



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



Appearances

For Government: Cassie Ford, Esq., Department Counsel
For Applicant: *Pro se*

12/29/2025

Decision

Dorsey, Benjamin R., Administrative Judge:

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

Statement of the Case

On April 16, 2025, the Department of Defense (DOD) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F (financial considerations). Applicant responded to the SOR on May 3, 2025 (Answer), and requested a decision based on the written record.

The Government submitted its written file of relevant material (FORM) on June 26, 2025. A complete copy of the FORM was provided to Applicant, along with information advising her that she had 30 days from her date of receipt to make objections to evidence, and submit material to refute, extenuate, or mitigate the security concerns. Applicant received the FORM on July 8, 2025. She did not provide a response to the FORM. The case was assigned to me on December 8, 2025. The Government exhibits included in the FORM, marked as Items 1-10, are admitted in evidence without objection.

Findings of Fact

Applicant is a 36-year-old employee of a government contractor for which she began working on a date that is not reflected in the record. She has attended some college but has not earned an undergraduate degree. She has never married. She has a nine-year-old daughter. (Items 5, 10)

The SOR alleges Applicant had two judgments entered against her, for a combined amount of about \$9,600 (SOR ¶¶ 1.a and 1.c), and four other delinquent accounts totaling about \$8,700 (SOR ¶¶ 1.b, 1.d, 1.e, and 1.f). In the Answer, she admitted all the SOR debts with additional comments. Her admissions are incorporated into the findings of fact. The SOR allegations are established by her admissions and the Government's evidence, including credit reports and court information system screen shots. (Items 4, 5, 10)

Applicant claimed that she became delinquent on the SOR debts because she was underemployed and unemployed. In the March 2024 security clearance application (SCA) and the July 2024 report of security interview (SI), she reported that she was unemployed from July 2024 until she was hired by her current employer on an unknown date, from 2022 through February 2023, from April 2021 until June 2021, and from September 2018 until March 2019. She is entitled to about \$430 per month in child-support payments from her daughter's father, but she does not receive that much. She claimed she normally receives about \$100 per month at most and has a difficult time garnishing her daughter's father's wages because he changes employers often. Other than this information concerning child-support payments, she did not provide any information regarding her income or expenses. (Items 4, 5, 10)

Evidence pertaining to the delinquent debts alleged in the SOR is summarized below.

The judgment entered in 2022 in the amount of \$6,782 listed in SOR ¶ 1.a has not been resolved. This judgment resulted from a delinquent auto loan and repossession. Applicant claimed that she made a payment arrangement for \$200 per month with the creditor on an unspecified date, but the payments became unmanageable, so she stopped making them. She claimed the balance on the account is now \$6,483. She provided no documents regarding this debt or her resolution efforts. (Items 4, 5, 8,10)

The secured credit card listed in SOR ¶ 1.b, charged off in the approximate amount of \$5,649, has not been resolved. Applicant did not claim that she tried to resolve this account. She provided no documents regarding this debt or her resolution efforts. (Items 4, 5, 6,10)

The judgement entered in September 2024 in the amount of \$2,819 for a residential lease account listed in SOR ¶ 1.c, has not been resolved. Applicant claimed she broke this lease to move to a different state to start a new job. She claimed that the

creditor offered her a settlement of about \$2,778, or four payments of about \$697, but she did not claim that she made any payments on the judgment. She provided no documents regarding this debt or her resolution efforts. (Items 4, 9, 10)

The educational account in SOR ¶ 1.d, placed for collection in the approximate amount of \$2,154, has not been resolved. Applicant did not claim that she tried to resolve this account. She provided no documents regarding this debt or her resolution efforts. (Items 4, 5, 6, 10)

The insurance account listed in SOR ¶ 1.e, placed for collection in the approximate amount of \$755, has not been resolved. Applicant claimed she is unfamiliar with the origin of this account, but it was incurred about the time she opened the defaulted vehicle loan listed in SOR ¶ 1.a. She admitted the debt in the Answer. She did not claim that she tried to resolve this account. She provided no documents regarding this debt or her resolution efforts. (Items 4, 7, 10)

The insurance account listed in SOR ¶ 1.f, placed for collection in the approximate amount of \$223, has not been resolved. She claimed that she initially did not think she owed the debt but has since come to realize she does owe it and is working to resolve it. She did not provide any evidence as to how she is trying to resolve it. She provided no documents regarding this debt or her resolution efforts. (Items 4, 7, 10)

Applicant claimed that she intends to resolve all her delinquencies but has been waiting until she has a stable income. She wrote that her strategy is to gradually pay down her delinquent debts while maintaining her current financial obligations. She wrote that this plan is important to her so that none of her accounts that are current become delinquent. She claimed that she will regularly check her credit report and contact her financial advisor for guidance and accountability "moving forward." She also claimed that she has a support system, including family members that can help her with her delinquencies, but she wants to resolve her debts on her own. (Item 4, 10)

Policies

This case is adjudicated 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 adjudicative guidelines (AG), which became effective within DOD on June 8, 2017.

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(c), 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 classified information enters into a fiduciary relationship with the Government predicated upon trust and confidence. This relationship transcends normal duty hours and endures throughout off-duty hours. The Government reposes a high degree of trust and confidence in individuals to whom it grants access to classified information. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation of potential, rather than actual, risk of compromise of classified information.

Section 7 of EO 10865 provides that adverse decisions shall be "in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned." See also EO 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information).

Analysis

Guideline F, Financial Considerations

The security concern for financial considerations is set out in AG ¶ 18:

Failure to live within one's means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or unwillingness to abide by rules and regulations, all of which can raise questions about an individual's reliability, trustworthiness, and ability to protect classified or sensitive information. Financial distress can also be

caused or exacerbated by, and thus can be a possible indicator of, other issues of personnel security concern such as excessive gambling, mental health conditions, substance misuse, or alcohol abuse or dependence. An individual who is financially overextended is at greater risk of having to engage in illegal or otherwise questionable acts to generate funds.

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
- (b) a history of not meeting financial obligations.

Substantial evidence establishes that Applicant had two judgments entered against her, for a combined amount of about \$9,600, and four other delinquent accounts, totaling about \$8,700. The above-referenced disqualifying conditions are established.

Conditions that could mitigate the financial considerations security concerns are provided under AG ¶ 20. The following 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 debts.

The Appeal Board in ISCR Case No. 10-04641 (App. Bd. Sept. 24, 2013) explained Applicant's responsibility for proving the applicability of mitigating conditions as follows:

Once a concern arises regarding an Applicant's security clearance eligibility, there is a strong presumption against the grant or maintenance of a security clearance. See *Dorfmont v. Brown*, 913 F. 2d 1399, 1401 (9th

Cir. 1990), *cert. denied*, 499 U.S. 905 (1991). After the Government presents evidence raising security concerns, the burden shifts to the applicant to rebut or mitigate those concerns. See Directive ¶ E3.1.15. The standard applicable in security clearance decisions is that articulated in *Egan, supra*. “Any doubt concerning personnel being considered for access to classified information will be resolved in favor of the national security.” Directive, Enclosure 2 ¶ 2(b).

AG ¶ 20(a) does not apply. As Applicant has not resolved any of her SOR debts, her financial delinquencies are ongoing. “It is also well established that an applicant’s ongoing, unpaid debts demonstrate a continuing course of conduct and can be viewed as recent for purposes of the Guideline F mitigating conditions.” ISCR Case No. 22-02226 at 2 (App. Bd. Oct. 27, 2023) (citing ISCR Case No. 15-06532 at 3 (App. Bd. Feb. 16, 2017)).

AG ¶ 20(b) does not apply. While Applicant’s delinquencies were caused by condition beyond her control, such as unemployment and underemployment, for this mitigating condition to apply, she must also show that she acted responsibly under the circumstances. As she did not provide sufficient evidence that she resolved any of her SOR debts, she did not prove that she acted responsibly. Her failure to submit documents showing any debt resolution efforts means there is insufficient evidence that she has made a good-faith effort to resolve her debts. AG ¶ 20(b) does not apply.

AG ¶ 20(c) does not apply. Applicant claimed that she planned to consult with her financial advisor moving forward, which implies that she has not yet done so. Moreover, regardless of whether she has met with the financial advisor, her debts remain unresolved, so her financial issues are not being resolved and are not under control.

Whole-Person Concept

Under the whole-person concept, the administrative judge must evaluate an applicant’s eligibility for a security clearance by considering the totality of the applicant’s conduct and all relevant circumstances. The administrative judge should consider the nine adjudicative process factors listed at AG ¶ 2(d):

- (1) the nature, extent, and seriousness of the conduct; (2) the circumstances surrounding the conduct, to include knowledgeable participation; (3) the frequency and recency of the conduct; (4) the individual’s age and maturity at the time of the conduct; (5) the extent to which participation is voluntary; (6) the presence or absence of rehabilitation and other permanent behavioral changes; (7) the motivation for the conduct; (8) the potential for pressure, coercion, exploitation, or duress; and (9) the likelihood of continuation or recurrence.

Under AG ¶ 2(c), the ultimate determination of whether to grant eligibility for a security clearance must be an overall commonsense judgment based upon careful consideration of the guidelines and the whole-person concept. I considered the potentially disqualifying and mitigating conditions in light of all the facts and circumstances surrounding this case. I have incorporated my comments under Guideline F in my whole-person analysis.

Overall, given the lack of evidence of Applicant's resolution of her SOR debts, the record evidence leaves me with questions and doubts about Applicant's eligibility and suitability for a security clearance. While I commend her for acknowledging her delinquencies and stating her intention to resolve them, there simply is not enough evidence that she has followed through on her intention. I conclude Applicant did not mitigate the financial considerations security concern.

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**

Subparagraphs 1.a-1.f: **Against Applicant**

Conclusion

It is not clearly consistent with the national interest to grant Applicant eligibility for a security clearance. Eligibility for access to classified information is denied.

Benjamin R. Dorsey
Administrative Judge