



**DEPARTMENT OF DEFENSE
DEFENSE OFFICE OF HEARINGS AND APPEALS**



In the matter of:

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ISCR Case No. 25-00231

Applicant for Security Clearance)

Appearances

For Government: John Renehan, Department Counsel
For Applicant: *Pro se*

12/10/2025

Decision

LOKEY ANDERSON, Darlene D., Administrative Judge:

Statement of Case

On November 7, 2023, Applicant submitted a security clearance application (e-QIP). On May 20, 2025, the Defense Counterintelligence and Security Agency Consolidated Adjudication Services (DCSA CAS) issued Applicant a Statement of Reasons (SOR), detailing security concerns under Guideline F, Financial Considerations and Guideline J, Criminal Conduct. The action was taken under Executive Order 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 for Determining Eligibility for Access to Classified Information*, effective within the DoD after June 8, 2017.

Applicant answered the SOR on a date uncertain, and requested a hearing before an administrative judge. The case was assigned to me on June 30, 2025. The Defense Office of Hearings and Appeals issued a notice of hearing on July 8, 2025, and the hearing was convened as scheduled on September 2, 2025. The Government

offered seven exhibits, referred to as Government Exhibits 1 through 7, which were admitted without objection. The Applicant offered three exhibits, referred to as Applicant's Exhibits A through C, which were admitted without objection. Applicant testified on his own behalf. The record remained open following the hearing, to allow Applicant to submit additional supporting documentation. Applicant submitted one Post-Hearing Exhibit, referred to as Applicant's Post-Hearing Exhibit A, which was admitted into evidence without objection. DOHA received the transcript of the hearing (Tr.) on October 3, 2025. This decision was delayed when all administrative judges were furloughed from October 1 through November 12, 2025, during a federal government shutdown due to a lapse in federal funding.

Findings of Fact

Applicant is 34 years old, and unmarried. He has an Associate's Degree in Applied Science. He holds the position of Robotics Operator with a defense contractor. He is seeking to obtain a security clearance in connection with his employment.

Guideline F - Financial Considerations

The Government alleged that Applicant is ineligible for a clearance because he made financial decisions that indicate poor self-control, lack of judgment or unwillingness to abide by rules and regulations, all of which raise questions about his reliability, trustworthiness and ability to protect classified information.

The SOR alleges that Applicant has seventeen delinquent accounts totaling approximately \$33,000, consisting of several credit cards, personal loans, veterinary bills, and other consumer debt. Applicant admits all of the debts listed in the SOR. Credit reports of the Applicant dated December 12, 2023; and January 15, 2025, confirm the indebtedness. (Government Exhibits 4 and 5.) Applicant began working for his current employer on August 1, 2023. He has never applied for or held a security clearance before. (Tr. p. 22.)

Applicant explained that in July 2020, his financial problems began when he ended a 10-year relationship with his fiancé. He no longer had her to "pick up the slack" for the bills. Although all of the accounts were in his name, both he and his fiancé had been making the payments. When they broke up, none of the debts were in collections or had been charged off; but as time passed, Applicant began to receive letters and phone calls informing him that his bills were becoming delinquent. (Tr. p. 42.)

On May 23, 2023, to simplify things, he contacted a debt consolidation company to manage his accounts by consolidating his debts to make it easier for him to pay. At this time, Applicant's annual salary was between \$40,000 and \$45,000. The agreement with the company required that he make monthly payments of \$532 that went into an account to address his debts. To pay off his debt of approximately \$31,000, through their program it was estimated it would take about 2 to 2 1/2 years. During the program Applicant understood that his bills would remain delinquent, and that he was to have no

contact with any of his creditors. He followed this agreement for about a year before he received the SOR. After receiving the SOR, on several occasions Applicant tried to contact the debt consolidation company and got no response. He recently learned that the company is a party to a Federal lawsuit. Department Counsel stipulated that in January 2024, the company was a party to a lawsuit brought by the Consumer Financial Protection Bureau concerning unlawful taking of fees in debt consolidation operations. Applicant contends that the company “went belly-up” without telling anyone. Applicant’s money in his account, amounting to approximately \$2,700 was recently returned to him. (Tr. p. 36)

In September 2025, after careful research and vetting, Applicant signed with a new debt consolidation firm to consolidate his outstanding debts, and to negotiate his balances down to a lower amount. Each of the debts set forth in the SOR are included in his new debt consolidation plan with the new company. Applicant has not yet received credit counseling from them, but he plans to do so in the future. Applicant plans to make his first payment on the 29th of the month in the amount of \$460 and he plans to continue payments each month for three years in order to resolve his outstanding debts of \$31,124. (Applicant’s Exhibits B and C.) In addition to this payment each month, Applicant also has a truck payment of \$650, an insurance payment of \$120, and a motorcycle payment of \$180 monthly. (Tr. pp. 55 and 56 and Applicant’s Post-Hearing Exhibit A.)

Applicant testified that he opened up lots of credit card accounts to build up his credit in order to qualify to purchase a house. He purchased a house in 2019, and currently resides in it with two roommates that share the mortgage payment. Applicant’s share of the monthly mortgage payment is \$1,625. (Tr. p. 70.) Applicant testified that he is currently earning between \$67,000 and \$70,000 annually. He stated that he is comfortably able to pay his monthly expenses. At the end of the month after paying his bills he has between \$1,500 and \$2,000 left in discretionary funds. (Tr. p. 72.) He has a checking account with about \$1,000 in it and a 401k with about \$28,000. He believes his finances are stable and improving.

The following delinquent debts set forth in the SOR are of security concern:

1.a. A delinquent debt is owed to a creditor for an account that was charged off in the approximate amount of \$9,006.00. This was a personal loan that Applicant used to purchase a boat in 2019. The loan was part of the consolidation program with the credit repair company. Applicant has not paid back the loan. Applicant sold the boat last year. The debt remains outstanding. (Tr. p. 49.)

1.b. A delinquent debt is owed to a creditor for an account that was placed for collection in the approximate amount of \$5,465. This is a veterinary bill incurred during his relationship with his fiancé. The debt remains owing.

1.c. A delinquent debt is owed to a creditor for an account that was charged off in the approximate amount of \$3,791. This was a credit card. The debt remains owing. (Tr. p. 59.)

1.d. A delinquent debt is owed to a creditor for an account that was charged off in the approximate amount of \$2,318. This was a credit card. The debt remains owing. (Tr. pp. 59-60.)

1.e. A delinquent debt is owed to a creditor for an account that was charged off in the approximate amount of \$1,812. This was a credit card. The debt remains owing. (Tr. p. 60.)

1.f. A delinquent debt is owed to a creditor for an account that was placed for collection in the approximate amount of \$1,697. This was a credit card Applicant opened between 2017 and 2019. The debt remains owing. (Tr. p. 63-64.)

1.g. A delinquent debt is owed to a creditor for an account that was charged off in the approximate amount of \$1,663. This was a department store credit card opened in 2019. The debt remains owing. (Tr. p. 64.)

1.h. A delinquent debt is owed to a creditor for an account that was charged off in the approximate amount of \$1,399. This was a credit card, he stated that he probably opened in 2018 or 2019. The debt remains owing. (Tr. pp. 64-65.)

1.i. A delinquent debt is owed to a creditor for an account that was charged off in the approximate amount of \$1,148. This was a credit card. The debt remains owing. (Tr. p. 66.)

1.j. A delinquent debt is owed to a creditor for an account that was charged off in the approximate amount of \$1,105. This was a credit card that he opened in 2020 and used for travel points. The debt remains open. (Tr. p. 66.)

1.k. A delinquent debt is owed to a creditor for an account that was charged off in the approximate amount of \$1,015. This was a credit card. The debt remains owing. (Tr. p. 67.)

1.l. A delinquent debt is owed to a creditor for an account that was charged off in the approximate amount of \$857. This was a credit card account that Applicant believes was closed by the credit repair company but he is not sure. (Tr. p. 67.)

1.m. A delinquent debt is owed to a creditor for an account that was placed for collection in the approximate amount of \$758. This was a credit card account opened in 2018 or 2019. The debt remains owing. (Tr. p. 68.)

1.n. A delinquent debt is owed to a creditor for an account that was charged off in the approximate amount of \$466. This was a credit card account that was closed. (Tr. p. 68.)

1.o. A delinquent debt is owed to a creditor for an account that was charged off in the approximate amount of \$458. This was a credit card account. The debt remains owing. (Tr. p. 68.)

1.p. A delinquent debt is owed to a creditor for an account that was charged off in the approximate amount of \$309. This was a credit card account opened in 2018 or 2019. The debt remains owing. (Tr p. 68.)

1.q. A delinquent debt is owed to a creditor for an account that was charged off. This was a credit card opened in 2018 or 2019. The debt remains owing. (Tr. p. 68.)

Guideline J – Criminal Conduct

The Government alleged that Applicant is ineligible for a clearance because he has engaged in criminal conduct that creates doubt about his judgment, reliability, and trustworthiness. By its very nature, it calls into question a person's ability or willingness to comply with laws, rules, and regulations.

Applicant was arrested in about July 2023, and charged with Driving Under the Influence (DUI) with a BAC of between .15 and .19 and related charges. In about March 2024, he pled guilty to DUI-Liquor/Drugs/Vapors and was sentenced to 12-months unsupervised probation and required to attend alcohol classes, a victim impact panel, and pay fines and fees. Applicant explained that he was at a restaurant with his sister. They had dinner, played pool and celebrated his job. He consumed about six Jack and Cokes, over a six-hour period. Upon leaving the restaurant, Applicant was pulled over by police. The officer claimed that Applicant made an unsafe turn. In hindsight, Applicant realizes that he should not have been driving, as he was too drunk to safely drive a vehicle that night. (Tr. p 81-83.) A field sobriety test was performed by the Applicant, and he failed the test. Applicant also took a breathalyzer, and a blood test. Applicant was sentenced to 12 months of an interlock device on his car and 12 months unsupervised probation. Both the probation and interlock device restrictions ended after six months for good behavior and no infractions. He has to attend a MADD class, Victims Impact panel, his license was suspended for three months, and he was fined \$1,500. Applicant has satisfied all but \$500 or \$600 of his fine that he is paying according to a payment plan he set up with the court. (Tr. p. 88.) Applicant stated that he no longer goes out drinking because of the stress it has caused him. Applicant also stated that he has adjusted his drinking and has periods where he completely abstains from alcohol.

Policies

When evaluating an applicant's suitability for a security clearance, the administrative judge must consider the adjudicative guidelines (AG). 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 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 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. 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 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 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 as to 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. 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 guideline notes several conditions that could raise security concerns under AG ¶ 19. Two are potentially applicable in this case:

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

Applicant incurred excessive delinquent debt totaling approximately \$31,000. The evidence is sufficient to raise the above disqualifying conditions.

The following mitigating conditions under the Financial Considerations guideline are potentially applicable under 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;
- (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), and the individual acted responsibly under the circumstances; and
- (d) the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts.

Applicant hired a credit repair company that was sued for illegal acts under Federal law. They did not properly assist him in resolving his debts as expected, and eventually went out of business. All of this, through no fault of his own, delayed Applicant's ability to resolve his debt. Applicant was then forced to find other financial assistance and he recently hired another company that comes respected and recognized. He has entered an agreement and is scheduled to make regular monthly payments to consolidate his debts and possibly negotiate lower balances of his accounts. Under the circumstances, he has made a good-faith effort to resolve his

debt, and his conduct shows good judgment, reliability, and trustworthiness. He has provided sufficient evidence in mitigation. Accordingly, this guideline is found for Applicant.

Guideline J - Criminal Conduct

The security concern relating to the guideline for Criminal Conduct is set out in AG ¶ 30:

Criminal activity creates doubt about a person's judgment, reliability, and trustworthiness. By its very nature, it calls into question a person's ability or willingness to comply with laws, rules and regulations.

AG ¶ 31 describes conditions that could raise a security concern and may be disqualifying. The following are potentially applicable:

(b) evidence (including, but not limited to, a credible allegation, an admission, and matters of official record) of criminal conduct, regardless of whether the individual was formally charged, prosecuted or convicted.

The guideline at AG ¶ 31 contains conditions that could mitigate security concerns. Two of the conditions are applicable:

(a) so much time has elapsed since the criminal behavior happened, or it happened under such unusual circumstances, that it is unlikely to recur and does not cast doubt on the individual's reliability, trustworthiness, or good judgment; and

(d) there is evidence of successful rehabilitation; including, but not limited to, the passage of time without recurrence of criminal activity, restitution, compliance with the terms of parole or probation, job training or higher education, good employment record, or constructive community involvement.

Applicant was arrested for DUI in July 2023, celebrating his new job with his sister. This conduct is inexcusable, but was an isolated incident that has never happened before, nor is there a likelihood that it will happen again. He pled guilty to the charge, and has satisfied all of the court's sentencing requirements, except the fine. As to the fine, he is making payments according to a payment plan he set up with the court. He has made some major changes in his life to avoid any future problems. He no longer goes out drinking, he has curtailed his drinking at home, and he now understands the importance of maintaining sobriety. He has no prior criminal record of any sort. Under the circumstances, his conduct demonstrates that he has learned from this one-time experience. Based upon his conduct, Applicant has established that he is sufficiently reliable and trustworthy to access classified information. His behavior demonstrates his serious concerns about his past indiscretions and that the possibility of recurrence is nil. He has mitigated the criminal conduct security concern.

Whole-Person Concept

Under the whole-person concept, the 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. 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 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 potentially disqualifying and mitigating conditions in light of all relevant facts and circumstances surrounding this case. I conclude Applicant has mitigated the Financial Considerations security concern, and the Criminal Conduct security concern.

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:	FOR APPLICANT
Subparagraphs 1.a. through 1.q.	For Applicant
Paragraph 2, Guideline J:	FOR APPLICANT
Subparagraph 1.a.	For Applicant

Conclusion

In light of all of the circumstances presented by the record in this case, it is clearly consistent with the national interest to grant or continue Applicant's national security eligibility for a security clearance. Eligibility for access to classified information is granted.

Darlene Lokey Anderson
Administrative Judge