DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	ISCR Case No. 26-00803
	)	
Applicant for Security Clearance	)	

Appearances

For Government: Tovah Minster, Esq., Department Counsel
For Applicant: *Pro se*

08/19/2026

Decision

FOREMAN, LeRoy F., Administrative Judge:

Applicant mitigated the security concerns under Guideline F (Financial Considerations). Eligibility for access to classified information is granted.

Statement of the Case

Applicant submitted a security clearance application (SCA) on August 16, 2025. On May 20, 2026, the Defense Counterintelligence and Security Agency (DCSA) sent her a Statement of Reasons (SOR) alleging security concerns under Guideline F. Applicant answered the SOR on May 27, 2026, and requested a decision on the written record in lieu of a hearing. Department Counsel submitted the Government's written case on June 9, 2026. A complete copy of the file of relevant material (FORM) was sent to Applicant, who was given an opportunity to file objections and submit material to refute, extenuate, or mitigate the Government's evidence. She received the FORM on June 11, 2026, and responded. The case was assigned to me on August 3, 2026.

The Government's FORM consists of the SOR (Government Exhibit (GE) 1), Applicant's answer to the SOR (Answer) (GE 2), and the documents in support of the allegations in the SOR (GE 3-7). GE 3 through 7 are admitted into evidence, without objection. Applicant's Answer and Response to the FORM (Response), attaching documents evidencing proof of payments, are admitted into evidence, without objection.

Findings of Fact

The SOR alleges under Guideline F that Applicant has two delinquent consumer debts totaling approximately $26,000 (SOR ¶¶ 1.a-1.b). (GE 1) She admitted both allegations under Guideline F and attached documentation reflecting payments made on both debts. (GE 2; Response)

Applicant is 46 years old and attended some college before enlisting in the U.S. Army, where she served honorably on active duty from 1998 to 2006. She is divorced and has two children, one adult and one minor. (GE 3) She attributes her financial difficulties to reduced income because of the Covid 19 pandemic, underemployment, and unexpected childcare disruptions. (GE 2-4; Response) In January 2022, she had to quit her job overseas and return to the United States to care for her minor child, after the child's father informed her that he was relinquishing his parental rights. (GE 4; Response) The circumstances were unexpected and beyond her control. Later, when she was once again employed overseas as a federal contractor supporting U.S. Government operations, she contacted her creditors and reestablished payment arrangements. (GE 4) In early 2026, regional instability and military conflict significantly impacted her employer's operations, resulting in her reduced hours and income. (GE 2; Response)

The debt alleged in SOR ¶ 1.a stems from a $30,000 loan Applicant obtained in July 2020. She made approximately 19 timely payments towards the debt before her first missed payment in March 2022. The account was charged off in July 2022 in the approximate amount of $16,000. (GE 7) At the time of the hardship, she contacted the creditor and was offered a reduced lump-sum settlement or monthly payment plan. It is unclear if she committed to a resolution at that time or was unable to. (GE 4, 7) In March 2026, she set up a payment plan of approximately $439 per month to repay this debt. (Answer) The unforeseen circumstances of reduced hours and pay in early 2026 created temporary financial hardship, which resulted in her missing two payments. She later submitted proof with her Response that she has resumed the payment plan as of June 2026 and paid $426 that month towards this debt. She avers that she will continue to responsibly address this debt until it is resolved. (Response)

The debt alleged in SOR ¶ 1.b is for an individual credit-card account opened in about 2014 with a credit limit of approximately $9,000, which was charged off in about December 2022 for approximately $10,310. (GE 5-6) In March 2026, Applicant entered a payment plan and has made one payment of approximately $370 and two payments of $435 a month to repay this debt. (Answer; proof of payments March-May 2026). She also provided copies of her credit bureau report reflecting reduced balances on the alleged debt. She avers that she has made consistent payments via autopay since setting up the repayment plan and will continue to do so until the debt is resolved. (Answer)

Applicant states that her financial delinquencies were a result of temporary hardship caused by circumstances largely outside of her control, which she continues to work diligently to overcome. She insists that it does not reflect her character, loyalty, trustworthiness, and ability to safeguard classified information. Her other financial obligations remain in good standing. She has learned from her past financial challenges, adopted a more conservative approach, and intends to continue meeting her financial responsibilities. (GE 4-6; Response)

Policies

This case is adjudicated 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 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." Exec. Or. 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." Exec. Or. 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*, 484 U.S. at 531. "Substantial evidence" is "more than a scintilla but less than a preponderance." *See v. Washington Metro. Area Transit Auth.*, 36 F.3d 375, 380 (4th Cir. 1994). The guidelines presume a nexus or rational connection between proven conduct under any of the criteria listed therein and an applicant's security suitability. *See* ISCR Case No. 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*, 484 U.S. at 531.

Analysis

Guideline F, Financial Considerations

The concern under this guideline is set out in AG ¶ 18:

> Failure to live within one's means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise questions about an individual's reliability, trustworthiness, and ability to protect classified or sensitive information. Financial distress can also be caused or exacerbated by, and thus can be a possible indicator of, other issues of personnel security concern such as excessive gambling, mental health conditions, substance misuse, or alcohol abuse or dependence. An individual who is financially overextended is at greater risk of having to engage in illegal or otherwise questionable acts to generate funds.

Applicant's admissions and the evidence in the FORM, to include credit bureau reports (GE 4-6), establish the following disqualifying conditions under this guideline:

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

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

The following mitigating conditions are potentially applicable:

> AG ¶ 20(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;
>
> AG ¶ 20(b): the conditions that resulted in the financial problem were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, a death, divorce or separation, clear victimization by predatory lending practices, or identity theft), and the individual acted responsibly under the circumstances; and
>
> AG ¶ 20(d): the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts.

Applicant bears the burdens of production and persuasion in mitigation. Applicants are not held to a standard of perfection in their debt-resolution efforts or required to be debt-free. "Rather, all that is required is than an applicant act responsibly given his circumstances and develop a reasonable plan for repayment, accompanied by 'concomitant conduct,' that is, actions which evidence a serious intent to effectuate the plan." ISCR Case No. 15-02903 at 3 (App. Bd. Mar. 9, 2017). *See*, *e.g.*, ISCR Case No. 13-00987 at 3, n. 5 (App. Bd. Aug. 14, 2014).

Mitigation under AG ¶ 20 is established. Applicant has taken meaningful steps to address her outstanding debt, and I found her promise to continue making the agreed payments credible.[1] AG ¶ 20(a) is established because the behavior that resulted in the debts falling delinquent occurred under such circumstances that it is unlikely to recur and does not cast doubt on her current reliability, trustworthiness, or good judgment. Applicant was unable to continue with her history of timely payments as a result of Covid 19, under employment, and unexpected childcare disruptions.

AG ¶ 20(b) is established because the conditions that resulted in the financial problem were largely beyond Applicant's control and she acted responsibly under the circumstances. She initiated communication at the time of the initial hardship, and although she was unable to set up a payment plan at the time, she did follow up at a later date and set up payments once she knew she would be able to follow through on the plan.

AG ¶ 20(d) is established because Applicant initiated, albeit recently, payment plans with both creditors and is adhering to a good-faith effort to repay overdue creditors.

[1] The mere fact that it might take Applicant a long time to complete a payment agreement is not a reason to deny him a clearance. ISCR Case No. 19-01624 at 4 (App. Bd. Aug. 29, 2022).

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 Guideline F in my whole-person analysis and applied the adjudicative factors in AG ¶ 2(d). Because Applicant requested a determination on the record without a hearing, I had no opportunity to evaluate her credibility and sincerity based on demeanor. *See* ISCR Case No. 01-12350 at 3-4 (App. Bd. Jul. 23, 2003). Applicant deserves credit for her years of dedicated service to the United States and her continued commitment to resolving her outstanding financial issues. After weighing the disqualifying and mitigating conditions under Guideline F and evaluating all the evidence in the context of the whole person, I conclude Applicant has mitigated the security concerns raised under Guideline F (Financial Considerations).

Formal Findings

I make the following 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:

Paragraph 1, Guideline F:	FOR APPLICANT
Subparagraphs 1.a-1.b:	For Applicant

Conclusion

I conclude that it is clearly consistent with the national security interests of the United States to grant Applicant eligibility for access to classified information. Clearance is granted.

LeRoy F. Foreman
Administrative Judge