DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	
	)	ISCR Case No. 25-00836
	)	
Applicant for Security Clearance	)	

Appearances

For Government: William H. Miller, Esq., Department Counsel
For Applicant: *Pro se*

06/16/2026

Decision

BORGSTROM, Eric H., Administrative Judge:

Applicant did not mitigate the financial considerations security concerns arising from his delinquent debts and excessive gambling. The Government did not establish personal conduct security concerns not otherwise covered and found sufficient for an adverse determination under other guidelines. Eligibility for access to classified information is denied.

Statement of the Case

On December 23, 2025, the Defense Counterintelligence and Security Agency (DCSA) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F (financial considerations) and Guideline E (personal conduct). The DCSA acted under Executive Order (EO) 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.

In Applicant's response to the SOR (Answer), he admitted, with explanations, all 14 alleged delinquent debts (SOR ¶¶ 1.c. - 1.p.) and one bankruptcy filing (SOR ¶ 1.a.). He denied the second bankruptcy filing (SOR ¶ 1.b.) because the case was dismissed prior to discharge. He attributed his financial delinquencies to expenses following a vehicle accident and periods of unemployment. He expressed his intent to make debt-resolution efforts in 2026. He admitted that he “made a series of poor financial decisions,” including engaging in gambling (SOR ¶¶ 1.q., 2.a.) as a strategy to resolve his indebtedness. He did not attach any documentary evidence. He requested a decision by an administrative judge from the Defense Office of Hearings and Appeals (DOHA) based upon the written record in lieu of a hearing. (Answer)

On February 24, 2026, Department Counsel submitted a file of relevant material (FORM) and provided a complete copy to Applicant. Department Counsel’s FORM included Government Exhibits (GE) 1 through 13. In the FORM, Department Counsel provided Applicant notice that failure to respond to the FORM may be considered a waiver of any objections to the admissibility of the evidentiary exhibits.

On March 4, 2026, Applicant received the FORM and its attachments. A cover letter included with the FORM advised Applicant that he had 30 days from the date of receipt to file any objections or to provide any additional information in support of his clearance eligibility. He did not submit a response to the FORM nor object to any of the Government’s evidentiary exhibits. The case was assigned to me on May 11, 2026. Government’s Exhibits 1 through 13 are admitted into evidence without objection.

Findings of Fact

Applicant is 39 years old. From April 2011 to January 2013 and from January to August 2015, he attended college-level courses but did not complete a degree. He has never been married. He has two children, ages 17 and 20. He was previously granted a secret clearance in August 2020. (GE 1, GE 2)

As part of a prior clearance investigation, Applicant was interviewed by an authorized investigator on behalf of the Office of Personnel Management (OPM) on October 3, 2017. During the interview, Applicant admitted that he was delinquent on a bill related to an apartment rental he had vacated in July 2016. He also admitted his February 2013 bankruptcy filing, a prior eviction for non-payment of rent, delinquent child-support obligations for both children, and several delinquent medical and consumer accounts. (GE 4)

Since April 2019, Applicant has held several similar positions with various federal contractors with some gaps in his employment. From April 2019 to April 2020, Applicant was employed full time as an assistant contract technical representative (ACTR) by a federal contractor (Contractor A). From August 2021 to November 2023, he was employed full time as an ACTR by a different federal contractor (Contractor B). From January 2024 to February 2024, he was employed as an ACTR by another federal contractor (Contractor C). From February to April 2024, he was employed full time by Contractor B. From April to July 2024, he was employed full time by Contractor D. Since July 2024, he has been employed full time as an ACTR by Contractor C. He was unemployed from September 2017 to January 2018, from November 2018 to February 2019, from April to August 2020, and from November 2023 to January 2024. (GE 4)

On August 28, 2024, Applicant updated and submitted an Electronic Questionnaire for Investigations Processing (e-QIP). Under Section 26 – Financial Record, he responded “NO” to the query, “Have you EVER experienced financial problems due to gambling.” He admitted that he was approximately $10,000 delinquent on his child-support obligation. He denied any other delinquent accounts. (GE 1)

On January 21, 2025, Applicant was interviewed by a different OPM investigator. Applicant clarified his employment since April 2019 as outlined above. He admitted that he had filed a petition for Chapter 7 bankruptcy in June 2024 due to increasing debts; however, he had voluntarily terminated his bankruptcy case. He confirmed that he remained delinquent on his child-support obligation in the approximate amount of $10,000. He admitted several delinquent accounts, including student loans, medical debts, and consumer debts. He claimed that he had not listed these delinquent accounts on his 2024 e-QIP because he had forgotten about them. As of the interview, he had not made any efforts to resolve these delinquent accounts. (GE 4)

On February 4, 2025, Applicant participated in a follow-up interview with the OPM investigator. During his interview, he admitted that his child support ended in 2023; however, he continued to owe arrears. He had not begun repayment of his delinquent debts as of the interview and promised to initiate payment plans within the next few months. (GE 4)

SOR ¶ 1.a. In February 2013, Applicant filed a Chapter 7 bankruptcy petition. He listed assets of approximately $800 and liabilities of approximately $91,500. As a requirement of his filing, he completed credit counseling in January 2013. The dischargeable debts were discharged in May 2013. (Answer; GE 6 at 19, 41)

SOR ¶ 1.b. In June 2024, Applicant filed another Chapter 7 bankruptcy petition due to his increasing debts. In July 2024, the case was dismissed by the court when Applicant failed to file several required documents, including a credit-counseling certificate. In his Answer, Applicant explained that he originally filed bankruptcy following a vehicle accident and the impoundment of his vehicle. He did not complete the filing, and his case was dismissed. (Answer; GE 5 at 13, GE 7)

SOR ¶ 1.c. This vehicle loan was incurred in June 2023, became delinquent in February 2024, and was charged off in the approximate amount of $23,830. The vehicle was involuntarily repossessed. There is no evidence of any payment arrangements or payments on this account since its delinquency. **This debt is not resolved.** (Answer; GE 8 at 2, GE 10 at 8, GE 11 at 1, GE 12 at 1)

SOR ¶ 1.d. This vehicle loan was incurred in August 2017, became delinquent in about September 2019, and was charged off in the approximate amount of $15,053. This vehicle was repossessed. There is no evidence of any payment arrangements or payments on this account since its delinquency. **This debt is not resolved.** (Answer; GE 9 at 9, GE 10 at 8, GE 11 at 3, GE 12 at 1)

SOR ¶ 1.e. This vehicle loan was incurred in November 2024. As of November 2025, this account was 90 days past due in the approximate amount of $2,398. In his Answer, Applicant claimed to have initiated a repayment plan; however, he provided no evidence to corroborate his claimed payment agreement or to establish any payments completed. **This debt is not resolved.** (Answer; GE 11 at 2, GE 12 at 1)

SOR ¶ 1.f. This consumer account was opened in October 2022 and has been charged off since August 2023 in the approximate amount of $34. In his Answer, Applicant claimed that he had paid his debt; however, he did not provide any corroborating evidence. **This debt is not resolved.** (Answer; GE 8 at 2, GE 9 at 7, GE 10 at 6, GE 11 at 1, GE 12 at 2)

SOR ¶ 1.g. This account was placed for collection in about August 2025 in the approximate amount of $664. In his Answer, Applicant attributed this delinquency to a period of unemployment. There is no evidence of any payment arrangements or payments on this account since its delinquency. **This debt is not resolved.** (Answer; GE 12 at 3)

SOR ¶ 1.h. This account was placed for collection in about April 2023 in the approximate amount of $468. Applicant admitted this debt; however, he has provided no evidence of any payment arrangements or payments on this account since its delinquency. **This debt is not resolved.** (Answer; GE 8 at 2, GE 9 at 5, GE 11 at 3, GE 12 at 3)

SOR ¶ 1.i. This cell phone account was placed for collection in about May 2025 in the approximate amount of $2,861. In his Answer, Applicant admitted this debt and attributed its delinquency to a period of unemployment; however, he has provided no evidence of any payment arrangements or payments on this account since its delinquency. **This debt is not resolved.** (Answer; GE 10 at 4, GE 12 at 3)

SOR ¶ 1.j. This account was placed for collection in about April 2025 in the approximate amount of $82. In his Answer, Applicant admitted this debt; however, he was unfamiliar with its origin. He has not provided any evidence of payment arrangements or payments on this account since its delinquency. **This debt is not resolved.** (Answer; GE 12 at 3)

SOR ¶ 1.k. This cell phone bill was placed for collection in about December 2021 in the approximate amount of $1,093. In his Answer, Applicant admitted this debt and claimed that it would be paid by March 2026. There is no evidence of any payment arrangements or payments on this account. **This debt is not resolved.** (Answer; GE 9 at 4, GE 10 at 4, GE 11 at 3, GE 12 at 3)

SOR ¶ 1.l. This credit-card account was opened in November 2021, became delinquent in September 2023, and was charged off in November 2023 in the approximate amount of $652. In his Answer, Applicant admitted this debt, attributed its delinquency to a period of unemployment, and claimed that the debt would be satisfied by March 2026. There is no evidence of any payment arrangements or payments on this account. **This debt is not resolved.** (Answer; GE 8 at 2, GE 9 at 5, GE 10 at 5, GE 11 at 1, GE 12 at 4)

SOR ¶ 1.m. This credit-card account was opened in June 2020, became delinquent in November 2020, and was charged off in the approximate amount of $758. In his Answer, Applicant admitted this debt and claimed to be "working with them on a payment plan." He has not provided any corroborating evidence of a payment plan or completed payments. **This debt is not resolved.** (Answer; GE 8 at 2, GE 9 at 4, GE 10 at 4, GE 11 at 1, GE 12 at 4)

SOR ¶ 1.n. This medical account was placed for collection in about February 2022 in the approximate amount of $1,571. In his Answer, Applicant admitted this debt and claimed that it would be satisfied by February 2026. He has not provided any corroborating evidence of a payment plan or completed payments. **This debt is not resolved.** (Answer; GE 8 at 2, GE 10 at 4, GE 11 at 3)

SOR ¶ 1.o. In June 2019, a judgment was entered against Applicant in the approximate amount of $2,966. In his Answer, Applicant admitted this debt and claimed to be making payments on this judgment through a wage garnishment; however, he has provided no evidence to corroborate his claimed payments. **This judgment is not resolved.** (Answer; GE 13)

SOR ¶ 1.p. According to records provided by Applicant, he owed approximately $10,096 in child-support arrears as of October 14, 2025. The documentary evidence shows six payments, totaling $1,288, between March and August 2024, and one $616 payment in July 2025. In his Answer, he admitted that he owed arrears. "I owe arrears to State of [redacted]. My son has reached adulthood, and I [no] longer needed to pay. Me and my son's mom agreed to remove the arrears as of last month but have not filed yet. I was going to use my job to pay them down in the meantime until we do. I have reached out to social services to held aid with a program." There is no evidence of any payments since July 2025. **This debt is not resolved.** (Answer; GE 4 at 36)

SOR ¶¶ 1.q., 2.a. In his August 7, 2025 response to interrogatories, Applicant provided the records from two casinos concerning his winnings and losses for calendar years 2022 and 2023. For Casino #1, across the two years, he had winnings totaling approximately $5,800. For Casino #2, across the two years, he lost approximately $38,400. (Anwer; GE 4 at 30-35)

In his Answer, Applicant addressed the financial considerations and personal conduct security concerns arising from his excessive gambling:

> I take these concerns with the utmost seriousness. I acknowledge that my past actions led to valid questions about my judgment and candor, and I take full responsibility for them. I engaged in excessive gambling from 2022 to 2023 while failing to meet financial obligations. I want to provide context for my actions, not as an excuse but to show that I have reflected on and understand the root cause of my poor judgment. During 2022 and 2023, I was experiencing significant personal and financial stress. In a period of poor judgment, I viewed gambling not as recreation, but as a misguided and high-risk strategy to solve my financial problems. I was not thinking clearly and failed to prioritize my existing obligations. I now understand how irresponsible and damaging this thinking was. I made a serious error in judgment by omitting this information. My decision was driven by fear and a mistaken belief that I could hide a past failure, rather than by a desire to deceive the government. I now understand that this lack of candor is a more serious failure than the issue I was trying to hide. . . . I have enrolled in a financial literacy course with [name omitted] to develop healthier and more responsible money management skills. This has given me the tools to ensure my finances remain stable and my obligations are always met. I have completely ceased all casino gambling activity as of 12/27/2025.

Policies

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

These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, administrative judges apply the guidelines in conjunction with the factors listed in the adjudicative process. The administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(a), the entire process is a conscientious scrutiny 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 that "[a]ny doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security."

Under Directive ¶ E3.1.14, the Government must 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." The applicant has the ultimate burden of persuasion to obtain a favorable security decision.

A person who seeks access to sensitive 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 access to sensitive information. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to safeguard sensitive information. Such decisions entail a certain degree of legally permissible extrapolation of potential, rather than actual, risk of compromise of sensitive information.

Section 7 of EO 10865 provides that adverse decisions shall be "in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned." *See also* EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

Analysis

Guideline F: Financial Considerations

The security concern for financial considerations 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 guideline notes several conditions that could raise security concerns under AG ¶ 19. The following are potentially applicable in this case:

> (a) inability to satisfy debts;
>
> (c) a history of not meeting financial obligations; and
>
> (i) concealing gambling losses, family conflict, or other problems caused by gambling.

Applicant's admissions and the documentary evidence established his 2013 Chapter 7 bankruptcy filing and discharge, 14 delinquent debts (totaling over $62,500), his 2024 Chapter 7 bankruptcy filing due to indebtedness, and his problematic gambling. He engaged in excessive gambling in 2022 and 2023 and amassed significant losses (over $30,000) in a misguided effort to pay off his delinquent accounts. AG ¶¶ 19(a), 19(c), and 19(i) apply.

Conditions that could mitigate financial considerations security concerns are provided under AG ¶ 20. The following are potentially applicable in this case:

> (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.

Applicant bears the burdens of production and persuasion in mitigation. An applicant is not held to a standard of perfection in his or her debt-resolution efforts or required to be debt-free. "Rather, all that is required is that an applicant act responsibly given his 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). *See*, *e.g.*, ISCR Case No. 13-00987 at 3, n.5 (App. Bd. Aug. 14, 2014).

Applicant attributed his financial delinquencies to periods of unemployment since April 2020. While these circumstances beyond Applicant's control contributed to his debts, his own poor decision-making also played a significant role. The record evidence includes his gambling losses from two casinos in 2022 and 2023. He admitted that he gambled in an effort to use his winnings to resolve his delinquent debts. Despite his significant losses in 2023 (over $30,000), he continued to gamble until December 27, 2025, after the SOR was issued. His gambling persisted despite ongoing financial delinquencies, an unpaid judgment, and child-support arrearages. During his February 2025 security interview, Applicant promised to set up repayment plans within the following few months. He made similar claims in his Answer; however, to date, there is no documentary evidence of any payment plans or completed payments on any of the alleged delinquencies. Moreover, between the December 2025 SOR and the February 2026 FORM, Applicant may have only abstained from gambling for a month or two. He has not demonstrated that he has acted responsibly to address and resolve his delinquent accounts, and there is no evidence corroborating his claimed debt-resolution efforts. None of the financial considerations mitigating conditions apply.

Guideline E: Personal Conduct

The concern under this guideline is set out in AG ¶ 15:

> Conduct involving questionable judgment, lack of candor, dishonesty or unwillingness to comply with rules and regulations can raise questions about an individual's reliability, trustworthiness, and ability to protect classified or sensitive information. . . .

The guideline notes several conditions that could raise security concerns under AG ¶ 16. The following disqualifying condition is potentially applicable in this case:

> (d) credible adverse information that is not explicitly covered under any other guideline and may not be sufficient by itself for an adverse determination, but which, when combined with all available information, supports a whole-person assessment of questionable judgment, untrustworthiness, unreliability, lack of candor, unwillingness to comply with rules and regulations, or other characteristics indicating that the individual may not properly safeguard classified or sensitive information. . . .

SOR ¶ 2.a. cross-alleged conduct explicitly covered under Guideline F. Therefore, AG ¶ 16(d) does not apply. The Government did not establish personal conduct security concerns not otherwise covered and found sufficient for an adverse determination under other guidelines.

Whole-Person Concept

Under the whole-person concept, the administrative judge must evaluate an applicant's eligibility for access to classified information 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 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 potentially disqualifying and mitigating conditions in light of all the facts and circumstances surrounding this case. I have incorporated my comments under Guideline F, Guideline E, and the factors in AG ¶ 2(d) in this whole-person analysis.

Applicant's financial problems have persisted since prior to his 2013 bankruptcy. He has experienced some periods of unemployment that contributed to his financial problems; however, he exacerbated his financial problems with his excessive gambling in at least 2022 and 2023. He continued gambling until December 2025, despite its negative impact on his finances. There is no documentary evidence of any repayment plans, completed payments, or recent financial counseling. He has not demonstrated that he has acted responsibly to address and resolve his delinquent accounts. The Government did not establish personal conduct security concerns not otherwise covered and found sufficient for an adverse determination under other guidelines. Applicant did not mitigate the financial considerations security concerns.

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.-1.q.:	Against Applicant
Paragraph 2, Guideline E:	FOR APPLICANT
Subparagraph 2.a.:	For 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 national interest to grant Applicant's eligibility for access to classified information.

Eric H. Borgstrom
Administrative Judge