DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	
	)	ISCR Case No. 25-01220
	)	
Applicant for Security Clearance	)	

Appearances

For Government: Alison O’Connell, Esq., Department Counsel
For Applicant: *Pro se*

07/06/2026

Decision

HYAMS, Ross D., Administrative Judge:

Applicant failed to mitigate the financial considerations, criminal conduct, and personal conduct security concerns. Eligibility for access to classified information is denied.

Statement of the Case

On December 19, 2025, the Defense Counterintelligence and Security Agency (DCSA) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guidelines F (financial considerations), J (criminal conduct), and E (personal conduct). Applicant answered the SOR on December 30, 2025, and requested a hearing before an administrative judge.

The case was assigned to me on April 6, 2026. The hearing was convened on May 27, 2026. Department Counsel submitted Government Exhibits (GE) 1-9, which were admitted in evidence without objection. Applicant did not provide any documentation for consideration. After the hearing concluded, I held the record open for nine days to allow Applicant to submit documentation, but nothing was submitted.

Findings of Fact

Applicant admitted SOR ¶¶ 1.a-1.m, 2.a, and 3.a-3.r with explanations. He denied SOR ¶¶ 1.n, 1.o, and 2.b. Based on my review of the pleadings, evidence submitted, and testimony, I make the following findings of fact.

Applicant is 35 years old. He graduated high school in 2009. He earned a bachelor's degree in 2021, and a master's degree in 2026. He is unmarried and has no children. He is sponsored for a position with a government contractor who is involved in the security clearance process. (Tr. 12-14; GE 1)

In 2021, Applicant started a trucking business. He did office work for the business and was not a driver. He previously had a business that used cargo vans for deliveries from 2018-2021. The trucking business folded in 2024. He testified he has only paid his taxes for one of the years of business operations and has not paid any associated debts. (Tr. 15-19)

Applicant stated most of his issues were in his 20's, and he is more mature now. He hopes to address his financial issues in the future. (Tr. 62)

Under Guideline F (financial considerations), the allegations are as follows:

SOR ¶ 1.a alleges Applicant failed to file, as required, Federal income tax returns for the tax years 2022, 2023, and 2024. He stated he could not afford to pay his taxes, so he did not file. He has not filed these returns, and his 2025 taxes have not been filed, nor has an extension been sought. (Tr. 19-60; GE 2)

SOR ¶ 1.b alleges Applicant failed to file, as required, a State A income tax return for the tax years 2022, 2023, and 2024. He stated he could not afford to pay his taxes, so he did not file. He has not filed these returns, and his 2025 taxes have not been filed, nor has an extension been sought. (Tr. 19-60; GE 2)

SOR ¶ 1.c alleges Applicant is indebted to the Federal Government for delinquent taxes in the amount of $947 for tax year 2021. He reported this debt is related to his cargo van business. He has not made any payments on this debt. (Tr. 19-60; GE 2)

SOR ¶ 1.d alleges Applicant is indebted to the Federal Government for delinquent taxes in the amount of $2,072 for tax year 2020. He reported this debt is related to his cargo van business. He has not made any payments on this debt. (Tr. 19-60; GE 2)

SOR ¶ 1.e alleges Applicant is indebted to the Federal Government for delinquent taxes in the amount of $2,848 for tax year 2019. He reported this debt is related to his cargo van business. He has not made any payments on this debt. (Tr. 19-60; GE 2)

SOR ¶ 1.f alleges Applicant is indebted to the Small Business Association for an unpaid $90,000 loan. This was a loan he took to buy a truck for his trucking business. He personally guaranteed the loan. He has not made any payments on the loan. It now has a balance of about $109,000. He claimed that in 2024, the truck needed a repair and he was told he could leave the truck parked on the lot of the repair facility, until he had the money to pay for the repairs. The truck was left there for eight months, without him checking on it. After a time on the lot, the truck was towed away because it was considered abandoned. He claimed the towing company could not tell him what happened to it, and the police would not let him file a report. (Tr. 19-60; GE 4, 5)

SOR ¶ 1.g alleges Applicant has a debt in collection for $5,452. He claimed that these were payroll expenses. This debt remains unpaid. (Tr. 19-60; GE 4, 5)

SOR ¶ 1.h alleges Applicant has a charged off credit card for $4,256. This was a personal credit card, and the debt remains unresolved. (Tr. 19-60; GE 4, 5)

SOR ¶ 1.i alleges Applicant has a charged off credit card for $4,250. This was a personal credit card, and the debt remains unresolved. (Tr. 19-60; GE 4, 5)

SOR ¶ 1.j alleges Applicant has a charged off credit card for $3,797. This was a personal credit card, and the debt remains unresolved. (Tr. 19-60; GE 4, 5)

SOR ¶ 1.k alleges Applicant has a charged off credit card for $2,633. This was a personal credit card, and the debt remains unresolved. (Tr. 19-60; GE 4, 5)

SOR ¶ 1.l alleges Applicant has a credit card debt in collection for $1,660. This was a personal credit card, and the debt remains unresolved. (Tr. 19-60; GE 4, 5)

SOR ¶ 1.m alleges Applicant has a charged off credit card for $731. This was a personal credit card, and the debt remains unresolved. (Tr. 19-60; GE 4, 5)

SOR ¶ 1.n alleges Applicant has an insurance account in collection for $248. This was for personal car insurance. He claimed he did not renew the policy, and they still charged him. He claimed he disputed it but did not provide any documentation. This debt remains unpaid. (Tr. 19-60; GE 4, 5)

SOR ¶ 1.o alleges Applicant has a utility account in collection for $133. He did not recall having an outstanding balance for this account. However, he has not contacted the creditor to find out. This debt remains unpaid. (Tr. 19-60; GE 4, 5)

Under Guideline J (criminal conduct), the allegations are as follows:

SOR ¶ 2.a alleges Applicant was arrested in about May 2025 and charged with Driving While Impaired (DWI). He reported he drank about two shots of liquor before going out to a bar. He had four more shots of liquor at the bar. He was pulled over after leaving the bar and had a blood alcohol content (BAC) of .12, which is well over the legal limit. He claimed he did not feel impaired. He was found guilty in March 2026, and sentenced to 12 months of probation, which lasts until March 2027. He is not allowed to drive during certain hours on weekdays. He was required to take alcohol education classes and have an alcohol assessment. (Tr. 19-60; GE 2, 6)

SOR ¶ 2.b alleges Applicant was charged with Fail Maintain Lane Control in May 2025. He reported this was the justification for the police to pull him over when he was arrested for DWI. (Tr. 19-60; GE 2, 6)

Under Guideline E (personal conduct), the allegations are as follows:

SOR ¶ 3.a alleges Applicant falsified material facts in his April 2025 SCA in response to Section 22 – Police Record by failing to disclose being charged with a felony offense and an offense involving alcohol or drugs. He failed to report the offenses in SOR ¶¶ 3.h and 3.r. He stated that he did not report it, despite the clear wording of the question, because he thought if the charge was dismissed, he did not have to report it on the SCA. He also claimed he did not remember the drug offense, because it was only for marijuana particles on the floorboards of his car. (Tr. 19-60; GE 1)

SOR ¶ 3.b alleges Applicant falsified material facts in his June 2025 background interview with a government investigator by denying ever being charged with an offense involving drugs. He claimed he did not remember the drug offence, because it was only for marijuana particles on the floorboards of his car. (Tr. 19-60; GE 2)

SOR ¶ 3.c cross alleges Guideline J allegations ¶¶ 2.a and 2.b. These allegations were discussed above. (Tr. 19-60; GE 2, 6)

SOR ¶¶ 3.d, 3.f, 3.g, 3.k, 3.l, 3.m, 3.n, 3.o, 3.p, and 3.q allege ten charges for driving, traffic, and minor offenses, between 2009-2014. These are old minor offenses and were only briefly discussed at the hearing. (Tr. 19-60; GE 7)

SOR ¶ 3.e and 3.j allege minor alcohol-related offenses in 2013 and 2014. In the first allegation he was driving with an open container of liquor, which was discovered when he was pulled over for speeding. The other allegation is an old minor offense and was only briefly discussed at the hearing. (Tr. 19-60; GE 7)

SOR ¶ 3.h alleges in 2013 Applicant was charged with felony rape. He testified he was at a house party and had sex with a woman who was upset about it the next morning. She told him that he needed to take her to dinner or buy her a gift. In response, his brother insulted the woman, and she later claimed she was raped. With further inquiry, he stated that they had casual romantic interactions a few times before this incident but had not had sex before that night. He stated they were both intoxicated at the party. She was in the bathroom vomiting, and he went in with her, and they had sex on the floor of the bathroom. He claimed that the case was dismissed after the court looked at the facts and her statements. He spent a week in jail waiting for his first appearance. (Tr. 19-62; GE 8, 9)

SOR ¶ 3.i alleges in 2012 Applicant was charged with Resisting Public Officer and Reckless Driving to Endanger. He reported he was 22 years old at the time, and at a bar. The security officer tried to stop him from driving away. It turned out that it was a police officer, not a security guard. He claimed to have little recollection of the incident and claimed it was dismissed. (Tr. 19-60; GE 7)

SOR ¶ 3.r alleges in 2009 Applicant was charged with Possess Marijuana up to ½ ounce and Possess Drug Paraphernalia. He reported it was for marijuana particles on the floorboards of his car. He stated he was given deferred adjudication. (Tr. 19-60; GE 7)

Policies

This case is adjudicated 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 adjudicative guidelines (AG), which became effective on June 8, 2017.

When evaluating an applicant's suitability for a security clearance, the administrative judge must consider the adjudicative guidelines. In addition to brief introductory explanations for each guideline, the adjudicative guidelines list potentially disqualifying conditions and mitigating conditions, which are to be used 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 the adjudicative process. The administrative judge's overarching adjudicative goal is a fair, impartial, and commonsense decision. According to AG ¶ 2(c), 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."

Under Directive ¶ E3.1.14, the Government must 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." The applicant has the ultimate burden of persuasion to obtain a favorable security 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 safeguard classified information. Such decisions entail a certain degree of legally permissible extrapolation of potential, rather than actual, risk of compromise of classified information.

Section 7 of EO 10865 provides that adverse 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 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.

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

The guideline notes conditions that could raise security concerns under AG ¶ 19. The following are applicable in this case:

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

Conditions that could mitigate the financial considerations security concerns are provided under AG ¶ 20. The following are potentially applicable:

> (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;
>
> (e) the individual has a reasonable basis to dispute the legitimacy of the past-due debt which is the cause of the problem and provides documented proof to substantiate the basis of the dispute or provides evidence of actions to resolve the issue; 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.

None of the mitigating conditions apply. Applicant failed to provide sufficient evidence showing responsible behavior with regard to his finances or tax obligations. His federal and state tax returns remain unfiled and federal tax debts remain unpaid. He has made no attempt to resolve delinquent debt and has no specific plan to do so. He did not provide sufficient evidence to find that he is financially stable. All of these things continue to cast doubt on Applicant's reliability, trustworthiness, and judgment.

The Appeal Board has held that failure to file tax returns suggests that an Applicant has a problem with complying with well-established governmental rules and systems. Voluntary compliance with such rules and systems is essential for protecting classified information (ISCR Case No. 01-05340 at 3 (App. Bd. Dec. 5, 2002)); and a person who has a history of not fulfilling their legal obligation to file income tax returns may be said not to have demonstrated the high degree of judgment and reliability required for access to classified information. ISCR Case No. 98-0608 at 1 (App. Bd. June 27, 2000).

Guideline J, Criminal Conduct

AG ¶ 30 expresses the security concern for criminal conduct:

> Criminal activity creates doubt about a person's judgment, reliability, and trustworthiness. By its very nature, it calls into question a person's ability or willingness to comply with laws, rules, and regulations.

I have considered the disqualifying condition under AG ¶ 31 and the following is applicable in this case:

> (b) evidence (including, but not limited to, a credible allegation, an admission, and matters of official record) of criminal conduct, regardless of whether the individual was formally charged, prosecuted, or convicted.

I have considered the mitigating conditions under AG ¶ 32. The following are potentially applicable:

> (a) so much time has elapsed since the criminal behavior happened, or it happened under such unusual circumstances, that it is unlikely to recur and does not cast doubt on the individual's reliability, trustworthiness, or good judgment; and
>
> (d) there is evidence of successful rehabilitation; including, but not limited to, the passage of time without recurrence of criminal activity, restitution, compliance with the terms of parole or probation, job training or higher education, good employment record, or constructive community involvement.

None of the mitigating conditions apply. Applicant's DWI is recent and did not happen under circumstances unlikely to recur. While a failure to maintain lane control seems by itself like a minor offense, it was an element of the DWI and was the cause for his stop by police and eventual arrest. These things continue to cast doubt on Applicant's reliability, trustworthiness, and judgment. His probation was not alleged in the SOR, and it will not be considered for disqualification purposes. He remains on probation until March 2027, and this circumstance is considered for mitigation and under the whole-person concept. He did not provide sufficient evidence of successful rehabilitation.

Guideline E, Personal Conduct

AG ¶ 15 details the personal conduct security concern:

> 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. . .

I have considered the disqualifying conditions under AG ¶ 16 and the following are applicable:

> (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;
>
> (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; and
>
> (c) credible adverse information in several adjudicative issue areas that is not sufficient for an adverse determination under any other single guideline, but which, when considered as a whole, supports a whole-person assessment of questionable judgment, untrustworthiness, unreliability, lack of candor, unwillingness to comply with rules and regulations, or other characteristics indicating that the individual may not properly safeguard classified or sensitive information.

I have considered the mitigating conditions under AG ¶ 17. The following are potentially applicable:

> (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.

AG ¶ 17(c) applies to SOR ¶¶ 3.d-3.g, and 3.i-3.r. The incidents cited are old minor offenses that are mitigated by time.

None of the mitigating conditions apply to SOR ¶¶ 3.a, 3.b, 3.c, and 3.h. Applicant falsified his reporting in his SCA and his background interview with a government investigator by failing to report material facts. His reasons for doing so are not credible. The language in the question is clear. He knew that he committed relevant conduct, and his decisions not to disclose the information was intentional and made with intent to deceive.

Applicant's recent DWI casts doubt on his reliability, trustworthiness, and judgment. He did not provide sufficient evidence of counseling or other mitigation to find it is unlikely to recur.

Although Applicant's felony rape charge was dismissed, the circumstances he testified about at hearing do not support his assertion that this was a consensual encounter. The incident is not mitigated and continues to cast doubt on his reliability, trustworthiness, and judgment.

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 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 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. I have incorporated my comments under Guidelines F, J, and E in my whole-person analysis.

Overall, the record evidence leaves me with questions and doubts about Applicant's eligibility for a security clearance. I conclude that Applicant has not mitigated the financial considerations, criminal conduct, and personal conduct security concerns.

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.o:	Against Applicant
Paragraph 2, Guideline J:	AGAINST APPLICANT

Subparagraphs 2.a-2.b:	Against Applicant
Paragraph 3, Guideline E:	AGAINST APPLICANT
Subparagraphs 3.a-3.c:	Against Applicant
Subparagraphs 3.d-3.g:	For Applicant
Subparagraph 3.h:	Against Applicant
Subparagraphs 3.i-3.r:	For Applicant

Conclusion

It is not clearly consistent with the national interest to grant Applicant a security clearance. Eligibility for access to classified information is denied.

Ross D. Hyams
Administrative Judge