



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



In the matter of: )  
)  
) ISCR Case No. 25-01168  
)  
Applicant for Security Clearance )

**Appearances**

For Government: Cassie Ford, Esq., Department Counsel  
For Applicant: *Pro se*

04/29/2026

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**Decision**

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FOREMAN, LeRoy F., Administrative Judge:

This case involves security concerns raised under Guideline F (Financial Considerations). Clearance is denied.

**Statement of the Case**

Applicant submitted a security clearance application (SCA) on October 19, 2024. On September 25, 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 testified but did not present the testimony of any other witnesses. He did not submit any documentary evidence. I held the record open until April 15, 2026, to enable him to submit documentary evidence. He timely submitted Applicant's Exhibits (AX) A through F, which were admitted without objection. DOHA received the transcript on April 9, 2026. The record closed on April 15, 2026.

## Findings of Fact

In Applicant's answer to the SOR, he denied SOR ¶ 1.a, alleging delinquent federal income taxes. He admitted SOR ¶¶ 1.b through 1.t, alleging various consumer debts. His admissions of SOR ¶¶ 1.b through 1.t are incorporated in my findings of fact.

Applicant is a 37-year-old employee of a federal contractor. He has a high-school education. He has never married, but he has lived with a cohabitant since August 2023.

Applicant was laid off in February 2020 due to COVID-19 and fell behind on his debt payments. He was unemployed until January 2021, when he was hired by a non-federal employer. He was laid off from his full-time position in September 2024, resulting in a reduction in income. He was hired for a full-time position by his current employer in June 2025. (GX 1 at 13; GX 2 at 12; GX 5 at 1). He has never held a security clearance.

When Applicant responded to DCSA interrogatories in July 2025, he submitted a personal financial statement reflecting monthly take-home pay of \$4,174, monthly expenses of \$3,660, monthly \$50 payments on one credit-card account, and a net remainder of \$464. (GX 1 at 13.)

The SOR alleges a federal income tax debt and 19 consumer debts. The evidence concerning the delinquent debts alleged in the SOR is summarized below.

**SOR ¶ 1.a: federal income tax debt of \$2,073 for tax year 2023.** Applicant denied this allegation, claiming that he had made a \$520 payment on September 1, 2025. At the hearing, he testified that he had made payments of \$1,596 and \$84, fully satisfying the debt. He testified that the \$1,596 payment was a seizure of his state tax refund. (Tr. 21) He did not submit any documentary evidence of these payments. However, he submitted evidence that he timely filed his return for tax year 2025 and received a refund of \$2,165. (AX A; AX B) His refund was received in 2026 for tax year 2025, without any offsets, and it indicates that his federal tax debt is resolved.

**SOR ¶ 1.b: car loan charged off for \$8,385.** Applicant testified that he had not contacted this creditor since he first obtained the loan. (Tr. 23) It was charged off as uncollectable in November 2022. (GX 4) It is not resolved.

**SOR ¶¶ 1.c and 1.f: credit-card accounts placed for collection of \$3,853 and \$1,785.** Applicant testified that he contacted the collection agency for both accounts and found their payment plans "a little unrealistic." His last contact with the collection agency was about two years ago. He has taken no other action to resolve these debts. (Tr. 25-27.)

**SOR ¶ 1.d: motorcycle loan charged off for \$3,028.** Applicant has taken no action to resolve this debt. (Tr. 29) The last payment on this debt was in September 2023. (GX 6)

**SOR ¶ 1.e: unpaid rent for an apartment, placed for collection of \$2,693.** Applicant moved out of the apartment around the end of 2022, because he could not afford to pay the rent. The debt is for unpaid rent and damages to the apartment. He has taken no action to resolve it. (Tr. 30-31)

**SOR ¶ 1.p: credit-card account placed for collection of \$552.** Applicant resolved this debt on April 1, 2026. (AX C; AX F)

**SOR ¶¶ 1.r, 1.s, and 1.t: payday loans for \$226, \$136, and \$98.** Applicant's last payments on these loans were before they became delinquent in November 2022. (GX 6) He paid these debts on April 1, 2026. (AX E) He testified that he did not pay them earlier because he forgot about them. (Tr. 33-34)

**SOR ¶¶ 1.f-1.l and 1.n, 1.o, and 1.q: delinquent credit-card accounts totaling about \$9,107, charged off or placed for collection, and SOR ¶ 1.m, a telecommunications account placed for collection of \$696.** Applicant admitted that he fell behind on these debts after COVID-19, and that he has taken no steps to resolve them. (Tr 29-30, 32)

### **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 submitted at the hearing establish the following disqualifying conditions under this guideline:

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

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

AG ¶ 19(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 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(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.

AG ¶ 20(a) is partially established. Applicant's delinquent debts are recent and numerous. However, some of them occurred after he was laid off during the COVID-19 pandemic, which is a circumstance that is not likely to recur.

AG ¶ 20(b) is not established. Applicant encountered a loss of income when he was laid off during the COVID-19 pandemic and a reduction of income when his full-time employment was involuntarily reduced to part-time employment. Both occurrences were circumstances largely beyond his control. However, he has not acted responsibly. He has not taken any action to resolve many of the debts alleged in the SOR. His federal tax debt was partially resolved involuntarily by diversion of a state income tax refund. He did not pay the balance of his federal tax debt or resolve the consumer debts in SOR ¶¶ 1.p, 1.r, 1.s, and 1.t until after he received the SOR. An applicant who waits until his or her clearance is in jeopardy before resolving debts may be lacking in the judgment expected of those with access to classified information. ISCR Case No. 16-01211 (App. Bd. May 30, 2018).

AG ¶ 20(c) is not established. Applicant has not sought or received financial counseling.

AG ¶ 20(g) is not established. Most of Applicant's federal tax debt was resolved by involuntary diversion of a state tax refund and not through any good-faith efforts on his part. He paid the balance of the federal tax due after receiving the SOR. The timing of the resolution of a debt is an important factor in evaluating an applicant's case for mitigation, because applicants who begin to resolve financial problems only after being placed on notice that a clearance is in jeopardy may lack the judgment and self-discipline to follow rules and regulations over time or when there is no immediate threat to their own interests. In this case, Applicant's delay in resolving his federal tax debt until he received the SOR undercuts the weight such remedial action might otherwise merit. See ISCR Case No. 15-06440 at 4 (App. Bd. Dec. 26, 2017).

### **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). 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 problems.

### **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.t: 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