from about \$55,000 in 2017 to his current annual income of \$102,000. (Tr. 25-26) He has a monthly remainder of about \$1,500 after all of his bills and loan payments are made. (Tr. 26) He has been making payments on some federal student loans that are not listed in the SOR. (Tr. 27)

Federal Income Taxes

Applicant's SOR does not list a security concern related to Applicant's federal income taxes. His wages from his IRS tax transcripts for tax years (TY) 2022 to 2025, rounded to nearest \$1,000, are as follows: TY 2022 (\$60,000); TY 2023 (\$48,000); TY 2024 (\$79,000); and TY 2025 (\$84,000). (AE C) For each year of those five TYs, his tax returns were timely filed, and he received a refund. (AE C) There is no evidence of a federal income tax debt.

Personal Conduct

SOR ¶ 2.a alleges Applicant falsified material facts on his April 2, 2024 SCA in response to the following questions, "Section 26 – Financial Record – In the last seven (7) years, have you had any account or credit card suspended, charged off, or cancelled for failing to pay as agreed?" and "In the last seven (7) years, have you been over 120 days delinquent on any debt not previously entered?" He answered, "No," and thereby deliberately failed to disclose that information set forth in SOR ¶¶ 1.a. and 1.b., above.

Applicant's June 12, 2024 OPM summary of interview under oath states:

Subject describes his financial situation as stabilizing. Subject believes that he has had some delinquencies in the past, but subject was not able to provide delinquency details on his case papers due to not recalling. After asking subject questions concerning his financial considerations, subject was confronted with additional financial details developed during the course of his investigation. . . . (GE 4 at 6)

The OPM investigator advised Applicant that his credit report showed the delinquent debts in SOR ¶¶ 1.a and 1.b, and Applicant said he

believes that he had a period of nonpayment of his student loans while he was unemployed in approximately 07/2023 and previous periods non-payment during the Covid-19 Pandemic. . . . [He] believes that he is making payments on his student loans. [He] will ensure that he is making payments for this loan or reestablish payments for this student loan in the future. [He] could not recall additional details for this loan. (GE 4 at 6)

At his hearing, Applicant explained that he did not include his SOR ¶¶ 1.a and 1.b student loans on his SCA for the following reason:

So I based it off the credit report that I was able to pull. I pulled a three bureau credit report and I didn't see that on there. So I assumed and looking at the last date, which is also indicated in the report that you provided, it was like [2016 or 2017]. So when I counted forward, that was just the date, the time frame that I used and I assumed it didn't need to be included, because it wasn't within that seven year time frame. (Tr. 29)

Applicant did not provide a copy of the CBR that he said he reviewed prior to completion of his April 2, 2024 SCA. As indicated previously, his April 18, 2024 CBR showed SOR ¶¶ 1.a and 1.b in charged-off status. (GE 2)

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. An unfavorable decision should not be construed to suggest that it is based, in whole or in part, on any express or implied determination about an applicant's allegiance, loyalty, or patriotism. It 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. Sep. 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," and "(c) a history of not meeting financial obligations."

The record establishes the disqualifying conditions in AG ¶¶ 19(a) and 19(c), 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; 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.

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).

AG ¶ 20(a) does not apply to the SOR debts. “It is also well established that an applicant’s ongoing, unpaid debts demonstrate a continuing course of conduct and can be viewed as recent for purposes of the Guideline F mitigating conditions.” ISCR 22-02226 at 2 (App. Bd. Oct. 27, 2023) (citing ISCR Case No. 15-06532 at 3 (App. Bd. Feb. 16, 2017)).

Applicant cited one circumstance partially or fully beyond his control, which adversely affected his finances under AG ¶ 20(b). He needed to pay increased vehicle insurance expenses for his 15-year-old daughter. However, “[e]ven if [an applicant’s] financial difficulties initially arose, in whole or in part, due to circumstances outside his [or her] control, the [administrative judge] could still consider whether [the applicant] has since acted in a reasonable manner when dealing with those financial difficulties.” ISCR Case No. 05-11366 at 4 n.9 (App. Bd. Jan. 12, 2007) (citing ISCR Case No. 03-13096 at 4 (App. Bd. Nov. 29, 2005); ISCR Case No. 99-0462 at 4 (App. Bd. May 25, 2000); ISCR Case No. 99-0012 at 4 (App. Bd. Dec. 1, 1999)). He did not present sufficient evidence that he acted responsibly under the circumstances with respect to the financial issues in the SOR because he did not establish his inability to make more progress sooner to pay or establish payment plans to address two delinquent student loan debts, especially in light of his \$1,500 monthly remainder, which could have been used to bring these debts to current status. AG ¶ 20(b) is partially established.

SOR ¶¶ 1.a and 1.b allege Applicant has delinquent student loan debts for \$16,022 and \$4,579, respectively, which have been charged off. At his hearing, Applicant did not provide corroboration of any actions in the last three years to address these two private student loan debts.

Applicants are not required “to be debt-free in order to qualify for a security clearance. Rather, all that is required is that an applicant act responsibly given his or her circumstances and develop a reasonable plan for repayment, accompanied by ‘concomitant conduct’ that is, actions which evidence a serious intent to effectuate the plan.” ISCR Case No. 15-02903 at 3 (App. Bd. Mar. 9, 2017) (denial of security clearance remanded) (citing ISCR Case No.13-00987 at 3, n. 5 (App. Bd. Aug. 14, 2014)). There is no requirement that an applicant make payments on all delinquent debts simultaneously, nor is there a requirement that the debts alleged in the SOR be paid first. See ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008). See *also* ISCR Case No. 23-01434 at 2-3 (App. Bd. May 7, 2024).

Applicant admitted that he borrowed the student loans alleged in SOR ¶¶ 1.a and 1.b. He did not provide any documentation showing any payments to address the two

student loans. The record indicates the two student loans are not listed on his most recent CBR. The Appeal Board in ISCR Case No. 14-03612 at 3 (App. Bd. Aug. 15, 2015) said:

A credit report, in and of itself, may not be sufficient to meet an applicant's burden of persuasion as to mitigation, insofar as it provides little evidence regarding the underlying circumstances of the debt. *See, e.g.*, ISCR Case No. 08-11735 at 2 (App. Bd. Sep. 21, 2010). The fact that a debt no longer appears on a credit report does not establish any meaningful, independent evidence as to the disposition of the debt. Indeed, even if a credit report states that a debt has been paid, that fact alone does not, in and of itself, resolve concerns arising from the dilatory nature of an applicant's response to his debts or other circumstances that detract from an applicant's judgment and reliability.

See also ISCR Case No. 21-00261 2-3 (App. Bd. June 6, 2022) ("the absence of unsatisfied debts from an applicant's credit report does not extenuate or mitigate an overall history of financial difficulties or constitute evidence of financial reform or rehabilitation"); ISCR Case No. 14-05803 at 3 (App. Bd. July 7, 2016) (citing ISCR Case No. 14-03612 at 3 (App. Bd. Aug. 25, 2015)).

The Fair Credit Reporting Act requires removal of most negative financial items from a credit report seven years from the first date of delinquency or the debt becoming collection barred because of a state statute of limitations, whichever is longer. *See* Title 15 U.S.C. § 1681c. Debts may be dropped from a credit report upon dispute when a creditor believes the debt is not going to be paid, a creditor fails to timely respond to a credit bureau's request for information, or when the debt has been charged off. There may be other reasons a disputed debt may be dropped from a CBR that do not show meaningful mitigation.

The focus in a dispute for security clearance purposes is Applicant's "provi[sion of] documented proof to substantiate the basis of the dispute." AG ¶ 20(e). He provided a statement that he filed with a court disputing the debts in SOR ¶¶ 1.a and 1.b. However, he did not provide correspondence from the creditor to substantiate his claim of being overcharged on interest or showing a reasonable basis for the disputes, such as copies of his student loan contracts, interest charges, proof of payments, and discussions with the creditor or collection agent in which he offered to pay or establish a payment plan to address the debts. He failed to provide supporting documentation to establish meaningful mitigation under AG ¶ 20(e).

Applicant provided some important positive mitigating information. His federal income tax returns were timely filed, and his federal income taxes are paid. He has a substantial positive monthly remainder of \$1,500. His CBRs are generally positive with most accounts in paid or positive status. His CBRs do not list any currently delinquent student loans.

Applicant has not demonstrated a sufficient track record of debt payments to address the debts in SOR ¶¶ 1.a and 1.b. He did not prove that he was unable to make

more progress sooner in the resolution of these two SOR debts. Based on his overall history of financial irresponsibility related to these two debts, I am not confident that he will establish payment plans and consistently make payments, pay, or otherwise resolve the two SOR debts. Financial considerations security concerns are not mitigated under Guideline F.

Personal Conduct

AG ¶ 15 explains why personal conduct is a security concern stating:

Conduct involving questionable judgment, lack of candor, dishonesty, or unwillingness to comply with rules and regulations can raise questions about an individual's reliability, trustworthiness, and ability to protect classified or sensitive information. Of special interest is any failure to cooperate or provide truthful and candid answers during national security investigative or adjudicative processes.

AG ¶ 16 provides one personal conduct condition that could raise a security concern and may be disqualifying in relation to Applicant's provision of inaccurate information on his SCA, "(a) deliberate omission, concealment, or falsification of relevant facts from any personnel security questionnaire, personal history statement, or similar form used to conduct investigations, determine employment qualifications, award benefits or status, determine national security eligibility or trustworthiness, or award fiduciary responsibilities."

Applicant falsified material facts on his April 2, 2024 SCA in response to the following questions, "Section 26 – Financial Record – In the last seven (7) years, have you had any account or credit card suspended, charged off, or cancelled for failing to pay as agreed?" and "In the last seven (7) years, have you been over 120 days delinquent on any debt not previously entered?" He answered, "No," and thereby deliberately failed to disclose that information set forth in SOR ¶¶ 1.a and 1.b, *supra*.

Applicant's statements about his intent and state of mind when he executed his SCA "were relevant evidence, but they [are] not binding on the Administrative Judge." ISCR Case No. 04-09488 at 2 (App. Bd. Nov. 29, 2006) (citation omitted). In ADP Case No. 17-03932 at 3 (App. Bd. Feb. 14, 2019), the Appeal Board recognized the importance of circumstantial evidence of intent in falsification cases:

When evaluating the deliberate nature of an alleged falsification, a Judge should consider the applicant's *mens rea* in light of the entirety of the record evidence. See, e.g., ADP Case No. 15-07979 at 5 (App. Bd. May 30, 2017). As a practical matter, a finding regarding an applicant's intent or state of mind may not always be based on an applicant's statements, but rather may rely on circumstantial evidence. *Id.*

In a series of decisions, the Appeal Board emphasized the importance of applicants providing accurate and complete information during the security clearance

application process, which includes completion of an SCA. In ISCR Case No. 24-00278 at 3 (App. Bd. Jan. 14, 2026) the Appeal Board stated:

The Directive is clear that an applicant's failure to respond truthfully and candidly during a national security investigation is of special concern, specifically stating that the "refusal to provide full, frank, and truthful answers to lawful questions of investigators, security officials, or other official representatives" in connection with an investigation and adjudication will normally result in an unfavorable eligibility determination. Directive ¶ 6.2; AG ¶ 15. . . . A person holding a security clearance has a duty to *fully* disclose conduct of security concern, and the record supports a conclusion that Applicant failed in this regard.

Id. at 3 (emphasis in original).

In ISCR Case No. 01-03132 at 2 (App. Bd. Aug. 8, 2002), the Appeal Board addressed the requirement for full and candid responses to security questions in the context of an investigative interview:

Although a deliberate omission could be distinguished from a falsehood, such a deliberate omission can serve to impede the search for truth. If an applicant gives narrowly worded, technically correct answers to an investigator's questions, but deliberately fails to tell the investigator the whole truth, then the applicant is not providing full, frank and candid answers to the investigator. An interview conducted as part of a security clearance investigation is not a forum for an applicant to split hairs or parse the truth narrowly. The federal government has a compelling interest in protecting and safeguarding classified information. *Department of Navy v. Egan*, 484 U.S. 518, 527 (1988). That compelling interest includes the government's legitimate interest in being able to make sound decisions (based on complete and accurate information) about who will be granted access to classified information. An applicant who deliberately fails to give full, frank, and candid answers to the government in connection with a security clearance investigation or adjudication interferes with the integrity of the industrial security program.

In ISCR Case No. 24-01023 at 4 (App. Bd. Sept. 12, 2025) the Appeal Board said:

In cases involving the deliberate omission, concealment, or falsification of material information, an applicant has a "heavy burden in demonstrating evidence of reform, rehabilitation, or changed circumstances sufficient to justify a conclusion that it is clearly consistent with the national interest to grant him access to classified information." ISCR Case No. 01-03132 at 3 (App. Bd. Aug. 8, 2002). While the Judge commended Applicant's eventual (albeit, incomplete) disclosure to the investigator in 2023, he ultimately concluded that the concern raised by Applicant's 2023 SCA falsification was

amplified by his 2019 SCA falsification and that the pattern of omissions prevented full mitigation of the personal conduct security concerns. Decision at 12.

Applicant's claimed reasons for not disclosing his two delinquent student loans are not credible. At his hearing he said that he did not include his student loans on his SCA for the following reason:

So I based it off the credit report that I was able to pull. I pulled a three bureau credit report and I didn't see that on there. So I assumed and looking at the last date, which is also indicated in the report that you provided, it was like [2016 or 2017]. So when I counted forward, that was just the date, the time frame that I used and I assumed it didn't need to be included, because it wasn't within that seven year time frame. (Tr. 29)

In the midst of litigating a judgment involving his student loans, Applicant provided a written statement dated January 23, 2020, to the court in which he disputed the debt and claimed the creditor fraudulently violated the SCRA's interest-rate cap. The debts were delinquent in 2020, which is within the seven-year window of his April 2, 2024 SCA. It is unclear why he believed he was eligible for the SCRA's 6% interest rate cap. See n. 1, *supra*.

Applicant also said the two debts were not on his CBR at the time he completed his April 2, 2024 SCA; however, at the time his SCA was submitted, the SOR ¶¶ 1.a and 1.b debts were both shown as charged off on his April 18, 2024 CBR.

The record evidence establishes AG ¶ 16(a) in relation to SOR ¶ 2.a, requiring additional inquiry about the possible applicability of mitigating conditions. Additional discussion of the disqualifying conditions is contained in the mitigation section, *infra*. The personal conduct mitigating conditions under AG ¶ 17, which may be applicable in this case are as follows:

AG ¶ 17 provides conditions that could mitigate security concerns in this case:

(a) the individual made prompt, good-faith efforts to correct the omission, concealment, or falsification before being confronted with the facts;

(b) the refusal or failure to cooperate, omission, or concealment was caused or significantly contributed to by advice of legal counsel or of a person with professional responsibilities for advising or instructing the individual specifically concerning security processes. Upon being made aware of the requirement to cooperate or provide the information, the individual cooperated fully and truthfully;

(c) the offense is so minor, or so much time has passed, or the behavior is so infrequent, or it happened under such unique circumstances that it is

unlikely to recur and does not cast doubt on the individual's reliability, trustworthiness, or good judgment;

(d) the individual has acknowledged the behavior and obtained counseling to change the behavior or taken other positive steps to alleviate the stressors, circumstances, or factors that contributed to untrustworthy, unreliable, or other inappropriate behavior, and such behavior is unlikely to recur;

(e) the individual has taken positive steps to reduce or eliminate vulnerability to exploitation, manipulation, or duress; and

(f) the information was unsubstantiated or from a source of questionable reliability.

In Applicant's June 12, 2024 OPM summary of interview, Applicant was confronted by information from his CBR about the debts in SOR ¶¶ 1.a and 1.b. He did not reveal to the OPM investigator that he was not currently making payments on the two debts and had not made any payments for several years. He did not disclose that he made a statement to the court to dispute his responsibility for the two debts, and that he understood the debt was delinquent since at least 2020, when he submitted a statement to the court. His failure to provide accurate and complete information about the two debts to the OPM investigator will not be considered for disqualification purposes; however, it will be considered in the credibility, mitigation, and whole-person assessments.

None of the mitigating conditions fully apply. Applicant intentionally and falsely denied on his SCA that he had charged-off student loans, which were over 120 days delinquent, in the previous seven years. This false denial continues to cast doubt on his reliability, trustworthiness, and good judgment. Personal conduct security concerns are not mitigated under Guideline E.

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 common-sense judgment based upon careful consideration of the guidelines” and the whole-person concept. My comments under Guidelines F and E are incorporated in my whole-person analysis. Some of the factors in AG ¶ 2(d) were addressed under those guidelines but some warrant additional comment.

Applicant is a 44-year-old principal contract administrator who has worked for his current employer for two years. In 2011, he received a bachelor’s degree with a major in mass communications, and in 2022, he was awarded an MBA.

The evidence against the grant of Applicant’s security clearance is detailed in the financial considerations and personal conduct sections, *supra*, and this evidence is more persuasive 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*, 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 and personal conduct 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: Subparagraphs 1.a and 1.b:	AGAINST APPLICANT Against Applicant
Paragraph 2, Guideline E: Subparagraph 2.a:	AGAINST APPLICANT 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.

Mark Harvey
Administrative Judge