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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: September 11, 2025	)	Case No.: PSH-25-0205
	)	
	)	

Issued: December 3, 2025

Administrative Judge Decision

Erin C. Weinstock, Administrative Judge:

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

I. BACKGROUND

The Individual was granted access authorization in connection to his employment with a DOE contractor. Exhibit (Ex.) 2 at 1–2.[2] In April 2025, DOE received a report of suspicious activity from the Office of the Director of National Intelligence (ODNI) explaining that the Individual was involved in transactions with bitcoin through Cash App that raised concerns about money laundering. Hearing Transcript, OHA Case No. PSH-25-0205 (Tr.) at 77–78. As a result of this report, the Local Security Office (LSO) issued the Individual a Letter of Interrogatory (First LOI), which the Individual completed on May 21, 2025. Ex. 6. The LSO issued the Individual a second Letter of Interrogatory (Second LOI) to answer some outstanding questions, which the Individual completed on May 29, 2025. Ex. 8.

[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] References to the Local Security Office's (LSO) exhibits are to the exhibit number and the PDF page number in the exhibit notebook.

The LSO subsequently issued the Individual a Notification Letter advising him that it possessed reliable information that created substantial doubt regarding his eligibility for access authorization. Ex. 1 at 2–4. In a Summary of Security Concerns (SSC) attached to the letter, the LSO explained that the derogatory information raised security concerns under Guideline E and Guideline F of the Adjudicative Guidelines. Ex. 2 at 6–8.

The Individual exercised his right to request an administrative review hearing pursuant to 10 C.F.R. Part 710. Ex. 3. The Director of the Office of Hearings and Appeals (OHA) appointed me as the Administrative Judge in this matter, and I conducted an administrative hearing. The LSO submitted eight exhibits (Ex. 1–8). The Individual submitted 4 exhibits (Ex. A–D). The Individual testified on his own behalf and presented the testimony of his wife. Tr. at 12, 30. The LSO presented the testimony of the DOE personnel security specialist involved in this case. *Id.* at 75.

II. THE SECURITY CONCERNS

Under Guideline E, "[c]onduct involving questionable judgment, lack of candor, dishonesty, or unwillingness to comply with rules and regulations can raise questions about an individual's reliability, trustworthiness, and ability to protect classified or sensitive information." Adjudicative Guidelines at ¶ 15. In citing Guideline E, the LSO relied upon the Individual's admission that he had been involved in an online relationship with a person that he had never met in person or spoken to on the phone, including making financial transactions totaling approximately $26,000 for this person and giving them around $5,000 in gift cards. Ex. 2 at 7–8; Ex. 6 at 24; Ex. 8 at 37–39. The information cited by the LSO justifies its invocation of Guideline E. *See* Adjudicative Guidelines at ¶ 16(d)(3), (e)(1), (g) (indicating that a pattern of dishonesty or rule violations, engaging in activities which, if known, could affect a person's personal, professional, or community standing, and association with persons involved in criminal activity may raise security concerns under Guideline E).

Guideline F, under which the LSO raised additional security concerns, relates to security risks arising from financial concerns. "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." *Id.* at ¶ 18. In citing Guideline F, the LSO alleged that the Individual had purchased an unknown person $5,000 worth of gift cards, converted funds to bitcoin for that same unknown person, had his Cash App account closed due to a "policy violation," and did not tell his wife about these financial transactions. Ex. 2 at 6–7. The LSO alleged that these behaviors raised a concern that the Individual "has been involved in money transfers that are inconsistent with known legal sources of income." Ex. 2 at 6. Under the Adjudicative Guidelines, such money transfers could raise a Guideline F concern if they show "unexplained affluence." Adjudicative Guidelines at ¶ 19(g). As there is no assertion that the Individual gained any affluence from these transactions, the transactions themselves do not raise a security concern under ¶ 19(g) of the Adjudicative Guidelines. Accordingly, I find that the information cited by the LSO does not justify its invocation of Guideline F. At the hearing, the personnel security specialist testified that an ODNI alert had raised concerns that the Individual was involved with money laundering. Tr. at 77–78. While such an alert could raise a Guideline F concern of "deceptive or illegal financial practices," *see* Adjudicative Guidelines at ¶ 19(d), this concern was not raised in the SSC, and therefore I do not consider it as Guideline F concern properly raised by the LSO. Rather, I consider the personnel security specialist's testimony to the extent that it supports assertions by the LSO under Guideline E that the Individual exercised poor judgment in his dealings with the unknown person.

As none of the allegations enumerated in the SSC support the security concern the LSO specifically alleged under Guideline F, I find that there is no properly invoked Guideline F concern here.

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 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).

An 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). An individual is afforded a full opportunity to present evidence supporting their 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.* at § 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

The Individual has held a security clearance since around 2015. Tr. at 42. Since that time, he has received at least annual briefings about scams, phishing, and reporting suspicious activity. *Id.* at 43.

Around 2023, the Individual met a new "friend"[3] online and began regularly communicating with her. Ex. 6 at 24; Ex. 8 at 37; Tr. at 55. The Individual and the friend would text "daily," and "at first the narrative was flirtatious." Ex. 8 at 37. The Individual and his friend have never met in person, spoken on the telephone, or spoken via video call. *Id.*; Tr. at 57–58. The Individual never verified the friend's identity, but she sent him "pictures of herself." Ex. 8 at 38. At some point after they began communicating the friend told the Individual that "[s]he wanted to help in our

[3] Throughout this Decision, I refer to the person that the Individual met online as his "friend" because the Individual referred to her as such in his responses to DOE and during the hearing. That designation is not meant to indicate that this person was truly a friend of the Individual, as opposed to a person of unknown identity who "played" him, as the Individual eventually came to believe. *See* Tr. at 52, 65–66.

relationship and suggested getting cash app." *Id.* at 37. The Individual said the friend told him "[s]he wanted to share financial [sic] as our relationship was growing." *Id.* The friend would have her friends or family transfer money to the Individual's Cash App account, and then, the Individual would use this money to purchase bitcoin. *Id.*; Tr. at 46–47. The Individual would then transfer the money to the friend's digital wallet. Ex. 8 at 37; Tr. at 47. The Individual made over $26,000 in bitcoin related transactions for his friend. Ex. 6 at 27–31. The Individual could not recall when he started making these bitcoin purchases for his friend. Tr. at 53. The friend had told the Individual that she could not purchase the bitcoin herself because even though she said that she lived in the United States, her bank accounts were based in another country where bitcoin could not be purchased. Ex. 8 at 37–38; Tr. at 62. At the time he was making these transfers, the Individual did not see any "red flags" that indicated to him that something illegal might have been occurring. Tr. at 48. He thought he was just "helping a friend." *Id.* at 52. The Individual's family, including his wife, was not aware of his relationship with the friend until the relationship created a problem with his security clearance. *Id.* at 21; Ex. 8 at 37. The testimony at the hearing did not make it clear what the Individual had told his wife or others about his relationship with the online friend or the nature of that relationship. Tr. at 21 (testimony from the Individual's wife indicating that it was her understanding that the Individual had a text message friendship with the friend but never spoke on the phone to her).

Cash App closed the Individual's account for a "policy violation" in the middle of 2025. Ex. 7 at 24. At the time of the hearing, the Individual did not understand what rule he had violated to cause the account closure. Tr. at 71.

In addition to carrying out transactions involving Cash App and bitcoin, the Individual purchased approximately $5,000 in gift cards for the friend using his own money. Ex. 8 at 37. The Individual stated that he had not gained any money from his transactions with his friend. Tr. at 72–73. The personnel security specialist agreed with this assessment. *Id.* at 90–91.

The Individual stopped engaging in the bitcoin transactions with his friend when he learned that it could create a problem for his security clearance, but he continued communicating with the friend until August 2025. *Id.* at 59–60. He testified that while he was completing the bitcoin transactions for his friend, he was unaware that his actions could be seen to have been part of a money laundering scheme. *Id.* at 64–65. In retrospect, he knows he "got played," and he testified that he will not do anything like this again. *Id.* at 52, 65–66.

At the time of the hearing, the Individual was undergoing counseling to help him to discover why he felt the need to form the relationship he did with his friend and how he can recognize red flags in relationships in the future. *Id.* at 66–67; Ex A (letter from the Individual's counselor confirming that he was being treated). He said that talking to a counselor will help him to identify why he "engaged" with this friend rather than his wife or other in-person friends or family. Tr. at 67. The Individual had undergone three sessions with his counselor at the time of the hearing. *Id.* at 68. When asked what he has learned in these sessions that will prevent him from getting into similar situations in the future, the Individual testified that he was working on "recognizing why" he began the relationship with the friend "in the first place." *Id.* at 69–70. His response did not specifically indicate how "recognizing why" he began the relationship would help him to avoid similar situations in the future. *Id.* at 70–71.

V. ANALYSIS

Guideline E

Conditions that can mitigate security concerns based on personal conduct include the following:

(a) The individual made prompt, good-faith efforts to correct the omission, concealment, or falsification before being confronted with the facts;

(b) The refusal or failure to cooperate, omission, or concealment was caused or significantly contributed to by advice of legal counsel or of a person with professional responsibilities for advising or instructing the individual specifically concerning security processes. Upon being made aware of the requirement to cooperate or provide the information, the individual cooperated fully and truthfully;

(c) The offense is so minor, or so much time has passed, or the behavior is so infrequent, or it happened under such unique circumstances that it is unlikely to recur and does not cast doubt on the individual's reliability, trustworthiness, or good judgment;

(d) The individual has acknowledged the behavior and obtained counseling to change the behavior or taken other positive steps to alleviate the stressors, circumstances, or factors that contributed to untrustworthy, unreliable, or other inappropriate behavior, and such behavior is unlikely to recur;

(e) The individual has taken positive steps to reduce or eliminate vulnerability to exploitation, manipulation, or duress;

(f) The information was unsubstantiated or from a source of questionable reliability; and

(g) Association with persons involved in criminal activities was unwitting, has ceased, or occurs under circumstances that do not cast doubt upon the individual's reliability, trustworthiness, judgment, or willingness to comply with rules and regulations.

Adjudicative Guidelines at ¶ 17.

Mitigating factor (a) does not apply here because there is no allegation that the Individual has omitted, concealed, or falsified information.

There is no allegation that the Individual refused or otherwise failed to cooperate with the LSO. Therefore, mitigating factor (b) is not applicable.

I cannot find that the Individual's behavior is mitigated pursuant to mitigating factor (c) because the behavior is recent and repeated, and the Individual has not articulated clear steps he is taking that will prevent it from reoccurring in the future. The Individual's concealed his relationship with his friend from his family for a period of nearly two years while he was engaging in daily text conversations with her. He was in contact with her until about August 2025. He made regular transactions of large sums of money for his friend without telling his wife. I cannot find that this conduct, involving secrecy and large sums of money, is minor. Further, the Individual presented no evidence showing that this behavior occurred under unique circumstances that were unlikely to recur.

As to mitigating factor (d), the Individual testified that he has obtained counseling to understand why he began this relationship with his friend, and he provided a letter from the counselor to support his testimony. However, at the time of the hearing, the Individual had only completed three sessions with his counselor, and he testified that these sessions had been devoted to determining why he felt the need to begin the relationship with the friend, rather than work on strategies that would prevent similar relationships from occurring in the future without the knowledge of his wife, or prevent him from being "played" by someone who was using him to carry out potentially illegal financial transactions. Therefore, I cannot find that the three counseling sessions are sufficient to change the behavior and make the Individual more trustworthy and reliable.

As noted above, while the Individual has begun to take steps to reduce his vulnerability, his testimony showed that his counseling had not yet addressed how he would prevent future vulnerabilities. It is also unclear from the hearing testimony how much information the Individual has revealed to his wife, friends, and family members about his online relationship. Without further information about his counseling sessions or additional clarity regarding whether the Individual is still susceptible to blackmail about his relationship with the friend, I cannot find that the Individual has mitigated the security concerns pursuant to mitigating factor (e).

The Individual admitted to the behavior raised by the LSO. Therefore, mitigating factor (f) does not apply.

To the extent that the security concerns arise from the Individual's association with his friend and any potential criminal activity in which she may be engaged, mitigating factor (g) could be present here because the Individual testified at the hearing that he was unaware that the transactions he was making for his friend could be seen as money laundering. However, given the Individual's heavy involvement in the financial transactions with the friend, his inability to recognize the potential criminality of those actions at the time, and the absence of concrete information about how the Individual will prevent himself from becoming unwittingly involved in a similar scheme in the future, I do not find that the Individual has mitigated the security concerns regarding his involvement with "persons involved in criminal activity." *See* 10 C.F.R. § 710.7(c) (explaining that DOE officials should consider the "nature, extent, and seriousness of the conduct" and "the absence or presence of . . . pertinent behavioral changes" in applying the Adjudicative Guidelines). Therefore, I cannot find that mitigating factor (g) is present here. Further, even if I had concluded that his association with persons involved in criminal activity was unwitting and resolved pursuant to ¶ 17(g), the concerns about the Individual's judgment and vulnerability to exploitation, manipulation, or duress would remain, and I would still conclude that the security concerns under Guideline E were not fully resolved.

Accordingly, I find that the Individual has not mitigated the security concerns asserted by the LSO under Guideline E.

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 E, but not 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 under Guideline E in the Summary of Security Concerns. Accordingly, I have determined that the Individual's access authorization should be not be restored. This Decision may be appealed in accordance with the procedures set forth at 10 C.F.R. § 710.28.

Erin C. Weinstock
Administrative Judge
Office of Hearings and Appeals