



**DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS**



In the matter of:)
)
) ISCR Case No. 24-00564
)
Applicant for Security Clearance)

Appearances

For Government: Brittany C. White, Esq., Department Counsel
For Applicant: *Pro se*

08/03/2026

Decision

HARVEY, Mark, Administrative Judge:

Guideline F (financial considerations) security concerns are not mitigated.
Eligibility for access to classified information is denied.

Statement of the Case

On November 19, 2008, Applicant completed a security clearance application (SCA). (Government Exhibit (GE) 1) On June 3, 2024, the Defense Counterintelligence and Security Agency (DCSA) issued a statement of reasons (SOR) to Applicant under Executive Order (Exec. Or.) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960); Department of Defense (DoD) Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (Directive) (January 2, 1992), as amended; and Security Executive Agent Directive 4, establishing in Appendix A, the *National Security Adjudicative Guidelines for Determining Eligibility for Access to Classified Information or Eligibility to Hold a Sensitive Position* (AGs), effective June 8, 2017. (Hearing Exhibit (HE) 1)

The SOR detailed the reasons why DCSA did not find under the Directive that it is clearly consistent with the interests of national security to grant or continue a security clearance for Applicant and stated his case would be submitted to an Administrative Judge for a determination whether to grant, deny, or revoke his security clearance. Specifically, the SOR set forth security concerns arising under Guideline F. (HE 1) On June 4, 2024, Applicant responded to the SOR and requested a hearing. (HE 2) On August 6, 2024, Department Counsel was ready to proceed. On January 13, 2025, the

case was assigned to another administrative judge. On April 10, 2025, the Defense Office of Hearings and Appeals (DOHA) issued a notice scheduling the hearing on July 24, 2025. The hearing was held as scheduled using the Microsoft Teams video teleconference system.

During the first hearing, Department Counsel offered four exhibits; Applicant did not offer any exhibits; there were no objections; and all proffered exhibits were admitted into evidence. (Tr1. 30-31, GE 1-GE 4) Applicant was sponsored for a security clearance at the time of his first hearing. (Tr2. 10) On August 5, 2025, DOHA received a copy of the transcript for the first hearing. Applicant provided one post-hearing exhibit, which was admitted without objection. (AE A1 (19 pages)) The record closed for the first hearing on August 18, 2025. (Tr1. 72-73, 78)

In April of 2026, the administrative judge passed away. Applicant requested a new hearing. On April 27, 2026, DOHA issued a notice scheduling the hearing on May 22, 2026. (HE 3) The hearing was held as scheduled, using the Microsoft Teams video teleconference system.

During the second hearing, Department Counsel offered six exhibits; Applicant offered one exhibit; there were no objections; and all proffered exhibits were admitted into evidence. (Tr2. 19-21, GE 1-GE 6; Applicant Exhibit (AE) A2) Applicant said he would provide AE A2, pay stubs, after his hearing, which would show child support payments. (Tr. 20-21) However, he did not provide any documentation after his second hearing. On June 4, 2026, DOHA received a copy of the transcript. The record closed on July 22, 2026. (Tr2. 39, 42) He did not provide any exhibits after his hearing.

Some details were excluded to protect Applicant's right to privacy. Specific information is available in the cited exhibits and transcript.

Findings of Fact

In Applicant's SOR response, he admitted the allegations in SOR ¶¶ 1.a and 1.b. He also provided mitigating information.

Applicant is a 54-year-old intelligence analyst who was seeking employment with a government contractor. (Tr1. 37; Tr2. 5, 7-8) He is currently employed at an airport in customer service. (Tr2. 35) His current hourly pay is \$15. (Tr2. 36) In about 1990, Applicant graduated from high school. (Tr1. 6; Tr2. 5) From 1994 to 1995, he attended college. (Tr1. 7; Tr2. 6) He does not have a degree. (Tr2. 6) He served in the Navy from 1996 to 2005, in the Army from 2005 to 2008, in the Army National Guard from 2008 to 2009, and in the Army Reserve until 2022. (Tr1. 7-9, 37-38; Tr2. 8) In 2008, he served a combat tour in Afghanistan, and in 2010, he served a combat tour in Iraq. (Tr1. 9-12) He deployed to Afghanistan in 2013, 2014, and 2015 and to Iraq from 2020 to 2021 as a government contractor. (Tr1. 14-17) He received several offers of employment at significantly greater income than he was receiving, which were contingent on his receipt of a security clearance. (AE A1)

When he honorably retired from the Army National Guard, his rank was staff sergeant. (Tr2. 39) His military occupational specialty (MOS) at the time of his retirement from the Army was human intelligence collector (35M). (Tr2. 39)

In 2008, Applicant married, and in 2015, he was separated from his spouse. (Tr1. 40; Tr2. 6) He is currently separated from his spouse. (Tr1. 40) He has one child from his marriage, and his child is 16 years old. (Tr1. 41; Tr2. 7, 24)

Financial Considerations

Applicant was unemployed from April of 2023 until September of 2024. (Tr. 20-21) In September of 2024, he received employment at an airport. (Tr. 21) He has never had financial counseling. (Tr1. 68)

The SOR alleges, and three credit bureau reports (CBRs) from 2023, 2024, and 2025 list two delinquent debts totaling \$44,223. (GE 4-6; HE 2) He has not made any payments to address one SOR debt, and he made some payments to address the other SOR debt. More information about the status of the SOR debts and financial issues is as follows:

SOR ¶ 1.a alleges, and Applicant admitted that he has a debt placed for collection owed to an apartment complex for about \$3,506. He received an opportunity for employment in Iraq; he informed his landlord he needed to break his apartment lease; he departed for Iraq; and his landlord wanted \$3,506 for violation of his lease. (Tr. 33-36) The debt corresponded to two months of rent and fees for sending the case to collections. (Tr1. 42) His July 24, 2025 CBR shows that his balance is \$3,506. (GE 5) At his second hearing, Applicant said he had not made any progress resolving this debt; however, he does intend to pay it. (Tr. 23)

SOR ¶ 1.b alleges, and Applicant admitted that he has a past-due debt owed to a state for about \$40,717. In 2017, two years after he was separated from his spouse, he started paying for child support. (Tr1. 41) In 2020, his monthly child support was \$2,200 or \$2,400. (Tr1. 42) In 2024, his monthly child support requirement was \$2,000. (Tr1. 36) He did not pay his child support from July or August of 2023 to September of 2024 because he was unemployed. (Tr1. 33-35, 45-46) In February of 2025, his monthly child support was reduced to \$1,620 because his current hourly wage was \$15. (Tr1. 41, 47-51) His child support payments have been paid via income withholding orders (IWO) from his monthly paycheck since February of 2025. (Tr1. 53; Tr2. 33) His 2023, 2024, and 2025 CBRs show the following delinquent balances for his child support debt: October 17, 2023--\$33,236 (GE 3 at 2); May 30, 2024--\$44,223 (GE 4 at 1); and July 24, 2025--\$53,954. (GE 5 at 1) At his second hearing, he said he was paying \$700-\$800 monthly in child support. (Tr2. 23)

At the first hearing, Department Counsel suggested that Applicant provide documentation showing that his payments on his child support were being made. (Tr1. 53, 72-74) At the second hearing, I advised Applicant that information about his income and employment as well as information on his child support payments was necessary so

that I could assess whether he made payments in good faith to address his child support debt when he was employed. (Tr2. 14-15)

Applicant said he had not filed his federal income tax return for the current year. (Tr2. 31) I asked him if he had filed his federal income tax returns for the previous five years, and he responded, "As far as I know, I have." (Tr2. 32) I asked him to provide his IRS tax transcripts for the previous five years and documentation from the state showing his history of child support payments. (Tr2. 32-33) I also suggested that he provide some character statements. (Tr2. 42) He did not provide the requested documentation.

On July 6, 2026, Applicant sent an email which said:

I, [name omitted] after deep thought ask that my clearance be removed based on a lack of need effective 1 JUNE 2026. I have been looking for work in [my] community using my clearance and have not had any success. It would be a waste of USGs time and resources to continue the adjudication process for me to not be able to use it. I appreciate the time and effort you have put into this matter. If you have questions or concerns, please let me know. I appreciate your time. (HE 3)

On July 7, 2026, I sent the following email to Applicant:

Are you saying that your clearance should be revoked without a decision from an administrative Judge? If your clearance is revoked, the revocation will remain in effect for at least one year. To have it reinstated after one year, you will need to be sponsored and the issues in the case must be favorably decided. What would you like to do at this point? (HE 3)

I did not receive a response to my July 7, 2026 email.

Policies

The U.S. Supreme Court has recognized the substantial discretion of the Executive Branch in regulating access to information pertaining to national security emphasizing, "no 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 an applicant 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, *Safeguarding Classified Information within Industry* § 2 (Feb. 20, 1960), as amended.

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, these guidelines are applied 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, 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 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 “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” See Exec. Or. 10865 § 7. Thus, nothing in an unfavorable decision should be construed to suggest that it is based on any express or implied determination about an applicant’s allegiance, loyalty, or patriotism. An unfavorable decision is merely an indication the applicant has not met the strict guidelines the President, Secretary of Defense, and Director of National Intelligence 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. 95-0611 at 2 (App. Bd. May 2, 1996).

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 ultimate burden of demonstrating that it is clearly consistent with the national interest to grant or continue his [or her] security clearance.” ISCR Case No. 01-20700 at 3 (App. Bd. Dec. 19, 2002). The burden of disproving a mitigating condition never shifts to the Government. See ISCR Case No. 02-31154 at 5 (App. Bd. Sept. 22, 2005). “[S]ecurity clearance determinations should err, if they must, on the side of denials.” *Egan*, 484 U.S. at 531; see AG ¶ 2(b).

Analysis

Financial Considerations

AG ¶ 18 articulates the security concern for financial problems:

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, 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.

The Appeal Board explained the scope and rationale for the financial considerations security concern in ISCR Case No. 11-05365 at 3 (App. Bd. May 1, 2012) (citation omitted) as follows:

This concern is broader than the possibility that an applicant might knowingly compromise classified information to raise money in satisfaction of his or her debts. Rather, it requires a Judge to examine the totality of an applicant's financial history and circumstances. The Judge must consider pertinent evidence regarding the applicant's self-control, judgment, and other qualities essential to protecting the national secrets as well as the vulnerabilities inherent in the circumstances. The Directive presumes a nexus between proven conduct under any of the Guidelines and an applicant's security eligibility.

AG ¶ 19 includes disqualifying conditions that could raise a security concern and may be disqualifying in this case: "inability to satisfy debts"; and "(c) a history of not meeting financial obligations".

The record establishes the disqualifying conditions in AG ¶¶ 19(a) and 19(c), requiring additional inquiry about the possible applicability of mitigating conditions. Discussion of the disqualifying conditions is contained in the mitigation section, *infra*.

The financial considerations mitigating conditions under AG ¶ 20, which may be applicable in this case, are as follows:

- (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; and

(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.

The Appeal Board in ISCR Case No. 10-04641 at 4 (App. Bd. Sept. 24, 2013) explained an applicant's responsibility for proving the applicability of mitigating conditions is as follows:

Once a concern arises regarding an applicant's security clearance eligibility, there is a strong presumption against the grant or maintenance of a security clearance. *See Dorfmont v. Brown*, 913 F.2d 1399, 1401 (9th Cir. 1990), *cert. denied*, 499 U.S. 905 (1991). After the Government presents evidence raising security concerns, the burden shifts to the applicant to rebut or mitigate those concerns. *See Directive ¶ E3.1.15*. The standard applicable in security clearance decisions is that articulated in *Egan, supra*. "Any doubt concerning personnel being considered for access to classified information will be resolved in favor of the national security." Directive, Enclosure 2 ¶ 2(b).

The SOR alleges, and three credit bureau reports (CBRs) from 2023, 2024, and 2025 list two delinquent debts totaling \$44,223. Applicant made payments on his child support debt; however, the amount of the debt has been gradually increasing by about \$14,000 after the SOR was issued.

Applicant's child support debt established AG ¶¶ 19(a) and 19(c), and the burden shifted to Applicant to establish mitigation. Applicant's child support arrearage, which constituted the bulk of his outstanding debt, could not be mitigated because of insufficient documentation. His child support is being paid via IWOs. If he was compliant with state orders regarding his child support, which take into consideration his income and ability to pay, this substantial debt could be mitigated. *See ISCR Case No. 20-03457 3-4 (App. Bd. June 15, 2023)* (discussing child support IWOs, noting substantial reduction in arrearages over several years, and reversing denial of security clearance). Since Applicant's child support debt has been increasing (based on CBRs), I find that he has not established that he is compliant with state child-support orders.

AG ¶ 20(a) does not apply to the SOR allegations. "It is also well established that an applicant's ongoing, unpaid debts [and history of not timely filing tax returns and paying taxes] demonstrate a continuing course of conduct and can be viewed as recent for purposes of the Guideline F mitigating conditions." *ISCR Case No. 22-02226 at 2 (App. Bd. Oct. 27, 2023)* (citing *ISCR Case No. 15-06532 at 3 (App. Bd. Feb. 16, 2017)*).

AG ¶ 20(b) does not fully apply. Applicant was separated from his spouse; he has periods of unemployment and underemployment; and starting in 2017, he had significant

child support responsibilities. These circumstances adversely affected his income and available funds; however, they do not fully mitigate his financial issues. He did not provide good enough reasons, supporting documentation, or other circumstances partially or fully beyond his control, which caused him to accumulate such a large child support debt. He failed to provide IRS tax transcripts for the last five years, which would have shown whether he filed and paid his federal income taxes, and the amount of income he had over those five years. He did not provide documentation showing the amount of child support debt over the last several years.

Applicant failed to prove that he took sufficient timely, prudent, responsible, and good-faith actions regarding payment of his child support and a rental property debt. His financial behavior over multiple years raises unmitigated questions about his reliability, trustworthiness, and ability to protect classified information. Under all the circumstances, and considering the evidence “as a whole,” Applicant’s actions regarding his financial issues are not mitigated at this time.

Whole-Person Concept

Under the whole-person concept, the administrative judge must evaluate an applicant’s eligibility for a security clearance by considering the totality of the applicant’s conduct and all the circumstances. The 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), “[t]he 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. My comments under Guideline F are incorporated in my whole-person analysis. Some of the factors in AG ¶ 2(d) were addressed under that guideline but some warrant additional comment.

Applicant is a 54-year-old intelligence analyst who was seeking employment with a government contractor. He is currently employed at an airport in customer service. From 1994 to 1995, he attended college. He served in the Navy from 1996 to 2005, in the Army from 2005 to 2008, in the Army National Guard from 2008 to 2009, and in the Army Reserve until 2022. In 2008, he served a combat tour in Afghanistan, and in 2010, he served a combat tour in Iraq. He deployed to Afghanistan in 2013, 2014, and 2015 and to Iraq in 2020 to 2021 as a government contractor. When he honorably retired from the Army National Guard, his rank was staff sergeant. His MOS at the time of his retirement from the Army was human intelligence collector (35M). He received several offers of

employment at significantly greater income than he was receiving, which were contingent on his receipt of a security clearance. (AE A1)

In 2008, Applicant married, and in 2015, he was separated from his spouse. He is currently separated from his spouse. He has one child from his marriage, and his child is 16 years old.

The evidence supporting denial of Applicant's security clearance is detailed in the financial considerations section, *supra*, and this evidence is more persuasive than the evidence of mitigation.

It is well settled that once a concern arises regarding an applicant's security clearance eligibility, there is a strong presumption against granting a security clearance. See *Dorfmont*, 913 F.2d at 1401. "[A] favorable clearance decision means that the record discloses no basis for doubt about an applicant's eligibility for access to classified information." ISCR Case No. 18-02085 at 7 (App. Bd. Jan. 3, 2020) (citing ISCR Case No.12-00270 at 3 (App. Bd. Jan. 17, 2014)).

I have carefully applied the law, as set forth in *Egan*, *Dorfmont*, Exec. Or. 10865, the Directive, the AGs, and the Appeal Board's jurisprudence to the facts and circumstances in the context of the whole person. Applicant failed to mitigate financial considerations security concerns.

This decision should not be construed as a determination that Applicant cannot or will not attain the state of reform necessary for award of a security clearance in the future. With continued effort to establish and maintain his financial responsibility he may well be able to demonstrate persuasive evidence of his security clearance worthiness.

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
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Subparagraphs 1.a and 1.b:	Against Applicant
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Conclusion

I conclude that it is not clearly consistent with the interests of national security of the United States to grant or continue Applicant's national security eligibility for access to classified information. Eligibility for access to classified information is denied.

Mark Harvey
Administrative Judge