



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



In the matter of:)
)
) ISCR Case No. 25-00974
)
)
Applicant for Security Clearance)

Appearances

For Government:
George A. Hawkins, Esq, Department Counsel

For Applicant:
Pro se

05/18/2026

Decision

CEFOLA, Richard A., Administrative Judge:

Applicant has not mitigated the security concerns raised under the Foreign Influence guideline. National security eligibility for access to classified information is denied.

Statement of the Case

Applicant submitted a Questionnaire for National Security Positions on September 15, 2023 (Questionnaire). On August 20, 2025, the Defense Counterintelligence and Security Agency (DCSA) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline B (Foreign Influence). 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.

On October 13, 2025, Applicant responded to the SOR in writing (Answer 1) and requested that the case be decided on the written record in lieu of a hearing. In her answer, Applicant admitted each allegation. On November 20, 2025, Department

Counsel amended the SOR by adding subparagraph 1.k. Applicant responded in writing (Answer 2) on December 4, 2025, admitting this allegation as well.

On December 11, 2025, Department Counsel submitted the Government's written case in a File of Relevant Material (FORM). A complete copy of the FORM, consisting of Government Exhibits (GE) 1 to 8 and the Government's arguments in support of the SOR allegations, was received by the Applicant on March 15, 2026. She was afforded an opportunity to file objections and submit material to refute, extenuate, or mitigate the security concerns, which she did in an undated document (Response). The case was assigned to me on May 11, 2026, and GE 1 to 8 were admitted without objection.

In the FORM, Department Counsel requested that I take administrative notice of certain facts about The People's Republic of China (China) and provided a summary of the facts, supported by Government documents pertaining to the country (GE 8). Without objection, I have taken administrative notice of the facts contained in the request. The facts are summarized in the written request and will not be repeated verbatim here. However, I take particular note of the following: China is a large and economically powerful country, with a population of over a billion people. China has an authoritarian government dominated by the Chinese Communist Party. It has a poor record with respect to human rights, suppresses political dissent, and engages in arbitrary arrests and detentions, forced confessions, torture, and mistreatment of prisoners.

China is one of the most aggressive countries in seeking sensitive and protected U.S. technology and economic intelligence. It targets the United States with active intelligence gathering programs, both legal and illegal. As a result, it is a growing threat to U.S. national security. There are several recent cases involving actual or attempted espionage, as well as the illegal export of information to China.

Findings of Fact

Applicant is a 54-year-old software development supervisor with the sponsoring DoD contractor where she has worked since February 2021. She submitted the Questionnaire in conjunction with her employment. Born in China, she immigrated to the United States in 1995 and naturalized in 2009. China is Applicant's "second favorite" country and she is loyal to her family members that still live there; but America is her "first favorite" country where her ultimate loyalty lies. She earned a bachelor's degree in China in 1995, then a master's degree in the United States in 1998. She married a countryman in 1996, who is also naturalized, and they have two adult children. (GE 5 at 5-7, 10, 12, 17, 24-25; GE 6 at 15)

SOR Paragraph 1, Guideline B (Foreign Influence)

The Government alleged that Applicant is ineligible for a security clearance due to foreign influence. I find the following facts regarding this allegation and Applicant's admissions:

1.a. Applicant's father-in-law and mother-in-law are citizens and residents of China: Applicant's 84-year-old mother-in-law was born in China and resides there. She is a retired professor, and Applicant maintains quarterly contact with her. Applicant's father-in-law passed away in December 2025. (Answer 1; Response; GE 5 at 20, 22; GE 6 at 17-18)

1.b. Applicant's sister-in-law and brother-in-law are citizens and residents of China: Applicant's husband has a 49-year-old sister, YL, who was born in China and resides there with her husband, LZ, who is also a citizen of China. Applicant text-chats with them a couple of times each month to exchange family information. (GE 5 at 18, 28; GE 6 at 25)

1.c. Applicant's brother and sister-in-law are citizens and residents of China: Applicant's 56-year-old brother XS1 was born in China and resides there with his 56-year-old wife TG, who is also a citizen of China. XS1 worked as the general manager of a company that manufactures computer storage devices but now is an entrepreneur who invests in medical device and technology companies. TG used to work for XS1 as an accountant but retired and is now a housewife. Applicant text-chats with them a couple of times each month to exchange family information. (GE 5 at 25, 27; GE 6 at 11, 13, 17-18, 23)

1.d. Applicant's cousin is a citizen and resident of China: Applicant's cousin, RS, is a citizen and resident of China with whom Applicant has text chats on a monthly basis. RS works for the Chinese company that manufactures computer storage devices referenced in SOR ¶ 1.c above. (GE 6 at 8-9, 24)

1.e. Applicant's uncle and nephew are citizens and residents of China: The only nephew referenced in the record evidence is XS2, the son of Applicant's brother XS1. XS2 is a citizen of China but resides in Canada. Applicant maintains contact with him in a family group chat on social media. The brother of Applicant's mother – her uncle JS – passed away in December 2025. (Response; GE 6 at 9, 18-20, 24)

1.f. Applicant's friend XL is a citizen and resident of China: Applicant's friend XL is a citizen and resident of China who works at the Chinese University discussed in SOR ¶¶ 1.i and 1.j below. They were classmates in junior high but rekindled their friendship in 2024 and text-chat monthly on average. (GE 6 at 3, 24)

1.g. Applicant's brother invests in medical device/technology companies: Applicant's brother XS1 is referenced in SOR ¶ 1.c above. XS1 is an entrepreneur who has worked in a variety of consulting businesses in the field of information technology. He is also an investor in medical devices and technology companies. The specifics of his employment and investments are unnamed, but the earnings are substantial enough that he was able to send Applicant the \$1.0M referenced in SOR ¶ 1.h below. (GE 6 at 12-13, 17, 20-23)

1.h. Applicant owes her brother \$1.3M for a home loan sent to her via her sister-in-law: In 2009, Applicant had a joint account with her brother XS1 at a United States credit union that he utilized to trade securities within the United States. In approximately July 2009, with the assistance of his wife TG, XS1 wired a total of \$1.0M to the account via three separate wire transfers. Applicant then used the funds, along with \$300,000 of her own money, to purchase a home in the United States. The agreement with XS1 is verbal and Applicant is not required to pay interest but rather will pay back the money when the house is eventually sold. XS1 does not require repayment and viewed the \$1.0M as a good financial investment, but Applicant intends to repay him, nonetheless. (GE 6 at 12-13, 20-21)

1.i. Applicant's friend XL works at a Chinese University, which is suspected of exploiting U.S. science and technology: Applicant's friend XL, referenced in SOR ¶ 1.f above, is a Vice President of the teacher's union at a Chinese University. In 2015, this Chinese University established a partnership (Partnership) with a prominent American University for the purpose of "recruiting high-level overseas talents," which the United States has interpreted as the Chinese Communist Party (CCP) seeking to acquire advanced technology expertise. To this end, the Chinese University has poured hundreds of millions of dollars into the Partnership, bringing dozens of the American University faculty into China to train students in critical and emerging technologies. These research areas align extremely closely with China's national science and technology development priorities including artificial intelligence, semiconductors, and cybersecurity.

The United States, however, has identified dozens of collaborations between the Partnership and Chinese entities blacklisted by the U.S. Government as well as entities that are direct military suppliers to China. The United States also found hundreds of research collaborations between researchers from the Partnership and researchers at military and defense universities in China. Consequently, the United States has serious concerns that the technologies developed by the Partnership are actively facilitating China's military modernization and its human rights abuses. In response to these findings, the American University has started the process of relinquishing all ownership in the Partnership. (GE 6 at 24; GE 7 at 33-34)

1.j. Applicant attended the Chinese University referenced in SOR ¶ 1.i: Applicant attended the Chinese University from 1990 to 1995, earning a bachelor's degree in electrical engineering. She does not owe any tuition for her degree. (GE 5 at 10-11; GE 6 at 9, 16)

1.k. Applicant's mother is a citizen of China: Applicant's 83-year-old mother is a retired schoolteacher who used to split time between China and the U.S. but then lived full-time with the Applicant in the U.S. from 2019 until 2025. When she recently began to develop dementia, she moved back to China full time. Applicant calls her weekly. (Answer 2; Response; GE 5 at 21; GE 6 at 17, 23)

Whole-Person and Mitigating Evidence

Applicant did not provide any specific documentation addressing whole-person or mitigation. Her Response to the FORM, however, updated the status of several family members, including her mother's health issues and the passing of both her father-in-law and uncle in December 2025.

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 *a/so* Executive Order 12968, Section 3.1(b) (listing multiple prerequisites for access to classified or sensitive information.)

Analysis

SOR Paragraph 1, Guideline B, Foreign Influence

The security concern for foreign influence is set out in AG ¶ 6:

Foreign contacts and interests, including, but not limited to, business, financial, and property interests, are a national security concern if they result in divided allegiance. They may also be a national security concern if they create circumstances in which the individual may be manipulated or induced to help a foreign person, group, organization, or government in a way inconsistent with U.S. interests or otherwise made vulnerable to pressure or coercion by any foreign interest. Assessment of foreign contacts and interests should consider the country in which the foreign contact or interest is located, including, but not limited to, considerations such as whether it is known to target U.S. citizens to obtain classified or sensitive information or is associated with a risk of terrorism.

The facts of this case establish the following potentially disqualifying conditions set forth in AG ¶ 7 to all of the allegations under Guideline B:

(a) contact, regardless of method, with a foreign family member, business or professional associate, friend, or other person who is a citizen of or resident in a foreign country if that contact creates a heightened risk of foreign exploitation, inducement, manipulation, pressure, or coercion;

(b) connections to a foreign person, group, government, or country that create a potential conflict of interest between the individual's obligation to protect classified or sensitive information or technology and the individual's desire to help a foreign person, group, or country by providing that information or technology; and

(f) substantial business, financial, or proprietary interests in a foreign country, or in any foreign-operated business that could subject the individual to a heightened risk of foreign influence or exploitation or personal conflict of interest.

The burden therefore shifts to Applicant to mitigate security concerns under Guideline B. And in the case of a hostile country like China, the burden is very heavy. [ISCR 17-04208 at 3-4 (App. Bd. Aug. 7, 2019)]. The guideline includes the following conditions in AG ¶ 8 that can mitigate security concerns arising from Applicant's foreign contacts:

(a) the nature of the relationships with foreign persons, the country in which these persons are located, or the positions or activities of those persons in that country are such that it is unlikely the individual will be placed in a position of having to choose between the interests of a foreign individual, group, organization, or government and the interests of the United States;

(b) there is no conflict of interest, either because the individual's sense of loyalty or obligation to the foreign person, or allegiance to the group, government, or country is so minimal, or the individual has such deep and longstanding relationships and loyalties in the United States, that the individual can be expected to resolve any conflict of interest in favor of the U.S. interest;

(c) contact or communication with foreign citizens is so casual and infrequent that there is little likelihood that it could create a risk for foreign influence or exploitation;

(e) the individual has promptly complied with existing agency requirements regarding the reporting of contacts, requests, or threats from persons, groups, or organizations from a foreign country; and

(f) the value or routine nature of the foreign business, financial, or property interest is such that they are unlikely to result in a conflict and could not be used effectively to influence, manipulate, or pressure the individual.

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.” And the mere existence of family members in foreign countries is well established as a possible basis for a security clearance denial. [ISCR 23-01463 at 6 (App. Bd. April 10, 2025)]. Moreover, there is a rational connection between an applicant's family ties in a country whose interests are adverse to the U.S. and the risk that applicant might fail to protect classified information. [ISCR 17-04208 at 5 (App. Bd. Aug. 7, 2019)].

Applicant's loyalty to the United States is not the subject of analysis. The concern rather lies with the risk of exploitation, inducement, manipulation, pressure, or coercion that exists amongst her friends and family who are citizens and residents of a country with an authoritarian government. [ISCR 18-02802 at 3 (App. Bd. Nov. 6, 2019)]. Applicant has not met the very heavy burden of persuasion to show that the relationships delineated in SOR ¶¶ 1.a – 1.d, 1.f, and 1.k, do not pose a threat to U.S. security given China's hostile position in relation to the United States. The exception is Applicant's nephew, XS2, who resides in Canada. As such, AG ¶ 8(a) – 8(c), and 8(f) do not apply to the other friends and relatives. Applicant may have perhaps met the reporting requirements referenced in AG ¶ 8(e), but this does not overcome the greater issues posed by the frequency and nature of the contacts in China.

Additionally, Applicant has not met the very heavy burden of persuasion to show that the unnamed companies with whom her brother has extensive financial dealings pose no threat to the U.S. security. Her unpaid \$1M financial tie to these funds likewise creates a concern that has not been mitigated by any of the referenced AGs. Lastly, Applicant's friend's employment at the Chinese University affiliated with a Partnership, connected to delivering intelligence and technology to blacklisted entities, likewise has not been mitigated by any of the referenced AGs. Applicant's attendance at the school 20 years prior to the documented concerns, however, creates little risk of foreign influence or exploitation and is mitigated. But overall, the concerns raised with China and the nature, extent, and circumstances surrounding Applicant's contacts leave no room for mitigation. Accordingly, none of the mitigating conditions, individually or collectively, are sufficiently applicable to overcome Applicant's numerous contacts and relationships.

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 incorporated my comments under Guideline B in my whole-person analysis, and I note Applicant's statements in her Response as well as her responses to interrogatories. Overall, the record evidence leaves me with questions and doubts about Applicant's eligibility and suitability for a security clearance. Applicant did not mitigate the foreign influence issues.

Formal Findings

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

Paragraph 1, Guideline B:	AGAINST APPLICANT
Subparagraphs 1.a – 1.d:	Against Applicant
Subparagraph 1.e:	For Applicant
Subparagraphs 1.f – 1.i:	Against Applicant
Subparagraph 1.j:	For Applicant
Subparagraph 1.k:	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