DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	ISCR Case No. 26-00034
	)	
Applicant for Security Clearance	)	

Appearances

For Government: Aubrey M. De Angelis, Esq., Department Counsel
For Applicant: *Pro se*

07/10/2026

Decision

BLAZEWICK, Robert B., Chief Administrative Judge:

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

Statement of the Case

Applicant submitted a security clearance application (SCA) on May 15, 2025. On February 19, 2026, the Defense Counterintelligence and Security Agency (DCSA) sent him a Statement of Reasons (SOR) alleging security concerns under Guideline F. Applicant answered the SOR on March 25, 2026, and requested a decision on the written record in lieu of a hearing. Department Counsel submitted the Government's written case on April 28, 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 May 5, 2026, and responded within the allotted time. The case was assigned to me on June 29, 2026.

The Government's FORM consists of the SOR (Government Exhibit (GE) 1), the SOR transmittal letter and receipt (GE 2), Applicant's answer to the SOR (GE 3), and the documents in support of the allegations in the SOR (GE 4-8). GE 4 through 8 are admitted into evidence, without objection. Applicant's response to the FORM is a one-page written narrative, which I have marked as Applicant's Exhibit (AE) A and admitted into evidence, without objection.

Findings of Fact

The SOR alleges under Guideline F that Applicant has three delinquent accounts, totaling approximately $30,682. (SOR ¶¶ 1.a-1.c) Recent credit bureau reports reflect the alleged debts. (GE 6-8) He admitted all the allegations under Guideline F. (GE 3-5, AE A)

Applicant is a 30-year-old married father of one who honorably served in the U.S. Army from 2015-2022. He first married in April 2017 and divorced in July 2020. He remarried in December 2020, and his child was born in December 2022. He has been employed with his current government contractor sponsor since May 2025 and has been similarly employed since May 2022. (GE 3)

Applicant has two delinquent accounts with the same creditor. One with a balance of approximately $25,093, opened in or about January 2020 (SOR ¶ 1.c), and another with an approximate balance of $5,324 opened in or about July 2020 (SOR ¶ 1.a). The accounts were last active in approximately June and July 2022, respectively (GE 8), and were "charged off as bad debt" in 2023. (GE 6) He also owes a delinquent debt of approximately $265 to a different creditor, related to schooling he never completed. It was placed for collection in early 2024 (SOR ¶ 1.b). (GE 7-8)

Applicant disclosed the debts alleged in SOR ¶¶ 1.a and 1.c in his SCA. (GE 4 at 42) During his subject interview in July 2025, he elaborated that this debt was incurred to cover living and emergency expenses. He was offered a settlement from the creditor but was prioritizing his current credit card debt. He planned to address the delinquent debt in the near future with hopes to have it paid off in the next two years. As for the debt alleged in SOR ¶ 1.b, he explained that the debt stems from a school enrollment which he was unable to attend and withdrew from but was later charged. He believes the GI Bill should cover it and plans to investigate. If not, he will pay the debt. (GE 5 at 7)

In his answer to the SOR, Applicant explained that the debts in SOR ¶¶ 1.a and 1.c, "occurred during a period of financial transition when my spouse and I were both separating from the military while also preparing for and welcoming a child. During this time, I changed career fields, and our household income was temporarily reduced. To manage expenses and stabilize our situation, we moved in with my parents. Despite these efforts, we experienced financial strain and were unable to maintain payments on this account." (GE 3) He elaborated further in his response to the FORM, stating, "My financial difficulties arose during a period of significant life changes, including my transition from military service, a career change, relocation, and increased family responsibilities. Since that time, my financial situation has become more stable, and I have focused on developing a sustainable plan to address my obligations." (AE A)

In his answer to the SOR, dated March 25, 2026, Applicant provided a similar answer as he had in July 2025 regarding the debt alleged in SOR ¶ 1.b. He again explained, "This specific balance is associated with educational expenses for which I used my GI Bill benefits; however, I withdrew from the school and am currently in the process of contacting the Department of Veterans Affairs to determine whether these charges may be covered or adjusted. I am actively working to resolve this matter and intend to satisfy the balance in full in the near term while also coordinating with the Department of Veterans Affairs regarding potential coverage or adjustment." (GE 3) As of his response to the FORM in about June 2026, he advised, "The collection agency informed me that it is currently confirming the balance with the school. Once the amount is verified, I intend to promptly satisfy the debt and resolve the account." (AE A)

Along with his answer to the SOR, Applicant submitted a single page screenshot reflecting two $100 debits from his savings account made on March 25, 2026. He asserts that these are payments he made towards a repayment plan he established with the creditor to resolve the debts listed in SOR ¶¶ 1.a and 1.c. The document contains the following information, "March 25, 2026, Savings Adjustment – Debit -$100; Savings Adjustment – Debit -$100." (GE 3) Based on the document, his remaining balance in his savings account on March 25, 2026, was approximately $8. No other identifying information was reflected in the document. It did not include the name of the creditor or any account numbers. There is no way to link this document to the Applicant outside of his assertion that it is his account, and these are payments he made towards his SOR ¶¶ 1.a and 1.c debts.

In his response to the FORM, Applicant asserted that he has continued making $100 monthly payments to the accounts listed in SOR ¶¶ 1.a and 1.c and that he remains "committed to reducing these balances through regular payments and responsible financial management." (AE A) He elaborated that his "goal is to continue reducing the… balances through consistent payments and to significantly decrease the smaller account balance over the remainder of 2026. In addition, I anticipate having additional funds available beginning in September 2026 and intend to apply a portion of those funds toward accelerated debt repayment." (AE A) He provided no proof of payments, documentation from the creditor, or any other documentary evidence in support of his assertions. He concluded his response stating, "These actions reflect my commitment to meeting my financial responsibilities, resolving my outstanding debts, and maintaining long-term financial stability. I will continue making regular payments and addressing each obligation until all accounts are resolved." (AE A)

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 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 § 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.

Applicant's admissions and the evidence in the FORM establish 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.

Mitigation under AG ¶ 20 is not fully established. AG ¶ 20(a) is not established because the behavior didn't happen long ago and there is limited evidence to establish that his financial condition has improved such that it no longer casts doubt on his current reliability, trustworthiness, or good judgment. AG ¶ 20(b) applies in part, because although the financial difficulties may be attributed to circumstances largely beyond his control, there is no evidence to establish responsible action at the time of occurrence. AG ¶ 20 (c) is not established because there is no proof of financial counseling and no clear indications that the problem is being resolved or is under control. Although Applicant asserts that he set up a payment plan and is adhering to it, his actions were taken after the issuance of the SOR, and he did not provide sufficient documentary evidence in support to warrant application of AG ¶ 20 (d).

Despite Applicant's claims and assertions, the record evidence does not support finding that he is now financially stable and will responsibly address his debt. Even if the screenshot he submitted, with no identifying information, were payments he made towards his debt alleged in SOR ¶¶ 1.a and 1.c, he took this action almost four years after the debt became delinquent, and after issuance of the SOR. (GE 3) As for the debt in SOR ¶ 1.b, it is a minor debt that Applicant has been stating he will resolve for well over a year now, and the status remains unchanged. (GE 5, AE A) Timing of an applicant's actions impacts upon the degree to which the mitigating factors apply.[1] An applicant who begins to resolve his or her financial problems only after being placed on notice that his or her security clearance is in jeopardy may be lacking in the judgment and self-discipline to follow rules and regulations over time or when there is no immediate threat to his or her own interests.[2] Even if a debt is resolved, a Judge may still consider the circumstances underlying the debt as well as any previous actions or lapses to resolve the debt for what they reveal about security clearance worthiness.[3] Given the extent and history of Applicant's financial instability, his recent actions are insufficient to mitigate the concerns.

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-

[1] ISCR Case No. 08-06058 at 5 (App. Bd. Sep. 21, 2009); *see* ISCR Case No. 17-04110 at 3 (App. Bd. Sep. 26, 2019).

[2] ISCR Case No. 24-00008 at 2 (App. Bd. Mar. 13, 2025); ISCR Case No. 20-02971 at 4 (App. Bd. Jun. 15, 2023); ISCR Case No. 15-03208 at 5 (App. Bd. Mar. 7, 2017); ISCR Case No. 18-02155 at 3 (App. Bd. Oct. 19, 2021); *see also* ADP Case No. 17-00263 (App. Bd. Dec. 19, 2018).

[3] ISCR Case No. 21-00261 at 3 (App. Bd. June 6, 2022).

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 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).

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. If he continues his efforts and establishes and maintains a track record of financial responsibility, he may be able to present sufficient documentary evidence and persuasively demonstrate his security clearance worthiness at a future date.

Formal Findings

I make the following 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:

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.

Robert B. Blazewick
Chief Administrative Judge