



DEPARTMENT OF WAR
DEFENSE OFFICE OF HEARINGS AND APPEALS



_____)
 In the matter of:)
) ISCR Case No. 25-00480
)
)
 Applicant for Security Clearance)
 _____)

Appearances

For Government: Brittany White, Esq., Department Counsel
For Applicant: *Pro se*

05/13/2026

Decision

FOREMAN, LeRoy F., Administrative Judge:

Applicant did not mitigate the security concerns under Guideline F, Financial Considerations. His application for eligibility for access to classified information and assignment to duties designated as national security sensitive is denied.

Statement of the Case

Applicant submitted a Questionnaire for National Security Positions (SCA) on November 7, 2021. On July 7, 2025, the Defense Counterintelligence and Security Agency (DCSA) sent him a Statement of Reasons (SOR) alleging security concerns under Guideline F. 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 16, 2025, and requested a decision on the written record in lieu of a hearing. Department Counsel submitted the Government's written case on January 28, 2026. A complete copy of the file of relevant material (FORM) was sent to Applicant, who was given an opportunity to file objections and submit material to refute, extenuate, or mitigate the Government's evidence. He received the FORM on March 3, 2026, and he did not respond or object to any of the exhibits. The case was assigned to me on April 30, 2026.

The FORM consists of the pleadings in the case, Government Exhibit (GE) 1 and the documents in support of the allegations in the SOR, GE 2 through 10. GE 2 through 10 are admitted into evidence, without objection.

Findings of Fact

The SOR alleges 14 separate delinquent accounts comprised of consumer debts totaling approximately \$13,000 (SOR ¶¶ 1.c.-1.p.), a delinquent state tax debt of approximately \$3,500 (SOR ¶ 1.b.), and delinquent federal taxes totaling approximately \$53,000 (SOR ¶¶ 1.a.). In his Answer to the SOR, Applicant admitted all the allegations and explained that the debts are "currently on a payment plan." (GE 2) His admissions are incorporated in my findings of fact.

Applicant is a 34-year-old high school graduate. He is not married and does not have any children. He attended some courses at a community college but did not receive a degree. He is employed as a desktop support technician for a government defense contractor. In his SCA, Applicant disclosed his failure to timely file his 2019 and 2020 federal income taxes, as well as one delinquent consumer account. In response to Government interrogatories, he admitted additional debts but indicated repeatedly that payment arrangements had been made and that he was adhering to said arrangements. (GE 3 at 11-13, 27-28, and 43) Although he admits to procrastinating and putting off addressing his old taxes and debts, he asserts that the crux of his financial difficulties stems from having to take care of and financially assist his ailing grandparents, who passed away in the last two years. (GE 4)

Internal Revenue Service (IRS) tax account transcripts provided by the Applicant confirm that most of his tax debt is a result of reassessments and corrections of amounts due made by the IRS after Applicant filed his tax returns. Although he entered into an installment agreement with the IRS in June 2022, beginning in January 2023, his payments were regularly dishonored, and the installment agreement was canceled by the IRS in August 2024. (GE 4 at 5-10) Though records indicate a new agreement was entered in October 2024, there is no evidence of payments made toward the agreement. The record is void of recent payments made to address his significant federal tax debt.

Applicant engaged the services of a debt-consolidation company on or about October 26, 2024. (GE 4) Per submitted documentation, he enrolled \$7,535 of his debt into a debt negotiation agreement, towards which he was to make \$125 bi-weekly payments. The delinquent consumer debts listed on SOR ¶¶ 1.c., 1.d., 1.e., 1.g., and 1.h. appear to be the enrolled accounts. (GE 4 at 40) The plan was to run for 22 months and

commence on November 8, 2024. (GE 4 at 39) There is evidence of four installments made towards this agreement, from November 14, 2024, through January 1, 2025. However, the record lacks additional documentation to support that Applicant continued to adhere to the agreement.

I have noted that in response to Government interrogatories, Applicant submitted documentation of pending payments of approximately \$34 a month to an unalleged creditor, to address a total debt of approximately \$184. GE 6, line item 10, reflects a previously delinquent debt that was owed to this creditor, that now indicates a \$0 balance.

SOR ¶ 1.a. alleges delinquent tax debt Applicant owes to the federal government for tax years 2019 (\$19,000), 2020 (\$33,000), and 2023 (\$817) totaling approximately \$53,000. Based on tax documentation submitted by Applicant, his tax debt is a result of additional or corrected taxes assessed by the IRS after he filed his tax returns for the aforementioned years. Applicant initially entered into an installment agreement with the IRS in June 2022 to address his 2019 tax debt. He made six good-faith payments of \$375 towards this debt from August 2022 through December 2022. His following payments of approximately \$400 to \$625 a month from January 2023 through May 2024 were nearly all dishonored, and the installment agreement was terminated in August 2024. He entered into a new agreement in October 2024; however, the one payment made in November 2024 towards the new agreement was dishonored. He provided no further information for tax year 2019. Based on documentation submitted, an installment agreement was established by the IRS in January 2023 to address Applicant's delinquent 2020 tax debt, however no payments were made towards the agreement. Like his 2019 tax debt, this agreement was also terminated in August 2024. A new installment agreement was established in October 2024. However, no payments have been made towards said agreement. Tax year 2023 debt was also included in the new installment agreement established in October 2024, and again, no payments have been made towards that agreement. (GE 3, 4, and 8)

SOR ¶ 1.b. alleges a state (State A) tax debt in the approximate amount of \$3,523. Applicant was re-assessed by State A's taxation department on or about April 3, 2023, and they determined that he owed an additional tax. (GE 9) Based on documentation he submitted dated December 28, 2024, which appear to be online state tax filings, his State A taxes were due on or before May 1, 2023, and the document reflects, "Balance Due or Refund \$701." He also included an undated state tax voucher from State B for tax year 2023, which indicated a balance due and payment amount of \$69. (GE 4) Applicant did not submit any documentation to support resolution of the tax debt as alleged on the SOR.

SOR ¶¶ 1.c., 1.d., 1.e., 1.g., and 1.h. are all debts that have either been charged off or have been placed for collection by the creditor in various amounts, totaling \$7,602. Public record documents indicate potential liens and judgments entered against Applicant by some of these creditors that total approximately \$3,600. (GE 10) These are the debts that were enrolled in Applicant's debt resolution agreement he entered in October 2024. (GE 4) All these debts, but for one, reflect as delinquent on Applicant's most recent credit bureau report (CBR) accessed on January 27, 2026. SOR ¶ 1.h. has been paid in full for less than the full balance in or near April 2025. (GE 5)

SOR ¶ 1.j. is a delinquent debt of approximately \$734, owed to the same creditor as that in SOR ¶ 1.c. However, this debt was paid in full for less than the full balance in or near May 2025. (GE 5)

SOR ¶¶ 1.f., 1.i., 1.n., and 1.o. are all delinquent consumer debts totaling approximately \$2,781 that are reflected as delinquent on Applicant's most recent CBR. (GE 5) In his Answer to the SOR, he asserted "currently on a payment plan" yet submitted no documentation in support. GE 5 indicates Applicant has two delinquent debts with the creditor listed on SOR ¶ 1.f., only one of which has been alleged in the SOR. The unalleged debt is for approximately \$224. (GE 5)

SOR ¶¶ 1.k., 1.l., 1.m., and 1.p. are all delinquent consumer debts totaling approximately \$2,256 that do not appear on GE 5, but they are reflected as delinquent on Applicant's CBR accessed on February 6, 2024. (GE 7) The debt alleged on SOR ¶ 1.k. is for \$67, not \$160 as alleged on the SOR. (GE 6 and 7) In his Answer to the SOR, Applicant asserted "currently on a payment plan" yet submitted no documentation in support.

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 Defense 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 Defense 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 in the FORM establish the following disqualifying conditions under this guideline:

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

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.

GE 4-9 are sufficient to establish the government's *prima facie* case that Applicant has delinquent debts that are of security concern. See ISCR Case No. 03-20327 at 2 (App. Bd. Oct. 26, 2006). The burden therefore shifts to Applicant to present evidence to refute, explain, extenuate, or mitigate the security concerns arising from those debts, to include establishing that he is not personally responsible for the debts. See ISCR 20-03146 at 3 (App. Bd. June 6, 2022).

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;

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

AG ¶ 20(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.

AG ¶ 20(a) is not established. Applicant's delinquent debts are numerous and

accrued during a long period of time, and he has presented insufficient evidence to meet his burden to show that his financial condition does not cast doubt on his current reliability, trustworthiness, or good judgment. Although he entered into installment agreements, the large volume of dishonored payments indicates the problem is ongoing and not infrequent.

AG ¶ 20(b) is established in part. Applicant's debt was a result of being overextended caring for his ailing grandparents. However, the record lacks evidence to establish the second prong of responsible action *at the time* of the occurrence. Applicant entered into an installment agreement with the IRS and sought out debt resolution for some of the debts in question, however, most of his actions were taken years later and some in response to his security clearance being in jeopardy.

AG ¶ 20(c) is not established. Applicant has not provided evidence that he has received or is receiving financial counseling for the problem from a legitimate and credible source and that there are clear indications that the problem is being resolved or is under control.

AG ¶ 20(d) is established for SOR ¶¶ 1.h. and 1.j., only. It is not established for the remaining allegations. Although Applicant provided evidence that he initiated some payment arrangements, the record does not support concluding that he is in fact adhering to a good-faith effort to repay overdue creditors or otherwise resolve his debts. He made some payments towards his IRS debt for five months in 2022, but nothing of substance since. The record also lacks recent proofs of payments towards the debt resolution agreement, and even then, the debt he has enrolled in the program is only a portion of his total delinquencies. Applicant has not yet established a track record of timely good faith payments sufficient to establish this mitigating condition.

AG ¶ 20(g) is not established. Although Applicant entered into an installment agreement with the IRS as early as 2022, he failed to honor that agreement, and it was eventually terminated by the IRS. He re-established the agreement in October 2024, but his one and only payment towards it was dishonored. There is no evidence to establish that he has an active installment agreement with the IRS or that he is in compliance that agreement.

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 Applicant requested a determination on the record without a hearing, I had no opportunity to evaluate his credibility and sincerity based on demeanor. See ISCR Case No. 01-12350 at 3-4 (App. Bd. Jul. 23, 2003). 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 financial condition.

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.g., 1.i., 1.k.-1.p.: Against Applicant

Subparagraphs 1.h. and 1.j.: For 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