In the matter of:	)	
	)	
	)	ISCR Case No. 25-01297
	)	
Applicant for Security Clearance	)	

Appearances

For Government: Cynthia Ruckno, Esq., Department Counsel
For Applicant: *Pro se*

07/13/2026

Decision

GOLDSTEIN, J., Administrative Judge:

This case involves unresolved security concerns raised under Guideline F (Financial Considerations). Clearance is denied.

Statement of the Case

On March 3, 2026, the Defense Counterintelligence and Security Agency (DCSA) sent Applicant 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 (Answer) on March 15, 2026, and requested a decision on the written record in lieu of a hearing. Department Counsel submitted the Government's written case on May 14, 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. The FORM consists of 13 exhibits. Government Exhibits (GE) 1 and 2 are the pleadings in the case. GE 3 through 13 are evidence in support of the allegations in the SOR. GE 3 through 13 are admitted in evidence without objection.

Applicant received the FORM on May 15, 2026, and did not respond. The case was assigned to me on July 9, 2026.

Findings of Fact

Applicant is a 35-year-old employee of a defense contractor. He is married and has four children. He has worked for his employer since 2012. (GE 3)

The SOR listed nine allegations under Guideline F, including eight delinquent debts, and a discharged Chapter 13 bankruptcy filed in 2019. The debts include consumer debts, delinquent tax payments for 2019, 2023, and 2024, and outstanding child support. Applicant attributed these debts to costly car maintenance bills. (GE 5)

In SOR ¶¶ 1.a through 1.c, the Government alleged Applicant was indebted to the Federal Government for delinquent taxes in the amount totaling approximately $12,575 for tax years 2019, 2023, and 2024. (GE 5, GE 10) In Applicant's answer to the SOR, he admitted that he was delinquent on these tax debts, but claimed he had a payment arrangement and that he makes payments on the 20th of each month. He did not produce documentation showing the payment agreement, when it was established, or proof of any payments. Applicant's delinquent taxes are not resolved.

SOR ¶ 1.d alleged that Applicant filed Chapter 13 bankruptcy in 2019. Applicant admitted he filed for bankruptcy in 2019 because he was overwhelmed with bills when he and the mother of one of his children split up. The original debt enrolled in the bankruptcy plan totaled $22,000 but was settled for $12,800. He made monthly payments of $630, and the bankruptcy was discharged in December 2022. (GE 12, GE 13)

SOR ¶¶ 1.e, 1.f, 1.h, and 1.i alleged four consumer collection accounts that carry a combined total debt of $5,459. Each debt was placed for collection in 2024. Applicant admitted to these debts in his Answer to the SOR. He commented that he was committed to paying each of the four debts off within the following six-to-ten months. However, he produced no documentation establishing that he had taken any action on these debts. (GE 6, GE 7)

SOR ¶ 1.g alleged that Applicant was delinquent on a child-support obligation in the amount of $1,215. He admitted this debt and attributed the delinquency to a change from being paid hourly to earning a salary. When that switch occurred, the automatic payroll deduction for child support stopped without notification. To prove his payments, he provided a record from his state's department of social services showing he paid $6,850 in child support between January and August 2025. However, that document does not indicate how much remains delinquent. Given his admission, this debt remains unresolved. (GE 5, GE 8, GE 11)

Applicant completed a personal financial statement, dated March 7, 2026. It reflected that he had a net monthly remainder of $225 after his recurring expenses were satisfied. (GE 5)

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 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. . . . 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 sets forth 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
>
> (f) failure to file or fraudulently filing annual Federal, state, or local income tax returns or failure to pay annual Federal, state, or local income tax as required.

Applicant has a history of not resolving his financial obligations. In 2019, he filed Chapter 13 bankruptcy and resolved $22,000 of debt for $12,800. Since discharge of his bankruptcy, he has amassed four delinquent consumer accounts and is delinquent on his child support. He has unresolved federal tax obligations totaling $12,575 for tax years 2019, 2023, and 2024, that he has not resolved. The debts are established by IRS tax transcripts, credit reports, and by Applicant's admissions. The above disqualifying conditions apply.

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

> (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
>
> (g) the individual has made arrangements with the appropriate tax authority to file or pay the amount owed and is in compliance with those arrangements.

Applicant's unresolved federal income tax debt accumulated over several tax years (2019, 2023, and 2024). Yet, he did not demonstrate any responsible action in addressing them. Nor has he demonstrated responsible action on his child-support delinquency or outstanding consumer debts. The record evidence shows that the concerns are ongoing and continue to cast doubt on his current reliability, trustworthiness, and good judgment. AG ¶ 20(a) does not provide mitigation.

Applicant did not present enough information to support a finding that the conditions causing his delinquencies were largely beyond his control and that he acted responsibly under the circumstances. He attributed his bankruptcy to a relationship breakup, but little beyond that is known about the discharged debts. Applicant stated that his child-support debt was due to a change in his pay and a lapse in an automatic deduction. He attributed his other delinquent debts to costly car maintenance bills. While these may have been circumstances beyond his control, he has not established reasonable steps taken to resolve any of his debts. AG ¶ 20(b) does not provide mitigation.

Applicant did not establish a track record of steady payments towards any of his delinquent obligations. Additionally, he did not indicate that he attended credit counseling or demonstrate that his financial problems are being resolved or are under control. He presented no proof of payment arrangements with the IRS (or any subsequent debt collection agency) to pay his delinquent federal taxes. AG ¶¶ 20(c), 20(d), and 20(g) do not apply.

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 question him or 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 concern raised under the alleged financial considerations.

Formal Findings

I make the following formal findings on the allegations in the SOR:

Paragraph 1, Guideline F (Financial Considerations): AGAINST APPLICANT

Subparagraphs 1.a -1.i: 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.

Jennifer Goldstein
Administrative Judge