DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	
	)	ISCR Case No. 24-00855
	)	
Applicant for Security Clearance	)	

Appearances

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

08/27/2026

Decision

HALE, Charles C., Administrative Judge:

Applicant failed to mitigate the security concerns under Guideline E, personal conduct, and Guideline F, financial considerations. Eligibility for access to classified information is denied.

Statement of the Case

On September 17, 2024, the Defense Counterintelligence and Security Agency (DCSA) issued Applicant a Statement of Reasons (SOR) detailing security concerns under Guideline E (personal conduct) and Guideline F (financial considerations). The action was taken under Executive Order (EO) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; Department of Defense Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG) effective on June 8, 2017.

Applicant answered the SOR on October 9, 2024, and requested a hearing before an administrative judge. (Answer.) Department Counsel was ready to proceed on November 25, 2024. The case was assigned to an administrative judge on April 2, 2025, and reassigned to me on April 7, 2026, after the passing of the originally assigned administrative judge. On April 15, 2026, Applicant waived her 15-day notice period, and on April 16, 2026, the Defense Office of Hearings and Appeals (DOHA) issued a Notice of Hearing scheduling the hearing for April 22, 2026. The parties agreed to reschedule for April 21, 2026 and the Defense Office of Hearings and Appeals (DOHA) issued an amended Notice of Hearing. rescheduling the hearing for April 21, 2026.

I convened the hearing as scheduled. The Government withdrew SOR ¶ 1.c, on the basis it was addressed by SOR ¶ 1.d. Government Exhibits (GE) 1 through 11 were admitted in evidence without objection. Applicant testified and offered Applicant Exhibits (AE) A through AE M, which were admitted without objection. The documents offered with her Answer were marked as AE N1 through AE N12 and were admitted into evidence without objection. I kept the record open until May 19, 2026, to enable either party to submit additional documentary evidence. Applicant submitted AE P through AE CC, which were admitted without objection and Government notified me that it had submitted GE 12-15 to Applicant via a secured portal. After the record closed, Applicant offered AE O on May 20, 2026. I reopened the record on August 18, 2026, to determine whether Applicant had any objection to GE 12-15 and whether the Government had any objection to AE O. Prior to the record closing on August 24, 2026, the Government notified me it had no objection to AE O, and Applicant stated she had no objection to GE 12-15. During the period the record was reopened, Applicant timely submitted AE P and AE DD through AE II, which were admitted without objection.

Findings of Fact

Applicant in her Answer admitted the SOR allegations in ¶¶ 1.a-1.b and 1.d-1.f that dealt with her employment history. She denied SOR ¶¶ 1.g and 2.d, which alleged the fraudulent receipt of unemployment benefits. Applicant admitted the Chapter 7 bankruptcy allegation, SOR ¶ 2.a. She denied the debts alleged in SOR ¶¶ 2.b and 2.c. After a thorough and careful review of the pleadings and exhibits submitted, I make the following findings of fact.

Applicant is 33 years old. She graduated high school in 2010 and completed some college courses between 2013 and 2016. She met her former husband in July 2018; they married in December 2018; and they divorced in November 2021 after allegations of domestic violence and rape. (GE 1; AE N6.) She was married previously from July 2014 to May 2017. She has a teenage son from another relationship. After the birth of her son in 2012, she developed a debilitating health condition, which for privacy purposes will be referred to in this decision as a long-term autoimmune disease. She completed a security clearance application (SCA) in June 2021 and another in July 2023. (GE 1; GE 2; GE 9 at 53, 62, 131; AE N2; AE O.)

In 2024, Applicant was placed on a new medication for her long-term autoimmune disease, and since then she has been able to work without issue. After leaving the position cited in SOR ¶ 1.a, Applicant worked for a contractor as a background investigator from June 2023 until November 2024. (Tr. 110.) She deployed overseas working in the security field and was praised for her technical proficiency and described as a dedicated self-starting professional. Her military counterparts recognized her performance, noting that in a little over a month she had a huge impact on the mission. She and her civilian colleagues had to return to the United States because of the conflict with Iran, and she is currently working as a physical security officer. (Tr. 111, 120-121; AE G, AE H, AE L , AE O, AE T, AE Z.)

Applicant in an extended narrative provided some refuting, extenuating, and mitigating information pertaining to the SOR allegations. (Tr. 19-31.) She stated:

> Okay. So I guess starting with the background with the financial considerations. The circumstances surrounding – let's see. I believe the bankruptcy was Exhibit 5 for Counsel. So with the $44,000 that was declared in bankruptcy [SOR ¶ 2.a, *see infra*], the circumstances surrounding that, it was the compiling totality factor of the employment factor, which there are reasons behind the employment factor and the terminations layoffs, the great mutual leading positions as well. But with the bankruptcy, it was a compounding factor of medical debt, and my medical condition of long-term autoimmune disease taking over and being completely out of control. I was diagnosed with that in 2013, and it remained completely out of control due to not having the right medication until approximately 2024 -- 2023, 2024. And because of that, I was out of work or calling out of work a lot.
>
> Even though telework was a thing, eventually it still was pushing limitations. So, employers did not like that hence losing multiple jobs, which led to the bankruptcy. And the bankruptcy, I knew my finances played a factor for my security clearance. And after multiple discussions with both a bankruptcy attorney who was familiar with working with the DoD community, [?], and also speaking with my own friends who have worked in the DoD community, the majority of them in the [security] community, because that's what I've done for the last 13, 14 years. It was better just to file the bankruptcy, wipe the slate clean than have the overage of the $7,500 TS threshold. So I felt it was the best course of action.
>
> After filing the bankruptcy, COVID -- it was during that COVID timeframe, bankruptcy was discharged in July, 2020 -- no, November of 2021. I was working for headquarters at the time and also going through the divorce from the not-so-great ex-husband, where I was not -- it was better just to get out of the situation and not be entitled to, or fight him for my bank account, furniture, housing, nothing.
>
> It was just better to get out of the situation and start from scratch 100 percent, which is why I submitted the -- in my Statement of Reason responses, all of the domestic violence records, all the police records, the letter from [Ms. KD], which also compounded into the [Company S] [SOR ¶ 1.b, *see infra*] layoff as well.

That led to immediately getting into a vehicle because I didn't have a vehicle. He took that as well. It was a Jeep Wrangler at the time, but got in [a] vehicle myself and got into an apartment on base. And then went back to the whole single mom thing, taking care of my son, working for headquarters. And then this notice came down the pipeline. And even though I still had my security clearance, headquarters did not view it that way. So, they immediately removed me from my position as an adjudicator. Which put me right back to looking for another position, which created this snowball effect all over again, which is where that one bill, I believe it was [Bank] [SOR ¶ 2.c, *see infra*] came into play, and it became past due. Right after headquarters, I went back to my original company of [Employer C], became a background investigator, and then eventually deployed with [Employer C].

Since the bankruptcy [SOR ¶ 2.a, *see infra*]), other than [Bank] [SOR ¶ 2.c, *see infra*] and the [State] [SOR ¶¶ 1.g and 2.d, *see infra*], everything has been taken care of. Even those debts have been taken care of. I was unaware of the [Bank] [SOR ¶ 2.c, *see infra*] one. I'm not sure how I missed that, but [store credit card] [SOR ¶ 2.b, *see infra*] has been handled. All, finances have been in excellent standing. They have been 100 percent resolved. I have absolutely lived well within my means. I still have the same vehicle that I've had since the divorce. I take care of my kid and go to work and that's that.

The [long-term autoimmune disease] has been very well controlled since 2024 with the right medication. And because of that, I was actually able to deploy, which is a job that I have been wanting for a very long time with [Company C], and I excelled at that position.

And going back to financial considerations again, to address the [State] Department of Labor [SOR ¶¶ 1.g and 2.d, *see infra*] issue. I know that is probably one of the biggest consideration factors. That whole thing was a mess and actually goes into the [Company B] situation [SOR ¶ 1.e, *see infra*]. In 2017, July, 10 2017, I was hired by [Company B] as the assistant FSO. And again, [long-term autoimmune disease] was out of control. They were aware that I had [long-term autoimmune disease].

[C] was the HR director at the time. [P] was the head FSO at the time. And she was my boss. Right away, she did not like me, asking questions such as why our guys that were overseas did not have NATO secret. She did not like me asking questions about why they did not have a secret security clearance when it very clearly outlined in our DD 254 with the Government that it was a requirement. That was within the first two to three weeks of me working with her. And she told me to stay in my lane and mind my own business. After that, it was a do as I say not as I do relationship right off the jump. I apologize, right off -- right from the beginning. So fast forward a couple of weeks, it was the week of August 20th. I want to say around August 18th. I had a really, really bad [long-term autoimmune disease] flare.

So, when I flared back then versus now, what that looked like was high fevers massive joint swelling to where I would -- at that time, again still single mom. My dad has been like my co-parent. He would actually have to help me like physically walk. And I ended up in the hospital and I was hospitalized for approximately 11 days at that time. Just pushing steroids, IV fluids counter therapies to get the fever down, the swelling down and get my immune system under control.

While I was in the hospital for [V], so [P] and [C], who was still HR at the time, but [Ms. HR] came into the picture as the HR director while I was in the hospital. I had no idea who she was at the time. [C] and [P] were both made aware that I was in the hospital and -- I believe that's in her own notes.

While I was in the hospital, I received phone calls and emails asking me to provide a doctor's note. And I kept telling them that the doctor kept telling me that I would get a doctor's note upon my release. And it got to the point where they, [P] specifically, demanded that she speak to the doctor or I was going to be terminated for essentially lying to her. So, the doctor actually spoke to her and told her what was going on. And she still fired me anyways. [P], September 11, 2017, and rehired me back due to wrongful termination. And I came back to -- oh, no, it's not in her notes. I guess she started documenting in October. And brought me back to work. So [P], when she brought me back to work, she brought me into her office. She sat me down. She asked me did I ever fill out like a -- did I check the box when I was first hired, do I have a disability? Did I ever self-identify? So on and so forth. And I said, yes. And she asked if I ever specified it and I said, no. But they were aware after I was hired that I did have long-term autoimmune disease. So when I came back to work, I did have follow-up appointments to address the flares and try to get everything under control.

Basically, after that, it was a tight leash which kind of added to additional flares because of being stressed out and feeling like I couldn't control something that was uncontrollable. And then going for -- when I was in, after -- so while I was in the hospital, I was terminated. I'm responsible for the healthcare of my son and for taking care of him. I've never received -- well, I received child support for my son until he was about two and that's been about it. Since then, it's been like $254 here and there since then. And he's now. I started receiving them while I was in the hospital, while in the follow-up -- I should say the following week, the healthcare was immediately -- the financial assistance was the following week after I left the hospital.

When I was brought back on September 11th the following day, September 12th, I contacted my caseworker via phone. He said, okay, just go into the system, mark that you've worked, and then it should start reflecting in the system thereafter. And then if you wish to keep the [State] healthcare benefits, you're going to have to pay the difference, so on and so forth, because it met the salary range, but that was a different situation. So, no issues moving forward. Then in October, it was the first week of October, I saw a deposit from [the] State in my checking account, and I was confused by it. I got along really well with a woman in the office named [A]. She was my, quote-unquote, work wife, if you will. And I asked her about it, and she said to give the State a call, which I did, and they didn't really seem to be very helpful other than state, hold on to it. You may have to pay us back, or it'll come out in your taxes at the end of the year. That was the response that I received. So, the following day, it was sometime that Friday, I told [Q] that I needed to go and handle something regarding [the] State, because our SNAP -- not SNAP, the [ ] State Assistant -- Financial Assistant Office was in [town], which was about five, ten miles away from us at the time.

So that Friday, which would have been October 13th, I have no idea where restraining order comes into play, but I most definitely was not filing a restraining order with anybody at that time. And the details of waiting to see a judge, no, she knew I was going to deal with [?] State, that I was having an issue with them as a result from the [?] State Assistants.

I went to the office, sat down with the caseworker after having to wait for over an hour, hour and a half to be seen. Because when you walk in and you don't have to have an appointment, you have to wait for everybody else. The caseworker that I spoke with stated the same thing that I was told on the phone. Even after I showed them the deposit, they said, you have to hold on to it, you will receive instructions on where to send the money back to, or it will come out of your taxes at the end of the year. Those were the specific instructions that I was given.

And then I was also given instructions on -- what was the next thing. Oh, I had to update a couple of things in the profile, so it actually reflected correctly. That was the other thing I had to do while I was in the office. So I did all of that. And then that was that. I have zero explanation on the restraining order, but that is my first point in the -- I don't – [P]'s credibility with me is very limited.

The next deposit with the [State] [SOR ¶ 1.g, *see infra*] wasn't until November sometime. I understand what [Company B] [SOR ¶ 1.e, *see infra*] submitted. However, I'm stating that the next deposits were November and it was the same situation all over again. And then we fast forward to -- basically in summary, [State], every time there was something that went wrong, as in deposits, they were made aware of it. And I was told the exact same thing over and over and over again.

And then in March, come tax season, when I filed my taxes, that's exactly what happened is everything was withdrawn from my taxes. And then the balance in the [portal], there was an interest amount and an offset amount in there, which at the time, I could not take care of. And because I couldn't take care of it and I was only able to pay a certain amount, that interest kept accruing, accruing, accruing. And then when I went to file the bankruptcy years later, because it still was unresolved, that amount was absolutely massive.

So the judge during the bankruptcy [SOR ¶ 2.a, *see infra*], we agreed upon, I think it was $100 a month at that time, which I adhered to. And then in September of 2024, everything was 100 percent paid off and resolved. There was never any fraudulent anything. I understand what Company B [SOR ¶ 1.e, *see infra*] submitted, but I also know what actually happened with that situation.

And in addition to that, with the [State] [SOR ¶ 1.g, *see infra*], if there was any actual true fraud in that situation, I would not be eligible for any unemployment benefits to date. And I, most certainly, I came back from [overseas] mid-February of this year and was supposed to go back again once everything calmed down a little bit with my team. And 75 percent of our contract was laid off because of the government's stop work order. And all of us are eligible for unemployment benefits. Grant you [I'm] not doing it because I'm not going through that ever again with [State]. But if there was actual fraud, I would not be eligible for any kind of benefits whatsoever with them. That's what happened with [State].

And then again, as far as any other outstanding debts or anything in that nature, it was a compiling totality of the unemployment or the employment issues, which was compiled by multiple reasons and circumstances, which led to the bankruptcy and bankruptcy wiped the slate clean. And I believe [store credit card], [Bank], and then [State] Department of Labor [SOR ¶¶ 2.b-2.d, *see infra*] were the three outstanding, and each and every one of them have been 100 percent resolved.

[Store card] was resolved in September 2024, which I submitted. I don't want to click on my little folder because I don't want the screen to go off again. [Store card] was 100 percent resolved. [Bank], I submitted a Statement of Reasons back in 2024. [State] Department of Labor [SOR ¶¶ 1.g and 2.d, *see infra*], I submitted back in 2024 as well. And then resubmitted that in here currently, which I believe is Exhibit A (AE N10) and A2 (AE N9) maybe. So all financial factors have been 100 percent resolved. And to me, having been a previous adjudicator, one, bankruptcy itself, we were never able to adjudicate depending -- especially depending on the circumstances. We got our wrist slapped for that so many times. And then as far as the financial aspects in and of itself, everything has been 100

> percent resolved, and I absolutely live within my means. I have been living within my means, and even with [Store card] and [Bank] and [State], the debt threshold --. (Tr. 19-30.)

Guideline E

Applicant's personal conduct SOR allegations begin in 2017 and end in 2023. The six employment allegations (SOR ¶¶ 1.a through 1.f) conclude with "you are not eligible for rehire" based on performance concerns and/or absenteeism. Applicant cites as mitigation her long-term autoimmune disease, as well as other health concerns, traumatic events in her personal life, and her abusive marriage that ended in divorce. (GE 9 at 128-138, 235-238; AE L, AE M, N1, N2, N5-N9, AE P, AE EE.)

SOR ¶ 1.a. **In about April 2023, you were terminated from your employment with the Department of Army for not meeting clearance requirements. You are not eligible for rehire**. Applicant admitted the allegation and stated she was let go because of her security clearance and not for attendance issues. (Answer; Tr. 107-110.) The Government's post hearing exhibits confirm the information in Applicant's Answer and her testimony. (GE 12-15.) The matters which triggered her termination are the consequences of her actions that are set forth in SOR ¶¶ 1.b through 1.g and SOR ¶ 2.b. Applicant's security clearance with the Department of Army is subject to a separate process set forth in the Directive. This allegation is duplicative with the allegations set forth in SOR ¶¶ 1.b through 1.g and SOR ¶ 2.b. (GE 12-15; Tr. 109; GE 9 at 170.-171.)

SOR ¶ 1.b. **In about May 2019, you were terminated from your employment at [Company S] for violation of company policy and insubordination. You failed to follow policy and procedures for attendance, tardiness, absences, and call-out procedures by neglecting to notify management. You also failed to comply with previous warnings you received by your employer. You are not eligible for rehire**. Applicant in her Answer admitted the allegation. (Answer; Tr. 104-107.) In her Answer, she cited domestic violence and resulting divorce, as well as issues with her long-term autoimmune disease as mitigating conditions. On her 2021 SCA ,she marked she had not been terminated and listed her reason for leaving as the contract being cancelled. (GE 2 at 21.) She told an investigator in September 2021 she had resigned because she was not a good fit because the position required familiarity with accounting procedures, which she lacked. She told the investigator she had not received a written warning or been officially reprimanded, suspended, or disciplined for misconduct in the workplace. (GE 9 at 33-34.)

Company S issued an Employee Warning Notice on May 14, 2019. The Final Warning – Termination box is checked and the type offenses marked were "violation of company policies" and insubordination. (GE 7.) The notice concluded:

> [Applicant] failed to follow company policy and procedures for attendance, tardiness, absences, and call-out procedures by neglecting to notify management. Moreover, [Applicant] failed to comply with her previous

warning which revoked her telework privileges. Dates of infractions are on the next page.

After careful consideration, we have decided to terminate your employment effective today, May 14, 2019. (GE 7.)

Applicant offered a letter from a colleague dated July 21, 2019, who stated she witnessed many things occurring in Applicant's life while employed at Company S. She wrote that Applicant's husband would show up at work or FaceTime Applicant to "check" on Applicant while she was working; that she had seen texts saying that Applicant's husband would force her to sleep with other men, and then accuse her of cheating on him; that Applicant sent her photos of bruises to Applicant's arm and neck, and that the next workday Applicant came to work wearing a scarf that hid bruises. Her colleague concluded her letter with, "in the 5 months I saw their marriage, it was filled with mental and physical abuse, forcing sex with other men, stalking, and just very constant, hostile, volatile fighting." (AE K.)

As part of the Government interrogatory process in August 2024, Applicant was afforded the opportunity to address discrepancies in the summary of interviews, and she made a number of detailed corrections to them. She did not change the fact she had been terminated from Company S. (GE 7; GE 9 at 4-50.) When asked if she had been terminated from any of her employers due to misconduct and/or a violation of company policy, she marked "No," and signed and dated the bottom of the page. (GE 9 at 59; Tr. 114.) When asked why she left off the termination from Company S from her August 2024 interrogatories (GE 9), she stated:

> That was a massive oversight on my part and I should, again, I should have taken the extra two seconds because that should never have been a blip on the map so to speak. (Tr. 119.)

SOR ¶ 1.c. Withdrawn. (Tr. 7.)

SOR ¶ 1.d**. In about April 2018, you were terminated from your employment at [Company K], after being counseled on multiple occasions. You were given a verbal warning in April 2018 for poor job performance and absenteeism. You are not eligible for rehire**. Applicant admitted the allegation. (Answer; GE 8.) Her April 27, 2018 letter from Company K is entitled, "RE: Position Termination" and states she is being terminated in the initial 90-day period of employment, which the Company K employee manual refers to as an introductory period to determine suitability. The letter makes no reference to the two disciplinary action forms that were issued in April 2018. The disciplinary action marked on both occasions was "Verbal/Record of Conversation." The first form marked "poor job performance" and "other – absenteeism" and the second form marked "poor job performance" and included a note that, "client's expectations at this time is to find a replacement that possesses more advanced skills in [travel software]." She documented her medical conditions and mental health treatment she sought. (GE 8; AE E-AE H; AE L; AE M; N1; N2; AE P AE T; AE Z; AE II.) Additionally, the record does not show that she is ineligible for rehire.

SOR ¶ 1.e. In about August 2017, you were terminated from your employment at [Company B] due to your absenteeism and inability to complete your job duties. You are not eligible for rehire. Applicant admitted the allegation. In her 2021 SCA, she wrote the reason for leaving her employment as an assistant facility security officer (FSO) was a dispute with the Company B FSO over security violations Applicant was observing and a hostile work environment. She wrote she would report the concerns, and the Company B FSO would retaliate by reprimanding her for not complying with and assisting in the requested security violation. With her Answer, she included a letter from a colleague, dated April 16, 2023, which supported the issues she cited in her Answer. (Answer; GE 2 at 22-23; GE 9 at 68-69; Tr. 87-104; N3.)

Applicant testified that she started with Company B in July 2017, during a period after she had just been hospitalized, and within a month her long-term autoimmune disease flared up, and she was let go in August. She actively sought reconsideration of the initial termination and received support from the FSO. Company B brought her back in September 2017, after considering the circumstances for her absences. (Answer; Tr. 87-89; GE 6 at 3; GE 14 at 3-4.) In her Answer to this SOR allegation she notes that this is when she filed for unemployment benefits (SOR ¶ 1.g*, see infra*).

Applicant resigned in February 2018. She testified she reached out to her father whose government work made him familiar with the security concerns she expressed regarding Company B, and he advised her to resign. She offered an April 2023 letter from a colleague detailing the concerns with how Company B handled Applicant. She documented her medical conditions and mental health treatment she sought. (Tr. 97; GE 6 at 29; GE 9 at 68-69; AE E-AE H; AE L; AE M; N1; N2; AE P AE T; AE Z; AE II.)

SOR ¶ 1.f. In about February 2017, you were terminated from your employment at [Company N] for absenteeism. You are not eligible for rehire. Applicant admitted the allegation. (Answer; Tr. 78-87.) In mitigation, she cited her boyfriend at the time, a law enforcement officer, "who had traumatic experiences who suffered daily, and by the minute with them." She tried to help and support him. When he began behaving strangely one day, she left work on her lunch break and discovered he had attempted an overdose. During her then-boyfriend's recovery, he attempted suicide in her presence, which turned into a several-hour-barricade-situation. After several hours, law enforcement was able to resolve the barricade through nonlethal means.

As a result, Applicant spent the weeks after the incident going between her home and the hospital to be with her then boyfriend, eventually caring for him as an outpatient due to his mental health issues and physical issues due to the gunshot wounds suffered during the barricade situation. The stress from all this caused her long-term autoimmune disease to flare and go "out of control." Her then boyfriend committed suicide four months later. (Answer; Tr. 83-86.)

After his suicide, Applicant took two weeks off but that was not enough. Eventually she was asked by her employer if she could keep working and she told her employer no, and her employer agreed. Even though they understood why, the employer told her job performance was suffering. She acknowledged that at some point she was asked to resign. (GE 2 at 24-25; Answer; Tr. 83-87.) She documented during this period she sought mental health treatment for posttraumatic stress disorder (PTSD). (GE 9 at 61; AE E-AE H; AE L; AE M; N1; N2; AE P AE T; AE Z; AE II.)

SOR ¶ 1.g and SOR ¶ 2.d: **In about July 2017 through about December 2017, you committed employment benefits fraud. You obtained unemployment benefits from the [State] Department of Labor based on false and fraudulent representations. You were ordered to pay $8,429.66 plus $350.00 in court costs**. Applicant in her Answer denied the "amount and the circumstances." She stated these allegations were "mitigated by presence of rehabilitation and under debt threshold." (Answer.) She offered her cashier check to the State Department of Labor (SDL) in the amount of $4,000, and her receipt which stated "the amount of $4,000 received 09/26/24. Remaining balance of debt will be $4,229.66 after this payment is posted." (N9.)

When Applicant was terminated in August, after being with Company B (SOR ¶ 1.e) for barely a month, she actively sought rehire from Company B and was rehired the next month. (GE 14.) In her SOR ¶ 1.e answer she wrote:

> I filed for unemployment with the [State] when [Q] terminated me from [Company B] in [August] 2017. [Company B] HR reviewed the termination and determined it was a wrongful termination and rehired me on 11 September 2017. I continued to work for [Company B] until February 2018. Mitigated by double jeopardy/previously found favorably adjudicated, extenuating circumstances, presence of rehabilitation, corrective treatment and corrective actions. (Answer at 1.)

Applicant disclosed the bankruptcy filing on her 2021 SCA. (GE 2 at 46.) She did not disclose this debt on her 2021 SCA. She did disclose the matter on her 2023 SCA and noted she had been unaware of the debt because she thought her "tax return" had repaid the debt. An IRS Form 1099-G issued by her State Comptroller shows a refund of $1,957 for tax year 2022. The payment history she submitted with SDL shows ten payment attempts. The single payment in 2019 lists the method of payment as offset in the amount of $613; the single payment in 2020 is by check in the amount of $879; and the other two payments are "from bank account" in the amount of $50 in August and September of 2023. The other six payments listed were dishonored, all occurring in 2023. (GE 1 at 52; AE Q; AE U.) SDL, in a court filing submitted to a Federal Bankruptcy Court, stated that on March 8, 2018 it had determined Applicant had earned income from employment with Company B from July to December 2017. (GE 5 at 4.) SDL also stated it had informed Applicant it had made a determination that she was ineligible for benefits because of her "fraudulent conduct" and that she had been informed of her appeal rights. (GE 5 at 4.)

Applicant testified she had notified the State that she was working at Company B and that SDL mistakenly was making the overpayments, which she kept. SDL and Applicant during her bankruptcy proceeding agreed to settle the matter. Applicant agreed to reduce the fraud portion of the interest of the debt from $3,004 to $2,504 and consented to an entry of judgment for SDL, in the amount of $8,429. She agreed to initially make $100 monthly payments, which would increase to $150. Her attorney had notified SDL counsel that she was going to be going through a divorce and would have a loss of income for a period. (GE 5 at 27-29; GE 9 at 229.)

Applicant in her initial narrative described this matter as a “mess.” When asked what she initially filed to receive unemployment benefits, she could not recall anything more than going to the portal because it had been almost ten years ago. She denied falsely underreporting her wages every week in order to obtain or increase her benefits. She stated, “I want to say I disagree with it because I don’t recall going into anything weekly.” (Tr. 34-35; GE 5 at 2.)

Applicant acknowledged that she was aware the State had relied on the rule that this debt could not be discharged in her Chapter 7 Bankruptcy because the debt had been obtained by fraud. (Tr. 34.) SDL filed as plaintiff in Applicant’s chapter 7 bankruptcy proceeding. SDL submitted to Applicant for signature, through her bankruptcy attorney, a “Consent Motion and Consent Order and Judgment Order” on November 12, 2021. A screenshot shows SDL had a collections hold-bankruptcy intercept on this overpayment because the funds had been obtained by fraud. (GE 9 at 229-232.)

Applicant testified it was in October 2017 when she went in person to SDL to try and resolve the matter. Her other attempts were by phone and through the online portal. She stated she wanted to pay the debt but “nobody responds through their messaging portal.” She estimated she received between 10 to 12 overpayments. (Tr. 31-35)

Applicant offered AE A, a screenshot of her SDL portal, taken on April 9, 2026, which had a message created on September 27, 2024, stating, “overpayment repayment received $4,000, cashier’s check on 9/27/2024.” (AE A.) AE B, a screenshot of her SDL history, which was taken some time after her last login date of September 19, 2025, shows no open action items and her last filing date as June 23, 2019. (AE B.) In her Answer, she cites “misinformation provided by the [SDL] to both legal counsel and [herself.]” (Answer at 6.) This debt was incurred by fraud and being resolved after the SOR was issued.

Guideline F

Applicant offered a number of credit reports. Her April 15, 2026 credit report shows ten open accounts with five accounts being listed as having an “exceptional payment history” and five having late payments. Four of the accounts had late payments in 2025 but after April 2025 there were no more late payments. Her post-hearing credit reports, generated in August 2026 have continued to show no issues since March 2025. (AE E at pdf 56-65; AE FF; AE HH.)

SOR ¶ 2.a. You filed Chapter 7 Bankruptcy on or about July 2021. This

bankruptcy was discharged in about November 2021. Applicant in her Answer admitted the allegation and stated, “I admit to filing Chapter 7 Bankruptcy on or about July 2021 and was discharged in or about November 2021 due to medical bills post brain surgery and divorce. I have rebuilt since divorce in November 2021 from nothing physically and financially and have lived within my means and continued to satisfy all debts.” She noted the bankruptcy on her 2023 SCA and that it had been discharged in 2021. (GE 1 at 50; GE 9 at 172-228; AE E.)

Applicant testified that before resorting to bankruptcy she tried to work with her creditors. She sought lower payments or to have payments spread out. Her friends advised her to seek credit counseling, and she cited the bankruptcy financial course. (Tr. 48-49.)

SOR ¶ 2.b. You are indebted to [credit card company] in the approximate amount of $3,422. As of the date of this Statement of Reasons, the account remains delinquent. Applicant in her Answer denied the debt stating, “[credit card company] has been paid in full as of 09/26/2024 and documentation is attached with a confirmation number. Mitigated by being paid in part and remainder cancelled by creditor.”

Applicant testified that she thought the debt had been resolved in her bankruptcy but then acknowledged she had missed that there was a second military store credit card. (Tr. 50.) She stated, “Yeah, this entire time I was wrong. I thought it was included this entire time, and I just never paid attention.” When she became aware of the debt she started to make payments. (Tr. 50, 68, 70; GE 3 at 4; GE 4 at 2.) Her April 15, 2026 credit report shows the debt as “payment after charge off/collection,” a status date of September 2024. (AE E at 18.) The creditor issued a letter on April 10, 2026, that her last payment of $2,819.18 was received on September 26, 2024 and that the debt was paid in full. (Tr. 68.) This debt was resolved after the SOR was issued. (AE B2.) In her post-hearing submission, she offered evidence that the Federal government had issued a cancellation of debt tax form listing the date canceled as October 21, 2024, on an account associated with a military store credit card. (AE X.)

SOR ¶ 2.c. You are indebted to [bank] in the approximate amount of $120. As of the date of this Statement of Reasons, the account remains delinquent. Applicant in her Answer denied the debt stating, “I cannot locate anything on my credit report that shows ["bank"] however, all of my accounts are current as of 09/27/2024.” Her April 15, 2026 credit report shows an account with this creditor that is current. The credit report listed six late payments for this creditor, with the last late payment occurring in March 2025. (Tr. 70-73; AE E at pdf 5; GE 11 at 3.) This debt was resolved after the SOR was issued.

SOR ¶ 2.d. See discussion above in SOR ¶ 1.g.

Applicant in her Answer cited the degenerative nature of her long-term autoimmune disease but noted she had not been hospitalized in years. She noted the patriotic history of her family, which included military service law enforcement, and that her father has been working for the government going on 40 years. Her character letters described her as dependable and reliable, and that integrity is a cornerstone of her professional identity. (Answer; AE G3-AE J, AE Z.)

Applicant concluded her Answer with:

> … My personal struggles with health and the personal struggles with traumatic life events have never compromised my beliefs or my loyalties to our country and have certainly never compromised my position with national security. There was a time where I did struggle with both physical and mental exhaustion due to the traumatic events and employment was difficult however, that still never compromised my loyalties. My personal challenges have made me much stronger and with the help of counseling and getting involved with volunteer work to utilize my personal experiences to help benefit others who have experienced traumatic events as well as domestic abuse, it has benefited the last couple of years on a personal level quite significantly. I still attend counseling as well as volunteer with the American Foundation for Suicide Prevention in my region, as well as volunteer with an organization called F.I.R.S.T. Help, which is an organization that supports friends and families of Military and First Responders who have been lost to suicide. My mental health is the best it has been since the barricade in 2016 and especially since the suicide of my [then] boyfriend. I am very much looking forward to what the future brings as well as confident in my capabilities financially, professionally and personally to continue to prosper.
>
> Mitigating factors per Part 147 Subpart A include but are not limited to - Mitigated by time elapsed, mitigated by extenuating circumstances, mitigated by numerous and successful corrective actions to include seeking professional help that has been successful. Mitigated by unsubstantiated facts, mitigated by clean additional background, mitigated by debts paid.
>
> Guideline F, Financial Consideration; Mitigating factors per Part 147 Subpart A include but are not limited to - Amounts are mitigated by allowed threshold, mitigated by current debts are being repaid and proof is attached, mitigated extenuating circumstances, mitigated by beyond individuals control due to ongoing medical issues and mitigated by misinformation provided by the Comptroller of Maryland to both legal counsel and myself. (Answer at 5-6.)

Policies

When evaluating an applicant's national security eligibility, the administrative judge must consider the AG. In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are 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, these guidelines are applied 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." In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. Likewise, I have avoided drawing inferences grounded on mere speculation or conjecture.

Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Directive ¶ E3.1.15 states an "applicant is responsible for presenting witnesses and other evidence to rebut, explain, extenuate, or mitigate facts admitted by applicant or proven by Department Counsel, and has the ultimate burden of persuasion as to obtaining 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 that an applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified information.

Section 7 of EO 10865 provides that 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 security concern relating to the guideline 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. Affluence that cannot be explained by known sources of income is also a security concern insofar as it may result from criminal activity, including espionage.

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 in order 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.

Applicant's admissions and the documentary evidence establish the following disqualifying conditions under this guideline:

AG ¶ 19(a): inability to satisfy debts;

AG ¶ 19(b): unwillingness to satisfy debts regardless of the ability to do so; and

AG ¶ 19(c): a history of not meeting financial obligations.

The following mitigating conditions under AG ¶ 20 are relevant:

(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.

Applicant resolved two debts, SOR ¶¶ 2.b and 2.c, after the SOR was issued. She legally discharged her debts in Chapter 7 bankruptcy, SOR ¶ 2.a. Given her chaotic and traumatic personal situation that preceded her bankruptcy, the record reflects she fell behind on her financial obligations and there is no evidence that her 2021 bankruptcy was attributable to gambling or any other reckless decisions. The credit reports indicate she has not had any late payments on her other accounts since March 2025, which is consistent with when her personal life and employment situation stabilized. AG ¶¶ 20(a), 20(b), 20(c), and 20(d) are applicable to SOR ¶¶ 2.a-2.c.

AG ¶¶ 20(a), 20(b), 20(c), and 20(d) are not applicable to SOR ¶ 2.d. Applicant's debt was incurred by fraud. In her Answer, she blames misinformation provided by the State. The record reflects the State intervened in her bankruptcy proceeding to ensure the debt would not be discharged because it was incurred by fraud. Applicant's actions to resolve this debt occurred when she received the SOR. Applicants who begin to address their security-significant conduct only when their personal interests are at stake may be lacking in judgment and reliability. ISCR Case No. 16-01211 (App. Bd. May 30, 2018). Even if an applicant has paid his or her debts, an administrative judge may still consider the circumstances underlying the debts for what they may reveal about the applicant's eligibility for a clearance. ISCR Case No. 14-02394 (App. Bd. Aug. 17, 2015.)

Guideline E, Personal Conduct

The security concern for personal conduct is set out in AG ¶ 15, as follows:

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 information. Of special interest is any failure to provide truthful and candid answers during the security clearance process or any other failure to cooperate with the security clearance process.

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

(c) credible adverse information in several adjudicative issue areas that is not sufficient for an adverse determination under any other single guideline,

> but which, when considered as a whole, 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.

The underlying conduct for SOR ¶ 1.a, which triggers a whole-person assessment of Applicant's judgment, trustworthiness, reliability, candor, willingness to comply with rules and regulations, or other characteristics indicating whether she will properly safeguard classified or sensitive information, is set forth in the conduct alleged in SOR ¶¶ 1.b through 1.g. SOR ¶ 1.a is duplicative with SOR ¶¶ 1.b through 1.g and 2.b.

The following mitigating conditions, under AG ¶ 17, are potentially relevant:

> (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;
>
> (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; and
>
> (e) the individual has taken positive steps to reduce or eliminate vulnerability to exploitation, manipulation, or duress.

AG ¶¶ 17(c), 17(d), and 17(e) are established for SOR ¶¶ 1.c through 1.f. Applicant's employment history from 2017 through 2018 was poor but she faced substantial personal adversity during this period. The allegations of absenteeism are mitigated by the positive steps she has taken to alleviate the stressors, circumstances, or factors that contributed to her untrustworthy, unreliable, or other inappropriate behavior. The allegations of poor work performance are mitigated by the positive steps she has taken in her personal life to alleviate the stressors, circumstances, or factors that contributed to her poor performance, as well as taking positions she was qualified for. With her new medication for her long-term autoimmune disease, she has been able to work without issue since 2024. Applicant's poor job performance and absenteeism are mitigated by time, and the positive steps she has taken to alleviate the stressors, circumstances, or factors that contributed to untrustworthy, unreliable, or other inappropriate behavior.

AG ¶¶ 17(c), 17(d), and 17(e) are not established for SOR ¶¶ 1.b or 1.g. While Applicant's employment history from 2017 through 2018 was found to have been mitigated and while she faced substantial personal adversity during the SOR ¶1.b employment period, she failed to mitigate the security concerns associated with this period. Given clear and unambiguous statement in the May 14, 2019 Employee Warning Notice and the thoroughness with which Applicant went through the summary of interview, in August 2024, her claim of an "oversight" was not credible. She recently failed to disclose the circumstances involving this employment on multiple occasions during the security clearance process. Similarly, she continues to dispute the SDL fraud findings, despite negotiating for a reduced amount to the fraud total. Her unwillingness to acknowledge her behavior during this employment period and for committing employment benefit fraud cast doubt on her reliability, trustworthiness, and good judgment.

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 E and F, in my whole-person analysis and have applied the adjudicative factors in AG ¶ 2(d). I considered her character letters and recent employment success. I considered that she failed to list her terminations on her SCA, which reflects questionable judgment, lack of candor, dishonesty, or unwillingness to comply with rules and regulations, and raises questions about her reliability, trustworthiness, and ability to protect classified or sensitive information. Despite agreeing to a settlement, where she agreed to a reduced total on her fraudulent payment, she still disputes the SDL finding regarding her actions. An applicant's refusal to acknowledge her misconduct or accept responsibility for it seriously undercuts a finding that the applicant has mitigated her misconduct. ISCR Case No. 08-03620 at 3-4 (App. Bd. May 6, 2009) (stating "Applicant's persistent denial of wrongdoing supports the Judge's conclusion that he has not demonstrated rehabilitation").

After weighing the disqualifying and mitigating conditions under Guidelines F and E, and evaluating all the evidence in the context of the whole person, I conclude Applicant has not mitigated the security concerns raised by her conduct under Guidelines E and F.

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 her recent work performance and the stabilization of her personal life and her health, she should be able to establish a track record of persuasive evidence of her security clearance worthiness in the future.

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 E:	AGAINST APPLICANT
Subparagraphs 1.a, 1.c-1.f:	For Applicant
Subparagraphs 1.b, 1.g:	Against Applicant
Paragraph 2, Guideline F:	AGAINST APPLICANT
Subparagraphs 2.a - 2.c:	For Applicant
Subparagraph 2.d:	Against Applicant

Conclusion

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

Charles C. Hale
Administrative Judge