



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



## **Appearances**

For Government: William H. Miller, Esq., Department Counsel  
For Applicant: *Pro se*

09/17/2025

## Decision

HALE, Charles C., Administrative Judge:

This case involves security concerns raised under Guideline F (Financial Considerations). Eligibility for access to classified information is granted.

## **Statement of the Case**

Applicant submitted a security clearance application on November 20, 2023. On December 13, 2024, the Department of Defense (DoD) sent her a Statement of Reasons (SOR) alleging security concerns under Guideline F. 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) implemented by the DoD on June 8, 2017.

Applicant answered the SOR on December 26, 2024, and requested a hearing before an administrative judge. Department Counsel was ready to proceed on February 13, 2025, and the case was assigned to me on June 5, 2025. On June 9, 2025, the Defense Office of Hearings and Appeals (DOHA) notified Applicant that the hearing was scheduled for July 22, 2025. I convened the hearing as scheduled. Government Exhibits (GE) 1 through 6 were admitted in evidence without objection. Applicant submitted

Applicant's Exhibits (AE) A through G at the hearing, which were admitted without objection.

I kept the record open to enable Applicant to submit additional documentary evidence. DOHA received the transcript (Tr.) on August 1, 2025. The record closed on August 19, 2025.

### **Findings of Fact**

Applicant in her Answer admitted SOR ¶¶ 1.b, 1.d-1.e, 1.g, 1.i-1.k and 1.j, which total over \$12,000 in debt. She denied SOR ¶¶ 1.a, 1.c, 1.f, 1.h, and 1.l, which total over \$19,000.

Applicant is 45 years old. She has never held a security clearance. She received her associate degree in 2014. Consistent with her educational background she has worked in the medical administrative field. She was hired by her sponsor in December 2023 and furloughed in December 2024, and since then she has been working various jobs. (AE F-pdf 93.)

Applicant has been separated from her husband since 2013. She has five adult children ranging in age from 21 to 28. She has never received any form of financial support from her estranged husband. Four of her five children live at home along with her and her father, and two grandchildren. She supports one of her children who is disabled. The other adults contribute to the household expenses and her disabled child qualifies for Social Security benefits. (GE 1; Tr. 17-20, 31-33; AE A-pdf 8-10.)

Applicant worked for a medical practice from December 2020 to October 2021, which she left by mutual agreement after personality conflicts with a particular doctor. After discussing the past issues with the doctor, she rejoined the medical practice in August 2023 until she was let go in October 2023. (GE 1 at 13; Tr. 23.) Her work history from 2015 until 2021 reflects a variety of positions, some listed as part-time and others as full-time and in various capacities relating to the medical administrative field. She was a medical assisting instructor from 2016 until March 2021. During her periods of employment from 2016-2023 she estimated her salaries ranged from \$50,000 to \$60,000. Her financial difficulties begin to accrue around 2020. While Applicant was employed by her sponsor, she was able to resolve the debts in SOR ¶¶ 1.e and 1.k with payments. She was able to remove SOR ¶ 1.f after disputing it. She also briefly hired a credit repair company in January 2025, but she was furloughed, and she cancelled her contract because of the company's service fee cost. (GE 1; GE 3; AE B-pdf 12-15; Tr. 20-29, 48-49, 53-54, 64.)

**SOR ¶¶ 1.a and 1.b: indebted to creditors for automobile loans that have been placed for collection in the amounts of \$13,821 and \$7,039, respectively and remain delinquent.** In her Answer, Applicant denied the SOR ¶ 1.a debt and admitted the SOR ¶ 1.b debt. She explained in her Answer that SOR ¶ 1.a was a debt with the finance company related to her 2016 vehicle, which she purchased in February 2021.

After she lost her position in March 2022, she could not meet this financial obligation, and the car was repossessed in September 2023. The car was sold at auction and the balance owed was \$7,039, which was owed to the creditor listed in SOR ¶ 1.b. She began paying this debt, SOR ¶ 1.b, in November 2024. GE 6 shows the balance with the SOR ¶ 1.a creditor as zero. GE 5 shows the SOR ¶ 1.b debt. She testified that while she was working for her sponsor, she had set up a payment plan with the SOR ¶ 1.b creditor to automatically withdraw money out of her paycheck. However, because she was furloughed the next month, she only made one payment. She provided correspondence from the SOR ¶ 1.b creditor reflecting she was communicating with the creditor and that there could be a settlement. SOR ¶ 1.a is resolved. Her credit health report she submitted stated that between December 20, 2024, and February 28, 2025, she had decreased the debt by \$147 from \$7,039 to \$6,892. (Answer-A; Answer-B; GE 5; GE 6; AE B-pdf 16-17; AE F-pdf 90; Tr. 34-39, 75.)

**SOR ¶ 1.c: indebted to a utility provider for an account placed for collection in the amount of \$3,669, which remains delinquent.** In her Answer, Applicant denied the debt. She stated she was forced into part-time work due to COVID and could no longer afford the rent. After she and her family moved out, she called and asked that her service be disconnected. However, the service was not turned off and the landlord and possibly new tenants continued to use electric service in her name until March 2021. She was unaware of this debt until she received the SOR, and she immediately called the utility to begin the dispute process. Consistent with her Answer she testified that in June of 2020 “during height of COVID” she called to have her electric service disconnected and later “found out that the electric service was never disconnected at that address. In actuality, the electric service continued until March of 2021.” She provided a billing statement for the period, February 12, 2021, to March 9, 2021, along with her month-to-month lease to support her testimony. (AE E; Tr. 40-41.) She has spoken with the utility who directed her to the landlord who was not cooperative, which she assumed was due to her being unable to pay the rent and having to move out. She testified, “I’m going to attempt to fight this bill before I pay it. If I’m not able to fight it, then I have to pay it because it’s on my credit report, but my intentions [are] to dispute and fight this bill.” This account is listed as disputed by the consumer on the most recent credit report, GE 6. (Answer-C; GE 5, GE 6; AE E, AE F-pdf 73; Tr at 39-45, 61-62.)

**SOR ¶ 1.d: delinquent account that has been charged off in the amount of \$3,703.** In her Answer, Applicant admitted the debt and stated the debt was satisfied. A judgment had been entered against her in March 2018. The initial filing occurred in October 2017. She offered documentation of payment from the state court case database to support her statement. The court records show she “satisfied” it in March 2020. She testified the date she put in her Answer was an error. AE D appears to include court records for another proceeding. GE 5 shows this debt as disputed by consumer and as “paid charge off” with a zero balance. This debt is resolved. (GE 4-6; Answer-D; AE D-pdf 30-33; Tr. 44-46, 61-62.)

**SOR ¶ 1.e: delinquent account placed for collection in the approximate amount of \$729.** In her Answer, Applicant admitted the debt and stated she had paid it

off in September 2024. The debt was satisfied through garnishment. She testified “it was only two payments. The first one was \$429. The next one was \$300, and it was done.” This debt is resolved. (GE 5; Answer-E; AE B-pdf 18-22; Tr. 46-47, 64.)

**SOR ¶ 1.f: delinquent medical account placed for collection in the approximate amount of \$522.** In her Answer, Applicant denied the debt and stated she was unaware of the debt and was disputing it “due to “FCRA” discrepancies with her credit repair company. In response to Government interrogatories, she listed the status as not paid and not making payments. She testified she had medical insurance and did not understand why this debt was showing on her credit report. She noted that GE 6, the most recent credit report, reflected a similar amount and showed the debt in dispute. She explained she had reached out to the collection agency and was informed that it was a medical debt and that she was disputing it on the basis “that this was not my debt,” and noted it had been removed from her credit report. (GE 2 at 5; GE 4; GE 5; GE 6; Answer; AE F; Tr. 47-50.)

**SOR ¶ 1.g: delinquent account placed for collection in the approximate amount of \$442.** In her Answer, Applicant admitted the debt. She stated she did not agree with the balance and was disputing this debt due to “FRCA discrepancies” with her credit repair company. In addition, she noted this creditor was listed on her credit report twice. In response to Government interrogatories, she listed the status as not paid and not making payments. She testified this debt arose from a small mail order company and because she has been laid off, she cannot make the payment. (Answer; GE 2 at 5; GE 6 at 5; AE F-pdf 66, 69; Tr. 50-51.)

**SOR ¶ 1.h: delinquent account placed for collection in the approximate amount of \$423.** In her Answer, Applicant denied this debt because she was unaware of it, and she is disputing this debt due to “FRCA discrepancies” with her credit repair company. The debt related to a credit card. In her testimony she stated she agreed that she owed this debt and that she had not contacted the creditor. (Answer; GE 6 at 4; AE F-pdf 72; Tr. 51-52.)

**SOR ¶ 1.i: delinquent account placed for collection in the approximate amount of \$388.** In her Answer, Applicant admitted the debt, which was for a credit card, and said that she would be making payment arrangements. She testified she had not made any attempts to make payments “at this time.” (GE 6; Answer; AE F-pdf 70; Tr. 52.)

**SOR ¶ 1.j: delinquent account placed for collection in the approximate amount of \$274.** In her Answer, Applicant admitted the debt, but she did not agree with the balance. In response to Government interrogatories, she listed the status as not paid and not making payments. She stated she is currently disputing this debt due to “FRCA discrepancies” with her credit repair company. She testified she was aware of the debt and had reached out to the creditor by phone but had not paid the debt. Her intent is to pay it in full instead of making payment arrangements. (GE 2 at 6; GE 6; AE F-pdf 67; Answer; Tr. 52-53.)

**SOR ¶ 1.k: delinquent account placed for collection in the approximate amount of \$185.** In her Answer, Applicant admitted the debt and stated she paid it in full on December 18, 2024. She testified she paid the debt with a debit card and provided her payment confirmation dated December 18, 2024. She had paid the actual account holder and not the third-party debt collector. In response to Government interrogatories, she listed the status of the debt as not paid and not making payments. This debt is resolved. (Answer-K; AE B-pdf 2, 23-26; AE F-pdf 90; GE 2 at 6; Tr. at 53-54.)

**SOR ¶ 1.l: delinquent account placed for collection in the approximate amount of \$183.** In her Answer, Applicant denied the debt because she did not agree with the balance, which was related to mail order company. In response to Government interrogatories, she listed the status as not paid and not making payments. She cited the creditor was listed two times on her credit reports (SOR ¶ 1.g) with different amounts and as with the other debts, stated she is disputing this debt due to FRCA discrepancies with her credit repair company. The credit reports reflect that she has disputed the debt. At the hearing, she admitted the debt and said she had not made any arrangements to pay the debt. (Answer; GE 2 at 7; GE 5 at 3; GE 6 at 1, 5; AE F-pdf 68; Tr. 54-56.)

A number of Applicant's debts arose from credit cards (SOR ¶¶ 1.e, 1.h, and 1.i) and mail order companies (SOR ¶¶ 1.g and 1.l). She explained these accounts originally started with her trying to rebuild her credit through "small things," which she could pay off to help improve her credit score. She testified a lot of these accounts "started quite a while ago" when she was a full-time parent, and the only person responsible for supporting all of her children. She noted, "[a]nd so unfortunately, during those times, I ran into financial difficulty and was unable to pay these." She explained that she tried to get with a credit repair company to get everything put into one bill so that she could pay these smaller debts off, and she worked mainly on paying off the bigger ones like the auto loan stating, "[i]t's kind of like a one payment thing so that I could keep track of everything. (Tr. 55.) She documented her brief relationship with the credit repair company in January 2025, which was only eight days because after she was laid off, she was unable to continue to make the credit repair company's payment and she "had to cancel that service." When she is working again, she intends "to get with another credit repair company or with the same one if possible" and "get these debts paid off as soon as possible." (GE 6; AE E-pdf 45-47; Tr. 56.)

Applicant has not been idle in trying to correct her financial situation and she explained her process to correct her financial situation:

The nature of these originally started with me trying to rebuild my credit, so these were small things that I could do, to get to pay that would actually help my credit score to rise -- you know, to help my credit score rise at this time. A lot of these started quite a while ago where I was, at that particular time, a full-time parent and the only person responsible for supporting all of my children. And so unfortunately, during those times, I ran into financial difficulty and was unable to pay these. Again, as I stated, this is why I tried to get with a debt consolidation service to get everything put into one bill so

that I could pay these smaller debts off while I worked mainly on paying off the bigger ones such as like [SOR ¶ 1.a] and things of that nature. So I reached out to [SOR ¶ 1.a] to pay them directly, and I wanted to work with the company to pay off the smaller ones. It's kind of like a one payment thing so that I could keep track of everything. (Tr. 55.)

Applicant credibly testified about her situation. She answered questions about the other accounts on her credit report but not alleged. None were related to unnecessary or frivolous expenses. One account involved money she spent to help her daughter finish high school, which her estranged husband was also supposed to assist with but did not. (Tr. 56.) She discussed a personal loan that she had taken out, stating, "just trying to support my children and my household and at the time." She explained she "was just struggling. I was just trying to grab at anything and everything that I could to help support my family at that time. I wasn't very responsible in my actions at that time is just the best answer I can give." She acknowledged that when she is not working fulltime, she is not able to make payments. (Tr. 58.) Her unemployment benefits have been exhausted. She makes some money by cleaning houses and doing yard maintenance. She has signed on with a temporary company and was offered a position. Her education loans are in deferment. (AE F-pdf 94-100; Tr. 62-63, 71.)

Applicant offered character letters. In the year she worked for her sponsor she made extremely favorable impression with her colleagues and supervisor. She was noted as someone with an exceptional work ethic and "immaculate attention to detail." She was described as consistently demonstrating integrity, sound judgment, and a strong commitment to her responsibilities with a deep respect for policies, procedures, and confidentiality who brought "a positive and friendly personality" to the workplace. (AE G-pdf 108-111.)

## 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 (4<sup>th</sup> 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 relating to the guideline 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.

This concern is broader than the possibility that an individual might knowingly compromise classified information in order to raise money. It encompasses concerns about an individual's self-control, judgment, and other qualities essential to protecting classified information. An individual 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 evidence admitted at the hearing establish two disqualifying conditions under this guideline: AG ¶ 19(a): "inability to satisfy debts", and AG ¶ 19(c): "a history of not meeting financial obligations".

The following mitigating conditions are potentially applicable:

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;

AG ¶ 20(b): the conditions that resulted in the financial problem were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, or a death, divorce or separation, clear victimization by predatory lending practices, or identity theft), and the individual acted responsibly under the circumstances; and

AG ¶ 20(d): the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts.

AG ¶ 20(a) is established. When Applicant has been employed, she has made progress resolving her delinquent debts. She has established her reliability, trustworthiness, and good judgment by providing evidence that she is paying off debts; hiring a credit repair company to assist her; communicating with creditors to resolve debts in dispute; and by making payments on debts that she disputed to demonstrate her reliability and good judgment.

AG ¶ 20(b) applies because Applicant's debts occurred due to circumstances beyond her control. She has been underemployed, unsupported by her estranged husband, and caring for a disabled adult child. She supported her testimony concerning

her efforts to resolve her major debt, the delinquent car loan. She has demonstrated that she acted responsibly under the circumstances by making payments on debts or resolving debts whenever she had the financial resources. She provided sufficient evidence to show that she acted responsibly under the circumstances to resolve them. AG ¶ 20(b) is established.

AG ¶ 20(d) is partially established. Applicant provided substantial evidence that she was active in resolving her debts going back to 2020 when her financial problems began to accrue. While employed, she was working with a credit repair company for a brief period of time. She initiated and attempted to adhere to a good-faith effort to repay overdue creditors or otherwise resolve debts.

Applicant does not present a perfect case in mitigation, but perfection is not required. She documented that she was engaged in her finances prior to the SOR being issued as well as after. When she has been employed, she has worked to resolve her financial obligations. She understands that failing to follow through on resolving her debts will ultimately result in her security clearance being revoked at some point. Under the circumstances of this case, I find that her finances no longer generate questions about her judgment, reliability, trustworthiness, and ability to protect classified information. Security concerns about her finances are mitigated.

### **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.

I have incorporated my comments under Guideline F in my whole-person analysis and applied the adjudicative factors in AG ¶ 2(d). The strength of the character letters was consistent with the credibility Applicant demonstrated during the hearing. Overall, the record evidence leaves me without questions or doubts about Applicant's eligibility and suitability for a security clearance. I conclude Applicant mitigated the financial considerations security concerns.

## **Formal Findings**

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

Paragraph 1, Guideline F: FOR APPLICANT

Subparagraphs 1.a-1.l: For Applicant

### **Conclusion**

It is clearly consistent with the national interest to continue Applicant's eligibility for a security clearance. Eligibility for access to classified information is granted.

Charles C. Hale  
Administrative Judge