



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



In the matter of:

Applicant for Security Clearance

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ISCR Case No. 24-02401

**Appearances**

For Government:

Tovah Minster, Esquire, Department Counsel

For Applicant:

*Pro se*

08/14/2025

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**Decision**

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ROSS, Wilford H., Administrative Judge:

**Statement of the Case**

On January 7, 2025, the Department of Defense (DOD) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F. The action was taken 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) implemented by the DOD on June 8, 2017.

Applicant answered the SOR in writing with a statement (Answer) on January 22, 2025. He requested his case be decided on the written record in lieu of a hearing. (Item 2.) On March 5, 2025, Department Counsel submitted the Department's written case. A complete copy of the file of relevant material (FORM), consisting of Items 1 to 6, was provided to Applicant, who received the file on March 24, 2025.

Applicant was given 30 days from receipt of the FORM to file objections and submit material in refutation, extenuation, or mitigation. He elected not to submit additional information. The case was assigned to me on July 1, 2025. Items 1 through 6 are hereby entered into evidence. Based upon a review of the pleadings and exhibits, national security eligibility for access to classified information is denied.

## **Findings of Fact**

Applicant is 40 years old and single. He has a bachelor's degree. He has been employed by a defense contractor since November 2023 as a software engineer analyst. (Item 2 at Sections 12, 13A, and 17.)

### **Paragraph 1 (Guideline F, Financial Considerations)**

The Government alleges in this paragraph that Applicant is ineligible for clearance because he is financially overextended and therefore potentially unreliable, untrustworthy, or at risk of having to engage in illegal acts to generate funds. Applicant admitted all the allegations under this guideline.

The SOR alleged that Applicant has 6 debts that were charged-off, or in collection, in the total amount of approximately \$48,000. (SOR 1.a through 1.f.) The existence and amount of these debts is supported by his admissions to all SOR allegations in his Answer. The debts are also confirmed by credit reports submitted by the Government dated November 20, 2023; and December 5, 2024. (Items 5 and 6.) In addition, the existence of the debts is supported by Applicant's answers to a set of financial interrogatories sent to him by DCSA CAS and signed by him on July 5, 2024. (Item 4.)

Applicant stated that his inability to pay his debts was due to several factors that occurred between 2022 and 2024. The rent increased at his home, and he had to move. He also stated that he was unemployed or underemployed. (Answer; Item 3 at Section 26, Item 4 at 6-7.)

The status of the debts is as follows:

1.a. Applicant admitted that he is indebted to a creditor for a charged-off account in the amount of \$20,273. He indicated in his responses to interrogatories that he had made arrangements to pay this debt. However, he did not provide documentary evidence with his interrogatory responses to support his statement. It is not resolved. (Item 4 at 3, 8.)

1.b. Applicant admitted that he is indebted to a creditor for a charged-off account in the amount of \$17,300. He indicated in his responses to interrogatories that he had made arrangements to pay this debt at the rate of \$200 a month, and that he had attached supporting documentation. Page 16 of Item 4 shows monthly payments of \$250 to a creditor not named in the SOR. No documentation is submitted concerning the creditor in this allegation. It is not resolved. (Item 3 at Section 26, Item 4 at 4.)

1.c. Applicant admitted that he is indebted to a creditor for a charged-off account in the amount of \$8,484. He indicated in his responses to interrogatories that he had made arrangements to pay this debt. However, he did not provide documentary evidence with his interrogatory responses to support his statement. This debt is not resolved. (Item 4 at 3.)

1.d. Applicant admitted that he is indebted to a creditor for a charged-off account in the amount of \$752. He indicated in his responses to interrogatories that he had made arrangements to pay this debt. No additional evidence was supplied to show that he had fulfilled his payment arrangement. This debt is not resolved. (Item 4 at 4.)

1.e. Applicant admitted that he is indebted to a creditor for an account placed for collection in the amount of \$725. He attached to his interrogatories responses an email dated July 10, 2024, from the creditor indicating that he had entered into a payment agreement regarding this debt, which had a balance of \$3,679. The agreement required him to make six monthly payments of \$613.27 to resolve the debt. No evidence was supplied to show that he had fulfilled his payment arrangement. This debt is not resolved. (Item 4 at 4, 8, 10-14.)

1.f. Applicant admitted that he is indebted to a creditor for a charged-off account in the amount of \$710. He indicated in his responses to interrogatories that he had made arrangements to pay this debt. No additional evidence was supplied to show that he had fulfilled his payment arrangement. This debt is not resolved. (Item 4 at 4.)

Applicant submitted a budget and information as to his salary. They are attached to his interrogatory responses. The documents show that he has approximately \$4,020 a month in discretionary income. However, he did not submit any information as to how he intends to use his discretionary income to resolve the majority of his indebtedness. (Item 3 at Section 26; Item 4 at 8, 15.)

Applicant also elected not to submit any information about his work performance or ability to safeguard classified information. I am unable to make a credibility assessment as he elected not to have a hearing.

## Policies

When evaluating an applicant's national security eligibility for a security clearance, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines (AG) list potentially disqualifying conditions and mitigating conditions, which are to be used in evaluating an applicant's national security eligibility.

These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied 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 applicable guidelines in the context 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, "Any 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. I have not drawn inferences based on mere speculation or conjecture.

Directive ¶ E3.1.14, requires the Government to 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, and has the ultimate burden of persuasion as to obtaining 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 national security eligibility. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to protect or safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified or sensitive information. Finally, as emphasized in Section 7 of Executive Order 10865, “Any determination under this order adverse to an applicant shall be a determination in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” See also Executive Order 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information.)

## **Analysis**

### **Paragraph 1 (Guideline F, Financial Considerations)**

The security concerns relating to the guideline for financial considerations are set out in AG ¶ 18, which reads in pertinent part:

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.

AG ¶ 19 describes two conditions that could raise security concerns and may be disqualifying in this case:

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

The evidence shows that Applicant has six delinquent debts in the amount of approximately \$48,000 that he had not paid. AG ¶¶ 19(a) and (c) apply. The burden thereby shifts to Applicant to mitigate the adverse inference of his delinquent debts.

The guideline includes four conditions in AG ¶ 20 that could mitigate the security concerns arising from Applicant's alleged financial difficulties:

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

None of the mitigating conditions have application to this case. The documentary evidence did not contain sufficient evidence to support a finding that Applicant had resolved any of his debts. I have considered his statements concerning his prior financial and work-related difficulties. However, he did not show that he has acted responsibly in resolving his debts. Based on all of the available evidence, Applicant has not mitigated the security concerns of this guideline.

### **Whole-Person Concept**

Under the whole-person concept, the administrative judge must evaluate an applicant's eligibility for national security eligibility 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 national security 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 pertinent facts and circumstances surrounding this case. Applicant has not mitigated the security concerns of his financial conduct. He has presented insufficient evidence showing that he had resolved, or is resolving, his financial situation. Paragraph 1 is found against Applicant.

### **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 through 1.f:

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 national security eligibility for a security clearance. Eligibility for access to classified information is denied.

WILFORD H. ROSS  
Administrative Judge