



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



In the matter of:

Applicant for Public Trust Position

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ADP Case No.24-01461

**Appearances**

For Government: Patricia M. Lynch-Epps, Esq., Department Counsel  
For Applicant: *Pro se*

08/26/2025

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**Decision**

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Hale, Charles C., Administrative Judge:

Applicant presented insufficient evidence of progress she has made to resolve her delinquent debt. Under these circumstances, she failed to mitigate the financial considerations trustworthiness concerns. Her application for a public trust position is denied.

**Statement of the Case**

On November 15, 2024, the Department of Defense (DoD) issued a Statement of Reasons (SOR) to Applicant detailing trustworthiness concerns under Guideline F, financial considerations, explaining why it was unable to find it clearly consistent with the national security to grant eligibility for access to sensitive information. The DoD took the action 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 National Adjudicative Guidelines (AG) effective for any adjudication made on or after June 8, 2017. On December 31, 2024, Applicant answered the SOR admitting all of the allegations and requesting a decision based on the evidence on file

rather than a hearing. On February 24, 2025, Department Counsel prepared a File of Relevant Material (FORM), setting forth the Government's arguments. The FORM contains six attachments, identified as Item 1 through Item 6. FORM Items 1 contains the SOR and Applicant's Answer, which are pleadings in the case.

Applicant was given 30 days to file a response, which lapsed on June 6, 2025. She did not file a response. The case was assigned to me on August 5, 2025. FORM Items 2 through 6 are admitted into evidence without objection.

### **Findings of Fact**

Applicant is 55 years old. She has been married since 2000. She has no children. She earned her associate degree in 1997. She has not previously held a security clearance. Since February 2023, she has been employed full time, as a billing manager for a military medical center. Previously, she worked full time as a coding educator from May 2022 to January 2023. From January 2017 to April 2022, she owned a medical billing and collection company. (Item 2.)

Applicant's billing and collection company was reliant on a single contract, which ended in February 2022. Since the loss of the contract, she has been under-employed and has not found a salary to meet her financial obligations. She used two loans to try and help her get out of debt but was unable to keep with the payments. She indicated she also helped "several individuals" in her family that needed financial help. (Answer; Item 2, Item 3.)

Applicant admits all 30 debts, SOR ¶¶ 1.a-1.dd. She offered no documents indicating her efforts to resolve her delinquent debts after she terminated her credit-counseling agency. In her Answer, she stated she did "try utilizing a credit counseling agency, but that too was too expensive for [her] budget." The letter closing her credit-counseling account is from July 2023. (Answer; Item 3 at 11.) During her security interview, she explained that she spends her money on her main needs – mortgage , electricity, water, food, and medical bills – and that her future intent is to eliminate as much debt as possible, pay attention to her credit report and pay everything. (Item 3.)

### **Policies**

The standard set out in the adjudicative guidelines for assignment to sensitive duties is that the person's loyalty, reliability, and trustworthiness are such that assigning the person to sensitive duties is clearly consistent with the interests of national security. SEAD 4, ¶ E.4. 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. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to safeguard sensitive information.

When evaluating an applicant's suitability for a public trust position, the administrative judge must consider the disqualifying and mitigating conditions in the adjudicative guidelines. These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied in conjunction with an evaluation of the whole person. The administrative judge's overarching adjudicative goal is a fair, impartial and commonsense decision. An administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable.

The protection of the national security is the paramount consideration. Under AG ¶ 2(b), any doubt will be resolved in favor of national security. The Government must present substantial evidence to establish controverted facts alleged in the SOR. Directive ¶ E3.1.14. 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 national security to grant or continue eligibility for assignment to a public trust position.

Under the whole-person concept, the administrative judge must consider the totality of an applicant's conduct and all relevant circumstances in light of the nine adjudicative process factors in AG ¶ 2(d). They are as follows:

- (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.

## **Analysis**

### **Guideline F: Financial Considerations**

The trustworthiness concern under this Guideline states, "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." (AG ¶ 18)

Applicant's history of financial problems triggers the application of AG ¶ 19(a), "inability to satisfy debts," and AG ¶ 19(c), "a history of not meeting financial obligations."

The following mitigating conditions under AG ¶ 20 are potentially applicable:

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

Applicant attributes her financial problems to loss of a contract for her business and underemployment. These circumstances were beyond her control, so the first prong of AG ¶ 20(b) applies. However, she still has the burden of establishing that she acted responsibly, taking such steps as enrolling in financial counseling, developing a payment plan, communicating with her creditors, or making some other good-faith effort to resolve these debts. She withdrew from the agreement with her credit counseling agency in 2023, and there is no evidence of subsequent steps taken to address and resolve her delinquencies. AG ¶ 20(b) therefore does not fully apply.

### **Whole-Person Concept**

I considered the whole-person concept factors in my analysis of the disqualifying and mitigating conditions, discussed above, and they do not warrant a favorable conclusion.

### **Formal Findings**

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

Paragraph 1, Guideline F:

AGAINST APPLICANT

Subparagraphs 1.a – 1.dd:

Against Applicant

## **Conclusion**

I conclude that it is not clearly consistent with the interests of national security to grant Applicant eligibility for a public trust position. Eligibility for a public trust position is denied.

Charles C. Hale  
Administrative Judge