

In the Matter of: Personnel Security Hearing)
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Filing Date: December 16, 2024)
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Case No.: PSH-25-0048

Issued: March 28, 2025

Administrative Judge Decision

Noorassa A. Rahimzadeh, Administrative Judge:

This Decision concerns the eligibility of XXXXXXXXXXXXXXXX (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.”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’s access authorization should not be granted.

I. Background

The Individual is seeking employment with a DOE contractor, requiring him to obtain an access authorization. The Individual signed and submitted a Questionnaire for National Security Positions (QNSP) in October 2023. Exhibit (Ex.) 4. When asked in the QNSP whether he had “failed to file or pay [f]ederal, state, or other taxes” in the past seven years, the Individual marked “yes.” *Id.* at 125. The Individual disclosed that he failed to pay his federal and state income taxes for tax year 2013.² *Id.* at 126. He explained that the aforementioned tax obligation was not discharged in Chapter 7 bankruptcy proceedings, which he filed following the closure of his business in 2013. *Id.* The Individual estimated that he owed \$50,000 in unpaid federal and state income taxes for tax year 2013. *Id.* He also estimated that he failed to file his federal and state income taxes for tax years 2016 through 2023, and that he accordingly owed approximately \$1,500 in unpaid taxes for those tax years. *Id.* He indicated that he failed to file because he believed that “the penalty [would] not outweigh the expense and trouble of filing” his income taxes. *Id.* He further stated that he was paying income taxes through salary deductions. *Id.*

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 In his response to the first of two May 2024 Letters of Interrogatory (LOI) issued to him by Local Security Office (LSO), specifically regarding his federal income taxes, the Individual corrected the year he provided in the QNSP and clarified that he had, in fact, failed to file his taxes for tax year 2011. Ex. 6 at 197. The correct date of 2011 is also reflected in the financial information obtained by the background investigator in this matter. Ex. 4 at 157.

The Individual also disclosed in his QNSP that in June 2021, a dispute arose over payment for roofing services that he received, resulting in a lien against his property. *Id.* at 127. The amount “of the financial issue” totaled approximately \$4,000. *Id.* When asked about delinquencies involving routine accounts, the Individual explained that he was delinquent on the “[m]ajority of accounts and loan[s,]” as he was laid off earlier in 2023, and that the dollar amount of the collective delinquency was approximately \$80,000. *Id.* at 128–29. The Individual explained that since being laid off, he had been supporting himself on unemployment income and proceeds from a camper that he rented to others. *Id.* at 129. Finally, the Individual disclosed that he had an outstanding balance of \$100,000 in student loan debt, and that although his wages had been garnished in 2017 at one point, he is now on an income-based repayment plan. *Id.* at 130.

As part of the access authorization application process, the Individual underwent an Enhanced Subject Interview (ESI), which was conducted by an investigator in December 2023. *Id.* at 137. During the interview, the Individual confirmed that he filed Chapter 7 bankruptcy due to the closure of his business, and those related financial obligations were accordingly discharged pursuant to the action in 2023. *Id.* at 139. The Individual also disclosed that his mortgage was deferred in June 2023, due to his unemployment, and would remain in deferred status until January 2024. *Id.* He also told the investigator that as he “was already paying taxes through his companies and [did not] want to deal with the hassle of filing taxes[,]” he did not file taxes from 2016 to 2023.³ *Id.* at 140. He did, however, state that he intends to meet his future financial obligations. *Id.* He also clarified that with regard to the matter of the lien on his property, he had a dispute with the roofing company over the services rendered, and the roofing company “refused to resolve the issue.” *Id.* at 140. He stated that he intends to resolve the matter using proceeds from the eventual sale of his home or through the services of an attorney. *Id.*

As part of the investigation process, the investigator obtained a copy of the Individual’s financial record, which revealed a debt totaling \$49,359 to the Internal Revenue Service (IRS) for tax year 2011. Ex. 4 at 157. It also indicated that the Individual owed State 1 \$9,623.90 in income taxes for tax years 2011 and 2012. *Id.* at 158. As questions still remained, the LSO asked the Individual to complete two LOIs, which the Individual signed and submitted in May 2024. Ex. 6; Ex. 8.

The LSO began the present administrative review proceeding by issuing a letter (Notification Letter) to the Individual in which it notified him that it possessed reliable information that created a substantial doubt regarding his eligibility for access authorization. In a Summary of Security Concerns (SSC) attached to the Notification Letter, the LSO explained that the derogatory information raised security concerns under Guideline F (Financial Considerations) of the Adjudicative Guidelines. Ex. 1. The Notification Letter informed the Individual that he was entitled to a hearing before an Administrative Judge to resolve the substantial doubt regarding his 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 Administrative Judge in this matter. At the hearing I convened pursuant to 10 C.F.R. § 710.25(d), (e), and (g), the Individual

³ The Individual stated in his first May 2024 LOI response that he had failed to file income taxes for all tax years subsequent to 2011. Ex. 6 at 200.

testified on his own behalf and presented the testimony of his friend. *See* Transcript of Hearing, OHA Case No. PSH-25-0048 (hereinafter cited as “Tr.”). The Individual also submitted ten exhibits, marked Exhibits A through J. The DOE Counsel submitted eight exhibits marked as Exhibits 1 through 8.

II. Notification Letter

Guideline F provides that 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.” Adjudicative Guidelines at ¶ 18. Among those conditions set forth in the Adjudicative Guidelines that could raise a disqualifying security concern are the “inability to satisfy debts[,]” “a history of not meeting financial obligations[,]” and the “failure to file . . . or failure to pay annual Federal, state, or local income tax as required[.]” *Id.* at ¶ 19(a), (c), and (f). In support of its invocation of Guideline F, the LSO alleged the following:

1. The Individual’s 2013 Chapter 7 Bankruptcy filings indicate that the Individual owed the IRS \$49,358 for tax year 2011. Ex. 1 at 5.
2. The Individual disclosed in his first May 2024 LOI response that he had not filed federal income taxes for tax years 2011 through 2022. *Id.*
3. The Individual stated in his first May 2024 LOI response that “[h]e believed that his 2011 federal tax debt would discharge after [ten] years as uncollectible if he did not file taxes in subsequent years.” *Id.* He also stated his belief that his 2011 federal tax debt was discharged in 2023 and presented a tax transcript showing a “credit to his account for \$68,331 described as a write-off of balance due.” *Id.* “The transcript also showed prior penalties, liens, and levies for taxes owed.” *Id.*
4. The Individual stated in his 2023 QNSP that he did not file his federal income tax taxes for tax years 2016 through 2023, as “the penalty would not outweigh the expense and trouble of filing.” *Id.* Regarding the matter, he indicated during the ESI that he was “already paying taxes through his companies and did not want to deal with the hassle of filing taxes. *Id.* at 5–6. The Individual stated in his second May 2024 LOI that “unless requested to do so by the IRS[,]” the Individual had no intention of filing the aforementioned tax returns. *Id.* at 6.
5. The Individual’s 2013 Chapter 7 bankruptcy records indicate that the Individual owed approximately \$9,623.90 to State 1 in unpaid state income taxes for tax years 2011 and 2012, and further, the Individual indicated in his QNSP that he failed to pay his State 1 income taxes for tax year 2013. *Id.* State 1 released a tax lien on the Individual’s property in 2021. *Id.*
6. The Individual indicated in the QNSP that he failed to pay his State 2 state income taxes for tax years 2016 through 2023, and that as a result, he owes the tax authority approximately \$1,500. *Id.* at 15. He stated in his first May 2024 LOI response that he had

filed State 2 income taxes for tax year 2023, but did not provide corroborating evidence. *Id.*

7. Tax records from State 1 indicate that the Individual “owed \$90.16 for delinquent 2013 personal property taxes.” *Id.*
8. A November 2023 credit report indicates that the Individual has twenty-five “accounts with delinquent balances[,]” totaling approximately \$50,295. *Id.* The Individual told the investigator that the “delinquencies were due to being unemployed since March 2023.” *Id.* The Individual indicated in his May 2024 LOI responses that since becoming employed in April 2024, the delinquent accounts were being addressed with the help of a credit consolidation service. *Id.* at 6–10. “[H]owever, the accounts remain unresolved.” *Id.* The Individual indicated that many of the now delinquent accounts were used for household expenses like groceries, “debt consolidation, bills, house modifications, and utilities[,]” and stated that the majority of these accounts went into delinquency in March 2023. *Id.* at 6–10.
9. A November 2023 credit report revealed two past due accounts totaling \$2,360, that the credit consolidation service was not helping the Individual address. *Id.* at 10. These two accounts remain unresolved. *Id.* at 10. The accounts pertain to the purchase of two campers. *Id.*
10. A November 2023 credit report indicated that the Individual’s automobile loan account was sixty days past due in the amount of \$1,844, and in the first May 2024 LOI response, the Individual indicated that he “returned the vehicle to the lender, and he thought the account was satisfied.” *Id.* the Individual also indicated in his second May 2024 LOI response that the creditor asserts that he owed \$2,093.05, which the Individual felt was incorrect. *Id.* at 10–11.
11. The first May 2024 LOI response revealed that a lien was placed on the Individual’s property after the Individual failed to pay for the installation of his roof in April 2022, but he indicated that he intends to satisfy the lien upon the sale of the home. *Id.* at 11.
12. The Individual’s mortgage, which has an approximate balance of \$397,062, was deferred until January 2024 due to unemployment. *Id.*
13. A November 2023 credit report revealed that the Individual had eight accounts “in collection status before being deferred, settled, paid[,]” and the Individual indicated in his first May 2024 LOI response that these “accounts were resolved so he could purchase a home in December 2021.” *Id.* at 11–12. The aforementioned accounts totaled approximately \$111,517, and many of the accounts were settled for less than the balance. *Id.*
14. A November 2023 credit report revealed two “accounts that were [sixty] days past due in 2023[,]” but “[t]he accounts are now current.” *Id.* at 12.

15. In his first May 2024 LOI response, the Individual “admitted that he has lived with liens, levies, and garnishments for years.” *Id.*
16. The Individual indicated in the QNSP that “his wages were garnished for student loans in 2017.” *Id.*
17. The Individual filed for Chapter 7 bankruptcy in 2013, “with total liabilities of \$2,165,819 and total assets of \$478,309.” *Id.*

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 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.* § 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 and Hearing Testimony

In his request for a hearing and in his testimony, the Individual explained he had owned a business for over a decade before he elected to dissolve the business and file for bankruptcy in 2013. Ex. 3 at 25, 27–28, 41–42; Tr. at 31–32, 35–36. The Individual stated in his testimony that his supplier was “bought out by a hedge fund[,]” and accordingly, his “margins went from 15, 20 percent, down to 5.” Tr. at 31–32. Further, he had more inventory than he could sell. *Id.* at 32. Upon the advice of accountants and attorneys, the Individual filed for bankruptcy. *Id.* The Individual testified that following his bankruptcy, he was unemployed for approximately “eight months to a year.” Tr. at 102. The Individual was subsequently employed two more times, leaving one job for the next for a pay raise. *Id.* at 102–03. The Individual then sought employment with a third employer, where he was laid off in early March 2023 pursuant to a reduction in force. Ex. 3 at 25, 28, 32–39; Tr. at 41, 103–04. As the Individual had worked for the employer for less than a year before being laid off, the stocks offered through the employer had not vested, and due to the employer’s declining financial condition, he did not receive the bonus that was promised. Ex. 3 at

25; Ex. 6 at 195. The Individual stated that accordingly, he was not able to “pay off [his] auto loan and all the open accounts” that he had at the time. Ex. 6 at 195. He noted that before being laid off, he had been paying his utilities and bills “on time each month[,]” and that since being laid off, he had been forced to avail himself of assistance and other benefits. *Id.* He remained “unemployed for over a year.” Ex. 3 at 29. In his request for a hearing, he indicated that the aforementioned debts in the above allegations eight through twelve were “related to being unemployed[,]” Ex. 3 at 29. The Individual stated in his first May 2024 LOI response and his testimony that his financial situation was “largely beyond [his] control[,] as he lost employment for over a year.” Ex. 6 at 195; Ex. 3 at 27; Tr. at 33.

The Individual explained in his first May 2024 LOI response that he intended to “settle and delete” his outstanding debts via an action plan that included, among other things, verifying the legitimacy of accounts, confirming amounts due, disputing debts as necessary, negotiating settlements, and submitting payment. Ex. 6 at 217–19. The Individual indicated that he had engaged a credit service agency in May 2024, and that the plan created by the agency indicated that the Individual would provide them with \$400 per month for five months and a one-time payment to settle his outstanding debts. Ex. 6 at 222; Ex. 8 at 248–64, 266, 272. The agreement was to settle over twenty delinquent accounts. Ex. 8 at 266–68. The agency was not, however, addressing the Individual’s debt pertaining to the purchase of two campers.⁴ Ex. 6 at 269; Tr. at 57. As a supplement to the second May 2024 LOI response, the Individual submitted a May 2024 letter from the lender regarding an automobile loan, indicating that the Individual’s automobile loan “has an outstanding payoff balance due of \$2,093.05.” Ex. 6 at 280. The Individual indicated that the lender was claiming that “interest payments were added to the loan balance[,]” and accordingly, he was including this loan in his request for services from the credit service agency. *Id.* at 278. The Individual ultimately discontinued services from the credit service agency, and as he had learned how to resolve debts, he undertook the task himself. Tr. at 108.

The Individual accepted employment with the DOE contractor in September 2023, and while waiting for his access authorization to be granted, he took temporary employment with a different employer and received his first paycheck in April 2024. Ex. 3 at 25; Ex. 6 at 195–96, 239. The Individual also netted approximately \$92,000 in profit when he sold his home in October 2024 and stated in his request for a hearing that the fact that he is slowly paying his debts is evidence that he can satisfy debts and meet financial obligations. Ex. 3 at 30, 43–51; Tr. at 33, 40, 43–44, 100. At the time of the hearing, the Individual testified that he had satisfied all delinquent accounts and provided documentation corroborating the aforementioned assertion for the majority of the accounts, which showed that he had often settled the matter with the creditor for less than the full amount owed pursuant to an agreement.⁵ Tr. at 65–98; Ex. B; Ex. G; Ex. H; Ex. I; Ex. J. The

⁴ The Individual had purchased two campers, one was repossessed and sold, and the Individual kept the other. Tr. at 58. The Individual testified that at the time of the hearing he was making payments as agreed on the camper that he kept. *Id.* at 58–59.

⁵ Although the Individual testified that all of his delinquent accounts were satisfied, he failed to provide evidence corroborating the satisfaction of several of these accounts. Letters or documents confirming that the creditor received payment could not be located in the record regarding the debts alleged in paragraphs B(1)(h), B(1)(k), B(1)(u) in the SSC. Ex. 1 at 7–9. Per the SSC, these delinquent accounts total approximately \$2,326. *Id.* The Individual also provided a screenshot that he marked as pertaining to the alleged delinquency in paragraph B(1)(p) of the SSC. Ex. G at

Individual also testified that he was able to satisfy the lien on his property that resulted following a dispute over a replaced roof upon the sale of his home. Tr. at 48–49.

The Individual disclosed in his early May 2024 LOI that he satisfied six separate delinquent accounts in an effort to purchase a home in 2021. Ex. 6 at 196. Regarding the allegation that he has a history of not meeting his financial obligations, the Individual indicated in his request for a hearing that “[t]here was a time where [he] was in between jobs and moving quite a bit[,]” and accordingly, he “became late on a few accounts.” Ex. 3 at 30. He testified that he spoke to a financial planner who suggested that the Individual save money for times of financial hardship, and he currently has about \$25,000 in a savings account. Tr. at 60. His goal is to “save as much as [he] can right now.” *Id.* at 61. The Individual also testified that at the time of the hearing, his student loans were in forbearance status. *Id.* at 99–100.

Regarding the alleged unfiled taxes, the Individual stated in his request for a hearing that his failure to file taxes “was a onetime issue related to a Chapter 7 bankruptcy over [ten] years ago[.]” Ex. 3 at 28. At the time of his Chapter 7 bankruptcy, the Individual owed \$49,358 to the IRS in income taxes for tax year 2011. Ex. 6 at 200; Tr. at 32. The Individual stated his belief that “federal taxes would legally discharge after [ten] years which would eliminate [the] burden.” Ex. 6 at 200. Accordingly, as the Individual “saw no way out of this debt[,]” he “did not file [his] subsequent tax returns so that the . . . debt could be discharged.”⁶ *Id.* Further, he stated that he unsuccessfully attempted to negotiate a repayment plan with the IRS multiple times. Ex. 6 at 200; Tr. at 40. He indicated that he “lived with liens, levies, and garnishments for years even after attempting to negotiate tax arrangements[,]” which left him with the “only option” of paying the debt “all at once” after a “windfall year of income” or “to wait it out and have [the obligation] discharged[.]” Ex. 6 at 200. The Individual stated in the first May 2024 LOI that although he filed his income taxes for tax year 2023, he had not filed his past tax returns. *Id.* However, regarding the aforementioned past taxes, the Individual indicated that he had been “paying taxes through corporate employment since 2013[,]” he just failed to file the federal and state returns.⁷ Ex. 6 at 200; Tr. at 39, 46–47, 101–02. The Individual confirmed in his second May 2024 LOI that he has not yet received any communication from the IRS asking him to file the unfiled taxes. Ex. 8 at 247. In the same LOI response, the Individual also indicated that at the present time, he would like to “focus on the commercial debts[,]” as he would like to “clear them up[.]” *Id.* The Individual

Attachment Q; Ex. J at Attachment 3. However, the information contained in the screenshot reveals that the account may in fact pertain to the alleged delinquent account in paragraph B(1)(q). *Id.* Accordingly, accurate information regarding those alleged delinquent accounts could not be verified. According to the SCC these delinquent accounts total approximately \$8,271. Ex. 1 at 9. Further, there was one account that the Individual reported as fraudulent – the alleged delinquent account at paragraph B(1)(v) in the SSC – and he testified that the account was promptly removed from his credit report. Tr. at 94; Ex. 1 at 9. The Individual did not provide evidence corroborating the aforementioned assertion.

⁶ The Individual testified that at the time he sold his home, his approximately \$49,358 in tax debt had already been discharged. Tr. at 43. Attached to his first May 2024 LOI response was a tax transcript showing a credit to his account for \$68,331, described as a write-off of balance due. Ex. 6 at 197. At the hearing, the Individual indicated he filed his taxes for tax years 2011, 2012, and 2013, as he was required “to file the taxes before [he] could do the bankruptcy.” Tr. at 36–38, 101.

⁷ The Individual also stated his belief that if a taxpayer is “due a refund or paid adequate taxes for that year, [the taxpayer does not] necessarily have to file” taxes. Ex. 8 at 247.

submitted a May 2024 letter from a tax preparer with his 2023 income tax return attached, indicating that his income taxes for tax year 2023 had been prepared, and that he was expected to receive a refund of approximately \$2,900. Ex. 3 at 60–74; Ex. 6 at 201. The Individual submitted an IRS tax transcript confirming that he had filed his federal income taxes for tax year 2023. Ex. A at 1. He also submitted a copy of his federal tax return and proof of filing for tax year 2024. Ex. A at 2–69. The Individual communicated his intent to file taxes as required moving forward and stated that he “believe[s] in filing taxes.” Ex. 8 at 247; Tr. at 33. At the time of the hearing, the Individual had not filed his federal and state income taxes for tax years 2014 through 2022. Tr. at 101–02.

In his request for a hearing, the Individual denied any outstanding property tax in State 1 from 2013 totaling approximately \$90.16, and in his first May 2024 LOI, he indicated that he contacted the county in which he resided and was informed that “they currently have no record” of the aforementioned debt. Ex. 3 at 29; Ex. 6 at 198–99. He also indicated in the same LOI that regarding his State 1 income taxes for tax years 2011 and 2012, when he accessed the State 1 online tax portal, it indicated that he did not have any taxes due. Ex. 6 at 198. The Individual attached a screenshot of the portal indicating the same. *Id.* at 198. The screenshot does not indicate any information regarding when the portal was accessed. *Id.* The Individual also provided a letter from the State 1 tax authority in early December 2021 indicating that the lien that State 1 had placed on his property had been released. *Id.*; Tr. at 45. At the hearing, the Individual testified that State 1 recovered the outstanding amount owed via garnishments, and accordingly, the lien was removed. Tr. at 45, 106.

The Individual’s friend who has known the Individual for approximately thirty years, testified that he developed a “pretty solid relationship” with the Individual after becoming acquainted with him through work. *Id.* at 18–19. Although the Individual’s friend knew that the Individual “got behind” on his taxes, he did not have much more information on the matter. *Id.* at 22. He stated that while they worked together, the Individual’s behavior never made him question the Individual’s judgment or reliability. *Id.* at 26. He ended his testimony by explaining that he would loan the Individual money, and that he “trust[s] the guy.” *Id.* at 29.

V. Analysis

The Adjudicative Guidelines provide that conditions that could mitigate security concerns 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 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.

In my analysis, I will first consider the concerns related to the Individual's delinquent accounts, and then the concerns related to his failure to file and pay income taxes. The Individual testified that he satisfied all delinquent accounts that were alleged in the SSC, but I cannot conclude that he has mitigated the related security concerns. Due to a bankruptcy and an unfortunate lay off, the Individual has spent years in a state of financial upheaval. After the 2013 bankruptcy filing, the Individual was employed three more times, leaving his first job after the bankruptcy filing for a second job to secure better financial compensation. But the Individual's financial difficulties continued, resulting in the Individual living with the liens, levies, and garnishments. It also appears from the record that the Individual only made efforts to resolve financial issues when there was a reason for doing so outside of the fact that the debt was owed, like obtaining an access authorization and purchasing a home in 2021. While the circumstances that led to his bankruptcy may be unlikely to recur, should the Individual be faced with a layoff or reduction in salary in the future, I do not have solid assurances that the Individual will be able to manage his finances responsibly, beyond a general statement from the Individual that he has money saved. Indeed, I do not have evidence that the entirety of the Individual's financial difficulties have been resolved to date. For the foregoing reasons, I cannot conclude that the behavior took place long ago, was 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. The Individual has failed to mitigate the stated concerns pursuant to mitigating factor (a).

The Individual has argued that his more recent financial difficulties were the result of his previous bankruptcy and period of unemployment, and therefore beyond his control, but even accepting that is the case, I cannot conclude that he acted responsibly under the circumstances. The Individual asserted that the bulk of the delinquent accounts totaling approximately \$50,000 became delinquent around March 2023, after he was laid off. However, it concerns me that the record does not show that the Individual made any attempts to resolve what was a large amount of debt until May 2024, when he engaged a credit service agency. Accordingly, I cannot conclude that he

mitigated the matter pursuant to mitigating factor (b). Furthermore, while the Individual did engage a non-profit credit service that appears to be legitimate, the Individual did not provide exhibits corroborating the assertion that *all* delinquent accounts were satisfied. In the same way, I do not have evidence corroborating the Individual's assertion that one of the listed delinquent accounts was, in fact, fraudulent. As I do not have the aforementioned corroborating evidence for every account, I cannot conclude that the matter is under control, that the Individual is adhering to good-faith efforts to resolve the debts, or that he has a reasonable basis to dispute the legitimacy of the debt. The Individual has failed to mitigate the state concerns pursuant to mitigating factors (c), (d), and (e).

Regarding the matter of the Individual's income taxes, filing one's taxes is a continuing annual obligation, regardless of whether one has money withheld from his or her paycheck. The Individual admitted in his testimony that he has not filed his federal or state income taxes for tax years 2014 through 2022, and I do not have any information in the record confirming that those taxes have been filed and/or paid. As the obligation to file and/or pay his federal and state income taxes is continuing and has not been resolved despite the fact that the Individual asserts he has saved money for the purpose of satisfying any outstanding tax debt, I cannot conclude that the behavior alleged in the SSC happened so long ago, was infrequent, or occurred under such circumstances that it is unlikely to recur and does not cast doubt on his current reliability, trustworthiness, or good judgment. The Individual has failed to mitigate the stated concerns pursuant to mitigating factor (a). I also cannot conclude that the Individual acted responsibly under the circumstances. The obligation to file and pay one's taxes exists whether the Individual has the appropriate amount withheld from his paycheck or not. The obligation exists whether or not they are a hassle or an impediment to another financial goal. Although one is not required to file taxes if one did not earn above a threshold amount, the Individual failed to provide any information indicating that he had in fact earned less than the threshold amount. Further, based on his testimony, it appears that he was employed for most years between 2014 and 2022. At the hearing, the Individual testified that he did not feel that he could file his federal income taxes until his approximately \$50,000 in tax debt was discharged. Notably, he did not submit any IRS regulation or rule supporting the assertion. He also admitted that although the aforementioned debt has since been discharged, he still has not filed his federal and state income taxes for tax years 2014 through 2022, and he does not intend to do so until he is contacted by the IRS. This fact alone indicates that the Individual is not acting responsibly, as he is waiting for the agency to hold him accountable for his annual obligation to file his income taxes. I cannot conclude that the Individual has mitigated the stated concerns under mitigating factor (b).

I have no information before me indicating that the Individual has made arrangements with the appropriate tax authorities to file or pay the amount owed and is in compliance with those arrangements for tax years 2014 through 2022. He also did not provide any evidence indicating that he satisfied the property tax that he owed State 1. Further, regarding the lien that was lifted by State 1, the lien was lifted after State 1 garnished his wages, satisfying the outstanding amount owed. The record does not reflect that the Individual reached out to the State 1 tax authority to make arrangements to satisfy the outstanding amount owed. The Individual has failed to mitigate the stated concerns pursuant to mitigating factor (g).

The SSC did not allege any unexplained affluence, and accordingly, mitigating factor (f) is not applicable.

VI. Conclusion

For the reasons set forth above, I conclude that the LSO properly invoked Guideline F of the Adjudicative Guidelines. After considering all the evidence, both favorable and unfavorable, in a comprehensive, common-sense manner, including weighing all the testimony and other evidence presented at the hearing, I find that he has not brought forth sufficient evidence to resolve the concerns set forth in the SSC. Accordingly, the Individual has not demonstrated that granting his security clearance would not endanger the common defense and security and would be clearly consistent with the national interest. Therefore, I find 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.

Noorassa A. Rahimzadeh
Administrative Judge
Office of Hearings and Appeals