



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



In the matter of:)	
)	
)	ISCR Case No. 25-00869
)	
Applicant for Security Clearance)	

Appearances

For Government: William H. Miller, Esq., Department Counsel
For Applicant: James W. Crawford, Personal Representative

05/11/2026

Decision

FOREMAN, LeRoy F., Administrative Judge:

This case involves security concerns raised under Guideline F. The original Statement of Reasons (SOR) included security concerns under Guideline E (Personal Conduct), but those concerns were resolved when the SOR was amended to withdraw the Guideline E allegations. The concerns under Guideline F were not mitigated. Clearance is denied.

Statement of the Case

Applicant submitted a security clearance application (SCA) on August 7, 2023. On September 23, 2025, the Defense Counterintelligence and Security Agency (DCSA) sent him a Statement of Reasons (SOR) alleging security concerns under Guidelines F and E. The DCSA acted under Executive Order (Exec. Or.) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; Department of Defense (DOD) Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG) promulgated in Security Executive Agent Directive 4, *National Security Adjudicative Guidelines* (December 10, 2016), which became effective on June 8, 2017.

Applicant answered the SOR on October 1, 2025, and requested a hearing before an administrative judge. Department Counsel was ready to proceed on December 15, 2025. The case was assigned to me on February 18, 2026. On February 25, 2026, the Defense Office of Hearings and Appeals (DOHA) notified Applicant that the hearing was scheduled to be conducted by video teleconference on April 8, 2026. On March 3, 2026, DOHA notified Applicant that the hearing was rescheduled for April 14 2026. On April 3, 2026, Department Counsel amended the SOR by adding four additional allegations under Guideline F and withdrawing all the allegations under Guideline E. On April 6, 2026, Applicant admitted the additional allegations under Guideline F.

I convened the hearing as rescheduled. Government Exhibits 1 through 9 were admitted without objection. Applicant testified and presented the testimony of one witness. He did not offer any documentary evidence. I kept the record open until May 1, 2026, to enable him to present documentary evidence. He timely submitted Applicant's Exhibits (AX) A, B, and C, which were admitted without objection. DOHA received the transcript of the hearing on April 22, 2026. The record closed on May 1, 2026.

Findings of Fact

In Applicant's answers to the SOR and the amended SOR, he admitted all the allegations. His admissions are incorporated in my findings of fact.

Applicant is a 62-year-old electrician employed by a federal contractor since January 2022. Before he was hired for his current job, he had never worked for a federal contractor or applied for a security clearance. His job does not require a clearance, but it would entitle him to a pay raise of \$5.00 per hour. (Tr. 13)

Applicant has a tenth-grade education. (Tr. 15) He has no military service. He married in April 2000, was widowed in November 2011, married again in March 2014, and divorced in November 2025. (Tr. 16) He has three adult children.

Between 1983 and 2011, Applicant was deeply involved in drug use and criminal conduct. He was arrested at least 11 times for charges involving theft, burglary, robbery, assault, and assault and battery. He was arrested at least six times for drug-related offenses. He was convicted of robbery in June 1984 and served 22 months in prison. (GX 3 at 9) His criminal record was alleged in SOR ¶¶ 2.a and 2.b, but those allegations were withdrawn by Department Counsel by an amendment to the SOR. He voluntarily entered a drug-rehabilitation program in June 2012 and completed it in March 2013. He has not been involved with drugs since completing the program. (GX 3 at 14)

Applicant provides financial support to his 80-year-old mother, who is legally blind and receives daily living assistance from the state where she resides. Applicant pays for her food, clothing, medicine, mortgage loan payments, and utilities for her residence. (Tr. 17) His mother's expenses total about \$1,900 per month. (Tr. 19)

Applicant and his then wife purchased a home about nine years ago. When they divorced, the divorce decree provided for sale of the home. It is listed for \$299,000. The unpaid balance for the first and second mortgages on the home is about \$210,000. Under the terms of the divorce, any net profit on the sale of the home will be split between Applicant and his ex-wife. (Tr. 18-21) The divorce decree also requires Applicant to reimburse his ex-wife for \$6,578 that was garnished from her pay for delinquent joint loans. (Tr. 35)

In 2023, Applicant's then wife was seriously injured in an automobile accident that resulted in her receiving a \$51,000 settlement for her injuries. Applicant was counting on using this settlement to satisfy their debts, but his then wife divorced him and kept the entire amount of the settlement. (Tr. 11; GX 3 at 2)

The evidence pertaining to the federal and state tax debts alleged in SOR ¶¶ 1.a-1.d is contained federal tax transcripts and state tax records. (GX 2 at 12, 18-24, and 105-132). It is summarized below.

SOR ¶ 1.a: federal tax debt for tax year 2017 in the amount of about \$8,600. This was a joint debt with Applicant's ex-wife, and his agreed portion of the debt is \$4,401. The debt is not resolved. (Tr. 26)

SOR ¶¶ 1.b and 1.c: federal tax debt for tax years 2019 and 2020 in the amounts of about \$7,223 and \$2,275. These debts are not resolved. (Tr. 27)

SOR ¶ 1.d: state tax debt for tax years 2018, 2019, 2020, and 2021 in the amount of about \$3,974. Applicant's state tax refunds for subsequent tax years were applied to his tax debt, but the amount alleged in the SOR is the amount still unpaid.

The evidence pertaining to the consumer and medical debts alleged in SOR ¶¶ 1.e-1.l and 1.r-1.u is set out in credit reports from August 2023, June 2025, and July 2025 (GX 6, 7, and 8). The evidence is summarized below:

SOR ¶¶ 1.e and 1.f: consumer debts charged off for about \$3,404 and \$6,505. These debts are resolved. They were paid by garnishment of Applicant's pay and his wife's pay. However, he is required by the divorce decree to reimburse her for the amount garnished from her pay. (GX 8 at 1; Tr. 34-35)

SOR ¶¶ 1.g through 1.i: consumer debts placed for collection of about \$3,430; \$1,476; \$945; and \$701. Applicant admitted these debts during the hearing and testified that he had not taken any steps to resolve them. (Tr. 39-41)

SOR ¶¶ 1.k and 1.l: medical debts placed for collection of about \$985 and \$520. Applicant admitted these debts and testified that they are not resolved. (Tr. 41)

SOR ¶ 1.r: auto loan charged off for \$2,815. This debt was for an automobile that Applicant junked after the engine failed and the cost of repair exceeded the value of the automobile. (Tr. 47) It is not resolved.

SOR ¶ 1.s: past-due payments of \$464 on student loan. Applicant testified he obtained this loan for his youngest daughter and that he contacted the lender, who agreed to delay the first payment until May 2026. As of the date of the hearing, he had not made the payment. (Tr. 49-50)

SOR ¶ 1.t: credit-card account placed for collection of \$265. Applicant offered no information about this debt. It is not resolved.

SOR ¶ 1.u: credit-card account charged off for \$5,739. Applicant testified that he used this credit card to pay off traffic tickets and pay for car insurance for his son, after his son and six children were evicted from their apartment. They are now living with Applicant. (Tr. 52) This debt is not resolved.

SOR ¶¶ 1.m-1.p allege court judgments against Applicant. The evidence pertaining to these allegations is summarized below:

SOR ¶ 1.m: judgment filed in 2019 for about \$6,822 (GX 10 at 19). Applicant was not questioned about this judgment during his security interview in October 2023 or at the hearing. The record does not reflect the basis for the judgment. He admitted it in his answer to the SOR. It is not resolved.

SOR ¶ 1.n: judgment filed in 2004 for about \$1,181 (GX 11 at 36). This allegation is not established. Applicant was sued for unpaid rent, but the complaint was dismissed.

SOR ¶ 1.o: judgment filed in 2007 for about \$3,855 (GX 10 at 3). Applicant was not questioned about this judgment during his security interview in October 2023 or at the hearing. However, he admitted it in his answer to the SOR. It is not resolved.

SOR ¶ 1.p: judgment filed in 2010 for about \$3,000 (GX 11 at 41). This allegation is not established. A complaint was filed against Applicant, but it was dismissed.

SOR ¶ 1.q: Chapter 7 bankruptcy discharge in February 2003 (GX 5; GX 10 at 1) Applicant filed a petition for Chapter 7 bankruptcy in November 2002, and the debts included in the bankruptcy were discharged. The record does not reflect the debts included in the bankruptcy petition or the dollar amount of the debts that were discharged. (GX 5)

During Applicant's security interview in October 2023 and during his testimony at the hearing he stated that he had engaged the services of a "credit cleanup service" about six months before the security interview. (GX 3 at 19; Tr.58) He did not provide any documentation of his contract with the service or any information about the debts included in the contract.

A credit report dated April 3, 2026, reflects that Applicant's payments on his home mortgage loan are past due in the amount of \$7,744, with a balance of \$160,000. (GX 9 at 1; Tr. 53) This loan is not alleged in the SOR. At some time not reflected in the record, Applicant applied for a modification of the loan. On December 4, 2025, the lender informed Applicant that he was eligible for a loan modification, and that loan modification apparently is in progress. (AX A, B, and C) He testified that he intends to sell the family home and split the profit with his ex-wife. The home is listed for \$299,000, and he expects a net profit of about \$90,000. (Tr. 20-22) In his post-hearing submissions, he has stated that he hopes to use the profit from the sale of the home to resolve some of his debts. As the date the record closed, he had not sold the home, and none of the delinquent debts had been resolved.

Applicant's security manager served as his personal representative at the hearing. Because some of his comments during the hearing were testimonial, I allowed Department Counsel to cross-examine him. He testified that, once he became involved in Applicant's request for a security clearance, he "saw this as somebody who deserves some recognition for what he's done and does not represent a risk, although everyone is a risk." (Tr. 72) However, on cross-examination, he admitted that he had no day-to-day contact with Applicant until he became involved in the processing of his SCA. (Tr. 75)

Policies

"[N]o 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 applicants 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 § 2.

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, an administrative judge applies these guidelines 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 and 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 that 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 made “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” Exec. Or. 10865 § 7. Thus, a decision to deny a security clearance is merely an indication the applicant has not met the strict guidelines the President and the Secretary of War 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* at 531. Substantial evidence is “such relevant evidence as a reasonable mind might accept as adequate to support a conclusion in light of all the contrary evidence in the same record.” See ISCR Case No. 17-04166 at 3 (App. Bd. Mar. 21, 2019). It is “less than the weight of the evidence, and the possibility of drawing two inconsistent conclusions from the evidence does not prevent [a Judge’s] finding from being supported by substantial evidence.” *Consolo v. Federal Maritime Comm’n*, 383 U.S. 607, 620 (1966). “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. ISCR Case No. 15-01253 at 3 (App. Bd. Apr. 20, 2016).

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 burden of proving a mitigating condition, and the burden of disproving it never shifts to the Government. See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005).

An applicant “has the ultimate burden of demonstrating that it is clearly consistent with the national interest to grant or continue his security clearance.” ISCR Case No. 01-20700 at 3 (App. Bd. Dec. 19, 2002). “[S]ecurity clearance determinations should err, if they must, on the side of denials.” *Egan* at 531.

Analysis

Guideline F, Financial Considerations

The security concern under this guideline is set out in AG ¶ 18:

Failure to live within one’s means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise questions about an individual’s reliability, trustworthiness, and ability to protect classified or sensitive information. . . . An individual who is financially overextended is at greater risk of having to engage in illegal or otherwise questionable acts to generate funds. . . .

This concern is broader than the possibility that a person might knowingly compromise classified information to raise money. It encompasses concerns about a person's self-control, judgment, and other qualities essential to protecting classified information. A person who is financially irresponsible may also be irresponsible, unconcerned, or negligent in handling and safeguarding classified information. See ISCR Case No. 11-05365 at 3 (App. Bd. May 1, 2012).

Applicant's admissions and the evidence submitted at the hearing establish the following disqualifying conditions under this guideline:

AG ¶ 19(a): inability to satisfy debts;

AG ¶ 19(b): unwillingness to satisfy debts regardless of the ability to do so;

AG ¶ 19(c): a history of not meeting financial obligations; and

AG ¶ 19(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 following mitigating conditions are potentially applicable:

AG ¶ 20(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;

AG ¶ 20(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;

AG ¶ 20(c): the individual has received or is receiving financial counseling for the problem from a legitimate and credible source, such as a non-profit credit counseling service, and there are clear indications that the problem is being resolved or is under control; and

AG ¶ 20(d): the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts.

AG ¶ 20(a) is not established. Applicant's delinquent debts are recent, frequent, and were not incurred under circumstances making them unlikely to recur.

AG ¶ 20(b) is not established. Applicant has encountered conditions beyond his control. His aging mother depends on him for financial support. His second wife left him

after receiving a large financial settlement that they had counted on to resolve joint debts and not sharing that settlement with him. His son's unpaid traffic tickets and eviction from an apartment were the product of his son's financial irresponsibility, and they were not conditions that are applicable under this mitigating condition. His inability to sell the former family home is a condition largely beyond his control, but it alone is inadequate to mitigate the security concerns because the expected profit is insufficient to satisfy all of Applicant's delinquent debts. Despite the above conditions, he has not acted responsibly. He has no financial plan, other than selling the former family home. He has not contacted most of his creditors. He has no budget or other means of tracking his income and expenses. He could not provide any information about many of his delinquent debts.

AG ¶ 20(c) is not established. Applicant has not received any counseling of the type contemplated by this mitigating condition, and his delinquent debts are not under control.

AG ¶ 20(d) is not established. The debts alleged in SOR ¶¶ 1.e and 1.f were resolved by garnishment of Applicant's pay, which is not a "good-faith initiation of repayment by the debtor." ISCR Case No. 09-05700 (App. Bd. Feb. 24, 2011). Applicant presented no evidence that any of the other debts alleged in the SOR were being resolved.

Whole-Person Analysis

Under AG ¶ 2(c), the ultimate determination of whether to grant a security clearance must be an overall commonsense judgment based upon careful consideration of the guidelines and the whole-person concept. An administrative judge must evaluate an applicant's security eligibility by considering the totality of the applicant's conduct and all the relevant circumstances. An 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.

I have incorporated my comments under Guideline F in my whole-person analysis and applied the adjudicative factors in AG ¶ 2(d). Because the allegations regarding Applicant's criminal record and previous drug involvement were withdrawn at the hearing, I have considered them only for the limited purpose of showing the legal and personal obstacles that he has overcome in his efforts to become a responsible citizen. However, 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

I make the following formal findings on the allegations in the SOR:

Paragraph 1, Guideline F (Financial Considerations): AGAINST APPLICANT

Subparagraphs 1.a-1.m:	Against Applicant
Subparagraph 1.n:	For Applicant
Subparagraph 1.o:	Against Applicant
Subparagraph 1.p:	For Applicant
Subparagraphs 1.q-1.u:	Against Applicant

Conclusion

I conclude that it is not clearly consistent with the national security interests of the United States to grant Applicant eligibility for access to classified information. Clearance is denied.

LeRoy F. Foreman
Administrative Judge