DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS
APPEAL BOARD

Date: August 11, 2026

In the matter of:	)	
------------	)	ISCR Case No. 24-01630
Applicant for Security Clearance	)	

APPEAL BOARD DECISION

APPEARANCES

FOR GOVERNMENT

Andrea M. Corrales, Esq., Deputy Chief Department Counsel

FOR APPLICANT

Pro se

The Department of Defense (DoD) declined to grant Applicant a security clearance. On February 19, 2026, DoD issued a Statement of Reasons (SOR) advising Applicant of the basis of that decision—security concerns raised under Guideline F (Financial Considerations), Guideline H (Drug Involvement and Substance Misuse), Guideline J (Criminal Conduct), and Guideline E (Personal Conduct) of the National Security Adjudicative Guidelines (AG) in Appendix A of Security Executive Agent Directive 4 (effective June 8, 2017) and DoD Directive 5220.6 (Jan. 2, 1992, as amended) (Directive). On July 10, 2026, Defense Office of Hearings and Appeals Administrative Judge J. Goldstein denied Applicant national security eligibility. Applicant appealed pursuant to Directive ¶¶ E3.1.28 and E3.1.30.

Under Guideline F, the SOR alleged nine consumer debts and a state tax lien. Under Guideline H, the six allegations included use and purchases of marijuana, use while employed in a sensitive position, erratic behavior at his defense contractor employer due to drug use, discharge from the Air Force's officer training school (OTS) due to a failed urinalysis, and an arrest for operating a vehicle while in possession of marijuana. The last two incidents were cross-alleged under Guideline J. Under Guideline E, the amended SOR alleged that Applicant falsified his March

2022 and April 2023 security clearance applications (SCAs) by failing to disclose the true reasons for both his discharge from OTS and his termination from the defense contractor employer.

In his answer to the SOR (Answer), Applicant admitted all the allegations, submitted documents now marked as Applicant Exhibits A through N, and requested a decision on the written record in lieu of a hearing. The Government submitted its file of relevant material (FORM) on April 20, 2026, with documents now marked as Government Exhibits (GE) 1 through 13, and moved to amend the two Guideline E allegations to incorporate the 2023 SCA falsifications, as noted above. Applicant was provided with a complete copy of the FORM, which notified him of the opportunity to file objections and submit material to refute, extenuate, or mitigate the Government's evidence. Applicant did not object to the Government's amendments, and he responded to the FORM with a five-page letter (Response).

The Judge found favorably for Applicant on five of the consumer debts and, in part, on one of the falsification allegations. She found adversely on all other allegations. The favorable findings are not in issue on appeal, and the facts and circumstances surrounding them will be discussed only in the context of the adverse findings.

Background

Applicant is in his early thirties and single, with no children. He holds a bachelor's degree. Applicant worked as a federal contractor from February to December 2019 and held a security clearance. He left that employment following incidents involving drug use and a failed urinalysis test (SOR ¶¶ 2.b and 2.c). In 2020, he began working for his current employer—a different federal contractor.

The following adjudicative history is relevant to the discussion below. In March 2022, Applicant completed an SCA (GE 5) and was interviewed by a background investigator the following month. In April 2023, he completed another SCA (GE 4) and was again interviewed in August 2023. The Government subsequently issued interrogatories, which Applicant answered in October 2024. He completed yet another SCA in November 2025 (GE 3).

Guideline F Allegations

The SOR alleged that Applicant was delinquent on nine consumer debts in the approximate amount of $41,000 (SOR ¶¶ 1.a-1.i), and that he had a state tax lien entered against him in the amount of about $3,100 (SOR ¶ 1.j). In his Answer, Applicant explained that he enrolled six delinquent debts (four alleged and two non-alleged) in a debt-resolution program in September 2024. The program reached settlement agreements on two alleged debts. Applicant paid the agreed-upon settlement on one (SOR ¶ 1.e) and is making payments on the other (SOR ¶ 1.d), and the Judge found those two debts mitigated. The debts alleged in SOR ¶¶ 1.a and 1.h were also enrolled in the program, but no settlement agreement had been reached and no payments made through the program. The Judge concluded that those debts were unresolved.

In addition to the debts enrolled in the program, Applicant produced documentation that established his resolution of three other alleged debts through payments (SOR¶¶ 1.b, 1.c, and 1.i), and the Judge found favorably on those debts. Two other alleged debts (SOR ¶¶ 1.f and 1.g) were resolved through cancellation, and Applicant submitted 1099-Cs for those debts. With regard to his 2017 state tax lien (SOR ¶ 1.j), Applicant asserted that he agreed to make a payment to activate an installment plan, but he did not submit any documents to establish payments under the plan. The Judge found adversely to Applicant on the two cancelled debts and on the state tax lien.

Guidelines H, J, and E Allegations

The allegations under Guidelines H, J, and E are closely related and will be discussed in tandem. Applicant admitted to the allegations regarding his use of marijuana, the related criminal conduct security concerns, and the subsequent falsifications. The evidence and his admissions established that Applicant used marijuana three to five times per week from October 2017 to February 2020, that he purchased marijuana one to two times per week, and that he spent approximately $30 to $50 on each purchase (SOR ¶ 2.a).

In September 2018, Applicant entered the Air Force's OTS. The following month, he was separated with an uncharacterized discharge after testing positive for tetrahydrocannabinol (THC), the psychoactive compound in marijuana, on two urinalysis tests (SOR ¶¶ 2.e and 3.a). He admitted to Air Force investigators that he smoked marijuana three to five times a week in the summer months prior to entering OTS. GE 11 at 2. Applicant remained unemployed until he was hired in February 2019 by a federal contractor.

Applicant's marijuana use continued while he was employed by the federal contractor, during which time he held a secret security clearance (SOR ¶ 2.c). In August 2019, Applicant was suspended after reports that he was "acting irrationally" at work and that he stated, "I'm smart because I smoke weed." GE 10 at 2. On a subsequent urinalysis test, Applicant tested positive for marijuana (SOR ¶ 2.b). After he failed to complete the substance abuse counseling directed by his employer, Applicant was given the option of resigning or being fired, and he chose to resign. He later admitted to being "high at work" as frequently as every other day during this employment from February to August 2019. GE 6 at 23.

Applicant admitted that the marijuana he used was likely laced with unknown additives (SOR ¶ 2.d). He also acknowledged that he was arrested and charged with operation of a motor vehicle while in possession of marijuana in August 2019, although the charge was dismissed (SOR ¶¶ 2.f and 3.a). In his Response, Applicant took full responsibility for his use of marijuana, admitted that it reflected poor judgment, and stated that he has not engaged in any similar conduct since February 2020. Response at 1, 4.

The related falsifications stem from the SCAs that Applicant submitted in March 2022 and in April 2023. On his March 2022 SCA, Applicant reported that he could not complete the Air Force's OTS because of medical reasons (SOR ¶ 4.a) and claimed to have received an honorable discharge. Regarding his employment by the federal contractor from February to December 2019, Applicant stated that his reason for leaving was "voluntary resignation." GE 5 at 16. Moreover, he responded "No" to the question about whether he had been fired, quit after being told he would be fired, left by mutual agreement following charges or allegations of misconduct, or left by mutual agreement following notice of unsatisfactory performance (SOR ¶ 4.b). In his subsequent April 2022 background interview, Applicant confirmed that he "received an honorable discharge" from the Air Force and volunteered that "he had a medical condition rendering him unable to perform the physical fitness activities required." GE 6 at 18.

On his April 2023 SCA, Applicant again attributed his discharge to "medical reasons." GE 4 at 17. However, he reported that he received an other than honorable discharge from the Air Force in November 2018 after testing positive for THC at OTS. *Id*. at 23. He disclosed marijuana use through November 2019 but again answered "No" to the question of whether he had been fired, quit after being told he would be fired, left by mutual agreement following charges or allegations of misconduct, or left by mutual agreement following notice of unsatisfactory performance (SOR ¶ 4.b). *Id*. at 16, 39. In the subsequent background investigation, Applicant provided a written statement in which he acknowledged that his answers regarding his discharge from OTS were untruthful. GE 6 at 35.

In his Response to the FORM, Applicant admitted that the information pertaining to both the circumstances of his 2018 Air Force separation and his 2019 employment termination were not accurately reported on his 2022 and 2023 SCAs. He acknowledged that his "decision was driven by immaturity, embarrassment, and concern about how the information would affect [his] eligibility." Response at 1. Applicant noted that, during the investigative process, he eventually disclosed the underlying circumstances of his Air Force separation, his prior marijuana use, and his termination noting, "[t]hese corrections were not easy to make, but they reflect a turning point in my understanding of the importance of candor." *Id.*

Discussion

On appeal, Applicant asserts that the Judge erred in her Guideline F, Guideline E, and Whole-Person Concept analyses. For the reasons detailed below, we affirm the Judge's decision.

<u>Alleged Errors in Guideline F Findings and Analysis</u>

In her Guideline F mitigation analysis, the Judge acknowledged that Applicant had resolved or was in the process of resolving five alleged debts (SOR ¶¶ 1.b-1.e, 1.i) and concluded that they were mitigated. For the remaining four consumer debts and the state tax lien, the Judge reviewed all the mitigating conditions but found none of them fully applicable. She noted that Applicant "had two large delinquent debts cancelled" and that "although his remaining two consumer delinquencies are enrolled in the program, they remain unpaid." Decision at 8. In light of his inaction on those delinquent accounts until 2024 and his outstanding state tax debt, the Judge concluded that she could not find that Applicant's problems were in the past and unlikely to recur as required for mitigation under AG ¶ 20(a).[1] Moreover, she found that Applicant's failure to take "meaningful action" on his delinquent accounts until 2024 precluded either a finding that he acted responsibly under the circumstances or that he acted in good faith, as required to mitigate under AG ¶¶ 20(b) or 20(d).[2] *Id*. Highlighting the lack of evidence of credit counseling or payments under an agreement with the state tax authority, the Judge also declined to apply AG ¶¶ 20(c) or

[1] 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.

[2] 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, a death, divorce or separation, clear victimization by predatory lending practices, or identity theft), and the individual acted responsibly under the circumstances; AG ¶ 20(d): the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts.

20(g).[3] Turning specifically to the debts alleged at SOR ¶¶ 1.f and 1.g, the Judge relied upon Appeal Board precedent for her conclusion that the cancellation of a charged-off debt does not constitute a good-faith effort to resolve the debt.

Applicant challenges these Guideline F findings and the analysis on multiple fronts. First, he asserts that the Judge erred in referring to Applicant's "inaction on these delinquent accounts from **2000** to October 2024," as the alleged delinquencies did not arise until 2017 at the earliest. Appeal Brief at 2 (quoting Decision at 8 (emphasis added)). Read in the context of the entire decision, the reference to 2000 was clearly a typographical error. In the same section, the Judge refers to Applicant's "lack of action in addressing his delinquent debts from 2020 to 2024," and elsewhere she highlights that Applicant's unemployment following his December 2019 termination caused his financial delinquencies. Decision at 2, 8. This error is harmless, as it did not affect the outcome of the case.

Applicant next challenges the Judge's finding that he "did not take meaningful action on his delinquent accounts until 2024" and that he did not provide evidence of credit counseling, asserting that he first enrolled in a debt consolidation plan in 2021 and made six to seven payments under that plan, as documented in his background interviews. Appeal Brief at 2 (quoting Decision at 8). Applicant concedes that his brief participation in the 2021 program, standing alone, may not satisfy AG ¶ 20(d) and that a commercial debt-resolution firm may not constitute the non-profit counseling service contemplated by AG ¶ 20(c). His complaint is that the Judge did not explicitly consider and weigh these earlier efforts. A judge, however, is presumed to have considered all of the record evidence and is not required to discuss each and every piece of evidence, which is a practical impossibility. In this case, the Judge's thorough findings of fact and detailed analysis under multiple guidelines convince us that she considered the totality of the evidence, to include the evidence that Applicant briefly participated in a debt consolidation program in 2021, that he discussed renewing those efforts during two August 2023 interviews, and that he did not do so until about the time he received DOHA interrogatories over a year later. GE 6 at 27, 30, 32.

Applicant also alleges that the Judge erred in her findings regarding the debts alleged at SOR ¶¶ 1.f and 1.g. Those debts were cancelled by the creditors, and they issued Form 1099-Cs to Applicant. Applicant does not dispute the Judge's finding that receipt of a Form 1099-C does not constitute good faith repayment under AG ¶ 20(d). Instead, he contends that "the cancellation of these debts materially changed Applicant's current financial exposure, and that changed circumstance should have been considered . . . when assessing whether these accounts continue to cast doubt on his current reliability under AG ¶ 20(a)." Appeal Brief at 4. To the extent that we understand this argument, we disagree. The Judge explicitly considered the cancellation of the debts in her AG ¶ 20(a) analysis. We find no error in her conclusion that his inaction on those delinquent debts precluded a finding that his conduct was unlikely to recur. Moreover, we are not persuaded by Applicant's argument that we should compare the Judge's adverse findings on SOR ¶¶ 1.f and 1.g with her favorable finding on SOR ¶ 1.e, an auto loan that Applicant settled under

[3] AG ¶ 20(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; AG ¶ 20(g): the individual has made arrangements with the appropriate tax authority to file or pay the amount owed and is in compliance with those arrangements.

his debt consolidation plan for less than the amount owed. The resolution of the debts is factually dissimilar, and the favorable finding is not a matter before the Board, as it was not appealed.

Alleged Errors in Guideline E and Whole-Person Concept Analyses

Applicant asserts that the Judge—in finding that he was untruthful about his discharge from the Air Force and his termination from employment—failed to give enough weight to his later attempts to correct the record and tell the truth. He specifically highlights his disclosure of the positive urinalysis on his April 2023 SCA, his sworn statement of August 2023 in which he gave more details about his discharge from OTS, and his truthful responses on his November 2025 SCA.

On this issue, as well as his challenge to the Judge's analysis under the Whole-Person Concept, Applicant is fundamentally arguing for a different weighing of the evidence. None of his arguments, however, are enough to rebut the presumption that the Judge considered all the record evidence, and nothing in his brief persuades the Board that the Judge weighed the record evidence improperly. Applicant's ability to argue for a more favorable weighing of the record evidence is not sufficient to demonstrate that the Judge weighed the evidence in a manner that was arbitrary, capricious, or contrary to law. *See* ISCR Case No. 96-0376 at 2-3 (App. Bd. Mar. 6, 1997) (citing *Am. Textile Mfrs. Inst. v. Donovan*, 452 U.S. 490, 523 (1981)).

Conclusion

Applicant has not established that the Judge's conclusions were arbitrary, capricious, or contrary to law. Rather, the Judge examined and weighed the disqualifying and mitigating evidence and articulated a satisfactory explanation for the decision. The record is sufficient to support that the Judge's findings and conclusions are sustainable. "The general standard is that a clearance may be granted only when 'clearly consistent with the interests of the national security.'" *Dep't of the Navy v. Egan*, 484 U.S. 518, 528 (1988). "Any doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security." AG ¶ 2(b).

Order

The decision in ISCR Case No. 24-01630 is **AFFIRMED**.

Signed: Moira Modzelewski
Moira Modzelewski
Administrative Judge
Chair, Appeal Board

Signed: Allison Marie
Allison Marie
Administrative Judge
Member, Appeal Board

Signed: Eric H. Borgstrom
Eric H. Borgstrom
Administrative Judge
Member, Appeal Board