DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	
	)	ISCR Case No. 24-00884
	)	
Applicant for Security Clearance	)	
	)	

Appearances

For Government:
George A. Hawkins, Esq., Department Counsel

For Applicant: *Pro se*

09/03/2026

Corrected Decision[1]

GLENDON, John Bayard, Administrative Judge:

Applicant did not mitigate the security concerns under Guideline F (Financial Considerations) arising from her delinquent taxes and student loan debts. Eligibility for access to classified information is denied.

Statement of the Case

Applicant submitted a Questionnaire for National Security Positions on April 30, 2023 (the Questionnaire). On August 15, 2024, the Defense Counterintelligence and Security Agency (DCSA) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F (Financial Considerations). The action was taken under Executive Order 10865, *Safeguarding Classified Information Within Industry* (February 20, 1960), as amended; Department of Defense (DOD) Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as

[1] As explained in further detail in the "Statement of the Case," below, a decision was initially issued in this case on Friday, August 28, 2026. The following Monday, August 31, 2026, I was notified that Applicant had timely submitted two documents to be added to the record post-hearing that I did not receive prior to issuing the August 28, 2026 Decision. That Decision was set aside by the DOHA Chief Judge on September 1, 2026. This Corrected Decision is intended to replace it in all respects.

amended (Directive); and the adjudicative guidelines (AG) effective within DOD after June 8, 2017.

Applicant responded to the SOR allegations on August 4, 2025 (Answer) and requested a hearing before an administrative judge from the Defense Office of Hearings and Appeals (DOHA). Department Counsel was prepared to proceed on June 29, 2026. The case was assigned to me the same day. On July 21, 2026, DOHA scheduled the case to be heard via Microsoft Teams video teleconference on August 11, 2026. One day before the hearing, Department Counsel submitted a proposed Amendment to the Statement of Reasons (ASOR), in which he sought to add three allegations to the SOR under Guideline F.

I convened the hearing as scheduled. Department Counsel offered seven documents marked as Government Exhibits (GE) 1 through 7, which I admitted without objection. One proposed exhibit (GE 2), a report summarizing Applicant's security interview conducted on July 21, 2023, was discussed with Applicant in detail. I advised her of her right to object to this exhibit as not being authenticated by a Government witness. She waived any objection to the admission of the exhibit. Department Counsel also moved to amend the SOR with his proposed ASOR. Applicant did not object to this motion and admitted that the new allegations were accurate. Applicant testified but did not submit any documents. I kept the record open until August 18, 2026, to give Applicant the opportunity to submit certain tax and other documents discussed at the hearing. DOHA received the transcript of the hearing (Tr.) on August 18, 2026. (Tr. at 14-18, 76-78.)

As I learned on August 31, 2026, Applicant timely submitted two documents to a member of DOHA's administrative staff. However, Applicant emailed the documents to a DOHA staff member who was on leave for two weeks, and the staff member did not receive the proposed exhibits until Monday, August 31, 2026, when she returned to her office. This was one business day after I issued my decision on August 28, 2026. Applicant should have received an auto-response to her email submission from the email account of the recipient staff member advising her that the recipient of her email was out of the office until August 31, 2026, and that the sender should contact the other two members of the administrative staff. She made no effort to follow up on her email to make sure it was received at DOHA in a timely manner.

Due to these circumstances, on September 1, 2026, the DOHA's Chief Judge set aside my August 28, 2026, decision "without prejudice" and returned the case to me "for further action as appropriate" so that I may consider Applicant's two post-hearing exhibits. I have marked the Chief's Judge's "set aside" statement and included it in the record as Hearing Exhibit (HE) I. I have marked the exhibits, two federal tax account transcripts, as Applicant Exhibits (AE) A and B, and they are admitted into the record without objection. The post-hearing record closed on September 1, 2026.

Findings of Fact

Applicant is 56 years old. She earned a bachelor's degree in 2010, a master's degree in 2012, and a doctorate degree in 2018. She works two jobs. In one position, she has been employed since April 2023 as a professional for a U.S. Government contractor. In her other position, she has been employed as a professor at a state university for over seven years. Applicant is seeking national security eligibility and a security clearance for the first time so that she can continue to work for the government contractor. She married in 1989 and has five adult children. Her husband died of cancer in November 2025 after four years of illness. (Tr. at 13, 33; GE 1 at 5, 9-13, 18-19, 22-25.)

DCSA alleged in the SOR that Applicant is ineligible for a security clearance because she is delinquent in filing two federal income tax returns and paying her federal and state taxes totaling about $47,000. The government also alleged in the SOR that Applicant has delinquent federal student loans totaling about $94,000. I find the following facts developed at the hearing and detailed in the documentary record, including after the hearing:

Paragraph 1, Guideline F (Financial Considerations)

SOR ¶ 1.a. Failure to File Federal Income Tax Returns, Tax Years (TYs) 2020, 2021, as Required. Applicant failed to file her federal income tax returns for TYs 2020 and 2021, as required. She denied this allegation in her Answer and at the hearing, claiming that the returns were filed by a tax professional she hired after she submitted the Questionnaire, was interviewed by a government security investigator, and prepared responses to the government's interrogatories in January 2024.

With her responses to the government's interrogatories, Applicant provided IRS tax transcripts for TYs 2016 through 2021. These transcripts reflect that she and her husband filed their joint TY 2016 through 2018 federal income tax returns in the first quarter of 2024 and their TY 2019 federal income tax return a few months late on August 17, 2020. The transcripts also indicate that as of January 28, 2024, no federal income tax returns had been filed for TYs 2020 and 2021. (GE 3 at 28-37.)

As noted above, I kept the record open to give Applicant the opportunity to provide evidence showing she filed these returns. On August 18, 2026, Applicant submitted AE A and AE B, which document that she filed her TY 2020 federal income tax return on March 11, 2024, and filed her TY 2021 federal income tax return on April 1, 2024. She testified that her tax professional also filed her TY 2022 and 2023 federal income tax returns and that she prepared her own federal income tax return for TY 2024 because she could not afford to pay the professional in 2025 due to her husband's illness. Her return for 2025 is on extension until October 2026 based upon the advice of her advisor. Applicant's federal income tax filing delinquency for TYs 2020 and 2021 are resolved. (Tr. at 41-42, 57, 76-78; GE 1 at 42-44; GE 2 at 2; GE 3 at 28-29; AE A; AE B.*)*

SOR ¶ 1.b. Delinquent Federal Taxes in the Amount of $33,486 for TYs 2016, 2017, and 2018. During the hearing, Department Counsel moved to further amend the SOR to conform to the evidence by revising this allegation to allege delinquent Federal Taxes of "$53,000" (instead of $33,486) and to add additional tax years, specifically TYs 2020, 2021, 2022, 2023, and 2024. Applicant did not object to this amendment, and she admitted the allegation as revised. (Tr. at 31-39; GE 4 at 2; GE 5 at 3.)

The transcripts attached to Applicant's interrogatory responses show that as of April 2024, she and her husband had a federal tax balance due of about $33,486 for TYs 2016 through 2018. The transcript for TY 2019 reflects that their taxes for TY 2019 were fully paid. The new transcripts for TYs 2020 and 2021, submitted post-hearing, evidence that she still owes $8,694 and $2,952, respectively, in unpaid federal taxes (GE 3 at 30-37, 42, 58-59; AE A; AE B.)

SOR ¶ 1.c. Delinquent State 1 Taxes in the Amount of $6,610 for TYs 2019, 2020, and 2021. Applicant attached to her interrogatory responses undated notices from State 1, indicating that she individually owed taxes in the amounts of $145 for TY 2019, $4,055 for TY 2020, and $2,410 for TY 2021, for a total of $6,610. Applicant admitted this allegation in her Answer. At the hearing, she credibly testified that she paid State 1 (for SOR ¶ 1.c) and State 2 (for SOR ¶ 1.d., below), pursuant to two separate 18-month payment plans. She paid between $400 per month to $800 per month. State 1 also garnished her wages to accelerate the payment schedule. The tax debt owed to State 1 is resolved. (Tr. at 23, 35-36,41; GE 3 at 38-43.)

SOR ¶ 1.d. Delinquent State 2 Taxes in the Amount of $6,728. Applicant attached to her interrogatory responses notices from State 2, dated January and February 2024, indicating that she and her husband owed taxes in the amounts of $2,394 for TY 2016, $3,123 for TY 2017, and $1,211 for TY 2018, for a total of $6,728. Applicant admitted this allegation in her Answer. At the hearing, she credibly testified that she paid these taxes with an 18-month installment plan and that she owed nothing further. The tax debt owed to State 2 is resolved. (Tr. at 35-36, 41; GE 3 at 22-27.)

SOR ¶ 1.e. Delinquent Federal Student Loans in the Amount of $2,266. Applicant admitted this allegation at the hearing. This loan, and the two consolidated student loans discussed below in SOR ¶¶ 1.f and 1.g, were incurred by Applicant when she was studying for her master's degree in 2011 and 2012. She started to pay these student loans after receiving that degree. When she began her studies for her doctorate degree in 2014, she advised the student loan administrator that she was a full-time student and asked for deferment of her obligation to pay these loans until she completed her doctorate degree in 2018. She now understands that whatever she did to advise the administrator was not sufficient, and her loans continued accruing interest and penalties. During the COVID pandemic and post-COVID years, all student loan payments were deferred. According to the credit reports in the record, her loan status in 2023 and 2024 was "paid as agreed," even though Applicant was not paying the loans believing no payment was required at that time. Applicant was recently advised that her loan would be considered in “default” status unless she applied for an income-based payment plan by the end of August 2026. She was also advised that she cannot dispute the interest and penalties that accrued during the period of her four-year doctorate studies until she enters into a payment plan. She has not yet submitted the paperwork to qualify for an income-based loan plan, but she intends to do so before her deadline. She submitted no documents regarding this debt (or the similar debts at SOR ¶¶ 1.f and 1.g) after the hearing. (Tr. at 56-63*;* GE 4 at 4-8; GE 5 at 2, 6-7; GE 6 at 1-3; GE 7 at 7-8*.)*

SOR ¶ 1.f. Delinquent Federal Student Loans in the Amount of $42,014. This loan is a consolidation of several loans Applicant received while studying for her master’s degree. She consolidated the loans online. The three credit reports in the record that are dated in 2023 and 2024 all reflect that her loans were rated as “paid as agreed.” It is not until the August 2026 credit report that the status of the loans was recharacterized as “seriously past due.” These reports confirm Applicant’s testimony about the history of these loans, as discussed in SOR ¶ 1.e, above. (Tr. at 56-63; GE 4 at 4-8; GE 5 at 2, 6-7; GE 6 at 1-3; GE 7 at 8.)

SOR ¶ 1.g. Delinquent Federal Student Loans in the Amount of $49,980. See discussion under SOR ¶¶ 1.e and 1.f, above. (Tr. at 56-63; GE 4 at 4-8; GE 5 at 2, 6-7; GE 6 at 1-3; GE 7 at 7-8.)

Applicant has not received any financial counseling, other than tax advice and tax return preparation services. She used to keep a budget and would like to start doing that again. (Tr. at 40-52; 63-64.)

Mitigating and Whole-Person Evidence

Applicant and her husband struggled financially for most of their many years of marriage due to their large family. She decided to obtain another degree to improve her income potential after her husband suffered a serious work-related injury. She began her studies for her doctorate degree in 2014 and was living away from home at her university. Her husband took over family financial matters, including filing the couple’s taxes. He failed to prepare their income tax returns for TYs 2016, 2017 and 2018, and he did not make Applicant aware of this omission until 2019, when they were considering buying a house. (Tr. at 13-21, 36-37.)

Applicant began working in her “dream job” in 2019 after she received her doctorate. In 2021, she learned that her husband’s employer had not paid any withholding taxes since 2016 and did not provide him with a W-2. The couple owed a substantial amount of delinquent taxes. In 2022, she and her husband, who worked as an electrician for his family’s business, bought a home. Later that year, he was diagnosed with stage IV colon cancer. Applicant took on her position with the Government contractor in 2023 so that she could support her husband and herself after he was no longer able to work and lost his annual income of about $150,000. After his cancer diagnosis, Applicant’s circumstances were “excruciating.” The payment of their past-due taxes was no longer a family priority. She put that problem and her student loans on “the back burner.” She spent her husband’s last four years trying to reduce stress on him as he battled cancer. (Tr. at 13-22, 35, 38, 50; GE 2 at 1.)

Applicant has another serious family problem. One of her adult daughters suffers from severe autism and has to live at home with support. Applicant intends to sell their family home in October after making some repairs and pay off her tax debts. She has sufficient equity in her house to pay her tax debt. She must then find housing for herself and her daughter. Her oldest son has offered to help her. (Tr. at 22-23, 53-54; GE 3 at 9.)

Policies

When evaluating an applicant’s suitability for national security eligibility, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the AG list potentially disqualifying conditions and mitigating conditions, which are to be used in evaluating an applicant’s national security eligibility.

These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with the factors listed in AG ¶ 2 describing the adjudicative process. The administrative judge’s overarching adjudicative goal is a fair, impartial, and commonsense decision. The entire process is a conscientious scrutiny of applicable guidelines in the context 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, “Any doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security.” In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. I have not drawn inferences based on mere speculation or conjecture.

Directive ¶ E3.1.14, requires the Government to 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, and has the ultimate burden of persuasion as to obtaining a favorable clearance 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 national security eligibility. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to protect or safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified or sensitive information. Finally, as emphasized in Section 7 of Executive Order 10865, “Any determination under this order adverse to an applicant shall be a determination in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” *See also* Executive Order 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information.)

Analysis

Paragraph 1, Guideline F (Financial Considerations)

The security concerns relating to the guideline for financial considerations are set out in AG ¶ 18, which reads in pertinent part:

> 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.

AG ¶ 19 sets forth three potentially disqualifying conditions that apply to the facts of this case:

> (a) inability to satisfy debts;
>
> (c) a history of not meeting financial obligations; and
>
> (f) failure to file or fraudulently filing annual Federal, state, or local income tax returns or failure to pay annual Federal, state, or local income tax as required.

The burden, therefore, shifts to Applicant to mitigate security concerns under Guideline F. The guideline includes the following six conditions in AG ¶ 20 that can mitigate security concerns arising from financial and tax difficulties:

> (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, or 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;
>
> (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; and
>
> (g) the individual has made arrangements with the appropriate tax authority to file or pay the amount owed and is in compliance with those arrangements.

AG ¶ 20(a) is only partially established. The behavior is recent and frequent. It occurred under unusual circumstances that are unlikely to recur. Applicant's delay in addressing her tax debts during her husband's illness is understandable, however her inactions since learning about her tax problems in 2019 and her further inaction since her husband's death in November 2025 raise concerns and doubts about her current reliability, trustworthiness, and good judgment.

AG ¶ 20(b) is only partially established. The conditions that resulted in Applicant's tax and student loan delinquencies were largely beyond her control. However, she has only taken some tentative steps to address her problems in a responsible manner. She has belatedly sought advice from a realtor about selling her home but has not yet done so. She has also talked to her student loan administrator about disputing the additional amounts that were erroneously assessed during the four years that she studied for her doctorate, but as of close of the record, she had not provided any evidence showing that she had applied for an income-based repayment plan to resolve her student loans. Having a plan to address her tax problems and her student loan delinquencies is an important first step, but she has not shown that she is responsibly taking the next steps of putting her plan into place.

AG ¶ 20(c) is only partially established. Applicant has received tax counseling and has filed all legally required federal tax returns as of 2026. Her federal tax filing delinquency problem is under control with the assistance of a tax professional. However, she has not received much needed financial counseling or taken steps to implement a financial strategy so that she can show that her tax and student loan debts are being resolved.

AG ¶ 20(d) is only partially established. Applicant credibly asserts that she has made a good-faith effort to pay her delinquent state tax debts (SOR ¶¶ 1.c and 1.d). Indeed, those debts are paid and resolved. However, she has not yet begun to address her large federal tax debt.

AG ¶ 20(e) is only partially established. Applicant has a reasonable basis to dispute part of her student loan balances because she should have been in deferment status while she was attending university for her doctoral studies. However, she did not provide any documentary evidence that substantiates her dispute or shows actions she has taken to resolve her dispute, as required by this mitigating condition.

AG ¶ 20(g) is only partially established. With her post-hearing submissions (AE A and AE B) now in evidence, Applicant has established that she has filed all of her delinquent federal and state income tax returns. I view her testimony that she has paid her past-due state taxes as credible. She has not, however, begun to address her substantial federal tax debt for TYs 2016, 2017, 2018, 2020, 2021, 2022, 2023, and 2024. She has a plan to pay that tax debt, but she has not made any payment arrangements with the IRS or taken steps to set that plan in motion other than consulting a realtor. AG ¶ 20(g) applies as to the federal tax filings and to the state tax payments, but not to the federal tax payments, which remain outstanding.

Whole-Person Concept

Under the whole-person concept, the administrative judge must evaluate an applicant's eligibility for national security eligibility by considering the totality of the applicant's conduct and all relevant 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), the ultimate determination of whether to grant national security eligibility for a security clearance must be an overall commonsense judgment based upon careful consideration of the guidelines and the whole-person concept. I considered the above whole-person factors and the potentially disqualifying and mitigating conditions in light of all pertinent facts and circumstances surrounding this case. I have weighed her new, post-hearing evidence that she has filed her TYs 2020 and 2021 federal income tax returns, and I view her testimony regarding her payments of her state tax debts as credible. It is understandable that the terminal illness of her husband of 36 years and her grief following his death could be paralyzing. However, she has not yet taken the necessary steps since his death to implement her plan to pay her past due taxes or to organize her repayment of her student loans and to dispute part of that debt, which accrued during her four years of doctoral studies. At this time, she has not fully mitigated the security concerns raised by her financial condition. Overall, the record evidence leaves me with questions and doubts as to Applicant's present suitability for national security eligibility and a security clearance.

Formal Findings

Formal findings for or against Applicant on the allegations set forth in the SOR, as required by ¶ E3.1.25 of Enclosure 3 of the Directive, are:

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraph 1.a:	For Applicant
Subparagraph 1.b:	Against Applicant
Subparagraphs 1.c and 1.d:	For Applicant
Subparagraphs 1.e through 1.g:	Against Applicant

Conclusion

In light of all of the circumstances presented by the record in this case, I conclude that it is not clearly consistent with the interests of national security to grant Applicant's eligibility for a security clearance. Eligibility for access to classified information is denied.

John Bayard Glendon
Administrative Judge