DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	ISCR Case No. 26-00145
	)	
Applicant for Security Clearance	)	

Appearances

For Government: Brian Farrell, Esq., Department Counsel
For Applicant: *Pro se*

08/03/2026

Decision

ROSS, Wilford H., 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 security clearance application (SCA) on August 15, 2025. On March 2, 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 April 9, 2026, and requested a decision on the written record in lieu of a hearing. Department Counsel submitted the Government's written case on May 6, 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 June 8, 2026, and did not respond. The case was assigned to me on July 20, 2026.

The Government's FORM consists of the SOR (Government Exhibit (GE) 1), Applicant's answer to the SOR (Answer) (GE 2), and the documents in support of the allegations in the SOR (GE 3-7).[1] GE 3 through 7 are admitted into evidence, without objection.

Findings of Fact

The SOR alleges under Guideline F that Applicant failed to file his federal income tax returns for tax year 2024 (SOR ¶ 1.g), and that he has delinquent consumer debt spanning across six accounts totaling approximately $32,528 (SOR ¶¶ 1.a-1.f). (GE 1) He admitted all the allegations under Guideline F, adding for SOR ¶ 1.g "Taxes have been filed." (GE 2)

Applicant is 48 years old, married, with four minor children, and one adult stepchild. He served on active duty in the U.S. Air Force from 1995 to November 2019 and retired with an honorable discharge. He earned his bachelor's degree in 2023 and has been employed with his current sponsor since August 2023. (GE 3)

In his SCA, Applicant explained that his financial troubles stem from circumstances beyond his control. While stationed overseas, three of Applicant's children were diagnosed with a condition that would be better addressed in the U.S., necessitating his relocation back to the U.S.. At the time, he was the sole income earner for a family of seven. The move was at short notice and took a large toll on his family's finances. In addition to a reduction in pay, he was no longer receiving the cost-of-living difference for working overseas. While settling back in the U.S., additional financial troubles befell the family when income that he believed would be available, was not. He retired from the Air Force in November 2019 and moved off base. The additional living costs compounded his already overextended finances. He was behind on his car payments and given his additional living expenses, he decided it was best if the vehicle was repossessed, with hopes that the sale of the vehicle would cover any balance owed. The repossession, however, resulted in a remaining balance of approximately $24,202 (SOR ¶ 1.e), which is the major crux of his alleged delinquent consumer debt. (GE 3 at 35-36; GE 7 at 2; GE 4-6)

As for his taxes, Applicant's wife and he decided to file separately for tax year 2023. For tax year 2024, the family decided that his wife would handle the tax return filings. Due to paperwork and filing issues with her 2023 tax returns, she was unable to file their joint 2024 tax returns before the due date. (GE 3 at 33-34) During his subject interview with an investigator on December 11, 2025, Applicant explained that he had not yet filed his 2024 federal income tax returns, but that he had not received any debt notifications from the IRS. He believed he "may owe approximately $5000 to the IRS for his 2024 taxes and $500 for his 2023 taxes." (GE 7 at 2) In his Answer, Applicant avers that his 2024 federal income tax returns have been filed. He explained, "my 2024 tax return was unable to be filed electronically and was instead submitted via mail to the Internal Revenue Service. Upon confirmation of filing, I will immediately establish a formal

[1] GE 1 is dated February 20, 2026. However, the copy of the SOR that Applicant includes in his answer (GE 2) is dated March 2, 2026. Both copies of the SOR are otherwise identical.

payment plan to address any outstanding balance and ensure full compliance moving forward." (GE 2) He did not provide documentary evidence in support.

Applicant states he is working diligently towards his goal to "repay and correct all debts." However, there is limited documentary evidence to support debt resolution of any kind. He admitted in his SCA that, "no actions have been taken at this point." (GE 3 at 36)

As of December 11, 2025, the date of Applicant's interview, his monthly gross salary was $6600.00. He received retirement and disability payments in the amount of $4400.00. He approximated his monthly net income to about $9600.00, coupled with his wife's monthly income of approximately $3400.00, for a combined total monthly household net income of $13,000.00. He approximated his monthly living expenses to total about $6775, coupled with their revolving debts requiring monthly payments of approximately $1820, bringing household expenses up to $8595. The household has an approximate monthly net remainder of $4405. He stated the only asset he had at the time was his 401K in the amount of $9,000. (GE 7 at 7-8)

In his Answer, Applicant states "In an effort to fully address the financial concerns outlined in subparagraphs A–F, I have engaged [credit repair service] to review and validate the accuracy and legitimacy of each listed item. My intent is to ensure that all discrepancies are properly investigated and resolved in a responsible and transparent manner." (GE 2 at 5) In support, he submitted a copy of an email dated April 8, 2026, from the credit repair service thanking him for signing up for their service and advising on next steps. (GE 2 at 4) No additional documentation has been submitted supporting specific debt resolution.

Applicant further explains in his Answer that he understands that financial indebtedness may raise concerns regarding his reliability and trustworthiness. He emphasizes that his record reflects a lifetime of integrity, accountability, and honorable service as demonstrated by his 24 years of honorable service in the United States Air Force, with no security violations or disciplinary issues. Throughout his military career, he has been entrusted with sensitive responsibilities and consistently upheld the highest standards of conduct. He maintains the same professionalism and dedication in his current employment with a government contractor. He insists that his financial challenges represent a temporary circumstance and are not an accurate reflection of his character or values. He impresses that integrity has been the cornerstone of both his personal and professional life, and that he is committed to resolving all outstanding matters in a timely and responsible manner. (GE 2)

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 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*, 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, to include credit bureau reports (GE 4-6), establish the following disqualifying conditions under this guideline:

> AG ¶ 19(a): inability to satisfy debts;
>
> AG ¶ 19(c): a history of not meeting financial obligations; and
>
> AG ¶ 19(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.

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;
>
> AG ¶ 20(d): the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts; and
>
> AG ¶ 20(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 bears the burdens of production and persuasion in mitigation. An applicant is not held to a standard of perfection in his debt-resolution efforts or required to be debt-free. "Rather, all that is required is than 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).

Mitigation under AG ¶ 20 is not fully established. AG ¶ 20(a) is established in part. I find that Applicant's financial difficulties are due to circumstances beyond his control. However, the financial issues persist to this day, and therefore continue to cast doubts on his reliability, trustworthiness, or good judgment. A debt that became delinquent several years ago is still considered recent because "an applicant's ongoing, unpaid debts evidence a continuing course of conduct and, therefore, can be viewed as recent for purposes of the Guideline F mitigating conditions." ISCR Case No. 20-02971 at 4 (App Bd. June 15, 2023); ISCR Case No. 22-00056 at 3 (App. Bd. June 15, 2023).

AG ¶¶ 20(b) and 20(c) are not fully established. The first prong of AG ¶ 20(b) is met for the reasons stated above, but there is limited evidence that Applicant took responsible action at the time of the unusual circumstances when the debts first became delinquent. There is evidence that his financial situation has improved as required for application of AG ¶ 20(c), but there is no evidence to find that he has responsibly addressed his debts since gaining a better financial footing. Although there is sufficient household net income remainder that can be used to resolve his debts, there are no clear indications that the problem is being resolved or is under control. The record also lacks evidence of financial counseling.

Although Applicant promises he will resolve his debts, he has provided no documentary proof of good faith efforts at debt resolution, minus an email confirming he has engaged the services of a credit repair company. At best, this indicates that he intends to resolve the debts in the near future. This is insufficient for AG ¶ 20 (d) to apply. Promises to pay or otherwise resolve delinquent debts in the future are not a substitute for a track record of paying debts in a timely manner and otherwise acting in a financially responsible manner. ISCR Case No. 09-05252 at 3 (App. Bd. Dec. 3, 2010).

Lastly, regarding his 2024 income tax return filing, the record is void of the documentary evidence necessary for application of AG ¶ 20(g). Although Applicant avers that he has filed the outstanding income tax return, he has submitted no documentary proof, nor is there evidence that he has made arrangements with the IRS to pay the amount owed and is in compliance with those arrangements. It is reasonable for a Judge to expect applicants to present documentation about the resolution of specific debts. ISCR Case No. 19-03757 at 3 (App. Bd. Aug. 18, 2021; ISCR Case No. 17-00729 at 3 (App. Bd. Apr. 3, 2019).

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-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). Applicant is credited for his years of dedicated service to the United States and his continued commitment to resolving his outstanding financial issues. However, 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).

The reasons for denial of Applicant's access to classified information are more persuasive at this time. This decision should not be construed as a determination that Applicant cannot or will not attain the state of financial stability necessary to be eligible for a security clearance. The determination of an individual's eligibility and suitability for a security clearance is not a once in a lifetime occurrence, but is based on applying the factors, both disqualifying and mitigating, to the evidence presented. Under his current circumstances, a clearance is not warranted. In the future, he may well demonstrate persuasive evidence of his security worthiness.

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.g:	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.

Wilford H. Ross
Administrative Judge