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**United States Department of Energy**  
**Office of Hearings and Appeals**

In the Matter of: Personnel Security Hearing

Filing Date: April 9, 2025

Case No.: PSH-25-0101

Issued: September 24, 2025

## Administrative Judge Decision

James P. Thompson III, Administrative Judge:

This Decision concerns the eligibility of XXXXXXXXXXXX (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.”<sup>1</sup> 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 is employed by a DOE contractor in a position that requires a security clearance. During its investigation into the Individual's eligibility for access authorization, the DOE Local Security Office (LSO) learned that the Individual had failed to file his federal and state income tax returns for several years, he owed significant federal tax debt, and he had several outstanding credit accounts that were either in collections or had been charged off by the creditor. As a result, the LSO informed the Individual by letter (Notification Letter) that it possessed reliable information that created substantial doubt regarding his eligibility to possess a security clearance. In an attachment to the Notification Letter, entitled Summary of Security Concerns (SSC), the LSO explained that the derogatory information raised security concerns under Guideline F of the Adjudicative Guidelines.

The Individual exercised his right to request an administrative review hearing pursuant to 10 C.F.R. Part 710. The Director of the Office of Hearings and Appeals (OHA) appointed me as the

<sup>1</sup> 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.

Administrative Judge in this matter, and I subsequently conducted an administrative review hearing. At the hearing, the Individual testified on his own behalf. The Individual also submitted twelve exhibits, marked Exhibits A through L.<sup>2</sup> The LSO submitted eight exhibits, marked Exhibits 1 through 8.<sup>3</sup>

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

As indicated above, the LSO cited Guideline F (Financial Conduct) of the Adjudicative Guidelines as the basis for concern regarding the Individual's eligibility to possess a security clearance. Exhibit (Ex.) 1.

Guideline F provides that “[f]ailure 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. Conditions that could raise a security concern include an individual’s “inability to satisfy debts”; “unwillingness to satisfy debts regardless of the ability to do so”; “history of not meeting financial obligations”; “consistent spending beyond one’s means or frivolous or irresponsible spending, which may be indicated by excessive indebtedness, . . . a history of late payments or of non-payment, or other negative financial indicators”; and “failure to file . . . annual Federal, state, or local income tax returns or failure to pay annual Federal, state or local income tax as required[.]” *Id.* at ¶ 19(a)–(c), (e)–(f). The SSC cites that the Individual failed to file federal and state income tax returns for tax years 2020 through 2023; he owes approximately \$16,000 in federal income tax debt for tax years 2018 and 2019; he has three charged off accounts that total \$31,423; and he has two accounts in collection that total \$818. Ex. 1. 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 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 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).

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<sup>2</sup> Exhibits A through E were labeled as such during the hearing. Exhibits F through L were submitted after the hearing and are labeled in this Decision—except for Ex. G, which is a November 10, 2024, credit report update.

<sup>3</sup> References to the LSO exhibits are to the exhibit number and the page number of the combined .pdf of the exhibit book.

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 or her eligibility for an 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.

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

The Individual confirmed in a December 2024 written response to a Letter of Interrogatory (LOI) that he failed to timely file federal and state tax returns for tax years 2020 through 2023. Ex. 5 at 23. Therein, he stated that he would file his delinquent tax returns with the help of a tax attorney before the April 2025 filing deadline. *Id.* at 23–27. He also stated therein that he did not timely file the tax returns because he found the process overwhelmingly complex due to a divorce and “other personal factors.” *Id.* He explained, for example, that his ex-wife claimed their children as her dependents on her 2020 tax returns even though the Individual believed that he should have had that right since he was the primary custodial parent that year. Transcript of Hearing, OHA Case No. PSH-25-0101 (Tr.) at 16–17. The Individual also confirmed in his LOI response that the U.S. Internal Revenue Service reported in December 2024 that his outstanding federal tax debt for tax years 2018 and 2019 totaled approximately \$16,000. Ex. 5 at 28. On the September 2025 hearing date, the Individual confirmed that he had not yet filed his delinquent federal or state tax returns. Tr. at 16–18, 20–21. He also testified that he had not yet made arrangements to resolve or otherwise address his outstanding federal tax liability for 2018 and 2019. *Id.* at 23, 25 (testifying “I don’t even know how I - - how I would be able to do that”).

The Individual had, however, resolved the majority of the collection and charge off accounts identified in the SSC. The first charge off account identified in the SSC is a utility bill for \$784 that originated in 2020 and which the Individual stated he disputed in 2024. Ex. 5 at 28; Ex. 6 at 37. The utility bill represented services provided to the Individual’s marital home; however, the Individual stated that he moved out of the home and his ex-wife continued to reside in it during their separation and divorce, which began in 2020. Tr. at 26. He argued that his ex-wife was responsible for the amount because he stopped paying the utilities when he moved out. *Id.* at 27. In support, he explained that, when he moved out, his ex-wife invited another individual to reside in the home. *Id.* He therefore attempted to remove his name from the utility account, but he was unsuccessful because the company required that all account holders agree to a co-holder’s removal and his ex-wife, as co-holder, refused to agree. *Id.* On the hearing date, the Individual believed that the account was still unresolved. *Id.* at 26. However, he provided a credit report that indicated that he disputed the utility bill at the end of 2024, and the utility bill does not appear on his September 2025 combined credit report. Ex. H at 2 (December 9, 2024, credit report); Ex. C (September 9, 2025, combined credit report). Thus, the record demonstrates that the Individual resolved this debt by successfully disputing it.

The next charge off account is a \$13,379 auto loan from 2019 that had a balance of \$10,683. Ex. 5 at 30; Ex. I at 16. The account originated from the purchase of a vehicle that the Individual gave to his ex-wife. Tr. at 28. The record includes a notarized written agreement between the Individual and his ex-wife that states that the ex-wife became responsible for the vehicle payments starting in October 2020. Ex. M at 1. A November 2024 credit report indicates that the first delinquency on the loan was reported in 2021. Ex. I at 14. The Individual disputed this debt and provided the creditor with the notarized agreement, and the account was subsequently removed from his credit report in December 2024. Tr. at 29; Ex. J (December 23, 2024, credit report). Thus, the Individual resolved this debt by successfully disputing it.

The final charge off account identified in the SSC is a \$17,260 auto loan from 2020 that had a balance of \$2,988. Ex. 5 at 30. The Individual provided several seemingly inconsistent descriptions of the circumstances regarding this account. First, he stated in the December 2024 LOI response that the vehicle he purchased with the loan had mechanical issues that the dealership would not repair under warranty, he refused to accept it back until it was repaired, and sometime after August 2024 he negotiated the balance down to \$597 and agreed to pay it off by February 2025. *Id.* There is no evidence that indicates the Individual resolved the debt by paying the creditor \$597. At the hearing, however, he testified that the car was totaled after he struck a deer, he disputed the outstanding debt amount, and he worked with the creditor to remove it from his credit report. Tr. at 30. The Individual also testified that he had surrendered<sup>4</sup> the vehicle back to the seller, and it was sold at auction, which resulted in the remaining balance of \$2,988. *Id.* at 46. Inconsistencies aside, a December 23, 2024, credit report confirms that this charge off account was removed from his credit report. Ex. J at 1.

In addition to the charge off accounts, the SSC identified two collection accounts that totaled \$549 and \$269 respectively. The first collection account is a medical bill that the Individual disputed in December 2024. Ex. 5 at 29; Tr. at 33. The bill dated back to 2020. Ex. I at 7. The Individual stated, in his December 2024 LOI response, that he would satisfy it if his dispute failed. *Id.* However, on the hearing date, he had not yet resolved the debt or determined its source. Tr. at 33. The second collection account represented a cellphone bill with a balance of \$269 that dated back to 2022. *Id.* at 34; Ex. 6 at 38; Ex. I at 11. The Individual claimed that his ex-wife was responsible for the balance because she stopped making payments on the account during their divorce proceedings. Ex. 5 at 29; Tr. at 34. He reported in December 2024 that he had been working with the creditor to settle the balance as soon as possible. Ex. 5 at 29. That same month the Individual successfully satisfied the debt by paying a reduced amount. Tr. at 34; Ex. L (report showing a payment made to the creditor on December 17, 2024); Ex. K (letter from creditor confirming that the account is paid in full). Thus, the Individual successfully resolved this debt.

In addition to the accounts listed in the SSC, the Individual's combined credit report from September 2025 identifies two additional accounts in collection status. Ex. C at 25–26. That report also indicates that both accounts were opened in 2025. *Id.* The first account has a balance of \$1,196 and the second has a balance of \$1,416. *Id.* The Individual could not provide any information regarding either account and had not yet taken any action to address them. Tr. at 36–37.

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<sup>4</sup> By contrast, a November 2024 credit report indicates that the vehicle was repossessed, not voluntarily surrendered. Ex. I at 8, 14

The Individual testified that he is “not good at managing money” and that his current wife manages the family’s finances. *Id.* at 39. He also testified that his divorce, which started in 2020, was a very difficult process exacerbated by the COVID pandemic that same year. *Id.* at 41. He therefore “overlooked” some of his financial issues and the “hole just kept getting deeper and deeper . . . .” *Id.* However, he testified that he had “bounced back from it,” and it never affected his professional life. *Id.* at 42.

## V. ANALYSIS

### A. Guideline F Considerations

Under Guideline F, the following conditions could mitigate security concerns based on financial considerations:

- (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, . . . divorce or separation . . .), 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.

I find that none of the above conditions apply to resolve the Guideline F concerns. I first find that the Individual has resolved several of the accounts that are identified in the SSC. He provided substantial evidence that demonstrates that he resolved through payment or dispute the \$784 utility account, the \$269 cellphone account, and the auto loan accounts. However, the \$549 medical collection account remains unresolved and he acquired two new collection accounts in 2025.

Accordingly, I conclude that ¶ 20(a) does not apply to mitigate the concerns because there is no basis under that mitigating condition from which to conclude that his concerning financial conduct is unlikely to recur. Because the Individual's failure to file tax returns or resolve his delinquent tax liability is properly addressed under ¶ 20(g), I address those concerns and make appropriate findings under ¶ 20(g) below.

I also find that ¶ 20(b) does not apply for the following reasons. First, regarding his remaining unresolved collection account, I conclude that it did not result from circumstances beyond his control because the Individual provided no information on the identity of the creditor or where the debt originated. Accordingly, I need not consider the second factor, whether he acted responsibly under the circumstances, because that would only be applicable if the Individual had demonstrated that his financial problems resulted from circumstances beyond his control.

Next, I find that ¶ 20(c) does not apply because the Individual has not received and is not receiving financial counseling from any source. Neither does ¶ 20(d) apply because the Individual has not yet initiated a good-faith effort to repay his overdue creditor or otherwise resolved the collection account that remains on his credit report.

Turning to ¶ 20(e), it does not apply to resolve the remaining collection account because the Individual did not provide any evidence to demonstrate that he has a reasonable basis to dispute its legitimacy. However, it does apply to resolve the utility account, the cellphone account, and the two auto loans addressed above under that ¶ 20(a) because he provided adequate evidence to demonstrate he had a reasonable basis to dispute his responsibility for the accounts, he successfully disputed them, and they were subsequently removed from his credit report.

Paragraph 20(f) is patently inapplicable because the concerns outlined in the SSC are not based on unexplained affluence.

Finally, ¶ 20(g) does not apply to resolve the concern because the Individual confirmed that he has not yet contacted or made any arrangements with the federal or state tax authority to resolve his delinquent federal debt or file his outstanding federal and state tax returns. The Individual did not provide any rationale for why he had not yet addressed his significant federal income tax debt that dates back more than six years. Furthermore, despite his statement that he would file his delinquent returns by April 2025 with the help of a tax attorney, the record demonstrates that he has not taken any action to do so. Therefore, not only did he fail to make any arrangements to resolve these issues, but he also failed to follow through with his assurance to the LSO that he would address these issues. I find it doubtful whether he will ever file his delinquent federal and state income tax returns or satisfy his federal income tax liability.

## **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 of the relevant information, favorable and unfavorable, in a comprehensive, common-sense manner, including weighing all of the testimony and other evidence presented at the hearing, I find that the Individual has not brought forth sufficient evidence to fully resolve the

Guideline F security concerns. Accordingly, I have determined that the Individual should not be granted access authorization.

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

James P. Thompson III  
Administrative Judge  
Office of Hearings and Appeals