



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



In the matter of:)
)
) ISCR Case No. 25-01187
)
Applicant for Security Clearance)

Appearances

For Government:
Tovah Minster, Esquire, Department Counsel

For Applicant:
Pro se

03/16/2026

Decision

CEFOLA, Richard A., Administrative Judge:

Statement of the Case

On September 16, 2025, in accordance with Department of War (DoW) Directive 5220.6, as amended (Directive), the DoW 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, DoW 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 8, 2025. The Defense Office of Hearings and Appeals (DOHA) issued a notice of hearing on December 10, 2025, scheduling the hearing for February 10, 2026. The hearing was convened as scheduled. The Government offered Exhibits (GXs) 1 through 3, which were admitted into evidence. Applicant testified on her own behalf. Applicant offered a document, which I

marked Applicant's Exhibits (AppX) A, which was admitted into evidence. The record was left open until March 10, 2026, for receipt of additional documentation. She submitted AppX B, which was admitted into evidence. DOHA received the transcript of the hearing (TR) on February 23, 2026.

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 56-year-old employee, applying for a security clearance for a future position with a defense contractor. She has an associate's degree and is a compliance analyst. Applicant is divorced and has two adult children. She attributes her current financial difficulties to periods of unemployment. (TR at page 5 line 10 to page 6 line 6, and at page 13 line 7 to page 21 line 24.)

Guideline F - Financial Considerations

1.a. Applicant admits a past-due debt to Creditor A in the amount of about \$4,175. This debt was charged off in 2019. Despite having a month to do so, she has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 23 line 5 to page 24 line 19.)

1.b. Applicant admits a past-due debt to Creditor B in the amount of about \$2,952. Despite having a month to do so, she has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 24 line 20 to page 25 line 16.)

1.c. Applicant admits a past-due debt to Creditor C in the amount of about \$2,387. Despite having a month to do so, she has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 25 line 17 to page 26 line 9.)

1.d. Applicant admits a past-due debt to Creditor D in the amount of about \$1,480. This debt was placed in collection in 2019. Despite having a month to do so, she has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 26 line 10 to page 27 line 7.)

1.e. Applicant admits a past-due debt to Creditor E in the amount of about \$934. Despite having a month to do so, she has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 27 lines 8 to 17.)

1.f. Applicant admits a past-due credit card debt to Creditor F in the amount of about \$825. This debt was placed in collection in 2020. Despite having a month to do so, she has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 27 line 18 to page 28 line 25.)

1.g. Applicant admits a past-due debt to Creditor G in the amount of about \$705. This debt was charged off in 2020. Despite having a month to do so, she has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 29 lines 1 to 15.)

1.h. Applicant admits a past-due credit card debt to Creditor H in the amount of about \$562. Despite having a month to do so, she has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 29 line 16 to page 30 line 13, and at page 32 lines 13~16.)

1.i. Applicant admits a past-due debt to Creditor I, as the result of a motor vehicle repossession in 2021, in the amount of about \$530. Despite having a month to do so, she has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 30 line 14 to page 31 line 11, and at page 39 lines 13~19.)

1.j. Applicant admits a past-due debt to Creditor J in the amount of about \$355. This debt was placed in collection in 2024. Despite having a month to do so, she has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 31 line 12 to page 32 line 5.)

1.k. Applicant admits a past-due debt to Creditor K, as the result of the 2021 motor vehicle repossession, in the amount of about \$12,176. Despite having a month to do so, she has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 32 line 6 to page 33 line 3, and at page 39 lines 20~23.)

1.l. and 1.m. Applicant admits two past-due debts to Creditor L in an amount totaling about \$2,006. She has submitted documentation showing that these debts have been satisfied by way of wage garnishments. These allegations are found for Applicant. (TR at page 33 line 4 to page 35 line 24, and AppXs A and B at pages 3~4.)

1.n. Applicant states that a past-due debt to Creditor N, in the amount of about \$1,026, has been satisfied by way of her wages being garnished. As this alleged debt also does not appear on the Government's March 2025 credit report, this allegation is found for Applicant. (TR at page 36 lines 1~5.)

1.o. Applicant also states that a past-due debt to Creditor O, in the amount of about \$2,162, has been satisfied by way of her wages being garnished. As this alleged debt also does not appear on the Government's March 2025 credit report, this allegation is found for Applicant. (TR at page 36 lines 1~17.)

1.p. Applicant admits a past-due debt to Creditor P in the amount of about \$400. Despite having a month to do so, she has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 36 line 18 to page 37 line 4.)

1.q. Applicant admits a past-due debt to Creditor Q, as the result of a 2008~2009 motor vehicle repossession, in the amount of about \$22,962. Despite having a month to

do so, she has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 37 lines 5~22, and page 39 line 24 to page 41 line 2.)

1.r. Applicant admits a past-due credit card debt to Creditor R in the amount of about \$943. This debt was placed in collection in 2022. Despite having a month to do so, she has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 37 line 23 to page 38 line 18.)

1.s. Applicant admits a past-due debt to Creditor S in the amount of about \$900. Despite having a month to do so, she has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 38 line 19 to page 39 line 5.)

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 *a/so* 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 had about \$57,000 of past-due indebtedness. Many of these admitted debts became delinquent in 2018~2020, with a vehicle repossession in about 2008~2009. 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;

(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; and

(d) the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts.

Applicant's financial problems are ongoing. She has a long history of delinquencies. Applicant has only addressed four of the 19 admitted past-due debts and still has about \$52,000 in delinquencies. She has not demonstrated that future financial problems are unlikely. Mitigation under AG ¶ 20 has not been established. 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. Applicant has addressed some of her past-due indebtedness. However, 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.k:	Against Applicant
Subparagraphs 1.l~1.o:	For Applicant
Subparagraph 1.p~1.s:	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