



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



Appearances

For Government: Nicole A. Smith, Esq., Department Counsel
For Applicant: *Pro se*

09/18/2025

Decision

LOKEY ANDERSON, Darlene D., Administrative Judge:

Statement of Case

On April 19, 2022, Applicant submitted a security clearance application (e-QIP). On June 8, 2023, 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. The action was taken under Executive Order 10865 (EO), *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 *National Security Adjudicative Guidelines for Determining Eligibility for Access to Classified Information or Eligibility to Hold a Sensitive Position* (AG), effective within the DoD after June 8, 2017.

Applicant answered the SOR on July 13, 2023, and requested a hearing before an administrative judge. The case was assigned to me on July 1, 2025. The Defense Office of Hearings and Appeals issued a notice of hearing on July 2, 2025, and the hearing was convened as scheduled on August 20, 2025. The Government offered four exhibits, referred to as Government Exhibits 1 through 4, which were admitted without objection. The Applicant offered no exhibits, but she testified on her own behalf. DOHA received the transcript of the hearing (Tr.) on September 2, 2025.

Amendment to the Statement of Reasons

Department Counsel pursuant to E.3.1.3. of DoD Directive 5220.6 amended the Statement of Reasons on February 28, 2025, to add subparagraphs 1.e through 1.i under Guideline F. Except for allegation 1.h., Applicant submitted answers to each of the amendments. She testified that with respect to allegation 1.h., she did not answer the allegation because she was not sure what it was for. She acknowledges that it is her debt. (Tr. p. 9.) The SOR was amended as requested.

Department Counsel also requested to withdraw allegation 1.c., indicating that the Government has no evidence to show that the debt remains owing. Accordingly, allegation 1.c. was withdrawn from the SOR, and found for the Applicant. (Tr. p. 9.)

Findings of Fact

Applicant is 40 years old. She is a single parent, separated from her second husband, and has four children ages 7, 9, 20, and 23. She has a high school diploma and various certifications and licenses including, a phlebotomist technician license; a nursing assistant certification; and a license to sell insurance. She is in the hiring process to work as a Medical Clerk at a Naval Hospital. A security clearance is required in connection with this employment.

Guideline F - Financial Considerations

The Government alleged that Applicant is ineligible for a clearance because she 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 her reliability, trustworthiness, and ability to protect classified information.

The SOR identified eight delinquent debts, that include various consumer debts and vehicle repossession, totaling in excess of \$35,000. Applicant admitted each of the allegations set forth under this guideline. Three credit reports of the Applicant dated October 21, 2022; August 30, 2023; and February 28, 2024, confirm the indebtedness listed in the SOR. (Government Exhibits 2, 3 and 4.)

Applicant has been married twice. Her first marriage was from 2003 to 2008. Her two children from that marriage are adults and no longer reside with her. Applicant married her second husband in April 2022, but they separated in September 2023. She has two minor children from that marriage. She has also been responsible for financially supporting her grandchild who is now 8 years old. Applicant has never received regular child support for any of her four children, even though there is a court order issued for her to receive support for her two minor children. At times, she has had to work two jobs to provide for her family.

In 2021, Applicant moved from state A to state B with her boyfriend who had a job in state B. She also had a job lined up there, but later found out that she was not certified in the state and could not be hired for the position. From September 2021 to March 2022, she was unemployed. During that period, she received food stamps and the father of her daughter was sending \$100 a week to help with gas and to pay her credit card bill. She did not receive unemployment benefits. In April 2022, she and her boyfriend got married, and moved back to state A. In September 2023, when she and her husband separated; Applicant started working as a medical clerk at the Naval hospital in a full-time position that paid \$21.17 per hour. She held this job until about March 2024 when they had to let her go because her young daughter became ill and Applicant had to take her to regular medical appointments and could no longer commit to working full time. Applicant was unemployed until September 2024. During this period, she took classes to obtain her insurance license.

Applicant is a single parent and is responsible for her two minor children who reside with her. In September 2024, she became employed full time at a Nursing home as a Certified Nursing Assistant, and she currently earns \$19.00 hourly. A security clearance is not necessary for this job. Her two youngest children live at home with her, and she provides for their financial support. She has never received any credit counseling. She recently hired a credit repair specialist to assist her in resolving her delinquent debts. She paid her the initial fee of \$185 to get started, and \$45 monthly. Presently, all of the delinquent debts set forth in the SOR remain owing.

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

1.a. Applicant is indebted to a creditor in the amount of \$23,971 for an account that was charged off for the purchase of a vehicle. The vehicle, a Ford F-150, was purchased in September 2021. It was purchased for \$35,000, and the monthly payments were about \$625. Applicant had it for about two months before she stopped making payments on it in November 2021. The vehicle was repossessed in December 2021. She stated that in February 2022, she used her income tax refund of \$4,000 to pay the balance down. The debt remains owing. (Tr. pp. 38-41.)

1.b. Applicant is indebted to a creditor in the amount of \$848 for an account that was charged off. This was a credit card she opened in September 2021. She made

one payment. That payment was made in October 2021. She purchased school clothes for her children. The debt remains owing. (Tr. pp. 41-42.)

1.c. Applicant was indebted to a creditor in the amount of \$112 for an account that was charged off. The Government withdrew the allegation at the hearing. The debt is no longer owing. This allegation is found for the Applicant.

1.d. Applicant is indebted to a creditor in the amount of \$5,379 for the balance due on a vehicle that was repossessed. This was the purchase of a vehicle, a Ford F-150. The account was opened in March 2019. The monthly payments were \$275. Applicant made her last payment in January 2021, and then gave the truck to her older son. His father, her first husband, was supposed to help their son with the rest of the payments. This did not happen. The car was eventually repossessed. The debt remains owing. (Tr. pp. 42-43.)

1.e. Applicant is indebted to a creditor in the amount of \$1,570 for an account that is past due. This was for furniture Applicant purchased for her home. She opened the account in September 2022 and made a last payment on October 2022. She stated that she had been making weekly payments. She could not afford to make further payments because she was not working full time. The debt remains owing. (Tr. pp. 44-46.)

1.f. Applicant is indebted to a creditor in the amount of \$523 for an account that is past due. Applicant claims that someone stole her bank credit card (an overdraft protection account) and took the money from her bank account and went shopping at several stores. She reported it to the police and closed the account. The debt remains owing. (Tr. pp. 46-47.)

1.g. Applicant is indebted to a creditor in the amount of \$1,926 for an account that is past due. This was a personal loan that was used for the cost of a U-haul to move out of state with her and her boyfriend's possessions. One payment was made in November 2021. The debt remains owing. (Tr. pp. 47-48.)

1.h. Applicant is indebted to a creditor in the amount of \$645 for an account that is past due. The debt remains owing. Applicant believes that this may be a hospital bill but she is not sure. If so, Applicant contends that if it pertains to her daughter, Medicaid should have covered the cost. (Tr. pp. 49-50.)

1.i. Applicant is indebted to a creditor in the amount of \$312 for an account that is past due. This is a hospital bill for an account that was opened in November 2024. Applicant believes that Medicaid should also cover this debt. The debt remains owing. (Tr. pp. 5-51.)

Applicant stated that she was hired for a position as a Medical Clerk with the Navy last September. In order to start her employment, she needs to obtain a security clearance.

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 has a history of financial hardship. Her actions or inactions both demonstrate a history of not addressing debt and/or an inability to do so. 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;

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

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

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

Circumstances beyond the Applicant's control, namely sporadic periods of unemployment; her daughter's unexpected medical condition; a divorce; and then a separation; have all contributed to her financial problems, but they were not the only reasons for her indebtedness. Over the years, she has had sustained periods of full-time employment, and she has still not addressed her delinquent debts. In the past it seems that unless she has worked two jobs, or had some additional income from her partners, she has been unable to pay her bills on time. She has not demonstrated a good faith effort to resolve her debts. She only recently hired someone to assist her in resolving her debts and repairing her credit. Her inability to resolve these debts casts doubt on her current reliability, trustworthiness, and/or good judgment. Applicant appears to want to resolve her debt but is not currently earning enough money to do so. At this time, Applicant needs more time to establish a track record of payments, and show the Government that she can and will properly resolve her financial delinquencies. Mitigating condition AG ¶ 20(b), applies but does not establish full mitigation.

Each of the debts listed in the SOR remain owing. Applicant does not have sufficient monies available at this time to pay on them. She has made no progress toward resolving her debt. Except for allegation 1.c, which was withdrawn by the Government, she remains excessively indebted to each of the creditors listed in the SOR. There is insufficient evidence in the record to show that, the Applicant has carried her burden of proof to establish mitigation of the Governments security concerns under Guideline F.

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. In the event that Applicant follows through with her commitment to show financial responsibility, sometime in the future she may be found to be sufficiently reliable to properly protect and access classified information, but not at this time.

I considered the potentially disqualifying and mitigating conditions in light of all relevant facts and circumstances surrounding this case. I conclude Applicant has not mitigated the Financial Considerations 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:

AGAINST APPLICANT

Subparagraphs 1.a. and 1.b.

Against Applicant

Subparagraph 1.c.

For Applicant

Subparagraphs 1.d. through 1.i.

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 interest to grant or continue Applicant's eligibility for a security clearance. Eligibility for access to classified information is denied.

Darlene Lokey Anderson
Administrative Judge