DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	
	)	ISCR Case No. 25-01303
	)	
Applicant for Security Clearance	)	

Appearances

For Government: George A. Hawkins, Esq., Department Counsel
For Applicant: *Pro se*

05/28/2026

Decision

FOREMAN, LeRoy F., Administrative Judge:

This case involves security concerns under Guideline F (Financial Considerations). Applicant did not mitigate the security concerns arising from her delinquent debts. Eligibility for access to classified information is denied.

Statement of the Case

Applicant submitted a security clearance application (SCA) on November 15, 2024. On October 10, 2025, the Defense Counterintelligence and Security Agency (DCSA) sent her 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 October 24, 2025, and requested a decision on the written record in lieu of a hearing. Department Counsel submitted the Government's written case on November 19, 2025. 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. She did not respond to the FORM or object to any of the documentary evidence in it. The case was assigned to me on May 12, 2026.

The FORM consists of 13 exhibits. Government Exhibits (GX) 1 and 2 are the pleadings in the case. GX 3 through 13 are the evidence in support of the allegations in the SOR. GX 3 through 13 are admitted in evidence.

Findings of Fact

In Applicant's answer to the SOR, she admitted all the allegations in the SOR. Her admissions are incorporated in my findings of fact.

Applicant is a 51-year old office manager employed by a federal contractor since March 2018. She worked for non-federal employers from May 2013 until she was hired by her current employer. She has never held a security clearance.

Applicant married in September 1999 and was widowed in July 2008. She married her current husband in October 2014. She has four adult children and two adult stepchildren. She has a high-school education.

SOR ¶¶ 1.a, 1.b, and 1.c allege three Chapter 13 bankruptcy petitions filed by Applicant in 2002, 2003, and 2016. SOR ¶ 1.d alleges that Applicant filed a Chapter 7 bankruptcy in 1994. SOR ¶¶ 1.e through 1.cc allege delinquent consumer debts totaling approximately $36,841, which are reflected in credit reports from January and August 2025 (GX 4 and 5).

In Applicant's answer to the SOR, she attributed the Chapter 13 bankruptcy petition in 2016 to the cost of a family move to a new geographical location, a default on a car loan due to her current husband's inability to make the car payments due to his child-support obligations, and the cost of medication and medical supplies for her daughter who has diabetes. The court records reflect that the Chapter 13 payment plan was successfully completed on March 9, 2021. (GX 7)

Applicant attributed the Chapter 13 petition in 2002 to her then husband's unemployment due to diabetes. The petition was dismissed after Applicant and her husband failed to make the payments required by the payment plan. They refiled their petition in 2003 and successfully completed the payment plan in January 2007. (GX 9)

In Applicant's answer to the SOR, she attributed the Chapter 7 petition filed in 1994 to bad judgment, which she regrets. It was discharged in 1995. She provided no other information about it.

In Applicant's answer to the SOR, she attributed the delinquent debts in SOR ¶¶ 1.e through 1.cc to the fact that she is now responsible for supporting eight individuals in three families. Applicant's son, his wife, and their two children, plus Applicant's daughter and her husband have all moved in and live with Applicant and her husband, because they have been financially unable to live independently.

Applicant's son is unemployed, his wife works part time and has medical expenses, and they have two children. One of these children required three weeks of intensive care after birth at a cost exceeding $100,000 and, at the time Applicant responded to the SOR, was again in intensive care. Applicant's daughter has diabetes and is unable to afford independent living due to her medical expenses. Her daughter's husband is an educator who is not paid during the summer months

Applicant's personal financial statement, submitted in response to DCSA interrogatories, reflects that her net monthly salary is $4,112, and her spouse's net salary is $1,526. Their monthly expenses total $9,923 and their debt payments total $1,420, resulting in a negative monthly remainder. (GX 6) During her interview with a security investigator in March 2025, she stated that her income and her husband's income at that time was sufficient to sustain themselves and pay their debts. (GX 13 at 8) Applicant did not mention her husband's income in her answer to the SOR, and she apparently has included him in her assertion that she is supporting eight individuals, thereby implying that he is no longer providing household income.

Applicant provided no information about the net monthly income of her son's wife or her son-in-law, both of whom live with them and are employed. She provided no information about their financial contribution, if any, to family expenses. She provided no information about the availability of insurance or other plans related to the expenses generated by her daughter's diabetes or her grandchild's medical expenses. She provided no information about her son-in-law's efforts, if any, to obtain seasonal employment during the summer months. She provided no information about her efforts to pay, compromise, dispute, or otherwise resolve any of the debts alleged in the SOR.

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 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 Defense 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 two 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 relevant:

> 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; and
>
> 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(a) is not established. Applicant's delinquent debts are recent, numerous, and were not incurred under circumstances making recurrence unlikely.

AG ¶ 20(b) is not established for Chapter 7 bankruptcy in 1994 (SOR ¶ d), which Applicant admits was the product of bad judgment. It is established for the Chapter 13 bankruptcies in 2002, 2003, and 2016, which were precipitated in large part by the cost of a family move, her husband's expenses attributable to a previous marital breakup, and medical expenses for a diabetic child, all of which were largely beyond her control, and the debts included in the three bankruptcies were eventually resolved.

AG ¶ 20(b) is not established for the consumer debts alleged in SOR ¶¶ 1.e through 1.cc. Applicant has claimed that she is responsible for supporting eight people, apparently including her spouse, because she did not mention her spouse's income in her answer to the SOR. Her willingness to allow her children and the families of her children to live with her is understandable, but the record does not reflect that it was beyond her control, because she could have refused to allow all or some of them to move in with her. The record also does not show that she has acted reasonably, because it does not reflect what efforts, if any, she has made to resolve her delinquent debts, nor does it show what efforts, if any, she has made to compel her family members to share the household expenses or to begin efforts to resolve their financial problems.

AG ¶ 20(c) is not established. Applicant would have received mandatory financial counseling in connection with her previous bankruptcies, but she submitted no evidence of financial counseling regarding her current financial problems, and her financial problems are not being resolved.

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 her credibility and sincerity based on demeanor or to question her about her financial difficulties. *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 her financial difficulties.

Formal Findings

Guideline F, Financial Considerations: AGAINST APPLICANT

Subparagraphs 1.a-1.c:	For Applicant
Subparagraphs 1.d-1.cc:	Against Applicant

Conclusion

In light of all of the circumstances presented by the record in this case, I conclude that it not clearly consistent with the interests of national security to grant Applicant eligibility for a security clearance. Eligibility for access to classified information is denied.

LeRoy F. Foreman
Administrative Judge