DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	
	)	ISCR Case No. 25-01084
	)	
Applicant for Security Clearance	)	

Appearances

For Government: Cynthia Ruckno, Esq., Department Counsel
For Applicant: *Pro se*

06/04/2026

Decision

HARVEY, Mark, Administrative Judge:

Guideline F (financial considerations) security concerns are not mitigated. Eligibility for access to classified information is denied.

Statement of the Case

On January 2, 2024, April 2, 2021, and June 24, 2016, Applicant completed Electronic Questionnaires for Investigations Processing (e-QIPs) or security clearance applications (SCAs). (Government Exhibit (GE) 1-GE 3) On September 16, 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 stated his case would 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 Guideline F. (HE 1) On September 30, 2025, he responded to the SOR. (HE 2) On February 11, 2026, Department Counsel was ready to proceed. On February 20, 2026, the case was assigned to me. On March 3, 2026, DOHA issued a notice scheduling the hearing for April 23, 2026. (HE 3) The hearing was held as scheduled, using the Microsoft Teams video teleconference system.

During the hearing, Department Counsel offered 11 exhibits; Applicant did not provide any exhibits; and all proffered exhibits were admitted into evidence without objection. (Tr. 15, 19-21; GE 1-GE 11) On May 11, 2026, DOHA received a copy of the transcript. Applicant provided four post-hearing exhibits, which included his email conveying three attachments. (Applicant Exhibit (AE) A-AE D) There were no objections, and I admitted the four exhibits. The record closed on June 2, 2026. (Tr. 50, 52; 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, he admitted the allegations in SOR ¶¶ 1.a, 1.b, 1.c, 1.f, and 1.h, and he denied the allegations in SOR ¶¶ 1.d, 1.e, 1.g, and 1.i through 1.l. (HE 2) He also provided extenuating and mitigating information. His admissions are accepted as findings of fact.

Applicant is a 40-year-old video operations lead, and he has worked for a government contractor for two years. (Tr. 8, 12) In 2004, he graduated from high school. (Tr. 8) He completed about three semesters of college. (Tr. 9) He served in the Air Force from 2006 to 2011, and he received a general discharge under honorable conditions. (Tr. 8) The basis for his general discharge was that he failed to pass a test for his Air Force specialty, and he received a letter of reprimand for not passing the test. (Tr. 9-10) He was married from 2007 to about 2008, and from 2011 to 2021. (Tr. 10) His three children are ages 11, 13, and 15. (Tr. 11) The younger two children live with his former spouse, and the oldest child lives with Applicant. (Tr. 11)

Financial Considerations

As to division of marital debt in his divorce decree from his second marriage, Applicant's spouse was awarded two vehicles "subject to any indebtedness thereon." (HE 2 at .pdf 16) The names of the creditors for the vehicles are not specified in the divorce decree. The divorce decree also provides, "there is no existing marital debt to divide." *Id*. at .pdf 17. Each party is responsible for their own debts. *Id*. at .pdf 16-17.

The SOR alleged 12 delinquent debts totaling about $70,003. Their status is as follows.

SOR ¶ 1.a alleges Applicant has a charged-off debt for about $12,220. He was on the contract to purchase the vehicle; however, he said the family court allocated the debt to his spouse in their divorce. (Tr. 23-25) He learned she was not making the payments on the debt when an Office of Personnel Management (OPM) investigator interviewed him and advised him it was on his credit bureau report (CBR) as a negative entry. (Tr. 25) He did not contact his former spouse about the debt. (Tr. 25) He contacted the CBR company and creditor and asked that he not be held responsible for the debt because of the divorce decree. (Tr. 25-26) They declined to release him from the debt or remove it from his CBR. (Tr. 26) He said, "So, I just decided I'll wait the seven years, and then, it will come off of my credit. Because, I mean, I have other stuff to deal with, that I wasn't going to be able to make that payment for that one." (Tr. 26) His April 20, 2026 CBR shows the following information: $12,218 original amount; $10,364 charge-off amount; secured loan; $12,220 past due amount; last paid date April 23, 2021; and unpaid balance reported as loss. (GE 11 at 1)

SOR ¶ 1.b alleges Applicant has a charged-off debt for about $2,057. The debt related to a vehicle loan. (Tr. 26) He was in an accident, and there was a balance owed on the debt. (Tr. 26) In his SOR response, he said he would settle the debt in the near future. (HE 2) At his hearing, he said he made one or two payments in the last several months. (Tr. 27) He said he would check his bank account statement after the hearing for evidence of payments. (Tr. 28) His April 20, 2026 CBR shows the following information: $26,485 original amount; auto loan; $1,182 charge-off amount; $2,057 past due amount; last paid date of April 23, 2023; and unpaid balance reported as loss. (GE 11 at 2)

SOR ¶ 1.c alleges Applicant has a charged-off debt for about $9,821. He said he cosigned for the account when it was opened; it was used to purchase furniture; and it was the same situation as SOR ¶ 1.a with him believing his former spouse should pay the debt or more of the debt, and he was electing to let it drop off of his CBR. (Tr. 29)

SOR ¶ 1.d alleges Applicant has a charged-off debt for about $1,229. He said he took out some loans after he was divorced, and this may be one of them. (Tr. 30) He believes he paid the debt, and it is not listed on his current credit report. (Tr. 30) He did not provide proof of payment. This debt is not resolved because of the lack of documentation that the debt is paid.

SOR ¶ 1.e alleges Applicant has a delinquent debt for about $1,896 for the balance due on a vehicle that had been repossessed. He said his spouse received the vehicle in the divorce, and the debt was her responsibility. (Tr. 30-31) It is the same situation as SOR ¶ 1.a with him believing his former spouse should pay the debt or more of the debt, and he was electing to let it drop off of his CBR. (Tr. 30-31) His April 20, 2026 CBR shows the following information: $30,058 original amount; auto loan; $1,896 past due amount; last paid date July 3, 2025; and "merchandise taken back, may be a balance due." (GE 11 at 2)

SOR ¶ 1.f alleged Applicant owes a state child support (SCS) agency about $32,816. His August 11, 2025 CBR shows a monthly payment of $1,176 and a current balance of $33,392. (GE 4 at 3) His April 20, 2026 CBR shows the following information: open date December 19, 2021; status date March 2026; last paid date March 10, 2026; scheduled payment $1,476; balance $41,288; balance date March 21, 2026; and status 180 days past due. (GE 11 at 2)

On July 28, 2021, the court granted Applicant's divorce. (HE 2 at .pdf 11-37) Applicant and his spouse had three minor children. *Id*. The court order states that Applicant is ordered to pay his spouse $1,176 per month based on the SCS guidelines. *Id*. at .pdf 13. His income is $6,400 per month, and his spouse's income is $2,800 per month. *Id*. The SCS obligation shall begin on August 15, 2021, and continue the same day of each month thereafter. *Id*. He was also ordered to pay his spouse support alimony totaling $10,800 at the rate of $300 per month beginning on September 10, 2021, and continuing on the same day each month until paid in full. *Id*. at 18. The spouse support alimony was not discussed at his hearing.

Applicant lives in a different state than his former spouse. (Tr. 40-41) To address his SCS responsibilities, his employer pays his state of residence as required by a SCS order, and his state pays her state of residence, which in turn, pays his spouse. (Tr. 40-41) Applicant's son has been living with Applicant for three years, and in March of 2026, He received legal custody of his son. (Tr. 36-37) At the time of his hearing, Applicant was attempting to get his SCS payments reduced based on his custody of his son. (Tr. 37) He believed the SCS balance would be reduced to about $24,000. (Tr. 37) He said his SCS monthly payment was reduced from about $1,500 to $855. (Tr. 40)

After his hearing Applicant provided evidence that on April 8, 2026, the state sent his employer an amended withholding order and asked that $856 be withheld from his pay and provided to the SCS agency. (AE A) Records from the SCS agency show that from January 9, 2026, to April 10, 2026, he paid $1,412 monthly, and from April 10, 2026, to May 22, 2026, he paid $856 monthly. (AE B) The total amount paid so far in 2026 was $6,224. (AE B) The March 12, 2026 chart from the SCS agency indicates: total child support due $74,208; total payments received $49,121; unpaid balance $25,086; interest $1,179; and total current balance $26,266. (AE D)

From January of 2025 to February of 2026, Applicant made all of his monthly SCS payments except in February of 2025, when he paid $0. (AE D) He paid extra for several months to make up for the missed payment. He reduced the arrearage from $28,572 to $26,266 in the period from January of 2025 to February of 2026. (AE D)

Applicant's May 22, 2024 OPM summary of interview states:

> Subject discussed his listed child support. Subject owes around $17,000 in child support. Subject did not know that it showed he owed $21,623. Subject was divorced as listed and had child support after the court case. After

> court, Subject made payments directly to his ex-wife before money started being taken out of his pay checks to pay child support to the court. Once money started being taken out of his paycheck, it showed that he owed for the months prior when no money was being taken out of his paycheck. Subject told the court that he paid his ex directly during this time, but the court would not count the money paid since it went directly to the ex and not through the court. It showed that Subject was a few months behind on child support even though he was paying directly out of his paycheck due to how long it took for the court to set up the payments through his employer. Subject got more behind when he switched jobs because it took a few months for the new job to set up the payments through his paychecks. Subject has had money taken out of his paycheck ever since. Subject was asked why he has not paid this in full since he received almost $300,000 from the sale of stocks. Subject provided that his oldest son has been living with him for a year and the amount of money he owes should be less due to his son living with him. Subject is trying to schedule a court date to get the amount reduced. Once Subject knows what the reduced total is, he plans on paying in full. (GE 10 at 2)

Applicant's May 22, 2024 OPM summary of interview states he has $100,000 in the bank (in his cohabitant's account) and $180,000 in an IRA. (GE 10 at 6)

SOR ¶ 1.g alleged Applicant has a telecommunications account placed for collection for about $1,377. He disputed this debt on his CBR because he said it was either not his account, or it was settled. (Tr. 32-33; HE 2 at .pdf 8-9) This debt is listed on his April 20, 2026 CBR, and it indicates the account information is disputed. (GE 11 at 2-3) This debt is unresolved.

SOR ¶ 1.h alleges Applicant has an account placed for collection for about $1,352. He said he accepted responsibility for this debt, and he intends to pay it. (Tr. 33) He has not contacted the creditor. (Tr. 33) This debt is listed on his April 20, 2026 CBR with a past due amount of $1,352, and this CBR indicates the account information was disputed, and the creditor resolved it; however, consumer disagrees. (GE 11 at 3)

SOR ¶ 1.i alleges Applicant has a charged-off debt for about $1,237. The debt was paid with a credit card, and the debt has a zero balance. (Tr. 44; HE 2 at .pdf 6-7) This debt is not listed on his April 20, 2026 CBR. This debt is resolved.

SOR ¶ 1.j alleges Applicant has a utility account placed for collection for about $83. His May 22, 2024 OPM summary of interview states he said he paid this debt. (GE 10 at 5) At his hearing, he said he disputed the debt because he did not believe he was responsible for it, and it was removed from his CBR. (Tr. 34) This debt is not listed on his April 20, 2026 CBR. This debt is inconsequential.

SOR ¶ 1.k alleges Applicant has an account placed for collection for about $2,521. His April 30, 2024 CBR shows a balance of $2,521, and the debt is placed for collection. (GE 6 at 4). His September 6, 2024 OPM summary of interview states he provided an April 24, 2024 CBR to the investigator, which said he settled the debt. He also provided evidence that he paid the creditor $1,260. (GE 10 at 8) At his hearing, he said he settled this debt. (Tr. 33) This debt is not listed on his August 11, 2025, and April 20, 2026 CBRs. (GE 4, GE 11) This debt is resolved.

SOR ¶ 1.l alleges Applicant has a charged-off debt for about $2,218. He provided documentation showing that on September 30, 2024, he paid $1,900 and settled this debt. (HE 2 at .pdf 38-42) This debt is resolved.

Applicant's April 20, 2026 CBR shows the following non-SOR negative information: bank credit card; open date January 10, 2018; charge-off amount $651; last paid date March 10, 2026; payment status unpaid balance reported as loss; and current balance $488. (GE 11 at 3) This CBR also shows: bank credit card; open date September 24, 2024; charge-off amount $665; last paid date July 30, 2025; payment status unpaid balance reported as loss; and current balance $665. (GE 11 at 3)

Applicant's annual income is $86,000. (Tr. 42) He has a monthly remainder after paying his expenses, including child support, of about $1,000. (Tr. 43) He has over $100,000 in his Roth IRA. (Tr. 44) At the time of his hearing, he had attended some financial seminars, and he is scheduled for credit counseling. (Tr. 35-36; AE C)

At his hearing, Applicant said he was "up to date" on his taxes. (Tr. 45) I requested, and he agreed to provide IRS tax transcripts for the last five years after the hearing to show his income, federal income taxes paid, and whether his taxes were timely filed. (Tr. 48-49) He did not provide any federal income tax documentation after his hearing.

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 Defense 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 people 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. Thus, nothing in an unfavorable decision should be construed to suggest that it is based on any express or implied determination about an applicant's allegiance, loyalty, or patriotism. An unfavorable decision is merely an indication the applicant has not met the strict guidelines the President, Secretary of Defense, 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. Sept. 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).

SOR ¶¶ 1.a through 1.l allege 12 delinquent debts totaling about $70,003. Applicant paid or is credited with resolution of the following four debts: SOR ¶ 1.i ($1,237); 1.j ($83); 1.k ($2,521); and 1.l ($2,218). He said he would wait for three SOR debts totaling about $23,937 to drop off or age off of his CBR: ¶ 1.a ($12,220); ¶ 1.c ($9,821); and ¶ 1.e ($1,896). He currently has eight delinquent SOR debts in SOR ¶¶ 1.a through 1.h totaling about $56,218.

From January of 2025 to February of 2026, Applicant made all of his monthly child support payments except in February of 2025, when he paid $0. In subsequent months, he paid additional amounts to make up for the missed payment. From January of 2025 to February of 2026, he reduced his child-support arrearage from $28,572 to $26,266. I have credited Applicant with being compliant with the court-ordered child support under an immediate withholding order (IWO). In ISCR Case No. 20-03457 at 3-4 (App. Bd. June 15, 2023), the Appeal Board explained the difference between child support IWOs and garnishment orders as follows:

> Child support IWOs, however, are not per se equivalent to garnishment orders. Although both operate via court-enforced deduction from an individual's assets, IWOs have nuances that render them distinguishable from garnishments and potentially excepted from Appeal Board precedent regarding involuntary payments.
>
> While the automatic and court-enforced nature of IWOs means payments are not made strictly "voluntarily," they are not necessarily punitive or entered because of prior or forecasted delinquencies. Rather, "immediate income withholding" – the Federally mandated default method for paying child support in every State – requires, with exceptions, entry of an IWO whenever an initial child support order is entered.[1] It is imposed regardless of an obligor's history of payment compliance, simply to ensure child welfare.[2] Moreover, immediate income withholding, by definition, cannot represent a prior failure to pay because it is immediate – meaning the IWO is entered concurrent with the child support determination, before delinquencies can have occurred. As stated above and relevant to the facts of this case, an arrearage may be calculated based on a retroactive child support award, but that is not the same as a balance that accrued due to intentional default.[3] Applicant's IWOs were entered along with his initial child support orders, and therefore they appear to represent immediate income withholding and are distinguishable from garnishment. (footnotes 1-3 in original)
>
> I have credited Applicant with mitigation of the child-support debt in SOR ¶ 1.f.

AG ¶ 20(a) does not apply to the SOR allegations. "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 Case No. 22-02226 at 2 (App. Bd. Oct. 27, 2023) (citing ISCR Case No. 15-06532 at 3 (App. Bd. Feb. 16, 2017)).

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[1]See 42 U.S.C. 666(a)(8)(B) and (b). The requirement is codified in Applicant's State in the Florida Statutes. See FLA. STAT. § 61.1301(1)(a) (2009) (requiring entry of an IWO in cases establishing, enforcing, or modifying a child support obligation).

[2] Immediate income withholding was introduced by The Family Support Act (FSA) of 1988. Unlike the delinquency-based income withholding introduced in prior FSA amendments, the 1988 amendments required states to implement immediate income withholding in all child support orders issued beginning January 1, 1994, with exceptions for good cause or alternate arrangements agreed upon in writing by both parents and the court. *See* Dep't of Health & Human Servs., Off. of Child Support Enf't, Income Withholding for Child Support, available at https://www.hhs.gov/guidance/sites/default/files/hhs-guidance-documents/im_01_06a.htm.

[3] Conversely, when income withholding is instituted after entry of a support order where alternative payment arrangements were attempted first, it is more likely to represent a remedy to protect against further delinquencies. That is not the case here.

AG ¶ 20(b) does not fully apply. Applicant's divorce is a circumstance largely beyond his control that adversely affected his finances. However, he did not provide sufficient information about changes in income, available assets, and expenditures to fully mitigate his financial issues. He did not assert good enough reasons or other circumstances partially or fully beyond his control, which caused him not to be able to make more progress sooner to resolve more of his delinquent SOR debts.

AG ¶ 20(c) does not fully apply. Applicant has received and is receiving financial counseling. However, due to the absence of sufficient documented evidence of progress paying his delinquent debts, there are not clear indications that his financial problems are being resolved or are under control.

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).

As for debts being dropped from a 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 CBR 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 CBR upon dispute when a creditor believes the debt is not going to be paid, a creditor fails to timely respond to a CBR company'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 under AG ¶ 20(e) is Applicant's "provi[sion of] documented proof to substantiate the basis of the dispute." AG ¶ 20(e). The documented proof is necessary to establish a reasonable basis for the dispute, such as proof of payment, a letter of satisfaction, evidence of identity theft, or resolution from a creditor.

AG ¶¶ 20(d) and 20(e) do not fully apply. Applicant did not provide sufficient evidence that he is "adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts," and he did not provide sufficient documentation showing that he had a reasonable dispute of the SOR debts in ¶¶ 1.a through 1.h.

The following issues were not alleged in the SOR. Applicant placed about $100,000 into his cohabitant's bank account, and he has about $100,000 in a Roth IRA. He did not explain why some of these funds were not used to address the SOR debts. His April 20, 2026 CBR has two non-SOR delinquent debts. He did not provide the requested IRS tax transcripts. These issues are not well-developed, and no adverse inference is drawn against Applicant for these issues.

In ISCR Case No. 06-10320 at 2 (App. Bd. Nov. 7, 2007), the Appeal Board said:

> The application of disqualifying and mitigating conditions and whole-person factors does not turn simply on a finding that one or more of them apply to the particular facts of a case. *See, e.g.,* ISCR Case No. 01-14740 at 7 (App. Bd. Jan.15, 2003). Thus, the presence of some mitigating evidence does not alone compel the Judge to make a favorable security clearance decision. As the trier of fact, the Judge must weigh the evidence as a whole and decide whether the favorable evidence outweighs the unfavorable evidence, or vice versa.

Applicant did not prove that he was unable to make greater progress sooner in the resolution of more of his delinquent SOR debts. Under all the circumstances, and considering the evidence "as a whole," Applicant's financial issues are not mitigated.

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 commonsense judgment based upon careful consideration of the guidelines" and the whole-person concept. My comments under Guideline F are incorporated in my whole-person analysis. Some of the factors in AG ¶ 2(d) were addressed under that guideline but some warrant additional comment.

Applicant is a 40-year-old video operations lead, and he has worked for a government contractor for two years. He completed about three semesters of college. He served in the Air Force from 2006 to 2011, and he received a general discharge under honorable conditions.

The evidence supporting denial of Applicant's security clearance is detailed in the financial considerations section, *supra,* and this evidence is more substantial 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*, *Dorfmont*, 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 security concerns.

This decision should not be construed as a determination that Applicant cannot or will not attain the state of reform necessary for award of a security clearance in the future. With continued effort to establish and maintain his financial responsibility, he may well be able to demonstrate persuasive evidence of his security clearance worthiness.

Formal Findings

Formal findings For or Against Applicant on the allegations set forth in the SOR, as required by Section E3.1.25 of Enclosure 3 of the Directive, are:

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraphs 1.a through 1.e:	Against Applicant
Subparagraph 1.f:	For Applicant
Subparagraphs 1.g and 1.h:	Against Applicant
Subparagraphs 1.i through 1.l:	For 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