



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



In the matter of:)
)
) ISCR Case No. 25-00297
)
Applicant for Security Clearance)

Appearances

For Government: Aubrey De Angelis, Esq., Department Counsel
For Applicant: *Pro se*

05/28/2026

Decision

ROSS, Wilford H., Administrative Judge:

Applicant did not mitigate the security concerns arising from her delinquent debts. Eligibility for access to classified information is denied.

Statement of the Case

On March 27, 2025, the Defense Counterintelligence and Security Agency (DCSA) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F (Financial Considerations). The action was taken under Executive Order (EO) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG) implemented by the DOD on June 8, 2017.

Applicant responded to the SOR in writing (Answer) on April 29, 2025, and requested a hearing before an administrative judge. Department Counsel was prepared to proceed on July 29, 2025. The case was assigned to me on August 4, 2025. The Defense Office of Hearings and Appeals (DOHA) issued a Notice of Hearing on December 11, 2025. I convened the hearing as scheduled on January 30, 2026. The Government offered Government Exhibits 1 through 5, which were admitted without objection. At my request, Department Counsel submitted a credit report dated January

27, 2026. It was marked Government Exhibit 6 and admitted without objection. Applicant testified on her own behalf. She asked that the record remain open until March 6, 2026, for the receipt of additional documentation. Applicant asked for additional time, which was granted. She submitted Applicant Exhibit A, consisting of an email and financial documents, on April 3, 2026. (Transcript at 56-57.) DOHA received the transcript of the hearing (Tr.) on February 17, 2026. The record closed on April 3, 2026.

Findings of Fact

Applicant is 47 years old, married, and has four children. She is a high school graduate and has taken several college courses. She has been employed by a defense contractor as an inventory control manager since July 2021. She began working with a different contractor at the same location, beginning in 2001 through 2019. (Government Exhibit 1 at Sections 13A, 17, and 18; Tr. 6-7, 11, 17-18.)

Paragraph 1 (Guideline F, Financial Considerations)

The Government alleges in this paragraph that Applicant is ineligible for clearance because she is financially overextended and therefore potentially unreliable, untrustworthy, or at risk of having to engage in illegal acts to generate funds. Applicant admitted all the allegations (SOR 1.a through 1.k) with explanations.

Based on the available documentary evidence Applicant is alleged to owe approximately \$63,732 in past-due or charged-off consumer debts. She is also alleged to have a past-due mortgage debt in the amount of \$15,280. The grand total of her alleged indebtedness is \$79,012. The Government provided credit reports of Applicant dated July 18, 2023; February 7, 2025; July 28, 2025; and January 27, 2026, supporting the existence of the debts. (Government Exhibits 3, 4, 5, and 6.) The debts are also supported by her admissions to an authorized investigator from the Office of Personnel Management during interviews between July 27, 2023; and September 21, 2023. (Government Exhibit 2.)

Applicant states that the majority of her past-due debts occurred for two reasons. First, she had expenses related to her mother's final illness. This includes several years of paying expenses relating to her mother's staying at various nursing homes between 2018 and 2021. In addition, Applicant was unemployed from December 2019 through July 2021. She left employment primarily to look after her mother. She fell behind on the debts in the SOR after her mother's death. She has suffered with depression since her mother's death, which impacted her motivation to make payments. (Tr. 18, 22-25, 37-38.)

The current status of the debts alleged in the SOR is as follows:

1.a. Applicant admitted that she owes Credit Union One \$31,109 for a charged-off debt. No recent payments have been made on this debt, and she has no plans to make payments. This debt is not resolved. (Tr. 26-28.)

1.b. Applicant admitted that she owes Credit Union One \$7,706 for a charged-off debt. No recent payments have been made on this debt, and she has no plans to make payments. This debt is not resolved. (Tr. 31-32.)

1.c. Applicant admitted that she owes Credit Union One \$6,625 for a charged-off debt. No recent payments have been made on this debt, and she has no plans to make payments. This debt is not resolved. (Tr. 32-33.)

Applicant admitted that she has a total of seven different charged-off accounts with Credit Union One, including these three. Applicant testified that she was also currently behind on her payments on several other accounts to Credit Union One. According to Applicant, "Anytime there's money that goes into my [Credit Union One] account, they pull to any of my charge-offs, because that's not the only one." She was given an opportunity to present updated account information to support her statement that the credit union is taking money from her accounts to pay these charged-off debts, and to show current balances. No such information was provided. (Tr. 28-31, 33-35; Government Exhibit 6.)

1.d. Applicant admitted that she owes a creditor \$5,236 for a charged-off credit card debt. No recent payments have been made on this debt, and she has no plans to make payments. This debt is not resolved. (Tr. 36-37.)

1.e. Applicant admitted that she owes a creditor \$4,085 for a charged-off debt. Applicant testified that she thought her husband was paying this debt. No recent payments have been made on this debt, and she has no plans to make payments. This debt is not resolved. (Tr. 45-46.)

1.f. Applicant admitted that she owes this creditor \$3,588 for a charged-off debt. No recent payments have been made on this debt, and she has no plans to make payments. This debt is not resolved. (Tr. 46-48.)

1.g. Applicant admitted that she owes this creditor \$2,604 for a charged-off debt. No payments have been made on this debt, and she has no plans to make payments. This debt is not resolved. (Tr. 48-49.)

1.h. Applicant admitted that she owes this creditor \$2,108 for a charged-off debt. No payments have been made on this debt, and she has no plans to make payments. This debt is not resolved. (Tr. 49-50.)

1.i. Applicant admitted that she owes a creditor \$425 for a charged-off debt. No recent payments have been made on this debt, and she has no plans to make payments. This debt is not resolved. (Tr. 50-52.)

1.j. Applicant admitted that she owes this creditor \$245 for a charged-off debt. No payments have been made on this debt, and she has no plans to make payments. This debt is not resolved. (Tr. 52.)

1.k. Applicant admitted that she owed this creditor \$15,280 for a past-due mortgage debt. This debt is now current, as shown by the latest credit report in the record. This debt is resolved and the allegation is found for Applicant. (Tr. 52-53, 57-58; Government Exhibit 6 at 1-2.)

Applicant stated that she has made payment arrangements with other creditors that are not named in the SOR. The latest credit report in the record and Applicant Exhibit A support her statement. (Tr. 42-45, 54-56; Government Exhibit 6 at 8-9.)

Policies

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

These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with the factors listed in AG ¶ 2 describing the adjudicative process. The administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. The entire process is a conscientious scrutiny of applicable guidelines in the context 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, "Any doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security." In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. I have not drawn inferences based on mere speculation or conjecture.

Directive ¶ E3.1.14, requires the Government to 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, and has the ultimate burden of persuasion as to obtaining a favorable clearance 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 national security eligibility. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to protect or safeguard classified

information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified or sensitive information. Finally, as emphasized in Section 7 of Executive Order 10865, "Any determination under this order adverse to an applicant shall be a determination in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned." See *also* Executive Order 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information.)

Analysis

Paragraph 1 (Guideline F, Financial Considerations)

The security concerns relating to the guideline for financial considerations are set out in AG ¶ 18, which reads in pertinent part:

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.

AG ¶ 19 describes two conditions that could raise security concerns and may be disqualifying in this case:

- (a) inability to satisfy debts; and

- (c) a history of not meeting financial obligations.

Applicant has ten delinquent consumer debts totaling approximately \$63,732 that she has not paid (SOR 1.a to 1.j). She also had a delinquent mortgage account (SOR 1.k). As stated above, SOR 1.k is found for Applicant. AG ¶¶ 19(a) and (c) apply to the remaining debts. The burden thereby shifts to Applicant to mitigate the adverse inference of her delinquent debts.

The guideline includes four conditions in AG ¶ 20 that could mitigate the security concerns arising from Applicant's alleged financial difficulties:

- (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, or 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; and

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

Applicant has had financial issues for several years. She had a bout of unemployment between 2019 and 2021, and also was taking care of her mother at the same time. However, since her mother's death in 2021, and Applicant gaining employment the same year, very little has been done to resolve her debts. She did submit evidence that she is fulfilling several payment arrangements with creditors that are not in the SOR. However, she has not made recent payments on any of the debts in the SOR. In addition, she presented insufficient evidence for me to determine the true extent of her indebtedness and how she intended to resolve it. None of the mitigating conditions fully apply. Based on all of the available evidence, Applicant has not mitigated the security concerns of this guideline.

Whole-Person Concept

Under the whole-person concept, the administrative judge must evaluate an applicant's eligibility for national security eligibility 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 national security 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 pertinent facts and

circumstances surrounding this case. Applicant is not currently eligible for national security eligibility because of her unresolved financial situation. Paragraph 1 is found against Applicant.

Formal Findings

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

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraphs 1.a through 1.j:	Against Applicant
Subparagraph 1.k:	For Applicant

Conclusion

In light of all of the circumstances presented by the record in this case, it is not clearly consistent with the national interest to grant or continue Applicant's national security eligibility for a security clearance. Eligibility for access to classified information is denied.

WILFORD H. ROSS
Administrative Judge