



**DEPARTMENT OF DEFENSE  
DEFENSE OFFICE OF HEARINGS AND APPEALS**



## Appearances

For Government:  
Aubrey De Angelis, Esquire, Department Counsel

For Applicant:  
*Pro se*

10/06/2025

## Decision

CEFOLA, Richard A., Administrative Judge:

## **Statement of the Case**

On December 31, 2024, in accordance with DoD Directive 5220.6, as amended (Directive), the Department of Defense issued Applicant a Statement of Reasons (SOR) alleging facts that raise security concerns under Guideline F (Financial Considerations). On March 25, 2025, the SOR was amended to add additional allegations under Guideline F. The SOR further informed Applicant that, based on information available to the government, DoD adjudicators could not make the preliminary affirmative finding it is clearly consistent with the national interest to grant or continue Applicant's security clearance.

Applicant answered the SOR on January 23, 2025, and the amended SOR on July 18, 2025, and requested a hearing before an administrative judge. (Answers.) The case was assigned to me on June 30, 2025. The Defense Office of Hearings and Appeals (DOHA) issued a notice of hearing on July 8, 2025, scheduling the hearing for August 7, 2025. The hearing was convened as scheduled. The Government offered Exhibits (GXs) 1 through 10, which were admitted into evidence. Applicant testified on his own behalf. Applicant offered one document, which I marked Applicant's Exhibit (AppX) A, and admitted into evidence. The record was left open until September 23, 2025, for receipt of additional documentation. On September 23, 2025, he offered AppX B, which was admitted into evidence. DOHA received the transcript of the hearing (TR) on August 25, 2025.

### **Findings of Fact**

Applicant admitted to the allegations in SOR ¶¶ 1.a., 1.b., 1.d., 1.g. and 1.i. through 1.l. He denied SOR allegations ¶¶ 1.c., 1.e., 1.f. and 1.h. After a thorough and careful review of the pleadings, exhibits, and testimony, I make the following findings of fact.

Applicant is a 62-year-old truck driver for a defense contractor. Applicant is married. He attributes his current financial difficulties to the "COVID" pandemic. Applicant had started his "own business," but "lost everything" due to COVID. (TR at page 6 lines 4~15, at page 14 line 21 to page 16 lines 21, and page 18 lines 12~21.)

### **Guideline F - Financial Considerations**

Applicant has hired a financial counseling "Group" to address his past-due debts. Said Group avers that it has addressed five of the eight alleged past-due debts. Said averments will be incorporated in my discussion of each past-due debt, below. (AppXs A and B.)

1.a. Applicant admits he has a past-due debt to Creditor A in the approximate amount of \$6,836. This is for a "dually truck (a pickup truck with two rear tires)," which he "turned it in" to the dealership. His financial counselor avers that this debt has been "successfully removed" from Applicant's credit report. This does not mean that Applicant has settled and paid this admitted debt; and as such, this allegation is found against Applicant. (TR at page 18 line 25 to page 20 line 3, and AppX B.)

1.b. Applicant admits he has a past-due debt to Creditor B in the approximate amount of \$21,514. This is for a vehicle that he “let it go back” to the dealership. Applicant is reaching out to his financial counselor to “solve this.” He has submitted nothing further in this regard. This allegation is found against Applicant. (TR at page 20 line 4 to page 21 line 19.)

1.c. Applicant denies he has a past-due debt to Creditor C in the approximate amount of \$410. This is for cable television equipment. His financial counselor avers that this debt has been “successfully removed” from Applicant’s credit report. This does not mean that Applicant has settled and paid this debt, which appears on his June 2024 credit report; and as such, this allegation is found against Applicant. (TR at page 21 line 20 to page 23 line 1, and GX 5 at page 2.)

1.d. Applicant admits he has a past-due debt to Creditor D in the approximate amount of \$220. This is due to another credit counselling service. His financial counselor avers that this debt has been “successfully removed” from Applicant’s credit report. This does not mean that Applicant has settled and paid this admitted debt; and as such, this allegation is found against Applicant. (TR at page 23 line 2 to page 25 line 10, and AppX B.)

1.e. and 1.f. Applicant denies he has a past-due debts to Creditor E in an amount totaling approximately \$469. These credit card debts have been paid, as conceded by Department Counsel, and as evidenced by documentation. These allegations are found for Applicant. (TR at page 25 line 11 to page 27 line 9, GX 7 at pages 2~3, and AppX B.)

1.g. Applicant admits he has a past-due debt to Creditor G in the approximate amount of \$1,076. This is for a cell phone. This allegation is found against Applicant. (TR at page 27 line 10 to page 28 line 4.)

1.h. Applicant denies he has a past-due debt to Creditor H in the approximate amount of \$540. As this past-due debt is confirmed by Applicant’s October 2023 credit report, this allegation is found against Applicant. (TR at page 28 lines 5~15, and GX 4 at page 3.)

1.i. Applicant admits he has a past-due debt to Creditor I in the approximate amount of \$822. As Applicant has offered nothing further on this matter, this allegation is found against Applicant. (TR at page 28 lines 16~25.)

1.j. Applicant admits that he filed for the protection of a Chapter 13 Bankruptcy in March of 2006. His bankruptcy was successfully discharged in July of 2011. This allegation is found for Applicant. (TR at page 16 line 25 to page 17 line 23, and GX 8.)

1.k. Applicant admits that he again filed for the protection of a Chapter 13 Bankruptcy in July of 2015. His bankruptcy was dismissed in December of 2017, due to his failure to make required plan payments. This allegation is found against Applicant. (TR at page 17 line 24 to page 18 line 24, and GX 9.)

1.l. Applicant admits that he is indebted to the Federal Government for a 2018 tax lien in the amount of \$31,861. This allegation is found against Applicant. (TR at page 32 line 3 to page 36 line 7, and GX 10.)

## Policies

When evaluating an applicant's national security eligibility, the administrative judge must consider the adjudicative guidelines (AG). 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 national security eligibility.

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 AG ¶ 2 describing 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.” In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record.

Under Directive ¶ E3.1.14, the Government must present evidence to establish controverted facts alleged in the SOR. Directive ¶ E3.1.15 states 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 applies for access to classified information seeks to enter 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 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 information.

Section 7 of Executive Order (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 relating to the guideline 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. Affluence that cannot be explained by known sources of income is also a security concern insofar as it may result from criminal activity, including espionage.

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

- (a) inability to satisfy debts;
- (b) unwillingness to satisfy debts regardless of the ability to do so;
- (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.

Applicant has over \$31,000 in past-due indebtedness that he yet to address, and a \$31,861 Federal Tax lien. The evidence is sufficient to raise these disqualifying conditions.

AG ¶ 20 provides conditions that could mitigate security concerns. I considered all of the mitigating conditions under AG ¶ 20 including:

(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;

(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 these, individually or collectively, apply. Applicant's financial problems are ongoing. He has a long history of delinquencies. Applicant has not demonstrated that future financial problems are unlikely. Mitigation under AG ¶ 20 has not been established.

## **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 facts and circumstances surrounding this case. I have incorporated my comments under Guideline F in my whole-person analysis.

Overall, the record evidence leaves me with questions and doubts as to Applicant's eligibility and suitability for a security clearance. For all these reasons, I conclude Applicant failed to mitigate the Financial Considerations security concerns.

## **Formal Findings**

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

Paragraph 1, Guideline F:	AGAINST APPLICANT
Subparagraphs 1.a~1.d:	Against Applicant
Subparagraphs 1.e. and 1.f:	For Applicant
Subparagraphs 1.g~1.i:	Against Applicant

Subparagraph 1.j:	For Applicant
Subparagraphs 1.k. and .i.l:	Against Applicant

### **Conclusion**

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

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Richard A. Cefola  
Administrative Judge