



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



In the matter of:

Appearances

For Government: Karen Moreno-Sayles, Esq., Department Counsel
For Applicant: *Pro se*

04/17/2025

Decision

HEINTZELMAN, Caroline E., Administrative Judge:

Applicant mitigated the financial considerations security concerns. National security eligibility for access to classified information is granted.

History of the Case

On May 29, 2024, the Department of Defense (DOD) sent Applicant a Statement of Reasons (SOR) alleging security concerns under Guideline F (financial considerations). (Item 1) The DOD acted under Executive Order (EO) 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.

On June 6, 2024, Applicant submitted an answer, with documentation, to the SOR and requested a decision based upon the administrative record (Answer). (Item 1) A copy of the file of relevant material (FORM), was provided to Applicant by letter dated July 31, 2024. Department Counsel attached as evidence to the FORM Items 1 through 6. Applicant received the FORM on August 29, 2024, and was afforded a period of 30 days to file objections and submit material in refutation, extenuation, or mitigation. She responded in a timely manner and provided 62 pages of documentation. On November

12, 2024, the case was assigned to me. I marked Applicant's documents as follows: AE A: Undated Personal Statement (3 pages); AE B: Screenshots of Text Messages and Documents (1 page); AE C: Internal Revenue Service (IRS) Wage and Income Transcripts for Tax Years (TY) 2017 through 2023 (58 pages). Neither party made objections to the proffered documents; therefore, Items 1 through 6 and AE A through C are admitted into evidence.

Findings of Fact

Applicant, 32, has never married and has no children. She attended college from 2010 to 2017 but is two elective courses short of a degree. She worked for her current employer, a federal contracting company since March 2023. In September 2023, she was promoted from shift lead to supervisor. This is her first security clearance application. (Items 1-3, AE A)

The SOR alleged Applicant has 11 delinquent debts totaling approximately \$41,627. She admitted the debts but qualified her responses with statements regarding their status. Her financial struggles and each of the debts are addressed in detail below. (Items 1-3; AE A)

Applicant left college in 2017, she worked to support herself during her last few years of college, paying her tuition and living expenses herself. After 2017, she struggled financially due to low-wage positions, and she was unemployed during the following periods: 5/19-7/19; 4/20 to 8/20; 2/21 to 8/21; 3/22 to 5/22; 2/23 to 3/23. She was unemployment because of the Covid-19 Pandemic, contract work ending, and waiting for her current position to start. She was supported financially by her parents, grandmother, and savings. Additionally, since 2017, she held 11 different jobs, often working multiple jobs at the same time. Her lack of income, multiple jobs in a calendar year, and unemployment compensation is reflected in the IRS documents she provided. (Items 1-3; AE A; AE C)

After Applicant's 2019 period of unemployment, she withdrew over \$4,000 from a retirement account. Unfortunately, she fell behind on bills, despite finding a second job in August 2019 and occasionally driving for a ride-share business. She was evicted in January 2020 from the apartment listed below and then lived in her car until March 2020. She subsequently lost this server position in April 2020 due to the Covid-19 Pandemic. (Items 1-3; AE A; AE C)

SOR ¶ 1.a: \$7,252 account for an apartment lease was placed for collection in February 2020. Applicant provided proof of a \$1,813.24 payment, representing 25% of the debt, and she set up automatic-recurring bi-weekly payments for the remaining balance. (Item 1 at 5-6, 11; Item 4 at 2; Item 5 at 2; Item 6 at 1; AE A)

SOR ¶ 1.b: \$4,230 account for a charged-off car loan that became delinquent in 2018. Applicant made a \$1,000 payment from her checking account and set up automatic-recurring payments of an unstated amount for the remaining balance. In the July 2024 credit bureau report (CBR), the account balance was \$2,249, reflecting she made

additional payments. She asserted this account balance was \$0 in her FORM response. (Item 1 at 6, 12; Item 4 at 3; Item 5 at 2; Item 6 at 1; AE A)

SOR ¶¶ 1.c: \$3,064 and **1.d** \$1,023 are credit-card accounts, with the same creditor, placed for collection in July 2021 and April 2021, respectively. Applicant resolved the debts prior to submitting her Answer. Neither debt appears on the July 2024 CBR. (Item 1 at 16-7, 13-14; Item 4 at 3; Item 5 at 2-3; AE A)

SOR ¶ 1.e: \$925 is a credit-card account placed for collection in May 2020. Applicant provided documentation reflecting the account had a \$0 balance, and it was resolved through garnishment prior to June 2024. She was working overseas and sent her mother \$1,000 to pay the debt in March 2024; however, it was garnished before she could actively pay it. (Item 1 at 7, 15; Item 4 at 3; Item 5 at 3; Item 6 at 1; AE A; AE B)

SOR ¶ 1.f: \$673 is a credit-card account placed for collection in October 2019. Applicant paid it in full on June 7, 2024. (Item 1 at 8, 16; Item 4 at 4; Item 5 at 3; Item 6 at 2; AE A)

SOR ¶ 1.g: \$266 is an insurance account for insurance placed for collection in September 2018. Applicant paid the debt in full on June 7, 2024. (Item 1 at 8, 17; Item 4 at 4; Item 5 at 3; AE A)

SOR ¶¶ 1.h: \$17,714 and **1.i:** \$4,953 are private student-loan accounts placed for collection in 2019. Applicant provided documentation reflecting that on June 5, 2025, she agreed to preauthorized-recurring monthly payments of \$200. Starting on July 15, 2024, this money is to be deducted from her checking account and applied toward both debts. (Item 1 at 8-9, 18; Item 4 at 2-3; AE A)

SOR ¶¶ 1.j: \$280 and **1.k:** \$247 are medical debts placed for collection in November 2018 and February 2019, respectively. Applicant paid both debts in full on May 31 and June 3, 2024. (Item 1 at 9-10, 19, 20; Item 4 at 4, 5; AE A)

Applicant is attending counseling to “address any underlying issues that may have contributed to [her] financial struggles.” Aside from the debts alleged in the SOR, Applicant’s other consumer-credit accounts are in good standing. (Item 6; AE A)

Policies

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(a), 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.

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

Failure to meet one’s 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. An individual who is financially overextended is at a greater risk of having to engage in illegal or otherwise questionable acts to generate funds. (AG ¶ 18) The record establishes the Government’s *prima facie* case Applicant owed seven delinquent consumer accounts, totaling \$16,433, two private student loans, totaling \$22,667, and two medical debts, totaling \$527. The following financial considerations disqualifying conditions apply:

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

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

Applicant incurred delinquent debt in the years after she left college without a degree. Between 2017 and March 2023, she held 11 different jobs, often working more than one at a time and suffered chronic underemployment and periods of unemployment. Many of these events were beyond her control. Given the length of time she left her finances unattended, her actions to resolve her delinquent account cannot be considered as acting responsibly under the circumstances. As a result, AG ¶ 20(b) partially applies. However, her actions merit the application of AG ¶ 20(d), “the individual initiated and is adhering to a good-faith effort to repay her creditors or otherwise resolve debts.” After receiving the SOR, she has made a good-faith effort to repay her creditors. She resolved the accounts alleged in SOR ¶¶ 1.b through 1.g, 1.j, and 1.k, between March 2024 and August 2024. Additionally, she paid \$1,813 or 25% of the debt alleged in SOR ¶ 1.a and established a payment plan to resolve the balance of this account by February 2025 through automatic-recurring payments. Finally, she established a payment plan to rehabilitate her delinquent student loans. Her actions are sufficient to mitigate the financial concerns alleged in the SOR.

Based on the record, I have no doubts regarding Applicant’s suitability for access to classified information. In reaching this conclusion, I also considered the whole-person factors at AG ¶ 2(d). Security clearance adjudications are not debt collection proceedings. Rather the purpose of the adjudication is to make “an examination of a sufficient period of a person’s life to make an affirmative determination that the person is an acceptable security risk.” Furthermore, applicants are not held to a standard of perfection. Applicant experienced difficulties after leaving college without a degree, including unemployment and homelessness. She responded appropriately to the SOR and addressed the government’s concerns. She is otherwise financially healthy, and there are no other security concerns related to her finances.

Formal Findings

I make the following formal findings on the allegations in the SOR:

Paragraph 1, Guideline F: FOR APPLICANT

Subparagraphs 1.a – 1.k: For Applicant

Conclusion

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

CAROLINE E. HEINTZELMAN
Administrative Judge