



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



In the matter of:)
)
) ADP Case No. 25-01180
)
Applicant for Public Trust Position)

Appearances

For Government: John Renehan, Esq., Department Counsel
For Applicant: *Pro se*

04/28/2026

Decision

CEFOLA, Richard A., Administrative Judge:

Statement of the Case

On November 6, 2025, the Department of Defense Counterintelligence and Security Agency (DCSA) issued to Applicant a Statement of Reasons (SOR), detailing trustworthiness concerns under Guideline F, Financial Considerations. The action was taken under Executive Order (EO) 10865, *Safeguarding Classified Information Within Industry* (February 20, 1960), as amended; DOD Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); the Adjudicative Guidelines (AG) effective within the DOD for SORs issued after June 8, 2017.

Applicant answered the SOR on November 12, 2025, and requested a hearing before an administrative judge. (Answer.) The case was assigned to me on January 13, 2026. The Defense Office of Hearings and Appeals (DOHA) issued a notice of hearing on January 15, 2026, scheduling the hearing for March 11, 2026. The hearing was convened as scheduled. The Government offered Exhibits (GXs) 1 through 6, which were admitted into evidence. Applicant testified on her own behalf and offered Applicant's Exhibits (AppXs) A through D, which were admitted into evidence. The record was left open until April 9, 2026, for receipt of additional documentation. Applicant offered Post

Hearing Exhibits (PHXs) 1 through 10, which were admitted into evidence. DOHA received the transcript of the hearing (TR) on March 23, 2026.

Findings of Fact

Applicant admitted all the allegations set forth in SOR. She is 27 years old, unmarried, but has one minor child. She has some college experience and is employed by a pharmacy. Applicant had periods of unemployment from June 2016~September 2018, and more recently from July 2024~May 2025. She is taking care of her grandparents. Applicant's boyfriend, who was underemployed, handled their finances poorly. On September 30, 2025, prior to the issuance of the SOR, she filed for the protection of a Chapter 13 bankruptcy; as evidenced by the court filing, and is making monthly payments of \$840, as a result of the approved bankruptcy plan. (TR at page 6 line 9 to page 7 line 2, at page 14 line 8 to page 23 line 18, at page 35 line 25 to page 38 line 17, GX 1 at pages 17~18, and 20, AppXs A~D, and PHXs 1 and 2.)

Guideline F: Financial Considerations

1.a. Applicant admits a past-due debt to Creditor A, in the amount of about \$5,485, as the result of a vehicle repossession. This admitted debt is included in Applicant's bankruptcy filing. (TR at page 23 line 19 to page 28 line 13, at page 35 line 25 to page 38 line 17, at page 40 lines 3~7, GX 6 at pages 28 and 66, and AppXs A and B.)

1.b. Applicant admits a past-due debt to Creditor B, in the amount of about \$44,934, for a vehicle she still possesses. This admitted debt is included in Applicant's bankruptcy filing. (TR at page 28 line 14 to page 32 line 7, at page 35 line 25 to page 38 line 17, at page 40 lines 3~7, GX 6 at pages 25 and 66, and AppXs A and B.)

1.c. Applicant admits a past-due, credit card debt to Creditor C, in the amount of about \$17,303. This admitted debt is included in Applicant's bankruptcy filing. (TR at page 32 line 8 to page 34 line 7, at page 35 line 25 to page 38 line 17, at page 40 lines 3~7, GX 6 at pages 27 and 66, and AppXs A and B.)

1.d. Applicant admits a second, past-due, credit card debt to Creditor D, in the amount of about \$6,862. This admitted debt is included in Applicant's bankruptcy filing. (TR at page 34 line 8 to page 35 line 5, at page 35 line 25 to page 38 line 17, at page 40 lines 3~7, GX 6 at pages 28 and 66, and AppXs A and B.)

1.e. Applicant admits a third, past-due, credit card debt to Creditor E, in the amount of about \$375. This admitted debt is included in Applicant's bankruptcy filing. (TR at page 35 lines 6~18, at page 40 lines 3~7, GX 6 at pages 27 and 66, and AppXs A and B.)

Policies

When evaluating an applicant's national security eligibility, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations

for each guideline, the AG list potentially disqualifying conditions and mitigating conditions, which are to be used in evaluating an applicant's eligibility for a position of trust.

These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, these guidelines are applied 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. The entire process is a conscientious scrutiny of applicable guidelines in the context 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. Likewise, I have avoided drawing inferences grounded on mere speculation or conjecture.

Directive ¶ E3.1.14 requires the Government to present evidence to establish controverted facts alleged in the SOR. According to Directive ¶ E3.1.15, "[t]he 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 [trustworthiness] decision."

A person applying for a position of trust 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 national security eligibility. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to protect or safeguard sensitive information. Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of sensitive information. Finally, as emphasized in Section 7 of EO 10865: "[a]ny determination under this order adverse to an applicant shall be a determination 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 trustworthiness concerns relating to the guideline for financial considerations are set out in AG ¶ 18, which reads in pertinent part:

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.

AG ¶ 19 describes two conditions that could raise trustworthiness concerns and may be disqualifying in this case:

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

Applicant accumulated significant delinquent debts that she had been unable to fully resolve. The evidence raises the above trustworthiness concerns, thereby shifting the burden to Applicant to rebut, extenuate, or mitigate those concerns.

The guideline includes three conditions in AG ¶ 20 that could mitigate trustworthiness concerns arising from financial problems:

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

Applicant attributes her past-due indebtedness to periods of unemployment, and to taking care of her elderly grandparents. Through the protection of a Chapter 13 bankruptcy filing, she is making monthly payments of \$840 to satisfy her admitted indebtedness. Financial Considerations is found for Applicant.

Whole-Person Concept

Under the whole-person concept, the administrative judge must evaluate an applicant's national security eligibility 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.

According to AG ¶ 2(c), the ultimate determination of whether to grant national security eligibility 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 pertinent facts and circumstances surrounding this case. Applicant is well respected in the workplace, as evidenced by eight letters from past and present co-workers, and by a supervisor. Overall, the record evidence leaves me without questions or doubts as to Applicant's judgment, reliability, eligibility, and suitability for a position of trust. She met her burden to mitigate the trustworthiness concerns raised under the guidelines for Financial Considerations.

Formal Findings

Formal findings for or against Applicant on the allegations set forth in the SOR, as required by ¶ E3.1.25 of Enclosure 3 of the Directive, are:

Paragraph 1, Guideline F:	FOR APPLICANT
Subparagraphs: 1.a~1.e:	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 eligibility for a public trust position. National security eligibility for access to sensitive information is granted.

Richard A. Cefola
Administrative Judge