



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



In the matter of:)
)
) ISCR Case No. 25-00790
)
Applicant for Security Clearance)

Appearances

For Government:
Rhett Petcher, Esquire, Department Counsel

For Applicant:
Pro se

05/19/2026

Decision

CEFOLA, Richard A., Administrative Judge:

On November 1, 2024, Applicant submitted his Electronic Questionnaire for Investigations Processing (e-QIP). On August 20, 2025, the Defense Counterintelligence and Security Agency Consolidated Adjudication Services (DCSA CAS) issued Applicant a Statement of Reasons (SOR) detailing security concerns under Guideline F (Financial Considerations) and Guideline H (Drug Involvement and Substance Misuse). The action was taken under Executive Order 10865, *Safeguarding Classified Information within Industry* (February 20, 1960), as amended; Department of Defense Directive 5220.6, *Defense Industrial Personnel Security Clearance Review Program* (January 2, 1992), as amended (Directive); and the Adjudicative Guidelines effective June 8, 2017.

Applicant answered the SOR in writing (Answer) on October 19, 2025, and requested a hearing before an administrative judge. The Defense Office of Hearings and Appeals (DOHA) received the request soon thereafter. I received the case assignment on February 9, 2026. DOHA issued a Notice of Hearing on February 12, 2026, and I convened the hearing as scheduled on April 7, 2026. The Government offered Exhibits (GXs) 1 through 4, which were received without objection. Applicant testified and

submitted Exhibits (AppXs) A through H, which were received without objection. He also asked that the record be kept open until May 7, 2026, for the receipt of additional documentation. On May 7, 2026, Applicant also submitted AppX I, which was received without objection. DOHA received the transcript of the hearing (TR) on April 15, 2026. Based upon a review of the pleadings, exhibits, and testimony, eligibility for access to classified information is denied.

Findings of Fact

In his Answer to the SOR Applicant admitted all the factual allegations in both Paragraphs of the SOR, with explanations He also provided additional information to support his request for eligibility for a security clearance.

Applicant is 36 years old, once divorced but remarried, and has one child from his former marriage. He has an MBA degree. He works for a defense contractor but attributes his alleged financial difficulties to periods of unemployment for him and for his current spouse. However, Applicant admits that he has a monthly, budgetary surplus of about \$3,000; has about \$17,000 in his checking account; and about \$10,000 in a savings account. (TR at page 5 line 9 to page 6 line 5, at page 18 line 14 to page 32 line 25, at page 70 line 14 to page 74 line 7, and at page 75 lines 1~4.)

Guideline F - Financial Considerations

1.a. and 1.b. Applicant has submitted documentation showing that he has now filed his Federal income tax returns for tax years 2020 through 2024. As a result of these filings, Applicant is making monthly payments of \$142 towards his \$16,000 Federal income tax arrearage. These two allegations are found for Applicant. (TR at page 15 lines 12~16, at page 16 lines 1~21, at page 33 line 13 to page 39 line 18, Answer at pages 7~23, at pages 27~29, and AppXs B, C, E, F, G, H and I.)

1.c. and 1.d. Applicant has submitted documentation showing that he has now filed his state income tax returns for tax years 2021 through 2024. As a result of these filings, Applicant is making monthly payments of \$100 towards his \$2,561 state income tax arrearage. These two allegations are found for Applicant. (TR at page 15 lines 4~11, at page 39 line 19 to page 53 line 23, Answer at page 7~23, at page 30, and AppXs A and I at pages 3~4.)

1.e. Applicant admits that he owes more than \$17,000, in back child support, to another state where his former spouse and child reside. He claims that, by way of his wages being garnished, he is making monthly payments of \$750 towards this admitted arrearage; but despite having a post-hearing month to do so, has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 16 line 22 to page 17 line 9, at page 53 line 24 to page 58 line 7, and Answer at pages 31~32.)

1.f.~1.i. Applicant claims he has settled but is now “resetting” seven admitted past-due debts totaling about \$8,545. Despite having a post-hearing month to do so, Applicant

has submitted nothing further in this regard. These allegations are found against Applicant. (TR at page 58 line 8 to page 65 line 12, and Answer at pages 56~60.)

1.m.~1.r. Applicant admits that he has past-due student loans totaling about \$6,786. Applicant has submitted documentation showing he is making monthly payments of \$1,799 towards these admitted student loans. These allegations are found for Applicant. (TR at page 65 line 14 to page 70 line 13, Answer at page 33, and AppX D.)

Guideline H – Drug Involvement and Substance Misuse

2.a. Applicant admits he used marijuana, with varying frequency from June 2020 to July 2024, nearly two years ago. He has expressed in his Answer and at his hearing that he intends no future marijuana usage. This allegation is found for Applicant. (TR at page 75 line 7 to page 77 line 5, and Answer.)

Policies

When evaluating an applicant's suitability for a security clearance, 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 useful in evaluating an applicant's eligibility for access to classified information.

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. Likewise, I have avoided drawing inferences grounded on mere speculation or conjecture.

Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Under Directive ¶ E3.1.15, an "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 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 10865 provides that 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. Four are potentially applicable in this case:

- (a) inability to satisfy debts;
- (b) unwillingness to satisfy debts regardless of the ability to do so;
- (c) a history of not meeting financial obligations; and

(f) failure to file or fraudulently filing annual Federal, state, or local income tax returns or failure to pay annual Federal, state, or local income tax as required.

Applicant has significant past-due debts, had delinquent Federal and state income taxes, and has child support arrearages. 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

(g) the individual has made arrangements with the appropriate tax authority to file or pay the amount owed and is in compliance with those arrangements.

Applicant's self-imposed, financial problems are ongoing. He cites periods of unemployment as the root cause. This is not believable. Between his savings and checking accounts, Applicant has about \$27,000 of "ready cash." Despite this, he has failed to address \$8,545, admitted past-due debts. Applicant also has failed to demonstrate he is addressing his admitted, unpaid child support. He has not demonstrated that future financial problems are unlikely. Mitigation under AG ¶ 20 has not been established. Financial Considerations is found against Applicant.

Guideline H - Drug Involvement and Substance Misuse

The security concern relating to the guideline for Drug Involvement and Substance Misuse is set forth at AG ¶ 24:

The illegal use of controlled substances, to include the misuse of prescription and non-prescription drugs, and the use of other substances that cause physical or mental impairment or are used in a manner inconsistent with their intended purpose can raise questions about an individual's reliability and trustworthiness, both because such behavior may

lead to physical or psychological impairment and because it raises questions about a person's ability or willingness to comply with laws, rules, and regulations. *Controlled substance* means any "controlled substance" as defined in 21 U.S.C. 802. *Substance misuse* is the generic term adopted in this guideline to describe any of the behaviors listed above.

The guideline at AG ¶ 25 contains seven conditions that could raise a security concern and may be disqualifying. One condition is established:

(a) any substance misuse (see above definition).

Appellant used marijuana from June 2020 to July 2024. Therefore, AG ¶ 25 (a) is established.

The guideline at AG ¶ 26 contains four conditions that could mitigate security concerns. Two conditions may be applicable:

(a) the behavior happened so long ago, was so infrequent, or happened under such circumstances that it is unlikely to recur or does not cast doubt on the individual's current reliability, trustworthiness, or good judgment; and

(b) the individual acknowledges his or her drug involvement and substance misuse, provides evidence of actions taken to overcome this problem, and has established a pattern of abstinence, including, but not limited to:

(1) disassociation from drug-using associates and contacts;

(2) changing or avoiding the environment where drugs were used; and

(3) providing a signed statement of intent to abstain from all drug involvement and substance misuse, acknowledging that any future involvement or misuse is grounds for revocation of national security eligibility.

Applicant last marijuana usage was nearly two years. At his hearing and in his Answer he expressed a credible intent to abstain from its use in the future. Drug Involvement and Substance Misuse is found for 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 an applicant's conduct and all the 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.

AG ¶ 2(b) requires each case must be judged on its own merits. 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 the facts and circumstances surrounding this case.

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 security concerns arising from his 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:	AGAINST APPLICANT
Subparagraphs 1.a~1.d:	For Applicant
Subparagraphs 1.e~1.l:	Against Applicant
Subparagraphs 1.m~1.r:	For Applicant
Paragraph 1, Guideline H:	FOR APPLICANT
Subparagraph 2.a:	For 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