



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



In the matter of:)
)
) ISCR Case No. 25-00194
)
Applicant for Security Clearance)

Appearances

For Government: Sakeena Farhath, Esq., Department Counsel
For Applicant: *Pro se*

06/01/2026

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 8, 2024, Applicant completed an Electronic Questionnaire for Investigations Processing (e-QIP) or security clearance application (SCA). (Government Exhibit (GE) 1) On April 7, 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 whether to grant, deny, or revoke his security clearance. Specifically, the SOR set forth security concerns arising under Guideline F. (HE 1) On April 11, 2025, Applicant responded to the SOR. (HE 2) On August 22, 2025, Department Counsel was ready to proceed. On December 19, 2025, the case was assigned to me. On January 15, 2026, DOHA issued a notice scheduling the hearing for March 18, 2026. (HE 3) The hearing was held as scheduled, using the Microsoft Teams video teleconference system.

During the hearing, Department Counsel offered six exhibits; Applicant did not provide any exhibits; and all proffered exhibits were admitted into evidence without objection. (Tr. 18-19, GE 1-GE 6) On April 2, 2026, DOHA received a copy of the transcript. The record closed on May 20, 2026. (Tr. 73, 74, 76) No post-hearing documents were received.

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, and 1.d through 1.k. (HE 2) He denied the allegations in SOR ¶¶ 1.c and 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 system administrator, and he has worked for a government contractor since November of 2023. (Tr. 7-9) In 2003, he graduated from high school, and he has about 30 months of college. (Tr. 7) He has not served in the military. (Tr. 7) In 2011, he married and in July of 2023, he was divorced. (Tr. 8) His three children are ages 10, 12, and 13. (Tr. 8) There is no evidence of security violations.

Financial Considerations

Applicant said his spouse handled their finances during the marriage, and he concentrated on his employment. (Tr. 38-39) She did not keep him informed on the status of their accounts. (Tr. 39) He has not filed any disputes with credit reporting companies concerning the SOR debts. (Tr. 48)

Applicant's income was significantly reduced during the COVID-19 pandemic when he changed employments. (Tr. 41-42) His acrimonious divorce also caused financial issues. (Tr. 21-28) From 2019 to 2021, his spouse spent excessively and unreasonably. (Tr. 21-22) Their July of 2023 divorce allocated the debts equally between Applicant and his spouse; however, she did not pay her share of the debts. (Tr. 27-28) The only two SOR debts specifically listed in the divorce decree were the debts in SOR ¶¶ 1.e (\$1,281) and 1.g (\$763), which he said he paid. (Tr. 29) At the time of the hearing, he was making payments towards his attorney fees from the divorce, and he currently

owes his attorney about \$3,200. (Tr. 33, 70) In the ten months before his hearing, he estimated he paid his attorney about \$11,000 to litigate child visitation issues. (Tr. 69)

Applicant's annual income is about \$140,000. (Tr. 64) He is living paycheck to paycheck, and his bank accounts contain about \$500. (Tr. 66, 69-70) For overseas vacations, he went to Brazil in 2024 to go to an Eagles football game. (Tr. 71) He has not received any financial counseling. (Tr. 72)

In his January 8, 2024 SCA, Applicant said he had not filed his federal income tax (FIT) returns for tax years (TY) 2019 and 2022. (GE 1 at 31, 32) For TY 2019 and 2022, he said he "failed to file based on divorce. Forms completed and being submitted." (GE 1 at 31-32) For TY 2019, he said the date satisfied was January 2023, and for TY 2022, he said the date satisfied was December 2024. (GE 1 at 31-32) He did not disclose any issues concerning his state income tax (SIT) returns.

SOR ¶¶ 1.a and 1.b allege that Applicant failed to timely file, as required, FIT returns for TYs 2017, 2018, 2019, 2021, 2022, and 2023, and SIT returns for TY 2016 through 2023, respectively. He said while he was married, his and his spouse's tax returns were not filed if taxes were owed. (Tr. 52-54) As part of his response to DOHA interrogatories, he provided his March 28, 2025 IRS tax transcripts, which indicated the IRS had not received his FIT returns for TYs 2017, 2018, 2019, 2021, 2022, and 2023. (GE 2 at 19-23, 26-27)

In Applicant's response to DOHA interrogatories, he said the failure to file for TYs 2017 to 2019 was due to his then spouse's avoidance of a potential balance due, and her statements to him that they were filed. (GE 2 at 5) For TYs 2022 and 2023, the failure to file was due to disputes over who should take dependent deductions for their children. (GE 2 at 5)

At his hearing, Applicant said he filed his FIT and SIT returns from about July to November of 2025, and the TY 2023 FIT return was rejected because his spouse took the dependent deductions for their three children. (Tr. 50-52, 59) He said he had copies of the FIT returns. (Tr. 51) His total FIT debt is about \$5,000, and he intends to arrange a payment plan with the IRS. (Tr. 64)

SOR ¶ 1.c alleges Applicant is indebted to state tax authorities for about \$30,762. He indicated in his response to DOHA interrogatories, that he owed "\$30,762" to the SIT authority. (GE 2 at 7)

At his hearing, Applicant said he initially contacted the state tax authority, and he was advised that he owed about \$30,000. (Tr. 62) Later, he contacted the state tax authority, and he was advised that his total SIT debt was going to be re-computed now that he had filed his FIT returns. (Tr. 62-63) He said none of the SIT returns he completed showed that he owed more than \$1,500, and in "three or four cases, it was money coming

back to me.” (Tr. 63) He estimated his total SIT liability was about \$2,500. (Tr. 63-64) He intended to arrange a payment plan to address the SIT debt. (Tr. 64)

Applicant’s IRS tax transcript for TY 2020 shows he had a refund for \$7,010, and it says, “Refund applied to non-IRS debt.” (Tr. 72; GE 2 at 24-25) He believed this refund was sent to the state tax authorities. (Tr. 72)

SOR ¶ 1.d alleges Applicant owes about \$6,522 for a charged-off debt. He said the debt is from a loan used to purchase a vehicle. (Tr. 29) In June of 2022, his spouse was driving the vehicle while under the influence, and she totaled it in an accident. (Tr. 29) He said he made \$100 monthly payments for several months to address the debt; however, the last three months before his hearing, he did not make any payments. (Tr. 30-35; HE 2, Ex. D) He provided evidence that he paid \$100 on April 1, 2025, and \$100 on May 1, 2025. (HE 2 at .pdf 9-10) He said he would provide additional information about the debt status after the hearing. (Tr. 33)

SOR ¶¶ 1.e and 1.g allege two debts owed to the same creditors for an account placed for collection for about \$1,281 and \$763, respectively. At the time Applicant filed his SOR response, he said he had payment plans with the creditors, and they would be paid by November of 2025. (HE 2 at .pdf 3-4) He provided proof of contact with the creditors and a payment plan to address the debts. (HE 2 at .pdf 6-8, 12-13) He said he paid both of the debts; however, he did not provide proof of payment.

SOR ¶¶ 1.f and 1.h allege Applicant has two charged-off debts owed to the same creditor for about \$804 and \$603, respectively. On January 24, 2025, and March 27, 2025, the creditor wrote that the accounts were settled. (Tr. 42-43; HE 2 at .pdf 3, 4, 11, 20)

SOR ¶ 1.i alleges Applicant has an account placed for collection for about \$289. On January 20, 2025, he settled the debt, and he provided correspondence from the creditor indicating the debt was resolved. (Tr. 44; HE 2 at .pdf 4, 15-19)

SOR ¶ 1.j alleges Applicant has an account placed for collection for about \$184. He said he paid the debt in 2025; however, he did not provide a receipt showing payment. (Tr. 45; HE 2 at .pdf 5)

SOR ¶ 1.k alleges Applicant has a medical account placed for collection for about \$2,401. He contacted the creditor; however, the creditor was unable to tell him about the basis for the debt. (Tr. 45-47; HE 2 at .pdf 5) There is a possibility the medical care in December of 2019 might be covered by insurance. (Tr. 45-47)

SOR ¶ 1.l alleges Applicant has a charged-off vehicle loan for about \$1,736. In 2019, his then spouse totaled the vehicle in an accident. (Tr. 47) He said he might have been a co-signer on the account. (Tr. 47) He believed his former spouse is responsible for this debt. (Tr. 47; HE 2 at .pdf 5)

Applicant's July 28, 2025 credit bureau report (CBR) summary shows: past due amount \$7,081; paid accounts seven; satisfactory accounts nine; now delinquent three; and was delinquent three. (GE 5 at 1) It lists the following delinquent accounts: SOR ¶¶ 1.d (\$6,122 charged off); and 1.e and 1.g (\$202 and \$707 seriously past due). (GE 5 at 2-5)

Applicant's March 11, 2026 CBR shows: past due amount \$0; paid accounts three; satisfactory accounts five; now delinquent zero; and was delinquent three. (GE 6 at 1) It does not list any unresolved delinquent debts.

At the time of his hearing, Applicant had not sent his TY 2024 FIT return to the IRS because he was waiting for an IRS Form 1099. (Tr. 58) He had an extension for TY 2024, and he acknowledged the FIT return for TY 2024 was overdue by several months. (Tr. 58) He said his TY 2024 SIT return was filed with the state tax authority. (Tr. 61) I asked him to provide his IRS tax transcripts to show his FIT returns were accepted by the IRS. (Tr. 50-51, 73) In the alternative he could provide the IRS Form 1040s to show the tax returns were prepared. (Tr. 73) He did not provide any FIT or SIT 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 War or his designee to grant applicant eligibility for access to classified information "only upon a finding that it is clearly consistent with the national interest to do so." Exec. Or. 10865, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960), as amended.

Eligibility for a security clearance is predicated upon the applicant meeting the criteria contained in the adjudicative guidelines. These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with an evaluation of the whole person. An administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. An administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable.

The Government reposes a high degree of trust and confidence in persons with access to classified information. This relationship transcends normal duty hours and endures throughout off-duty hours. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation

about potential, rather than actual, risk of compromise of classified information. Clearance decisions must be “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” See Exec. Or. 10865 § 7. 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 War, and Director of National Intelligence have established for issuing a clearance.

Initially, the Government must establish, by substantial evidence, conditions in the personal or professional history of the applicant that may disqualify the applicant from being eligible for access to classified information. The Government has the burden of establishing controverted facts alleged in the SOR. See *Egan*, 484 U.S. at 531. “Substantial evidence” is “more than a scintilla but less than a preponderance.” See *v. Washington Metro. Area Transit Auth.*, 36 F.3d 375, 380 (4th Cir. 1994). The guidelines presume a nexus or rational connection between proven conduct under any of the criteria listed therein and an applicant’s security suitability. See ISCR Case No. 95-0611 at 2 (App. Bd. May 2, 1996).

Once the Government establishes a disqualifying condition by substantial evidence, the burden shifts to the applicant to rebut, explain, extenuate, or mitigate the facts. Directive ¶ E3.1.15. An applicant “has the ultimate burden of demonstrating that it is clearly consistent with the national interest to grant or continue his [or her] security clearance.” ISCR Case No. 01-20700 at 3 (App. Bd. Dec. 19, 2002). The burden of disproving a mitigating condition never shifts to the Government. See ISCR Case No. 02-31154 at 5 (App. Bd. 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;
- (c) a history of not meeting financial obligations; and
- (f) failure to file or fraudulently filing annual Federal, state, or local income tax returns or failure to pay annual Federal, state, or local income tax as required.

The record establishes the disqualifying conditions in AG ¶¶ 19(a), 19(c), and 19(f), requiring additional inquiry about the possible applicability of mitigating conditions. Discussion of the disqualifying conditions is contained in the mitigation section, *infra*.

The financial considerations mitigating conditions under AG ¶ 20, which may be applicable in this case, are as follows:

- (a) the behavior happened so long ago, was so infrequent, or occurred under such circumstances that it is unlikely to recur and does not cast doubt on the individual's current reliability, trustworthiness, or good judgment;
- (b) the conditions that resulted in the financial problem were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, a death, divorce or separation, clear victimization by predatory lending practices, or identity theft), and the individual acted responsibly under the circumstances;
- (c) the individual has received or is receiving financial counseling for the problem from a legitimate and credible source, such as a non-profit credit

counseling service, and there are clear indications that the problem is being resolved or is under control;

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

(e) the individual has a reasonable basis to dispute the legitimacy of the past-due debt which is the cause of the problem and provides documented proof to substantiate the basis of the dispute or provides evidence of actions to resolve the issue; and

(g) the individual has made arrangements with the appropriate tax authority to file or pay the amount owed and is in compliance with those arrangements.

The Appeal Board in ISCR Case No. 10-04641 at 4 (App. Bd. Sept. 24, 2013) explained Applicant's responsibility for proving the applicability of mitigating conditions as follows:

Once a concern arises regarding an Applicant's security clearance eligibility, there is a strong presumption against the grant or maintenance of a security clearance. *See Dorfmont v. Brown*, 913 F.2d 1399, 1401 (9th Cir. 1990), *cert. denied*, 499 U.S. 905 (1991). After the Government presents evidence raising security concerns, the burden shifts to the applicant to rebut or mitigate those concerns. *See Directive ¶ E3.1.15*. The standard applicable in security clearance decisions is that articulated in *Egan, supra*. "Any doubt concerning personnel being considered for access to classified information will be resolved in favor of the national security." Directive, Enclosure 2 ¶ 2(b).

Non-tax Financial Issues

Applicant's SOR alleges nine delinquent debts totaling \$14,583. He paid or settled the debts in SOR ¶¶ 1.f, 1.h, and 1.i, and he provided documentary evidence of debt resolution. He provided documented evidence of payment plans or payments for several debts. His most recent CBR is dated March 11, 2026, and this CBR summary shows: past due amount \$0; paid accounts three; satisfactory accounts five; now delinquent zero; and was delinquent three.

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). 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 *a/so* ISCR Case No. 23-01434 at 2-3 (App. Bd. May 7, 2024).

Applicant provided proof of his financial responsibility with respect to his non-tax SOR debts, and he has an overall track-record of paying his non-tax debts. There are clear indications that his non-tax financial problems are resolved or being resolved, and his finances unrelated to his taxes are under control. AG ¶ 20(d) applies to SOR ¶¶ 1.d through 1.l.

Tax Financial Issues

SOR ¶¶ 1.a and 1.b allege and the record establishes that Applicant failed to timely file, as required, FIT returns for tax years (TY) 2017, 2018, 2019, 2021, 2022, and 2023, and SIT returns for TY 2016 through 2023, respectively. There is no corroborating documentary evidence that these FIT and SIT returns are filed.

SOR ¶ 1.c alleges and the record establishes that Applicant is indebted to the SIT authority for delinquent taxes for about \$30,000. He did not provide corroborating documentary evidence that the SIT debt was reduced, paid, or being paid.

AG ¶ 20(a) does not apply to the SOR ¶¶ 1.a through 1.c. “It is also well established that an applicant’s ongoing, unpaid debts [and history of not timely filing tax returns and paying taxes] 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)). AG ¶ 20(b) does not apply. Applicant’s spouse’s failure to file FIT and SIT returns and their divorce do not fully mitigate his tax issues. He has an independent responsibility to file his tax returns. He did not assert a good enough reason or other circumstances partially or fully beyond his control, which caused him not to timely file multiple FIT and SIT returns and pay required taxes for such long periods of time.

A willful failure to timely make (means complete and file with the IRS) a FIT return is a misdemeanor-level federal criminal offense. Title 26 U.S.C. § 7203, willful failure to file return or supply information, reads:

Any person . . . required by this title or by regulations made under authority thereof to make a return, keep any records, or supply any information, who willfully fails to . . . make such return, keep such records, or supply such information, at the time or times required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a misdemeanor. . . .

A willful failure to make return, keep records, or supply information when required, is a misdemeanor offense without regard to the existence of any tax liability. *Spies v. United States*, 317 U.S. 492 (1943); *United States v. Walker*, 479 F.2d 407 (9th Cir. 1973);

United States v. McCabe, 416 F.2d 957 (7th Cir. 1969); *O'Brien v. United States*, 51 F.2d 193 (7th Cir. 1931). For purposes of this decision, I am not considering Applicant's failure to timely file his FIT returns against him as a crime. Regarding the failure to timely file FIT returns, the Appeal Board has commented:

Failure to file tax returns suggests that an applicant has a problem with complying with well-established governmental rules and systems. Voluntary compliance with such rules and systems is essential for protecting classified information. ISCR Case No. 01-05340 at 3 (App. Bd. Dec. 20, 2002). As we have noted in the past, a clearance adjudication is not directed at collecting debts. See, e.g., ISCR Case No. 07-08049 at 5 (App. Bd. Jul. 22, 2008). By the same token, neither is it directed toward inducing an applicant to file tax returns. Rather, it is a proceeding aimed at evaluating an applicant's judgment and reliability. *Id.* A person who fails repeatedly to fulfill his or her legal obligations does not demonstrate the high degree of good judgment and reliability required of those granted access to classified information. See, e.g., ISCR Case No. 14-01894 at 5 (App. Bd. Aug. 18, 2015). See *Cafeteria & Restaurant Workers Union Local 473 v. McElroy*, 284 F.2d 173, 183 (D.C. Cir. 1960), *aff'd*, 367 U.S. 886 (1961).

ISCR Case No. 14-04437 at 3 (App. Bd. Apr. 15, 2016). See ISCR Case No. 15-01031 at 4 (App. Bd. June 15, 2016) (citations omitted); ISCR Case No. 14-05476 at 5 (App. Bd. Mar. 25, 2016) (citing ISCR Case No. 01-05340 at 3 (App. Bd. Dec. 20, 2002)); ISCR Case No. 14-01894 at 4-5 (App. Bd. Aug. 18, 2015).

The Appeal Board in ISCR Case No. 15-01031 (App. Bd. June 15, 2016) explained that in some situations, even if no taxes are owed when tax returns are not timely filed, grant of access to classified information is inappropriate. In ISCR Case No. 15-01031 (App. Bd. June 15, 2016), the applicant filed his 2011 FIT return in December 2013, his 2012 FIT return in September 2014, and his 2013 FIT return in October 2015. He received FIT refunds of at least \$1,000 for each year. Nevertheless, the Appeal Board reversed the administrative judge's decision to grant access to classified information because the tax returns were not timely filed.

In ISCR Case No. 24-02193 at 5 (App. Bd. Feb. 19, 2026), the Appeal Board said:

The mere filing of delinquent tax returns or the existence of a payment arrangement with an appropriate tax authority does not compel a Judge to issue a favorable decision. As with the application of any mitigating condition, the Judge must examine the record evidence and decide whether the favorable evidence outweighs the unfavorable evidence, or vice versa. The timing of corrective action is an appropriate factor for the Judge to consider in the application of mitigating condition 20(g) as well as in considering aspects of other overlapping mitigating conditions, such as, in determining whether an applicant acted responsibly under the

circumstances, whether an applicant's past financial deficiencies are unlikely to recur, or whether an applicant initiated good-faith efforts to resolve financial problems.

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

AG ¶ 20(g) is not fully applicable. Applicant said he filed all required tax returns and planned to pay his taxes. However, these positive actions are not sufficient to mitigate SOR ¶¶ 1.a through 1.c.

The Appeal Board has stated that it is reasonable for a Judge to expect an applicant to present documentation corroborating actions taken to resolve debts. ISCR Case No. 19-03757 at 3 (App. Bd. Aug. 18, 2021). He failed to provide the corroborating documentation requested at his hearing—copies of IRS tax transcripts or IRS Form 1040s. His overall handling of his taxes leaves lingering security concerns. See ISCR Case No. 24-02104 at 2 (App. Bd. Jan. 26, 2026) (affirming denial of security clearance, and noting despite some mitigation under AG ¶ 20(g), that the evidence as a whole did not support mitigation).

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.

Due to the absence of readily available corroborating documentation, I do not credit Applicant with filing multiple FIT and SIT returns. Even if they were filed, they were not **timely** filed. His failure to prove that he took timely, prudent, responsible, and good-faith actions regarding his taxes raises unmitigated questions about his reliability, trustworthiness, and ability to protect classified information. See ISCR Case No. 23-02412 at 3 (App. Bd. Sept. 9, 2025). Under all the circumstances, and considering the

evidence “as a whole,” Applicant’s failures regarding his FIT and SIT issues in SOR ¶¶ 1.a through 1.c 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 system administrator, and he has worked for a government contractor since November of 2023. He has about 30 months of college. There is no evidence of security violations.

The evidence supporting denial of Applicant’s security clearance is detailed in the financial considerations section, *supra*, and this evidence is more persuasive than the evidence of mitigation.

It is well settled that once a concern arises regarding an applicant’s security clearance eligibility, there is a strong presumption against granting a security clearance. *See Dorfmont*, 913 F.2d at 1401. “[A] favorable clearance decision means that the record discloses no basis for doubt about an applicant’s eligibility for access to classified information.” ISCR Case No. 18-02085 at 7 (App. Bd. Jan. 3, 2020) (citing ISCR Case No.12-00270 at 3 (App. Bd. Jan. 17, 2014)).

I have carefully applied the law, as set forth in *Egan*, *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.c:	Against Applicant
Subparagraphs 1.d 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