In the matter of:	)	
	)	
	)	ISCR Case No. 25-01162
	)	
	)	
Applicant for Security Clearance	)	
	)	

Appearances

For Government:
Carroll J. Connelley, Esq., Department Counsel

For Applicant:
Pro se

06/17/2026

Decision

CEFOLA, Richard A., Administrative Judge:

Applicant did not mitigate the security concerns under Guideline E (Personal Conduct) and Guideline F (Financial Considerations). Eligibility for access to classified information is denied.

Statement of the Case

Applicant submitted a Questionnaire for National Security Positions on June 13, 2025 (Questionnaire). On October 29, 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.

On November 20, 2025, Applicant responded to the SOR in writing (Answer) and requested that this case be decided on the written record in lieu of a hearing. In her Answer, she admitted to all the debt and tax issues alleged in the SOR. On March 23, 2026, Department Counsel submitted the Government's written case in a File of Relevant Material (FORM). A complete copy of the FORM, consisting of Government's Exhibits (GE) 1 to 12 and the Government's arguments in support of the SOR, was received by the Applicant on April 9, 2026. She 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 June 12, 2026, and all exhibits were admitted without objection.

Findings of Fact

Applicant is 43 years old and has worked for a DoD contractor since 2002 as an electronic technician. Applicant completed her first application for a security clearance in connection with her present employment. She is single and has one minor child. She immigrated to the United States from Vietnam when she was 15 and was naturalized in 1998. She received an associate's degree as an electronic technician in 2000. (GE 2 at 5, 9-10, 13, 18, 23)

SOR Paragraph 1, Guideline F (Financial Considerations)

The Government alleged that Applicant is ineligible for a security clearance because she has delinquent debts and unresolved tax issues, including consumer debts totaling over $182,000 and tax arrears in excess of $9,800. The following facts pertain:

1.a. Failure to File Federal Tax Returns (2021 - 2022): Applicant admitted not filing her 2021 and 2022 federal tax returns in her Answer but denied any failure to file or pay taxes in her Questionnaire. Applicant has provided no information as to why she did not file these tax returns and has not proffered a plan to handle this issue. (Answer; GE 2 at 24; GE 3 at 5; GE 7 at 5-6)

1.b. Federal Tax Debt - $9,371 (2019): Applicant admitted to these arrears in her Answer but denied any failure to file or pay taxes in her Questionnaire. She filed the federal tax return for that year but has not settled the debt. Applicant did not provide any information about any plans she might have to pay back taxes. (Answer; GE 2 at 24; GE 7 at 1)

1.c. Federal Tax Debt - $490 (2023): Applicant admitted to these arrears in her Answer but denied any failure to file or pay taxes in her Questionnaire. She filed the federal tax return for that year but has not settled the debt. Applicant did not provide any information about any plans she might have to pay back taxes. (Answer; GE 2 at 24; GE 7 at 7)

1.d. Debt Collector – Judgment ONE ($19,789): The origin of this debt appears to be a credit card issued to Applicant on June 1, 2012, from Bank A. Applicant made her last documented payment on November 1, 2019, and ultimately the debt was charged off before being purchased by Debt Collector. Debt Collector subsequently filed suit in district court and had Applicant served with a Summons and Complaint. Applicant did not answer or appear, resulting in a finding for plaintiff on August 13, 2025, in the amount alleged in the SOR. Applicant admitted this debt in her Answer but denied having a judgment entered against her in her Questionnaire. She did, however, collectively refer to having "credit cards debt" (sic) in her Questionnaire and related having retained a debt consolidation service (DCS) on January 10, 2020. This debt appears on a Creditor Listing document created by the DCS, but no evidence of payment has been provided by Applicant. (Answer; GE 2 at 24-25; GE 3 at 8-9; GE 4 at 4; GE 5 at 3-4; GE 6 at 1-6; GE 8) See discussion under SOR ¶ 1.n below.

1.e. Debt Collector – Judgment TWO ($20,571): The origin of this debt appears to be a second credit card issued to Applicant on December 22, 2023, also from Bank A. Applicant made her last documented payment on November 1, 2019, and ultimately the debt was charged off before being purchased by the same Debt Collector. Debt Collector subsequently filed suit in district court and had Applicant served with a Summons and Complaint. Applicant did not answer or appear, resulting in a finding for plaintiff on March 17, 2025, in the amount alleged in the SOR. Applicant admitted this debt in her Answer but denied having a judgment entered against her in her Questionnaire. She did, however, collectively refer to having "credit cards debt" (sic) in her Questionnaire and related having retained a DCS. This debt appears on a Creditor Listing document created by the DCS, but no evidence of payment has been provided by Applicant. (Answer; GE 2 at 24-25; GE 3 at 8-9; GE 4 at 2; GE 5 at 3-4; GE 6 at 1-6; GE 9) See discussion under SOR ¶ 1.m below.

1.f. Bank B – Judgment THREE ($14,469): The origin of this debt is a credit card issued to Applicant on June 25, 2002, from Bank B, account number ending in 5953. The debt was charged off at some point, whereupon Bank B filed a Writ of Execution in district court, which was granted on July 22, 2021, in the amount alleged in the SOR. The Sheriff was then ordered to satisfy the judgment out of Applicant's personal property. Applicant admitted this debt in her Answer but denied having a judgment entered against her in her Questionnaire. She did, however, collectively refer to having "credit cards debt" (sic) in her Questionnaire and related having retained a DCS. A debt to this bank appears on a Creditor Listing document created by the DCS, but in a smaller amount ($2,026). No evidence of payment has been provided by Applicant. (Answer; GE 2 at 24-25; GE 3 at 8-9; GE 4 at 1; GE 5 at 1; GE 6 at 1-6; GE 10) See discussion under SOR ¶ 1.l below.

1.g. Landlord – Judgment FOUR ($15,078): Applicant failed to vacate rented premises as required by March 1, 2024. The landlords subsequently brought suit and on March 8, 2024, were awarded the amount alleged in the SOR. Applicant admitted this debt in her Answer but denied having a judgment entered against her in her Questionnaire. (Answer; GE 11)

1.h. Department Store Credit Card – Charge Off ($16,491): Applicant opened this line of credit on May 24, 2009. She believes most, if not all of the debt, was a cash advance and her last documented payment on the account was November 1, 2019. Applicant admitted this debt in her Answer and generally referred to credit card debts in her Questionnaire. This debt appears on a Creditor Listing document created by the DCS, but no evidence of payment has been provided by Applicant. (Answer; GE 2 at 24; GE 3 at 8; GE 4 at 1; GE 5 at 1; GE 6 at 5)

1.i. Bank C Credit Line – Charge Off ($40,638): Applicant opened this line of credit on June 12, 2019. At some point she ceased making payments and the loan was charged off by Bank C. This debt does not appear on the DCS Creditor Listing document and there is no evidence of any payments having been made or any future plans to pay. (Answer; GE 2 at 24; GE 4 at 2; GE 5 at 1)

1.j. Bank D Credit Card – Charge Off ($624): Applicant opened this line of credit on May 4, 2023. At some point she ceased making payments and the loan was charged off by Bank D. This debt does not appear on the DCS Creditor Listing document and there is no evidence of any payments having been made or of a plan to make payments in the future. (Answer; GE 2 at 24; GE 4 at 2; GE 5 at 1)

1.k. Bank A Credit Card – Charge Off ($3,709): Applicant took out this third line of credit with Bank A on December 20, 2019. At some point she ceased making payments and the loan was charged off by Bank A. This debt does not appear on the DCS Creditor Listing document and there is no evidence of any payments having been made or any plans to pay. (Answer; GE 2 at 24; GE 3 at 8; GE 4 at 2; GE 5 at 1, 6)

1.l. Bank B Credit Card – Charge Off ($10,255): Applicant has two credit cards with Bank B. The first, with an account number ending in 5953, was issued to Applicant on June 25, 2002. Per a credit report dated May 1, 2024 (GE 4), the card had a high credit line of $13,429, a balance of $10,255, and a past-due amount of $9,414. This card was charged off as bad debt. In a second credit report dated May 7, 2025 (GE 5), the amounts were reported similarly, though the past-due amount matched the balance of $10,255.

The second credit card with Bank B was opened by Appellant on December 13, 2002, and has an account number ending in 1613. In the May 1, 2024 (GE 4) credit report, this card showed a high credit line of $7,246 and a zero balance with notes indicating it was "paid / paying as agreed." The reported status of this card was the same in the credit report dated May 7, 2025 (GE 5). There are no other entries in either credit report for Bank B. As such, I conclude SOR ¶ 1.f and SOR ¶ 1.l. allege the same debt. (Answer; GE 2 at 24; GE 3 at 8; GE 4 at 1; GE 5 at 1)

1.m. Bank A Credit Card – Charge Off ($20,650): Similarly, as with SOR ¶ 1.l. above, the credit reports, when compared to the court judgments, show this allegation to be duplicative of the debt already alleged as Judgment TWO in SOR ¶ 1.e. (GE 4 at 2, 4; GE 5 at 3-4; GE 8; GE 9)

1.n. Bank A Credit Card – Charge Off ($19,161): See SOR ¶ 1.m discussion above. This allegation is duplicative of the debt already alleged as Judgment ONE in SOR ¶ 1.d. (GE 4 at 2, 4; GE 5 at 3-4; GE 8; GE 9)

1.o. Bank E Credit Card – Collection ($780): Applicant opened this line of credit on April 22, 2024, and it was assigned to collections by April 24, 2025. Applicant admitted this debt in her Answer and generally referred to credit card debts in her Questionnaire. This debt does not appear on the DCS Creditor Listing document and there is no evidence of any payments having been made or any plans to pay. (Answer; GE 5 at 4; GE 6 at 5)

SOR Paragraph 2, Guideline E (Personal Conduct)

The Government alleged that Applicant is ineligible for a security clearance because she engaged in conduct that involved questionable judgment, lack of candor, dishonesty, or unwillingness to comply with rules and regulations. The following facts pertain:

2.a. False Statement ONE in Questionnaire: On June 13, 2025, Applicant submitted her Questionnaire wherein she answered, "No," to the question, "In the last seven (7) years have you failed to file or pay Federal, state, or other taxes when required by law or ordinance?" Applicant admitted to the allegation in her answer, but qualified her statement explaining, "I admit, but I answered no thinking I could get a refund. I wasn't trying to mislead." (Answer)

2.b. False Statement TWO in Questionnaire: On June 13, 2025, Applicant submitted her Questionnaire wherein she answered, "No," to the question, "In the last seven (7) years have you had a judgment entered against you?" Applicant admitted to the allegation in her Answer, but qualified her statement explaining, "I admit, but don't understand what judment (sic) against me is." (Answer)

Whole Person Evidence

Applicant submitted no comments or explanations in her Answer as whole person evidence in mitigation of the security concerns alleged in the SOR. The comments and explanations Applicant included in both her Questionnaire and interrogatories, however, were reviewed in their entirety. Of particular note, in her February 4, 2022, discussion with a DoD investigator, Applicant insisted her financial difficulties are almost exclusively due to her having taken out $120,000 in cash advances from various credit cards, which she then loaned to her siblings.

She loaned her brother $35,000, for example, when he lost his job. She loaned $80,000 to her sister for a downpayment on a home. None of her siblings repaid the debts. She retained the services of the DCS in 2020 and averred to having a financial plan in place to have all of her debts repaid by the end of 2024. However, no evidence of any debt repayments appear in the record evidence. She no longer loans money to her siblings and now lives paycheck to paycheck. (GE 3 at 7, 9)

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 the allegations under Guideline F:

> (a) inability to satisfy debts;
>
> (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.

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;
>
> (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.

The record evidence fails to establish AG ¶ 20(a), (b), (d), or (g) for the tax issues alleged as Applicant has provided no documentation regarding agreements with, or payments to, taxing authorities. She has also not filed tax returns for two separate years.

Regarding her consumer debts, Applicant has provided no evidence of having made any payments to any creditors – or the DCS. Moreover, she indicated to the DoD investigator on February 4, 2022, that by following the debt resolution plan, all of her credit card debt would be paid by the end of 2024. Given that there is no evidence of any such resolution occurring, it is unlikely that she followed the DCS schedule. As a result, there is insufficient evidence for a determination that Applicant's financial problems have been resolved or will be resolved within a reasonable period. I have considered that her motivation was to help her family with the large cash-advances, but I am unable to find that she acted reasonably or responsibly under the circumstances or that she made a good faith effort to deal with her debts or tax issues. Applicant's financial issues are ongoing and continue to cast doubt on her current reliability, trustworthiness, and good judgment. None of the mitigating conditions are sufficiently applicable to mitigate the security concerns. With the exception of the duplicative allegations mentioned above, SOR ¶ 1 is found against Applicant.

SOR Paragraph 2 (Guideline E: Personal Conduct)

The security concerns relating to the guideline for personal conduct are set out in AG ¶ 15, which states:

> Conduct involving questionable judgment, lack of candor, dishonesty, or unwillingness to comply with rules and regulations can raise questions about an individual's reliability, trustworthiness and ability to protect classified or sensitive information. Of special interest is any failure to cooperate or provide truthful and candid answers during national security investigative or adjudicative processes.

The facts of this case establish the following potentially disqualifying conditions set forth in AG ¶ 16:

> (a) deliberate omission, concealment, or falsification of relevant facts from any personnel security questionnaire, personal history statement, or similar form used to conduct investigations, determine employment qualifications, award benefits or status, determine national security eligibility or trustworthiness, or award fiduciary responsibilities; and
>
> (b) deliberately providing false or misleading information; or concealing or omitting information, concerning relevant facts to an employer, investigator, security official, competent medical or mental health professional involved in making a recommendation relevant to a national security eligibility determination, or other official government representative.

The burden therefore shifts to Applicant to mitigate security concerns under Guideline E. The guideline includes the following conditions in AG ¶ 17 that could potentially mitigate security concerns arising from Applicant's personal conduct:

> (a) the individual made prompt, good-faith efforts to correct the omission, concealment, or falsification before being confronted with the facts;
>
> (c) the offense is so minor, or so much time has passed, or the behavior is so infrequent, or it happened under such unique circumstances that it is unlikely to recur and does not cast doubt on the individual's reliability, trustworthiness, or good judgment; and
>
> (d) the individual has acknowledged the behavior and obtained counseling to change the behavior or taken other positive steps to alleviate the stressors, circumstances, or factors that contributed to untrustworthy, unreliable, or other inappropriate behavior, and such behavior is unlikely to recur.

The Applicant admitted to providing false information about her taxes in the Questionnaire under the premise that she thought she could get a refund. This reply reveals a bit of gamesmanship in answering a straight-forward question: "In the last seven (7) years have you failed to file or pay Federal… taxes." Elsewhere in her Answer she admitted having not filed taxes in 2021 and 2022 and owing over $9,800 in back taxes for tax years 2019 and 2023. Whether or not she will be due a refund at some point is immaterial. When filling out the Questionnaire, Applicant was aware she had failed to both file and pay taxes within the last seven years. She made a decision not to answer the question accurately based on something she hoped would happen in the future.

As the Appeal Board has noted, "a person holding a security clearance has a duty to fully disclose conduct of security concern." [ISCR 24-00278 at 3 (App. Bd. Jan. 14, 2026)]. Moreover, a falsification of a security questionnaire constitutes misconduct that casts serious doubt on an applicant's judgment, reliability, or trustworthiness. [ISCR 22-00657 at 4 (App. Bd. Apr. 18, 2023)]. Having examined the omissions in light of the record as a whole, AG ¶¶ 17 (a), (c), and (d) do not apply. SOR ¶ 2.a is found against Applicant.

Regarding Applicant's answer to the question, "In the last seven (7) years (have you) had a judgment entered against you," she again admitted the allegation but expressed confusion as to what constituted a "judgment." Examining the record evidence as a whole, the Government has not provided the required substantial evidence to show this omission was deliberate. [ISCR 07-16511 at 3 (App. Bd. Dec. 4, 2009)]. AG ¶ 17 (c) applies and SOR ¶ 2.b is found for Applicant.

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 also given the appropriate weight to Applicant's statements in her Questionnaire, responses to interrogatories, and discussions with the DoD investigators. Overall, however, the Guideline E and 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 through 1.k:	Against Applicant
Subparagraphs 1.l through 1.n:	For Applicant
Subparagraph 1.m:	Against Applicant
Paragraph 2, Guideline E:	AGAINST APPLICANT
Subparagraph 2.a:	Against Applicant
Subparagraph 2.b:	For 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