



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



_____)	
In the matter of:)	
)	ISCR Case No. 25-00929
)	
Applicant for Security Clearance)	
_____)	

Appearances

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

05/08/2026

Decision

FOREMAN, LeRoy F., Administrative Judge:

Applicant did not mitigate the security concerns under Guideline F, Financial Considerations. His application for eligibility for access to classified information and assignment to duties designated as national security sensitive is denied.

Statement of the Case

Applicant submitted a Questionnaire for National Security Positions (SF86) on September 24, 2024. On August 8, 2025, the Defense Counterintelligence and Security Agency (DCSA) sent him a Statement of Reasons (SOR) alleging security concerns under Guideline F. The DCSA acted under Executive Order (Exec. Or.) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; Department of Defense (DOD) Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG) promulgated in Security Executive Agent Directive 4, *National Security Adjudicative Guidelines* (December 10, 2016), which became effective on June 8, 2017.

Applicant answered the SOR on August 19, 2025, and requested a decision on the written record in lieu of a hearing. Department Counsel submitted the Government's written case on January 20, 2026. A complete copy of the file of relevant material (FORM) was sent to Applicant, who was given an opportunity to file objections and submit material to refute, extenuate, or mitigate the Government's evidence. He received the FORM on February 11, 2025, and he did not respond or object to any of the exhibits. The case was assigned to me on April 20, 2026.

The FORM consists of the pleadings in the case (Government Exhibit (GE) 1) and the documents in support of the allegations in the SOR (GE 2 through 9). GE 2 through 9 are admitted into evidence.

Findings of Fact

The SOR alleges seven separate delinquent accounts comprised of consumer debt totaling approximately \$20,751.00. In his Answer to the SOR, Applicant admits all but two of the allegations, SOR ¶¶ 1.a. and 1.d., asserting that both accounts were removed from his credit report file after he disputed them for reflecting inaccurate information. His admissions are incorporated in my findings of fact.

Applicant is 32 years old, unmarried, and has no children. He graduated high school in 2012. He has been working as a security guard since January 2025. He previously worked as a paint shop worker from 2015-2024. He has no military service and this is his first time applying for a security clearance.

All the debts alleged on the SOR are reported as delinquent on Applicant's credit bureau report (CBR) accessed on May 20, 2025. (GE 5) Applicant's CBR accessed in September 2024, reflects older, unalleged delinquent debt which totals an additional approximate \$25,000. (GE 6) Applicant did address some of these other delinquent debts via successful dispute, settlement, or payment through garnishment. However, he did not provide documentary support for his claim that his credit bureau reports contain inaccurate information regarding the debts remaining, which have been alleged in the SOR. Many of Applicant's financial difficulties stemmed from insufficient employment, and it is his plan to address his debts now that he has steady employment.

SOR ¶ 1.a. alleges and the evidence establishes Applicant owes a consumer debt that has been placed for collection in the approximate amount of \$4,352.00. In his Answer, Applicant denies this allegation and states "the account is no longer reporting on credit report file it had been disputed and removed from [sic] inaccurate information." Applicant submitted a photograph of a letter dated April 1, 2025, admitted as part of GE 8, listing "INVESTIGATION RESULTS – DELETED: The disputed item(s) was removed from your credit report," which lists five separate accounts. Although the first creditor listed on this letter does match the creditor alleged in SOR ¶ 1.a., the account numbers do not. (GE 2, 4-6, 8)

SOR ¶ 1.b. alleges and the evidence establishes Applicant owes a consumer debt that has been placed for collection by a credit-card company in the approximate amount of \$4,151.00. In his Answer, Applicant admits these allegations and states “this account is currently in dispute for removal in [sic] inaccurate information on amount.” The photographed letter in GE 8 makes no reference to this creditor or account. (GE 2, 4-6, 8)

SOR ¶¶ 1.c. and 1.f. allege and the evidence establishes Applicant owes a delinquent consumer debt for two separate accounts that have been placed for collection by the same creditor. In his Answer, Applicant admits these allegations and states “this account is currently in dispute for removal in [sic] inaccurate information on amount.” Applicant submitted a photograph of a letter dated April 1, 2025, admitted as part of GE 8, listing “INVESTIGATION RESULTS – DELETED: The disputed item(s) was removed from your credit report,” which lists five separate accounts. Although the second, third, and fourth creditor listed on this letter does match the creditor alleged in SOR ¶¶ 1.c. and 1.f., the account numbers do not. (GE 2, 4-6, 8)

SOR ¶ 1.d. alleges and the evidence establishes Applicant owes a consumer debt that has been placed for collection by a telecommunication company in the approximate amount of \$3,180.00. In his Answer, he denies this allegation and states “the account is no longer reporting on credit report file it had been disputed and removed from [sic] inaccurate information.” The photographed letter in GE 8 makes no reference to this creditor or account. (GE 2, 4-6, 8)

SOR ¶ 1.e. alleges and the evidence establishes Applicant owes a consumer debt that has been placed for collection in the approximate amount of \$2,738.00. In his Answer, Applicant admits these allegations and states “this account is currently in dispute for removal in [sic] inaccurate information on amount.” The photographed letter in GE 8 makes no reference to this creditor or account. (GE 2, 4-6, 8)

SOR ¶ 1.g. alleges and the evidence establishes Applicant owes a consumer debt that has been placed for collection in the approximate amount of \$1,080.00. In his Answer, Applicant admits these allegations and states “this account is currently in dispute for removal in [sic] inaccurate information on amount.” The photographed letter in GE 8 makes no reference to this creditor or account. (GE 2, 4-6, 8)

Policies

“[N]o 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 applicants 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 § 2.

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, an administrative judge applies these guidelines 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 and 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 that 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 made "in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned." Exec. Or. 10865 § 7. Thus, a decision to deny a security clearance is merely an indication the applicant has not met the strict guidelines the President and the Secretary of War 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* at 531. Substantial evidence is "such relevant evidence as a reasonable mind might accept as adequate to support a conclusion in light of all the contrary evidence in the same record." See ISCR Case No. 17-04166 at 3 (App. Bd. Mar. 21, 2019). It is "less than the weight of the evidence, and the possibility of drawing two inconsistent conclusions from the evidence does not prevent [a Judge's] finding from being supported by substantial evidence." *Consolo v. Federal Maritime Comm'n*, 383 U.S. 607, 620 (1966). "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. ISCR Case No. 15-01253 at 3 (App. Bd. Apr. 20, 2016).

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 burden of proving a mitigating condition, and the burden of disproving it never shifts to the Government. See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005).

An applicant "has the ultimate burden of demonstrating that it is clearly consistent with the national interest to grant or continue his security clearance." ISCR Case No. 01-20700 at 3 (App. Bd. Dec. 19, 2002). "[S]ecurity clearance determinations should err, if they must, on the side of denials." *Egan* at 531.

Analysis

Guideline F, Financial Considerations

The security concern under this guideline 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. . . . An individual who is financially overextended is at greater risk of having to engage in illegal or otherwise questionable acts to generate funds. . . .

This concern is broader than the possibility that a person might knowingly compromise classified information to raise money. It encompasses concerns about a person's self-control, judgment, and other qualities essential to protecting classified information. A person who is financially irresponsible may also be irresponsible, unconcerned, or negligent in handling and safeguarding classified information. See ISCR Case No. 11-05365 at 3 (App. Bd. May 1, 2012).

Applicant's admissions and the evidence in the FORM establish the following disqualifying conditions under this guideline:

AG ¶ 19(a): inability to satisfy debts; and

AG ¶ 19(c): a history of not meeting financial obligations.

GE 5 is sufficient to establish the government's *prima facie* case that Applicant has delinquent debts that are of security concern. See ISCR Case No. 03-20327 at 2 (App. Bd. Oct. 26, 2006). The burden therefore shifts to Applicant to present evidence to refute, explain, extenuate, or mitigate the security concerns arising from those debts, to include establishing that he is not personally responsible for the debts. See ISCR 20-03146 at 3 (App. Bd. June 6, 2022).

The following mitigating conditions are potentially applicable:

AG ¶ 20(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;

AG ¶ 20(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;

AG ¶ 20(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;

AG ¶ 20(d): the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts; and

AG ¶ 20(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.

AG ¶ 20(a) is not established. Applicant's delinquent debts are numerous and accrued during a long period of time, and he has presented insufficient evidence to meet his burden to show that his financial condition does not cast doubt on his current reliability, trustworthiness, or good judgment. Although he has successfully disputed some of his older debts, the absence of unsatisfied debts from an applicant's credit report does not extenuate or mitigate a history of financial difficulties or constitute evidence of financial reform or rehabilitation. ISCR Case No. 21-00261 at 2-3 (App. Bd. June 6, 2022); ISCR Case No. 19-03757 at 3 (App. Bd. Aug. 18, 2021); ISCR Case No. 15-02957 at 3 (App. Bd. Feb. 17, 2017).

AG ¶ 20(b) is established in part. Applicant's debt was a result of underemployment, however the record lacks evidence of responsible action at the time of the occurrence. An applicant's attempted reliance on credit report disputes, and resultant removal of debts from the report, to address legitimate delinquent accounts is not meaningful evidence of debt reduction. ISCR Case No. 22-00056 at 2 (App. Bd. June 15, 2023). His blanket assertion that all the disputed debts were based on inaccurate information, without identifying what was inaccurate or why it was inaccurate, is insufficient to refute or mitigate the allegations in the SOR.

AG ¶ 20(c) is not established. Applicant has not provided evidence that he has received or is receiving financial counseling for the problem from a legitimate and credible source and that there are clear indications that the problem is being resolved or is under control.

AG ¶ 20(d) is not established. Applicant has not provided any evidence that he has initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve his debts. Here, Applicant has only presented evidence of dispute and seeks to resolve his debt via having it removed from his CBR. The fact that a debt no longer appears on a credit report does not establish any meaningful, independent evidence as to the disposition of the debt. ISCR Case No. 14- 03612 at 3 (App. Bd. Aug. 15, 2015).

AG ¶ 20(e) is not established. Although Applicant asserts that he has disputed the debts listed on his CBR, and he has been successful in having some debts deleted from his CBR, the debts that are alleged on the SOR are not a part of those that were successfully disputed and removed. (GE 5, 8) For this mitigating condition to apply, an applicant must provide “documented proof to substantiate the basis of [a debt] dispute[.]” ISCR Case No. 19-03757 at 3 (App. Bd. Aug. 18, 2021). Applicant has not provided documented proof to substantiate the basis of his asserted dispute or evidence of actions he has taken to resolve the issue, outside of simply disputing the debt.

Whole-Person Analysis

Under AG ¶ 2(c), the 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. An administrative judge must evaluate an applicant’s security eligibility by considering the totality of the applicant’s conduct and all the relevant circumstances. An 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.

I have incorporated my comments under Guideline F in my whole-person analysis and applied the adjudicative factors in AG ¶ 2(d). Because Applicant requested a determination on the record without a hearing, I had no opportunity to evaluate his credibility and sincerity based on demeanor. See ISCR Case No. 01-12350 at 3-4 (App. Bd. Jul. 23, 2003). After weighing the disqualifying and mitigating conditions under Guideline F and evaluating all the evidence in the context of the whole person, I conclude Applicant has not mitigated the security concerns raised by his financial condition.

Formal Findings

I make the following formal findings on the allegations in the SOR:

Paragraph 1, Guideline F (Financial Considerations): **AGAINST APPLICANT**

Subparagraphs 1.a.–1.g.:

Against Applicant

Conclusion

I conclude that it is not clearly consistent with the national security interests of the United States to grant Applicant eligibility for access to classified information. Clearance is denied.

LeRoy F. Foreman
Administrative Judge