



DEPARTMENT OF WAR  
DEFENSE OFFICE OF HEARINGS AND APPEALS



In the matter of: )  
)  
) ISCR Case No. 25-00687  
)  
Applicant for Security Clearance )

For Government: Alison P. O’Connell, Esq., Department Counsel  
For Applicant: *Pro se*

05/12/2026

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**Decision**

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HARVEY, Mark, Administrative Judge:

Guideline F (financial considerations) security concerns are mitigated; however, Guideline E (personal conduct) security concerns are not mitigated. Eligibility for access to classified information is denied.

**Statement of the Case**

On April 10, 2023, December 9, 2022, and October 10, 2018, Applicant completed Questionnaires for National Security Positions or security clearance applications (SCAs). (Government Exhibit (GE) 1-GE 3) On July 2, 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 her case will be submitted to an Administrative Judge for a determination as to whether to grant, deny, or revoke her security clearance.

Specifically, the SOR set forth security concerns arising under Guidelines F and E. (HE 1) On July 25, 2025, Applicant responded to the SOR. (HE 2) On August 26, 2025, Department Counsel was ready to proceed. Department Counsel requested a hearing. (Tr. 12) On September 5, 2025, the case was assigned to me. On January 8, 2026, DOHA issued a notice setting the hearing for February 23, 2026, at 10 AM. (HE 3) On February 3, 2026, DOHA issued an amended notice setting the hearing for February 23, 2026, at 9 AM. (HE 4) The hearing was held as rescheduled, using the Microsoft Teams video teleconference system.

During the hearing, Department Counsel offered 16 exhibits; Applicant did not offer any exhibits; and all proffered exhibits were admitted into evidence without objection, except GE 3, her October 10, 2018 SCA. (Tr. 13, 17-21; GE 1-GE 16) She objected to admissibility of GE 3, her October 10, 2018 SCA, due to lack of relevancy because it was not recent. (Tr. 18) The relevance is reduced because the document is about six years old. The lack of recency reduces the weight but not the admissibility of the document, and I overruled her objection. (Tr. 18) GE 3 is relevant to the Guideline F financial issues and to the Guideline E allegations of falsification of her 2022 and 2023 SCAs because it shows she is familiar with security forms, and she indicated some federal income tax (FIT) issues on her 2018 SCA. (Tr. 18; GE 3 at 42-43) On March 10, 2026, DOHA received a copy of the transcript. On April 23, 2026, I received two post-hearing exhibits from Applicant; they were admitted into evidence without objection; and the record closed on April 24, 2026. (Tr. 59, 66; AE A; AE B; HE 4)

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, she admitted SOR ¶¶ 1.a through 1.m, except for SOR ¶ 1.h. (HE 2) She also provided extenuating and mitigating information.

Applicant is 49 years old, and she is seeking employment in control assessment for a federal contractor. (Tr. 6, 8-9; GE 1) In 1994, she graduated from high school. (Tr. 8) In 2025, she received a bachelor's degree in cybersecurity. (Tr. 8, 23-24) She has not served in the military. (Tr. 8) She is sponsored for a Top Secret security clearance; however, she has not begun to work for the government contractor who requires her to have a Top Secret clearance. (Tr. 8) During her career, she worked for various federal government contractors and held a security clearance. (Tr. 10; GE 1-GE 4) Her first marriage was from 2010 to 2019. (Tr. 24) She remarried on November 17, 2025. (Tr. 24) One of her children is an adult, and the other is a teenager. (Tr. 25)

### **Financial Considerations<sup>1</sup>**

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<sup>1</sup> In this decision, adjusted gross income is rounded to the nearest \$1,000 and taxes owed or refunded are rounded to the nearest \$100.

SOR ¶¶ 1.a through 1.f allege Applicant is indebted to the Federal Government for delinquent FITs for tax years (TYs) 2015 through 2022 in the following approximate amounts: \$7,100 (2015); \$9,300 (2016); \$13,900 (2017); \$900 (2019); \$7,400 (2021); and \$4,100 (2022), respectively. In her SOR response, she said she owed the Federal Government for delinquent taxes, and her tax debt is included in her “active IRS payment plan.” (HE 2) She estimates that she owes about \$40,000 in FITs. (Tr. 38)

SOR ¶ 1.g alleges Applicant failed to timely file, as required, a FIT return for TY 2023. It also alleges that she is indebted to the Federal Government for delinquent taxes owed for TY 2023. Applicant said she entrusted preparation of a filing extension and filing her tax return to a tax preparer, and she believed he had taken care of her taxes. (Tr. 35; HE 2) A March 13, 2026, IRS tax transcript indicates her TY 2023 FIT was filed on August 28, 2024. (AE B at part 5) Applicant said:

I was unaware that the return had not been properly filed until I received a letter in January 2025. Upon receiving that notice, I immediately contacted the preparer, and the return was promptly filed. While there was a delay, I took swift action to resolve the matter once it was brought to my attention. I remain committed to full compliance and transparency moving forward. (HE 2)

SOR ¶¶ 1.h and 1.i allege Applicant is indebted for state income taxes (SIT) for about \$2,800 for TY 2022, and she failed to timely file, as required, an SIT return for TY 2023, respectively. Applicant said she paid her SIT, and her filing of her SIT was delayed for the same reason as indicated in SOR ¶ 1.g. (Tr. 47; HE 2) She said she filed her SIT return for TY 2023 in January of 2026. (Tr. 46-47) She does not owe any SIT. (Tr. 47)

Information from Applicant’s March 13, 2026 IRS tax transcripts is summarized in the following table:

Tax Year	Date Tax Returns Filed	Adjusted Gross Income	Taxes Owed (O) or Refund (R)	Exhibit
2013	Apr. 15, 2014	\$139,000	R-\$2,100 (applied to TYs 2003 and 2012)	AE A
2014	Apr. 15, 2015	\$152,000	O-\$2,300-(paid on March 16, 2020)	AE A
2015	Apr. 15, 2016	\$161,000	O-\$4,400 (tax debt paid in July of 2024)	AE A
2016	Sept. 26, 2018	\$140,000	O-\$7,200	AE A
2017	Sept. 21, 2018	\$186,000	O-\$14,100	AE A
2018	Apr. 15, 2019	\$146,000	O-\$6,000	AE A
2019	Feb. 1, 2023	\$109,000	O-\$1,100	AE A
2020	Feb. 1, 2023	\$74,000	R-\$5,200 (applied to TY 2018)	AE B
2021	Feb. 1, 2023	\$161,000	O-\$8,700	AE B
2022	Aug. 9, 2023	\$183,000	O-\$4,800	AE B

2023	Aug. 28, 2024	\$173,000	O-\$4,600	AE B
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**TY 2013.** Applicant's March 13, 2026 IRS tax transcript shows for TY 2013 her refund of \$1,300 was transferred to address a FIT debt for TY 2012, and her refund of \$800 was transferred to address a tax debt for TY 2003. (AE A)

**TY 2014.** Applicant's March 13, 2026 IRS tax transcript for TY 2014 shows \$2,300 was transferred from Applicant's refund for TY 2019 on March 16, 2020, to resolve her FIT debt for TY 2014. (AE A)

**TY 2015.** Applicant's March 13, 2026 IRS tax transcript for TY 2015 shows: on March 16, 2020, \$400 was transferred from her tax return for TY 2019; on April 15, 2021, \$2,400 was transferred from her tax return for TY 2020; on April 15, 2023, \$2,000 was transferred from her tax return for TY 2022; and on April 15, 2024, \$2,000 was transferred from her tax return for TY 2023. (AE A) Payments of \$250 were made in May, June and July of 2024. (AE A) Page 3 of the TY 2015 IRS tax transcript is missing or placed with a tax transcript for a different year, and additional payments may have been made after July of 2024 to address her tax debt for TY 2015. (AE A)

**TY 2016.** Applicant's July 14, 2022 IRS tax transcript for TY 2016 shows she owes \$8,000, and two payments of \$375 were made on March 28, 2019, and on May 31, 2019. (GE 6 (.pdf at 246))

**TY 2017.** Applicant's August 23, 2021 IRS tax transcript for TY 2017 shows she owes FIT of \$8,800. (GE 6 (.pdf at 249)) Her March 13, 2026 IRS tax transcript TY 2017 shows she made two \$400 payments to the IRS on March 4, 2019; however, one \$400 payment was dishonored. (AE A) On April 15, 2025, she was credited with a transfer from her TY 2024 FIT return of \$1,200. (AE A) Applicant made a \$620 payment on March 27, 2026, and her next \$620 payment is due on April 28, 2026. (AE A) The two payments in 2026 are allocated to her FIT debt for TY 2017. (AE A)

**TY 2018.** Applicant's March 13, 2026 IRS tax transcript for TY 2018 shows: on April 15, 2021, \$3,400 was transferred from her tax return for TY 2020; and on May 15, 2023, \$1,800 was transferred from her tax return for TY 2020. (AE A)

**TY 2020.** Applicant's March 13, 2026 IRS tax transcript for TY 2020 shows: on April 15, 2021, \$3,400 was transferred from her TY 2020 tax return to her TY 2018 tax return; and on May 15, 2023, \$1,800 was transferred from her TY 2020 tax return to her TY 2018 return. (AE B)

**TY 2021.** Applicant's March 13, 2026 IRS tax transcript for TY 2021 shows: on February 1, 2023, her FIT for TY 2021 was filed; she had not withheld sufficient funds to pay her taxes when due, and her account showed a debt of \$8,700; on April 29, 2023, an installment plan was approved; and no payments were made to address her TY 2021 tax debt after her tax return was filed. (AE B at part 4)

**TY 2022.** Applicant's March 13, 2026 IRS tax transcript for TY 2022 shows: on August 9, 2023, her FIT for TY 2022 was filed; she had not withheld sufficient funds to pay her taxes when due, and her account showed a debt of \$4,800; on November 20, 2023, an installment plan was approved; and no payments were made to address her TY 2022 tax debt after her tax return was filed. (AE B at part 4)

**TY 2023.** Applicant's March 13, 2026 IRS tax transcript for TY 2023 shows her tax return was filed on August 28, 2024. (AE B at part 5) Her withholding was insufficient to pay her FIT when due for TY 2023. It indicates a tax debt of \$4,600 for TY 2023, and an installment plan started on November 23, 2024. (AE B at part 5) The next page in AE B appears to be an IRS tax transcript for TY 2016. (AE B at page 5)

In 2023, Applicant sold her residence, and she made a profit of about \$90,000. (Tr. 25) She said she did not know why she did not use some of the profits to address her delinquent tax debt (at that time she owed FIT for several years). (Tr. 50) Applicant used the profits to pay off her daughter's car loan, to pay some of Applicant's student loan debts, and to pay some other expenses. (Tr. 51) Applicant is currently renting a residence. (Tr. 26) All of the profits from the sale of her residence were spent by the end of 2023. (Tr. 51)

In the last six months of 2025, Applicant was unemployed for about 40 days when she was between employments. (Tr. 27) She was unemployed for about two months in 2020. (Tr. 29) She did not have any other periods of unemployment. (Tr. 29-30) She held a security clearance since 2007. (Tr. 30) In 2018, an administrative judge granted Applicant's security clearance. (GE 15) The administrative judge's opinion discussed issues related to financial considerations security concerns, including several delinquent debts, Applicant's late filing of a SIT return, and an IRS installment agreement to address her FIT tax debts for TY 2015 of \$3,600 and for TYs 2013 and 2014 of unspecified amounts. (Tr. 31-32; GE 15) Applicant maintained the payment plan for about two years after her hearing in 2018. (Tr. 31) The taxes owed during the 2015 timeframe were joint taxes owed by Applicant and her then husband. (Tr. 32)

Applicant attributed her FIT issues to a failure to withhold sufficient funds from her income to pay her FIT debt when she filed her tax returns. (Tr. 33) She said in 2022, she increased her withholding of income because she took into consideration that she had less deductions. (Tr. 34, 45-46) She was not withholding sufficient income up until the end of TY 2024. (Tr. 39)

The IRS requires taxpayers to confirm information about every two years to maintain their installment payment plans. (Tr. 39) When a tax return is filed, if additional taxes are owed, the IRS adjusts the payment plan to account for the additional FIT debt. (Tr. 40-41) On December 31, 2023, the IRS wrote Applicant and said that her monthly payment will be \$250 beginning on January 28, 2025, and on January 28, 2026, it will increase to \$620 monthly. (Tr. 42)

Applicant's March 13, 2026 IRS tax transcripts shows she made \$375 payments to the IRS on March 28, 2019, and on May 31, 2019. (AE A) On December 12, 2022, she

established an IRS installment agreement. (AE A) She made \$250 monthly payments on the following dates: February 28, 2023; March 28, 2023; April 28, 2023; May 30, 2023; June 28, 2023; July 28, 2023; August 28, 2023; September 28, 2023; October 30, 2023; November 20, 2023; December 28, 2023; January 29, 2024; February 28, 2024; May 28, 2024; June 28, 2024; July 22, 2024; June 2, 2025; June 30, 2025; July 28, 2025 (dishonored); August 11, 2025; August 25, 2025; September 22, 2025; October 23, 2025; and December 5, 2025. (AE A) She made \$620 monthly payments on January 26, 2026, and February 20, 2026. (AE A)

On April 15, 2026, the IRS wrote Applicant and advised her that she owed \$40,100, and provided the following amounts owed for the listed TYs: 2016 (\$6,600); 2017 (\$14,200); 2019 (\$1,100); 2021 (\$8,800); 2022 (\$4,800); and 2023 (\$4,600). (AE B)

On March 26, 2026, the IRS wrote Applicant and advised her that the IRS was in receipt of her TY 2024 FIT return. (AE A) However, the IRS could not process her FIT return until she completed a form with original signatures. (AE A)

### **Non-Tax Debts**

SOR ¶¶ 1.j through 1.m allege four charged-off debts owed to the same creditor for about \$2,432, \$1,665, \$698, and \$1,157, respectively. Applicant said the debts are either paid or in payment plans. (Tr. 49; HE 2)

In August 2025, the creditor agreed to settle the debt for \$698 for one \$488 payment. (HE 2; SOR ¶ 1.i) On April 17, 2026, Applicant used a credit card to pay \$361, and she resolved the debt for \$673. (AE A)

On July 18, 2025, the creditor agreed to settle the \$1,157 debt for \$926 with three monthly payments beginning on August 8, 2025. (HE 2) On March 20, 2026, Applicant used a credit card to pay \$200, and her balance on the debt for \$1,157 is zero. (AE A; SOR ¶ 1.m)

In July of 2025, the creditor agreed to accept an initial payment of \$388 from Applicant to address a debt of \$1,166. (HE 2) It is unclear which SOR debt was associated with this correspondence.

Applicant's June 6, 2025 CBR, the most recent CBR of record, indicates zero public records, \$3,798 past-due amounts, 13 paid accounts, and 16 satisfactory accounts. (GE 9 at 1) The four past-due accounts are listed in SOR ¶¶ 1.j through 1.m.

### **Personal Conduct**

In Applicant's October 10, 2018 SCA, she responded, "No," to the question, "In the last seven (7) years have you failed to file or pay Federal, state, or other taxes when required by law or ordinance?" (GE 3 (.pdf page 132)) She added the following comments to her SCA in the financial section:

I have not failed to file taxes; however my 2016 joint tax was rejected by the IRS due to a dependent error. The taxes [have] been corrected and mailed in as of 9/19/2019. [For] 2017 taxes, I filed for an extension whereby the tax is not due until Oct 2018. However that tax was completed and mailed in as of 9/19/2018. Both taxes will take 6-8 weeks to update [the] IRS database and [at] that time a payment arrangement will be made if needed. (GE 3 (.pdf at 132))

In a response to a question on her 2018 SCA about financial counseling, Applicant disclosed:

[c]urrently working with [a company] to assist with Consolidating the Tax debt so rectify any outstanding balance. [The company] is waiting on IRS to update their system of having received 2016 and 2017. . . . Yes I've currently reached out to a company . . . to help settle federal tax debt in full. For some reason, I have not allocated my exemptions correctly causing me to have to owe at the end of the tax year. [The company] has agree[d] to review the year(s) in question to ensure that the tax was completed correctly. (GE 3 (.pdf at 133))

Applicant's file contains multiple summaries of Office of Personnel Management (OPM) interviews beginning in February 11, 2008, which discuss her finances. Her December 17, 2018 summary of OPM interview regarding her taxes states:

TAXES: Subject confirmed that her 2016 Tax filing was flagged and returned by the Internal Revenue Service (IRS). Subject stated that she incorrectly claimed her daughter as a dependent which is what caused the issue because the Subject's daughter had a part-time job and filed her own tax return independently. The Subject fixed the issue promptly by removing her daughter from her list of dependents on her tax return. The Subject's previous 2016 tax debt was then lumped into her 2017 tax debt and the Subject is on a payment plan to resolve the debt. The debt is joint debt with the subject's husband and together they are responsible for paying \$399 per month to the IRS until the issue is resolved. The Subject did not remember how much the total debt was or how much longer payments needed to be made. Subject is working with [a company] to resolve the issue. (GE 6 (.pdf at 227))

In her July 25, 2022 response to DOHA interrogatories, Applicant said she had not filed her TY 2019, 2020, and 2021 FIT returns. (GE 6 (.pdf at 236)) She said she was unable to file her FIT returns due to the COVID-19 pandemic. (Tr. 37; GE 6 (.pdf at 236)) She said she was working with a tax preparation company to complete her tax returns. *Id.* Her failures to timely file these three FIT returns are not alleged in the SOR.

SOR ¶¶ 2.a and 2.b allege Applicant falsified material facts in her December 9, 2022, and April 10, 2023 SCAs in her responses to the following question, "In the last

seven (7) years, have you failed to file or pay Federal, state, or other taxes when required by law or ordinance?” She answered, “No,” both times.

For SOR ¶ 2.a, the SOR alleges Applicant deliberately failed to disclose that information set forth in SOR ¶¶ 1.a through 1.e, above. Applicant admitted that she should have disclosed that she had not filed her FIT returns for TYs 2019, 2020, or 2021. She said she “inadvertently chose the wrong” answer or she may not have “[read] the question in its totality.” (Tr. 54)

For SOR ¶ 2.b, the SOR alleges that Applicant deliberately failed to disclose that information set forth in SOR ¶¶ 1.a through 1.f, and 1.h, above. She said she answered, “No,” because she had a payment plan with the IRS. (Tr. 55-56; GE 1)

### **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;
- (c) a history of not meeting financial obligations; and
- (f) failure to file or fraudulently filing annual Federal, state, or local income tax returns or failure to pay annual Federal, state, or local income tax as required.

The record establishes the disqualifying conditions in AG ¶¶ 19(a), 19(c), and 19(f), 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;
- (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; and
- (g) the individual has made arrangements with the appropriate tax authority to file or pay the amount owed and is in compliance with those arrangements.

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)).

Some circumstances partially or fully beyond Applicant's control adversely affected her finances under AG ¶ 20(b). She was divorced, had some brief periods of unemployment, and was affected by the COVID-19 pandemic. 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)). She did not present sufficient evidence that she acted responsibly under the circumstances with respect to the financial issues in the SOR because she did not establish her inability to make more progress sooner to file and pay her taxes. AG ¶ 20(b) is partially established.

The Appeal Board clarified that even in instances where an "[a]pplicant has purportedly corrected [his or her] federal tax problem, and the fact that [applicant] is now motivated to prevent such problems in the future, does not preclude careful consideration of [a]pplicant's security worthiness in light of [his or her] longstanding prior behavior evidencing irresponsibility" including a failure to timely file FIT returns. See ISCR Case No. 15-01031 at 3 & n.3 (App. Bd. June 15, 2016) (characterizing "no harm, no foul" approach to an applicant's course of conduct and employing an "all's well that ends well" analysis as inadequate to support approval of access to classified information with focus on timing of filing of tax returns after receipt of the SOR).

### **Non-tax debts**

SOR ¶¶ 1.j through 1.m allege four charged-off debts owed to the same creditor for about \$2,432, \$1,665, \$698, and \$1,157, respectively. Applicant said the debts are

either paid or in payment plans. On April 17, 2026, she used a credit card to pay \$361, and she resolved the debt in SOR ¶ 1.l for \$673. On March 20, 2026, she used a credit card to pay \$200, and her balance on the debt in SOR ¶ 1.m for \$1,157 is zero. She is working to resolve the other two SOR 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’s June 6, 2025 CBR, the most recent CBR of record, indicates zero public records, \$3,798 in past-due amounts, 13 paid accounts, and 16 satisfactory accounts. The four past-due accounts in SOR ¶¶ 1.j through 1.m are listed in this CBR. She provided proof that she resolved two of the past-due debts on her 2025 CBR. She has an overall track-record of paying her non-tax debts, and SOR ¶¶ 1.j through 1.m are mitigated under AG ¶ 20(d).

### **Tax issues**

In ISCR Case No. 15-06440 at 4 (App. Bd. Dec. 26, 2017) the Appeal Board reversed the grant of a security clearance, discussed how AG ¶ 20(g) applied, and noted:

The timing of the resolution of financial problems is an important factor in evaluating an applicant’s case for mitigation because an applicant who begins to resolve financial problems only after being placed on notice that his clearance was in jeopardy may lack the judgment and self-discipline to follow rules and regulations over time or when there is no immediate threat to his own interests.

Some FIT information was not alleged in the SOR. The SOR does not allege she had not filed her FIT returns for TYs 2019, 2020, or 2021 until February 1, 2023. The adverse information not alleged in the SOR will not be considered for disqualification purposes; however, this information will be considered in the mitigation analysis, credibility assessment, and under the whole-person concept.

Applicant has had ongoing FIT debts since 2016 when her TY 2015 FIT was due, and the current balance owed is about \$40,100. From February of 2023 to February of 2024, she made \$250 monthly payments under an IRS installment agreement. She made four monthly \$250 payments in May, June, and July of 2024. She resumed monthly \$250 payments from June of 2025 to December of 2025. She made \$620 monthly payments on January 26, 2026, and February 20, 2026. On April 15, 2025, she was credited with a

transfer from her TY 2024 FIT return of \$1,200. This is an indication she did not under withhold and timely paid her taxes for TY 2024. She made sufficient efforts to establish mitigation under AG ¶ 20(g). Under all the circumstances, and considering the evidence “as a whole,” Applicant’s failures regarding her FITs and SITs are 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 her provision of inaccurate information on her SCAs:

(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 in her December 9, 2022, and April 10, 2023 SCAs in her responses to the following question, “In the last seven (7) years, have you failed to file or pay Federal, state, or other taxes when required by law or ordinance?” She answered, “No,” to this question on both SCAs.

For SOR ¶ 2.a, Applicant deliberately failed to disclose that information set forth in SOR ¶¶ 1.a through 1.e in her December 9, 2022 SCA. She said she “inadvertently chose the wrong” answer or she may not have “[read] the question in its totality.” (Tr. 54)

For SOR ¶ 2.b, Applicant deliberately failed to disclose that information set forth in SOR ¶¶ 1.a through 1.f, and 1.h in her April 10, 2023 SCA. She said she answered, “No,” because she had a payment plan with the IRS.

Applicant’s statements about her intent and state of mind when she executed her SCAs “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 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.

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 disclosed her tax problem on her 2018 SCA, and she is commended for doing so. However, she elected not to disclose information about her FITs and SITs on her 2022 and 2023 SCAs. Her claimed reasons for not disclosing her FIT and SIT information are not credible in light of her experience completing SCAs, and her financial background handling security issues relating to her taxes. The record evidence establishes AG ¶ 16(a) in relation to SOR ¶¶ 2.a and 2.b, 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.

Applicant was on clear notice of the connection of her taxes to the security clearance process since her hearing in 2018. In 2018, an administrative judge granted Applicant's security clearance. The administrative judge's decision discussed financial considerations security issues, including her late filing of a SIT return, and an IRS installment agreement to address her FIT tax debts for TY 2015 of \$3,600 and for TYs 2013 and 2014 of unspecified amounts. Applicant maintained the payment plan mentioned in the decision for about two years after her hearing. Her payments to IRS installment plans are ongoing reminders that she did not pay her FITs when they were due.

In Applicant's October 10, 2018 SCA, and her December 17, 2018 summary of OPM interview she provided some information about her FIT issues. These security interactions, as well as her completion of previous OPM interviews and SCAs, sensitized her to the importance of providing complete and accurate FIT and SIT information on her SCAs.

Applicant knowingly elected not to disclose information about her FIT and SIT on her 2022 and 2023 SCAs. In addition to FIT debts, which were substantial, she failed to disclose that she had not filed her FIT returns for TYs 2019, 2020, and 2021 until February 1, 2023, on her 2022 and 2023 SCAs. Her untimely filings of her TYs 2019, 2020, and 2021 FITs will not be considered for disqualification purposes; however, it will be considered in the mitigation, credibility, and whole-person assessments.

None of the mitigating conditions fully apply. Applicant intentionally and falsely denied that she failed to pay her FIT when due on her 2022 and 2023 SCAs. These false denials of delinquent tax debt and untimely filing of tax returns continue to cast doubt on her 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 49 years old, and she is seeking employment in control assessment for a federal contractor. In 2025, she received a bachelor’s degree in cybersecurity. She is sponsored for a Top Secret security clearance. During her career, she worked for various government contractors.

Applicant had an established payment plan to address her taxes. All of her tax returns are filed. She has a track record of paying her debts. There is no evidence that she is a poor employee. In ADP Case No. 05-03939 at 2 (App. Bd. Sept. 1, 2006) the Appeal Board said:

The security concerns raised by Applicant’s falsification were not necessarily mitigated by Applicant’s subsequent disclosures to the government. See ISCR Case No. 01-19513 at 5 (App. Bd. Jan. 22, 2004). Similarly, such concerns were not necessarily mitigated by Applicant’s favorable professional and work record. See, e.g., ISCR Case No. 01-01642 at 6 (App. Bd. June 14, 2002). Finally, the security concerns raised by Applicant’s financial history were not necessarily mitigated by the fact that he is current on his new debts and has shown some improvement in his financial situation. See, e.g., ISCR Case No. 02-18418 at 3-4 (App. Bd. Nov. 30, 2005).

The evidence against grant of a security clearance is detailed in the personal conduct section, *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 mitigated financial considerations security concerns; however, she did not mitigate 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 through 1.m:	FOR APPLICANT For Applicant
Paragraph 2, Guideline E: Subparagraphs 2.a and 2.b:	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.

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Mark Harvey  
Administrative Judge