In the matter of:	)	
	)	
	)	ISCR Case No. 25-01527
	)	
	)	
Applicant for Security Clearance	)	
	)	

Appearances

For Government:
Lauren A. Shure, Esq., Department Counsel

For Applicant:
Pro se

08/10/2026

Decision

NAGEL, Jeff A., Administrative Judge:

Applicant did not mitigate the security concerns under 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 October 31, 2024 (Questionnaire). On January 28, 2026, the Defense Counterintelligence and Security Agency (DCSA) issued a Statement of Reasons (SOR) to Applicant detailing security concerns under 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 February 3, 2026, 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 his Answer, he admitted to all tax issues alleged in the SOR. On April 17, 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 5 and the Government's arguments in support of the SOR, was received by Applicant on April 28, 2026. He was afforded an opportunity to file objections and submit material to refute, extenuate, or mitigate the security concerns, and he timely submitted Applicant's Exhibit A (Response), which is comprised of screenshots from presumably Applicant's irs.gov account for payments made toward tax years 2023 and 2024. The case was assigned to me on July 8, 2026, and all exhibits were admitted without objection.

As I perceived some ambiguity in the evidentiary record as to the current status of Applicant's 2022 and 2023 tax filings, on July 9, 2026, I reopened the record until July 24, 2026, to permit all parties to submit additional evidence on this issue. Hearing Exhibit (HE I) pertains. The same day, Department Counsel indicated the Government had no additional documents to provide. HE II pertains. In response to a query from DOHA administrative staff, on July 14, 2026, Applicant acknowledged the record having been reopened, but never provided any additional documents. HE III pertains.

Findings of Fact

Applicant is 40 years old and has worked for a defense contractor since 2024 as a pipefitter. He completed his first application for a security clearance in connection with this employment. Applicant has been married since 2021 and has no children. He received a General Education Development (GED) certificate in 2003 and has completed some college coursework. (GE 3 at 5, 9, 11, 16-18, 33)

SOR Paragraph 1 (Guideline F: Financial Considerations)

The Government alleged that Applicant is ineligible for a security clearance because he has delinquent and unresolved tax issues. The following facts pertain:

1.a. Federal tax returns (2022 – 2023): Applicant did not acknowledge his failure to file his 2022 – 2023 federal tax returns in his Questionnaire but admitted to the SOR allegation as drafted. He likewise acknowledged his tax issues during his interview with a defense investigator on December 2, 2024. In his Answer, he included correspondence from a tax preparation service, dated February 16, 2026, that advised he owed the IRS $1,495 for tax year 2022 and $1,448 for tax year 2023.

The correspondence included a draft version of his tax returns labeled "DO NOT FILE" and a notation that his tax returns were:

"NOT FINISHED until you complete the following instructions":

- Review the Form 1040

- Read, sign, and date Form 8879
- Pay balance due

Applicant did not include any other documentation to support the assertion he made in his Answer that he filed these delinquent returns as of February 25, 2026. Department Counsel, in her FORM, subsequently noted, "Applicant is invited to provide sufficient documentation to mitigate this allegation in response to this FORM." In his Response, without additional comment, Applicant provided three screen shots from ostensibly his irs.gov account. Page one and page three appear to show the same information for tax year 2024, relating balance payments of $100.69 and $125.10. The current balance of the account for tax year 2024 is not shown. Page two of the screen shots shows two payments toward tax year 2023: $1,475.46 (March 27, 2026) and $1,000 (April 14, 2026). The current balance of the account for tax year 2023 is not shown. None of the screenshots referenced tax year 2022. (Answer; Response; GE 3 at 34; GE 5 at 5)

Whole Person Evidence

Applicant submitted no comments or explanations in his Answer as whole person evidence in mitigation of the security concerns alleged in the SOR. He likewise did not provide any additional information when the record was reopened. The comments and explanations Applicant included in his Questionnaire, interrogatories, and response to the defense investigator, however, were reviewed in their entirety.

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 disqualifying condition set forth in AG ¶ 19 to the allegation under Guideline F:

> (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 not provided evidence that he filed his tax returns for the two years alleged, nor has he provided any documentation regarding agreements with, or payments to, taxing authorities. Applicant's documentation showing the preliminary work of his retained tax preparation service does not constitute sufficient evidence to meet his burden to show compliance with tax laws and regulations. ISCR 22-02168 at 4 (App. Bd. Nov. 18, 2024).

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 am unable to find that he acted reasonably or responsibly under the circumstances or that he made a good faith effort to deal with his tax issues. Applicant's financial issues are ongoing and continue to cast doubt on his current reliability, trustworthiness, and good judgment. None of the mitigating conditions are sufficiently applicable to mitigate the security concerns.

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 his Answer, interrogatories, and to the defense investigator. Overall, however, the Guideline 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
Subparagraph 1.a:	Against Applicant

Conclusion

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

JEFF A. NAGEL
Administrative Judge