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

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| In the matter of: | ) | |
| | ) | |
| | ) | ISCR Case No. 25-01228 |
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| Applicant for Security Clearance | ) | |

**Appearances**

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

08/26/2026

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**Decision**

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LAFAYE, Gatha, Administrative Judge:

Applicant did not provide sufficient evidence to mitigate security concerns raised under Guideline F (financial considerations). Eligibility for access to classified information is denied.

## Statement of the Case

Applicant submitted a security clearance application (SCA) on August 6, 2024. On February 5, 2026, the Defense Counterintelligence and Security Agency (DCSA) issued a Statement of Reasons (SOR) alleging security concerns under Guideline F. Applicant answered the SOR (Answer) on May 7, 2026, provided documentary evidence in support of her case, and elected to have her case decided on the written record in lieu of a hearing. The case was assigned to me on August 11, 2026.

The Government's written case was submitted on June 18, 2026. A complete copy of the file of relevant material (FORM) was provided to Applicant, who was given an opportunity to file objections and submit material to refute, extenuate, or mitigate the security concerns. Applicant received the FORM on June 29, 2026; and she did not submit a response or provide additional documentary evidence.

## Evidence

Government Exhibit (GE) 1 and GE 2 include the SOR and Applicant's Answer (with documentary evidence), which are already part of the administrative record. GE 3 through GE 8 are admitted in evidence without objection. Applicant's documentary evidence in GE 2, which is embedded within her Answer, is simply referred to as her Answer in this decision.

## Findings of Fact

The SOR alleges seven delinquent debts totaling about $50,000. In her Answer, Applicant admitted five of the debts alleged in SOR ¶¶ 1.a – 1.e and denied the debts alleged in SOR ¶¶ 1.f – 1.g. Her admissions are incorporated in my findings of fact, and after thorough review of the pleadings and evidence in this case, I make the following additional findings of fact.

Applicant, age 31, has worked as an information technology (IT) professional for a Department of Defense (DOD) contractor since May 2024. She has held a security clearance since 2016. She previously worked as an IT professional for another DOD contractor from 2023 to 2024 but left the position when the federal contract was not renewed. She earned her high school diploma in 2013 and attended college for one semester in 2013; and has not yet completed a degree. She is unmarried and has a six-year-old child. (GE 3, 4)

Applicant completed her current SCA in August 2024. She did not list any delinquent debts in Section 26 (financial record) of the SCA because she said she rushed to complete the form. (GE 4 at 6) She discussed her financial situation in detail with a DOD investigator during her October 2024 background interview. She told the investigator she went through a period of financial hardship during the COVID-19 pandemic, and that she also became a single mother during this period. (GE 3, 4)

Applicant was unable to recall specific dates of employment with her various DOD or federal contractors and her background interview also lacked clarity in this area. It is clear from the record, however, that Applicant's work as an entry-level IT professional required her to change jobs often, about every 12 to 24 months, because of frequent changes and adjustments made to DOD or federal IT contracts. The record shows that Applicant has worked for 12 DOD or federal contractors since she started her career as an IT professional in 2016. She was dismissed for unspecified IT performance issues in 2021 and 2022 but has otherwise performed satisfactorily in all other jobs. No information was provided about Applicant's IT technical education and on-the-job training. (GE 3-4)

The allegations in SOR ¶¶ 1.a – 1.g are supported by Applicant's statements and admissions in her Answer, background interviews, and four credit bureau reports from 2023 to 2025. (GE 3 - 8) The facts and circumstances of each debt alleged in the SOR are discussed below:

SOR ¶ 1.a ($23,369) alleges a delinquent debt on a joint account opened in 2018. Applicant co-signed a loan for a 2012 car with her father. During her background interview, she said she did not immediately know what the debt was for. After looking into the matter, she contacted the creditor, made payment arrangements on the debt, and provided proof of a $200 payment on the debt in May 2026. (GE 4, 7, 8)

SOR ¶ 1.b ($12,004) alleges a delinquent debt for a car loan opened in 2023. Applicant said she became delinquent on payments and the creditor repossessed and sold the car, which left a remaining balance. The record shows she disputed the debt through the credit bureau but no rationale for the dispute was provided. In late 2025, she established a payment plan with the creditor and provided proof of the plan. It appears she made one $330 payment between late 2025 and early 2026, which reduced the balance to $11,674. She accepted another offer from the creditor in April 2026, which included paying $550 in April 2026, and $318 monthly for 34 months to fully pay the debt. (GE 2 at 3-4). In her Answer, she said the delinquency resulted during a period of financial hardship. (Answer, GE 6 – 8)

SOR ¶¶ 1.c ($216) and 1.d ($943) allege two delinquent debts on accounts opened in 2024 and 2021, respectively. Applicant submitted evidence that she paid a debt to the same creditor in SOR ¶ 1.c, but the account number on the debt (#7566429870001) differs from the account number on the paid receipt (#556-272-262-0001). (GE 5 at 2; GE 2 at 5) For SOR ¶ 1.d, she submitted evidence she communicated with the creditor to establish payment arrangements, which the creditor confirmed in a May 2026 response. No proof of a finalized payment plan was presented for SOR ¶ 1.d. Neither debt appears in the latest credit bureau report, from April 2025. (Answer; GE 4 - 8)

SOR ¶ 1.e ($11,690) alleges a delinquent debt on an individual account for an apartment leased in 2022. Applicant leased the apartment and resided there with her boyfriend at the time, who was also her child's father. She moved out and stopped paying rent. Her boyfriend remained in the apartment and did not pay rent. The record shows she disputed the debt through the credit bureau but no rationale for the dispute was provided. In her Answer, she stated she was "financially responsible for a family member's living arrangement in my name." She submitted evidence that she established a payment plan in May 2026 and pays $50 to $100 per month on the debt, and that direct debits are being made from her bank account. (Answer; GE 4 - 7)

SOR ¶ 1.f ($1,639) alleges a delinquent debt on a medical account opened in 2023, which Applicant denied. She said she was unable to find a bill for the alleged debt, which did not have an accurate name, and had no information about the creditor. The debt appears in an April 2024 credit bureau report (GE 6). It does not appear in credit bureau reports from August 2024 and April 2025. (Answer; GE 7 - 8)

SOR ¶ 1.g ($569) alleges a delinquent debt on an account opened in 2016, which Applicant denied. She said she contacted the creditor who informed her the account was closed and deleted seven years prior. The debt appears in the 2023 credit bureau report. It does not appear in the three credit bureau reports in 2024 and 2025. (GE 5 – 8)

Applicant attributed her financial situation to being a single mother and reductions in her pay. She said her bills are paid on time, unless stated otherwise. During her background interview with a DOD investigator, she voluntarily disclosed that she has fallen behind on her rent. She worked out a solution with the rental company to pay rent on a month-to-month payment schedule and the solution has worked as planned. (GE 6)

Applicant admitted she made financial mistakes when she was younger, but indicated she learned from her mistakes and said she is now capable of meeting her financial obligations. She said she has no other financial issues or problems, there are no debts tied to events beyond her control, she lives within her means, and no one would question her ability to repay her debts. Though she has not had financial counseling, she said she planned and took action to pay her delinquent debts and asserted her commitment to doing so. (GE 6 at 6 -9)

## Policies

This case is adjudicated under Executive Order (EO) 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG), which became effective on June 8, 2017.

When evaluating an applicant's suitability for a security clearance, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are to be 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, administrative judges apply the guidelines 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."

Under Directive ¶ E3.1.14, the Government must 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." The applicant has the ultimate burden of persuasion to obtain 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 the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation of potential, rather than actual, risk of compromise of classified information.

Section 7 of EO 10865 provides that adverse 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 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.

Applicant's admissions and the record evidence establish two disqualifying conditions under this guideline: AG ¶ 19(a) (inability to satisfy debts) and AG ¶ 19(c) (a history of not meeting financial obligations).

Conditions that could mitigate the financial considerations security concerns are provided under AG ¶ 20. The following are potentially applicable:

> (a) the behavior happened so long ago, was so infrequent, or occurred under such circumstances that it is unlikely to recur and does not cast doubt on the individual's current reliability, trustworthiness, or good judgment;
>
> (b) the conditions that resulted in the financial problem were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, a death, divorce or separation, clear

victimization by predatory lending practices, or identity theft), and the individual acted responsibly under the circumstances;

(c) the individual has received or is receiving financial counseling for the problem from a legitimate and credible source, such as a non-profit credit counseling service, and there are clear indications that the problem is being resolved or is under control;

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

(e) the individual has a reasonable basis to dispute the legitimacy of the past-due debt which is the cause of the problem and provides documented proof to substantiate the basis of the dispute or provides evidence of actions to resolve the issue.

Applicant has worked as an IT professional for DOD contractors since 2016 and the nature of the work requires frequent jobs changes due to modified or non-renewed DOD or federal contracts. She has accepted reductions in pay to keep employed and during the COVID-19 pandemic, she became a single mother, which created financial problems. She also admitted to making financial mistakes when she was younger.

AG ¶¶ 20(a) and 20(d) are not fully established; and AG ¶ 20(c) is not established. Applicant's delinquent debts are recent, ongoing, and most of the debts in the SOR are unresolved. Though Applicant has established payment plans with her creditors in SOR ¶¶ 1.a, 1.b, and 1.e, her payment plans were established only recently and well after the issuance of the SOR. Not enough time has passed, and her evidence is insufficient to establish a meaningful track record of compliance with the payment plans. Evidence submitted for the debt in SOR ¶ 1.c is insufficient to establish it is the same debt and is not mitigated under AG ¶ 20(d). Applicant has not received financial counseling, nor has she taken the initiative to receive financial counseling in the future.

AG ¶ 20(b) is not fully established. Applicant experienced an unknown period of a financial hardship during the COVID-19 pandemic and after the birth of her child in mid-2020. She has also accepted IT positions that required her to accept reduced pay to remain employed, which negatively impacted on her ability to repay her debts. The administrative record lacks sufficient details about Applicant's pay in various DOD positions and her total financial obligations to determine whether her actions were responsible under the circumstances. It is Applicant's burden to demonstrate mitigation, and her evidence is insufficient to establish that her actions in failing to pay her debts for years were responsible under the circumstances.

Applicant maintained employment throughout the period of financial hardship, though she may have accepted less pay to maintain employment as an IT professional. No periods of unemployment are indicated in the record, and although she said she has the ability to pay all her debts now, no specific financial information was provided about her annual pay, expenses and other debts. Neither did she provide information or evidence about her income, expenses, or other financial resources at her disposal such as bank checking and savings accounts, retirement accounts, or other assets of value.

AG ¶ 20(e) is established for the debt alleged in SOR ¶ 1.f. Applicant disputed this debt in her Answer. She said there were problem with the billing name, she did not have a bill in the amount alleged, and she was unable to determine the creditor to find out more about the alleged debt, which is mitigated under AG ¶ 20(e) and decided in Applicant's favor. She also disputed the debt in SOR ¶ 1.g. The creditor informed her that the account was closed and deleted seven years earlier and no payment was owed. The creditor denied the existence of a viable debt to pay, and SOR ¶ 1.g is mitigated by time under AG ¶ 20(a).

Applicant has not provided sufficient evidence to mitigate financial considerations security concerns in this case. I am unable to find that she acted responsibly under the circumstances or that she made a good faith effort to pay her delinquent debts. Her financial issues continue to cast doubt on her current reliability, trustworthiness, and judgment. I find that financial considerations security concerns remain in this case.

**Whole-Person Analysis**

Under the whole-person concept, the administrative judge must evaluate an Applicant's security eligibility by considering the totality of the Applicant's conduct and all the 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.

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. I have incorporated my comments under Guideline F in my whole-person analysis. Because this case is decided on the written record, I had no opportunity to question Applicant about the details of her financial situation and her overall financial standing today, nor did I have an opportunity to observe her demeanor and thereby assess her credibility.

Overall, the evidence leaves me with questions or doubts about Applicant's eligibility and suitability for a security clearance. I conclude she has not mitigated the financial considerations security concerns in this case.

## 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:

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| Paragraph 1, Guideline F: | AGAINST APPLICANT |
| Subparagraphs 1.a - 1.e: | Against Applicant |
| Subparagraph 1.f - 1.g: | For Applicant |

## Conclusion

It is not clearly consistent with the national interest to grant Applicant eligibility for a security clearance. Eligibility for access to classified information is denied.

Gatha LaFaye
Administrative Judge