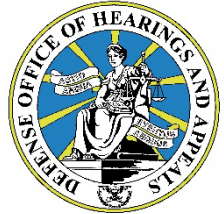




**DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS**



	)	
In the matter of:	)	
	)	ISCR Case No. 25-01161
	)	
	)	
Applicant for Security Clearance	)	
	)	

Appearances

For Government: Brittany White, Esq., Department Counsel
For Applicant: *Pro se*

06/11/2026

Decision

ROSS, Wilford H., 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 (SCA) on April 25, 2024. On November 6, 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 November 17, 2025, and requested a decision on the written record in lieu of a hearing. Department Counsel submitted the Government's written case on March 23, 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 April 2, 2026, and did not respond. The case was assigned to me on June 2, 2026.

The Government's FORM consists of the pleadings in the case (Government Exhibit (GE) 1), Applicant's answer to the SOR (GE 2), and the documents in support of the allegations in the SOR (GE 2-8). GE 2 through GE 8 are admitted into evidence, without objection.

Findings of Fact

The SOR alleges that Applicant has three delinquent debts totaling approximately \$60,667 (SOR ¶¶ 1.a-1.c). The allegations are supported by Applicant's credit bureau reports (CBR) accessed in May 2024, April 2025, September 2025, and March 2026. (GE 5-8) He admits all the allegations. (GE 2)

Applicant is a 58-year-old employee of a federal government contractor, where he has been employed since September 2015. He previously served in the U.S. Navy from April 1990 to October 2001 and received an honorable discharge. He married in April 2017 and separated in January 2024. (GE 3)

Applicant disclosed in his April 2024 SCA that he was in the midst of a divorce and anticipated resulting debts that were yet to be determined. (GE 3) In his July 23, 2025, response to Government interrogatories, he confirmed that he and his ex-wife were both liable for the debts of concern and were working out the "mechanics" on how they were going to split and address their debts. (GE 4) In his November 17, 2025, answer to the SOR, he admitted all the alleged debts and again stated that he and his ex-wife were trying to "split up responsibility" for the debts so that they could "handle them." (GE 2)

Applicant's budget reflects a net monthly remainder of approximately \$3,743. (GE 4) However, the record is void of any documentary evidence in support of any good-faith or responsible action he has taken to address his debts in the near two years since completing his SCA and receiving Government's FORM.

Policies

This case is adjudicated under Executive Order 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) implemented by the DOD on June 8, 2017.

“[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 Defense 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*, 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. 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*, 484 U.S. at 531.

Analysis

Guideline F, Financial Considerations

The 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. 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 evidence in the FORM establishes 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.

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; and

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

The evidence in support of the applicability of AG ¶ 20(a) is insufficient to mitigate the security concerns. Despite Applicant's assertion that the debt is a result of his divorce, a circumstance that was beyond his control and unlikely to recur, doubts remain as to his current reliability, trustworthiness, or good judgment. AG ¶ 20(b) only applies in part, because even if the financial problems were sparked by his divorce, he failed to present evidence of any responsible action he has taken to address his debts since his divorce. AG ¶ 20(c) does not apply because there is no evidence that he has received or is receiving financial counseling for the problem and that there are clear indications that the problem is being resolved or is under control. AG ¶ 20(d) does not apply because there is no evidence that he has initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve his debts.

Although Applicant's monthly net remainder of nearly \$3,700 indicates that he should have the ability to pay or resolve his debts, there is no evidence that he has done so. All his assertions point to a future intent to resolve the alleged debts and the record is void of any past or current attempts at good-faith resolution.

Whole-Person Concept

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. In applying the whole-person concept, an 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. 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 written 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 under Guideline F, financial considerations.

Formal Findings

I make the following 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:

Paragraph 1, Guideline F:

AGAINST APPLICANT

Subparagraphs 1.a-1.c:

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.

Wilford H. Ross
Administrative Judge