DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	ISCR Case No. 26-00101
	)	
Applicant for Security Clearance	)	

Appearances

For Government: Andre M. Gregorian, Esq., Department Counsel
For Applicant: *Pro se*

07/14/2026

Decision

BLAZEWICK, Robert B., Chief Administrative Judge:

Applicant mitigated the security concerns under Guideline F (Financial Considerations). Eligibility for access to classified information is granted.

Statement of the Case

Applicant submitted a security clearance application (SCA) on August 5, 2025. On March 9, 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 3, 2026, and requested a decision on the written record in lieu of a hearing. Department Counsel submitted the Government's written case on April 17, 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 8, 2026, and he did not respond. The case was assigned to me on June 29, 2026.

The Government's FORM consists of the pleadings in the case (Government Exhibit (GE) 1), Applicant's answer to the SOR (GE 2), and the documents in support of the allegations in the SOR (GE 3-6). GE 2 through 6 are admitted into evidence, without objection.

Findings of Fact

The SOR alleges under Guideline F a single delinquent debt for an account that has been charged off in the approximate amount of $22,151. (SOR ¶ 1.a) Applicant disclosed this debt in his SCA, discussed it at length during his subject interview, and admitted the allegation in his answer to the SOR. (GE 2-3, 6)

Applicant is 35 years old, has never been married, and has no children. He served honorably in the U.S. Marine Corps from 2012 to 2020. He has been employed by a government contractor since 2024. (GE 3)

In February 2022, Applicant signed for an automobile loan for a 2016 vehicle for his then-fiancée. The two had agreed she would be responsible for and maintain the monthly loan payments of approximately $430. After the purchase, they logged onto the auto loan website and changed the contact information so that his then-fiancée would receive all notices so she could make the necessary monthly payments. Within two months of the vehicle purchase, the two ended their relationship and his now ex-fiancée agreed she would keep the vehicle and maintain the payments. To his knowledge, she was maintaining payments on the vehicle for about a year and a half. (GE 6)

In July or August 2023, Applicant received a phone call from the auto loan creditor informing him that no payments had been made in the past three months and the vehicle was flagged for repossession. This was the first he learned of any delinquency regarding the account. He immediately contacted his ex-fiancée who informed him she had lent the vehicle to her sister, and her sister was supposed to be paying the auto loan. Applicant's ex-fiancée agreed to send him funds to pay the past due amount of approximately $1,400. He received the funds and paid the creditor immediately. (GE 6)

In November or December 2023, Applicant received another phone call from the creditor informing him that the loan was once again in default. He phoned and messaged his ex-fiancée several times, but his calls and messages went unanswered. The past due amount was approximately $1,400, which he paid to avoid a repossession and a negative impact on his credit. (GE 6)

In February or March 2024, Applicant received another phone call from the creditor informing him that the loan was once again in default and that no additional payments had been made since the last payment he made at the end of 2023. He again made another approximate $1,400 payment to avoid repossession and the negative impact on his credit. (GE 6)

A few months after his March 2024 payment, Applicant reached out to the creditor to inquire about the status of the loan and if any additional payments had been made since his last payment. He was informed that the vehicle was in repossession status and the creditor was unwilling to remove the status due to the number of times the account had been in default. Applicant again made several attempts to contact his ex-fiancée, to no avail. He felt defeated and believed there was nothing more he could do about it, so he took no further action and was prepared to face the negative impact of the repossession. (GE 6)

In December 2024 or January 2025 Applicant received a call from an out of state tow company who informed him that the vehicle had been in an accident in that state. The police investigating the accident discovered the repossession status and the tow company contacted the lien holder and him, since he was still the registered owner of the vehicle. He was told he had a few days to retrieve the vehicle. He contacted the creditor and updated them with the information. The creditor advised him they would send a representative to retrieve the vehicle. He did not hear back from anyone after that point and did not follow up. (GE 6)

During his subject interview, Applicant told the investigator he would reach out to the creditor to inquire about the current status and make payment arrangements. (GE 6) At the time of his answer, he stated the last communication he had was when he was informed that an agent would be sent to inspect and retrieve the vehicle, but that he had not been able to get a hold of anyone in the correct department since. (GE 2) He has not received any judgment, garnishment, or court summons for the account. (GE 6)

Per Applicant's credit bureau reports (CBR), the original loan amount and term in February 2022 for the 2016 vehicle was $23,889, for 75 months, and it has a current charged-off balance of $22,151. Date last paid reflects as June 2023. (GE 4-5) In his SCA, he explained, the "[a]ccount was in my name but I had no access to the account due to my ex fiance [sic] handling the payments until she decided to stop paying." (GE 3 at 27) The account remains delinquent. (GE 4-5)

Applicant's CBRs reveal a fairly clean credit history. He had an automobile loan with another creditor for $36,085, which he opened in November 2020 for a 73-month term. It is reflected as paid and closed in February 2022. He had another automobile loan opened in February 2016 for a 72-month term for $26,063, reflected as paid and closed as of December 2020. He had a third automobile loan opened in February 2022 for $32,134 for a 61-month term, which as of June 2025 is reflected as paid and closed. He also had a loan for recreational merchandise opened in 2017 for $8,633 for a 60-month term, which is reflected as paid and closed as of April 2022. (GE 4-5)

Applicant is not carrying a great deal of debt and has only three major loans requiring recurring payments – his mortgage, his vehicle, and his motorcycle – all of which are in current and "pays as agreed" status. (GE 4-5) His first auto loan is for his primary vehicle opened in June 2025 in the amount of $51,460 for a 72-month term, towards which he makes monthly payments of $975, with an approximate remaining balance of

$46,874. The other loan is for his motorcycle, which he opened in April 2025 in the amount of $15,232 for a 48-month term, towards which he makes monthly payments of $260, with an approximate remaining balance of $13,701. He purchased his home in about July 2024, with an original 30-year mortgage for $330,000, requiring monthly payments of $2,595, with an approximate remaining balance of $324,544. (GE 5) Although he reported no savings, retirement, or assets, aside from his home, his monthly expenses total approximately $5,542, and based on his current income, he has a monthly net remainder of approximately $4,469. (GE 6)

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 condition under this guideline:

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 established. AG ¶ 20(a) is established because Applicant's lapse in judgment happened long ago and under such circumstances that it is unlikely to recur and does not cast doubt on his current reliability, trustworthiness, or good judgment. AG ¶ 20(b) is established because his ex-fiancée broke their agreement and no longer paid for the vehicle, which is a circumstance largely beyond his control. Once he was made aware of the situation, he acted responsibly under the circumstance and worked with the creditor to resolve the issue. AG ¶ 20(c) is established, in part. Although Applicant has not received financial counseling for the problem, based on his credit history and current financial status, there are clear indications that his financial situation is under control. Although he has asserted that it is his intent to resolve the debt once he obtains the necessary information, AG ¶ 20(d) is not established because the debt remains delinquent with no documentary evidence of payments or attempts at resolution.

A security clearance adjudication is not a proceeding aimed at collecting an applicant's debts. Rather, it is a proceeding aimed at evaluating an applicant's judgment, reliability, and trustworthiness. ISCR Case No. 22-02281 at 3 (App. Bd. Feb. 13, 2024). Applicant demonstrated a lapse in judgment and foresight when he obtained an auto loan in his name for the benefit of his then fiancée, without a written agreement between them. He continued to exercise poor judgment when he then allowed her to keep the vehicle after their relationship ended, with only an oral agreement in place. However, once he was made aware of her failure to follow through on her promise to pay, he acted responsibly and took steps to try and resolve the issue; albeit not sufficiently, since the issue persisted. As a general rule, an applicant is not required to be debt-free nor to develop a plan for paying off all debts immediately or simultaneously. *See, e.g.,* ISCR Case No. 09-08462 at 4 (App. Bd. May 31, 2011), ADP Case No. 22-00180 at 3 (App. Bd. April 22, 2024). Based on Applicant's history of responsibly addressing his finances and his current financial status, it is reasonable to presume that he will continue to follow up with the creditor and resolve this debt in good faith. The Judge can reasonably consider the entirety of an applicant's financial situation and his actions in evaluating the extent to which that applicant's plan for the reduction of his outstanding indebtedness is credible and realistic. ISCR Case No. 20-02971 at 4 (App. Bd. June 15, 2023).

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). 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 mitigated the security concerns raised under Guideline F (Financial Considerations).

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:	FOR APPLICANT
Subparagraphs 1.a:	For Applicant

Conclusion

I conclude that it is clearly consistent with the national security interests of the United States to grant Applicant eligibility for access to classified information. Clearance is granted.

Robert B. Blazewick
Chief Administrative Judge