



**DEPARTMENT OF WAR
DEFENSE OFFICE OF HEARINGS AND APPEALS**



In the matter of:)	
)	
)	ISCR Case No. 25-01454
)	
Applicant for Security Clearance)	

Appearances

For Government: Mark D. Lawton, Esq., Department Counsel
For Applicant: *Pro se*

05/05/2026

Decision

NAGEL, Jeff A., Administrative Judge:

Applicant did not mitigate the Guideline F (Financial Considerations) and Guideline E (Personal Conduct) security concerns. Eligibility for access to classified information is denied.

Statement of the Case

Applicant submitted a security clearance application (SCA) on October 6, 2025, in connection with her employment in the defense industry. On December 11, 2025, the Defense Counterintelligence and Security Agency (DCSA) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F (Financial Considerations) and Guideline E Personal Conduct). The action was taken under Executive Order 10865, *Safeguarding Classified Information Within Industry* (February 20, 1960), as amended; Department of Defense Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG) effective within the Department of Defense on June 8, 2017.

Applicant answered the SOR in writing (Answer) on January 6, 2026, and requested a hearing before an administrative judge. The department counsel was prepared to proceed on February 27, 2026. The case was assigned to me on March 2,

2026. The Defense Office of Hearings and Appeals (DOHA) issued a Notice of Hearing on March 17, 2026.

I convened the hearing as scheduled on April 9, 2026. The Government called no witnesses and submitted Government Exhibits (GE) 1 through 6, which I admitted into evidence without objection. Applicant testified on her own behalf, called no witnesses, and requested the record remain open until May 1, 2026, to submit post-hearing exhibits. Applicant submitted Applicant Exhibit's (AE's) A-D, and I admitted them into evidence without objection. DOHA received the electronic transcript of the hearing (TR) on April 23, 2026

Findings of Fact

Applicant is a 39-year-old employee of a defense contractor. She is engaged to a member of the U.S. Army and has no children. Applicant is a high school graduate, with some college credits and has a Medication Certificate. Applicant has been employed with her company for almost a year and works as a customer service representative, helping service members with eligibility for programs like TRICARE. This is Applicant's first time applying for a security clearance. (Tr. at 18-20)

When Applicant began working with her employer she was making \$17.25 an hour and now, she is at \$18.13. At times Applicant works as a DoorDash to supplement her income, but it's hit or miss. It does help her with gas money and food. She testified "so, just hypothetically, if I go Monday through Friday, I maybe can make maybe \$100." (Tr. at 25)

Applicant's financial problems are not new since she has struggled at times in the past. However, she stated her most recent financial problems stem from her father's death, with whom she was very close. His death not only brought her down mentally but caused her to fall behind on both his and her bills. Applicant testified that she had signed up in the past with National Debt Relief (NDR) to consolidate her debts and had even made an initial payment. However, that contract expired and she has been speaking with a counselor and doing research into her debts. Applicant plans on and is in the process of consolidating her debts with NDR once again, and has updated her contract with NDR. (Tr. at 20, 21, 30-34, AE C)

The SOR alleges that Applicant has twenty accounts which are in collections or charged off in the approximate amount of \$43,500, consisting of a vehicle repossession, two student loans, consumer accounts and nine medical accounts. Applicant denied two of the debts (1.b and 1.o) in her Answer and admitted to all the others.

The SOR also Alleges Applicant falsified material facts on her February 2025, SCA when under Section 26: FINANCIAL RECORD DELIQUENCY INVOLVING ROUTINE ACCOUNTS; Applicant answered "NO" to all questions and failed to disclose any of her

debts. The Applicant did not provide any documentation that could be seen as extenuating or mitigating of either Guidelines.

Guideline F Allegations:

1.a. Applicant is indebted on a medical account placed for collection in the approximate amount of \$2,778. Applicant admitted to this debt, and it is from when she had to have a medical procedure and was going back and forth with her health insurance provider about getting the procedure done. The pain got too bad for the Applicant to wait any longer, so she went to the Emergency Room (ER) to have the procedure done. Outside of her initial payment about seven years ago Applicant has not made any payments or arrangements but plans on doing so in the future through a debt consolidation with NDR. (Tr. at 47-51, AE C)

1.b. Applicant is indebted to a cell phone carrier for an account placed for collection in the approximate amount of \$1,460. Applicant denied this allegation in her Answer. However, she admitted that she co-signed this contract for her father. As of now Applicant has not made any payments or arrangements but plans on doing so in the future through a debt consolidation with NDR. (Tr. at 37-39, AE C)

1.c. Applicant is indebted on a medical account placed for collection in the approximate amount of \$1,181. Applicant admitted to this debt, and it is from when she had to have a medical procedure and was going back and forth with her health insurance provider about getting the procedure done. The pain got too bad for the Applicant to wait any longer, so she went to the ER to have the procedure done. Outside of her initial payment about seven years ago Applicant has not made any payments or arrangements but plans on doing so in the future through a debt consolidation with NDR. (Tr. at 47-51, AE C)

1.d. Applicant is indebted on a medical account placed for collection in the approximate amount of \$1,076. Applicant admitted to this debt, and it is from when she had to have a medical procedure and was going back and forth with her health insurance provider about getting the procedure done. The pain got too bad for the Applicant to wait any longer, so she went to the ER to have the procedure done. Outside of her initial payment about seven years ago Applicant has not made any payments or arrangements but plans on doing so in the future through a debt consolidation with NDR. (Tr. at 47-51, AE C)

1.e. Applicant is indebted to a cell phone carrier for an account placed for collection in the approximate amount of \$1,073. Applicant admitted to this debt and has taken no action on it as of now, but plans on paying it in the future through a debt consolidation with NDR. (Tr. at 51, 52, AE C)

1.f. Applicant is indebted to a collection agency for an account placed for collection in the approximate amount of \$814. This debt concerns cable television equipment that she cosigned with her father. Applicant never turned the equipment in after her father's death, and it remains in his house. Applicant admitted to this debt and that she has not paid on

it or made any payment arrangements. She plans on going to his house to retrieve the equipment and to turn it in. (Tr. at 52, 53)

1.g. Applicant is indebted on a medical account placed for collection in the approximate amount of \$800. Applicant admitted to this debt, and it is from when she had to have a medical procedure and was going back and forth with her health insurance provider about getting the procedure done. The pain got too bad for the Applicant to wait any longer, so she went to the ER to have the procedure done. Outside of her initial payment about seven years ago Applicant has not made any payments or arrangements but plans on doing so in the future through a debt consolidation with NDR. (Tr. at 47-51, AE C)

1.h. Applicant is indebted on a medical account placed for collection in the approximate amount of \$800. Applicant admitted to this debt, and it is from when she had to have a medical procedure and was going back and forth with her health insurance provider about getting the procedure done. The pain got too bad for the Applicant to wait any longer, so she went to the ER to have the procedure done. Outside of her initial payment about seven years ago Applicant has not made any payments or arrangements but plans on doing so in the future through a debt consolidation with NDR. (Tr. at 47-51, AE C)

1.i. Applicant is indebted on a medical account placed for collection in the approximate amount of \$688. Applicant admitted to this debt, and it is from when she had to have a medical procedure and was going back and forth with her health insurance provider about getting the procedure done. The pain got too bad for the Applicant to wait any longer, so she went to the ER to have the procedure done. Outside of her initial payment about seven years ago Applicant has not made any payments or arrangements but plans on doing so in the future through a debt consolidation with NDR. (Tr. at 47-51, AE C)

1.j. Applicant is indebted on a medical account placed for collection in the approximate amount of \$630. Applicant admitted to this debt, and it is from when she had to have a medical procedure and was going back and forth with her health insurance provider about getting the procedure done. The pain got too bad for the Applicant to wait any longer, so she went to the ER to have the procedure done. Outside of her initial payment about seven years ago Applicant has not made any payments or arrangements but plans on doing so in the future through a debt consolidation with NDR. (Tr. at 47-51, AE C)

1.k. Applicant is indebted on a credit card that has been charged off in the approximate amount of \$479. Applicant admitted to this debt has not made any payments or payment arrangements. (Tr. at 53-55)

1.l. Applicant is indebted to a collection agency in the approximate amount of \$421. This was on a loan she took out from another party to help with her expenses associated with her move to her current location. Applicant admitted to this debt and was initially paying on it until her other expenses became too great. Applicant now plans on paying it in the future through a debt consolidation with NDR. (Tr. at 55-57, AE C)

1.m. Applicant is indebted to a collection agency on a cancelled homeowners insurance policy for an account placed for collections in the approximate amount of \$278. Applicant admitted to this debt and has not made any payments or arrangements but plans on doing so in the future through a debt consolidation with NDR. (Tr. at 57, 58, AE C)

1.n. Applicant is indebted to a collection agency on a cancelled automobile insurance policy for an account placed for collections in the approximate amount of \$144. Applicant admitted to this debt and has not made any payments or arrangements but plans on doing so in the future through a debt consolidation with NDR. (Tr. at 58, 59, AE C)

1.o. Applicant is indebted on repossessed vehicle in the approximate amount of \$18,458 for the balance due. Applicant denied this debt in her Answer. However, she admitted that she was a co-signer of a vehicle with her father and after his death it was turned in since she could not afford to pay on it. As of now Applicant has not made any payments or arrangements but plans on doing so in the future through a debt consolidation. (Tr. at 27-30, AE C)

1.p. Applicant is indebted on a student loan for an account placed for collections in the approximate amount of \$6,716. Applicant admitted to this debt and has taken no action on it as of now, but plans on paying it. (Tr. at 39-41, 44-46, AE D)

1.q. Applicant was indebted on a student loan for an account placed for collections in the approximate amount of \$3,412. Applicant admitted to this debt and showed it was paid off through a payroll check garnishment. (Tr. at 39-41, 44-46, AE D)

1.r. Applicant is indebted on a medical account placed for collection in the approximate amount of \$986. Applicant admitted to this debt, and it is from when she had to have a medical procedure and was going back and forth with her health insurance provider about getting the procedure done. The pain got too bad for the Applicant to wait any longer, so she went to the ER to have the procedure done. Outside of her initial payment about seven years ago Applicant has not made any payments or arrangements but plans on doing so in the future through a debt consolidation with NDR. (Tr. at 47-51, AE C)

1.s. Applicant is indebted on a medical account placed for collection in the approximate amount of \$986. Applicant admitted to this debt, and it is from when she had to have a medical procedure and was going back and forth with her health insurance provider about getting the procedure done. The pain got too bad for the Applicant to wait any longer, so she went to the ER to have the procedure done. Outside of her initial payment about seven years ago Applicant has not made any payments or arrangements but plans on doing so in the future through a debt consolidation with NDR. (Tr. at 47-51, AE C)

1.t. Applicant is indebted on a money loan that has been charged off in the approximate amount of \$382. Applicant admitted to this debt and has not made any payments or arrangements but plans on doing so in the future through a debt consolidation with NDR. (Tr. at 59, 60, AE C)

Guideline E Allegation:

Applicant falsified material facts on her SCA dated February 13, 2025, in response to “Section 26: FINANCIAL RECORD DELIQUENCY INVOLVING ROUTINE ACCOUNTS Other than previously listed,” Applicant failed to list any of the debts discussed above. Applicant testified that when she filled out her SCA she had not pulled a credit report and had responded the best she could. Applicant had a security clearance interview on March 10, 2025, and was asked directly by an authorized investigator if she had any repossessions, defaulted on any loans or had any bills turned over to collections and she answered “NO” (Tr. at 63-67)

Policies

This case is adjudicated 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), 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 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 twenty accounts which are in collections, charged off or past due in the approximate amount of \$43,500. AG ¶¶ 19(a) and 19(c) are applicable.

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;

(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's financial problems are not new since she has struggled at times in the past. Applicant testified that her most recent debts can be partially attributed to the condition she was in after her father's death. Applicant executed a new agreement with NDR will begin negotiating and making payments on her debts. Even if this happens shortly, I am unable to conclude that they will be resolved within a reasonable time or that Applicant acted reasonably and responsibly under the circumstances, or that she made a good-faith effort to pay her debts. They continue to cast doubt on her current reliability, trustworthiness, and good judgment. The above mitigating conditions, individually or collectively, are insufficient to eliminate concerns about her finances.

Guideline E, Personal Conduct

The security concerns relating to the guideline for personal conduct are set out in AG ¶ 15, which states:

Conduct involving questionable judgment, lack of candor, dishonesty, or unwillingness to comply with rules and regulations can raise questions about an individual's reliability, trustworthiness and ability to protect classified or sensitive information. Of special interest is any failure to cooperate or provide truthful and candid answers during national security investigative or adjudicative processes.

The facts of this case establish the following potentially disqualifying condition set forth in AG ¶ 16:

(a) deliberate omission, concealment, or falsification of relevant facts from any personnel security questionnaire, personal history statement, or similar form used to conduct investigations, determine employment qualifications, award benefits or status, determine national security eligibility or trustworthiness, or award fiduciary responsibilities.

Applicant falsified relevant facts on the SCA she certified in February of 2025. AG ¶ 16(a) is applicable; therefore, the burden shifts to Applicant to mitigate security concerns under Guideline E.

AG ¶ 17 provides conditions that could mitigate security concerns. The following are potentially applicable:

(a) the individual made prompt, good-faith efforts to correct the omission, concealment, or falsification before being confronted with the facts;

(c) the offense is so minor, or so much time has passed, or the behavior is so infrequent, or it happened under such unique circumstances that it is unlikely to recur and does not cast doubt on the individual's reliability, trustworthiness, or good judgment;

(d) the individual has acknowledged the behavior and obtained counseling to change the behavior or taken other positive steps to alleviate the stressors, circumstances, or factors that contributed to untrustworthy, unreliable, or other inappropriate behavior, and such behavior is unlikely to recur; and

(e) the individual has taken positive steps to reduce or eliminate vulnerability to exploitation, manipulation, or duress.

There is no evidence to allow me to find anything, but that Applicant intentionally provided false information on the SCA she certified in February of 2025. Applicant answered, "No," and failed to list even one debt, to the questions asking about financial delinquencies even though she had a repossession, student loan debt and numerous medical collections she should have known about. Even when the applicant was confronted in her security clearance interview, she initially answered, "NO," when questioned about her debts, but when she was confronted, she was able to answer questions about them. Currently none of the mitigating conditions, individually or collectively, are sufficiently applicable to overcome Applicant's intentional falsifications. Applicant's personal conduct is not mitigated and continues to cast doubt on her current reliability, trustworthiness, and good judgment.

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 have incorporated my comments under Guidelines F and E in my whole-person analysis.

Overall, the record evidence leaves me with questions and doubts about Applicant's eligibility and suitability for a security clearance. I conclude Applicant did not mitigate the financial considerations and personal conduct 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.p:	Against Applicant
Subparagraph 1.q:	For Applicant
Subparagraphs 1.r – 1.t:	Against Applicant
Paragraph 2, Guideline E:	Against Applicant
Subparagraph 2.a:	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.

Jeff A. Nagel
Administrative Judge