



DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS



In the matter of:

Applicant for Security Clearance

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ISCR Case No. 24-01658

Appearances

For Government: Cynthia Ruckno, Esq., Department Counsel

For Applicant: *Pro se*

07/17/2026

Decision

GOLDSTEIN, J., Administrative Judge:

This case involves unresolved security concerns raised under Guidelines F (Financial Considerations), E (Personal Conduct), and B (Foreign Influence). Clearance is denied.

Statement of the Case

On May 6, 2025, the Defense Counterintelligence and Security Agency (DCSA) sent Applicant a Statement of Reasons (SOR) alleging security concerns under Guidelines F, E, and B. 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.

On June 17, 2025, Applicant answered the SOR (Answer) and requested a decision on the written record in lieu of a hearing. He admitted SOR allegations ¶¶ 1.a – 1.f, 1.j, 2.a, 3.a, and 3.b. He denied SOR ¶¶ 1.g – 1.i. Department Counsel submitted the Government's written case on May 14, 2026. The FORM consists of 11 exhibits. Government Exhibits (GE) 1 and 2 are the pleadings in the case. GE 3 through 11 are evidence in support of the allegations in the SOR. GE 3 through 11 are admitted in evidence without objection.

Applicant received a complete copy of the file of relevant material on May 14, 2026, and he did not respond. The case was assigned to me on July 9, 2026.

Procedural Rulings

I took administrative notice of facts concerning Iraq. Those facts are set forth in the Government's Request for Administrative Notice, marked as Hearing Exhibit (HE) 1. The facts administratively noticed are limited to matters of general knowledge and matters not subject to reasonable dispute.

Findings of Fact

Applicant is a 45-year-old naturalized U.S. citizen. He is married and has two children. He was born in Iraq and attended both high school and college there. He immigrated to the United States in 2009. He seeks security clearance eligibility to work as an interpreter for the sponsoring government contractor. He currently works as a car salesman. (GE 3, GE 5, GE 6)

The SOR alleged that Applicant was delinquent on ten consumer debts in the approximate amount of \$48,000 (SOR ¶¶ 1.a-1.j). He admitted the debts in SOR ¶¶ 1.a - 1.f, and 1.j. He denied SOR ¶¶ 1.g – 1.i, without explanation.

Applicant explained to investigators that his income fluctuates as a car salesman. He began using credit cards to help pay for general living expenses in 2022 when the market for vehicles slowed down. He accumulated high credit card balances. For a while he was able to afford the minimum payments using his personal savings, but after exhausting his savings, he became delinquent on his financial obligations.

Applicant is indebted on a delinquent auto loan taken in January 2022 in the original amount of \$32,794 (SOR ¶ 1.a). The vehicle was repossessed and the debt was charged off in the amount of \$17,888. Applicant's May 2026 credit report reflects that he still owes \$8,944 on this debt. It is unresolved. (GE 7)

Applicant is indebted on a charged-off credit card account in the amount of \$5,484 (SOR ¶ 1.b). He last made a payment in May 2024. The creditor reported the unpaid balance as a loss. It is unresolved. (GE 7, GE 8)

Applicant is indebted on a charged-off credit card account in the amount of \$5,917 (SOR ¶ 1.c). He last made a payment on this debt in August 2023. It is unresolved. (GE 7, GE 8)

Applicant is indebted on a charged-off account in the original amount of \$5,274 (SOR ¶ 1.d). It is unresolved. (GE 8)

Applicant is indebted to a finance company for an unsecured loan in the amount of \$13,250 (SOR ¶ 1.e). The debt was charged off in April 2024 in the amount of \$8,256. It is unresolved. (GE 7, GE 8)

Applicant is indebted on a charged-off account in the amount of \$1,511 (SOR ¶ 1.f). This debt has been delinquent since at least May 2024. The creditor has reported the unpaid balance as a loss. It is unresolved. (GE 7, GE 8)

Applicant is indebted to a collection agency in the amount of \$805 (SOR ¶ 1.g). This debt has been delinquent since at least February 2024. It is unresolved. (GE 7, GE 8)

Applicant is indebted on a collection account in the original amount of \$4,420 (SOR ¶ 1.h). His credit report dated April 2025 reflected that he was paying under a partial payment agreement at that time. However, his May 2026 credit report reflected that he was "seriously past due" in the amount of \$3,259. This debt is unresolved. (GE 7, GE 8)

Applicant was \$3,700 past due on a home equity line of credit in the total amount of \$166,078 (SOR ¶ 1.i). He appears to have brought the account current in March 2025. He again fell delinquent by 30 or 60 days in August 2025 when the debt was transferred to another lender. This debt is unresolved. (GE 7, GE 8, GE 10)

Applicant is indebted on a seriously past-due account in the amount of \$3,337 (SOR ¶ 1.j). This debt is unresolved. (GE 7, GE 8)

Applicant has several assets in the United States. He owns his home, which he bought with an inheritance. He also reflected he owned six luxury watches. He had not sold any of the watches to help pay down his debt, because he liked luxurious things and was confident he would earn enough to satisfy his financial obligations in the future. His personal financial statement reflected a net monthly remainder of \$5,085 left after his monthly expenses were paid. (GE 5, GE 6)

On Applicant's Electronic Questionnaire for Investigations Processing (e-QIP), dated February 2, 2024, Applicant answered "no" in response to "Section 26 – Financial Record - Delinquency Involving Routine Accounts Other than previously listed, have any of the following happened? In the last seven (7) years, you had any possessions or property voluntarily or involuntarily repossessed or foreclosed? [and] In the last seven (7) years, you had bills or debts turned over to a collection agency? [and] In the last seven

(7) years, you had any account or credit card suspended, charged off, or cancelled for failing to pay as agreed? (Include financial obligations for which you were the sole debtor, as well as those for which you were a cosigner or guarantor) [and] In the last seven (7) years, you have been over 120 days delinquent on any debt not previously entered? [and] You are currently over 120 days delinquent on any debt?" In his Answer to the SOR, he admitted he deliberately failed to disclose his debts on the e-QIP. His February 2024 credit report reflected he was 120 days delinquent to the creditors listed in SOR ¶¶ 1.c, 1.h, and 1.j. (GE 3, GE 10)

Under Guideline B, the SOR alleged that Applicant's parents and three brothers are citizens and residents of Iraq. Applicant admitted these allegations. Applicant's father is 75 years old. He resides in Iraq and is the owner of a warehouse that rents construction equipment. His mother is 72 years old and resides with his father. She is not employed. Applicant listed that he has daily contact with his parents. (GE 6 at 16)

Applicant had three sisters and eight brothers. All his siblings were born in Iraq. Two of his sisters live in the United States and one is a resident of Norway. Two of his brothers are deceased. One brother resides in the United States. One brother lives in Canada, and another brother lives in Germany. The remaining three brothers reside in and are citizens of Iraq and are employed at their father's warehouse. Applicant contacts his brothers in Iraq biyearly. Applicant visited his family in Iraq in 2018, 2019, and 2023. (GE 6) Applicant's international travel since 2020 also included trips to Germany to visit family, Egypt for vacation, and Turkey for medical tourism. (GE 6)

I have taken administrative notice of facts contained in U.S. Government publications concerning the state of Iraq, as outlined in HE I, including the following: Iraq faces many challenges fueled by sectarian and ethnic divisions. Numerous terrorist groups are active throughout Iraq. The Islamic State of Iraq and the Levant (ISIL or Islamic State) controls some of the country's territory. Iran-aligned militia groups encourage and conduct attacks against the U.S. presence in Iraq. Threats of kidnapping and violence are high, and the Department of State warns U.S. citizens that all travel to Iraq should be avoided. Additionally, human-rights related problems including disappearances, torture, denial of fair public trial, and limits on freedom of speech and expression have been noted. (HE I)

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 applicable in this case:

- (a) inability to satisfy debts; and
- (c) a history of not meeting financial obligations.

Since 2022, Applicant has accumulated ten delinquent consumer debts in the approximate amount of about \$48,000. They remain largely unresolved. The above disqualifying conditions apply.

AG ¶ 20 provides conditions that could mitigate security concerns. I considered all the mitigating conditions under AG ¶ 20 including:

- (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.

I cannot hold that Applicant's problems were "so long ago" and are unlikely to recur. The record evidence shows that the concerns are ongoing and continue to cast doubt on his current reliability, trustworthiness, and good judgment. He has assets, like the luxury watches, which could be sold to resolve the delinquencies, but has opted to let his debts be charged off instead. He did not act responsibly under the circumstances. AG ¶¶ 20(a) and 20(b) do not provide full mitigation.

Applicant did not indicate that he has undertaken credit counseling. AG ¶ 20(c) does not provide mitigation.

The Appeal Board has indicated that the concept of good faith "requires a showing that a person acts in a way that shows reasonableness, prudence, honesty, and adherence to duty or obligation." ISCR Case No. 99-0201, 1999 WL 1442346 (App. Bd. Oct. 12, 1999). Given the lack of action in addressing his delinquent debts, Applicant has not established mitigation under AG ¶ 20(d).

Guideline E: Personal Conduct

AG ¶ 15 expresses the security concern for personal conduct:

Conduct involving questionable judgment, lack of candor, dishonesty, or unwillingness to comply with rules and regulations can raise questions about an individual's reliability, trustworthiness, and ability to protect classified or sensitive information. Of special interest is any failure to cooperate or provide truthful and candid answers during national security investigative or adjudicative processes. . . .

AG ¶ 16 describes conditions that could raise a security concern and may be disqualifying. The following disqualifying condition applies:

(a) deliberate omission, concealment, or falsification of relevant facts from any personnel security questionnaire, personal history statement, or similar form used to conduct investigations, determine employment qualifications, award benefits or status, determine national security eligibility or trustworthiness, or award fiduciary responsibilities.

Applicant deliberately failed to disclose he was 120 days delinquent to the creditors in listed in SOR ¶¶ 1.c, 1.h, and 1.j when he completed his February 2024 e-QIP. The allegation was established by Applicant's admission, his e-QIP, and the February 2024 credit report.

AG ¶ 17 provides conditions that could mitigate security concerns in this case:

(a) the individual made prompt, good-faith efforts to correct the omission, concealment, or falsification before being confronted with the facts;

(b) the refusal or failure to cooperate, omission, or concealment was caused or significantly contributed to by advice of legal counsel or of a person with professional responsibilities for advising or instructing the individual specifically concerning security processes. Upon being made aware of the requirement to cooperate or provide the information, the individual cooperated fully and truthfully;

(c) the offense is so minor, or so much time has passed, or the behavior is so infrequent, or it happened under such unique circumstances that it is unlikely to recur and does not cast doubt on the individual's reliability, trustworthiness, or good judgment; and

(d) the individual has acknowledged the behavior and obtained counseling to change the behavior or taken other positive steps to alleviate the stressors, circumstances, or factors that contributed to untrustworthy, unreliable, or other inappropriate behavior, and such behavior is unlikely to recur.

None of the above mitigating conditions are fully established. Applicant admitted he falsified his 2024 e-QIP. His judgment and veracity remain in question and cast doubt upon his reliability, trustworthiness, judgment, and willingness to comply with rules and regulations. Falsification of a security questionnaire constitutes serious misconduct that casts serious doubt on an applicant's judgment, reliability, or trustworthiness. Furthermore, such falsification provides a rational basis for an adverse security clearance decision. See, e.g., ISCR Case No. 01-06852 at 3 (App. Bd. Aug. 21, 2002).

Guideline B: Foreign Influence

¶ 6: The security concern relating to the guideline for foreign influence is set out in AG

Foreign contacts and interests, including, but not limited to, business, financial, and property interests, are a national security concern if they result in divided allegiance. They may also be a national security concern if they create circumstances in which the individual may be manipulated or induced to help a foreign person, group, organization, or government in a way inconsistent with U.S. interests or otherwise made vulnerable to pressure or coercion by any foreign interest. Assessment of foreign contacts and interests should consider the country in which the foreign contact or interest is located, including, but not limited to, considerations such as whether it is

known to target U.S. citizens to obtain classified or sensitive information or is associated with a risk of terrorism.

The guideline includes several conditions that could raise security concerns under AG ¶ 7. Two are applicable in this case:

(a) contact, regardless of method, with a foreign family member, business or professional associate, friend, or other person who is a citizen of or resident in a foreign country if that contact creates a heightened risk of foreign exploitation, inducement, manipulation, pressure, or coercion; and

(b) connections to a foreign person, group, government, or country that create a potential conflict of interest between the individual's obligation to protect classified or sensitive information or technology and the individual's desire to help a foreign person, group, or country by providing that information or technology.

The mere possession of close family ties with a person in a foreign country is not, as a matter of law, disqualifying under Guideline B. However, if only one relative lives in a foreign country and an applicant has contacts with that relative, that factor alone is sufficient to create the potential for foreign influence and could potentially result in the compromise of classified information. See ISCR Case No. 03-02382 at 5 (App. Bd. Feb. 15, 2006); ISCR Case No. 99-0424 (App. Bd. Feb. 8, 2001).

Applicant has ongoing and commendable familial connections with his parents and brothers, who are residents and citizens of Iraq. These relationships create a heightened risk of foreign pressure or attempted exploitation because terrorists and insurgents in Iraq may threaten Applicant and his family, as they may seek intelligence or engage in behaviors that are hostile to the United States' interests. Applicant's relationship with his relatives also creates a potential conflict of interest between his obligation to protect sensitive information or technology and his desire to help family members living in Iraq. The evidence is sufficient to raise these disqualifying conditions.

After the Government produced substantial evidence of those disqualifying conditions, the burden shifted to Applicant to rebut them or otherwise prove mitigation. AG ¶ 8 provides conditions that could mitigate security concerns. I considered all the mitigating conditions under AG ¶ 8 including:

(a) the nature of the relationships with foreign persons, the country in which these persons are located, or the positions or activities of those persons in that country are such that it is unlikely the individual will be placed in a position of having to choose between the interests of a foreign individual, group, organization, or government and the interests of the United States;

(b) there is no conflict of interest, either because the individual's sense of loyalty or obligation to the foreign person, or allegiance to the group, government, or country is so minimal, or the individual has such deep and longstanding relationships and loyalties in the United States, that the individual can be expected to resolve any conflict of interest in favor of the U.S. interest; and

(c) contact or communication with foreign citizens is so casual and infrequent that there is little likelihood that it could create a risk for foreign influence or exploitation.

AG ¶¶ 8(a) and (c) have limited applicability. Applicant has ongoing and regular family relationships and contacts with his brothers who are residents and citizens of Iraq. He is in daily contact with his parents. The heightened risk created by his family in Iraq remain insufficiently mitigated. Applicant did not fully meet his burden of showing there is "little likelihood that [his relationships with his relatives who are citizens and residents of Iraq] could create a risk for foreign influence or exploitation." A key factor in the AG ¶ 8(b) analysis is Applicant's "deep and longstanding relationships and loyalties in the United States." Applicant has established some connections to the United States considered under this mitigating condition. His home, two sisters, wife, and children are in the United States. Those facts demonstrate connections to the United States; however, Applicant's daily contact with his parents and frequent travel to Iraq despite the Department of State warnings to U.S. citizens that all travel to Iraq should be avoided continue to demonstrate his longstanding and ongoing commitments in Iraq. The potential for a conflict of interests remains. Therefore, AG ¶ 8(b) does not fully 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 Guidelines F, E, and B 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 Guidelines F, E, and B and evaluating all the evidence in the context of the whole person, I conclude Applicant has not mitigated the security concerns raised.

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.j:	Against Applicant
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Paragraph 2, Guideline E (Personal Conduct): AGAINST APPLICANT

Subparagraph 2.a:	Against Applicant
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Paragraph 3, Guideline B (Foreign Influence): AGAINST APPLICANT

Subparagraphs 3.a - 3.b:	Against Applicant
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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