In the matter of:	)	
	)	
	)	ISCR Case No. 24-02183
	)	
Applicant for Security Clearance	)	

Appearances

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

08/03/2026

Decision

Curry, Marc E., Administrative Judge:

Applicant failed to mitigate the financial considerations security concerns generated by his failure to timely file his federal income tax returns for multiple years, his outstanding tax delinquencies, and his delinquent commercial debts. Clearance is denied.

Statement of the Case

On January 14, 2025, the Defense Counterintelligence and Security Agency (DCSA) Adjudicative Vetting Services issued a statement of reasons (SOR) under Guideline F, financial considerations, as to why it was unable to find it clearly consistent with the national security to grant security clearance eligibility. The DCSA took the action 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 National Adjudicative Guidelines (AG) effective for any adjudication made on or after June 8, 2017. On April 6, 2025, Applicant answered the SOR, admitting all the allegations and requesting a hearing, whereupon the case was assigned to another judge on August 15, 2025, and scheduled for October 14, 2025. Because of the Government shutdown, the case was continued. It was later transferred to me on December 4, 2025. On December 5, 2025, the Defense Office of Hearings and

Appeals (DOHA) issued a notice of video teleconference hearing, scheduling the case for December 29, 2025.

Th hearing was held as scheduled. I considered seven Government exhibits, marked as Government Exhibit (GE) 1 through GE 7, and I considered the testimony of Applicant. At the conclusion of the hearing, I left the record open until January 12, 2026, to allow Applicant the opportunity to submit exhibits. He did not do so, whereupon I closed the record. The transcript was received on January 6, 2026.

Motion to Amend

Subparagraph 1.a, as originally drafted, reads as follows:

> You failed to timely file, as required, Federal income tax returns for at least tax years 2014, 2015, 2016, 2017, and 2023.

At Department Counsel's request, I amended subparagraph 1.a to include 2024 as another year that Applicant allegedly failed to timely file his federal income tax returns.

Findings of Fact

Applicant is a 44-year-old man with two children, ages 17 and 6. He has been married for 20 years. He is a veteran of the U.S. Army, serving from 2002 through 2011. During his stint in the Army, he served a tour of duty in a combat zone between 2004 and 2005. After his combat tour of duty ended, Applicant served the rest of his enlistment in the Army Reserves. (GE 2 at 4)

Applicant earned a college degree in business administration in 2010. (Tr. 56) As of the hearing date, he was working towards a master's degree. (GE 1 at 11) Applicant has been working for a defense contractor as a subcontract administrator for the past three years. (GE 1 at 12; Tr. 62)

Applicant failed to timely file Federal income tax returns for tax years 2014 through 2017, 2023, and 2024. He filed his income tax returns for 2018 through 2022 and collectively owes approximately $32,069 for these tax years. (Tr. 32; Answer at 1-2)

In addition to Applicant's federal income tax delinquencies, he has incurred approximately $10,430 to commercial creditors including a delinquent auto loan, totaling $6,368 (subparagraph 1.g), a delinquent medical account totaling $1,254 (subparagraph 1.h), a delinquent utility totaling $249 (subparagraph 1.i), and two delinquent payday loans (subparagraphs 1.j and 1.k), collectively totaling approximately $1,295 and $1,264, respectively.

Applicant's financial problems coincided with major chronic health problems that he and his wife began experiencing between 2015 and 2016. (Tr. 19) In addition, Applicant was unemployed from April 2020 to September 2020, May 2021 to January 2022, and June 2022 through January 2023, due to terminated government contracts and pandemic-related layoffs. (GE 1 at 13-14; GE 2 at 3)

During the years that Applicant was struggling financially, he did not withhold any of his federal taxes from his bi-weekly pay. (Tr. 42) When the income tax payments ultimately became due, he was unable to pay them. (Tr. 42)

In 2023, Applicant retained a tax consultant to help him file any remaining unfiled income tax returns. (Tr. 15) Per Applicant, his tax consultant is negotiating an agreement in which Applicant either does not pay the balance for ten years, whereupon it becomes non-collectible, or the IRS "forgive[s] the balance altogether." (Tr. 15) He provided no evidence of either a retainer agreement with a tax consultant, or of any documentation of any pending proposal with the IRS to resolve his tax delinquency.

Subparagraph 1.g, totaling $6,368, is a car note that Applicant cosigned for his wife in March 2015. (Tr. 18) Shortly after his wife purchased the car, she was diagnosed with cancer and lost her job. (Tr. 19) Applicant and his wife's financial and health problems were compounded in 2016, when Applicant suffered a stroke, requiring hospitalization, resulting in the loss of his job, as well. (Tr. 19) When Applicant's wife fell behind on the car payments, she filed for Chapter 7 bankruptcy. It has not appeared in her credit report since the discharge. (Tr. 19) The car note still appears in Applicant's credit report. He contends that he is working with the creditor to get the debt removed from his credit report. (Tr. 19) He provided no effort documenting this contention.

As for the remaining debts alleged in the SOR, Applicant asserts that "there is one [he] paid . . . [and] other ones [that were] just removed." (Tr. 24) He did not elaborate further, and he provided no documentary evidence supporting this contention.

As of October 2023, Applicant was tracking his monthly finances with a budget. (Tr. 52) Per the budget, he had $1,281 of monthly discretionary income. (Tr. 52) It is unclear from the record whether he has begun withholding any of his income for his federal income taxes. (Tr. 53) He did not provide any evidence that he has a payment plan that is acceptable to the IRS to address his federal income tax debt.

Policies

The U.S. Supreme Court has recognized the substantial discretion the Executive Branch has in regulating access to information pertaining to national security, emphasizing that "no one has a 'right' to a security clearance." *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). 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 required to be considered 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, these guidelines are applied in conjunction with the factors listed in the adjudicative process. The administrative judge's overall adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(a), the entire process is a conscientious scrutiny of several variables collectively 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 national security is the paramount consideration. AG ¶ 1(d) requires that "[a]ny 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. 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 applicant or proven by Department Counsel. . .." The applicant has the ultimate burden of persuasion to obtain a favorable security decision.

Under the whole-person concept, the administrative judge must consider the totality of an applicant's conduct and all relevant circumstances considering the nine adjudicative process factors in AG ¶ 2**(**d). They are as follows:

(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.

Analysis

Guideline F, Financial Considerations

Under this guideline, "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." (AG ¶ 18) Applicant's history of financial problems and his outstanding federal income tax delinquency trigger the application of the following disqualifying conditions under AG ¶ 19, as follows:

> (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.

The following mitigating conditions under AG ¶ 20 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 problems 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;
>
> (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; 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 financial problems coincided with major health problems that he and his wife experienced in 2015 and 2016 and were compounded by several periods of unemployment between 2020 and 2023. However, there is scant record evidence of what he has been doing to responsibly alleviate his financial problems. Moreover, Applicant's contention that many of the debts no longer cast doubt on his security clearance worthiness because they do not appear on his credit report is misplaced because, per the Appeal Board, "absence of unsatisfied debts from an applicant's credit report does not extenuate or mitigate a history of financial difficulties or constitute evidence of financial reform or financial rehabilitation." ADP Case No. 16-00203 at 3 (App. Bd. Oct. 12, 2017) Similarly, Applicant's possible decision to forego paying his federal income tax delinquencies until they become uncollectible does not constitute a responsible strategy to mitigate one's financial problems.

Applicant maintains a budget. However, it is unclear whether he is setting aside any money to pay his federal income taxes. This constitutes further evidence that he has not rehabilitated his troubled finances. In sum, I conclude that AG ¶ 20(b) is partially applicable with respect to the financial problems occurring because of circumstances beyond his control, but none of the other mitigating conditions apply.

Whole-Person Concept

I considered the whole-person factors in my analysis of the disqualifying and mitigating conditions, and they do not warrant a favorable conclusion.

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.k:	Against Applicant

Conclusion

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

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Marc E. Curry
Administrative Judge