



**DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS**



In the matter of:)
)
) ISCR Case No. 25-01224
)
)
Applicant for Security Clearance)

Appearances

For Government:
Cassie L. Ford, Esq., Department Counsel

For Applicant:
Pro se

05/22/2026

Decision

CEFOLA, Richard A., Administrative Judge:

Applicant did not mitigate the security concerns raised under the Financial Considerations adjudicative guideline. National security eligibility for access to classified information is denied.

Statement of the Case

Applicant submitted a Questionnaire for National Security Positions on October 31, 2024 (Questionnaire). On September 30, 2025, the Defense Counterintelligence and Security Agency (DCSA) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline E (Personal Conduct) and Guideline F (Financial Considerations). The action was taken under Executive Order 10865, *Safeguarding Classified Information Within Industry* (February 20, 1960), as amended; Department of Defense (DoD) Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the adjudicative guidelines (AG) effective within DoD after June 8, 2017.

In a written response dated November 14, 2025, Applicant responded to the SOR (Answer). He requested that this case be decided on the written record in lieu of a hearing. In his Answer, he admitted to all the debts alleged in the SOR. He also admitted to the false statement but qualified his response by indicating he “was aware of some of (the debts) being past due but not derogatory.” On March 5, 2026, Department Counsel submitted the Government’s written case in a File of Relevant Material (FORM). Therein, Department Counsel amended the SOR by deleting SOR ¶ 2 in its entirety. As such, it will not be addressed further. A complete copy of the FORM, consisting of Government’s Exhibits (GE) 1 to 9 and the Government’s arguments in support of the SOR, was received by Applicant on March 10, 2026. He was afforded an opportunity to file objections and submit material to refute, extenuate, or mitigate the security concerns, but did not respond within the specified 30-day period. The case was assigned to me on May 18, 2026, and all exhibits were admitted without objection.

Findings of Fact

Applicant is 30 years old and has worked for a DoD contractor as a senior phlebotomist since April 2024. He completed his first application for a security clearance in connection with his employment. Applicant has never married and has no children. He has completed some online college coursework. (GE 5 at 5, 8-9, 22, 29)

SOR Paragraph 1, Guideline F (Financial Considerations)

The Government alleged that Applicant is ineligible for a security clearance because he has delinquent and unresolved debts in excess of \$27,000. I find the following facts regarding the history and status of the debts:

1.a. Auto Loan ONE (\$5,618): Applicant took out a \$27,392 loan sometime prior to June 2021 to purchase a vehicle but ended up voluntarily surrendering the car after losing employment income. The vehicle was sold at auction, but the balance was never paid. Applicant did not disclose the existence of this delinquent debt in the Questionnaire but admitted to it in his Answer. He initially indicated that he had no intention of making any payments, but in his Answer averred to having “recently reached out to start payments.” There is no evidence of any payments in the record. (Answer; GE 5 at 30-31; GE 6 at 8-9; GE 7 at 3; GE 8 at 2)

1.b. Apartment Rent (\$4,657): Applicant rented an apartment with his cousin but ended up breaking the lease when his cousin lost his job. The outstanding balance was purchased by a collection agency by September 2023. Applicant did not disclose the existence of this delinquent debt in the Questionnaire but admitted to it in his Answer. He initially indicated that he had no intention of making any payments, but in his Answer averred to having a plan to address this debt in the future after first paying off smaller balances. There is no evidence of any payments in the record. (Answer; GE 5 at 30-31; GE 6 at 9; GE 7 at 4; GE 8 at 2; GE 9 at 3)

1.c. Auto Insurance (\$1,390): When Applicant's vehicle was repossessed, he stopped paying for insurance despite still owing on the contract. The outstanding balance was purchased by a collection agency by June 2023. Applicant did not disclose the existence of this delinquent debt in the Questionnaire but admitted to it in his Answer. He initially indicated that he had no intention of making any payments, but in his Answer averred to having a plan to address this debt in the future after first paying off smaller balances. There is no evidence of any payments in the record. (Answer; GE 5 at 30-31; GE 6 at 9; GE 7 at 4; GE 8 at 2-3; GE 9 at 3)

1.d. Medical Services (\$645): Applicant went to the emergency room after cutting his hand but thought all of the medical care costs had been covered by his insurance. The outstanding balance was purchased by a collection agency by October 2024. Applicant did not disclose the existence of this delinquent debt in the Questionnaire but admitted to it in his Answer. His admission, however, referenced by name the debt listed below in SOR ¶ 1.e, and as such, is viewed as a denial of this allegation. Applicant stated that he would "look into the debt," but there is no evidence of any payments in the record. (Answer; GE 5 at 30-31; GE 6 at 10; GE 7 at 5; GE 8 at 3)

1.e. Cable Service (\$582): Applicant stopped making payments for cable services when he broke the lease discussed above in SOR ¶ 1.b. The outstanding balance was purchased by a collection agency by September 2024. Applicant did not disclose the existence of this delinquent debt in the Questionnaire but admitted to it in his Answer. He initially indicated that he had no intention of making any payments, but in his Answer suggested he had a payment plan in place. There is no evidence of any payments in the record. (Answer; GE 5 at 30-31; GE 6 at 10; GE 7 at 4-5; GE 8 at 3; GE 9 at 4)

1.f. Internet Service (\$174): Applicant initially indicated that he stopped paying for internet services when he left a previous residence. The outstanding balance was purchased by a collection agency by April 2024. Applicant did not disclose the existence of this delinquent debt in the Questionnaire but admitted to it in his Answer. In his Answer, however, he claimed his uncle, with whom he was staying at the time, was actually responsible for the debt. Nonetheless, he averred to having a plan to address this debt in the future after first paying off smaller balances. There is no evidence of any payments in the record. (Answer; GE 5 at 30-31; GE 6 at 10; GE 7 at 5; GE 8 at 3; GE 9 at 3)

1.g. Auto Loan (\$12,771): Applicant took out a \$20,449 loan in February 2023 to purchase a vehicle, but it was repossessed involuntarily after he lost employment income. The vehicle was sold at auction, but the balance was never paid. Applicant did not disclose the existence of this delinquent debt in the Questionnaire but admitted to it in his Answer. He has no intention of making any payments on this debt. (Answer; GE 5 at 30-31; GE 6 at 8; GE 7 at 6; GE 8 at 4)

1.h. Education Loan ONE (\$409): Applicant took out a \$4,000 education loan in October 2023 with payments of \$45 per month due over 120 months. By July 2025, the principal had grown to \$4,370 and Applicant was \$409 behind in his payments. By March 2026, the past due amount had increased to \$592. Applicant did not disclose the existence of this delinquent debt in the Questionnaire but admitted to it in his Answer. He noted that he had “not started making payments... yet.” There is no evidence of any payments in the record. (Answer; GE 5 at 30-31; GE 7 at 6; GE 8 at 4; GE 9 at 3)

1.i. Education Loan TWO (\$228): Applicant took out a \$2,334 education loan in October 2023 with payments of \$25 per month due over 120 months. By July 2025, the principal had grown to \$2,445 and Applicant was \$228 behind in his payments. By March 2026, the past due amount had increased to \$330. Applicant did not disclose the existence of this delinquent debt in the Questionnaire but admitted to it in his Answer. He noted that he had “not started making payments... yet.” There is no evidence of any payments in the record. (Answer; GE 5 at 30-31; GE 7 at 7; GE 8 at 4; 9 at 3)

1.j. Merchandise (\$1,140): Applicant financed \$2,497 for the purchase of furniture with a retailer that ultimately closed. Applicant then stopped making payments. The outstanding balance was purchased by a collection agency by April 2023. Applicant did not disclose the existence of this delinquent debt in the Questionnaire but admitted to it in his Answer. He has no intention of making any payments on this debt. (Answer; GE 5 at 30-31; GE 6 at 9; GE 7 at 4)

Whole Person and Mitigating Evidence

Applicant submitted no comments or explanations in his Answer as whole person evidence in mitigation of the security concerns alleged in the SOR. The comments and explanations Applicant included in both his Questionnaire and interrogatories, however, were reviewed in their entirety.

Policies

When evaluating an applicant’s suitability for national security eligibility, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines (AG) 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, 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, “Any 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. I have not drawn inferences based on mere speculation or conjecture.

Directive ¶ E3.1.14, requires the Government to present evidence to establish controverted facts alleged in the SOR. Under Directive ¶ E3.1.15, “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 seeks access to classified information enters 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 classified information.

Such decisions entail a certain degree of legally permissible extrapolation as to potential, rather than actual, risk of compromise of classified or sensitive information. Finally, as emphasized in Section 7 of Executive Order 10865, “Any 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* Executive Order 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information.)

Analysis

SOR Paragraph 1, Guideline F (Financial Considerations)

The security 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.

The facts of this case establish the following potentially disqualifying conditions set forth in AG ¶ 19 to all of the allegations under Guideline F:

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

The burden therefore shifts to Applicant to mitigate security concerns under Guideline F. The guideline includes the following conditions in AG ¶ 20 that can mitigate security concerns arising from Applicant's financial history:

- (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, or 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.

The record evidence fails to establish AG ¶ 20(a), (b), or (d) for the conduct alleged. Applicant has an extensive array of debts for which he has provided no evidence of having taken any steps toward resolution. Even in response to the debt alleged in SOR ¶ 1.f, Applicant stated a plan to address this after first paying off smaller balances. Given that there are no smaller balances than this \$174 debt, the veracity of this claim rings hollow. Accordingly, there is insufficient evidence for a determination that Applicant's financial problems have been resolved or will be resolved within a reasonable period. I am unable to find that he acted reasonably under the circumstances or that he made a good faith effort to pay his debts. His financial issues are ongoing and continue to cast doubt on his current reliability, trustworthiness, and good judgment. None of the mitigating conditions are sufficiently applicable to mitigate the security concerns.

Whole-Person Concept

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

Under AG ¶ 2(c), the ultimate determination of whether to grant national security 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 above whole-person factors and the potentially disqualifying and mitigating conditions in light of all pertinent facts and circumstances surrounding this case. I have given the appropriate weight to Applicant's statements in his Questionnaire, his responses to interrogatories, and his Answer. Overall, the Guideline F issues in the record evidence leave me with questions and doubts as to Applicant's suitability for national security eligibility and a security clearance.

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:	AGAINST APPLICANT
Subparagraphs 1.a – 1.j:	Against Applicant

Conclusion

In light of all of the circumstances presented by the record in this case, I conclude that it is not clearly consistent with the interests of national security to grant Applicant's eligibility for a security clearance. Eligibility for access to classified information is denied.

RICHARD A. CEFOLA
Administrative Judge