DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	
	)	ISCR Case No. 22-02410
	)	
Applicant for Security Clearance	)	

Appearances

For Government: Sakeena Farhath, Esq., Department Counsel
For Applicant: *Pro se*

09/11/2026

Decision

GARCIA, Candace Le'i, Administrative Judge:

Applicant mitigated the security concerns under Guideline E (Personal Conduct), but she did not mitigate the security concerns under Guideline F (Financial Considerations). Eligibility for access to classified information is denied.

Statement of the Case

On May 12, 2023, the Defense Counterintelligence and Security Agency (DCSA) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guidelines F and E. The action was taken 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) implemented by DOD on June 8, 2017.

Applicant submitted a response to the SOR on June 15, 2023 (Answer) and requested a hearing before an administrative judge. The case was assigned to me on April 8, 2025. The Defense Office of Hearings and Appeals (DOHA) issued a notice on April 16, 2025, scheduling the matter for a video teleconference (VTC) hearing on May 13, 2025. On May 12, 2025, DOHA cancelled the hearing because information on the

Defense Information System for Security (DISS) reflected Applicant was no longer sponsored for a security clearance.

After Applicant's sponsorship for a clearance was clarified, DOHA issued another notice on May 16, 2025, rescheduling the matter for VTC hearing on June 16, 2025. I convened the hearing as scheduled but continued it because Applicant was not prepared to proceed, as she did not have access to any of the Government's proposed exhibits. A transcript (Tr. 1) of that hearing was received on July 1, 2025. DOHA issued a third notice on July 31, 2025, rescheduling the matter for a VTC hearing on August 28, 2025. I convened the hearing as rescheduled.

At the hearing, I admitted in evidence without objection Government Exhibits (GE) 1-13. I granted Department Counsel's request to strike pages 30-75 of GE 6 from the record because these pages do not pertain to Applicant. Applicant testified, did not call any witnesses, and submitted documentation that I marked and admitted in evidence without objection as Applicant Exhibits (AE) A-C. At Applicant's request, I kept the record open until September 12, 2025, to enable her to submit additional documentation. She timely submitted documentation that I collectively marked as AE D and admitted in evidence without objection. DOHA received the transcript of this hearing (Tr. 2) on September 9, 2025. (Tr. 2 at 16-33, 35-37, 106-107)

This decision was delayed when all administrative judges were furloughed from October 1 through November 12, 2025, during a federal government shutdown due to a lapse in federal funding.

SOR Amendment

I granted Department Counsel's motion at the hearing to amend SOR ¶ 2.a, pursuant to ¶ E3.1.17 of the Directive, to conform to the evidence. (Tr. 2 at 84-86) SOR ¶ 2.a was amended to strike "August 2021" and replace it with "July 2020." SOR ¶ 2.a now reads: "In July 2020, you were terminated from your position with [Company A] for not turning in documents as requested."

Findings of Fact

In her Answer, Applicant admitted, with explanations, all the SOR allegations except SOR ¶ 2.a, which she denied. During the hearing, she admitted SOR ¶ 2.a as amended. (Tr. 2 at 84-86)

Applicant is 59 years old, single, and she does not have any children. She previously owned a home from approximately March 2010 to November 2024. As of the date of the hearing, she had resided in a shelter since May 2025. She attended college from June 1985 to May 1989 and earned a bachelor's degree. She subsequently attended another university from January 1999 to May 2002 but did not earn a degree. (GE 1; Tr. 2 at 7-8, 38-40, 80-82, 90-93)

Applicant served honorably in the Army on active duty from June 1989 to July 1993. She served honorably in the Army Reserve from August 1999 to September 2013, when she was discharged. During this time, she was mobilized to active duty and deployed three times, to Germany from August 1999 to May 2000, to Kuwait and Iraq from February 2003 to April 2004, and to Kuwait and Iraq again from November 2004 to February 2006. She also did a stateside active-duty tour from 2007 to 2008. (GE 1; Tr. 2 at 7-8, 38-40, 80-82, 90-93)

Interspersed with her periods of mobilization to active duty, Applicant has worked for various defense contracting companies since approximately 2007. After leaving the Army, she was unemployed for various periods, including from December 2013 to July 2014, February 2015 to April 2015, August 2017 to October 2017, January 2018 to May 2018, and from September 2020 to October 2020. She lived and worked overseas as a contractor on U.S. military bases in Iraq from October 2007 to December 2011, and in Afghanistan from January 2012 to December 2013, August 2014 to February 2015, and July 2015 to August 2017. She has worked for her current employer, a defense contractor, since approximately June 2025. As of the date of the hearing, she worked as a financial analyst. She held a clearance as of the date of the hearing. (GE 1-GE 2; Tr. 2 at 4-6, 8-9, 34, 39, 57, 61, 68, 77, 82, 86-89, 105)

Guideline F

Under Guideline F, the SOR alleges Applicant filed Chapter 13 bankruptcy three times: in April 2018, May 2019, and March 2020, and her petitions were dismissed in August 2018, August 2019, and June 2020, respectively. (SOR ¶¶ 1.a, 1.d-1.e) It also alleges she filed Chapter 7 bankruptcy twice, in September 2018--which was discharged in January 2019--and in March 2019--which was dismissed in April 2019. (SOR ¶¶ 1.b-1.c) It also alleges a United States Bankruptcy Trustee filed a Motion to Dismiss for Abuse with Prejudice in March 2020, requesting dismissal of Applicant's March 2020 chapter 13 bankruptcy case and seeking to bar Applicant from filing bankruptcy petitions for at least one year, which was granted in June 2020. (SOR ¶ 1.f) It also alleges Applicant filed a fourth chapter 13 bankruptcy, in February 2023, a petition which was pending as of the date of the SOR. (SOR ¶ 1.g)

The SOR further alleges under Guideline F that Applicant has two delinquent consumer debts: a mortgage account with Creditor A for the home Applicant purchased in March 2010 that went into foreclosure, with a deficiency balance of $291,810 for which Applicant remains indebted. (SOR ¶ 1.h), and a $7,932 charged-off auto loan. (SOR ¶ 1.i).

In addition to her admissions in her Answer, Applicant disclosed her bankruptcies and delinquent debts on her November 2020 security clearance application (SCA), and she discussed them during her January 2021 background interview. Her bankruptcies and delinquent debts are also established by bankruptcy records, court records, and credit bureau reports (CBRs) from January 2021, January 2022, and May 2025. (GE 1-GE 8, GE 10-13)

Applicant attributed her bankruptcies and delinquent debts to the death of her mother in 2019 followed by the death of three close relatives between 2020 and 2022; periods in which she worked overseas; a reduction or loss of income after returning stateside from working overseas; losing her home in November 2024; losing her car in an accident in December 2024 and having to come up with money to buy another car from someone else; living in a shelter since May 2025; and her periods of unemployment and underemployment. (GE 1-GE 2; AE A, AE C; Tr. 2 at 57, 61-63, 68, 77, 80, 97-105) She testified, “Just dealing with the personal stuff I was dealing with and, you know, losing the property and having to go through what I’m going through now, it’s been a lot. I’m just trying to get back on my feet, trying to start over.” (Tr. 2 at 100-101)

Bankruptcies

Applicant filed bankruptcies as an attempt to stay the foreclosure process on her home (SOR ¶ 1.h), as further discussed below. She did not abide by the payment plan set forth by her latest chapter 13 bankruptcy in February 2023, in which she was required to pay $1,200 monthly for 72 months, having not made one payment under the plan. This bankruptcy was dismissed in October 2023 for her failure to file information, but she did not recall having been required to file such information. Concerning the dismissals of her bankruptcy petitions, she asserted that she was never given the opportunity to present her arguments in court. (GE 1-GE 6, GE 11-GE 13; AE A, AE C; Tr. 2 at 64-78)

Delinquent consumer debts

SOR ¶ 1.h: a mortgage account with Creditor A for the home Applicant purchased in March 2010 that went into foreclosure, with a deficiency balance of $291,810 for which Applicant remains indebted. She purchased this home for approximately $569,000. Her monthly mortgage payment was $3,800. Over the years, her mortgage was sold to different companies. Creditor A became the mortgage holder in approximately 2015 or 2016. In 2016, Applicant requested a loan modification. She sought to extend the length of her loan so she could lower her monthly mortgage payments. She stated she was led to believe her request would be approved, but after approximately one and a half years of going through the loan modification process, Creditor A denied her request. (GE 1-GE 3; AE A; Tr. 2 at 40-78, 93-96)

In January 2018, Applicant tried to pay her delinquent mortgage with a money order payment. She acknowledged her money order payment did not involve obtaining a money order from a bank with cash backing. Rather, she obtained the money order through an administrative process she underwent with the help of an individual (Mr. A) who conveyed to her that he had 30 to 40 years of experience with mortgages. Creditor A declined her money order payment, informing her it was fraudulent. During this period, she continued to live in the home but did not make any payments toward her delinquent mortgage. In April 2018, she received documentation in the mail from a law firm notifying her that foreclosure on her home had commenced. (GE 2; AE D; Tr. 2 at 40-78, 93-96)

Applicant represented herself during the foreclosure process, but she was in contact with an attorney experienced in foreclosure matters who guided her through the process from 2020 to 2024. She stated that the foreclosure attorney conducted an audit for her and found that “the trust fund that the mortgage was in was actually paid, had showed a zero balance.” (Tr. 2 at 53-54) She filed a wrongful foreclosure case in February 2020. While awaiting a response from the court and Creditor A, she continued to live in the home without making any mortgage payments. The foreclosure attorney did not advise her not to pay her mortgage. She stated she never received a response to her wrongful foreclosure case from the court or Creditor A. Her home was sold in approximately January 2022. She received statements from Creditor A notifying her of her deficiency balance, but she did not make any payments towards that balance. In February or March 2024, she attempted to negotiate a payment plan with Creditor A by requesting another loan modification, but Creditor A denied her request. (AE A, AE C-AE D; Tr. 2 at 40-78, 93-96)

In addition to filing multiple bankruptcies between 2018 and 2023 as an attempt to stay the foreclosure process, Applicant also filed four complaints and a small claims case against Creditor A. She was approximately $65,000 behind on her mortgage payments when she filed her latest chapter 13 bankruptcy in February 2023. Except for her September 2018 chapter 7 bankruptcy that was discharged in January 2019, all her other bankruptcy petitions, her complaints, and her small claims case against Creditor A, were dismissed. She still felt she never got the chance to present her arguments in court. (GE 2-GE 6, GE 11-GE 13; AE A, AE C; Tr. 2 at 40-78)

Applicant vacated the home in November 2024. Since then, she stated she has not received any notices about her deficiency balance, she has not contacted Creditor A to inquire whether she has a deficiency balance, and she did not see this debt on a credit report she pulled a few months before her hearing. While she acknowledged having received, at an unrecalled date, an accounting from Creditor A of her mortgage payments she stated she no longer has access to this information. She also stated she has not made any payments toward her deficiency balance as she believes her mortgage is fully paid because of a law she referred to as “HJR 192.” (Tr. 2 at 53-55; *See also* GE 2) She testified “[A]t the time, that particular law did indicate that the mortgages were paid by that based on that particular law.” (Tr. 2 at 53). She further stated, “I’m not as familiar with the law of the HJR 192 as I was back then, because I kind of got away from it because I was just all this foreclosure stuff was coming up on me.” (Tr. 2 at 54) She testified that with Mr. A’s help, she attempted to present this argument regarding HJR 192 during the foreclosure process but did not get any response from either the court or Creditor A. She also believed Creditor A is a predatory lender. She acknowledged having unsuccessfully made the same argument about HJR 192 with a different creditor who repossessed her car in around 2019, after she stopped making her car payments. She also acknowledged she was mostly employed during the period in which her home was being foreclosed. She testified she was working with the foreclosure attorney on another avenue, for which she could not go into further detail, to address the foreclosure of her home by Creditor A. (GE 2-3; AE A, AE C; Tr. 2 at 40-78, 93-96)

An Internal Revenue Service (IRS) Form 1099-C "Cancellation of Debt," reflects Creditor A as the creditor and Applicant as the debtor. It also reflects a date of identifiable event as January 30, 2023; a discharged amount of $315,721; and the address of the home that was foreclosed as the debt description. It further reflects that Applicant is not personally liable for repayment of the debt. Applicant stated she gave this form to the individual who files her income tax returns. The 2021 and 2022 CBRs reflect this mortgage debt as having a zero balance, and this debt is not reported on her 2025 CBR. (GE 7-8, 10; AE D; Tr. 2 at 94-95)

SOR ¶ 1.i: a $7,932 charged-off auto loan. Applicant lost her car in an accident in December 2024 and "I had to come up with money to buy a [different] car from someone else. So I'm paying that person back." (Tr. 80). She stated she forgot about this debt. She intends to contact the creditor to resolve it by adding it to the payment plan she has in place with a debt relief service (DRS), as further discussed below. This delinquent debt is still reported on her most recent CBR from 2025. She did not provide documentation to show that she has taken any steps to resolve this debt. (GE 7-GE 8, GE 10; AE A-AE B; Tr. 2 at 15-16, 79-83, 96-98, 105)

Applicant obtained two personal loans, in around 2022 or 2023, for $3,000 and $5,000 respectively, for personal expenses. In February 2025, she entered into an agreement with DRS to pay $143 every two weeks to resolve these loans. She stated she made about two payments in February 2025 but stopped, and her payments were scheduled to resume in September 2025. She anticipated her payments would increase from $143 to approximately $200 every two weeks once she added the debt in SOR ¶ 1.i to her DRS payment plan. (GE 10; AE A-AE B; Tr. 2 at 60-61, 81-84, 96-98, 105)

The most recent CBR from 2025 reflects that Applicant has two student loans in the approximate amounts of $10,551 and $11,331 that have a payment status as "180 days past due," and an account condition as "transferred." (GE 10) She acknowledged she forgot about her student loans, and she has not been making timely payments toward her student loans. She could not recall when she stopped paying her student loans, but estimated it was around 2024. She did not open the correspondence concerning her student loans that she received several months before her hearing. She intends to also add her student loans to her DRS payment plan. (GE 10; AE A-AE B; Tr. 2 at 60-61, 81-84, 96-98, 105) She did not provide documentation to corroborate her testimony concerning her personal loans or her student loans. These debts were not alleged in the SOR and cannot be used for disqualification purposes but may be used while assessing the applicability of mitigating conditions and in the whole-person analysis.

Applicant stated her gross annual salary is approximately $95,000. She also receives $2,044 monthly in disability benefits from the U.S. Department of Veterans Affairs. She does not financially support anyone. She stated she has minimal savings, and she does not have a budget. She has been living in a shelter--an apartment for homeless veterans--and she uses her money to pay for her internet and phone bill, gas for her car, car repair and maintenance expenses, her monthly car payment of $300, car insurance, metro expenses, and groceries. She is trying to save money to rent an apartment. She also expected to start payments on her DRS plan in September 2025, as discussed above. She stated she has timely filed her federal and state income tax returns, and she does not owe any outstanding taxes. She stated she received financial counseling but could not recall the date. She received financial counseling in February 2023 through the bankruptcy process. (GE 4; AE B; Tr. 2 at 79-84, 96-98, 101-104)

Guideline E

Under Guideline E, the SOR alleges Applicant was terminated from her positions as follows: from Company A in July 2020 for not turning in documents as requested (SOR ¶ 2.a, as amended); from Company B in January 2018 (SOR ¶ 2.b); from Company C in July 2017 for falling asleep on the job (SOR ¶ 2.c); and from Company D in December 2013 and February 2015 (SOR ¶¶ 2.d-2.e). In addition to her admissions in her Answer and at the hearing, Applicant's employment terminations are established by her admissions in her 2020 SCA and during her 2021 background interview, and by her employment records. (GE 1-GE 2, GE 9; Tr. 2 at 62, 84-93)

SOR ¶ 2.a: Applicant admitted she was terminated by Company A in July 2020. She was an at-will employee and acknowledged she was on a performance improvement plan (PIP). (GE 1-GE 2, GE 9; Tr. 2 at 62, 84-86) While she disputed that she was terminated for failure to comply with the PIP, she stated, "I don't agree with that. I went back and forth with them about that, but yes, that's what they -- that's what they said. That's what they said. So I agree with that, what they put on the paper here." (Tr. 2 at 86) She testified:

> I was terminated from there for some -- I really don't understand that, but you know, they had -- contracting is at will employment, so they can fire you for wearing the wrong pair of shoes three days in a row, basically. But that was during the time when my mother had passed, too, so I was really dealing with that and trying to -- you know, was doing the job; was showing up to work on time, doing what I needed to do. But for whatever reason, you know, it's at will employment so they decided to terminate me. (Tr. 2 at 62)

SOR ¶ 2.b: Applicant admitted she was terminated by Company B in January 2018. She testified she had just returned from overseas and worked with Company B for a short duration, approximately two months. She stated she was not given a reason for her termination. (GE 2; Tr. 2 at 86-87)

SOR ¶ 2.c: Applicant admitted she was terminated by Company C in July 2017 for falling asleep on the job. She testified she found out about her termination several days later. (GE 1; Tr. 2 at 87) She stated:

> Yes. That -- when you work -- when you work overseas, you work seven days, 12 hours. I go to bed at night. Do my normal routine. I was actually sitting at my desk typing and I dozed off. That's not uncommon for some -- for people to doze off as you're typing. As -- it wasn't like I was in a position

in the corner in a chair, trying to go to sleep. I was actually sitting at my desk typing and I dozed off. That's all that happened. (Tr. 2 at 87)

SOR ¶¶ 2.d-2.e: Applicant admitted she was terminated by Company D in December 2013 and again in February 2015. (GE 1-GE 2; Tr. 2 at 87-89) She testified she could not recall the reason for her 2013 termination. (Tr. 2 at 87-89) In her 2020 SCA, she listed the reason for her 2013 termination as "Terminated; reason NOT given by employer." (GE 1) Also in her 2020 SCA, she listed the reason for her termination in 2015 as, "Terminated 'for cause'; did not have adequate skill proficiency in EXCEL." (GE 1) She testified:

> I'm not an expert in Excel. The only Excel experience that I had was typing in -- you know, just making an update to a spreadsheet. That's all I had to do. So I think, I don't even remember what it was with the Excel, but it is something that he -- I know who the individual is. I can't think of his name, but I don't -- oh, that's what -- okay. Okay. This is just from what I recall, it's a long time ago, I was in a meeting and he wanted me to type on -- type notes on the computer as opposed to me handwriting them. And I told him I don't do well typing, I hand write it first and I go back and type it up later. He didn't want me to do that. I said, well, how else do you want me to make -- take notes? So I see what he did. Okay. But yeah, Excel. All right. It's what he said, but that's not what happened. (Tr. 2 at 88-89)

Applicant testified she has not had any performance issues with her current employer, for whom she started working in July 2025. She also stated she was responsible for managing and disbursing large amounts of money while serving on active duty, and she never had any issues. She received an Army Achievement Medal in 2004. (AE D; Tr. 2 at 89-93)

Policies

This case is adjudicated 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 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 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." EO 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." EO 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 "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* 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. 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 . . ..

The guideline notes several conditions that could raise security concerns under AG ¶ 19. The following are potentially applicable in this case:

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

Applicant has a history of not paying her debts. She failed to timely pay her mortgage, her home was consequently foreclosed in 2018, and her auto loan was charged off in approximately 2020 because she failed to make her car payments. She also filed multiple bankruptcies between 2018 and 2023, all of which were dismissed except for her 2018-chapter 7 bankruptcy that was discharged in January 2019. AG ¶¶ 19(a) and 19(c) are established.

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;
>
> (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

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

Conditions beyond Applicant's control contributed to her debts. The first prong of AG ¶ 20(b) applies. For the full application of AG ¶ 20(b), however, she must provide evidence that she acted responsibly under the circumstances. Applicant's deficiency balance on her mortgage was ultimately cancelled by the mortgage company, as reflected in the IRS Form 1099-C, and Applicant is not liable for repayment of that balance. This debt is also not reported on her most recent CBR from 2025 and was reported on her previous CBRs from 2021 and 2022 as having a zero balance. While her delinquent mortgage is resolved, she failed to show that she took responsible steps to address it before it was cancelled. Moreover, she failed to show that she acted responsibly to address her other financial issues aside from her mortgage debt.

Applicant made not one payment toward her mortgage after initiating the loan modification process in 2016, even after she was notified by the mortgage company that her home was being foreclosed in 2018. She tried to pay her delinquent mortgage in January 2018 with a money order payment that did not have cash banking from a bank, with a money order the mortgage company determined was fraudulent. While she did so with the help of an individual who conveyed to her his lengthy experience with mortgages, she continued to rely on this individual's assistance to argue that a law "HJR 192" relieved her of her responsibility to pay her deficiency balance on her mortgage, even after the mortgage company notified her that the money order this individual assisted her in obtaining was fraudulent.

Applicant also unsuccessfully filed multiple bankruptcies between April 2018 and February 2023 to stay the foreclosure process on her home, prompting a United States Trustee to successfully file a motion that dismissed her 2020-chapter 13 bankruptcy case and barring her from filing bankruptcy for at least one year. During the foreclosure process, she maintained her mortgage was fully paid by relying on the law "HJR 192," as discussed above, and which she had unsuccessfully used with a different creditor who repossessed her car in around 2019 after she had stopped making her payments on that car. She did not make any payments toward her deficiency balance after her home was sold in January 2022, despite the mortgage company sending her statements notifying her of that balance. She did not abide by the payment plan set forth by her latest chapter 13 bankruptcy in February 2023, resulting in the dismissal of yet another one of her bankruptcy petitions. After vacating her home in 2024, she made no inquiries with her mortgage company about the status of her deficiency balance.

Further, even after Applicant received a chapter 7 bankruptcy discharge in January 2019, she incurred new debts. She forgot about her delinquent auto loan in SOR ¶ 1.i, and while she intends to add it to her payment plan with DRS, she has yet to do so. She also incurred two personal loans totaling approximately $8,000, which, in addition to her student loans, she acknowledged she had not been paying, either through the debt relief service or through payments directly to the creditor. She failed to provide documentation to corroborate her testimony that she has taken steps to resolve her auto loan, two personal loans, or student loans.

A security clearance adjudication is an evaluation of an individual's judgment, reliability, and trustworthiness. It is not a debt-collection procedure. ISCR Case No. 09-02160 (App. Bd. Jun. 21, 2010). The adjudicative guidelines do not require that an individual make payments on all delinquent debts simultaneously, pay the debts alleged in the SOR first, or establish resolution of every debt alleged in the SOR. He or she need only establish a plan to resolve financial problems and take significant actions to implement the plan. *See* ISCR Case No. 07-06482 at 2-3 (App. Bd. May 21, 2008).

Considering Applicant's multiple bankruptcies, her failure to responsibly address her delinquent auto loan and the deficiency balance on her mortgage, coupled with her incurrence of new debts for which she has admittedly failed to make consistent payments even after receiving a chapter 7 bankruptcy discharge, questions are raised about her judgment, trustworthiness, and reliability. While she received financial counseling and she appears to have more than an adequate monthly income, she needs more time to get her financial issues under control. I find that that these financial issues continue to cast doubt on her reliability, trustworthiness, and judgment. AG ¶¶ 20(a), 20(b), 20(c), and 20(d)do not apply to fully mitigate any of the allegations under SOR ¶ 1.

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. I considered the following relevant:

> (d) credible adverse information that is not explicitly covered under any other guideline and may not be sufficient by itself for an adverse determination, but which, when combined with all available information, supports a whole-person assessment of questionable judgment, untrustworthiness, unreliability, lack of candor, unwillingness to comply with rules and regulations, or other characteristics indicating that the individual may not properly safeguard classified or sensitive information. This includes, but is not limited to, consideration of: (1) untrustworthy or unreliable behavior . . ..

Applicant was terminated by Company D in 2013 for a reason unknown to her, and in 2015 for lacking adequate skill proficiency in Excel. She was terminated by Company C in 2017 for falling asleep on the job. She was terminated by Company B in 2018, a company for whom she was only employed for two months, for a reason unknown to her. Finally, she was terminated from her at-will-employment with Company A in 2020, for failure to turn in documents, as requested, in noncompliance with her PIP. Her multiple terminations by various employers raise questions about her judgment, trustworthiness, and reliability. AG ¶ 16(d)(1) applies.

AG ¶ 17 describes the following relevant conditions that could mitigate the personal conduct security concerns:

> (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.

Applicant has not had employment issues since 2020. She not only listed these employment terminations on her SCA but also discussed this information during her background interview, and she was candid about them at the hearing. She has not had any other performance issues or disciplinary actions. Her conduct happened under unique circumstances, is unlikely to recur, and does not continue to raise doubts about her reliability, trustworthiness, and judgment. AG ¶¶ 17(c) and 17(d) apply.

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 Guidelines F and E in my whole-person analysis and applied the adjudicative factors in AG ¶ 2(d). I considered the potentially disqualifying and mitigating conditions in light of all the facts and circumstances surrounding this case. Overall, the record evidence leaves me with questions and doubts about Applicant's eligibility and suitability for a security clearance. I conclude Applicant mitigated the personal conduct security concerns, but she did not mitigate the financial considerations security concerns.

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.i:	Against Applicant
Paragraph 2, Guideline E:	FOR APPLICANT
Subparagraphs 2.a-2.e:	For Applicant

Conclusion

I conclude that it is not clearly consistent with the interests of national security to grant Applicant eligibility for access to classified information. Clearance is denied.

Candace Le'i Garcia
Administrative Judge