DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	
	)	ISCR Case No. 25-00873
	)	
Applicant for Security Clearance	)	

Appearances

For Government: Aubrey M. De Angelis, Esq., Department Counsel
For Applicant: *Pro se*

08/12/2026

Decision

LAFAYE, Gatha, Administrative Judge:

Applicant provided sufficient evidence to mitigate security concerns raised 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 June 20, 2024. On December 22, 2025, the Defense Counterintelligence and Security Agency (DCSA) issued a Statement of Reasons (SOR) alleging security concerns under Guideline F. Applicant answered the SOR (Answer) on February 23, 2026, provided documentary evidence in support of her case, and elected to have her case decided on the written record in lieu of a hearing. The case was assigned to me on July 20, 2026.

The Government's written case was submitted on April 8, 2026. A complete copy of the file of relevant material (FORM) was provided to Applicant, who was given an opportunity to file objections and submit material to refute, extenuate, or mitigate the security concerns. Applicant received the FORM on April 9, 2026, and she did not submit a response, and did not provide additional documentary evidence.

Evidence

Government Exhibit (GE) 1, GE 2, and GE 3 include the SOR and Applicant's Answer (with documentary evidence), which are already part of the administrative record.

GE 4 through GE 12 are admitted in evidence without objection. Applicant's evidence, which was included with her Answer and her response to interrogatories, is referenced in the decision as Applicant Exhibit (AE) A and AE B, respectively.

Findings of Fact

The SOR alleges nine financial considerations security concerns totaling about $39,000 in delinquent debts. In her Answer, Applicant admitted all nine debts, SOR ¶¶ 1.a through 1.i, and her admissions are incorporated in my findings of fact. After thorough review of the pleadings and evidence, I make the following additional findings of fact.

Applicant, age 35, has worked as a security officer for a Department of Defense (DOD) contractor since about August 2024. She previously worked as a security officer for a private company from 2021 to 2024. She was briefly laid off from the company in 2023. She said she voluntarily left the position in March 2024 due to the company's lack of available work for her. She was underemployed during this period and was not earning enough income to sustain her livelihood. She graduated from high school in 2008. She has never been married and does not have children. (GE 4-6)

In December 2020, Applicant said she was laid off due to the COVID-19 pandemic and remained unemployed until November 2021. Before her layoff, she worked as a security officer from 2017 to December 2020, and as a special police officer for two companies from 2012 to 2017 due to contract changes. She said she looked for work throughout each period of unemployment and was financially supported by unemployment benefits and her parents. (GE 4-6)

In June 2024, Applicant completed her first SCA and in Section 26 (financial record), she disclosed a delinquency involving a car that was repossessed in 2022 (SOR ¶ 1.a) discussed in more detail below. She said she paid about $6,000, and this was "the total amount needed to redeem [the] vehicle" and the matter was resolved a few months later. (GE 4)

The evidence regarding the financial considerations security concerns alleged in the SOR is summarized below:

SOR ¶ 1.a ($28,343) alleges a 2025 judgment against Applicant for a 2020 car she purchased in July 2020. Applicant was laid off in December 2020 due to COVID-19, and she remained unemployed for almost a year. She fell behind on her car payments, and the creditor repossessed the car. After saving for a few months and paying the creditor $6,000, she successfully redeemed her car. (GE 4-6)

In 2023, Applicant totaled the car in an accident involving a stolen vehicle that ran into her. She said the creditor sued when her insurance company did not pay the $28,242 balance on the loan, and a judgment was entered against her. After negotiations, the parties agreed to payment plan in a consent decree, and Applicant's monthly payments of $588 commenced in April 2025. A few months after the consent decree was signed, the creditor took action to garnish Applicant's wages. Applicant provided proof of payments made starting in April 2025. In February 2026, the balance of the debt was $23,765. (GE 4-7, 9-12; AE A-B)

SOR ¶ 1.b ($5,815) alleges a 2025 judgment against Applicant for unpaid rent. Applicant said she moved because she did not have sufficient income to pay rent. She left her job in March 2024 due to the company's lack of work for her and because she was not earning enough to sustain her livelihood. She found a new job in July 2024 but said she still fell behind and could not pay despite her best efforts. (GE 6, 8)

The rental company sued Applicant in April 2025, and a judgment was entered against her. She said she provided notice to the manager that she was moving, and she left the premises in May 2025. (GE 6 at 12) In her Answer, she said the debt resulted during a period of financial hardship, and she is working to establish a payment plan with the creditor. The debt appears in the 2026 credit report. (GE 12)

SOR ¶¶ 1.c ($310) and 1.d ($658) allege two delinquent consumer debts on accounts opened in 2024 and 2025. Applicant submitted proof she made payment arrangements with the creditors, and in March 2026, the account balances decreased to $76 and $572, respectively. (GE 12 at 2; AE A)

SOR ¶¶ 1.e ($1,602) and 1.i ($1,602) allege delinquent debts for medical bills in August 2023 and November 2024. Applicant said the debts were amounts not covered by insurance after her hospital visits. She did not have the funds to pay due to financial hardship created by unemployment and underemployment. She stated her commitment to paying all of her delinquent debts. (Answer; GE 9-10)

SOR ¶¶ 1.f ($1,005) and 1.g ($253) allege delinquent debts for car insurance. Although Applicant said she had an account with the creditor in SOR ¶ 1.f a long time ago, she said she had no knowledge of the alleged debt and she would look into the matter, which she admitted in her Answer. Regarding SOR ¶ 1.g, she contacted the creditor to establish a payment plan, but said the creditor informed her the debt was resolved, and no payment was due. Neither of the debts appear in the 2026 credit bureau report. (Answer; GE 6,12)

SOR ¶ 1.h ($160) alleges a delinquent utility debt on an account opened in 2024. Applicant experienced financial hardships due to unemployment and underemployment and was unable to pay debts at the time. She said she is communicating with the creditor to establish a payment plan to resolve the debt. The debt does not appear in the December 2025 or March 2026 credit bureau reports. (Answer; GE 11-12)

Applicant expressed her commitment to national security principles in her response to DCSA interrogatories:

> I have a deep commitment to national security; I have a proven record of consistency and loyalty in all professional and personal matters. (GE 5 at 9)

In the same document, Applicant commented on her plans and her intention to pay all delinquent debts she was unable to pay during her financial hardship. She was laid off at the time and said she "did not have [any] type of income coming in at the time to start any payment arrangement." She continued, stating:

> Now that I'm catching up on everything with my current job, I am able to move forward on payment arrangements with the accounts I have not started. (GE 5 at 8)

Applicant has been gainfully employed for about two years. Her gross annual income is about $58,000, and after taxes and deductions, her net pay is about $42,000 or $3,500 monthly. (GE 5 at 14) After paying rent, expenses, and bills (including older SOR debts), she has about a few hundred dollars remaining each month. She participates in her employer's 401(k) retirement plan, which showed an account balance of about $800 in April 2025.

Policies

This case is adjudicated under Executive Order (EO) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG), which became effective on June 8, 2017.

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 to be used 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, administrative judges apply the guidelines in conjunction with the factors listed in the adjudicative process. The administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(c), the entire process is a conscientious scrutiny of a number of variables 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 the national security is the paramount consideration. AG ¶ 2(b) requires that "[a]ny doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security."

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 the applicant or proven by Department Counsel." The applicant has the ultimate burden of persuasion to obtain a favorable security decision.

A person who seeks access to classified information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours. The Government reposes a high degree of trust and confidence in individuals to whom it grants access to classified information. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation of potential, rather than actual, risk of compromise of classified information.

Section 7 of EO 10865 provides that adverse decisions shall be "in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned." *See also* EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

Analysis

Guideline F: Financial Considerations

The trustworthiness 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. 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 case establish two disqualifying conditions under this guideline: AG ¶ 19(a) (inability to satisfy debts) and AG ¶ 19(c) (a history of not meeting financial obligations).

Conditions that could mitigate the 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; and

(d) the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts.

Applicant experienced a period of extended unemployment after she was laid off during the COVID-19 pandemic. Despite her efforts to find new employment, it took her almost a year to find another job. She kept the same job for about three years, though the employer lacked available work hours for her, and she was not earning enough to sustain her livelihood. She finally left the position in March 2024 to find a better job for her future. She was unemployed for about five months before finding her current position in about August 2024. After she found stable employment, she engaged with her creditors, establishing payment plans with several of them, and she has continued to pay the debts she owes. Her job is stable, and her financial situation continues to improve.

Applicant's finances are not perfect; however, perfection is not required. The security clearance adjudication process is a procedure designed to evaluate an applicant's judgment, reliability, and trustworthiness. It is not a debt collection procedure. *See* ISCR Case No. 09-02160 (App. Bd. Jun. 21, 2010). An applicant is not required, as a matter of law, to establish resolution of every debt alleged in the SOR. An applicant need only to establish a plan to resolve the financial problems and take significant actions to implement the plan. There is no requirement that an applicant make payments on all delinquent debts simultaneously, nor is there a requirement that the debts alleged in the SOR be paid first. *See* ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008).

Applicant established payment plans for several of the debts in the SOR and provided evidence of her compliance with the plans. She is also in the process of and committed to establishing payment plans for delinquent debts she still owes, and she has not created new delinquent debts. Applicant's pay is being garnished to address the debt in SOR ¶ 1.a, and the garnishment reduces the mitigative power of this repayment plan. However, the circumstances involving the damage to the vehicle are unlikely to recur and do not cast doubt on her current reliability, trustworthiness, or good judgment, and AG ¶¶ 20(a), 20(b), and 20(d) are established to mitigate the debt in SOR ¶ 1.a. AG ¶ 20(d) is established for debts in SOR ¶¶ 1.c and 1.d. AG ¶ 20(b) is established for the remaining debts in SOR ¶¶ 1.b, 1.e -1.i. Applicant has mitigated the financial considerations security concerns in this case.

Applicant has demonstrated she acted responsibly under the circumstances, and her current financial situation does not cast doubt on her judgment, reliability, and trustworthiness.

Whole-Person Analysis

Under the whole-person concept, the 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.

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. I have incorporated my comments under Guideline F in my whole-person analysis.

Overall, the record evidence leaves me without any questions or doubts about Applicant's eligibility and suitability for a security clearance. I conclude she has mitigated the financial considerations security concerns in this case.

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:	FOR APPLICANT
Subparagraphs 1.a – 1.i:	For Applicant

Conclusion

It is clearly consistent with the national interest to grant Applicant's eligibility for a security clearance. Eligibility for access to classified information is granted.

Gatha LaFaye
Administrative Judge