United States Department of Energy
Office of Hearings and Appeals

In the Matter of: Personnel Security Hearing	)	
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Filing Date: December 29, 2025	)	Case No.: PSH-26-0030
	)	
	)	

Issued: June 11, 2026

Administrative Judge Decision

Andrew Dam, Administrative Judge:

This Decision concerns the eligibility of XXXXXXXXXXXXX (the Individual) to hold an access authorization under the United States Department of Energy's (DOE) regulations, set forth at 10 C.F.R. Part 710, "Procedures for Determining Eligibility for Access to Classified Matter and Special Nuclear Material or Eligibility to Hold a Sensitive Position."[1] As discussed below, after carefully considering the record before me in light of the relevant regulations and the *National Security Adjudicative Guidelines for Determining Eligibility for Access to Classified Information or Eligibility to Hold a Sensitive Position* (June 8, 2017) (Adjudicative Guidelines), I conclude that the Individual should not be granted access authorization.

I. BACKGROUND

The Individual applied for access authorization in connection with her employment with a DOE contractor. Exhibit (Ex.) 1 at 7.[2] The Individual submitted a January 2025 Questionnaire for National Security Positions (QNSP), in which she self-reported having financial issues due to gambling. Ex. 5 at 94. She also self-disclosed 20 delinquent financial obligations. *Id.* at 95–115. A credit report from February 2025 reflected a combination of charged-off accounts and accounts under collections. Ex. 4 at 18–26; Ex. 7 at 239–47.

Due to the unresolved security concerns, the LSO sent the Individual a Notification Letter in October 2025, informing the Individual that it possessed reliable information creating a substantial

[1] The regulations define access authorization as "an administrative determination that an individual is eligible for access to classified matter or is eligible for access to, or control over, special nuclear material." 10 C.F.R. § 710.5(a). This Decision will refer to such authorization as "access authorization" or "security clearance."

[2] The Local Security Office (LSO) combined its exhibits into a single, Bates-stamped PDF workbook. This Decision references these exhibits by the exhibit number and the Bates stamp page number.

doubt regarding her eligibility to hold a security clearance. Ex. 1 at 7–9.[3] In an attachment to the letter titled Summary of Security Concerns (SSC), the LSO explained the derogatory information raised concerns under Guideline F of the Adjudicative Guidelines. *Id.* at 5–6.

The Individual exercised her right to request an administrative review hearing pursuant to 10 C.F.R. Part 710. Ex. 2 at 11. The LSO submitted seven numbered exhibits (Exs. 1–7) into the record. The Individual submitted six lettered exhibits (Exs. A–F).[4] The Individual testified as the sole witness. *See* Transcript of Hearing, OHA Case No. PSH-26-0030 (hereinafter cited as "Tr.") at 3.

II. NOTIFICATION LETTER AND THE ASSOCIATED SECURITY CONCERNS

The LSO cited Guideline F (Financial Considerations) of the Adjudicative Guidelines as the basis for its substantial doubt regarding the Individual's eligibility for access authorization. Ex. 1 at 5. "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 . . . information." Adjudicative Guidelines at ¶ 18. Among the conditions set forth in this guideline that could raise disqualifying security concerns are the "inability to satisfy debts; . . . a history of not meeting financial obligations; . . . consistent spending beyond one's means or frivolous or irresponsible spending, which may be indicated by . . . a history of late payments or of non-payment . . . ; [and] concealing gambling losses, family conflict, or other problems caused by gambling . . . ." *Id.* at ¶ 19(a), (c), (e), (i).

The SSC cited to information regarding eight charged-off accounts (Charged-Off Accounts 1–8), fourteen other delinquent accounts in collections (Collections Accounts 1–14), and the Individual's history of gambling leading to the financial instability. Ex. 1 at 5–6. The accounts are summarized in Table 1.

Table 1: Accounts Charged Off and in Collections

Creditor(s)	Account	Liability
Digital Federal Credit Union (FCU)	Charged-Off Account 1	$9,991
Capital One	Charged-Off Account 2	$2,689
Navy FCU	Charged-Off Account 3	$2,586
Navy FCU	Charged-Off Account 4	$1,849
Affirm, Inc.	Charged-Off Account 5	$1,104
Discovery Bank	Charged-Off Account 6	$994
Credit First	Charged-Off Account 7	$908

[3] The Notification Letter in the DOE exhibit notebook lacks a date and signature. Ex. 1 at 7–9. However, the LSO sent the Office of Hearings and Appeals (OHA) the Notification Letter attached as an enclosure to the Request for an Administrative Judge (Request) bearing a digital signature dated in October 2025. *See* Request for Administrative Judge at 6 (Dec. 23, 2025).

[4] The Individual submitted her exhibits in three separate PDF files. References to the Individual's exhibits are to the exhibit letter and the PDF page number.

Creditor(s)	Account	Liability
Bank of America	Charged-Off Account 8	$771
Security Credit Service (SCS), originally held by Pentagon FCU	Collections Account 1	$16,835
SCS, originally held by Pentagon FCU	Collections Account 2	$15,862
LVNV Funding, LLC, originally held by Navy Funding, LLC	Collections Account 3	$12,171
National Credit Adjust, originally held by RSVP Loans	Collections Account 4	$4,374
Portfolio Recovery Associates, LLC, originally held by Department Stores National	Collections Account 5	$2,041
Midland Credit Management (Midland), originally held by Comenity Capital Bank (Comenity)	Collections Account 6	$1,978
Midland, originally held by Comenity and Overstock.com	Collections Account 7	$1,302
Portfolio Recovery Associates, LLC, originally held by Citibank NA	Collections Account 8	$812
Midland, originally held by Comenity and Ultimate Rewards	Collections Account 9	$587
Midland, originally held by Citibank NA	Collections Account 10	$463
Net Credit	Collections Account 11	$3,160
Pentagon FCU	Collections Account 12	$15,000
Comenity	Collections Account 13	$2,135
Navy FCU	Collections Account 14	$47,300

Id. The cited information justifies the LSO's invocation of Guideline F.

III. REGULATORY STANDARDS

A DOE administrative review proceeding under Part 710 requires me, as the Administrative Judge, to issue a decision that reflects my comprehensive, common-sense judgment, made after consideration of all the relevant evidence, favorable and unfavorable, as to whether the granting or continuation of a person's access authorization will not endanger the common defense and security and is clearly consistent with the national interest. 10 C.F.R. § 710.7(a). The regulatory standard implies that there is a presumption against granting or restoring a security clearance. *See Department of Navy v. Egan*, 484 U.S. 518, 531 (1988) ("clearly consistent with the national interest" standard for granting security clearances indicates "that security determinations should err, if they must, on the side of denials"); *Dorfmont v. Brown*, 913 F.2d 1399, 1403 (9th Cir. 1990) (strong presumption against the issuance of a security clearance).

The Individual must come forward at the hearing with evidence to convince the DOE that granting or restoring access authorization "will not endanger the common defense and security and will be clearly consistent with the national interest." 10 C.F.R. § 710.27(d). The Individual is afforded a full opportunity to present evidence supporting his eligibility for access authorization. The Part 710 regulations are drafted to permit the introduction of a very broad range of evidence at personnel security hearings. Even appropriate hearsay evidence may be admitted. *Id.* § 710.26(h). Hence, an individual is afforded the utmost latitude in the presentation of evidence to mitigate the security concerns at issue.

IV. FINDINGS OF FACT

a. Charged-Off Accounts

For Charged-Off Account 1, the Individual testified that this debt belonged to her husband and that she was an authorized user on this account. Tr. at 17–18. The Individual submitted a screenshot of an email she received from the creditor of this account. *See* Ex. A at 7. The email states that the creditor removed the Individual from the account as an authorized user. *Id.* She indicated that she does not have responsibility for the account. *Id.* at 17–18. The Individual's husband has not settled the debt. *Id.* at 18.

For Charged-Off Account 2, two credit reports retrieved in April 2026 reflect that the Individual became delinquent on this account in 2022 and still owes $2,689. Ex. D at 8; Ex. E at 86. The Individual testified at the hearing that she called the creditor's collections department and that the settlement offer she received "was really high" and that she was still in negotiations regarding this account. Tr. at 19. She intends to "continue [ ] reach[ing] out to them" to "see if [they] can come to an agreement." *Id.* at 20.

For Charged-Off Accounts 3 through 8, the Individual provided documentary evidence—specifically communications from creditors, receipts from creditors, excerpts from her credit report, and settlement agreements, among other documentation—reflecting that she paid a settlement amount that resolved these financial obligations. Ex. A at 9–28.

b. Collections Accounts

Regarding Collections Accounts 1 and 2, the Individual's two April 2026 credit reports reflect that the amounts of $16,835 and $15,862 first became delinquent in 2021. Ex. D at 33, 35; Ex. E at 110–11. The Individual's two April 2026 credit reports reflect that the Pentagon FCU "transferred" or "sold" the delinquencies; the April 2026 reports for unknown reasons do not mention SCS as the current creditor of those debts. Ex. D at 33, 35; Ex. E at 110–11 . *But see* Ex. 7 at 240 (February 2025 credit report reflecting SCS as creditor of these debts). The Individual indicated that she, on February 2, 2026, attempted to email the current creditor, SCS, through an email address she found on its website and tried to verify through an online portal that she had collections accounts with it. Ex. B at 30–33. However, the Individual could not verify through SCS's website portal that she had collections accounts, and the email she sent to the SSC email address returned a message indicating the email was undeliverable. *Id.* at 30–33; Tr. at 26–31. The Individual testified that she received no communication indicating that the debts had been forgiven and that she still believes that she owes these amounts. Tr. at 31–32.

For Collections Accounts 3, 5 through 10, and 14, the Individual provided documentary evidence—communications from creditors, receipts from creditors, excerpts from her credit report, and settlement agreements, among other documentation—that supports that she paid settlement amounts that resolved these financial obligations. Ex. B at 34–47, 49–60, 75–78; Ex. F at 2–10.

Regarding Collections Account 4, the Individual's February 2025 credit report reflects that she owed a $4,374 debt assigned to another creditor in 2019. Ex. 7 at 241. The Individual testified that she had taken out a personal loan with the original creditor of this debt. Tr. at 34–35. The debt does not appear on her April 2026 credit reports. *See generally* Ex. D; Ex. E. At the hearing, the Individual testified that she "may still owe" the debt and that she received no notification that the debt was forgiven. Tr. at 35–37. She believes the debt does not appear on her April 2026 credit reports given the age of the debt. *Id.* at 36–37; *see also* Ex. D at 54 ("**Consumer reporting agencies may not report outdated negative information.** In most cases, a consumer reporting agency may not report negative information that is more than seven years old, or bankruptcies that are more than 10 years old.") (formatting in original).

Regarding Collections Account 11, one of the Individual's April 2026 credit reports reflects she became delinquent on a $3,160 debt in 2018. Ex. E at 103. The creditor initiated debt collections proceedings against the Individual in court. Ex. B at 62–70. In March 2026, the court vacated a default judgment originally entered against the Individual, as plaintiff-creditor had served the Individual at the wrong address. *Id.*; *see also* Tr. at 46–47. The Individual has retained counsel in the debt collection case to negotiate a settlement amount. Tr. at 46–47. As of the date of the hearing, the parties had not agreed on a settlement amount, though the Individual does not dispute that she owes the debt. *Id.* at 47.

Regarding Collections Account 12, one of the Individual's April 2026 credit reports reflects that the original creditor, Pentagon FCU, sold the debt to Axiom Acquisition Ventures, LLC (Axiom). Ex. E at 112 (reflecting an original balance of $15,000 and $16,562 written off). The original delinquency occurred in 2021. *Id.* The Individual indicated that she could not "validate ownership" of the debt "via [the] Axiom web portal." Ex. B at 72. The Individual does not dispute that she has not paid off this loan. Tr. at 53–54.

Regarding Collections Account 13, the Individual asserts that Collections Account 13 and Collections Account 6 reference the same debt. Ex. B at 51; Tr. at 54. One of the Individual's April 2026 credit reports supports this, where it indicates that Comenity assigned a $1,978 debt with an original balance of $2,135 to Midland. Ex. E at 127. The Individual resolved this debt with a creditor by paying a settlement amount. Ex. B at 52.

c. Gambling Problem and Other Financial Considerations

In her January 2025 QNSP, the Individual provided the following: "I have gambled and played poker socially for most of my adult life, but poker became a problem over the last 8 years [in 2017]. During this time gambling led to substantial financial losses, impacting my ability to manage finances effectively and contributing to the accumulation of debt." Ex. 5 at 94. The Individual recognized at the end of 2020 that she was "not recovering the money" that she had lost gambling. Tr. at 77–78. At around this time, the Individual was able to "pay . . . some of the[ ] bills" with "credit cards" without informing her husband of her behavior. *Id.* at 78. However, she eventually had to disclose to him her gambling habit. *Id.* She estimates that the last time she gambled was in October 2021. *Id.* at 79. The Individual submitted a letter from the state indicating that she had opted into a state-wide self-exclusion program, meaning that licensed cardrooms will remove her from the premises if she tries to enter and confiscate any unredeemed jackpots or prizes for remittance to the state. Ex. C at 82. She attended tele-therapy for her gambling issues and attended mutual support groups for women with gambling problems from the end of 2021 until some point in 2022. Tr. at 79–80.

The Individual also cited to the Covid-19 pandemic as contributing to her family's financial burdens, as her husband worked in a service industry and lost access to regular work, which "extended long past" the pandemic. *Id.* at 68–70, 72. She testified that his income had not "really increase[d]" until about last year. *Id.* at 72. She also indicated that their family consists of three school-age children, one of whom has special needs. *Id.* at 69. She indicated that their child's special needs had not been identified and diagnosed until 2021 and that this naturally incurred more expenses with respect to medical treatment and providing other supports. *Id.* at 70–71.

The Individual testified that she has not reached out to a nonprofit credit counseling service at any point. *Id.* at 65.

V. ANALYSIS

Conditions that could mitigate a security concern under Guideline F include:

(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 judgment;

(b) the conditions that resulted in the financial problem were largely beyond the person's control . . . 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 . . . ; 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;

(f) the affluence resulted from a legal source of income;

(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.

Adjudicative Guidelines at ¶ 20.

Regarding mitigating condition (a), one of the behaviors at issue here is the Individual's failure to satisfy debts, which was brought on by another behavior, specifically her gambling problem. Her gambling problem occurred long ago, given her testimony that she has not gambled since October 2021. However, the Individual still owes over $50,000 in past due money with respect to Charged-Off Account 2 and Collections Accounts 1, 2, 4, 11, and 12. These delinquencies arose from 2019 through 2022 and remained outstanding as of the date of the hearing. I cannot find the delinquent debts to have "occurred so long ago" or "to be unlikely to recur" where these debts remain actively overdue and unpaid. I also cannot find the debts "infrequent"—given the number of delinquent accounts and missed payments that occurred over several years. Mitigating condition (a) cannot wholly resolve the financial issues raised.

Regarding mitigating condition (b), I have some testimony that some conditions that resulted in the Individual's financial problems were "beyond [her] control." In particular, the Individual cited to her family's reduced household income due to the pandemic and increased expenses with respect to her child's special-needs accommodations. However, the Individual's overall financial problems appear to largely stem from the Individual's gambling which resulted in her inability to pay her financial obligations. While I am sympathetic to these circumstances, I am also unable to conclude that her financial situation was not in her control. Additionally, Charged-Off Account 2 and Collections Accounts 1, 2, 4, 11, and 12 remain outstanding after several years of delay. I cannot find that she acted responsibility given the number of those outstanding delinquencies and the years they have remained pending. Mitigating condition (b) does not apply.

Regarding mitigating condition (c), I have testimony that the Individual has received counseling specific to her gambling problem. This, on its face, does not seem to amount to "financial counseling" as contemplated by this mitigating condition. The Individual has also testified that she has not consulted a nonprofit credit counseling service and has not otherwise indicated that she has received "financial counseling." Moreover, even if she had, it is apparent that the situation is not under control considering the substantial delinquent debt the Individual has not resolved. Mitigiating condition (c) does not apply.

Regarding mitigating condition (d), the Individual provided evidence that she has satisfied many of her delinquencies, which I commend. However, the fact remains that Charged-Off Account 2 and Collections Accounts 1, 2, 4, 11, and 12 remain outstanding. I have no indication that she has entered payment plans on these accounts. Mitigating condition (d) does not apply.

Mitigating condition (e) does not apply, as the Individual does not challenge the validity of the past-due debts.

Mitigating condition (f) does not apply, as the SSC raised no concerns regarding unexplained affluence.

Mitigating condition (g) does not apply, as the SSC raised no concerns regarding the filing of tax returns or payment of taxes.

As such, I find that the Individual has not fully mitigated the security concerns raised under Guideline F.

VI. CONCLUSION

In the above analysis, I found that there was sufficient derogatory information in the possession of the DOE that raised security concerns under Guideline F of the Adjudicative Guidelines. After considering all the relevant information, favorable and unfavorable, in a comprehensive, common-sense manner, including weighing all the testimony and other evidence presented at the hearing, I find that the Individual has not brought forth sufficient evidence to resolve the security concerns. Accordingly, I have determined that the Individual's access authorization should not be granted. This Decision may be appealed in accordance with the procedures set forth at 10 C.F.R. § 710.28.

Andrew Dam
Administrative Judge
Office of Hearings and Appeals