



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



In the matter of: )  
 )  
 ) ISCR Case No. 25-00361  
 )  
 Applicant for Security Clearance )

**Appearances**

For Government:

Tovah Minster, Esquire, Department Counsel

For Applicant:

*Pro se*

01/21/2026

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**Decision**

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CEFOLA, Richard A., Administrative Judge:

**Statement of the Case**

On June 5, 2025, in accordance with Department of Defense (DoD) Directive 5220.6, as amended (Directive), the DoD issued Applicant a Statement of Reasons (SOR) alleging facts that raise security concerns under Guideline F (Financial Considerations). The SOR further informed Applicant that, based on information available to the government, DoD adjudicators could not make the preliminary affirmative finding it is clearly consistent with the national interest to grant or continue Applicant's security clearance.

Applicant answered the SOR on July 5, 2025, and requested a hearing before an administrative judge. (Answer.) The case was assigned to me on September 15, 2025. The Defense Office of Hearings and Appeals (DOHA) issued a notice of hearing on September 23, 2025, scheduling the hearing for November 19, 2025. The hearing was convened as scheduled. The Government offered Exhibits (GXs) 1 through 6, which were admitted into evidence. Applicant testified on his own behalf. Pursuant to the Applicant's request, the record was left open until January 15, 2026, for receipt of additional documentation. He submitted nothing further. DOHA received the transcript of the hearing (TR) on December 3, 2025.

### **Findings of Fact**

Applicant admitted all the allegations in SOR. After a thorough and careful review of the pleadings, exhibits, and testimony, I make the following findings of fact.

Applicant is a 25-year-old employee of a defense contractor. He has been employed with the defense contractor since June 2023. He is not married, but has one newborn child, for whom he now provides child support. He avers he is working with a financial advisor to address his admitted past-due indebtedness. I left the record open for two months for Applicant to submit documentation supporting his averments. As stated, he submitted nothing further. (TR at page 15 line 12 to page 6 line 8, at page 13 line 6 to page 18 line 1, at page 18 line 15 to page 19 line 1, at page 20 lines 1~10, at page 28 line 5 to page 30 line 19, at page 44 lines 1~14, and GX 1 at pages 5 and 9.)

### **Guideline F - Financial Considerations**

1.a. Applicant admits a past-due debt to Creditor A in the amount of about \$9,287, related to his "truck." He avers, "they've probably always been delinquent"; and at the time of his hearing, he had never contacted this creditor. Despite having two post-hearing months to address this admitted debt, Applicant has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 31 line 1 to page 32 line 10.)

1.b. Applicant admits a past-due debt to Creditor B in the amount of about \$4,137, related to the same vehicle noted above. He avers he has not contacted this creditor. Despite having two post-hearing months to address this admitted debt, Applicant has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 32 line 11 to page 33 line 14.)

1.c. and 1.d. Applicant admits two past-due debts to Creditor C for medical accounts in an amount totaling about \$2,200. He avers he has not contacted this creditor. Despite having two post-hearing months to address these admitted debts, Applicant has submitted nothing further in this regard. These allegations are found against Applicant. (TR at page 33 line 15 to page 34 line 11.)

1.e.~1.g. Applicant admits three past-due debts to Creditor E for medical accounts in an amount totaling about \$2,492. He avers he has not contacted this creditor. Despite having two post-hearing months to address these admitted debts, Applicant has submitted nothing further in this regard. These allegations are found against Applicant. (TR at page 34 line 17 to page 35 line 7.)

1.h. Applicant admits a past-due debt to Creditor H in the amount of about \$361, for an “engagement ring.” He avers he has contacted this creditor; but despite having two post-hearing months to address this admitted debt, Applicant has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 35 line 8 to page 36 line 14.)

Applicant admits another past-due “credit card” debt, not alleged, in the amount of about \$729. (TR at page 42 line 18 to page 43 line 14.)

## **Policies**

When evaluating an applicant’s national security eligibility, the administrative judge must consider the adjudicative guidelines (AG). 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 national security eligibility.

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 AG ¶ 2 describing the adjudicative process. The administrative judge’s overarching adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(a), 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.” In reaching this decision, I have

drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record.

Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Directive ¶ E3.1.15 states 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, and has the ultimate burden of persuasion as to obtaining a favorable clearance decision.”

A person who applies for access to classified information seeks to enter 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 protect or safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified information.

Section 7 of Executive Order (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 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.

The guideline notes several conditions that could raise security concerns under AG ¶ 19. Two are potentially applicable in this case:

- (a) inability to satisfy debts; and
- (c) a history of not meeting financial obligations.

Applicant has ten admitted past-due debts (one not alleged) totaling about \$21,678. Despite having two post-hearing months to do so, he has done nothing to address his admitted past-due indebtedness. None of the mitigating conditions apply. Financial Considerations is found against Applicant.

### **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 facts and circumstances surrounding this case. I have incorporated my comments under Guideline F in my whole-person analysis.

Overall, the record evidence leaves me with questions and doubts as to Applicant's eligibility and suitability for a security clearance. For all these reasons, I conclude Applicant failed to mitigate the Financial Considerations security concerns.

## Formal Findings

Formal findings for or against Applicant on the allegations set forth in the SOR, as required by ¶ E3.1.25 of the Directive, are:

Paragraph 1, Guideline F: AGAINST APPLICANT

Subparagraphs 1.a.~1.h: 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 interest to grant Applicant national security eligibility for a security clearance. Eligibility for access to classified information is denied.

Richard A. Cefola  
Administrative Judge