



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



In the matter of:

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ISCR Case No. 24-02059

Applicant for Security Clearance

Appearances

For Government: Alison O'Connell, Esq., Department Counsel
For Applicant: *Pro se*

12/15/2025

Decision

PRICE, Eric C., Administrative Judge:

Applicant did not mitigate Guideline B (Foreign Influence) and Guideline F (Financial Considerations) security concerns. Eligibility for access to classified information is denied.

Statement of the Case

Applicant submitted a security clearance application (SCA) on April 19, 2024. On February 28, 2025, the Defense Counterintelligence and Security Agency (DCSA) sent him a Statement of Reasons (SOR) alleging security concerns under Guidelines B and F. The DCSA acted under Executive Order (Exec. Or.) 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) promulgated in Security Executive Agent Directive 4, *National Security Adjudicative Guidelines* (December 10, 2016), which became effective on June 8, 2017.

On March 6, 2025, Applicant responded to the SOR, and requested a decision on the written record in lieu of a hearing. On May 9, 2025, Department Counsel submitted the Government's File of Relevant Material (FORM), including an amendment to the SOR and documents identified as Items 1 through 8. Applicant received the FORM on May 28,

2025. He was afforded an opportunity to file objections and submit material in refutation, extenuation, or mitigation within 30 days of receipt of the FORM. He did not respond to the FORM. There were no objections to the proffered exhibits, Items 1 through 8 are admitted in evidence. The case was assigned to me on September 10, 2025. My decision was delayed from October 1 through November 12, 2025, when all administrative judges were furloughed during a government shutdown due to a lapse in federal funding.

Administrative Notice

Department Counsel requested that I take administrative notice of relevant facts about the Republic of India (India). The request and supporting documents are in Item 8. Without objection I took administrative notice as requested by Department Counsel. The pertinent facts are summarized in the written request and attachments and will not be repeated verbatim in this decision. India is a multiparty, parliamentary democracy with a bicameral legislature and observers considered recent presidential and parliamentary elections to be free and fair. It continues to have human rights problems; it has been victimized by terrorist attacks; there have been multiple criminal cases concerning targeted murders in the United States, narcotics and weapons trafficking, securities fraud, industrial espionage, and import-export enforcement related to India.

Findings of Fact

In Applicant's response to the SOR, he denied all SOR allegations with explanations. (Item 2) His lack of response to the SOR amendment, SOR ¶ 2.c, will be considered as a denial.

Applicant is a 52-year-old chief technology officer employed by a federal contractor since October 2018. He was an entrepreneur in residence for a different company from April 2016 to October 2018, president of a third company from October 2014 to April 2016, and worked in sales for a fourth company from July 2005 to October 2014. (Items 3-4)

Applicant was born in India. In 1996, he received a bachelor's degree from a college in India. In 1998, he married in India, and his oldest child was born in India in 1999. In November 2000, Applicant, his spouse, and his oldest child entered the United States. He was naturalized as a U.S. citizen in May 2015, and his wife and oldest daughter are also naturalized U.S. citizens. His youngest child was born in the U.S. in 2005 and is a U.S. citizen. (Item 3 at 9-23)

Foreign Influence

SOR ¶ 1.a, alleges Applicant's mother, father, stepfather, stepbrother, mother-in-law, two brothers-in-law, and sister-in-law are citizens and residents of India. In response to the SOR Applicant denied the allegation stating:

Yes, I have family in India and aforementioned family members are citizens & residents of India. However, that does not create any additional risk, than if they were citizens and residents of the United States. My attachment with

my family would have been the same in either case. The risk of pressure or coercion is the same regardless of nationality. It is my loyalty and character that is important. If someone with family in the US can be awarded the clearance, so should I, regardless of the citizenship of their family.

In his April 2024 SCA and August 2024 background interview, Applicant reported relatives listed in SOR ¶ 1.a were citizens and residents of India. He reported regular contact with his mother (monthly), stepfather (quarterly), stepbrother (quarterly), mother-in-law (monthly), two brothers-in-law (weekly contact with one and quarterly contact with the other), and sister-in-law (quarterly). He reported visiting with family while on business trips to India and reported last seeing his mother, stepfather, one brother-in-law and his sister-in-law in India in July 2024. He denied that any of his relatives were affiliated with a foreign government, military or intelligence service. He said that he did not know the name or address of their current or most recent employers except for his two brothers-in-law, who were airline pilots. He reported no contact with his father from 1996 until his father died in June 2024. He stated that his familial relationships could not be used for pressure, coercion or exploitation. (Item 3 at 19-31, Item 4 at 3-10)

Applicant reported quarterly contact with three friends who are citizens and residents of India, denied that they were affiliated with a foreign government, military or intelligence service, but said he did not know the name or address of their current or most recent employer. (Item 3 at 26-32)

SOR ¶ 1.b alleges Applicant owns an apartment in India with an approximate value of \$85,000. In response to the SOR Applicant denied the allegation stating:

I have a primary residence in the United States. A house, where I live with my family. This is also a property that carries the same risk as my apartment in India, from a pressure and coercion standpoint. The important aspect is how one deals with pressure or coercion in lieu of an asset regardless of the location of the asset. The test should be the stability of the person - If I can handle pressure against my property asset that is in the US, then I can do the same against all my property and assets.

Applicant reported he and his spouse purchased an apartment in India in 2016 for about \$40,000, and estimated its value increased to about \$85,000 by August 2024. He used funds from his U.S. savings for the purchase and denied other foreign financial interests. He reported ownership of the apartment to U.S. tax authorities and said the apartment was insignificant to his overall financial circumstances. He stated the property could not be used for pressure, coercion or exploitation. (Item 3 at 32-34; Item 4 at 9-10)

Applicant reported extensive business travel including travel to India for his employer to attend business or professional conferences from April 2017 to November 2018, May to December 2019, and October to November 2023. He relinquished his Indian passport to the Indian government and had no intent to obtain another one. (Item 3 at 7-8, 34-54; Item 4 at 3-6, 23-26)

Financial Considerations

The SOR, as amended, alleges three delinquent debts totaling about \$36,888. Applicant did not respond to SOR ¶ 2.c, an amendment to the SOR included in the FORM. In response to the SOR, he denied the allegations in SOR ¶¶ 2.a and 2.b stating:

I was instructed by my lawyer to stop payment to these two vendors. I am not an affluent person and the same can be checked via my credit report. If needed, I can also suffice my income statement or paychecks for the last 3 or more years to prove that my earnings are way more than my expenses. I have no history of gambling, mental health issues, substance misuse or alcohol abuse/dependence. I am financially secure, completely. (Item 2)

In his April 2024 SCA, Applicant reported filing a Chapter 13 bankruptcy petition in October 2017 listing about \$85,764 in debt. He stated the bankruptcy petition was dismissed at his request in December 2017. He denied seeking or using credit counseling services. Except for one debt he resolved, Applicant denied having any current financial delinquencies greater than 120 days old and denied, in the preceding seven years, having any judgments entered against him, defaulting on any debts, or that he had any debts in collection or charged off. (Item 3 at 58-61; Item 6 at 2)

Applicant attributes his financial problems to a failed business his wife owned and operated for 1.5 years. He and his wife withdrew the bankruptcy petition in December 2017 because they realized they could negotiate with creditors on their own. His lawyer advised him to stop all debt payments and to pay only those creditors who then contacted him. In his January 2025 response to interrogatories, he reported resolving four debts with creditors who contacted him totaling about \$52,523. He reported making no payments on debts if the creditors had not contacted him after he stopped making payments, including 13 debts totaling about \$96,000, and two other debts with unrecalled overdue balances. (Item 3 at 58-59; Item 4 at 10-21; Item 6 at 2)

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

SOR ¶ 2.a: credit account charged off for \$19,174. In August 2024, Applicant told a government investigator this debt was a loan for the business that failed and that when the creditor did not attempt to collect the debt, he followed his lawyer's advice and took no action to satisfy the debt. He believed that under state law the debt was "dropped" after four years and that is why he did not report it in his April 2024 SCA. (Item 4 at 11) A May 2024 credit report shows the account was opened or assigned in October 2015, and in collection for \$19,174. (Item 6 at 3) This debt is not resolved.

SOR ¶ 2.b: account placed for collection of \$3,523. In August 2024, Applicant told a government investigator this debt was for a musical instrument he returned that the creditor denied receiving. He reported disputing the debt and asking the collections company for documentation and guidance and claimed the collections company said they

would get back with him but never did. He said he planned to contact the credit reporting company after the “expiration of the bankruptcy in [December] 2024 (sic).” (Item 4 at 11) Credit reports from May 2024 and February 2025 show this individual account was opened in February 2019 and in collection for \$3,523 and \$3,635, respectively. Neither credit report shows the debt as disputed. (Item 5 at 2; Item 6 at 3) This debt is not resolved.

SOR ¶ 2.c: indebted to creditor for a judgment entered in May 2022, in the approximate amount of \$14,191. In his April 2024 SCA and August 2024 statement to a government investigator, applicant denied having any judgments entered against him in the preceding seven years. The government submitted documentary evidence of a civil judgment against Applicant in the amount alleged was entered in May 2022. (Item 7) This debt is not resolved.

Applicant reported net U.S. assets of about \$500,000 and making regular contributions to savings and retirement accounts but submitted no documentary evidence to corroborate his claims. He acknowledged some accounts from his wife’s failed business were probably delinquent but did not recall the specific debts or creditors. (Item 4 at 10) Credit reports from May 2024 and February 2025 show debts alleged in SOR ¶¶ 2.b and 2.c as the only delinquent accounts. The February 2025 credit report shows installment account balances of \$106,505 including two individual vehicle loans with balances totaling \$78,438 and one joint vehicle loan with a balance of \$24,432. Applicant has owned a home in the U.S. since 2006 and reduced his mortgage balance from \$315,635 to \$198,904 between 2011 and May 2024. (Item 3 at 6-8; Items 5-6)

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, these guidelines are applied 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, 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 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 “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” See 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); see also ISCR Case No. 18-00496 at 3 (App. Bd. Nov. 8, 2019) (citations omitted). 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).

Analysis

Guideline B, Foreign Influence

The security concern for foreign influence is set out in AG ¶ 6:

Foreign contacts and interests, including, but not limited to, business, financial, and property interests, are a national security concern if they result in divided allegiance. They may also be a national security concern if they create circumstances in which the individual may be manipulated or induced to help a foreign person, group, organization, or government in a way inconsistent with U.S. interests or otherwise made vulnerable to pressure or coercion by any foreign interest. Assessment of foreign contacts and interests should consider the country in which the foreign contact or interest is located, including, but not limited to, considerations such as whether it is known to target U.S. citizens to obtain classified or sensitive information or is associated with a risk of terrorism.

The following disqualifying conditions under AG ¶ 7 are potentially applicable:

- (a) contact, regardless of method, with a foreign family member, business or professional associate, friend, or other person who is a citizen of or resident in a foreign country if that contact creates a heightened risk of foreign exploitation, inducement, manipulation, pressure, or coercion;
- (b) connections to a foreign person, group, government, or country that create a potential conflict of interest between the individual's obligation to protect classified or sensitive information or technology and the individual's desire to help a foreign person, group, or country by providing that information or technology;
- (e) shared living quarters with a person or persons, regardless of citizenship status, if that relationship creates a heightened risk of foreign inducement, manipulation, pressure, or coercion; and
- (f) substantial business, financial, or property interests in a foreign country, or in any foreign owned or foreign-operated business that could subject the individual to a heightened risk of foreign influence or exploitation or personal conflict of interest.

Applicant's mother, stepfather, stepbrother, brothers-in-law and sister-in-law are citizens and residents of India. He and his wife own property in India. India generally respects the rights of its citizens. It continues to have human rights, narcotics and weapons trafficking problems; it has been victimized by terrorist attacks; there have been multiple criminal cases concerning targeted murders in the United States; and securities fraud, industrial espionage, and import-export enforcement remain concerns.

Applicant's foreign family and financial interests create a potential conflict of interest and a heightened risk of foreign exploitation, inducement, manipulation, pressure, and coercion, both individually and through his spouse. AG ¶¶ 7(a), 7(b), 7(e), and 7(f) have been raised by the evidence.

The following conditions that could mitigate foreign influence security concerns under AG ¶ 8 are potentially applicable:

- (a) the nature of the relationships with foreign person, the country in which these persons are located, or the positions or activities of those persons in that country are such that it is unlikely the individual will be placed in a position of having to choose between the interests of a foreign individual, group, organization, or government and the interests of the United States;
- (b) there is no conflict of interest, either because the individual's sense of loyalty or obligation to the foreign person, or allegiance to the group, government or country is so minimal, or the individual has such deep and longstanding relationships and loyalties in the United States, that the individual can be expected to resolve any conflict of interest in favor of the U.S. interests;

(c) contact or communication with foreign citizens is so casual or infrequent that there is little likelihood that it could create a risk of foreign influence or exploitation; and

(f) the value or routine nature of the foreign business, financial, or property interests is such that they are unlikely to result in a conflict and could not be used effectively to influence, manipulate, or pressure the individual.

I considered the totality of Applicant's ties to India. Guideline B is not limited to countries hostile to the United States. The United States has a compelling interest in protecting and safeguarding classified information from any person, organization, or country that is not authorized to have access to it, regardless of whether that person, organization, or country has interests inimical to those of the United States. The nature of a nation's government, its relationship with the United States, and its human rights record are relevant in assessing the likelihood that an applicant's family members are vulnerable to government coercion. The risk of coercion, persuasion, or duress is significantly greater if the foreign country has an authoritarian government, a family member is associated with or dependent upon the government, the country is known to conduct intelligence operations against the United States, or the foreign country is associated with a risk of terrorism.

AG ¶ 8(a) is established for the relationships alleged in SOR ¶ 1(a). It is unlikely that Applicant would be placed in a position of having to choose between the interests of his mother, stepfather, or in-laws in India and the United States, because of the positions and activities of those persons and the nature of the government of India. Applicant's lack of contact with his father since 1996 and his father's recent death mitigate any security concerns raised by his father's citizenship and past residence in India.

AG ¶¶ 8(b) and 8(c) are not fully established. Applicant has resided in the United States with his wife and children since 2000 and has been a U.S. citizen since 2015. His wife and children are also U.S. citizens. However, he has close longstanding relationships with his mother, stepfather, stepbrother and in-laws who live in India. His contacts with them are neither casual nor infrequent. His claims that he would resolve any potential conflicts of interest in favor of the U.S. interest though plausible, are insufficiently supported by the evidence. As a result, I cannot conclude that there is little likelihood that his relationship with those relatives could create a risk for foreign influence or exploitation.

AG ¶ 8(f) is not established. The value and importance of Applicant's frequent business travel to India is unclear. And notwithstanding claims that his apartment in India (worth about \$85,000) is an insignificant portion of his overall net worth, he has not provided documentary evidence of his claimed net worth of about \$500,000.

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).

Evidence including credit reports and Applicant's statement to a government investigator and in response to interrogatories establish the following disqualifying conditions under AG ¶ 19:

- (a) inability to satisfy debts;
- (b) unwillingness to satisfy debts regardless of the ability to do so; and
- (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;
- (d) the individual 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.

AG ¶¶ 20(a), 20(c) and 20(d) are not fully established. Applicant is credited with resolving some debts not alleged in the SOR and for improving his financial circumstances. However, the debts alleged in the SOR are longstanding, he has not received financial counseling, and there is insufficient evidence to establish that his financial problems are being resolved. His decision not to pay creditors who did not contact him was not a good-faith effort to repay overdue creditors. His financial behavior casts doubt on his current reliability, trustworthiness, and good judgment.

AG ¶ 20(b) is not fully established. The failure of Applicant's spouse's business was a condition beyond his control. However, he has not produced sufficient evidence he acted responsibly under the circumstances. His decision to not pay creditors who did not contact him also detracts from him meeting his burden to show he acted responsibly under the circumstances.

AG ¶ 20(e) is not established. Applicant reported disputing the debt alleged in SOR ¶ 2.b but submitted no evidence of the basis for a dispute or of actions to resolve it.

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 the 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 Guidelines B and F in my whole-person analysis. Some of the factors in AG ¶ 2(d) were addressed under those guidelines, but some warrant additional comment.

I considered Applicant's age, work history, improving financial circumstances, and that his financial problems were caused in part by conditions beyond his control. I considered his resolution of debts not alleged in SOR and that his attorney advised him

not pay creditors who did not contact him after his bankruptcy petition was dismissed. I considered that in an August 2024 interview Applicant acknowledged some delinquent accounts may exist, and in January 2025 acknowledged his bankruptcy filing included more than \$148,000 in debt and that he took no action on debts totaling at least \$96,000 after his petition was dismissed. I also considered that he took no action to resolve debts alleged in the SOR.

It is well settled that once a concern arises regarding an applicant's security clearance eligibility, there is a strong presumption against granting a security clearance. See *Dorfmont v. Brown*, 913 F. 2d 1399, 1401. Because Applicant requested a determination on the record without a hearing, I had no opportunity to observe his demeanor, assess his credibility, or question him about his foreign relatives, business activities in India or his financial circumstances. See ISCR Case No. 01-12350 at 3-4 (App. Bd. Jul. 23, 2003).

After weighing the disqualifying and mitigating conditions under Guidelines B and F and evaluating all the evidence in the context of the whole person, I conclude Applicant failed to mitigate foreign influence and financial considerations security concerns. Overall, the record evidence leaves me with questions and doubts as to his eligibility and suitability for a security clearance.

This decision should not be construed as a determination that Applicant cannot or will not attain the state of reform necessary for award of a security clearance in the future. With a longer track record of financial responsibility and more comprehensive information regarding his relatives and financial interests in India, he may be able to demonstrate persuasive evidence of his security clearance worthiness.

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 B: **AGAINST APPLICANT**

Subparagraphs 1.a-1b: Against Applicant

Paragraph 2, Guideline F: **AGAINST APPLICANT**

Subparagraphs 2.a-2.c: Against Applicant

Conclusion

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

Eric C. Price
Administrative Judge