DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	
	)	ISCR Case No. 25-00529
	)	
	)	
Applicant for Security Clearance	)	
	)	

Appearances

For Government:
Daniel P. O'Reilley, Esq., Department Counsel

For Applicant:
Pro se

06/26/2026

Decision

NAGEL, Jeff A., Administrative Judge:

Applicant did not mitigate the security concerns under Guideline F (Financial Considerations). Eligibility for access to classified information is denied.

Statement of the Case

Applicant submitted a Questionnaire for National Security Positions on May 30, 2024 (Questionnaire). On June 11, 2025, the Defense Counterintelligence and Security Agency (DCSA) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F (Financial Considerations). The action was taken 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) effective within DoD after June 8, 2017.

On August 11, 2025, Applicant responded to the SOR in writing (Answer) and requested that this case be decided on the written record in lieu of a hearing. In her Answer, Applicant admitted to all the debts alleged in the SOR. On March 12, 2026, Department Counsel submitted the Government's written case in a File of Relevant Material (FORM). A complete copy of the FORM, consisting of Government's Exhibits (GE) 1 to 9 and the Government's arguments in support of the SOR, was received by the Applicant on April 23, 2026. She was afforded an opportunity to file objections and submit material to refute, extenuate, or mitigate the security concerns, but did not respond within the specified 30-day period. The case was assigned to me on June 22, 2026, and all exhibits were admitted without objection.

Findings of Fact

Applicant is 44 years old. She has worked for a defense contractor since 2024 as a program operations administrative assistant and applied for her first security clearance in connection with this employment. She was married from 2001 – 2008 and then from 2012 – 2022. She has seven children and received an associate's degree in 2020. (GE 3 at 5, 10-11, 21-23, 35-40; 4 at 14; 9 at 3)

SOR Paragraph 1, Guideline F (Financial Considerations)

The Government alleged that Applicant is ineligible for a security clearance because she has delinquent consumer debts totaling over $60,000. The following facts pertain:

1.a. Credit Card ONE from Bank A – Collection ($20,022): Applicant took out this credit card in October 2019 but did not explain the nature of the expenses or why she got behind in the payments. The account appears to have been assigned to a collection agency by September 2024. Applicant has provided no evidence of having made any payments toward this debt. (GE 4 at 3; GE 5 at 4; GE 6 at 2; GE 7 at 2; GE 9 at 6)

1.b. Credit Card TWO from Bank A – Collection ($16,564): Applicant took out this credit card in July 2018 but did not explain the nature of the expenses or why she got behind in the payments. The account appears to have been assigned to a collection agency by September 2024. Applicant has provided no evidence of having made any payments toward this debt. (GE 4 at 3; GE 5 at 4; GE 6 at 2; GE 7 at 2; GE 9 at 6)

1.c. Auto Loan – Charge Off ($13,576): Applicant took out this loan in January 2022. At some point she was in an accident and the vehicle was totaled. She did not have sufficient insurance to cover the debt owed and decided to purchase another car rather than pay the debt. Applicant has provided no evidence of having made any payments toward this debt. (GE 4 at 4; GE 6 at 2-3; GE 7 at 3; GE 9 at 7)

1.d. Credit Card from Bank B – Charge Off ($4,925): Applicant took out this credit card in October 2019 but did not explain the nature of the expenses or why she got behind in payments. Applicant has provided no evidence of having made any payments toward this debt. (GE 4 at 4; GE 5 at 6; GE 6 at 3; GE 7 at 3; GE 9 at 6)

1.e. Credit Card from Bank C – Collection ($3,205): Applicant took out this credit card in May 2021 but did not explain the nature of the expenses or why she got behind in payments. The account was assigned to a collection agency which brought a civil action against Applicant on February 2, 2023. The collection agency was awarded $2,849.27 in a default judgment. Applicant has provided no evidence of having made any payments toward this debt. (GE 4 at 4; GE 5 at 5-6; GE 6 at 3; GE 7 at 3; GE 8; GE 9 at 6)

1.f. Department Store Card – Charge Off ($717): Applicant took out this credit card in November 2019 but did not explain the nature of the expenses or why she got behind in payments. Applicant has provided no evidence of having made any payments toward this debt. (GE 4 at 5; GE 5 at 6; GE 6 at 3; GE 7 at 4; GE 9 at 6)

1.g. Credit Card from Bank D – Charge Off ($574): Applicant took out this credit card in July 2018 but did not explain the nature of the expenses or why she got behind in payments. Applicant has provided no evidence of having made any payments toward this debt. (GE 4 at 5; GE 5 at 6; GE 6 at 3; GE 7 at 4; GE 9 at 6)

1.h. Credit Card from Bank E – Collection ($463): Applicant took out this credit card in March 2021 but did not explain the nature of the expenses or why she got behind in the payments. The account appears to have been assigned to a collection agency by July 2024. Applicant has provided no evidence of having made any payments toward this debt. (GE 4 at 5; GE 5 at 5; GE 6 at 3-4; GE 7 at 4; GE 9 at 6)

1.i. Credit Card from Bank F – Collection ($340): Applicant took out this credit card in March 2021 but did not explain the nature of the expenses or why she got behind in the payments. The account appears to have been assigned to a collection agency by July 2024. Applicant has provided no evidence of having made any payments toward this debt. (GE 4 at 6; GE 5 at 5; GE 6 at 4; GE 7 at 5; GE 9 at 6-7)

1.j. Cable Television – Collection ($328): Applicant opened this account in August 2022. She did not explain why she got behind in the payments. The account appears to have been assigned to a collection agency by June 2024. Applicant has provided no evidence of having made any payments toward this debt. (GE 4 at 6; GE 5 at 5; GE 6 at 4; GE 7 at 5)

Whole Person Evidence

Applicant submitted no comments or explanations in her Answer as whole person evidence in mitigation of the security concerns alleged in the SOR. The comments and explanations Applicant included in both her Questionnaire and interrogatories, however, were reviewed in their entirety. In the Questionnaire, she claimed her financial difficulties began in 2020 and can be attributed to her second divorce, which was finalized in August

2022. In the divorce degree, she was awarded $90,000, which was secured by an equitable lien on the home. In the Questionnaire, she asserted that the sale of her home would allow her to resolve the debts. She also related her plan "to resolve these debts one at a time beginning with the lowest amount then working to the higher amounts." (GE 3 at 21, 39-40; GE 4 at 9, 29-30)

Policies

When evaluating an applicant's suitability for national security eligibility, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines (AG) list potentially disqualifying conditions and mitigating conditions, which are to be used in evaluating an applicant's national security eligibility.

These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with the factors listed in AG ¶ 2 describing the adjudicative process. The administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision.

The entire process is a conscientious scrutiny of applicable guidelines in the context of a number of variables known as the whole-person concept. The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a decision.

The protection of the national security is the paramount consideration. AG ¶ 2(b) requires, "Any doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security." In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. I have not drawn inferences based on mere speculation or conjecture.

Directive ¶ E3.1.14, requires the Government to present evidence to establish controverted facts alleged in the SOR. Under Directive ¶ E3.1.15, "The applicant is responsible for presenting witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by the applicant or proven by Department Counsel, and has the ultimate burden of persuasion as to obtaining a favorable clearance decision."

A person who seeks access to classified information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours. The Government reposes a high degree of trust and confidence in individuals to whom it grants national security eligibility. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to protect or safeguard classified information.

Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified or sensitive information. Finally, as emphasized in Section 7 of Executive Order 10865, "Any determination under this order adverse to an applicant shall be a determination in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned." *See also* Executive Order 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information.)

Analysis

SOR Paragraph 1 (Guideline F: Financial Considerations)

The security concerns relating to the guideline for financial considerations are set out in AG ¶ 18, which reads in pertinent part:

> 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 facts of this case establish the following disqualifying conditions set forth in AG ¶ 19 to all the allegations under Guideline F:

> (a) inability to satisfy debts; and
>
> (c) a history of not meeting financial obligations.

The burden therefore shifts to Applicant to mitigate security concerns under Guideline F. The guideline includes the following conditions in AG ¶ 20 that can mitigate security concerns arising from Applicant's financial history:

> (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, or a death, divorce or separation, clear

victimization by predatory lending practices, or identity theft), and the individual acted responsibly under the circumstances; and

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

The record evidence fails to establish any of the mitigating conditions under AG ¶ 20 for the Applicant's consumer debts. She has provided no evidence of having made any payments and has not proffered a plan. As a result, there is insufficient evidence for a determination that Applicant's financial problems have been resolved or will be resolved within a reasonable period. I have considered her claim that she planned to pay off smaller debts first but given the lack of evidence of her having undertaken any such efforts, I am unable to find that she acted reasonably or responsibly under the circumstances or that she made a good faith effort to deal with her debts. Applicant's financial issues are ongoing and continue to cast doubt on her current reliability, trustworthiness, and good judgment. None of the mitigating conditions are sufficiently applicable to mitigate the security concerns.

Whole-Person Concept

Under the whole-person concept, the administrative judge must evaluate an applicant's eligibility for national security eligibility by considering the totality of the applicant's conduct and all relevant 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), the ultimate determination of whether to grant national security eligibility for a security clearance must be an overall commonsense judgment based upon careful consideration of the guidelines and the whole-person concept. I considered the above whole-person factors and the potentially disqualifying and mitigating conditions in light of all pertinent facts and circumstances surrounding this case. I have also given the appropriate weight to Applicant's statements in her Questionnaire, responses to interrogatories, and discussions with the DoD investigators. Overall, however, the Guideline F issues in the record evidence leave me with questions and doubts as to Applicant's suitability for national security eligibility and a security clearance.

Formal Findings

Formal findings for or against Applicant on the allegations set forth in the SOR, as required by ¶ E3.1.25 of Enclosure 3 of the Directive, are:

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraphs 1.a through 1.j:	Against Applicant

Conclusion

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

JEFF A. NAGEL
Administrative Judge