



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



In the matter of:)
)
) ISCR Case No. 24-02228
)
)
Applicant for Security Clearance)

Appearances

For Government: Andrew H. Henderson, Esq., Department Counsel
For Applicant: *Pro se*

06/17/2025

Decision

HALE, Charles C., Administrative Judge:

This case involves security concerns raised under Guideline F (Financial Considerations) and Guideline E (Personal Conduct). Eligibility for access to classified information is denied.

Statement of the Case

Applicant submitted a security clearance application (SCA) on March 24, 2024. On February 26, 2025, the Department of Defense (DoD) sent him a Statement of Reasons (SOR) alleging security concerns under Guidelines F and E. The DoD acted under Executive Order (Exec. Or.) 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) promulgated in Security Executive Agent Directive 4, National Security Adjudicative Guidelines (December 10, 2016).

Applicant answered the SOR on March 10, 2025, and requested a decision on the written record. On April 7, 2025, pursuant to DoD Directive 5220.6, the Government converted the case to a hearing before an administrative judge. Department Counsel was

ready to proceed on April 9, 2025, and the case was assigned to me on April 15, 2025. On April 23, 2025, the Defense Office of Hearings and Appeals (DOHA) notified Applicant that the hearing was scheduled for May 28, 2025. I convened the hearing as scheduled. Government Exhibits (GE) 1 through 9 were admitted in evidence without objection. Applicant testified and the items submitted with his Answer were marked as Applicant Exhibits (AE) A-M. Applicant testified but did not present the testimony of any other witnesses or additional documentary evidence. I held the record open until June 11, 2025, to enable Applicant to submit documentary evidence. He timely submitted documents AE N through AE V, which were admitted into evidence without objection. AE N is a description of what constitutes AE O through AE V. DOHA received the transcript (Tr.) on June 11, 2025.

The Government requested I take administrative notice of state code regulations pertaining to sports wagering, excerpts from IRS Publication 505, tax withholding and estimated tax, and IRS Topic No. 419, gambling income and losses. These items were marked as Hearing Exhibits (HE) I-III. The Government's request for administrative notice was granted without objection. (Tr. 15-16.)

Findings of Fact

Applicant admitted five of the seven debts alleged, SOR ¶¶ 1.b through 1.f. He denied the debts alleged in SOR ¶¶ 1.a and 1.g as having been paid debts in full. He denied SOR ¶ 1.h, which alleged the debts in SOR ¶¶ 1.b through 1.g were due to his excessive online sports betting. He denied the falsifications alleged in SOR ¶¶ 2.a through 2.d. His admissions are incorporated into the findings of fact.

Applicant is a 33-year-old field mechanical engineer. He has worked for his clearance sponsor since April 2024. Prior to his current position he worked as a project assessor for company BV (BV), from October 2019 to April 2024. He still does work for BV while his security clearance eligibility is being resolved. He was terminated from an engineering firm in June of 2019 after two years. During the interim between engineering positions in mid-2019, he worked as a night associate at a major home supply store. He has never held a security clearance. He married in 2021 and divorced in 2023. He has one child from the marriage. He and his ex-wife share custody of their one child, and she has recently moved back into the home. (GE 1, GE 2, GE 9; AE K; Tr. at 37-41, 125-126.)

Applicant estimated he made \$80,000 in 2023 with BV. With his new employer his annual salary increased to \$120,000. When he lost his interim clearance, he returned to BV and has been working on a per project basis and not as a salaried employee. By working per project he stated that his annual income has increased to \$120,000, though without benefits. He received bonuses at least twice of around \$2,000 from BV in the last five years. He has about \$12,000 in his 401K pension plans. In response to Government interrogatories, he provided a budget that showed a monthly net remainder of \$2,147 and listed his monthly payments for the alleged debts. He acknowledged taking \$1,500 loans out against his 401K accounts to help get ahead of bills. He testified he tried working with a debt relief company but they advised him to stop making payments and he realized he

did not want this approach because he was already behind on debt payments. He elected to work on his debts himself. (GE 2; Tr. 57-59, 89-90, 106-107, 120.)

Guideline F

SOR ¶ 1.a: You are indebted to the Federal Government in the approximate amount of \$4,800.00 for tax year 2023. As of the date of this Statement of Reasons, the taxes remain unpaid. Applicant denied this allegation on the basis he made the final payment on the debt on March 11, 2025. He admitted he filed his return late and paid a penalty for late filing on June 3, 2024. He filed late because he and his former spouse were still working through who would have the exemption for the child. His former spouse took the exemption and that resulted in the tax debt. (GE 2; AE K; Tr. 40-43.)

SOR ¶ 1.b: You are indebted on a judgment obtained by a creditor in December 2023 in the approximate amount of \$7,668.82. As of the date of this Statement of Reasons, the judgment remains unpaid. Applicant admitted responsibility for this debt in his Answer and stated that payment plan has been arranged with the debt collector and as of March 10, 2025, there was a remaining balance of \$5,972. The debt arose from a personal loan in the amount of \$6,500 that he took out to resolve other debts, in particular credit card debt that arose from working for BV. The creditor filed suit in November 2023. He provided evidence that he made payments in December 2023 and January through March 2024 in the amount of \$214.07. Applicant ultimately entered into a consent agreement in the case. In his post-hearing submission, he included his most recent payments in April and May 2025 and payments prior to completing his SCA. (GE 2 at 39, GE 6; AE C, AE O, AE R; Tr. 43-48.)

Applicant explained his company did not issue him a credit card and it was up to him to handle his travel bookings with his own credit card. The company would repay him based on his expense report. He acknowledges his company paid his expenses stating:

[M]y check, it was bigger than usual because the money that I got extra, I was supposed to pay off the credit card and stuff. But I failed to do that. I had a lot of money, and I did other things with it. And that's how I became more and more in debt with the credit card. (Tr. 46.)

SOR ¶ 1.c: You are indebted on an account that is delinquent in the approximate amount of \$9,808.18, and that the creditor has agreed to settle for the reduced balance of \$8,278.55 if you comply with the terms of the settlement agreement you reached in November 2024. As of the date of this Statement of Reasons, the account remains delinquent. Applicant in his Answer admitted the debt; that a payment plan has been arranged with the debt collector; and that as of March 10, 2025, there was a remaining balance of \$7,278. He pledged to continue to show good faith effort to repay overdue creditors and resolve debt. The debt arose from a \$10,000 loan, which he had taken out in October 2022. He took the loan out to pay the credit card debt discussed in SOR ¶ 1.b. He did not start paying the creditor until they sued him in October of 2024.

Applicant's March 2024 credit report shows the loan at 150 days past due. He testified the creditor did not start contacting him until after he filled out his SCA. He offered his settlement agreement that he signed on November 11, 2024, and was agreed to by the creditor on November 21, 2024, along with the first four monthly payments of \$250. In his post-hearing submission, he offered evidence of a single payment of \$230.95 on January 18, 2024, prior to completing his SCA. He also included his most recent payments in April and May 2025. (Answer; AE D1-D2, AE P, AE R; GE 3; Tr. 55-60.)

Applicant blamed his divorce for the debt. When he separated and went down to one household income he fell behind. He had been splitting bills with his spouse but after the separation he stated he was paying all the household bills instead paying off his credit card bills. He is responsible for the mortgage and his car note, and he prioritized these debts over his credit card debt. He figured he could catch up on credit card debt despite a drop in his credit. (Tr. 57-60.)

SOR ¶ 1.d: You are indebted on a judgment obtained against you in November 2024 in the approximate amount of \$5,804.80. As of the date of this Statement of Reasons, the judgment remains unpaid. Applicant in his Answer admitted the allegation and stated a payment plan had been arranged with the debt collector and that as of March 10, 2025, there was a remaining balance of \$5,069. He included the checks for his monthly payments of \$245 made in December 2024 and January and February 2025. In his post-hearing submissions, he included the Notice of Recorded Judgment dated February 27, 2025, which reflected the judgment had been ordered and entered on November 14, 2024. (AE F, AE R, AE V; Tr. 59-61.)

SOR ¶ 1.e: You are indebted to credit card company for an account that has been placed for collection in the approximate amount of \$17,818. As of the date of this Statement of Reasons, the account remains delinquent. In his Answer, Applicant admitted the debt and stated that a settlement agreement had been reached with the creditor for \$8,175. Government Exhibit 3, an April 2024 credit report, shows the account had been charged off and that the account was over 180 days past due in April 2024. He testified he was making payments on the card but then stated:

[I]f the card is charged off, I'm not going to spend the money that I pay my mortgage. If I'm already struggling, I'm not going to spend the money I pay my mortgage or my car note to try to save a card that's already charged off. (Tr. 70-71.)

He offered evidence of two payments in January and February 2025 for \$175 and \$400 respectively and in his post-hearing submission he offered evidence of two additional \$400 payments. (AE J, AE R; Tr. 72-73.)

SOR ¶ 1.f: You are indebted to furniture store for an account that has been placed for collection in the approximate amount of \$3,382. As of the date of this Statement of Reasons, the account remains delinquent. Applicant admitted

responsibility for this debt. He stated in his Answer a payment plan had been arranged with the debt collector and the remaining balance was \$2,960. He included his payment history, which reflected two payments made by phone in January and February 2025 for \$140.92. (Answer.)

Applicant opened the account in June 2022 to furnish he and his then wife's new townhome. He testified "once everything happened, I had to stop making payments towards that as well." He admitted he did look at it as a priority and could come back and pay it off later. He admitted in Government interrogatories that he was behind on his payments in September 2023 and that he received an email in December 2023 that the account was charged off or placed for collection. He offered evidence in his post-hearing submission of two \$140.92 payments in April and May of 2025. (GE 2; AE I, AE R; Tr. 78-80.)

As to why he denied the debt both on his SCA and to the investigator in his interview, Applicant testified:

Yes, yes. I didn't know if it was in collection or not. That's the problem. When I filled out the application, it asked me specifically about what's in collection. I didn't know the status of these accounts. It's the difference between knowing something is late and knowing that versus it's in collection. Now I knew it was late. But I don't know the exact date that they put it in collection. So, I'd have to look back at that, see the exact date they put in. (Tr. 80.)

SOR ¶ 1.g: You are indebted to a creditor for an account placed for collection by retailor in the approximate amount of \$2,597.61. As of the date of this Statement of Reasons, the account remains delinquent. Applicant denied this debt on the basis he had resolved the delinquency on March 12, 2025, with his final payment of \$1,136.48. He opened the account with the retailer in 2017 and debt arose for an item he purchased for himself. At the time of the \$3,680 purchase, he had taken out roughly \$16,000 in loans to cover his other debts. He explained he "wanted something nice for [himself] to avoid being "depressed staying at the house with a lot of debt." (GE 2; Tr. 81-83; AE L.)

SOR ¶ 1.h: The delinquent nature of the debts set forth in subparagraphs 1.b. through 1.g. was due, in part, to your excessive online sports betting. Applicant in his Answer denied the allegation, explaining instead that his debts due to his 2023 divorce. (Answer; AE K.) He started online gambling in 2022 when it became legal in his state. He uses the major online gambling platforms. He estimates his largest gambling win was a \$1,000 of a \$10 bet. He estimated he lost a total of around \$1,500 throughout the year. He acknowledges losing "a couple, 3,000, 5,000 dollars, yes" but he said most of the debts alleged are from the divorce and the BV travel policy. In his security clearance interview, Applicant told the investigator he stopped making payments because he was doing sport gambling on his phone. (GE 2; Tr. 95-101.) He clarified:

See, that's the part that was misconstrued. That's not what I said. I said that it came from my divorce. It came from me gambling. It came from my old job. (Tr. 99.)

Applicant acknowledged the accuracy of the section of the interview that provided he stated that his sport gambling only lasted about six months, and he controls the sports betting and stopped sports betting when his debt got behind and his credit score dropped because of past debt. In his response to Government interrogatories, he listed winning \$2,000 for 2022 and losing \$5,000 in 2023. He listed in his interrogatory response, October 2023 for when he stopped making payments on several accounts because of his gambling. He subsequently claimed this was "misconstrued" and there were other factors not just gambling. He cited his divorce and BV's travel reimbursement process. (GE 2 at 12; Tr. 99.)

After his gambling losses in 2023, Applicant changed to making smaller bets and he set gaming limits, which cannot be changed. He also set deposit limits on all his betting accounts. He testified:

And if I was still gambling today, I wouldn't be able to show you that my debts has [sic] went down or that I have it -- and it's not a crime or it's not illegal to gamble. (Tr. 115.)

When asked when was the last month and year was that he placed an online bet he replied:

Okay. I'm going to be honest. I did place a 10-dollar bet last night and that's because the New York Knicks was playing. And that was still ESPN BET, and that's it.

During the playoffs, I've been placing bets during the playoffs, 10-dollar bets and stuff like that. But nothing major or anything like that. And again, I don't think it's illegal to gamble or anything like that. The major platforms that MGM that gamble, I close that out. And the one that ESPN I can only deposit 10 dollars probably a day. And that's the max that I can deposit. (Tr. 116.)

He went on to acknowledge he was betting in 2024 and discussed his bets for the 2024 NBA playoffs. He explained how he bet on quarterbacks during the NFL season. He estimated he made \$2,500 from gambling in 2024. (Tr. 116-124.)

Applicant argued his financial situation was not bad. He had overcome "a dark stage" in his life. He cited being able to take out a mortgage in 2022 and that his credit in 2022 "had to be clean by 2022." He admitted BV would reimburse him for his rental car and hotel but that he "wasn't doing the right things" with the reimbursements. He acknowledged the debts happened in 2023 and he was behind in 2023 with most his debts and not making payments but he that he was not notified by creditors until 2024. (Tr. 83-85, 97.) He states:

[E]verything that happened in 2023, I'm paying for it. I'm paying off the debt. But I don't want to make that that's who I am. I'm untrustworthy, this and that, because I don't believe none of that stuff is true. And it's just something. We all have mistakes in our life. We went through something, and we recover from it. But it's not who I am at all. And I am a trustworthy person and that's not who I am. (Tr. 84.)

Applicant's addresses have remained constant. He has not changed his email address nor moved from the townhouse he purchased in 2022. The house was purchased based on his income. His former spouse was not an authorized user of his credit cards. Neither the house nor the marital debts are mentioned in the separation agreement. (Tr. 86-89.)

Guideline E

SOR ¶ 2.a: You falsified material facts on an Electronic Questionnaires for Investigations Processing (e-QIP), certified by you on March 24, 2024, in response to “Section 13A – Employment Activities” when providing information regarding your employment with Company A. In response to “Reason for Leaving Provide the reason for leaving the employment activity,” you indicated “Fired because of company budget cuts” and thereby deliberately failed to disclose that you had been terminated for being unable to effectively make the transition to Assistant Project Manager and ultimately to the Project Manager Status. Applicant denied falsifying his answer to this question on his SCA. In his SOR Answer he stated during verbal discussions he was told about company budgets cuts during COVID-19 and was given no indication he was being fired because “unable to effectively make the transition to Assistant Project Manager and ultimately to the Project Manager Status.” He explained he was terminated because that company was in another state, and he was working remotely. He said he was told this work environment did not provide the mentoring tools to move to another level. (Answer; GE 2 at 5; Tr. 156-158.)

SOR ¶¶ 2.b - 2.d. These Guideline E allegations stem from Applicant's failure to disclose that information as set forth in SOR ¶¶ 1.b through 1.g, whether he had any judgments against him, delinquent accounts greater than 120 days, property repossessed or foreclosed, defaulted on any loan, or had an account or credit card suspended, charged off, or cancelled for failing to pay as agreed. In his Answer Applicant stated, “When I fill[ed] out the [SCA] I did make a mistake in filling it out but after I submitted [it,] I realized I had made a mistake and when I spoke with the investigator I did admit to the mistake and went over my credit history.” (Answer.)

During Applicant's security clearance interview he told the investigator that he was doing fine financially. He said he was meeting all his financial obligations. He responded, no to the investigator when he was asked whether he was more than 120 days delinquent on any debt and whether he was involved in any credit counseling. He also responded, no , when he was asked whether he had any judgments or foreclosures against him. After

these responses, the investigator confronted him with the numerous debts and judgments set forth in SOR ¶ 1. (GE 2 at 9-10, 17-19.)

SOR ¶ 2.b: You falsified material facts on an Electronic Questionnaires for Investigations Processing (e-QIP), certified by you on March 24, 2024, in response to “Section 26 – Financial Record Delinquency Involving Enforcement Other than previously, have any of the following happened to you? . . . In the last seven (7) years, you had a judgment entered against you.” You answered “No” and thereby deliberately failed to disclose the judgment set forth in subparagraph 1.b., above. Applicant denied the allegation on the basis that he had not been informed of the judgment against him and stated he did not get notified about the record of delinquency until after he completed his March 24, 2024 SCA. The company filed suit against Applicant on November 16, 2023, and a summons was issued for Applicant that same day. He acknowledged being served with the summons. (GE 1; GE 2, GE 6; Tr. 50-54.)

Applicant admitted he was sent “some type of mail” and that it said something to the effect of, “we’re taking you to court. If you don’t pay me, then it’s going to get ugly.” He stated he did not know it was a judgment against him. (GE 1, GE 2; Tr. 51-53.)

SOR ¶ 2.c: Falsified material facts on an Electronic Questionnaires for Investigations Processing (e-QIP), certified by you on March 24, 2024, in response to “Section 26 – Financial Record Delinquency Involving Routine Accounts Other than previously listed, have any of the following happened? In the last seven (7) years, have you defaulted on any type of loan? In the last seven (7) years, you had bills or debts turned over to a collection agency? In the last seven (7) years, you had any account or credit card suspended, charged off, or cancelled for failing to pay as agreed? . . . In the last seven (7) years, you have been over 120 days delinquent on any debt not previously entered? . . . You are currently over 120 days delinquent on any debt?” You answered “No” and thereby deliberately failed to disclose those debts set forth in subparagraphs 1.b. through 1.g., above. Applicant denied the allegation on the basis he was not notified the debts were being processed by a collection agency until after his March 24, 2024 SCA. He wrote on page 38 of the Government interrogatories that in November 2023, when the creditor informed him via email of the delinquency listed in SOR 1.b. He stated when he filled out the SCA he “wasn’t 100 percent sure about those things” related to a judgment or delinquency. (GE 1, GE 2; Tr. 53-54, 109-112.) He testified the reason he thought he could mark “no” on the SCA was:

I thought that it wasn't in so much trouble that it was going into a collection because I was making some payments. I thought that I could start this new job. I could make some money. I can catch it before it goes into collection. And what had happened was when I filled out the application, they're asking me, are you late? I said no because I thought because I made some payments that 120 days would set to zero and it will go back. But you have to pay back everything that you're late on in order for that to happen. (Tr. 109.)

SOR ¶ 2.d: Falsified material facts during a July 24, 2024 interview with an authorized investigator for the U.S. Department of Defense when you denied defaulting on any loan, having debts turned over to collections, having any accounts suspended, charged off, or cancelled for failure to pay, or having been 120 or more days delinquent on any debt. In truth, you failed to disclose the delinquent accounts as set forth in subparagraphs 1.b. through 1.g., above. Applicant denied the allegation on the basis he was not notified the debts were being processed by a collection agency until after his March 24, 2024 SCA. His Answer did not address his awareness at the time of the July 2024 security clearance interview. Applicant admitted he was making some payments on his delinquent accounts in the hopes that the payments would set the 120 days to zero. (Tr. 109; GE 2.)

Policies

"[N]o one has a 'right' to a security clearance." *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). As Commander in Chief, the President has the authority to "control access to information bearing on national security and to determine whether an individual is sufficiently trustworthy to have access to such information." *Id.* at 527. The President has authorized the Secretary of Defense or his designee to grant applicants eligibility for access to classified information "only upon a finding that it is clearly consistent with the national interest to do so." Exec. Or. 10865 § 2.

Eligibility for a security clearance is predicated upon the applicant meeting the criteria contained in the adjudicative guidelines. These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, an administrative judge applies these guidelines in conjunction with an evaluation of the whole person. An administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. An administrative judge must consider all available and reliable information about the person, past and present, favorable and unfavorable.

The Government reposes a high degree of trust and confidence in persons with access to classified information. This relationship transcends normal duty hours and endures throughout off-duty hours. Decisions include, by necessity, consideration of the possible risk that the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation about potential, rather than actual, risk of compromise of classified information.

Clearance decisions must be made "in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned." Exec. Or. 10865 § 7. Thus, a decision to deny a security clearance is merely an indication the applicant has not met the strict guidelines the President and the Secretary of Defense have established for issuing a clearance.

Initially, the Government must establish, by substantial evidence, conditions in the personal or professional history of the applicant that may disqualify the applicant from being eligible for access to classified information. The Government has the burden of establishing controverted facts alleged in the SOR. See *Egan*, 484 U.S. at 531. “Substantial evidence” is “more than a scintilla but less than a preponderance.” See *v. Washington Metro. Area Transit Auth.*, 36 F.3d 375, 380 (4th Cir. 1994). The guidelines presume a nexus or rational connection between proven conduct under any of the criteria listed therein and an applicant’s security suitability. See ISCR Case No. 15-01253 at 3 (App. Bd. Apr. 20, 2016).

Once the Government establishes a disqualifying condition by substantial evidence, the burden shifts to the applicant to rebut, explain, extenuate, or mitigate the facts. Directive ¶ E3.1.15. An applicant has the burden of proving a mitigating condition, and the burden of disproving it never shifts to the Government. See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005).

An applicant “has the ultimate burden of demonstrating that it is clearly consistent with the national interest to grant or continue his security clearance.” ISCR Case No. 01-20700 at 3 (App. Bd. Dec. 19, 2002). “[S]ecurity clearance determinations should err, if they must, on the side of denials.” *Egan*, 484 U.S. at 531.

Analysis

Guideline F, Financial Considerations

The security concern under this guideline 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. An individual who is financially overextended is at greater risk of having to engage in illegal or otherwise questionable acts to generate funds. . . .

This concern is broader than the possibility that a person might knowingly compromise classified information to raise money. It encompasses concerns about a person's self-control, judgment, and other qualities essential to protecting classified information. A person who is financially irresponsible may also be irresponsible, unconcerned, or negligent in handling and safeguarding classified information. See ISCR Case No. 11-05365 at 3 (App. Bd. May 1, 2012).

Applicant's admissions and the documentary evidence establish the following disqualifying conditions under this guideline: AG ¶ 19(a) (inability to satisfy debts); AG ¶ 19(c) (a history of not meeting financial obligations); AG ¶ 19(f) (failure to pay and Federal income tax); and AG ¶ 19(i) (problems caused by gambling).

The following mitigating conditions under AG ¶ 20 are relevant:

(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; and

(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;

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

Applicant has resolved two debts, SOR ¶¶ 1.a and 1.g, and he has mitigated these SOR allegations. His tax issue was a result of settling which parent would take the child exemption. He promptly resolved his tax matter. He has repaid the creditor for the debt at SOR ¶ 1.g. AG ¶¶ 20(a), 20(b), 20(d), and 20(g) are applicable.

AG ¶¶ 20(a), 20(b), and 20(d) are not applicable to the remaining SOR allegations. Applicant's financial difficulties may have resulted in part because of his marital difficulties, which would be a circumstance beyond his control. However, by his own admission, he has continued to gamble right up until the day before the hearing. The record reflects he accumulated around \$40,000 in consumer debt in 2023 and he acknowledged his debts were not just from the divorce. While he blamed BV for how the company reimbursed him, BV still reimbursed him for his travel. He bears sole responsibility for how he elected to use the reimbursement money, which he used for gambling and purchasing jewelry for himself. Applicant has not acted responsibly under the circumstances, and this casts doubt on his current reliability, trustworthiness, and good judgment.

Further, his initial enrollment with a debt relief company and subsequent withdrawal from that plan does not demonstrate that Applicant has adhered to a good-faith effort to resolve his debts. His scattered payments to reset the delinquency clock or those payments after the security clearance process has been initiated are insufficient. An applicant must initiate and adhere "to a good faith effort to repay overdue creditors or otherwise resolve debts" to receive full credit under AG ¶ 20(d). See ISCR Case No. 08-06058 at 5 (App. Bd. Sep. 21, 2009) His payment actions are reactive to the security clearance process as evidenced by most of the payment dates. He failed to show an adequate track record of consistent payments to his creditors. AG ¶ 20(d) does not fully

apply.

Guideline E, Personal Conduct

The security concern for personal conduct is set out in AG ¶ 15, as follows:

Conduct involving questionable judgment, lack of candor, dishonesty, or unwillingness to comply with rules and regulations can raise questions about an individual's reliability, trustworthiness and ability to protect classified information. Of special interest is any failure to provide truthful and candid answers during the security clearance process or any other failure to cooperate with the security clearance process.

AG ¶ 16 describes conditions that could raise a security concern and may be disqualifying. The following disqualifying conditions are applicable:

- (a): deliberate omission, concealment, or falsification of relevant facts from any personnel security questionnaire, personal history statement, or similar form used to conduct investigations, determine employment qualifications, award benefits or status, determine national security eligibility or trustworthiness, or award fiduciary responsibilities; and
- (b) deliberately providing false or misleading information; or concealing or omitting information, concerning relevant facts to an employer, investigator, security official, competent medical or mental health professional involved in making a recommendation relevant to a national security eligibility determination, or other official government representative.

The following mitigating conditions, under AG ¶ 17, are potentially relevant:

- (a) the individual made prompt, good-faith efforts to correct the omission, concealment, or falsification before being confronted with the facts.

AG ¶ 17(a) is not established for SOR ¶¶ 2.b through 2.d. Applicant deliberately and repeatedly lied on his SCA and the evidence reflects that he did not disclose his omissions until being confronted by an investigator during his background interview. Applicant knew he had judgments and delinquent debts. His explanation that he was trying to reset the clock by making a singular payment reflects he knew he had these debt problems. Applicant's false statements concerning his financial condition are not "minor," because such statements strike at the heart of the security clearance process. See ISCR Case No. 09-01652 (App. Bd. Aug. 8, 2011). An applicant who deliberately fails to give full, frank, and candid answers to the government in connection with a security clearance investigation or adjudication interferes with the integrity of the industrial security program. See ISCR Case No. 01-03132 at 3 (App. Bd. Aug. 8, 2002). Applicant's false statements were recent and calculated to give him the most favorable hiring profile for his application for a position requiring a security clearance.

SOR ¶ 2.a is mitigated by the testimony and record evidence. Applicant's employment situation occurred during the COVID-19 Pandemic and none of the reasons that combined to result in his termination were for misconduct. He discussed the situation in more detail with the investigator. He explained he was terminated because the company was in another state, and he was working remotely and in this work environment he did not have mentoring tools to move to the level the company wanted him to achieve. AG ¶ 17(a) is established for SOR ¶ 2.a.

Whole-Person Concept

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 applying the whole-person concept, an 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. An 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.

After weighing the disqualifying and mitigating conditions under Guidelines F and E evaluating all the evidence in the context of the whole person, and mindful of my obligation to resolve close cases in favor of national security, I conclude Applicant has not mitigated the security concerns based on financial considerations or personal conduct.

Formal Findings

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

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraphs 1.a, 1.g :	For Applicant
Subparagraphs 1.b-1.f, 1.h:	Against Applicant
Paragraph 2, Guideline E:	AGAINST APPLICANT
Subparagraph 2.a:	For Applicant

Subparagraphs 2.b-2.d:

Against Applicant

Conclusion

I conclude that it is not clearly consistent with the national interest to grant Applicant eligibility for access to classified information. Clearance is denied.

Charles C. Hale
Administrative Judge