



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



In the matter of:)
)
) ISCR Case No. 24-01318
)
 Applicant for Security Clearance)

Appearances

For Government: Erin T. Thompson, Esq., Department Counsel
For Applicant: *Pro se*

09/11/2025

Decision

BORGSTROM, Eric H., Administrative Judge:

Applicant did not mitigate the financial considerations security concerns. Eligibility for access to classified information is denied.

Statement of the Case

On October 17, 2024, the Defense Counterintelligence and Security Agency (DCSA) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F (financial considerations). The DCSA 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.

In Applicant's November 22, 2024 response to the SOR (Answer), she admitted SOR ¶¶ 1.d., 1.e., 1.f., 1.g., and 1.h., and she denied the remaining allegations. She attached a two-page statement with additional information about each alleged debt, two certificates for security training, excerpts from her divorce proceedings, some creditor correspondence, and her enrollment and cancellation with a debt-resolution company

(DRC). She requested a hearing before a Defense Office of Hearings and Appeals (DOHA) administrative judge. (Answer)

On January 29, 2025, the Government was ready to proceed to a hearing. I was assigned this case on June 3, 2025. On June 13, 2025, a notice was issued scheduling the hearing for July 15, 2025, by video teleconference. The hearing proceeded as scheduled. The Government proffered six evidentiary exhibits, and I admitted Government Exhibits (GE) 1 through 6, without objection. Applicant and five witnesses testified. She submitted eight exhibits, which I admitted as Applicant Exhibits (AE) A through H, without objection. At Applicant's request, I held the record open until August 1, 2025. I received the transcript on July 25, 2025. Applicant timely submitted five post-hearing exhibits – a post-hearing statement, a monthly budget, correspondence from a DRC, correspondence from a creditor, and receipts for payments in 2019 to a DRC – which I admitted as AE I through AE M, without objection. The record closed on August 1, 2025.

Findings of Fact

Applicant is 53 years old. She graduated from high school in 1990. She has attended some college courses, but she has not earned a degree. She has been married and divorced or annulled six times. In January 2020, she married her seventh husband, who is currently incarcerated in the United Kingdom. She has four adult children and three adult stepchildren. (GE 1, GE 6; Tr. 65-66)

From October 2015 to March 2021, Applicant was employed full time as a senior systems analyst for a DOD contractor. She voluntarily resigned that position to move to the United Kingdom to support her husband during his first criminal case. She remained unemployed until October 2021. From October 2021 to November 2021, she was employed full time as a systems analyst for a DOD contractor. Her annualized salary was approximately \$85,000. From November 2021 to March 2022, she was employed full time as a manager for a different DOD contractor. Her annualized salary was approximately \$90,000. She voluntarily resigned that position to move to the United Kingdom to support her husband during his second criminal case. She remained unemployed until May 2023. Since May 2023, she has been employed full time as a senior systems engineer for a DOD contractor. Her initial annualized salary was approximately \$105,000, and her salary was raised to \$115,000 in November 2024. She was first granted a secret clearance in June 2002. (GE 1, GE 6; Tr. 69-72, 113-114)

On June 7, 2023, Applicant completed and certified an Electronic Questionnaire for Investigations Processing (e-QIP). Under Section 26 – Financial Record, she admitted eight delinquent accounts (SOR ¶¶ 1.a.-1.h.). She attributed the delinquent accounts to her ex-husband's failed business and her divorce, and she expressed her intent to settle all but SOR ¶ 1.a. by the end of 2023. She noted that the divorce decree assigned SOR ¶ 1.a. to her ex-husband. (GE 1)

On November 30, 2023, Applicant was interviewed by an authorized investigator on behalf of the Office of Personnel Management (OPM). During the interview, she admitted owing the delinquent debts in SOR ¶¶ 1.b.-1.h., but she denied the debt in SOR ¶ 1.a. She explained that the debt in SOR ¶ 1.a. had been assigned to her ex-husband in the divorce decree. She also explained that she had engaged a debt-resolution company but had discontinued this engagement after her granddaughter died in 2019. She admitted that she had made no further contacts with her creditors or debt-resolution efforts since 2019. (GE 6)

Applicant attributed her financial delinquencies to problems during her sixth marriage, the death of her granddaughter, and two criminal cases involving her current husband. In 2018, her then husband quit his full-time employment to start his own company, without any notice to Applicant. She incurred a vehicle loan (SOR ¶ 1.a.) and used her credit cards to pay the household financial obligations while the business struggled to take off. They separated in April 2019, and Applicant and her granddaughter moved out of the marital residence and rented an apartment. The divorce decree, entered on November 1, 2019, assigned financial responsibility for SOR ¶ 1.a. to Applicant's ex-husband. The remaining debts were assigned to the individual in whose name the account was established. (Answer; AE E; Tr. 74, 108)

In September 2007, Applicant was granted custody of her granddaughter, age 1. In September 2019, her granddaughter, then age 13, committed suicide. When Applicant sought to collect death benefits or the reimbursement of funeral expenses, her claim was denied in about December 2019. (AE F, AE G)

Applicant married her current husband, a citizen of the United Kingdom, in January 2020. In March 2021, she voluntarily resigned her employment to support him during the first of his two criminal cases. She did not receive any income while in the United Kingdom, and she was financially supported by her husband's disability benefits. Her husband was acquitted, and Applicant returned to the United States in October 2021. A second criminal case developed, and Applicant voluntarily resigned her employment in March 2022. She again was financially supported by her husband's disability benefits while she supported him during his second criminal case. He had been charged with several counts of sexual misconduct with a minor. He was convicted of an unspecified offense and was sentenced to 15 years in prison in July 2023. He remained incarcerated as of the security clearance hearing, and his case was pending an appeal. Applicant estimated that she provided \$7,000 towards her husband's attorneys' fees. (Tr. 67-70, 106)

Applicant has engaged three debt-resolution companies (DRC) to address her financial delinquencies. On May 14, 2019, Applicant engaged DRC1 to negotiate settlements with eight creditors, including SOR ¶¶ 1.b., 1.d., 1.e., 1.f., 1.g., and 1.h. Notably, she admitted the account in SOR ¶ 1.b. as her account.¹ Through DRC1, Applicant agreed to make 55 monthly payments of \$964 to cover fees and amass funds to pay the anticipated negotiated settlements, with payments beginning in June 2019.

¹ The account numbers match at AE A at p. 3 and GE 5 at p. 4.

DRC1 advised Applicant to stop making monthly payments on the enrolled accounts so that it could negotiate settlements. She provided evidence of three \$964 payments to DRC1. On November 22, 2019, Applicant cancelled her participation with DRC1. Applicant testified that she made payments to DRC1, and some debts were settled and some unused funds were returned to her. She did not provide evidence as to which debts were settled through DRC1. (Answer AE A, AE M; GE 5; Tr. 73-74, 76-78, 109)

On October 22, 2024, Applicant engaged DRC2, which she paid \$129 monthly. She cancelled her participation with DRC2 on May 29, 2025. There is no record of which debts were included in her engagement with DRC2 and what, if any payments, were made to DRC2. Applicant described DRC2 as a “credit-counseling” firm that challenged creditors to validate a client’s debts. DRC2 then advised a client how to dispute or seek removal of items on one’s credit report. She did not discuss her monthly financial obligations or prepare a budget with DRC2. (AE B; Tr. 74-75, 78-80)

On May 29, 2025, Applicant engaged DRC3, which she paid \$139 monthly. DRC3 characterized itself as a credit-repair service engaged to investigate and validate items reported on a client’s credit report. DRC3 does not engage in the negotiation of settlements or make settlement payments for its clients, but it will educate clients on how to do so themselves. Applicant testified that she did not have a formal list of debts to be addressed by DRC3. Rather, DRC3 obtained and relied upon Applicant’s credit report (AE D). She did not craft a budget with DRC3. (AE C; Tr. 75-76, 82, 122-123)

The SOR alleges nine delinquent debts totaling approximately \$106,000. In her Answer, Applicant admitted SOR ¶¶ 1.d.-1.h., and she denied SOR ¶¶ 1.a., 1.b., 1.c., and 1.i. SOR ¶¶ 1.b.-1.i are established by Applicant’s admissions and the four credit reports in evidence. (Answer; GE 1-6)

SOR ¶ 1.a. This vehicle loan was opened in January 2019, became delinquent in May 2019, and was charged off in the approximate amount of \$40,747. Applicant provided a copy of her divorce decree assigning this debt to her ex-husband. She testified that she believed her husband still possessed the vehicle because it had not been repossessed and auctioned. She assisted the creditor in trying to locate the vehicle so that it could be repossessed. She disputed this debt and provided copies of her divorce decree to the credit bureaus and the creditor. **This debt is not Applicant’s financial responsibility.** (Answer; GE 2-6; AE D; Tr. 82-85, 88-89)

SOR ¶ 1.b. This individual personal loan account was opened in June 2018, became delinquent in August 2019, and was charged off in the approximate amount of \$18,589. Although Applicant denied this debt in her Answer, she admitted this delinquent account in her e-QIP and during her security interview. She testified that DRC2 disputed the debt and DRC3 has sent correspondence to the creditor seeking to validate the debt. She has never contacted this creditor directly to inquire about this account. She is willing to settle this debt if valid, but she has not made any payments or payment arrangements on this account since 2019. **This debt is not resolved.** (Answer; GE 2-6; AE A, AE D; Tr. 85-92)

SOR ¶ 1.c. This credit-card account was placed for collection in September 2021 in the approximate amount of \$5,560. Applicant admitted having a credit-card account with this creditor. She has not contacted this creditor directly, but she believed DRC3 has sent correspondence to the creditor seeking to validate the debt. She is willing to settle this debt if valid, but she has not made any payments or payment arrangements on this account since its delinquency. **This debt is not resolved.** (Answer; GE 2-5; AE D; Tr. 94-96)

SOR ¶ 1.d. This individual credit-card account was opened in July 2015, became delinquent in July 2019, and was charged off in the approximate amount of \$15,261. At the hearing, Applicant admitted this debt, but she is challenging the debt to in hopes of reducing the finance charges or achieve settlement. She has not made any payments or payment arrangements on this account since its delinquency. **This debt is not resolved.** (Answer; GE 2-5; AE A, AE D; Tr. 97-98)

SOR ¶ 1.e. This individual credit-card account was opened in January 2014, became delinquent in July 2019, and was charged off in the approximate amount of \$7,594. This account was included in her DRC1 program; however, Applicant was uncertain whether a settlement offer was received in November 2019. Applicant has not contacted this creditor directly to inquire further, and there is no record evidence of any payments or payment arrangements on this account since its delinquency. **This debt is not resolved.** (Answer; GE 2-5; AE A; Tr. 100-101)

SOR ¶ 1.f. This individual credit-card account was opened in May 2011, became delinquent in July 2019, and was charged off in the approximate amount of \$6,301. This account was enrolled in the DRC1 program. Applicant has not contacted this creditor directly, and there is no record evidence of any payments or payment arrangements on this account since its delinquency. **This debt is not resolved.** (Answer; GE 2-5; AE A, AE D; Tr. 102-103, 123-124)

SOR ¶ 1.g. This individual credit-card account was opened in January 2019, became delinquent in July 2019, and was charged off in the approximate amount of \$8,029. There is no record evidence of any payments or payment arrangements on this account since its delinquency. **This debt is not resolved.** (Answer; GE 2-5; AE A, AE D; Tr. 107-109, 123-124)

SOR ¶ 1.h. This individual credit-card account was opened in April 2014, became delinquent in December 2019, and was charged off in the approximate amount of \$978. Applicant provided documentation of an October 2019 settlement offer from the creditor; however, there is no record evidence of any payments on this account since its delinquency. On July 18, 2025, the creditor provided correspondence stating it was no longer collecting on this account, but it would accept voluntary payments to satisfy the debt. **This debt is not resolved.** (Answer; GE 2-5; AE A, AE K, AE L; Tr. 109-110, 115-116)

SOR ¶ 1.i. This individual credit-card account was placed for collection in July 2020 in the approximate amount of \$3,338. Applicant testified that DRC3 will send correspondence to this creditor to validate this debt. There is no record evidence of any payments or payment arrangements on this account since its delinquency. **This debt is not resolved.** (GE 4-5; Tr. 111-112)

At the hearing, Applicant explained her delay in addressing and resolving her financial delinquencies. She testified that she was profoundly affected by the death of her granddaughter, whom she had raised since the age of one. She also had just endured a divorce and had significant funeral expenses that had not been covered by life insurance. She explained that it took 18 months for her to pay her granddaughter's funeral expenses. For a long time following her granddaughter's death, Applicant did not prioritize her financial delinquencies. She also claimed that she had been unable to contact her creditors while she lived in the United Kingdom, and she had prioritized supporting her husband during his criminal proceedings. After she had returned to the United States, she had traveled for several months for work and did not address her delinquent accounts. She was motivated to address her financial delinquencies after her November 2023 OPM interview; however, she did not engage DRC2 until after receiving the SOR. She has not received any credit counseling related to the management of her personal budget. (Tr. 98, 100, 105-107, 120, 127-130)

After the hearing, Applicant provided a monthly budget. She listed her monthly take-home pay as approximately \$7,034, her monthly expenses as approximately \$6,585, and her monthly remainder as approximately \$449. Of note, she listed \$1,950 in rent, \$1,450 in groceries, and \$200 in other pet care. In her post-hearing statement, she explained that she pays for expensive pet food for an elderly pet. Her expenses do not list her monthly payment to DRC3 or any debt payments related to the alleged accounts. In her post-hearing statement, she expressed her intent to continue working to resolve her delinquent accounts. (AE I, AE J)

Whole Person

Five witnesses testified in support of Applicant's clearance eligibility. Witness #1, who has known Applicant as a friend and co-worker for about 17 years, attested to her outstanding work performance, trustworthiness, honesty, and work ethic. He was not aware of any disciplinary actions nor mishandling of sensitive information by Applicant. (Tr. 19-22)

Witness #2, who has known Applicant as a co-worker for about two years, described her work performance as "awesome" in large part due to her subject-matter expertise with the information systems and platforms they use. He also praised her reliability, dedication, and trustworthiness. (Tr. 25-28)

Witness #3, who has known Applicant for about 17 years, has been her current supervisor for the past two years. He noted her strong work ethic, trustworthiness, dedication, and professionalism, and that she was "one of our most trusted engineers."

He was not aware of any disciplinary actions nor mishandling of sensitive information by Applicant. (Tr. 32-36)

Witness #4, a retired officer in the U.S. Air Force who has known Applicant since about 2007, previously supervised Applicant while he was in the Air Force and later while he was employed with a DOD contractor. He praised her integrity, trustworthiness, judgment, and candor, and he considers her character “above reproach.” He was aware of some of Applicant’s financial problems and personal challenges. He was not aware of any disciplinary actions nor mishandling of sensitive information by Applicant. (Tr. 40-45)

Witness #5, Applicant’s mother, corroborated Applicant’s custody of her granddaughter and the abuse committed against Applicant by her sixth husband. She attested to Applicant’s strong work ethic. She attributed Applicant’s financial problems to her support for her ex-husband’s failed business. Applicant separated from that husband in April 2019, and her granddaughter committed suicide in September 2019. Applicant faced significant funeral expenses, and she continued to pay rent on the apartment where her granddaughter had died, though she was unable to continue to reside there due to the emotional impact. (Tr. 49-54)

Applicant provided two performance evaluations covering the periods April 2019 to July 2020 and November 2022 to November 2024. She met or exceeded expectations in all criteria evaluated. Her raters described her performance as “excellent” and noted that she worked extra hours to ensure tasks were completed. In November 2024, Applicant received a merit-based raise in her annualized salary from \$105,000 to \$115,000. (AE H)

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.”

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 sensitive 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 sensitive information. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to safeguard sensitive information. Such decisions entail a certain degree of legally permissible extrapolation of potential, rather than actual, risk of compromise of sensitive 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. . . .

The guideline notes several conditions that could raise security concerns under AG ¶ 19. The following are potentially applicable in this case:

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

The Government established Applicant’s nine delinquent consumer accounts, totaling approximately \$106,000. AG ¶¶ 19(a) and 19(c) apply.

Conditions that could mitigate the financial considerations security concerns are provided under AG ¶ 20. The following are potentially applicable in this case:

- (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 has initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts; and
- (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.

Applicant bears the burdens of production and persuasion in mitigation. An applicant is not held to a standard of perfection in his or her debt-resolution efforts or required to be debt-free. "Rather, all that is required is than an applicant act responsibly given [her] circumstances and develop a reasonable plan for repayment, accompanied by 'concomitant conduct,' that is, actions which evidence a serious intent to effectuate the plan." ISCR Case No. 15-02903 at 3 (App. Bd. Mar. 9, 2017). See, e.g., ISCR Case No. 13-00987 at 3, n.5 (App. Bd. Aug. 14, 2014).

Applicant's divorce decree established that she is not financially responsible for the debt in SOR ¶ 1.a. AG ¶ 20(e) applies.

Applicant's remaining eight delinquent accounts remain, and there is no evidence of any payments since these accounts became delinquent. Although she has engaged three DRCs, she has not participated in credit counseling centered on financial education or budgeting, and her financial problems are clearly not under control. AG ¶¶ 20(a) and 20(c) do not apply.

Applicant experienced circumstances beyond her control in 2019, with her husband's failed business, her divorce, the death of her granddaughter, and the funeral

expenses. While her profound emotional impact was understandable, her financial obligations persisted, and she had the wherewithal to continue working full time. I have considered Applicant's two periods of unemployment while she supported her husband in the United Kingdom; however, in both instances she voluntarily resigned her employment and these are not circumstances beyond her control in the context of AG ¶ 20(b).

AG ¶ 20(b) requires the individual to act responsibly under the circumstances encountered. There is no evidence of any tangible debt-resolution efforts between December 2019 and October 2024, after the issuance of the SOR. Since October 2024, she has engaged DRC2 and DRC3 to dispute or validate her delinquent accounts, including accounts she has long admitted. She hoped that these creditors might reduce finance charges or settle these delinquent accounts; however, she did not present any evidence that these debts (SOR ¶¶ 1.b.-1.h.) were not her financial responsibility. As of the close of the record, there is no evidence of any payment arrangements or payments on these eight remaining delinquent accounts. The timing of Applicant's debt-resolution efforts is relevant and material to the evaluation of her evidence in mitigation. See, e.g., ADP Case No. 16-03595 at 4 (App. Bd. Aug. 27, 2018)(timing of debt-resolution efforts is relevant in evaluating the sufficiency of case in mitigation). Applicant's delay in addressing and resolving her delinquent accounts undermines her responsibility under AG ¶ 20(b). AG ¶¶ 20(b) and 20(d) do not apply. Applicant did not mitigate the financial considerations security concerns.

Whole-Person Concept

Under the whole-person concept, the administrative judge must evaluate an applicant's eligibility for access to classified information 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 the facts and circumstances surrounding this case. I have incorporated my comments under Guideline F and the factors in AG ¶ 2(d) in this whole-person analysis.

Applicant's five witnesses and her performance evaluations establish her excellent work performance, subject-matter expertise, strong work ethic, trustworthiness, and dedication. In 2019, she experienced a profound personal tragedy that also impacted her financially. She took no action to address these accounts between December 2019 and her receipt of the SOR. Since then, she has only taken minimal steps to dispute or seek to validate her delinquent accounts, including accounts she has long admitted she owed. Although she has expressed an intent to address and resolve her delinquent accounts, her slow and minimal response casts doubt as to her financial responsibility and judgment. Eligibility for access to classified information is denied.

Formal Findings

Formal findings for or against Applicant on the allegations set forth in the SOR, as required by section E3.1.25 of Enclosure 3 of the Directive, are:

Paragraph 1, Guideline F:	AGAINST APPLICANT
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Subparagraph 1.a.:	For Applicant
Subparagraphs 1.b.-1.h.:	Against Applicant

Conclusion

In light of all of the circumstances presented by the record in this case, I conclude that it is not clearly consistent with the interests of national security to grant Applicant's eligibility for a security clearance. Eligibility for access to classified information is denied.

Eric H. Borgstrom
Administrative Judge