



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



In the matter of: )  
)  
) ISCR Case No. 25-01078  
)  
)  
Applicant for Security Clearance )

**Appearances**

For Government: George Hawkins, Esq., Department Counsel  
For Applicant: *Pro se*

04/24/2026

---

**Decision**

---

CEFOLA, Richard A., Administrative Judge:

**Statement of the Case**

On September 9, 2025, in accordance with DoD Directive 5220.6, as amended (Directive), the Department of Defense 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 soon thereafter and requested a hearing before an administrative judge. (Answer.) The case was assigned to me on December 18, 2025. The Defense Office of Hearings and Appeals (DOHA) issued a notice of hearing on January 7, 2026, scheduling the hearing for March 3, 2026. The hearing was convened as scheduled. The Government offered Exhibits (GXs) 1 through 8, which were admitted into evidence. Applicant testified on his own behalf. The record was left open until April 2, 2026, for receipt of additional documentation. Applicant offered documents, marked

Applicant's Exhibits (AppXs) A through G, which were admitted into evidence. In response to these documents, the Government submitted a written addition to his closing argument. DOHA received the transcript of the hearing (TR) on March 16, 2026.

### **Findings of Fact**

Applicant admitted to the allegations in SOR ¶¶ 1.a. through 1.c., 1.e., 1.f. and 1.i. He denied SOR allegations ¶¶ 1.d., 1.g. and 1.h. After a thorough and careful review of the pleadings, exhibits, and testimony, I make the following findings of fact.

Applicant has about \$39,000 in admitted he past-due debts. Applicant is a 31-year-old employee of a defense contractor. He has been employed with the defense contractor since February of 2024. Prior to that, he served in the U.S. Air Force from 2013~2023, a period of about ten years. Applicant had a three-month period of unemployment, when he left active duty with the Air Force. Applicant held a security clearance while in the Air Force and currently holds one. He is married and has two minor children. Applicant's wife is "a stay-at-home mom homeschooling the two kids." (TR at page 5 line 13 to page 6 line 5, at page 13 line 20 to page 18 line 9, and GX 1 at pages 12 and 13.)

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

Applicant enrolled with a debt consolidation service (DCS#1) in 2022. He enrolled four past-due accounts with DCS#1, and made regular payments of \$123 to settle and pay off the enrolled accounts in 22~48 months. DCS#1, however, settled none of his accounts. Applicant has a positive cash flow of about \$4,000~\$4,500 a month. (TR at page 20 line 1 to page 21 line 5, and at page 43 line 17 to page 45 line 7.)

1.a. and 1.b. Applicant admits to two past-due motor vehicle loans totaling about \$31,495. One of the motor vehicles was repossessed, just prior to his deployment to Qatar as he could only take one vehicle on the overseas transfer. Through the assistance of DCS#2, he is making bi-monthly payments of \$325, or about \$8,450 a year, towards these admitted debts, as evidenced by documentation. (TR at page 35 line 4 to page 38 line 8, and AppX D.)

1.c. Applicant admits a past-due debt to Creditor C, in the amount of about \$6,636, as the result of a motor vehicle accident. Through assistance of DCS#3, it has been "paid," as evidenced by the Government's most recent February 2026, credit report (CR). (TR at page 26 line 25 to page 33 line 11, GX 8 at page 2, and AppX F.)

1.d. Applicant denies a past-due debt to Creditor D in the amount of about \$2,191. He has submitted documentation from Creditor D showing "there is no balance due." (TR at page 38 line 9 to page 39 line 22, and AppX F.)

1.e. and 1.i. These appear to be one and the same, admitted debt to Creditor E in an amount of about \$700. Applicant is making monthly payments of \$25 towards this debt

that has been reduced to \$333, as evidenced by documentation from Creditor E. (TR at page 21 line 6 to page 6 line 24, and AppX C.)

1.f. Applicant admits a past-due debt to Creditor F, in the amount of about \$422. He has settled and paid this debt as evidenced by documentation from Creditor F. (TR at page 33 line 13 to page 25 line 3, and AppX A.)

1.g. Applicant denies a past-due debt to Creditor G in the amount of about \$57. He has submitted a March 2026 CR showing that it is "Paid." (TR at page 40 line 2 to page 41 line 22, and AppX E at page 9.)

1.h. Applicant denies a past-due debt, mobile phone bill, to Creditor H in the amount of about \$1,770. Applicant avers that he has not had an account with creditor since 2017, about nine years ago. Furthermore, it does not appear on his most recent March 2026 CR. (TR at page 41 line 23 to page 43 line 13, and AppX E.)

1.i. (This allegation has already been discussed, above.)

## **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 admitted he had past-due debts totaling about \$39,000. The evidence is sufficient to raise these disqualifying conditions.

AG ¶ 20 provides conditions that could mitigate security concerns. I considered all of the mitigating conditions under AG ¶ 20 including:

(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;

(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.

Applicant can attribute about \$20,000, or half, of his past-due debts to a motor vehicle accident, and to his inability to bring two motor vehicles with him on an overseas deployment. He has since addressed all of his admitted past-due indebtedness. He has demonstrated that future financial problems are unlikely. Mitigation under AG ¶ 20 has been established.

### **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 without questions or doubts as to Applicant's eligibility and suitability for a security clearance. For all these reasons, I conclude Applicant mitigated the Financial Considerations security concern.

### **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:	FOR APPLICANT
Subparagraphs 1.a~1.i:	For Applicant

### **Conclusion**

In light of all of the circumstances presented by the record in this case, it is clearly consistent with the national interest to grant Applicant national security eligibility for a security clearance. Eligibility for access to classified information is granted.

---

Richard A. Cefola  
Administrative Judge