



**DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS**



In the matter of:)
)
) ISCR Case No. 25-00833
)
Applicant for Security Clearance)

Appearances

For Government: Jenny Bayer, Esq., Department Counsel
For Applicant: *Pro se*

05/26/2026

Decision on Remand

Dorsey, Benjamin R., Administrative Judge:

Applicant did not mitigate the financial considerations security concerns. Eligibility for access to classified information is denied.

Statement of the Case

On July 22, 2025, the Defense Counterintelligence and Security Agency (DCSA) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F (financial considerations). Applicant responded to the SOR on August 27, 2025 (Answer), and requested a decision based on the written record by an administrative judge from the Defense Office of Hearings and Appeals (DOHA).

The Government submitted its written file of relevant material (FORM) on January 14, 2026. A complete copy of the FORM was provided to Applicant, along with information advising him that he had 30 days from his date of receipt to make objections to evidence, and submit material to refute, extenuate, or mitigate the security concerns. Applicant received the FORM on February 7, 2026, and provided an undated response. (FORM Response). In the FORM Response, he indicated that “any factual conclusions drawn solely from [the unverified summaries of Enhanced Summary Interviews, identified as Items 13 and 14] are objected to as unauthenticated and entitled to reduced evidentiary weight.” The case was assigned to me on March 10, 2026. The Government exhibits included in the FORM, marked as Items 1 through 12, were admitted in evidence, without

objection. Applicant objected to the entry in evidence of Items 13 and 14 as unauthenticated personal subject interviews. His objection is sustained, and Items 13 and 14 are not admitted in evidence. The FORM Response is admitted in evidence without objection.

On March 31, 2026, after a thorough review of the record evidence, I issued a decision finding that it was not clearly consistent with national security to continue Applicant's security clearance eligibility. After a timely appeal, on May 19, 2026, a majority of the Appeal Board remanded the matter back to me to consider additional evidence it discovered after I closed the record. This evidence consisted of documents that Applicant apparently attached to the Answer but were not provided to me as part of the case file prior to my March 31, 2026 decision. Applicant described these documents as Applicant Exhibits (AE) A through U, but he did not mark his exhibits, so I do not find identifying them as such to be a helpful classification. In its decision, the Appeal Board described the documents that it found as the "zip" file, so that is how I will refer to it. The zip file consists of 61 pages. After reviewing the record evidence in this matter, including the zip file, I make the following findings of fact.

Findings of Fact

Applicant is a 36-year-old employee of a government contractor for which he has been employed since about August 2024. He is often deployed outside of the United States for his work. He graduated from high school in 2007 and earned a certificate in administration of justice in 2015. He has been in a civil marriage since 2018. He has two children, ages 16 and 4. He served on active duty in the Army from 2009 until 2013, when he earned an honorable discharge. He served on inactive reserve duty in the Army National Guard from 2014 until 2019, when he earned an honorable discharge. (FORM Response; Items 2-4; zip file)

In the SOR, the Government alleged that Applicant had three delinquent accounts totaling about \$85,000 (SOR ¶¶ 1.a through 1.c). In the Answer, he admitted the SOR allegations with additional comments. His admissions are adopted in my findings of fact. The SOR allegations are established by his admissions and his and the Government's credit reports. The nature and status of the SOR accounts is as follows. (FORM Response; Items 1, 2, 4, 5, 7-12; zip file)

A personal loan charged off in the amount of \$53,649 listed in SOR ¶ 1.a. and a credit card charged off in the amount of \$20,716 listed in SOR ¶ 1.b. Applicant opened these accounts with the same creditor in 2019 and August 2022, respectively. He became delinquent on the account in SOR ¶ 1.a in 2020, when he lost his job because of the COVID-19 pandemic. The creditor charged off the account in SOR ¶ 1.b in June 2022. The zip file contains documents showing a seven-minute call to the creditor of these accounts in May 2025, and a thirteen-minute call in July 2025. It also reflects several cancelled calls. It's unclear what was discussed during these phone calls. The zip file also reflects that, in August 2025, he sent the creditor of these accounts a written message (possibly via its phone application) offering to set up a payment plan to pay off his

“outstanding loans.” He wrote that he would transfer \$1,600 and then would like to pay \$150 on each account for an indeterminate period of time until he was able to save up enough money to pay the accounts off. He wrote that he could not complete calls to the creditor because he was overseas and hoped he could make a payment arrangement via the creditor’s mobile app. The creditor responded with what appears to be an automated message indicating that he would have to call its recovery department to make a payment arrangement and listed a toll-free number to call. Applicant provided a bank statement showing two debits of \$300 in September 2025, but it is unclear to whom those payments were directed. His documents reflect a \$1,600 deposit to a bank account with the creditor of these accounts on August 1, 2025, but there is no indication that this money was paid toward either of these SOR accounts. He claimed that these documents corroborated that he made a \$1,600 payment to the creditor and entered into a payment plan to make monthly payments of \$150 per month. (FORM Response; Items 1, 2, 4, 5, 7-12; zip file)

In the FORM Response, Applicant provided a document dated October 2025 from the current servicer of the account in SOR ¶ 1.a reflecting a loan balance of \$53,349, which is \$300 less than the balance listed in the SOR. This document reflected payments since July 2021 of \$6,320, but it does not list when those payments were made or in what amount. The Government’s February 2023 credit report reflects a balance on this account of \$53,703, which drops to \$53,649 on the September 2024 credit report and \$56,349 on the December 2025 credit report. The documentary evidence, including the zip file, reflects the balance on the account in SOR ¶ 1.a was \$56,349 when the record closed.

Applicant claimed that a payment arrangement on the accounts in SOR ¶¶ 1.a and 1.b was part of a financial recovery plan that he seemed to indicate was part of the zip file. However, after carefully reviewing that file, I was unable to identify a document that I would consider a financial recovery plan. The documentary evidence does not support his claim of a formal payment arrangement with the creditor for these two SOR accounts. Instead, the documentary evidence reflects a payment arrangement offer that the creditor did not accept, and one \$300 payment credited to the account in SOR ¶ 1.a in about September 2025. (FORM Response; Items 1, 2, 4, 5, 7-12; zip file)

A credit card charged off in the amount of \$10,950 listed in SOR ¶ 1.c. Applicant opened this account in 2015. His last payment on the account was in December 2022. He claimed that he made a payment arrangement on this account for a time before he lost a job in September 2023. He did not provide any documentation corroborating this claim. He stopped making payments when he lost his job in September 2023 and lost track of the creditor. He provided no documents regarding any resolution efforts he made on this account. He claimed he will address this account when he finishes paying the accounts in SOR ¶¶ 1.a and 1.b. (FORM Response; Items 1, 2, 4, 5, 7-12; zip file)

Applicant claimed that he fell behind on these debts because of unemployment due to the COVID-19 pandemic (unemployed from October 2020 until January 2022), unemployment because of hostile working conditions at a former job (unemployed from September 2023 until August 2024), underemployment, and a downturn in the market of government contractor jobs. He provided documents related to resigning from his job with

a government contractor in October 2023 because of a dirty and moldy air conditioning unit. He also provided documents that show him following up on employment leads and evidence efforts to find new employment. He started a laundromat business that was hampered by COVID-19 pandemic restrictions, and this issue also caused him financial problems. He claimed this business no longer loses money. He provided a document that reflects charges that the business incurred. He also had a child who was born prematurely and required expensive medical care. He provided documents showing that he made substantial payments to his child's mother to provide child support for his son. He acknowledged that these payments went toward child support arrearages. Delinquent child support payments were not alleged in the SOR, so I will not consider that evidence for disqualification purposes. I will consider it in my whole-person and mitigation analysis. (FORM Response; Items 2-5; zip file)

Applicant claimed that, despite these setbacks, he acted responsibly by maintaining his child-support payments, making payments to his creditors when he was able, disclosing his financial issues, and consistently looking for employment when he was unemployed. He alleged that Chinese-based firms attempted to contact him in response to his job searches, but he did not respond because of his loyalty to the United States. (FORM Response; Items 2-5; zip file)

Applicant settled two other accounts originally held by the same creditor holding the accounts listed in SOR ¶¶ 1.a and 1.b. Credit reports show that he has satisfied several other loans from this creditor over the years. He also satisfied a DOD overpayment. (FORM Response; Items 2, 4, 5, 7-12; zip file)

Applicant provided a personal financial statement from May 2025 that reflected a net surplus of \$2,750 after paying \$1,100 per month on the debts in SOR ¶¶ 1.a and 1.b and \$350 per month on the debt in SOR ¶ 1.c. As discussed herein, the documentary evidence in the record does not corroborate that he made these budgeted payments to SOR creditors. His net surplus is based on a net monthly salary of \$6,433 and other monthly income of \$4,400 from a source that he described as "house built on family land." He did not provide an explanation as to how he earns \$4,400 monthly from a house on family land but provided a LEXISNEXIS document showing a parcel of real property in his name with a tax-assessed value of \$537,000. He provided a paystub corroborating the accuracy of this net monthly salary from January 2025. However, a subsequent paystub he provided from May 2025 reflected zero gross pay. A reasonable reading of these documents in the context of his other narrative statements is that he was not deployed for the pay period ending in May 2025. It is unclear what his current income status is, i.e., whether he is deployed and earning an income, or not deployed and not earning an income. He also referenced a work schedule that shows him as deployed for several months and then (presumably) not working for several months. The credit reports do not reflect any additional delinquent debts. (FORM Response; Items 2-5, 7-12; zip file)

Applicant provided character-reference letters from colleagues (including a former supervisor) and friends who attested to his outstanding honesty, trustworthiness, character, integrity, and strong work ethic. To the extent they opined, the writers believed

that Applicant should be awarded security clearance eligibility. The writers indicated that they are aware of his financial issues but did not indicate they have reviewed the SOR. (Item 2)

Policies

This case is adjudicated under Executive Order (EO) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG), which became effective on June 8, 2017.

When evaluating an applicant's suitability for a security clearance, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are to be used in evaluating an applicant's eligibility for access to classified information.

These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, administrative judges apply the guidelines in conjunction with the factors listed in the adjudicative process. The administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(c), the entire process is a conscientious scrutiny of a number of variables known as the "whole-person concept." The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a decision.

The protection of the national security is the paramount consideration. AG ¶ 2(b) requires that "[a]ny doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security."

Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Under Directive ¶ E3.1.15, the applicant is responsible for presenting "witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by the applicant or proven by Department Counsel." The applicant has the ultimate burden of persuasion to obtain a favorable security decision.

A person who seeks access to classified information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours. The Government reposes a high degree of trust and confidence in individuals to whom it grants access to classified information. 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 of potential, rather than actual, risk of compromise of classified information.

Section 7 of EO 10865 provides that adverse decisions shall be “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” See *also* EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

Analysis

Guideline F, Financial Considerations

The security concern for financial considerations 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. 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 guideline notes several conditions that could raise security concerns under AG ¶ 19. The following are potentially applicable in this case:

- (a) inability to satisfy debts; and
- (c) a history of not meeting financial obligations.

Applicant has three delinquent consumer debts totaling about \$85,000. The accounts have been charged off for several years. The above disqualifying conditions are established.

Conditions that could mitigate the financial considerations security concerns are provided under AG ¶ 20. The following are potentially applicable:

- (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; and

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

It is reasonable to expect Applicant to present documentation about the resolution of specific debts. See, e.g., ISCR Case No. 15-03363 at 2 (App. Bd. Oct. 16, 2016). While he claimed that he has a formal payment arrangement with the creditor on the accounts in SOR ¶¶ 1.a and 1.b, the documents he provided reflect no payment arrangement with the creditor and, since September 2024, only one \$300 payment to the account in SOR ¶ 1.a that he made in September 2025. Credit report balances also reflect an approximately \$54 credit on this account between February 2023 and September 2024. Documents also reflect that he made about \$6,300 in payments sometime after July 2021, but there is no evidence of when he made those payments or in what amount he made them. The inference gleaned from the credit reports is that the bulk of these payments (all but \$54) were made sometime between July 2021 and February 2023. While there is evidence of a \$1,600 transfer to a bank account of the creditor of the debts in SOR ¶¶ 1.a and 1.b in August 2025, there is insufficient evidence that this transfer constituted a payment on either of those SOR accounts. He provided a document showing two August \$300 payments from his bank account, but that document does not reflect to whom the payments were made. He has not provided any corroborating evidence that he has continued to make those payments, and other documents, such as credit reports, indicate that he has not. He acknowledged that he has not attempted to resolve the debt in SOR ¶ 1.c for a few years. Finally, the record is unclear as to whether he is currently earning a wage from his employer, and, if so, for how long. For these reasons, I find that Applicant's financial delinquencies are recent and ongoing, and I do not find they are unlikely to recur. AG ¶ 20(a) does not apply.

The conditions that led to Applicant's financial problems were beyond his control. For AG ¶ 20(b) to fully apply, he must also show that he acted responsibly under the circumstances. In a similar vein, for AG ¶ 20(d) to apply, he must show that he initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts. As I indicated in my analysis of his evidence under AG ¶ 20(a), Applicant has not provided sufficient evidence to establish that he met either of these standards. Despite his claim to the contrary, the record evidence indicates that he does not have a payment arrangement on any of the SOR accounts. Even if I were to ignore his lack of corroborating documentary evidence and give him credit for making a \$1,600 payment and two \$300 payments on SOR ¶¶ 1.a and 1.b, in the fall of 2025, he made those payments after the SOR was issued, which tends to show that his motivation was to protect his security clearance eligibility. Even if made, these payments are also insufficient to prove a track record of debt payments. Prior to these potential payments, the last payment he made was one for \$54 between February 2023 and September 2024. Given these considerations, his acknowledgement that he was behind on his child-support payments, and the possibility that he is not currently earning any income due to the nature of his work, he has not met his burden to show that he has established a track record of financial responsibility. AG ¶¶ 20(b) and 20(d) do not apply.

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 relevant 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), the ultimate determination of whether to grant eligibility for a security clearance must be an overall commonsense judgment based upon careful consideration of the guidelines and the whole-person concept. I considered the potentially disqualifying and mitigating conditions in light of all the facts and circumstances surrounding this case. I have incorporated my comments under Guideline F in my whole-person analysis. I have considered his positive character-references, his military service with honorable discharges, and all available documents in evidence, including the zip file. I have considered the manner in which he lost employment, evidence of his efforts to find employment, his non-SOR financial obligations, including his child support payments, and his unsuccessful efforts to make a payment arrangement on the accounts in SOR ¶¶ 1.a and 1.b. I note that he does not have other delinquent debt and has paid off other financial accounts. However, given the lack of evidence of Applicant's meaningful resolution of the SOR accounts and the uncertainty surrounding his income, I conclude he did not mitigate the financial considerations 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:	AGAINST APPLICANT
Subparagraphs 1.a-1.c:	Against Applicant

Conclusion

It is not clearly consistent with the national interest to grant Applicant eligibility for a security clearance. Eligibility for access to classified information is denied.

Benjamin R. Dorsey
Administrative Judge