



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



In the matter of:

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ISCR Case No. 25-01349

Applicant for Security Clearance

**Appearances**

For Government: Brian L. Farrell, Esq., Department Counsel  
For Applicant: *Pro se*

05/22/2026

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**Decision**

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Hale, Charles C., Administrative Judge:

Applicant mitigated the drug involvement and substance misuse security concerns. He failed to mitigate the financial considerations security concerns. His application for a security clearance is denied.

**Statement of the Case**

On December 22, 2025, the Department of Department (DoD) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F, financial considerations, and Guideline H, drug involvement and substance misuse, explaining why it was unable to find it clearly consistent with the national interest to grant security clearance eligibility. The DoD took the action 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); and the National Adjudicative Guidelines (AG) effective for any adjudication made on or after June 8, 2017.

On January 30, 2026, Applicant answered the SOR and requested a decision based on the evidence in file rather than a hearing. On February 24, 2026, Department Counsel prepared a File of Relevant Material (FORM), setting forth the Government's

arguments against Applicant's security clearance worthiness. The FORM contains eleven attachments, identified as Item 1 through Item 11.

Applicant received a copy of the FORM on February 26, 2026. He was given 30 days to file a response. He submitted two applicant exhibits (AE) as a response, a January 23, 2026 letter from tax advisor and an IRS Form 2048, signed on December 1, 2025, giving power of attorney to the tax advisor. The case was assigned to me on May 6, 2026. FORM Items 1 and 2 are pleadings in the case. FORM Items 3 through 11 are Government exhibits (GE), which along with AE A and B are admitted into evidence without objection.

### **Findings of Fact**

Applicant completed a security clearance application (SCA) on March 21, 2023. (GE 3.) He provided responses to Government interrogatories in August 2025 (GE 5) and in December 2025 (GE 4) both interrogatories were focused on his tax and consumer debts.

Applicant is a 38-year-old man. A high school graduate in 2005, he married in June 2010 and divorced in March 2022. He has three children ages 20, 17, and 14. He served in the Air National Guard for over seventeen years, from 2005 to 2022. He also worked as Federal employee from October 2012 to March 2022. As result of a 2021 positive urinalysis, he received a general discharge when his enlistment expired. He listed a six-month period of unemployment from April 2022 to October 2022. He has worked for a Federal contractor since November 2022. (GE 3 at 9, 10-11, 13-14, 16, 21-22.)

Applicant admitted all the financial and drug allegations and provided no documentary evidence with his Answer. He relied on the evidence previously provided to the Government, in particular his responses to Government interrogatories, GE 4 and GE 5. (GE 4-11.) His response to the FORM included two documents showing the steps he was taking to resolve his tax debt. (AE A-B.)

Applicant blames his financial difficulties on losing his job due to budget cuts in March 2022 and he also cited his divorce which occurred in that same period. (GE 3 at 10-11, GE 5 at 10.)

Guideline F

**SOR ¶¶ 1.a - 1.c: You are indebted to the Federal Government for delinquent taxes in the approximate amounts of \$1,401 for tax year 2023, \$1,955 for tax year 2022, and \$11,500 for tax year 2021.** In his December 2025 response to Government interrogatories, he stated his tax returns for tax years 2021 through 2024 had been filed as of June 2025 and that he was working with tax advisor to establish a payment plan. (GE 5 at 8; AE A, AE B.) The tax advisor stated they had been retained in December 2025, and they will be working with the IRS in an ongoing attempt to reach a formal resolution, which would be inclusive of all outstanding liability incurred by Applicant with

the IRS and satisfy any collection requests. (AE A.) The power of attorney authorizing the tax advisor to act as his "Enrolled Agent" with the IRS was dated January 2, 2026. (AE B.) The other tax documents in his interrogatory response reflect this tax advisor prepared tax forms for him in June 2025. Applicant acknowledged in his security clearance interview he had failed to file his taxes for tax year 2017, and the IRS had garnished this debt in three installments from his paycheck. I have considered this for the limited purpose of whole person evidence. (GE 4 at 12; GE 5 at 13-39.) This debt is just now being resolved.

**SOR ¶ 1.d: You are indebted to [your state] for delinquent taxes in the approximate amount of \$14,072 for tax years 2021 to 2024.** Applicant admitted he was indebted to his state for delinquent taxes in the approximate amount of \$14,072. In response to Government interrogatories, he provided state tax documents indicating he had submitted his tax returns for 2021, 2022, and 2023 late on June 5, 2025. (GE 5 at 31, 35-36 38-39.) This debt is being resolved.

**SOR ¶ 1.e: You are indebted to [a car dealer] on an account that has been charged off in the approximate amount of \$19,446. As of the date of this Statement of Reasons, the account remains delinquent.** Applicant admitted the debt and acknowledged in his security clearance interview it was for a car loan. The car had problems and stopped working and he could not afford to have the car fixed so he turned it back into the bank. He offered evidence of payments on the debt in April 2025, July 2025, and December 2025. He stated he was making \$150 payments on the debt. (GE 4 at 3, 12, GE 5 at 42, GE 6 at 2, GE 11 at 1-2.) This debt is being resolved.

**SOR ¶¶ 1.f - 1.j: You are indebted to [a credit union] for accounts that have been charged off in the approximate amounts of \$8,906, \$7,072, \$5,418, \$4,682, and \$4,416. As of the date of this Statement of Reasons, these accounts remain delinquent.** The above debts were for loans. Applicant admitted these debts and acknowledged in his security clearance interview some were loans (SOR ¶¶ 1.f - 1.j) were used as downpayment for his home and some were used for living expenses after he left the military and had no employment. (GE 4 at 12.) SOR ¶ 1.f balance at the time of the interview was \$9,682, which was also reflected on a May 2023 credit report. (GE 4 at 12, GE 8 at 3.) The August 2025 credit report reflects the alleged amount for SOR ¶ 1.f. (GE 6 at 2.) An undated screenshot from a debt relief company shows he had enrolled these debts, and the debt relief company showed their status as, "awaiting communications." (GE 5 at 48-49, GE 10 at 6-7.) The relevant portion of GE 10 appears duplicative with the cited portion of GE 5. In his December 2025 Government interrogatory response, he stated he was making \$475 payments per month through the debt relief company. (GE 4 at 3.) These debts are being resolved.

**SOR ¶ 1.k: You are indebted to [a creditor] for a medical account placed for collection in the approximate amount of \$2,238. As of the date of this Statement of Reasons, the account remains delinquent.** Applicant admits this debt, and it is reflected on his August 25, 2025 credit report. The debt was assigned as of June 2025 and is unresolved. (GE 6 at 3-4.)

**SOR ¶ 1.i: You are indebted to [creditor A] for an account placed for collection by [creditor B] in the approximate amount of \$1,751. As of the date of this Statement of Reasons, the account remains delinquent.** Applicant provided a payment notification dated December 2, 2025, authorizing a payment on December 12, 2025, of \$53. (GE 10 at 8.) This debt is being resolved.

Guideline H

**SOR ¶ 2.a: From about January to March 2021, you used marijuana with varying frequency while in a sensitive position.** Applicant admitted the allegation. He did not acknowledge his marijuana use on his March 2023 SCA being investigated for security clearance eligibility or access. He told the investigator during his security clearance interview that his drug use in 2021 was done while he had a security clearance. He estimated he used marijuana 4-5 times prior to failing the 2021 drug test. He told the investigator there had been no use prior or since. (GE 4 at 11.)

**SOR ¶ 2.b: In about April 2021, you received a non-judicial punishment for a positive drug test for marijuana while on active duty in the Air National Guard.** Applicant admitted the allegation. Applicant admitted to this drug use on his security clearance application. He told the investigator in his security clearance interview he was stressed and looking for relief. He was reduced from E-6 to E-5. He did not lose his Federal job. (GE 3 at 14, GE 4 at 10-11.)

**SOR ¶ 2.c: In about 2018, you received a citation in [local jurisdiction], for possession of marijuana. You paid a fine and attended a class on misusing drugs.** Applicant admitted the allegation. He told the investigator in his security clearance interview the circumstances of the incident. (GE 3 at 14, GE 4 at 11.)

**SOR ¶ 2.d: In about 2014, you tested positive for marijuana on a random drug test while on active duty with the Air National Guard.** Applicant admitted the allegation. He told the investigator in his security clearance interview of the incident. He denied knowingly or willingly consuming marijuana. He suffered no penalty because the test score was so low that it could not have been ingested. There is no evidence of the military taking any action. (GE 4 at 10.)

Applicant disclosed his drug use on his security clearance application and discussed it during his security clearance interview. The concluding paragraph summarizing this portion of the interview states:

Subject smoked the drug to ease the pain of his family situation but believe he paid a grave price for smoking a few joints. Subject was asked if his drug use affected his life. Subject replied that he lost his family, his house, his car, and his military career. If he could go back, he would never have touched the drug once. But he did and can only go forward from here. Subject has never had a dependency on any type of drug and no other drug

use except what has been discussed. He has never required treatment and never recommended to seek treatment. (GE 4 at 11.)

## Policies

“[N]o one has a ‘right’ to a security clearance.” *Department of the Navy v. Egan*, 484 U.S. 518, 528 (1988). As Commander in Chief, the President has the authority to “control access to information bearing on national security and to determine whether an individual is sufficiently trustworthy to have access to such information.” *Id.* at 527. The President has authorized the Secretary of Defense or his designee to grant applicants eligibility for access to classified information “only upon a finding that it is clearly consistent with the national interest to do so.” Exec. Or. 10865 § 2.

Eligibility for a security clearance is predicated upon the applicant meeting the criteria contained in the adjudicative guidelines. These guidelines are not inflexible rules of law. Instead, recognizing the complexities of human behavior, an administrative judge applies these guidelines in conjunction with an evaluation of the whole person. An administrative judge’s overarching adjudicative goal is a fair, impartial, and commonsense decision. An administrative judge must consider all available and reliable information about the person, past and present, favorable and unfavorable.

The Government reposes a high degree of trust and confidence in persons with access to classified information. This relationship transcends normal duty hours and endures throughout off-duty hours. Decisions include, by necessity, consideration of the possible risk that the applicant may deliberately or inadvertently fail to safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation about potential, rather than actual, risk of compromise of classified information.

Clearance decisions must be made “in terms of the national interest and shall in no sense be a determination as to the loyalty of the applicant concerned.” Exec. Or. 10865 § 7. Thus, a decision to deny a security clearance is merely an indication the applicant has not met the strict guidelines the President and the Secretary of Defense have established for issuing a clearance.

Initially, the Government must establish, by substantial evidence, conditions in the personal or professional history of the applicant that may disqualify the applicant from being eligible for access to classified information. The Government has the burden of establishing controverted facts alleged in the SOR. See *Egan*, 484 U.S. at 531. “Substantial evidence” is “more than a scintilla but less than a preponderance.” See *v. Washington Metro. Area Transit Auth.*, 36 F.3d 375, 380 (4th Cir. 1994). The guidelines presume a nexus or rational connection between proven conduct under any of the criteria listed therein and an applicant’s security suitability. See ISCR Case No. 15- 01253 at 3 (App. Bd. Apr. 20, 2016).

Once the Government establishes a disqualifying condition by substantial

evidence, the burden shifts to the applicant to rebut, explain, extenuate, or mitigate the facts. Directive ¶ E3.1.15. An applicant has the burden of proving a mitigating condition, and the burden of disproving it never shifts to the Government. See ISCR Case No. 02-31154 at 5 (App. Bd. Sep. 22, 2005).

An applicant “has the ultimate burden of demonstrating that it is clearly consistent with the national interest to grant or continue his security clearance.” ISCR Case No. 01-20700 at 3 (App. Bd. Dec. 19, 2002). “[S]ecurity clearance determinations should err, if they must, on the side of denials.” *Egan*, 484 U.S. at 531.

## **Analysis**

### **Guideline F, Financial Considerations**

The security concern under this guideline 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. . . . 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.

This concern is broader than the possibility that a person might knowingly compromise classified information to raise money. It encompasses concerns about a person’s self-control, judgment, and other qualities essential to protecting classified information. A person who is financially irresponsible may also be irresponsible, unconcerned, or negligent in handling and safeguarding classified information. See ISCR Case No. 11-05365 at 3 (App. Bd. May 1, 2012).

Applicant’s admissions and other record evidence establish three disqualifying conditions under this guideline: AG ¶ 19(a) (“inability to satisfy debts”), AG ¶ 19(c) (“a history of not meeting financial obligations”), and AG ¶ 19 (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”).

The following mitigating conditions are potentially applicable:

AG ¶ 20(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;

AG ¶ 20(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;

AG ¶ 20(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

AG ¶ 20(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.

AG ¶ 20(a) and AG ¶ 20(b) are not established for SOR ¶¶ 1.a - 1.d. Applicant's Federal and state tax debts were recently completed when he filed his tax returns in June 2025. He has not had sufficient time to demonstrate he has acted responsibly.

AG ¶ 20(g) is partially established for SOR ¶¶ 1.a - 1.d. Applicant offered evidence to support his claim he had recently filed his tax returns for the years in question, and he was now working on the tax debt for the years in question. However, a payment plan has not started for either his Federal tax debt or state tax debt.

AG ¶ 20(c) is not established. Applicant employed a debt-relief firm to assist him with consumer debts, as well as tax preparation company but did not provide evidence of any type of financial counseling contemplated by this mitigating condition.

AG ¶ 20(a) and AG ¶ 20(b) are established for SOR ¶¶ 1.e-1.i. Applicant's consumer debt arose after his divorce and job loss. As his employment situation has improved, he has been addressing his debt through payments and working with debt relief companies. He has demonstrated he has acted responsibly under the circumstances and will continue to resolve his consumer debt.

## **Guideline H, Drug Involvement and Substance Misuse**

The concern under this guideline is set out in 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.

Applicant's admissions in his SCA and Answer are sufficient to raise the following disqualifying conditions under this guideline:

AG ¶ 25(a): any substance misuse (see above definition);

AG ¶ 25(c): illegal possession of a controlled substance, including cultivation, processing, manufacture, purchase, sale, or distribution; or possession of drug paraphernalia; and

AG ¶ 25(f): any illegal drug use while granted access to classified information or holding a sensitive position.

The following mitigating conditions are potentially applicable:

AG ¶ 26(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

AG ¶ 26(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 acknowledges his past actions and disclosed his 2021 actions on his SCA. He was cooperative throughout the security clearance application process. He paid a severe price for his drug use in 2021, and he has no desire to suffer similar consequences. He clearly states he will no longer use any marijuana products in the future. His statement reflects his understanding that any future involvement in marijuana is grounds for revocation of a security clearance. Given that his behavior happened so long ago, was so infrequent, and happened under such circumstances it is unlikely to recur such that it does not cast doubt on the Applicant's current reliability, trustworthiness, or good judgment, AG ¶¶ 26(a) and 26(b) are established for SOR ¶ 2.a-2.d.

With AG ¶ 25(f) there is a heightened security concern in this case because individuals who have already been granted access to classified information or who hold sensitive positions are held to a higher standard than individuals not similarly situated. See ISCR Case No. 23-01884 (App. Bd. Nov. 6, 2024). The record supports that Applicant's marijuana use in 2021, after being granted a security clearance, was under

unique circumstances, which resulted in severe consequences and that he had no intention to use illegal drugs again in the future. His over four years abstinence since his 2021 use of marijuana and no further incidents demonstrates his reliability. Applicant has met his burden of persuasion. See ISCR Case No. 23-01207 (App. Bd. Mar. 25, 2024); ISCR Case No. 22-00657 at 4 (App. Bd. Apr. 18, 2023).

### **Whole-Person Concept**

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. In applying the whole-person concept, an 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. An 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.

I have incorporated my comments under Guidelines F and H in my whole-person analysis and applied the adjudicative factors in AG ¶ 2(d). Because Applicant requested a determination on the record without a hearing, I had no opportunity to evaluate his credibility and sincerity based on demeanor. See ISCR Case No. 01-12350 at 3-4 (App. Bd. Jul. 23, 2003). While Applicant has mitigated the Guideline H, drug involvement and substance misuse security concerns, after weighing the disqualifying and mitigating conditions under Guideline F and evaluating all the evidence in the context of the whole person, I conclude Applicant has not mitigated the Guideline F, financial considerations security concerns with regard to his Federal and state taxes.

This decision should not be construed as a determination that Applicant cannot or will not attain the state of reform necessary for award of a security clearance in the future. With more effort towards establishment of a track record of satisfying his tax debts and documenting his actions he may well be able to demonstrate persuasive evidence of his security clearance worthiness.

### **Formal Findings**

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

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraphs 1.a-1.d:	Against Applicant
Subparagraphs 1.e-1.l:	For Applicant
Paragraph 2, Guideline H:	FOR APPLICANT
Subparagraphs 2.a-2.d:	For Applicant

**Conclusion**

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

Charles C. Hale  
Administrative Judge