



On November 16, 2023, the Individual was interviewed by an investigator in connection with his clearance application. Ex. 8 at 210–18. With regard to his failure to file taxes for 2016, 2017, and 2018, the Individual reported “preparing the taxes but not mailing them because the tax paperwork was placed in moving boxes and never unpacked.” *Id.* at 216. He indicated that he would endeavor to file the delinquent taxes by mid-December 2023. *Id.* Regarding the delinquent automobile loan debt, the Individual stated he opened the account in 2015, it became delinquent in 2021 “due to multiple unemployments,” and the vehicle was repossessed in the summer of 2022. *Id.* Regarding the delinquent personal loan debt, the Individual stated he opened the account in 2020, and it became delinquent in 2021, also due to “multiple unemployments.” *Id.* The Individual stated he would contact both creditors in December 2023 to establish payment arrangements. *Id.*

The Local Security Office (LSO) sent the Individual a Letter of Interrogatory (LOI), which the Individual completed on August 21, 2024. Ex. 5. The Individual acknowledged he had still not filed his taxes for 2016, 2017, and 2018,<sup>3</sup> and further disclosed that he was delinquent on filing his tax returns in two separate states for those tax years. *Id.* at 20–24. As for the reason for not filing, the Individual stated his taxes “[g]ot lost during the previuos [sic] 2 change of addresses,” but that “they will be filed as soon as they are found.” *Id.* The Individual stated he had not sought extensions of the filing deadlines, and he would set up a payment plan as soon as he found out how much he owed for the tax years in question. *Id.* at 24. The Individual confirmed that he was current on filing his taxes for tax years 2020 through the present. *Id.*

Regarding the two delinquent financial accounts, the Individual stated that he had not yet settled the accounts, but was “trying to get a lower settlement payment.” *Id.* at 24–26. He disclosed two additional delinquencies as well: \$190 with an anesthesiologist and \$234 with a healthcare facility. *Id.* at 28. He described his financial situation as “living paycheck to paycheck,” but represented that he lives within his means and would attempt to satisfy his delinquent accounts “when I get OT again at work.” *Id.* at 27.

On October 21, 2024, the LSO issued the Individual a letter in which it notified him that it possessed reliable information that created substantial doubt regarding his eligibility to hold a security clearance. Ex. 1 at 7–9. In a Summary of Security Concerns (SSC) attached to the letter, the LSO explained that the derogatory information raised security concerns under Guideline F (Financial Considerations) of the Adjudicative Guidelines. *Id.* at 5–6.

The Individual exercised his right to request an administrative review hearing pursuant to 10 C.F.R. Part 710. Ex. 2. The Director of the Office of Hearings and Appeals (OHA) appointed me as the Administrative Judge in this matter, and I subsequently conducted an administrative hearing. The LSO submitted eight exhibits (Ex. 1–8). The Individual submitted 12 exhibits (Ex. A–L). At the hearing, the Individual testified on his own behalf. The LSO did not call any witnesses.

## II. THE NOTIFICATION LETTER AND THE ASSOCIATED SECURITY CONCERNS

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<sup>3</sup> The Individual also stated, “[s]o far I have gotten a letter from the IRS for 2019,” suggesting that he was also delinquent on filing his taxes for 2019. Ex. 5 at 20.

The LSO cited Guideline F as the basis for its determination that the Individual was ineligible 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 or sensitive information.” Adjudicative Guidelines at ¶ 18. According to the LSO, the factors that gave rise to the Guideline F concern were: the Individual’s failure to file and pay federal and state income taxes, in two separate states, for tax years 2016, 2017, and 2018; his four delinquent accounts with balances of \$15,753, \$2,276, \$190, and \$234; and his admission that he is not currently able to satisfy his delinquent accounts. Ex. 1 at 5–6. These allegations justify the LSO’s invocation of Guideline F. *See* Adjudicative Guidelines at ¶ 19(a), (c), (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 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 regulatory standard implies that there is a presumption against granting or restoring a security clearance. *See Dep’t 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. HEARING TESTIMONY

The Individual testified that, as of the hearing, he had still not filed his federal taxes for 2016 and 2017 nor his state taxes for 2016, 2017, 2018, and 2019,<sup>4</sup> but that he intended to file them later that day. Tr. at 10–11, 24. As for his 2018 and 2019 federal taxes, he had received letters in late

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<sup>4</sup> Regarding the Individual’s statement on the LOI that he was delinquent on filing taxes in two separate states, he testified that his tax preparer advised him in 2021 he did not need to file in the second state because he did not reside in that state but only worked there for part of the year. Tr. at 30–32. He could not explain why he would have answered differently on the LOI in 2024, but confirmed, “I should have just put [the state where I resided], not [the other state].” *Id.* at 34. Given that the security concerns associated with the Individual’s delinquent taxes in the second state are based entirely on his LOI response, which he has now amended, I will not consider those concerns as part of the Guideline F concerns at issue in this hearing.

2024 and early 2025 indicating the IRS had filed them on his behalf. *Id.* at 15–16, 20–22. According to the Individual, as soon as he completed the filing of his taxes for all four years, he would set up payment plans for the amount owed. *Id.* at 11; *see id.* at 15 (stating he would like to pay \$500 a month to the state, and \$500 weekly to the IRS). The Individual submitted into the record payment vouchers from the IRS for 2016, 2017, and 2018, showing that he owed a total of \$12,709 for those tax years.<sup>5</sup> Ex. E–G; Tr. at 10. He also submitted payment vouchers from the state tax authority showing that he owed a total of \$7,380 for tax years 2016 through 2019. Ex. H–K; Tr. at 24. The Individual confirmed that he filed his taxes and received refunds for tax years 2020 through 2024. Tr. at 23. His wife, from whom he divorced in early 2025, kept the refunds for 2020 through 2023. *Id.* at 23. His state refund for 2024 was \$476, and his federal refund for 2024, in the amount of \$4,186, was applied to the Individual’s past due obligation. Tr. at 19, 23, 26; Ex. A–C.

The Individual testified that his taxes for 2016, 2017, and 2018 had been prepared at the time they were due, but he had been unable to locate them in order to file them. Tr. at 12–13. “I had them in an envelope,” he stated, “but when I was currently with my wife, we had moved several times. So she had stored them for me, and she forgot to tell me where. So those times we have moved, I had no idea where they were.” *Id.* He only just found them “this past weekend.” *Id.* at 14. He had failed to look harder previously, because his mind had been focused on his pending divorce. *Id.* at 12–14.

Regarding the \$15,753 delinquent debt, the Individual submitted a letter from the collection company dated July 7, 2023, indicating that as of May 31, 2020, he owed \$13,781.79.<sup>6</sup> Ex. D. He testified that the debt went into delinquency during the COVID-19 pandemic, because his income was interrupted every time someone at work tested positive, resulting in a work stoppage, which left him unable to keep up with monthly payments. Tr. at 39. The Individual testified that he had not yet reached out to the collection company to set up a payment plan, because he was hoping to address his tax obligations first. *Id.* at 37–39.

Regarding the \$2,276 delinquent debt, the Individual stated that it went into delinquency around March 2022 when he was laid off from his prior job.<sup>7</sup> *Id.* at 47. The Individual submitted an email dated May 13, 2025, confirming a settlement amount of \$1,365.72, to be paid in monthly installments of \$125. Ex. L; Tr. at 40–42. After negotiating with the creditor for nearly a year, the Individual had agreed to this settlement amount the day before the hearing, because he “just wanted

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<sup>5</sup> According to the Individual, the IRS had since sent him a revised bill for tax year 2018, showing that he owed approximately \$3,000 more than the voucher stated. Tr. at 16. He further testified that he owed “just shy of \$10,000” for tax year 2019. *Id.* at 17.

<sup>6</sup> It is unclear from the record what accounts for the discrepancy between the amount identified in the July 2023 letter and the amount listed in the May 2023 credit report. The Individual testified that the reduced amount could be a result of the fact that his vehicle was repossessed in 2021, and the proceeds were applied to his debt, but that would not explain why the amount was lower in 2020, as stated in the letter. Tr. at 36–37.

<sup>7</sup> The Individual testified that he was laid off because his job required a security clearance, and his employer learned that he had been previously denied a security clearance in 2011. Tr. at 46. The Individual found employment with his current employer less than two months later, in May 2022, although initially it was only parttime. *Id.* at 47.

to have proof, hey, I'm going to pay this off." Tr. at 41–42. The Individual stated that he would make the first payment on the Friday after the hearing. *Id.*

Regarding the \$190 debt to the anesthesiologist and the \$234 debt to the healthcare facility, the Individual testified he had already paid them off, although he added that he now owes the facility \$300 or \$400 in co-pays. *Id.* at 42–43. He plans to pay these in \$100 monthly installments. *Id.* at 44–45.

The Individual testified that he has no money saved, but his weekly income is \$1,500. *Id.* at 49. The Individual's monthly expenses include a \$843 truck payment, a \$655 vehicle payment for his wife,<sup>8</sup> a \$470 insurance payment, a \$110 cell phone payment, and \$150 in credit card payments. *Id.* at 50–53. The Individual does not have monthly rent payments, because he is staying with a friend. *Id.* at 52. He testified that he had contacted a couple of credit counseling agencies, but he was not satisfied with their suggested approaches to handling his debt, so he did not pursue them. *Id.* at 54–55. Nonetheless, the Individual feels "positive" about his plan for resolving his debts going forward. *Id.* at 56.

## V. ANALYSIS

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.

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<sup>8</sup> The Individual stated that the truck and vehicle payments would be completed by November 2026, allowing him to put more money towards his tax obligations. Tr. at 51.

Adjudicative Guidelines at ¶ 20.<sup>9</sup>

I will first address the allegation that the Individual failed to file and pay his 2016, 2017, and 2018 taxes. At the hearing, the Individual admitted he had still not filed his tax returns for these three years and also for 2019, except for his 2018 and 2019 Federal tax returns, which he claimed without documentary evidence that the IRS had filed on his behalf. He also admitted that he had not yet paid or set up payment plans for the tens of thousands of dollars he owes to the IRS and the state tax authority, except noting that his \$4,186 federal refund from 2024 had been automatically applied to his tax debt. Although the Individual testified that he would be filing his taxes later on the day of the hearing and would be setting up payment plans shortly thereafter, the record contains no evidence that he in fact did so. As such, I cannot find the Individual has made arrangements to file or pay his taxes, nor can I find his behavior happened so long ago or infrequently that it is unlikely to recur. On the contrary, the behavior continued up until the day of the hearing, which demonstrates that the circumstances giving rise to his delinquency remain ongoing. The Individual has thus not resolved the concerns related to his past-due tax obligations under the conditions set forth in paragraphs (a) or (g).

With regard to the mitigating condition at paragraph (b), the Individual testified that his failure to timely file his 2016, 2017, 2018, and 2019 tax returns resulted from his inability to locate the completed returns, which had been stored by his wife when they had moved, until the weekend before the hearing. Even assuming this constitutes a condition beyond the Individual's control, I am unable to find the Individual acted responsibly under the circumstances, particularly where the tax returns were allegedly lost for several years, he failed to request an extension, and he acknowledged he could have looked harder for them. Moreover, the Individual offered no excuse for his failure to pay his delinquent taxes, other than wanting to wait until all the outstanding tax returns were filed. The Individual has not, therefore, resolved the tax-related concerns under the conditions set forth in paragraphs (b).<sup>10</sup>

I will next address the Individual's four delinquent accounts cited by the LSO and the Individual's admission that he was unable to satisfy these debts. Regarding the \$190 and \$234 delinquencies, I find the Individual has mitigated the associated security concerns pursuant to the conditions at paragraph (d), through his testimony that he paid these off prior to the hearing. Although he did not provide any documentary evidence to corroborate this testimony, I nonetheless found his testimony credible in light of his unprompted admission that he has since incurred \$300 or \$400 of additional debt in unresolved co-pays. As to the other two delinquencies, the Individual has not demonstrated adherence to a good-faith effort to resolve them. The \$2,276 debt had only just been reduced to \$1,365.72 and put into payment plan status the day before the hearing, with no payments yet made, and the Individual had admittedly taken no action to resolve the \$15,753 debt. Both debts had become delinquent more than three years prior to the hearing. Accordingly, I cannot find

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<sup>9</sup> The mitigating factors at paragraphs (e) and (f) are inapplicable to the facts of this case, as the LSO's security concerns do not involve unexplained affluence, and the Individual does not dispute the legitimacy of his past-due debts. The Individual has also failed to satisfy the mitigating factor at paragraph (c), as he stated in his testimony that he has declined to pursue financial counseling. As such, I will not further address these mitigating factors in my analysis.

<sup>10</sup> The mitigating factor at paragraph (d) is inapplicable to the tax-related concerns, as it relates solely to unresolved debts.

that that passage of time, the infrequency of the behavior, or any other circumstances provide a basis to mitigate the security concerns associated with the Individual's delinquent accounts. The Individual has failed to resolve the concerns under the conditions set forth in paragraphs (a) and (d).

With regard to the mitigating condition at paragraph (b), the Individual testified that his delinquencies resulted from loss of income due to the COVID-19 pandemic and a layoff from employment, which were undoubtedly circumstances beyond his control. The Individual also confirmed that he regained employment in May 2022, although it was only parttime at first. Nonetheless, despite knowing that his financial issues could jeopardize his ability to obtain a security clearance, the Individual did not enter into a payment plan for the \$2,276 debt until the day before the hearing, and he declined to even contact the \$15,753 creditor to begin negotiations, on the basis that he wanted to first resolve his delinquent tax obligations. As noted *supra*, however, the Individual failed to demonstrate that he acted responsibly regarding his tax obligations, and therefore I cannot find that he did so regarding these two delinquent accounts. The Individual has not resolved the security concerns under the conditions set forth in paragraphs (b).<sup>11</sup>

In light of the foregoing, I find the Individual has failed to resolve the concerns raised by the LSO under Guideline F.

## **VI. CONCLUSION**

In the above analysis, I found that there was sufficient derogatory information in the possession of DOE to raise 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 set forth in the Summary of 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.

Matthew Rotman  
Administrative Judge  
Office of Hearings and Appeals

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<sup>11</sup> The mitigating factor at paragraph (g) is inapplicable to the debt-related concerns, as it relates solely to delinquent tax obligations.