DEFENSE LEGAL SERVICES AGENCY
DEFENSE OFFICE OF HEARINGS AND APPEALS

In the matter of:	)	
	)	
	)	ISCR Case No. 25-01324
	)	
Applicant for Security Clearance	)	

Appearances

For Government: Brian L. Farrell, Esq., Department Counsel
For Applicant: [REDACTED], Personal Representative

07/29/2026

Decision

BORGSTROM, Eric H., Administrative Judge:

Applicant mitigated the drug involvement and substance misuse concerns; however, he did not mitigate the financial considerations security concerns. Eligibility for access to classified information is denied.

Statement of the Case

On January 21, 2026, the Defense Counterintelligence and Security Agency (DCSA) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under Guideline F (financial considerations) and Guideline H (drug involvement and substance misuse). The DCSA acted under Executive Order (EO) 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) implemented on June 8, 2017.

In Applicant's undated response to the SOR (Answer), he admitted all nine allegations without any further information or explanation. He did not attach any documentary evidence, and he requested a hearing before a Defense Office of Hearings and Appeals (DOHA) administrative judge. (Answer)

On March 11, 2026, the Government was ready to proceed to a hearing. I was assigned this case on March 26, 2026. On April 7, 2026, DOHA issued a notice scheduling the hearing for May 5, 2026. The hearing proceeded as scheduled. The Government proffered five evidentiary exhibits, which I admitted as Government Exhibits (GE) 1 through 5, without objection. Applicant and one witness testified. Applicant did not submit any evidentiary exhibits. At Applicant's request, the record remained open until May 26, 2026, to provide him an opportunity to supplement the evidentiary record. DOHA received the hearing transcript (Tr.) on May 12, 2026. Applicant timely provided 14 post-hearing submissions, which I admitted as AE A through N,[1] without objection. The record closed on May 26, 2026.

Findings of Fact

Applicant is 38 years old. He graduated from high school in 2006. He married in May 2017, separated in March 2023, and divorced in late 2023 or early 2024. He has two children, ages four and two. (GE 1, GE 3; Tr. 36, 46, 60)

With a few exceptions, Applicant's employment between August 2018 and September 2024 predominantly involved the automotive industry. From August 2018 to June 2020, he was employed full time as a technician for a car dealership. From June 2020 to March 2021, he was employed full time as a technician for a different dealership. From March to November 2021, he was employed full time as a technician for an auto-repair business, and he was laid off due to insufficient business. From November 2021 to September 2022, he ran his own handyman business but needed to shutter the business due to inconsistent and insufficient income versus expenses. From September 2022 to October 2023, he was employed full time as a technician for a marina. From October 2023 to March 2024, he was employed full time as a technician for an auto-repair business. He was laid off due to lack of work. From April to September 2024, he was employed as an air compressor technician ($25 an hour) for a private company. Since September 2024, he has been employed as an electronics technician with a federal contractor. He earns approximately $27 an hour. (GE 1; Tr. 29, 36, 56-57, 61-65)

On September 30, 2024, Applicant submitted an Electronic Questionnaire for Investigations Processing (e-QIP). Under Section 23 – Illegal Use of Drugs or Drug Activity, he reported that he had used marijuana recreationally approximately one to four times a week between April 2006 and July 2024. He added that he did not intend to use marijuana in the future due to "[b]ecoming a father changed [his] perspective on the usage of the substance." Under Section 26 – Delinquency Involving Routine Accounts, he reported eight delinquent accounts, including SOR ¶¶ 1.a-1.e, 1.g, and 1.h. (GE 1)

On December 30, 2024, Applicant was interviewed by an authorized investigator on behalf of the Office of Personnel Management (OPM). During the interview, Applicant explained that the two involuntary terminations – in November 2021 and March 2024 – were due to lack of work and not due to misconduct. (GE 2)

[1] Applicant's post-hearing submissions included a cover letter (AE A), a table of contents (AE B), and Documents 1-12 (AE C-N).

On July 7, 2025, Applicant responded to DCSA financial interrogatories regarding nine delinquent accounts. He admitted that he had not made any payments or payment arrangements on these accounts. He attached a Personal Financial Statement reflecting $3,010 in monthly take-home pay and over $4,850 in monthly expenses (including $1,465 in child support). He attached a letter explaining that he had started his own business in 2021 and that several accounts became delinquent when he purchased tools and equipment necessary for the business. He further explained that childcare expenses and his recent divorce also hampered his ability to address and resolve his financial delinquencies. He also attached the November 2023 Marital Settlement Agreement, assigning the marital residence to Applicant's former spouse and instructing her to refinance the property. (GE 3)

Financial Considerations

SOR ¶ 1.a. This account was placed for collection in the approximate amount of $7,114. Applicant listed this account on his e-QIP and estimated its date of delinquency as July 2023. As of the close of the record, there is no evidence of any payments or payment arrangements on this account since its delinquency. (GE 1 at 40; GE 4 at 2; GE 5 at 2)

SOR ¶ 1.b. This credit-card account was charged off in the approximate amount of $5,247. Applicant listed this account on his e-QIP and estimated its date of delinquency as October 2022. As of the close of the record, there is no evidence of any payments or payment arrangements on this account since its delinquency. (GE 1 at 43; GE 4 at 2; GE 5 at 3)

SOR ¶ 1.c. This motorcycle loan was opened in November 2020 and was charged off in the approximate amount of $4,795. The motorcycle was repossessed. Applicant listed this account on his e-QIP and estimated its date of delinquency as January 2023. On May 6, 2026, Applicant made a $719 payment on this debt; however, there is no further information as to whether this payment represents a lump-sum settlement or the first of multiple agreed-upon payments. (GE 1 at 45-46; GE 4 at 3; GE 5 at 4; AE D; Tr. 58)

SOR ¶ 1.d. This account was placed for collection in the approximate amount of $4,562. Applicant listed this account on his e-QIP and estimated its date of delinquency as February 2024. As of the close of the record, there is no evidence of any payments or payment arrangements on this account since its delinquency. (GE 1 at 40-41; GE 4 at 3; GE 5 at 3)

SOR ¶ 1.e. This account was charged off in the approximate amount of $1,565. Applicant listed this account on his e-QIP and estimated its date of delinquency as October 2022. On May 5, 2026, Applicant settled this account for $900. This debt is resolved. (GE 1 at 44; GE 4 at 3; GE 5 at 3; AE C)

SOR ¶ 1.f. This account was placed for collection in the approximate amount of $879. As of the close of the record, there is no evidence of any payments or payment arrangements on this account since its delinquency. (GE 4 at 3)

SOR ¶ 1.g. This account was charged off in the approximate amount of $809. Applicant listed this account on his e-QIP and estimated its date of delinquency as May 2023. As of the close of the record, there is no evidence of any payments or payment arrangements on this account since its delinquency. (GE 1 at 43; GE 4 at 3; GE 5 at 4)

SOR ¶ 1.h. This account was charged off in the approximate amount of $5,932. Applicant listed this account on his e-QIP and estimated its date of delinquency as July 2023. As of the close of the record, there is no evidence of any payments or payment arrangements on this account since its delinquency. (GE 1 at 42-43; GE 5 at 2)

At the hearing, Applicant attributed his financial delinquencies to his failed business and his divorce. He confirmed the July 2025 budget with two adjustments – he now makes a slightly higher hourly wage, and he no longer is obligated to pay a mortgage. His former spouse has primary placement of their two children, and Applicant is obligated to pay between $1,300 and $1,500 monthly towards child support and daycare expenses. He was aware that two or three of his creditors had pursued financial judgments against him, but he was unclear as to the status of those lawsuits. He still finds himself living paycheck to paycheck and at times earning less than his expenses. In early 2026, he received approximately $13,000 from the sale of the marital residence and approximately $6,000 from his recent federal income tax refund. He used approximately $5,000 towards a vehicle and currently has approximately $8,500 in his bank account. He previously explored a debt-consolidation program but was concerned about committing to monthly payments which he was uncertain he could afford. He had contacted a bankruptcy attorney and made an appointment for it after the DOHA hearing, with the intent to pursue Chapter 7 bankruptcy "to start fresh and not let it happen again." As of the hearing, he had not taken any tangible actions to resolve his delinquent accounts. (Tr. 39-59, 69, 71, 75)

Later during the hearing, upon the recommendation of his witness, Applicant expressed his intent to explore a nonprofit debt-management program and consult his employer's financial employee assistance program (EAP). As of the close of the record, he had not participated in any credit counseling. (Tr. 70, 79-80)

On May 14, 2026, Applicant enrolled five accounts—SOR ¶¶ 1.a - 1.c, 1.f, and 1.g – in a debt-management program (DMP). Under the DMP, he is required to make 39 monthly payments of $433 beginning on June 28, 2026. As of the close of the record, no payments had been made. (AE E at 3)

Drug Involvement and Substance Misuse

SOR ¶ 2.a. During his December 2024 OPM interview, Applicant admitted that he had purchased marijuana from state-licensed dispensaries from 2018 to May 2024. He had been unaware, prior to the OPM interview, that such purchases violated federal drug laws. Prior to 2018, he illegally purchased marijuana from dealers. He confirmed he used marijuana between 2006 and 2024 to aid his sleep and for pain relief. He never obtained a medical marijuana license and had not participated in drug counseling or treatment. He reiterated his intent not to use illegal drugs in the future. In his December 15, 2025 response to DOHA interrogatories, he confirmed the accuracy of the OPM interview summary, and he reported his last marijuana use as May 2024. (GE 2)

At the hearing, Applicant confirmed that he had not used marijuana since July 2024 and that he had previously used marijuana approximately one to four times a week. He had never obtained a medical marijuana card. He explained that he decided to stop using marijuana because he sought to be a good role model for his children, and he understood that clearance holders were prohibited from illegal drug use. He has never misused prescription drugs or used any illegal drugs besides marijuana. He does not associate with any individuals who use illegal drugs. On May 12, 2026, Applicant participated in a drug screening and tested negative for marijuana, cocaine, amphetamines, opiates, and phencyclidine (PCP). (Tr. 34-39, 67-68; AE N)

Whole Person

Applicant's witness testified and submitted a character-reference letter in support of Applicant's clearance eligibility. He is the program manager for the primary contractor, and he supervises Applicant, who is employed by a subcontractor. They interact nearly daily. He highly praised Applicant's technical expertise, positive attitude, dedication, and attention to detail. (AE F; Tr. 27-31)

Six individuals, both supervisors and peers, provided character-reference letters in support of Applicant's clearance eligibility. Applicant's direct supervisor noted Applicant's subject-matter expertise, self-starting mindset, and excellent work product. Applicant's assistant facility security officer (AFSO) attested to Applicant's dedication, reliability, work ethic, integrity, and technical competence. Other references universally endorsed Applicant's application for access to classified information, praising his work performance, work ethic, helpfulness, professionalism, reliability, thoughtfulness, and parenting. (AE G-L)

On November 20, 2025, Applicant was awarded a Performance Award by his employer for his hard work, dedication, and technical expertise. (AE M)

Policies

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(a), the entire process is a conscientious scrutiny of a number of variables known as the "whole-person concept." The administrative judge must consider all available, reliable information about the person, past and present, favorable and unfavorable, in making a decision.

The protection of the national security is the paramount consideration. AG ¶ 2(b) requires that "[a]ny doubt concerning personnel being considered for national security eligibility will be resolved in favor of the national security."

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 sensitive 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 sensitive information. Decisions include, by necessity, consideration of the possible risk the applicant may deliberately or inadvertently fail to safeguard sensitive information. Such decisions entail a certain degree of legally permissible extrapolation of potential, rather than actual, risk of compromise of sensitive 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. . . .

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

(a) inability to satisfy debts; and

(c) a history of not meeting financial obligations.

The record evidence established Applicant's eight delinquent accounts, totaling approximately $30,903. These debts became delinquent between October 2022 and February 2024. AG ¶¶ 19(a) and 19(c) apply.

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

(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;

(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

(d) the individual initiated and is adhering to a good-faith effort to repay overdue creditors or otherwise resolve debts.

Applicant bears the burdens of production and persuasion in mitigation. An applicant is not held to a standard of perfection in his debt-resolution efforts or required to be debt-free. "Rather, all that is required is than an applicant act responsibly given his circumstances and develop a reasonable plan for repayment, accompanied by 'concomitant conduct,' that is, actions which evidence a serious intent to effectuate the plan." ISCR Case No. 15-02903 at 3 (App. Bd. Mar. 9, 2017). *See*, *e.g.*, ISCR Case No. 13-00987 at 3, n. 5 (App. Bd. Aug. 14, 2014).

Applicant attributed his financial delinquencies to his failed business, and he explained that his divorce and child support obligations have inhibited his ability to address and resolve these delinquencies. While these circumstances are largely beyond his control, he must also demonstrate that he acted responsibly under the circumstances. As of his July 2025 budget, Applicant's expenses met or exceeded his income; however, by early 2026, he had received the proceeds from the sale of his house and his income tax refund. As of the date of the hearing, he had not made any contact with creditors, made any payments or payment arrangements, engaged in credit counseling, or consulted a bankruptcy attorney. Applicant's inaction undercuts evidence in support of financial responsibility. AG ¶¶ 20(a), 20(b), and 20(c) do not apply.

After the hearing, Applicant settled one account (SOR ¶ 1.e), and he enrolled five other accounts in a DMP. As of the close of the record, no payments had been made in furtherance of the DMP. His very recent actions are a strong step in the direction of financial responsibility and resolving his financial delinquencies; however, I must consider the timing of his debt-resolution efforts and whether he has established a track record of payments. *See*, *e.g.*, ADP Case No. 16-03595 at 4 (App. Bd. Aug. 27, 2018) (timing of debt-resolution efforts is relevant in evaluating the sufficiency of case in mitigation). Here, the timing of Applicant's debt-resolution efforts do not demonstrate "good faith" or a track record of financial responsibility. AG ¶ 20(d) does not apply.

Applicant has developed a plan to resolve several of his delinquent accounts, but he has not demonstrated the requisite track record of financial responsibility. He may also benefit from participating in credit counseling or a financial education course. None of the financial considerations mitigating conditions apply. Based upon the current record, he did not mitigate the financial considerations security concerns.

Guideline H: Drug Involvement and Substance Misuse

The security concern for drug involvement 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.

Director of National Intelligence (DNI) Memorandum ES 2014-00674, "Adherence to Federal Laws Prohibiting Marijuana Use," October 25, 2014, states:

> [C]hanges to state laws and the laws of the District of Columbia pertaining to marijuana use do not alter the existing National Security Adjudicative Guidelines. . . . An individual's disregard of federal law pertaining to the use,

sale, or manufacture of marijuana remains adjudicatively relevant in national security determinations. As always, adjudicative authorities are expected to evaluate claimed or developed use of, or involvement with, marijuana using the current adjudicative criteria. The adjudicative authority must determine if the use of, or involvement with, marijuana raises questions about the individual's judgment, reliability, trustworthiness, and willingness to comply with law, rules, and regulations, including federal laws, when making eligibility decisions of persons proposed for, or occupying, sensitive national security positions.

In 2021, the Security Executive Agent (SecEA) promulgated clarifying guidance concerning marijuana-related issues in security clearance adjudications. It states in pertinent part:

> [Federal] agencies are instructed that prior recreational marijuana use by an individual may be relevant to adjudications but not determinative. The SecEA has provided direction in [the adjudicative guidelines] to agencies that requires them to use a "whole-person concept." This requires adjudicators to carefully weigh a number of variables in an individual's life to determine whether that individual's behavior raises a security concern, if at all, and whether that concern has been mitigated such that the individual may now receive a favorable adjudicative determination. Relevant mitigations include, but are not limited to, frequency of use and whether the individual can demonstrate that future use is unlikely to recur, including by signing an attestation or other such appropriate mitigation. Additionally, in light of the long-standing federal law and policy prohibiting illegal drug use while occupying a sensitive position or holding a security clearance, agencies are encouraged to advise prospective national security workforce employees that they should refrain from any future marijuana use upon initiation of the national security vetting process, which commences once the individual signs the certification contained in the Standard Form 86 (SF-86), Questionnaire for National Security Positions.[2]

The guideline notes several conditions that could raise security concerns under AG ¶ 25. The following are potentially applicable:

> (a) any substance misuse; and
>
> (c) illegal possession of a controlled substance, including cultivation, processing, manufacture, purchase, sale, or distribution; or possession of drug paraphernalia.

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[2] *Security Executive Agent Clarifying Guidance Concerning Marijuana for Agencies Conducting Adjudications of Persons Proposed for Eligibility for Access to Classified Information or Eligibility to Hold a Sensitive Position*, dated December 21, 2021 (SecEA Clarifying Guidance), at p. 2.

The record evidence established that Applicant illegally used marijuana approximately one to four times a week between 2006 and July 2024. He also illegally purchased marijuana, both from street dealers and from dispensaries (in violation of federal drug laws), on many occasions between 2006 and May 2024. AG ¶¶ 25(a) and 25(c) apply.

Conditions that could mitigate the drug involvement security concerns are provided under AG ¶ 26. The following are potentially applicable:

> (a) the behavior happened so long ago, was so infrequent, or happened under such circumstances that it is unlikely to recur or does not cast doubt on the individual's current reliability, trustworthiness, or good judgment; and
>
> (b) the individual acknowledges his or her drug involvement and substance misuse, provides evidence of actions taken to overcome this problem, and has established a pattern of abstinence, including, but not limited to:
>
> > (1) disassociation from drug-using associates and contacts;
> >
> > (2) changing or avoiding the environment where drugs were used; and
> >
> > (3) providing a signed statement of intent to abstain from all drug involvement and substance misuse, acknowledging that any future involvement or misuse is grounds for revocation of national security eligibility.

Applicant credibly testified that he decided to abstain from all illegal drug use in about July 2024 so he could be a good role model for his young children. He has not used marijuana in nearly two years, and he does not associate with any individuals who use illegal drugs. He tested negative for marijuana and other controlled substances in May 2026. I have considered Applicant's multiple statements of intent to abstain from all drug involvement in the future – in his e-QIP, during his OPM interview, in his response to interrogatories, in his Answer, and at hearing – as equivalent to a written statement under AG ¶ 26(b)(3). AG ¶¶ 26(a) and 26(b) apply. He mitigated the drug involvement and substance misuse security concerns.

Whole-Person Concept

Under the whole-person concept, the administrative judge must evaluate an applicant's eligibility for access to classified information 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 Guideline F, Guideline H, and the factors in AG ¶ 2(d) in this whole-person analysis.

I found Applicant's testimony about his marijuana use and financial delinquencies to be credible and sincere. Applicant has thrived in his current employment and is universally well regarded by his supervisors and peers. After the hearing, he engaged a DMP and made a settlement payment. Unfortunately, the timing of his debt-resolution efforts – all after the hearing – undercuts his evidence in mitigation. He has not demonstrated the track record of financial responsibility of an individual entrusted to safeguard classified information. He mitigated the drug involvement and substance misuse security concerns, but he did not mitigate the financial considerations security concerns. Eligibility for access to classified information is denied.

This decision should not be construed as a determination that Applicant cannot obtain a security clearance in the future. With sustained efforts to address and resolve his delinquent debts, Applicant may overcome the aforementioned 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.h:	Against Applicant
Paragraph 2, Guideline H:	FOR APPLICANT
Subparagraph 2.a:	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 national interest to grant Applicant's eligibility for access to classified information.

Eric H. Borgstrom
Administrative Judge