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United States Department of Energy
Office of Hearings and Appeals

In the Matter of: Personnel Security Hearing	)		
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Filing Date: February 13, 2026	)	Case No.:	PSH-26-0061
	)		
	)		

Issued: August 21, 2026

Administrative Judge Decision

Kristin L. Martin, Administrative Judge:

This Decision concerns the eligibility of XXXXXXXXXXXXXXX (hereinafter referred to as "the Individual") for access authorization under the Department of Energy's (DOE) regulations set forth at 10 C.F.R. Part 710, entitled, "Procedures for Determining Eligibility for Access to Classified Matter and Special Nuclear Material or Eligibility to Hold a Sensitive Position."[1] For the reasons set forth below, I conclude that the Individual's security clearance should not be granted.

I. BACKGROUND

The Individual is employed by a DOE Contractor in a position which requires a security clearance. During the course of the Individual's background investigation, the DOE obtained information regarding the Individual's finances, including multiple collection and charged-off accounts. The DOE subsequently asked the Individual to respond to a Letter of Interrogatory (LOI) concerning, among other things, her outstanding debts and prior financial issues. The Local Security Office (LSO) began the present administrative review proceeding by issuing a Notification Letter to the Individual informing her that she was entitled to a hearing before an Administrative Judge in order to resolve the substantial doubt regarding her eligibility to hold a security clearance. *See* 10 C.F.R. § 710.21.

The Individual requested a hearing and the LSO forwarded the Individual's request to the Office of Hearings and Appeals (OHA). The Director of OHA appointed me as the Administrative Judge in this matter. At the hearing I convened pursuant to 10 C.F.R. § 710.25(d), (e), and (g), the Individual testified on her own behalf. *See* Transcript of Hearing, OHA Case No. PSH-26-0061 (hereinafter cited as "Tr."). The LSO submitted nine exhibits, marked as Exhibits 1 through 9 (hereinafter cited as "Ex."). The Individual submitted two exhibits, marked as Exhibits A and B.

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[1] Under the regulations, "'[a]ccess authorization' means 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). Such authorization will also be referred to in this Decision as a security clearance.

II. THE NOTIFICATION LETTER AND THE ASSOCIATED SECURITY CONCERNS

As indicated above, the Notification Letter informed the Individual that information in the possession of the DOE created a substantial doubt concerning her eligibility for a security clearance. That information pertains to Guideline F of the *National Security Adjudicative Guidelines for Determining Eligibility for Access to Classified Information or Eligibility to Hold a Sensitive Position*, effective June 8, 2017 (Adjudicative Guidelines). 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 the adjudicative process. 10 C.F.R. § 710.7.

Guideline F states:

> 18. *The Concern.* 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.
>
> 19. *Conditions that could raise a security concern and may be disqualifying include:*
>
> (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;
>
> (d) deceptive or illegal financial practices such as embezzlement, employee theft, check fraud, expense account fraud, mortgage fraud, filing deceptive loan statements and other intentional financial breaches of trust;
>
> (e) consistent spending beyond one's means or frivolous or irresponsible spending, which may be indicated by excessive indebtedness, significant negative cash flow, a history of late payments or of non-payment, or other negative financial indicators;
>
> (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;
>
> (g) unexplained affluence, as shown by a lifestyle or standard of living, increase in net worth, or money transfers that are inconsistent with known legal sources of income;

(h) borrowing money or engaging in significant financial transactions to fund gambling or pay gambling debts; and

(i) concealing gambling losses, family conflict, or other problems caused by gambling.

Adjudicative Guidelines at ¶¶ 18–19.

The LSO alleges that the Individual has two collection accounts totaling $32,672, including one Navy Federal Credit Union account in the amount of $15,806 and a Pentagon Federal Credit Union account in the amount of $16,866. Ex. 1 at 5.[2] The LSO further alleges that the Individual has seven charged-off accounts totaling $11,817, including accounts in the amounts of $3,228 (Department of Commerce Federal Credit Union), $2,450 (Credit One Bank), $2,048 (Affirm), $511 (Affirm), $307 (Affirm), $1,838 (a Home Depot store card), and $1,435 (a TJ Maxx store card). *Id.* The LSO also alleges that, in her October 2025 LOI response, the Individual stated that she had not made any payments toward her delinquent accounts since March 2023 and did not provide a date by which she would make payments on them. *Id.*

The LSO's allegations that the Individual has multiple unresolved collection and charged-off accounts raise Guideline F concerns under condition (a), inability to satisfy debts, and condition (c), a history of not meeting financial obligations. Adjudicative Guidelines at ¶ 19(a), (c). Accordingly, the LSO's security concerns under Guideline F are justified.

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 of 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 entire process is a conscientious scrutiny of a number of variables known as the "whole person concept." Adjudicative Guidelines at ¶ 2(a). The protection of the national security is the paramount consideration. 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 her eligibility for an access authorization. The Part 710 regulations are drafted so as to permit the introduction of a very broad range of evidence at personnel security hearings. Even appropriate hearsay evidence may be admitted. *Id.* at

[2] DOE exhibit page numbers will be cited using the Bates stamp in the top right corner of the documents.

§ 710.26(h). Hence, an individual is afforded the utmost latitude in the presentation of evidence to mitigate the security concerns at issue.

The discussion below reflects my application of these factors to the testimony and exhibits presented by both sides in this case.

IV. FINDINGS OF FACT

At the hearing, the Individual testified that she had worked as a federal contractor since 2005 and that, beginning around 2020, she experienced repeated employment disruptions when contracts ended, funding expired, or position requirements changed. Tr. at 9–10, 14. Her longest period without a paycheck occurred in 2023 after a contract ended for lack of funding. *Id.* at 15, 17–18. She testified that she was out of work from January through approximately May and did not receive a paycheck until June. *Id.* During that period, she did not receive unemployment assistance, so she exhausted her savings, performed Instacart work, and eventually obtained financial help from her boyfriend to make ends meet. *Id.* at 10, 33.

DOE records reflect a $35,000 delinquent federal student loan in 2012, seven unpaid collection accounts on a May 2015 credit report, and two unpaid medical collections on a July 2021 credit report. Ex. 4 at 18. At the hearing, the Individual initially testified that she had not been behind on any debts before 2023, but later acknowledged that she had used a credit counseling service in approximately 2015 and believed one or two credit cards were past due at that time. Tr. at 18, 31–32, 43–45. She explained that she considered those earlier issues resolved because, by 2023, she had rebuilt her credit and was making her payments on time. *Id.* at 45.

The Individual testified that the 2023 loss of income was the point at which she fell behind on her finances, including credit cards, her condominium fees, her property taxes, and an unsecured loan. Tr. at 17–18, 20–21. She testified that the debts identified in the Notification Letter became delinquent at approximately the same time after January 2023. *Id.* at 22, 26–28. She identified the Navy Federal, Pentagon Federal, Department of Commerce, Credit One, Home Depot, and TJ Maxx accounts as credit cards. *Id.* at 22, 26–28. Except for the Credit One account, which she testified she attempted to pay in 2023, she had not made payments or attempted to pay the listed accounts after they became delinquent. *Id.* at 22, 26–28. She testified that the three Affirm obligations were probably incurred in 2022, with two likely used for Christmas gifts and one for a vacation. *Id.* at 27–28.

The Individual testified that she also fell behind in 2023 on an Upstart loan that was not one of the debts listed in the Notification Letter. Tr. at 18–20. She estimated that the balance was approximately $8,000 and believed the account had been charged off. *Id.* at 20. She stated that she did not have a payment plan for it. *Id.* She testified that the loan had been obtained for medical expenses. *Id.* The Individual did not identify any other delinquent debts at the hearing that had not already been discussed. *Id.* at 28–29.

The Individual returned to contractor work in 2023, working from approximately May until October and then moving to a different contractor. Tr. at 15–16. In 2024, while employed, she cared for her boyfriend's mother while the mother was on hospice and helped with related expenses until the mother died in April. *Id.* at 11, 18. Later in 2024, the Individual was told that her position would no longer be needed, so she transitioned to the DOE Contractor in December 2024. *Id.* at 11–12. She testified that she learned in January 2025 that the position required a security clearance and that, had she known that in advance, she would not have taken the position because of the condition of her credit. *Id.* at 12–13.

The Individual completed a Questionnaire for National Security Positions (QNSP) in February 2025. Ex. 9 at 79. As part of the investigation, her credit report was obtained in February 2025. Ex. 7 at 49. The credit report reflected multiple delinquent accounts, including two collection accounts with balances of $15,806 and $16,866 and seven charged-off accounts with balances of $3,228, $2,450, $2,048, $511, $307, $1,838, and $1,435. *Id.* at 50–53.

The investigation also reflected that the Individual had not filed her 2022, 2023, and 2024 federal and state income tax returns as of August 2025. Ex. 4 at 18. In an October 2025 follow-up response, she confirmed that her 2023 and 2024 federal and state returns were filed on October 1, 2025, and her 2022 federal and state returns were filed on October 3, 2025. Ex. 5 at 21. At the hearing, she testified that, after returning to work, she brought her property taxes back on track and addressed her condominium fees. Tr. at 11, 23, 46. Prior to the hearing, the Individual submitted an account statement reflecting that her condominium fees had been paid. Ex. A.

In October 2025, the Individual responded to an LOI concerning, among other things, her outstanding debt. Ex. 6 at 23–43. In the LOI, the Individual was asked to provide information concerning each of the delinquent accounts, including the date and amount of the last payment, any payment arrangements made with the creditor, the date the debt would be paid, and any proof of payment or dispute documentation. *Id.* at 34–36. She was also asked whether she was delinquent on any other financial accounts, why she had not made a good-faith effort to repay debts after beginning a higher-paying job with the DOE Contractor, how the DOE could trust that she would adhere to her financial responsibilities in the future, and whether she was able and willing to repay her debt. *Id.* at 37–38.

In her response, the Individual stated that the last payments on the collection accounts were made between January and March 2023. Ex. 6 at 46. She stated that she had not made payment arrangements because she was trying to catch up with past-due bills and could not afford to make payments yet. *Id.* She further stated that she was paying other financial obligations and that, once she was over that "hump," she could begin the process of paying down her debt. *Id.* The Individual stated that not having a stable employment contract had been her biggest hurdle. *Id.* She also stated that her student loans, which were not included in the Notification Letter, were up to date and that she was not delinquent on any other accounts. *Id.* When asked why she had not made good-faith payments on the delinquent debts, the Individual stated that she could not afford to do so while trying to catch up with other obligations and while uncertain whether her job was secure. *Id.* The Individual explained that she had become current on her student loans and certain other financial obligations and had improved her credit before her employer lost a government contract in 2023. *Id.* She stated that losing that contract caused her to lose her job and therefore fall behind on her credit accounts. *Id.* She further stated that she had been trying to address what she could at the time. *Id.*

After 2023, the Individual opened additional credit. Tr. at 46–47, 50. She testified at the hearing that she had approximately five active credit cards, about three of which she opened after 2023, and she also acknowledged opening an approximately $800 line of credit after 2023. *Id.* at 47, 50. She stated that her credit cards had relatively small limits, with the largest at approximately $2,000, but acknowledged that the line of credit and some of the cards carried balances. *Id.* at 50–51. She explained that she opened the additional credit to have financial "security" and rebuild her credit, not because she lacked money for her ordinary obligations. *Id.* She also testified that whether she paid the cards off in full each month depended on her circumstances. *Id.* at 51–52.

At the time of the hearing, the Individual believed the DOE Contractor's contract ran through April 2027 and expected the employer to rebid for the work, although she acknowledged that whether she could remain in the position was outside her control. Tr. at 25. She had approximately $4,000 in savings, which she testified she was preserving in case she lost her job because of an adverse clearance determination or another contract disruption. *Id.* Her boyfriend was out of work, and she testified that she was supporting the household. *Id.* at 13, 35. She estimated that, after accounting for her expenses, she could devote approximately $600 to $1,000 per month to servicing her delinquent debts. *Id.* at 34–35. She did not submit documentation corroborating that estimate or otherwise demonstrating her current financial position.

Despite that stated capacity, the Individual had not established payment plans for the debts at issue by the hearing date. Tr. at 20, 22, 24, 26–30. She explained that she wanted to address the debts as a group, preferably after consulting someone about the best repayment strategy, and that she would likely begin with the smallest debts. *Id.* at 24, 29. She had not consulted a credit counselor before the hearing because she was concerned about paying counseling fees and committing funds while her job remained uncertain. *Id.* at 30–31, 48–49. She stated that a counseling service had cost approximately $90 to $100 per month when she used one about ten years earlier, but she had not recently investigated the current cost. *Id.* at 48. She acknowledged the Department's concern about her outstanding debts and stated that the concern was fair. *Id.* at 30–31. The Individual testified that she wanted to resolve the debts and would do so even if she could not remain in her current position, but she continued to want some job security before undertaking payment obligations she might be unable to maintain. *Id.* at 41–42.

V. ANALYSIS

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 places a high degree of trust and confidence in individuals to whom it grants access authorization. Decisions include, by necessity, consideration of the possible risk that 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.

The issue before me is whether the Individual, at the time of the hearing, presents an unacceptable risk to national security and the common defense. I must consider all the evidence, both favorable and unfavorable, in a commonsense manner. "Any doubt concerning personnel being considered for access for national security eligibility will be resolved in favor of the national security."

Adjudicative Guidelines at ¶ 2(b). In reaching this decision, I have drawn only those conclusions that are reasonable, logical, and based on the evidence contained in the record. Because of the strong presumption against granting or restoring security clearances, I must deny access authorization if I am not convinced that the LSO's security concerns have been mitigated such that granting the Individual's clearance is not an unacceptable risk to national security.

Conditions that could mitigate Guideline F security concerns 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 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;

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

Adjudicative Guidelines at ¶ 20. Conditions (f) and (g) are not germane to this case, and none of the other mitigating conditions apply.

The Individual has not made any payments on her debts, despite stating that she has disposable income to do so and that she knew they could be a barrier to her obtaining a security clearance. This makes her behavior of non-payment current, and it continues to cast doubt on her judgment, trustworthiness, and reliability. Conditions (a) and (d) do not apply.

The Individual did suffer a period of unemployment, but her decision to leave her debts unresolved after resuming employment does not constitute responsible action under the circumstances. The Individual has been employed for over three years at this point and has not made any attempts to resolve her debts. Particularly concerning is that she stated she wanted to start with her smallest debts, but still has two outstanding accounts with balances lower than the $600 to $1,000 monthly amount she stated she could put toward paying debts. Even those balances with resolution in easy reach remain unpaid, indicating that the Individual is not motivated at this time to take any action to resolve her debts. Condition (b) does not apply.

The Individual stated that she has not engaged in credit counseling regarding the debts at issue. Condition (c) does not apply. Nor has she disputed the validity of the debts. Condition (d) does not apply.

The Individual's debt situation remains more or less unchanged since she learned that the debts presented a Guideline F concern. Accordingly, I cannot find that she has mitigated the concern.

VI. CONCLUSION

Upon consideration of the entire record in this case, I find that there was evidence that raised concerns regarding the Individual's eligibility for access authorization under Guideline F of the Adjudicative Guidelines. I further find that the Individual has not succeeded in fully resolving those concerns. Therefore, I cannot conclude that granting DOE access authorization to the Individual "will not endanger the common defense and security and is clearly consistent with the national interest." 10 C.F.R. § 710.7(a). Accordingly, I find that the DOE should not grant access authorization to the Individual.

This Decision may be appealed in accordance with the procedures set forth at 10 C.F.R. § 710.28.

Kristin L. Martin
Administrative Judge
Office of Hearings and Appeals