



DEPARTMENT OF THE NAVY  
BOARD FOR CORRECTION OF NAVAL RECORDS  
701 S. COURTHOUSE RD  
ARLINGTON, VA 22204

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Docket No. 3796-25  
Ref: Signature Date

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Dear Petitioner:

This is in reference to your application for correction of your naval record pursuant to Section 1552 of Title 10, United States Code (USC). After careful and conscientious consideration of relevant portions of your naval record and your application, the Board for Correction of Naval Records (Board) found the evidence submitted insufficient to establish the existence of probable material error or injustice. Consequently, your application has been denied.

A three-member panel of the Board, sitting in executive session, considered your application on 5 March 2026. The names and votes of the members of the panel will be furnished upon request. Your allegations of error and injustice were reviewed in accordance with administrative regulations and procedures applicable to the proceedings of this Board. Documentary material considered by the Board consisted of your application, together with all material submitted in support thereof, relevant portions of your naval record and applicable statutes, regulations and policies. In addition, the Board considered the Chief, Bureau of Medicine and Surgery (BUMED) Advisory Opinion (AO) dated █ and your 28 July 2025 rebuttal response.

The Board determined your personal appearance, with or without counsel, would not materially add to their understanding of the issues involved. Therefore, the Board determined a personal appearance was not necessary and considered your case based on the evidence of record.

You requested remittance of your scholarship indebtedness by correcting your naval record to reflect that the Office of the Assistant Secretary of the Navy for Manpower and Reserve Affairs did not authorize recoupment of your Armed Forces Health Professions Scholarship Program (AFHPSP) benefits. Additionally, you requested the Board direct any other records corrections necessary to effectuate remission of your AFHPSP debt.

The Board, having reviewed all the facts of record pertaining to your allegations of error and injustice, found as follows:

1. Before applying to this Board, you exhausted all administrative remedies available under existing law and regulation within the Department of the Navy.

2. Although your application was not filed in a timely manner, the Board found it in the interest of justice to waive the statute of limitations and consider your application on its merits.
3. In October 2014, you commissioned as a Navy Reserve Officer pursuant to participation in AFHPSP agreement.
4. In March 2015, you were diagnosed with pulmonary emboli. Further review of your medical situation revealed you had a Protein C deficiency in your blood.
5. In the December 2015 timeframe, due to the significance of your diagnoses, your case was submitted to Navy Recruiting Command (NRC) for review and determination of your physical qualification for retention in the Navy Reserve.
6. On ██████████, Commander, NRC (CNRC), notified Chief, BUMED, that you did not meet established physical standards due to a history of bilateral pulmonary emboli. Further, BUMED noted your confirmed Protein C deficiency puts you at risk for recurrent thrombotic events. CNRC further stated waiver of the physical standard was disapproved.
7. On ██████████, Chief, BUMED, recommended the Secretary of the Navy (SECNAV), via Commander, Navy Personnel Command (CNPC), administratively separate you and recoup the funds expended by the government, on your behalf, for stipend, reimbursements, accession bonus, and tuition. BUMED noted your medical condition would not preclude you from continuing your medical education and potential future employment as a physician.
8. By letter of ██████████, CNPC (PERS 91), notified you that, due to NRC's determination you were not physically qualified (NPQ) for retention in the Navy Reserve, you were being considered for honorable discharge. The letter provided you with options – resign your commission, submit a rebuttal, submit a request for remission of indebtedness, or decline to make a statement. In addition to providing specific information regarding each of the options, the letter also advised you of your rights.
9. On 1 October 2016, you indicated your desire to submit a written rebuttal regarding your possible discharge from the Navy Reserve and your desire to submit a request for remission of scholarship indebtedness. In your statement, you provided medical details in rebuttal to NRC's NPQ determination and expressed your belief that your physical health would not prevent you from performing your duties as an officer in the Navy Reserve.
10. By letter of 13 October 2016, Chief, BUMED, provided comment on your rebuttal statement, referencing the Manual of the Medical Department, paragraph 15-60(6). BUMED stated “[t]here is nothing in [Petitioner's] rebuttal that changes the medical findings” resulting in BUMED's continued recommendation for separation and recoupment.
11. By letter to NPC dated 27 October 2016, you asked “for the Secretary's generosity and understanding in considering [your] request for remission of indebtedness.”
12. On 28 October 2016, PERS-91 honorably discharged you from the Navy Reserve effective the same date.

13. On ██████████, PERS-9 recommended Deputy Chief of Naval Operations (Manpower, Personnel, Training, & Education) deny your request for remission of expended education funds.

14. By letter dated 1 May 2018, Deputy Assistant Secretary of the Navy for Military Manpower and Personnel (DASN (MMP)), responded to your request for remittance, stating she could not support your request to cancel the recoupment of educational funds expended to you during participation in AFHPSP, denying your request for cancellation, and authorizing recoupment. As an alternative, DASN (MMP) informed you that you could complete your obligation to the Department of the Navy (DoN) through service as a Navy civilian physician and provided contact information in the event you were interested.

The Board carefully considered your request for remittance of your scholarship indebtedness based on your contentions relief is warranted as a regulatory matter, as a matter of contract law, and as a matter of equity. Specifically, as detailed and thoroughly explained in your legal brief, you contend the following:

1. Recoupment is inappropriate because the situation was “beyond your control” and DoD 7000.14R, Financial Management Regulation (FMR), provides that recoupment of advanced education expenses “will not be pursued in situations in which the member’s inability to fulfill [his Active Duty Service Obligation (ADSO)]...is due to circumstances determined reasonably beyond the member’s control.”

a. You specifically contend you had no control over this “unknown, genetic, disqualifying condition,” and, at no time has the Navy made a determination the physically disqualifying condition was within your control.

b. Further, you contend the FMR and related policies preclude the Navy from seeking reimbursement due to your failure to complete you ADSO as a result of your medical separation and discharge.

c. You also contend that if the Navy claims this section and related statutes generally provide for recovery by the military departments and secretaries are granted unbridled discretion to allow or disallow recoupment under any circumstances, such a claim is without merit because it is well-established that “even when an agency’s rules are more generous than they are required to be by statute, these rules must still be followed.”

2. The Board is compelled to follow prior precedent in which it has granted remittance of indebtedness to similarly-situated midshipmen<sup>1</sup> under Navy Reserve Officer Training Corps (NROTC) scholarship where it was determined their disqualifying medical conditions were, similarly, beyond their control. You contend there is no valid basis to treat you differently. Like these midshipmen, recoupment is not appropriate because you attended school on an advanced

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<sup>1</sup> The Board noted you specifically referenced BCNR Docket Numbers NR20240009092 (a Petitioner on probation from NROTC after repeatedly failing to comply with physical readiness standards and failing the physical fitness test due to plastic bronchitis) and NR20220006033 (a Petitioner disenrolled for failure to maintain the requisite grade point average because he suffered from depression, anxiety and attention deficit disorder).

education contract but were unable to commence or complete your ADSO because of a medical condition that was beyond your control.

3. Even if recoupment were regulatorily appropriate – which it is not – the SECNAV never made the requisite findings, set forth in the FMR, permitting recoupment. Specifically, you contend that at no point during the pertinent time period did the SECNAV make an individualized finding that recoupment was appropriate due to a personnel policy, management objective, equity, good conscience, or the best interests of the United States. Indeed, it is difficult to conceive how such a finding could be made given that, for the reasons set forth in the legal brief, it would be contrary to applicable policy, regulations, prior board decisions, and traditional notions of fairness, equity, and good conscience.

4. Recoupment is inappropriate, not only as a regulatory matter, but also because you did not conceal or fail to disclose the medical condition. Specifically, you contend that as a matter of contract law, recoupment is barred under the terms of the AFHPSP agreement because you did not conceal or otherwise fail to promptly inform the Navy of your disqualifying condition. Specifically, you note:

- a. You were not aware you suffered from a Protein C Deficiency.
- b. The AFHPSP Agreement contains separate recoupment provisions – a general recoupment provision<sup>2</sup> and a specific provision<sup>3</sup> specifically addressing disclosure of disqualifying medical information and instances.
- c. You contend “[a] standard rule of contract interpretation is that when provisions are inconsistent, specific terms control over general ones.” Specifically, you state there is a general provision broadly providing for recovery, but a specific provision that must be read as an exception to the general rule, applying in instances where a disqualifying condition precludes the member from commencing his ADSO. In such instances, you contend the Navy may seek recoupment only if the member concealed or failed to promptly disclose the disqualifying condition.
- d. Here, you contend there is no allegation you concealed or failed to promptly disclose, but rather, the record evidence demonstrates you promptly disclosed all pertinent information and cooperated closely throughout your medical review and discharge.
- e. Similarly, you contend it is axiomatic that contracts will be interpreted so as to give meaning to all provisions of the contract and avoid an interpretation that renders any one clause meaningless. Here, the only reading of the AFHPSP Agreement that gives effect to all

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<sup>2</sup> As detailed in the legal brief, the general recoupment provision stated “[s]hould I become unable to commence the period of ADSO specified in this service agreement or become unable to complete my educational program, I agree to reimburse the United States for the total cost (lump sum plus interest) of advanced education paid by the U.S. Government.” Further, you noted “[i]f I am relieved of my ADSO for any reason before completion of that ADSO, I may be given...the following alternative obligation...[r]epayment of percentage of the total cost of my education.”

<sup>3</sup> As noted in the legal brief, a specific provision applied to disclosure of disqualifying medical information states the member “may” be required to reimburse the government *if* the member conceals or fails to promptly disclose such disqualifying condition.

provisions is to read Paragraph 4's recoupment provision to apply where a disqualifying condition precludes the member from commencing his ADSO and to only allow recovery under such circumstances where the member "intentionally withheld such information, or fail[ed] to provide such information that [the member] may obtain in the future . . . ." Put another way, you contend that if the general recoupment clause always controlled, and the Navy could recover under any and all circumstances regardless of whether the member disclosed or concealed the disqualifying condition, Paragraph 4 would be rendered entirely meaningless and superfluous to the AFHPSP Agreement. And critically, in addition to giving meaning to Paragraph 4, your interpretation also gives meaning to the general recoupment provisions of the AFHPSP Agreement, as they would apply and, where appropriate, permit recoupment in all other circumstances not covered by Paragraph 4 or another similar, specific provision.

f. Recoupment is appropriate due to equity and good conscience. As it pertains to equity, your discharge resulted from an unknown, genetic condition over which you had no control. In light of applicable regulatory guidance, the Navy's own policies, and prior Board decisions granting remittance in cases involving a greater degree of volitional conduct, equity dictates that recoupment would be inappropriate under your circumstances.

i. The Board has "an abiding moral sanction to determine, insofar as possible, the true nature of an alleged injustice and to take steps to grant thorough and fitting relief." When the Board fails to correct an injustice clearly presented in the record before it, it is acting in violation of its mandate. And such a violation, contrary to the evidence, is arbitrary and capricious.

ii. You did everything within your power to contest your medical discharge to include seeking a physical waiver so you could continue to serve your country.

iii. When the Navy expressly invited you to seek remittance of your debt, it provided you with a copy of policies and procedures that specifically stated "repayment action will not be pursued in situations in which the member's inability to fulfill specified service conditions . . . is due to circumstances determined reasonably beyond the member's control." Moreover, as detailed previously, the SECNAV never even made the requisite findings set forth in the FMR, which necessarily would have involved consideration of the equitable factors pertinent to your request for remittance.

iv. For the Navy to subsequently seek recoupment -- with no finding of control over the disqualifying condition, no explanation from the DASN (MMP) other than the conclusory statement that she "cannot support" your remittance request, and no secretarial finding as required by the FMR -- would be contrary to equity, fairness and justice.

As a matter of procedure and equity, your petition was submitted to Chief, BUMED, to provide an AO. BUMED, after noting the facts, detailing the procedural process, and referencing U.S. Code, the FMR, and OPNAVINST 1520.39a, recommended recoupment. In the alternative to loan repayment, BUMED stated the DoN obligation could be completed through services as a civilian physician at one of the DoN medical facilities.

In rebuttal to the BUMED AO, you specifically noted the following:

1. The AO largely recites the factual and procedural history and confirms the material facts are not in dispute.
2. The AO does not address the specific arguments, supported by citations to controlling statutes, regulations, case law, and prior opinions of this Board.
3. Because the AO offers no substantive analysis, the AO cannot form the basis of any opinion of the Board.
4. As a matter of equity, the Navy should not now – ten years later and well after you graduated from medical school and establishment of your practice – seek to impose an “alternative to loan repayment.” You contend the plain language of the contract gave you two options – service obligation as a civilian provider or initiate discharge/recoupment actions. Further, you contend “[p]erhaps the Navy could have elected to ‘give’ [you] a job as a civilian physician at one of its facilities when it determined in 2016 [you were] unfit to complete [your] ADSO, but it did not do so and, instead, elected to discharge [you] and pursue recoupment.”

After careful review of the evidence, including the contentions summarized above and discussed in detail in your legal brief, the Board fully considered your contentions that relief is warranted as a regulatory matter, a matter of contract law, and as a matter of equity. The Board determined, for the reasons detailed below, that there is insufficient evidence of an error and/or injustice warranting relief.

The Board considered your contention recoupment of your advanced education expenses is inappropriate under the FMR because your inability to fulfill your ADSO was due to a medical condition that was "beyond your control." While the Board acknowledges your medical condition was not within your control, they concluded your interpretation and application of the FMR are incorrect. The regulation you cite is a general provision that does not supersede more specific statutes and regulations governing the AFHPSP. The FMR does not create an automatic entitlement to remittance in every case of medical separation. The decision to pursue recoupment is a discretionary one governed by 10 U.S.C. § 8271, which allows the SECNAV or his designee, the ability to cancel any indebtedness a member incurred in service if the SECNAV considers such action to be in the best interest of the United States considering the facts of the case.

Furthermore, you argue the SECNAV never made the requisite individualized finding regarding your request for debt remittance. The Board noted paragraph 020304 of the FMR provides that when a member is separated for medical reasons that are not due to his misconduct, the Secretary concerned has the discretion to determine whether to require repayment of the unearned portion of the benefit. The Board further noted that, for the Secretary to use his authority to make an exception to policy for a member, he should consider whether recoupment is: (1) contrary to personnel policy or management objectives, (2) against equity or good conscience, and/or (3) contrary to the best interests of the United States. The Board also noted the authority to make such a determination has been delegated to the appropriate level within the DoN. Although you contend DASN (MMP) did not make the requisite findings because the May 2018 denial letter only states “I find that I cannot support your request to cancel the recoupment of educational

funds,” the Board determined the presumption of regularity has not been overcome by your argument regarding the DASN (MMP)’s lack of detailed explanation of her analysis of each exception to policy. The Board thus concluded the decision to proceed with recoupment in your case was made in accordance with this delegated authority and after a full consideration of all relevant factors, including personnel policy, management objectives, equity, good conscience, and the best interests of the United States.

Further, the Board noted your contention recoupment is inappropriate is devoid of any personal reasons why you should not be required to repay the education funds paid for by the U.S. Government, specifically the U.S. taxpayers. The Board noted you have not demonstrated that you are unable to repay the scholarship debt. In fact, you argue that you can’t serve as a civilian physician in a military medical facility because of your own medical practice. Further, you have not indicated your practice serves under-privileged individuals that struggle to make payments or that you are in a situation where you do not earn enough to repay your education debt. Lastly, you have not shared any personal reasons that have made repayment of the scholarship money you received for your specialized training a burden, detriment, or financial hardship. Therefore, the Board concluded the arguments you’ve made against recoupment now – which are in the same spirit as the arguments considered in 2018 – provide no additional facts or evidence that warrant overturning the DASN (MMP)’s decision to deny remission of your scholarship debt in 2018.

The Board also found your argument that recoupment is barred by the terms of your AFHPSP agreement unpersuasive. You contend that a specific provision in the agreement, which allows for recoupment in cases of concealment or failure to disclose a medical condition, should control over the general recoupment provision. You argue that since you did not conceal your condition, the Navy is barred from seeking recoupment. The Board determined your interpretation of the contract is flawed. A standard principle of contract law is that all provisions of a contract should be given meaning. The general recoupment provision in your agreement clearly states that you agree to reimburse the government for the cost of your education if you are unable to commence or complete your ADSO for *any reason*. The specific provision regarding concealment does not negate the general provision; rather, it provides an additional, specific basis for recoupment. The Board concluded that to interpret the contract as you suggest would render the general recoupment provision meaningless, which is contrary to established principles of contract interpretation.

The Board noted the AFHPSP is a significant investment by the U.S. Government in an individual's education. In exchange, the individual agrees to a period of obligated service. When that service is not completed, for whatever reason, the government is entitled to recoup its investment. You have cited prior Board decisions in which you claim similarly-situated midshipmen were granted remittance of their indebtedness. The Board reviewed the cases you referenced and found them to be distinguishable from your own. The factual circumstances and the specific contractual agreements in those cases differ from yours and, since each case is decided on its own merits, the Board concluded it is not bound by the decisions in those prior cases.

Finally, you argue recoupment is inappropriate as a matter of equity and good conscience. The Board is sympathetic to your situation and acknowledges that your medical condition was not

your fault. However, the Board must also consider the significant financial investment made by the government in your education. The purpose of the AFHPSP is to obtain qualified health professionals for the military. When that purpose is not fulfilled, it is in the interest of the government and the taxpayer to recoup the funds expended. Your discharge, though unfortunate, does not absolve you of your contractual obligation to repay the cost of your education. The fact that you were invited to apply for remittance is a standard part of the process and does not imply that your request would be granted. Additionally, the Board noted your AO rebuttal contention that “[p]erhaps the Navy could have elected to ‘give’ [you] a job as a civilian physician at one of its facilities when it determined in 2016 [you were] unfit to complete [your] ADSO, but it did not do so and, instead, elected to discharge [you] and pursue recoupment.” The Board, noting the May 2018 DASN (MMP) decision, determined the alternative to loan repayment was, in fact, offered to you in 2018 but you evidently chose not to contact the provided point of contact “six months prior to completing your residency training to determine if there [were] positions available.”

After a comprehensive review of all the facts and arguments presented in your case, the Board determined recoupment of your scholarship indebtedness is appropriate and required by law and regulation. Based on the available evidence, the Board concluded there was insufficient evidence demonstrating a material error or injustice warranting your requested relief.

You are entitled to have the Board reconsider its decision upon submission of new matters, which will require you to complete and submit a new DD Form 149. New matters are those not previously presented to or considered by the Board. In this regard, it is important to keep in mind that a presumption of regularity attaches to all official records. Consequently, when applying for a correction of an official naval record, the burden is on the applicant to demonstrate the existence of probable material error or injustice.

Sincerely,

3/23/2026

