



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



In the matter of:

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ISCR Case No. 24-00008

Applicant for Security Clearance

**Appearances**

For Government: Sakeena Farhath, Department Counsel  
For Applicant: Pro se

01/21/2025

**Decision**

LOKEY ANDERSON, Darlene D., Administrative Judge:

**Statement of Case**

On December 10, 2020, Applicant submitted a security clearance application (e-QIP). On April 19, 2024, 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, *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 responded to the SOR (Answer) on September 17, 2024. (Item 2.) He requested that his case be decided by an administrative judge on the written record. Department Counsel submitted the Government's written case on September 25, 2024. A complete copy of the File of Relevant Material (FORM), containing twelve items was

received by Applicant on October 8, 2024. He was afforded an opportunity to file objections and submit material in refutation, extenuation, or mitigation within 30 days of receipt of the FORM. Applicant submitted a response to the FORM dated November 9, 2024, which was admitted into evidence without objection as Applicant's Exhibit A, with attachments. DOHA assigned the case to me on December 10, 2024. Items 1 through 12 will hereinafter be referred to as Government Exhibits 1 through 12.

### **Findings of Fact**

Applicant is 58 years old. He is married with four children. He has a high school diploma and some college. He holds the position of Systems Administrator. 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 alleged that Applicant has twenty-five delinquent debts owed to creditors totaling approximately \$22,831.56, which consists of delinquent federal taxes and consumer debt, which have been placed for collection. In addition, Applicant failed to file his state tax return for tax year 2022. In his answer, Applicant admits allegations 1.a., 1.b., 1.d., 1.u., 1.w., and 1.x. He denied the remaining allegations. (See Applicant's Answer to SOR.) Credit reports of the Applicant dated January 15, 2021; May 27, 2022; October 4, 2023; January 31, 2024; and September 25, 2024, confirm the indebtedness listed in the SOR. (Government Exhibits 6, 7, 8, 9 and 10.) Since November 2020, Applicant has been employed with his current employer, a defense contractor. (Government Exhibit 3.)

Applicant has a history of financial indebtedness. It is unclear from the record why he accumulated so much delinquent debt. Although he stated that he was unemployed from August 2018 through November 2019, he was otherwise consistently employed full time. He stated that except for his Federal taxes, the remaining credit issues listed in the SOR are from a long time ago. He stated that he is aware of his consumer legal rights and he is only using the law to his advantage. He considers the creditors demands for payment as inappropriate or inaccurate or for services not really delivered or simply done poorly. (Government Exhibit 2.)

He also stated that he has since improved his financial situation. Besides his Federal taxes, the only high debt over \$1,000 is his Capital One credit card. That was because in the same month he had to fix his roof, replace his garage door, and replace his water heater. He explained that he does not live lavishly. (Government Exhibit 2.)

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

1.a. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$3,416. This was a loan Applicant took out to get caught up with his mortgage payment back in 2005. He stopped paying the debt due to what he called “emergency expenses.” He initially decided not to pay the debt because the statute of limitations has run, and it is uncollectible debt. Applicant ultimately settled the debt on October 28, 2024. The debt is no longer owing. (Applicant’s Exhibit A.)

1.b. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$515. This was for dental work the Applicant received. Applicant stated that he was displeased with the services and did not pay the debt. Applicant ultimately settled the debt on October 28, 2024, for less than the amount owed. The debt is no longer owing. (Applicant’s Exhibit A.)

1.c. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$375. Applicant stated that he is not aware of the debt. He stated that he plans to pay it with proceeds from his 2<sup>nd</sup> mortgage. The debt remains owing. (Applicant’s Exhibit A.)

1.d. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$258. This was Applicant’s automobile insurance. Applicant claims that the insurance was cancelled, but he was charged for coverage. He stated that he plans to pay it with proceeds from his 2<sup>nd</sup> mortgage. The debt remains owing. (Applicant’s Exhibit A.)

1.e. through 1.t. are debts that are owed to the same creditor. Applicant claims that they are medical debts that he does not recognize. (Government Exhibit 2.)

1.e. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$249. Applicant denies the debt stating that he does not recognize it. His credit reports show that it is owing. (Government Exhibits 9 and 10.) The debt remains owing.

1.f. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$220. Applicant denies the debt stating that he does not recognize it. His credit reports show that it is owing. (Government Exhibits 9 and 10.) The debt remains owing.

1.g. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$220. Applicant denies the debt stating that he does not recognize it. His credit reports show that it is owing. (Government Exhibits 9 and 10.) The debt remains owing.

1.h. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$220. Applicant denies the debt stating that he

does not recognize it. His credit reports show that it is owing. (Government Exhibits 9 and 10.) The debt remains owing.

1.i. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$189. Applicant denies the debt stating that he does not recognize it. His credit reports show that it is owing. (Government Exhibits 9 and 10.) The debt remains owing.

1.j. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$181. Applicant denies the debt stating that he does not recognize it. His credit reports show that it is owing. (Government Exhibits 9 and 10.) The debt remains owing.

1.k. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$168. Applicant denies the debt stating that he does not recognize it. His credit reports show that it is owing. (Government Exhibits 9 and 10.) The debt remains owing.

1.l. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$168. Applicant denies the debt stating that he does not recognize it. His credit reports show that it is owing. (Government Exhibits 9 and 10.) The debt remains owing.

1.m. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$145. Applicant denies the debt stating that he does not recognize it. His credit reports show that it is owing. (Government Exhibits 9 and 10.) The debt remains owing.

1.n. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$144. Applicant denies the debt stating that he does not recognize it. His credit reports show that it is owing. (Government Exhibits 9 and 10.) The debt remains owing.

1.o. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$126. Applicant denies the debt stating that he does not recognize it. His credit reports show that it is owing. The debt remains owing. (Government Exhibits 9 and 10.)

1.p. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$107. Applicant denies the debt stating that he does not recognize it. His credit reports show that it is owing. (Government Exhibits 9 and 10.) The debt remains owing.

1.q. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$87. Applicant denies the debt stating that he does not recognize it. His credit reports show that it is owing. (Government Exhibits 9 and 10). The debt remains owing.

1.r. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$76. Applicant denies the debt stating that he does not recognize it. His credit reports show that it is owing. (Government Exhibits 9 and 10.) The debt remains owing.

1.s. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$70. Applicant denies the debt stating that he does not recognize it. His credit reports show that it is owing. (Government Exhibits 9 and 10.) The debt remains owing.

1.t. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$61. Applicant denies the debt stating that he does not recognize it. His credit reports show that it is owing. (Government Exhibit 9 and 10.) The debt remains owing.

1.u. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$1,422. This was a disputed cell phone charge on Applicant's phone. Applicant stated that he planned to pay the debt with the proceeds from his 2<sup>nd</sup> mortgage. Applicant resolved the debt on a date unknown. The debt is no longer owing. (Applicant's Exhibit A.)

1.v. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$13,980.91. This is a court judgment. Documentation from an attorney representing the Applicant and from the creditor indicates that the Applicant is not a defendant referenced in the judgment. The last 4 of the defendant's social security number and the date of birth do not match the Applicant's. Accordingly, Applicant is not liable for the debt. (Applicant's Exhibit A.)

1.w. A delinquent debt owed to a creditor for an account was placed for collection in the approximate amount of \$433.65. Applicant stated that he plans to pay the debt with the proceeds from his 2<sup>nd</sup> mortgage. The debt was paid on October 29, 2024. The debt is no longer owing. (Applicant's Exhibit A.)

1.x. A delinquent debt is owed to the Federal Government for delinquent back taxes in the amount of \$11,118.05, for tax years 2021 and 2022. (Government Exhibits 4 and 5.) Applicant stated that he plans to pay the debt in full with the proceeds from his 2<sup>nd</sup> mortgage. Applicant's Internal Revenue Service account summary shows that no debt is owed to the Federal Government for the tax years in question or any other years for that matter. The debt has been resolved. (Applicant's Exhibit A.)

1.y. Applicant failed to file his state income tax return for tax year 2022. (Government Exhibit 2.) Applicant's Franchise Tax Board account summary dated November 6, 2024, indicates that he filed his income tax returns for tax years 2022 and 2023, in May 2024. Applicant stated that his deductions were sufficient. (Applicant's Exhibit A.)

## 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. Four are potentially applicable in this case:

- (a) inability to satisfy debts;
- (b) unwillingness to satisfy debts regardless of the ability to do so;
- (c) a history of not meeting financial obligations; and
- (f) failure to file or fraudulently filing annual Federal, state, or local income tax returns or failure to pay annual Federal, state, or local income tax as required.

It is difficult to determine whether Applicant incurred excessive delinquent debt that he could not afford to pay because he lived beyond his means for many years; or whether he simply ignored his delinquent debt for many years and focused on other priorities. Recently Applicant has addressed some of his delinquent debt. Other debts remain owing. He is responsible for all of his delinquent debt, not just some of it. And, although he does not have to resolve it all at once, he must show good judgment with a willingness to resolve it. In this case, Applicant has decided to ignore many of his debts for several years. It is his obligation to pay his debts and clear up his credit report, which he has not done, nor is he willing to do. He has known for several years that many of his debts were reflected on his credit reports as delinquent and he has ignored them. He stated that he has chosen to take advantage of the consumer laws that allow him to ignore his obligation to pay his debts. Applicant has intentionally let them remain owing either because he does not recognize them, they are old, or the statute of limitations has run and as he stated, they are "uncollectible" by the creditor. In any

case, his actions or inactions both demonstrate a history of not addressing his responsibility to pay or otherwise resolve his delinquent debt. 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, 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;
- (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.

It is noted that Applicant has made some significant headway in regard to addressing some of his delinquent debts including filing and paying his back taxes. However, what is troubling is that he outright refuses to pay other debts, simply because he is not aware of the debts reflected on his credit report. He admits that he has a number of old debts. He has chosen to ignore them. In regard to these debts, namely 1.e., through 1.t., which consist of sixteen debts owed to the same creditor that total approximately \$2,431, Applicant claims that the debts are uncollectible by the creditor. He has not set up any payment arrangements, nor does he plan to do so. In order to be eligible for access to classified information, Applicant must be responsible to pay his bills in a timely fashion and must be willing to do so. By using the consumer debt laws to impose the statute of limitation allowing him to escape his responsibility of paying his debts, he is not demonstrating good judgement or responsibility. In fact, he is showing

that he cannot be trusted. Under the circumstances, he has not demonstrated that he is sufficiently responsible to access classified information. Mitigating Conditions 20(a), 20(b), 2(c), 20(d), 20(e), and 20(g), do not show full mitigation. There is insufficient evidence in the record to show that the Applicant has carried his burden of proof to establish mitigation of the government 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.

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.	For Applicant
Subparagraphs 1.c. through 1.t.	Against Applicant
Subparagraphs 1.u through 1.y.	For 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