



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



In the matter of:)	
)	
)	ISCR Case No. 25-01418
)	
Applicant for Security Clearance)	

Appearances

For Government: Alison P. O'Connell, Esq., Department Counsel
For Applicant: *Pro se*

05/05/2026

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 December 18, 2023, Applicant signed an Electronic Questionnaires for Investigations Processing (e-QIP). (Government Exhibit (GE) 1) On December 9, 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 the 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 recommended referral to an administrative judge to determine whether a clearance should be granted, continued, denied, or revoked. Specifically, the

SOR set forth security concerns arising under Guideline F. (HE 1) On December 17, 2025, Applicant provided her response to the SOR. (HE 2) On February 4, 2026, DCSA issued an amended SOR, and on February 10, 2026, Applicant responded to the amended SOR. (HE 1A; HE 2A) On March 2, 2026, Department Counsel was ready to proceed. On March 3, 2026, Applicant requested an expedited decision on her security clearance because she is on furlough. (HE 3)

On March 4, 2026, the Defense Office of Hearings and Appeals (DOHA) issued a notice scheduling the hearing on March 16, 2026. (HE 4) The hearing was held as scheduled using the Microsoft Teams video teleconference system.

During the hearing, Department Counsel offered 13 exhibits into evidence; Applicant provided one exhibit; there were no objections; and all proffered exhibits were admitted into evidence. (Tr. 17-20; GE 1-GE 13; Applicant Exhibit (AE) A) On April 2, 2026, DOHA received a copy of the transcript. On March 30, 2026, Applicant provided her closing argument, and I asked her if she needed additional time. (AE C) She responded, "I've made payments recently, but I am waiting for a bank statement as proof of payment and a letter from the creditors confirming receipt. I'll send those, hopefully very soon, and then you can proceed. Have a great afternoon." (AE C) On April 21, 2026, in a post-hearing statement, she said:

I am writing to inform you that I have no further documents to add to my case. For the sake of full transparency, I would like to note that while I am currently without income and relying on my husband for support, we remain pre-approved for a [home equity line of credit (HELOC)] to satisfy my outstanding debt. Resuming work is the necessary step for me to move forward with this resolution. I am now prepared for the record to be closed and respectfully request your final determination. (HE 5)

Applicant provided two post-hearing exhibits, which were admitted without objection, and the record closed on April 21, 2026. (75, 77, 79; AE B-AE C; HE 5)

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, she admitted the allegations in SOR ¶¶ 1.a through 1.r. (HE 2) Her admissions are accepted as findings of fact. (HE 2)

Applicant is a 39-year-old management analyst who has worked for a federal contractor for two years. (Tr. 6, 8) In 2004, she graduated from high school. (Tr. 6-7) In 2012, she received a bachelor's degree, and she majored in business management with a concentration in human resource management. (Tr. 7) She has taken some post-graduate courses. (Tr. 7, 21-22) She has not served in the military. (Tr. 7) She married in 2008, and her three children are ages three, six, and 16. (Tr. 8) She managed a coffee

shop from about 2015 until February of 2023. (Tr. 22) She left that employment because her youngest child was born. (Tr. 23)

Financial Considerations

Applicant's annual salary was \$68,000 when she left her coffee-shop employment in February of 2023. (Tr. 27) She was unemployed or under employed from February of 2023 to January of 2024, when she began new employment. Her initial annual salary at her current employment was \$95,000, and her current annual salary is \$117,000. (Tr. 28) In December of 2025, she received notice that she was being furloughed pending resolution of her security clearance issues. (Tr. 35)

Applicant's SOR alleges, and her CBRs state, she has 18 delinquent accounts totaling \$60,727. The status of the 18 accounts is as follows:

SOR ¶¶ 1.a and 1.b allege Applicant has two debts placed for collection from the same creditor for about \$15,108 and \$6,129, respectively. She used the funds for IVF treatments and other expenses. (Tr. 30-32) The two debts became delinquent shortly before she left her coffee-shop employment in February of 2023. (Tr. 30-33) On December 18, 2025, the creditor offered to settle the debts in SOR ¶¶ 1.a (\$15,108) for \$155 monthly payments for 98 months and 1.b (\$6,129) for \$65 monthly payments for 95 months. (HE 2) She said she made the first payment under the payment plans, and then she advised the creditor that she needed to change the plan. (Tr. 35) She did not provide documentation showing the payments she said she made.

SOR ¶¶ 1.c, 1.d, and 1.e allege Applicant has three debts placed for collection for about \$2,516, \$1,059, and \$822, respectively. On December 19, 2025, the creditor for SOR ¶ 1.c (\$2,516) offered to settle the debt for one payment of \$217 and 11 monthly payments of \$209. (HE 2) Applicant said she made one \$209 payment to the creditor in SOR ¶ 1.c; however, she was unable to make any more payments because she was furloughed from her employment. (Tr. 35)

On December 18, 2025, the creditor for the debt in SOR ¶ 1.d (\$1,059) offered to settle the debt for \$740, which was to be paid with two \$370 payments on December 31, 2025, and January 31, 2026. (HE 2) The debt became delinquent in 2024, and Applicant said she made one \$370 payment before she was furloughed. (Tr. 37)

The debt in SOR ¶ 1.e (\$822) became delinquent in 2023, and Applicant was unable to obtain verification of the account. (Tr. 38-39) She did not make any payments to the creditor. (Tr. 39)

Applicant said she would be able to provide proof of the payments to SOR ¶¶ 1.a through 1.d after her hearing. (Tr. 38) She did not provide documentation showing proof of her payments.

SOR ¶ 1.f alleges Applicant has a charged-off debt for about \$98. On December 19, 2025, the creditor wrote that Applicant had authorized a \$98 payment. (Tr. 39-40; HE 2) She is credited with mitigating this debt.

SOR ¶¶ 1.g through 1.m allege seven judgments, which were filed against Applicant as follows: in 2021, for about \$1,036; in 2023 for about \$1,674; in February 2021, for about \$599; in August 2022, for about \$1,657; in June 2023, for about \$1,811; in October 2024, for about \$824; and in October 2025, for about \$1,936, respectively. The judgments were for home-owner's association (HOA) fees and recreation fees, furniture, an exercise bicycle, and other items. (Tr. 40-51) There was confusion about the home owner's association and recreation fees because the creditors changed. (Tr. 42) Applicant is working on resolving the debts. (Tr. 43-44) She said one judgment was paid, and she would submit proof of payment after her hearing. (Tr. 44) She did not provide proof the judgment was paid or that she made any payments after her hearing. A garnishment for \$1,107 has been in effect on her spouse's salary for two months; however, no pay has been garnished. (Tr. 46-47; HE 2)

SOR ¶ 1.n alleges Applicant has an account that has been placed for collection for about \$5,500. In 2019, she borrowed the funds, and in 2020, she stopped making payments because "like the other ones that I opened. When we first started making a lot of different changes, we just, again, [were] living above our means in trying to pay for different things and also trying to buy other things for our house and other things within that we needed." (Tr. 52) She contacted the creditor to set up a payment arrangement; however, she did not make any payments to address this debt. (Tr. 52)

SOR ¶¶ 1.o through 1.q allege Applicant has three charged-off debts for about \$10,218, \$3,583, and \$3,536, respectively. The debt in SOR ¶ 1.o is for a credit card, which became delinquent in 2023; the debt in SOR ¶ 1.p is to purchase appliances, which became delinquent in 2019; and the debt in SOR ¶ 1.q is for a loan, which became delinquent in an unspecified year. (Tr. 53-56) She did not describe any payments to the three creditors in the last two years. (Tr. 53-56)

SOR ¶ 1.r alleges Applicant has an account placed for collection for about \$2,621. She said it was a loan, and she did not make any payments to the creditor. (Tr. 56)

On December 1, 2024, Applicant enrolled in a program by a debt restoration company (DRC) which included a structured repayment plan, financial counseling, and monitoring of progress. (HE 2) In her SOR response, she said:

The financial issues are being resolved and are under control. I have made good-faith efforts to repay or resolve all debts. I sought professional financial assistance voluntarily. The circumstances are unlikely to recur. My conduct demonstrates rehabilitation, responsibility, and reliability. (HE 2 (bullets omitted))

The DRC provided credit counseling to her around June of 2025. (Tr. 68) In her response to the amended SOR, Applicant discussed the assistance from DRC as follows:

Some accounts were resolved through negotiated settlements or credit-report disputes facilitated by [the DRC]. Due to the passage of time and the nature of third-party negotiations, I do not have documentation for every account. However, these actions were undertaken in good faith, and several accounts no longer appear on my credit reports or are reported as delinquent. I remain willing to provide any additional documentation that becomes available. (HE 2A)

On December 6, 2024, DRC provided a report to Applicant, which indicated numerous accounts on her credit bureau report (CBR) were disputed, and three negative accounts were removed from her CBR. (GE 2 at 17-19) On December 15, 2024, she completed a personal financial statement (PFS). (GE 2) Her PFS indicated her and her spouse’s gross annual salaries were \$207,000, and he was receiving a pension of \$75,000. (GE 2) He is a retired E-7, and he receives 100 percent disability from the Department of Veterans Affairs (VA). (Tr. 79) Her net annual income was “\$288,000.” (GE 2) Their monthly remainder was about \$4,000. (Tr. 59; GE 2) Her only monthly debt payment on her PFS was to her mortgage company. (GE 2) Her mortgage is current. (Tr. 69)

Applicant did not disclose any delinquent taxes in the previous seven years on her December 18, 2023 SCA. Adjusted gross income (AGI) is rounded to the nearest \$1,000 and taxes are rounded to the nearest \$100. Her and her spouse’s AGI is from her federal income tax (FIT) return and does not include his VA disability, which is tax free. Her tax returns for the last five years were timely filed. Five of her March 30, 2026 IRS tax transcripts were provided after her hearing, and they are summarized in the following table. (AE B)

Tax Year	Adjusted Gross Income	Taxes Owed (O) Refund (R)
2020	\$162,000	R-\$2,400
2021	\$177,000	O-\$4,400
2022	\$124,000	R-\$6,200
2023	\$123,000	R-\$2,600
2024	\$220,000	O-\$20,000

Applicant’s refund of \$6,200 for TY 2022 was used to pay or make payments towards her FIT debt for TYs 2017 and 2018. (AE B) Her refund of \$2,600 for TY 2023 was used to pay or make payments toward her FIT debt for TY 2018. (AE B) Her untimely payments of her FIT debts for TYs 2017, 2018, and 2021 should have been disclosed on her December 18, 2023 SCA.

For TY 2024, Applicant’s IRS tax transcript shows she and her husband had \$8,300 withheld from their pay; however, that sum was insufficient to pay her FIT, resulting in the FIT debt of \$20,000 for TY 2024. (AE B) On June 9, 2025, the IRS issued a notice, and on June 21, 2025, she and her husband entered an installment plan. (AE B) On September 22, 2025, the installment plan was ended. (AE B) On October 20, 2025,

the IRS issued a notice of intent to levy. (AE B) On December 19, 2025, the IRS and Applicant started an installment payment plan. (AE B) There is no evidence of any payments after her tax return was filed to address her FIT debt for TY 2024. (AE B)

At her hearing, Applicant said she filed and paid her FIT, except for the current year. (Tr. 71-72) She said for the previous year, she received about a \$5,000 refund, which she used for living expenses and not to address her SOR debts. (Tr. 72) Her delinquent tax debt for TY 2024 of about \$20,000, and she may have failed to disclose untimely payments of her income tax debts for TYs 2017, 2018, and 2021 on her December 18, 2023 SCA. However, her possible failure to disclose accurate FIT information on her SCA will not be considered in a negative manner as it was not addressed at her hearing.

Applicant submitted a budget before her hearing. (AE A) She concluded her budget commentary stating, "Since experiencing past financial challenges, I have implemented a structured budgeting system to monitor expenses, prioritize debt repayment, and maintain financial stability. I remain committed to responsible financial management and maintaining full awareness of my financial obligations." (AE A at 2)

Applicant's husband is not currently employed because he chose the federal Deferred Resignation Program (DRP). (Tr. 59) He took the DRP because his employment was moving to a different state. (Tr. 70) She has withdrawn about \$6,000 from her 401(k) account while she has been on furlough. (Tr. 69-70) Her student loans total about \$62,000 and they are currently on a deferment. (Tr. 71)

Applicant provided a closing argument after her hearing as follows:

I want to make it clear that I am fully committed to resolving all outstanding debts. Since the initiation of this case, I have taken proactive and measurable steps to address my financial obligations. I have secured pre-approval for a HELOC loan, which would allow me to satisfy my debts in full, and I have also established structured payment arrangements as an alternative path to resolution.

Additionally, I have submitted five years of IRS transcripts to demonstrate transparency, accountability, and a consistent effort to remain compliant with my financial responsibilities.

I respectfully acknowledge that there may have been concerns regarding my past financial decisions; however, my current actions reflect responsibility, planning, and a firm commitment to financial stability. These steps are not temporary solutions, but part of a long-term approach to ensure all obligations are met in full.

Returning to work is critical for me to continue fulfilling these commitments. I take deeply and seriously my responsibility to uphold the standards required of someone entrusted with national security. I am fully committed

to maintaining financial integrity and exercising sound judgment moving forward.

I respectfully request a favorable determination so I may resume my duties and continue serving with reliability, trustworthiness, and dedication. (AE B)

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 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, *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, this decision should not be construed to suggest that it is based on any express or implied determination about applicant’s allegiance, loyalty, or patriotism. It 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. Sep. 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.

AG ¶ 19 includes disqualifying conditions that could raise a security concern and may be disqualifying in this case: "(a) inability to satisfy debts" and "(c) a history of not meeting financial obligations."

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 in order 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.

In ISCR Case No. 08-12184 at 7 (App. Bd. Jan. 7, 2010), the Appeal Board explained the role of CBRs in financial considerations analysis:

It is well-settled that adverse information from a credit report can normally meet the substantial evidence standard and the government's obligations under [Directive] ¶ E3.1.14 for pertinent allegations. At that point, the burden shifts to applicant to establish either that [he or] she is not responsible for the debt or that matters in mitigation apply.

(internal citation omitted).

Applicant's SOR alleges, and her CBRs state, that she has 18 delinquent accounts totaling \$60,727. "[A] single debt can be sufficient to raise Guideline F security concerns." ISCR Case No. 19-02667 at 3 (App. Bd. Nov. 3, 2021) (citing ISCR Case No. 14-05366 at 3 (App. Bd. Feb. 5, 2016)). "Additionally, a single debt that remains unpaid over a period of years can properly be characterized as a history of not meeting financial obligations." *Id.* The record establishes the disqualifying conditions in AG ¶¶ 19(a) and 19(c), requiring an inquiry about the possible applicability of mitigating conditions. Additional 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; and

(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.

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).

AG ¶ 20(a) does not apply to the SOR debts. "It is also well established that an applicant's ongoing, unpaid debts demonstrate a continuing course of conduct and can be viewed as recent for purposes of the Guideline F mitigating conditions." ISCR 22-02226 at 2 (App. Bd. Oct. 27, 2023) (citing ISCR Case No. 15-06532 at 3 (App. Bd. Feb. 16, 2017)).

Some circumstances partially or fully beyond Applicant's control adversely affected her finances. She was unemployed or under employed from February of 2023 to January of 2024, when she began new employment. Her husband is not currently employed because he chose the federal DRP. Applicant is currently on a furlough. Unemployment and underemployment qualify as circumstances beyond her control, which adversely affected her finances. "Even if [an applicant's] financial difficulties initially arose, in whole or in part, due to circumstances outside his [or her] control, the [administrative judge] could still consider whether [the applicant] has since acted in a reasonable manner when dealing with those financial difficulties." ISCR Case No. 05-11366 at 4 n.9 (App. Bd. Jan. 12, 2007) (citing ISCR Case No. 03-13096 at 4 (App. Bd. Nov. 29, 2005); ISCR Case No. 99-0462 at 4 (App. Bd. May 25, 2000); ISCR Case No. 99-0012 at 4 (App. Bd. Dec. 1, 1999)). AG ¶ 20(b) partially applies. It does not fully apply because she did not provide sufficient information about her income, expenses, other financial responsibilities, or other details to establish she acted reasonably and responsibly towards the SOR debts in ¶¶ 1.a through 1.e and 1.g through 1.r.

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) (citing ISCR Case No. 13-00987 at 3, n. 5 (App. Bd. Aug. 14, 2014)). 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 *also* ISCR Case No. 23-01434 at 2-3 (App. Bd. May 7, 2024).

Applicant stated at her hearing that she owed the debts in SOR ¶¶ 1.a through 1.r. She paid the \$98 debt in SOR ¶ 1.f, and that debt is mitigated. She said she made one payment to address these SOR debts with payments in the following amounts: 1.a (\$155); 1.b (\$65); 1.c (\$209); and 1.d (\$370). She may also have made some progress addressing the judgments in SOR ¶¶ 1.g through 1.m. These are positive financial steps if they were made; however, she did not provide documentation proving that she made these steps. Even if she took these steps, her actions are too little too late to warrant full mitigation of the debts in SOR debts in ¶¶ 1.a through 1.e and 1.g through 1.r.

On December 6, 2024, DRC indicated numerous accounts on her CBR were disputed, and three negative accounts were removed from her CBR. The Appeal Board in ISCR Case No. 14-03612 at 3 (App. Bd. Aug. 15, 2015) said:

A credit report, in and of itself, may not be sufficient to meet an applicant's burden of persuasion as to mitigation, insofar as it provides little evidence regarding the underlying circumstances of the debt. *See, e.g.*, ISCR Case No. 08-11735 at 2 (App. Bd. Sep. 21, 2010). 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. Indeed, even if a credit report states that a debt has been paid, that fact alone does not, in and of itself, resolve concerns arising from the dilatory nature of an applicant's response to his debts or other circumstances that detract from an applicant's judgment and reliability.

See also ISCR Case No. 21-00261 2-3 (App. Bd. June 6, 2022) (“the absence of unsatisfied debts from an applicant's credit report does not extenuate or mitigate an overall history of financial difficulties or constitute evidence of financial reform or rehabilitation”); ISCR Case No. 14-05803 at 3 (App. Bd. July 7, 2016) (citing ISCR Case No. 14-03612 at 3 (App. Bd. Aug. 25, 2015)). The Fair Credit Reporting Act requires removal of most negative financial items from a credit report seven years from the first date of delinquency or the debt becoming collection barred because of a state statute of limitations, whichever is longer. *See* Title 15 U.S.C. § 1681c. Debts may be dropped from a credit report upon dispute when a creditor believes the debt is not going to be paid, a creditor fails to timely respond to a CBR's request for information, or when the debt has been charged off. There may be other reasons a disputed debt may be dropped from a CBR that do not show meaningful mitigation.

The focus in a dispute for security clearance purposes is Applicant's “provi[sion of] documented proof to substantiate the basis of the dispute.” AG ¶ 20(e). A DRC sending disputes on all negative entries on a CBR, by itself, without providing a reasonable basis for the disputes, such as proof of payment, a letter of satisfaction, evidence of identity theft, or resolution from a creditor, does not provide meaningful mitigation under AG ¶ 20(e).

After her hearing, Applicant provided a tax transcript, which indicated for TY 2024 she and her husband had an adjusted gross income of about \$220,000. They under withheld their payments from their income to the IRS and a FIT debt of about \$20,000

was the result. This debt was not disclosed in detail at her hearing. This \$20,000 FIT debt reduces mitigation.

Applicant has not demonstrated a sufficient track record of debt payments to address the debts in SOR debts in ¶¶ 1.a through 1.e and 1.g through 1.r. She did not prove that she was unable to make more progress sooner in the resolution of these SOR debts. Based on her overall history of financial irresponsibility, I am not confident that she will establish payment plans and consistently make payments, pay, or otherwise resolve these SOR debts. Financial considerations security concerns are not mitigated under Guideline F at this time.

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 common-sense 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 39-year-old management analyst who has worked for a federal contractor for two years. In 2012, she received a bachelor's degree, and she majored in business management with a concentration in human resource management. She has taken some post-graduate courses. She married in 2008, and her three children are ages three, six, and 16.

The evidence against grant of a security clearance is detailed in the financial considerations section, *supra*, and this evidence is more substantial than the evidence of mitigation.

I have carefully applied the law, as set forth in *Egan*, 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 fully 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 more effort towards resolution of her financial issues, she may well be able to demonstrate persuasive evidence of her 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.e:	Against Applicant
Subparagraph 1.f:	For Applicant
Subparagraphs 1.g through 1.r:	Against Applicant

Conclusion

I conclude that it is not clearly consistent with the interests of national security 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