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

In the Matter of: Personnel Security Hearing)
Filing Date: May 19, 2025) Case No.: PSH-25-0145

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Issued: January 8, 2026

Administrative Judge Decision

Andrew Dam, Administrative Judge:

This Decision concerns the eligibility of XXXXXXXXXXXXXXXXX (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 granted.

I. BACKGROUND

The Individual applied for access authorization in connection with employment with a DOE contractor. Exhibit (Ex.) 1 at 6.² The Individual submitted an August 2024 Questionnaire for National Security Positions (QNSP) in which he self-reported delinquent financial obligations and his failure to file federal and state tax returns for tax years 2015 through 2023. Ex. 7 at 92–101. A credit report from September 2024 reflected a combination of charged-off accounts and accounts under collections. Ex. 6 at 35–38. The local security office (LSO) sent the Individual a Letter of Interrogatory (LOI), to which the Individual submitted a response on March 5, 2025. Ex. 5 at 22–32 (March 2025 LOI Response). In his March 2025 LOI Response, the Individual re-confirmed that he had several delinquent financial obligations with creditors and had not filed federal or state tax returns for tax years 2015 through 2023. *Id.* at 23–25, 27–31.

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 Bates number located in the top right corner of each exhibit page.

Due to the unresolved security concerns associated with his failure to file tax returns and to satisfy financial obligations, the LSO informed the Individual in a May 2025 Notification Letter that it possessed reliable information creating a substantial doubt regarding his eligibility to hold a security clearance. Ex. 1 at 6–8. In an attachment to the letter entitled Summary of Security Concerns (SSC), the LSO explained that the derogatory information raised concerns under Guideline F of the Adjudicative Guidelines. *Id.* at 5.

The Individual exercised his right to request an administrative review hearing pursuant to 10 C.F.R. Part 710. Ex. 2 at 10. 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 review hearing. The LSO submitted nine numbered exhibits (Ex. 1–9) into the record. The Individual submitted eight exhibits into the record, which have been combined into a single PDF and marked with letters (Ex. A–H).³ The Individual testified on his own behalf and presented three other witnesses (Witness 1–3); the LSO presented no witnesses. *See Transcript of Hearing, OHA Case No. PSH-25-0145* (hereinafter cited as “Tr.”) at 3.

II. NOTIFICATION LETTER AND THE ASSOCIATED SECURITY CONCERNS

The LSO cited Guideline F (Financial Considerations) of the Adjudicative Guidelines as the basis for its substantial doubt regarding the Individual’s eligibility 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 . . . information.” Adjudicative Guidelines at ¶ 18. Among the conditions set forth in this guideline that could raise disqualifying security concerns are the “inability to satisfy debts; . . . a history of not meeting financial obligations; . . . consistent spending beyond one’s means or frivolous or irresponsible spending, which may be indicated by . . . a history of late payments or of non-payment . . . ; [and the] failure to file or pay 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 cited to information regarding three charged-off accounts (Charged-Off Accounts 1–3) and ten other delinquent accounts in collections (Collections Accounts 1–10). Ex. 1 at 5. The SSC also noted the outstanding amount due for each of those accounts. Those accounts are summarized in Table 1.

³ References to the Individual’s exhibits are to the exhibit letter and the PDF page number.

Table 1: Accounts Charged Off and in Collections

| Creditor(s) | Account | Liability |
|--|------------------------|-----------|
| Regional Finance | Charged-Off Account 1 | \$6,633 |
| World Finance | Charged-Off Account 2 | \$3,035 |
| XXXXXXXXX Area Federal Credit Union (the Federal Credit Union) | Charged-Off Account 3 | \$43 |
| Vance and Huffman | Collections Account 1 | \$525 |
| Tempoe | Collections Account 2 | \$525 |
| Jefferson Capital | Collections Account 3 | \$6,000 |
| Jefferson Capital (Regional Finance) | Collections Account 4 | \$4,959 |
| Jefferson Capital (Affirm/StubHub) | Collections Account 5 | \$1,925 |
| Affirm | Collections Account 6 | \$434 |
| LVNV Funding (Credit One Bank) | Collections Account 7 | \$725 |
| Midland Credit Management (Credit One Bank) | Collections Account 8 | \$696 |
| Jefferson Capital (Victoria [sic] Secret) | Collections Account 9 | \$554 |
| Portfolio Recovery (Capital One) | Collections Account 10 | \$516 |

Id. The SSC also cited to information regarding the Individual's failure to file tax returns for tax years 2015 through 2023. *Id.* 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 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 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.

IV. FINDINGS OF FACT

a. *The Individual's Failure to File Tax Returns and Tax Liability*

The Individual testified that he has worked since 18, starting in about 2008. Tr. at 81–82; *see also* Ex. 7 at 69 (QNSP indicating the Individual's birth year as 1990). The Individual testified that he filed tax returns for several tax years up until tax year 2015. Tr. at 82. When asked what had made the Individual stop filing tax returns starting with tax year 2015, he testified that his second daughter was born in 2012, requiring him to take an extended period away from work. *Id.* at 82–83; *see also* Ex. 7 (responding to the QNSP that he had failed to file tax returns because he was a “young parent” and “due to income”). The Individual also noted that his father had passed away in 2014. Tr. at 58, 82–83.

After he stopped filing tax returns, the Individual indicated that he returned to work at some unspecified time and that he “just didn’t understand the concept of taxes at the time.” *Id.* at 82–83. He explained that he believed that for “those years [he] didn’t file them” he would be “penalized” for the amounts that he “probably owed.” *Id.* at 83 (referencing “how the [Internal Revenue Service (IRS)] send[s] people to prison for evading taxes”). The Individual did not understand that he “could make payment arrangements” for past-owed taxes. *Id.* at 82–83. The Individual’s failure to file timely federal and state tax returns recurred for tax years 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023. Ex. 5 at 27–31; Ex. 7 at 92–96.⁴ During all that time, the Individual claimed to have never received a notification from the tax authorities but admitted that he knew he had to file his tax returns. Tr. at 50.

When the Individual applied for access authorization in August 2024, his past due tax returns remained outstanding. Ex. 7 at 92–96. In the August 2024 QNSP, the Individual indicated that he had “[h]ired [a] tax professional to file and help [him] get on a payment plan” *Id.* Seven months later, as indicated in his March 2025 LOI Response, those tax returns remained past due: “They [the past due tax returns] remain at the office of [a tax preparer] being prepared to file and be put on a repayment plan.” Ex. 5 at 27–30. In a letter dated November 12, 2025, a tax preparer confirmed that he helped prepare the Individual’s “tax returns for tax years 2015[–]2022.” Ex. D at 4; *see also* Ex. E at 5 (cashier’s check evincing that the Individual paid the tax preparer for services rendered). The letter makes no reference to the outstanding tax return for tax year 2023. Ex. D at 4.

At the hearing, the Individual represented that “after . . . the prehearing [conference]”—which was held on November 19, 2025—the Individual “did go back to [his] tax [preparer]” and since then “all of them [the tax returns] have been filed and sent [via] certified mail.” Tr. at 46; *see* Prehearing Conference Memorandum (Nov. 19, 2025). As supporting documentary evidence, the Individual submitted (1) two certified mail receipts stamped November 21, 2025, and listing the “IRS” and “[state] TAX + REV” without a street address and (2) photos of two envelopes—one addressed to a street address for the IRS and another addressed to a street address for the state tax authority. Ex. F at 6–9 (formatting in original). He testified that he has not received correspondence confirming that the returns were received by the tax authorities. Tr. at 49. The documentation only evinces (1) that a tax preparer helped the Individual prepare returns for tax years 2015 through 2022; (2) the

⁴ The Individual testified that, with the assistance of his mother, he filed his 2024 tax returns. Tr. at 50.

Individual paid the tax preparer; and (3) the Individual mailed documents to the IRS and state tax authority. I have no documentary evidence demonstrating that the IRS or the state tax authority received any tax returns and accepted the tax returns as properly filed. I cannot find sufficient evidence to credit that the Individual properly filed his tax returns with only his testimony and the documentary evidence provided.

Regarding his tax liability, the Individual indicated that “there were some years that [he] should have gotten a [refund], [and] some years that [he] owed.” Tr. at 47.⁵ Accordingly, he would wait for a “bill from the IRS and from the [state tax authority]” then “get on a payment plan so [he] can actively start paying these taxes monthly.” *Id.* The Individual estimated that the amount he owed “wasn’t a huge number” and that his “refund[s] . . . will deduct from the total balance.” *Id.* When asked to provide more specific estimates, the Individual testified that he owed “roughly \$11,000” to the federal and state tax authorities, which would be offset by about “\$3,800.” *Id.* at 48. Accordingly, he owed “\$7,200, approximately” in past due taxes. *Id.* As stated above, I have no documentary evidence demonstrating that the IRS or the state tax authority received the Individual’s tax returns; accordingly, I have no evidence that the relevant tax authorities accepted the Individual’s calculation of his tax obligations.

b. Charged-Off Accounts

For Charged-Off Accounts 1 and 2, the Individual testified the debts originally arose from personal loans. Tr. at 50–52. The Individual described the original creditors of Charged-Off Accounts 1 and 2 as “finance compan[ies]” that were “[] payday-loan type place[s].” *Id.* at 51–52. At the hearing, the Individual testified that he was trying to “put [his] kids . . . and [his] family and friends first” and was “just trying to make a living” *Id.* at 50–51; *see also* Ex. 9 at 169 (Enhanced Subject Interview (ESI) notes reflecting that the Individual had taken these loans for “school shopping” and “personal use”).

Regarding Regional Finance and the \$6,633 balance on Charged-Off Account 1, the September 2024 credit report reflects that the account was “assigned” in April 2022 with an original balance of \$5,210. Ex. 6 at 35. The Individual testified that this debt arose when he originally took out a \$2,000 “high-interest loan[]” about “four or five years ago.” Tr. at 53–54. The Individual estimated that the account has since accrued approximately \$4,000 of interest. *Id.* at 54. The Individual testified that Regional Finance “sent it [the debt] to” a collection agency and that he contacted that collection agency to determine if the account was still payable. *Id.* According to the Individual’s testimony, a representative of the collection agency informed him that he had several payment options and offered to settle the account for a one-time payment of \$2,800. *Id.* at 54–55. According to the Individual, the offer was “good until they charge off the account” and it was his “goal . . . to pay it before that happens.” *Id.* at 55 (emphasis added).

Notably, his testimony that the Regional Finance account was not “charged off” contradicts the September 2024 credit report and October 2025 credit report⁶ which reflect that a Regional Finance

⁵ The Individual submitted no tax returns to corroborate this testimony.

⁶ The Individual submitted, as documentary evidence, a one-page excerpt of a credit report dated October 2025. *See* Ex. H at 12. I have determined this is an excerpt given that many of the outstanding delinquent debts are not listed.

account was charged off. *Compare id.* at 55 with Ex. H at 12 and Ex. 6 at 35. When asked to explain this discrepancy between his testimony and his credit reports, the Individual's answer provided little clarification:

Yeah, there's a couple of them [credit reports]. My . . . mother . . . pulled my report from the [c]redit [u]nion as well, and there's some that show charged off, and some that show – don't [sic] on two different credit reports. There's even one there in one of the exhibits that shows that it was charged off.

Tr. at 56. The above testimony acknowledges that a charged-off account with Regional Finance shows up on various credit reports. I note that the Individual has another delinquent account—Collections Account 4 for \$4,959—that originated with Regional Finance, was assigned to Jefferson Capital for collections, and has not yet been charged off. *See* Ex. 6 at 35. It is possible that the Individual received information on paying Collections Account 4 and mistakenly assumed that this information applied to Charged-Off Account 1.

Regarding Charged-Off Account 2 owed to World Finance, his September 2024 credit report reflects the account was “assigned” in November 2019 with an original balance of \$2,000. Ex. 6 at 36. As of the September 2024 credit report, the debt remained unpaid with a charged-off balance of \$3,035. *Id.* The Individual submitted a letter dated November 25, 2025, from Security Credit Services, an assignee of World Finance. Ex. G at 10. The letter indicates that an account originally held by World Finance “ha[d] been closed” evincing payment in full. Ex. G at 10. However, the letter references an account number that does not match the account number of Charged-Off Account 2. *Compare* Ex. G at 10 with Ex. 6 at 36. At the hearing, when asked about this discrepancy, the Individual provided testimony that created further confusion. Tr. at 59–64 (testifying that he paid a different creditor with a similar name—World Acceptance—and that he believed the World Acceptance debt and World Finance debt to be the same). Regardless of the discrepancies in the account numbers and the creditor’s name, the Individual maintains in his testimony that he paid and no longer owes for Charged-Off Account 2. *Id.* at 64–65. I decline to credit this testimony given the lack of a clear record with respect to the account numbers and confusion created by the creditor name.

Regarding Charged-Off Account 3 owed to the Federal Credit Union, the September 2024 credit report reflects that the account was “assigned” in May 2022 with a balance of \$43. Ex. 6 at 38. The Individual testified that he originally financed a vehicle through the Federal Credit Union and then “about two years ago” he refinanced his vehicle with a new financial intuition. Tr. at 52–53. He further testified to receiv[ing] [an] e-mail a while back after [he] closed the account” with the Federal Credit Union. *Id.* at 52. The Individual explained, “I guess there was a balance of \$43 that I wasn’t aware of” and that he intended to “pay that off . . . th[e] Friday” after the hearing. *Id.*

When asked why he allowed these accounts to be charged off, the Individual provided that he “was younger and . . . made poor decisions . . . financially . . .” *Id.* at 58. The Individual also cited to a divorce and the death of his father which resulted in an extended period away from work, which then in turn resulted in him “living beyond [his] means at that time.” *Id.* at 58–59. As stated above,

Compare e.g. id. at 12 (lacking any reference to Collections Account 1 still owed to Vance and Huffman) with Ex. 6 at 37 (September 2024 credit report referencing Collections Account 1 still owed to Vance and Huffman).

his father passed away in 2014. *Id.* at 58, 82–83. The Individual’s divorce took place in 2023. Ex. 7 at 78–79; Ex. 9 at 182–83.

c. Collections Accounts

The SSC references debts of \$525 owed to both Vance and Huffman (Collections Account 1) and Tempoe (Collections Account 2). Ex. 1 at 5. The Individual testified that the alleged debts owed to these creditors concern the same debt. Tr. at 42–44, 65–66. Upon review of the Individual’s September 2024 credit report, the debt associated with Vance and Huffman was originally owed to Tempoe. Ex. 6 at 37 (“CREDITOR VANCEHUFFMAN ORIG CREDITOR: TEMPOE LLC”) (formatting in original). Moreover, the two alleged debts are for the exact same sum. *Id.* Accordingly, I find that the debts associated with Collections Accounts 1 and 2 are the same debt, and that Vance and Huffman is the current creditor for that debt. At the hearing, the Individual could not recall how he accrued the debt. However, he reiterated that he was “living beyond [his] means at that point in time in [his] life.” Tr. at 66. The September 2024 credit report reflects that account was assigned in December 2022. Ex. 6 at 37. As of the hearing date, no arrangements had been made to pay the debt. Tr. at 66–67.

The SSC references Collections Account 3 with an outstanding balance of \$6,000 and Collections Account 4 with an outstanding balance of \$4,959—both owed to Jefferson Capital. Ex. 1 at 5. The Individual at the hearing testified that he believed Collections Account 3 and 4 to be the same account. Tr. at 66–67. I also note that the September 2024 credit report listed no delinquent account with Jefferson Capital for that specific \$6,000 balance. *See generally* Ex. 6 at 33–63. Instead, Collections Account 3 appears to have appeared in the SSC due to the Individual self-reporting in his August 2024 QNSP and March 2025 LOI Response that he owed Jefferson Capital. *See* Ex. 5 at 23; Ex. 7 at 101. Because (1) the Individual appeared to be estimating an unspecific liability to Jefferson Capital when self-disclosing a \$6,000 delinquent debt; (2) the September 2024 credit report fails to mention a specific \$6,000 delinquent debt owed to Jefferson Capital; and (3) the Individual testified that he believes Collections Accounts 3 and 4 are the same liability—I find that the Individual does not have a delinquent account of \$6,000 owed to Jefferson Capital. During the hearing, the Individual could not recall the purpose behind the delinquent debt underlying Collections Account 4 and testified that he had not made payments on this debt. Tr. at 67.

Regarding Collections Account 5, the September 2024 credit report lists a delinquent \$1,925 debt, currently owed to Jefferson Capital; originally owed to “AFFIRM / STUBHUB”; and assigned in December 2022. Ex. 6 at 36 (formatting in original). Regarding Collections Account 6, the September 2024 credit report reflects a delinquent debt owed directly to “AFFIRM INC” for \$434 and “assigned” in July 2021. *Id.* at 37 (formatting in original). At the hearing, the Individual explained that both Collections Accounts 5 and 6 resulted from two different debts incurred through Affirm so he could take his child on a trip to see a football game. Tr. at 67–68. The Individual explained that this was another “living beyond [his] means moment” *Id.* at 67. The Individual made monthly payments on the debts for perhaps the first five or six months and then “couldn’t continue paying it.” *Id.* at 67–68. As of the date of the hearing, he had not yet made any arrangements with either Jefferson Capital or Affirm to pay off the debts associated with Collections Accounts 5 or 6. *Id.* at 68.

Regarding Collections Account 7, the September 2024 credit report lists a delinquent \$727 debt owed to LVNV Funding; originally owed to Credit One Bank; and “assigned” in July 2023. Ex. 6 at 36. At the hearing, the Individual testified that the debt arose from a “credit card” that was “probably” used on “everyday expenses.” Tr. at 68–69. As of the hearing date, the Individual had not made payment arrangements. *Id.* at 69.

Regarding Collections Account 8, the September 2024 credit report lists a delinquent \$696 debt owed to Midland Credit Management; originally owed to Credit One Bank; and “assigned” in September 2020. Ex. 6 at 36. At the hearing, the Individual testified that he called this creditor after the November 2025 prehearing conference. Tr. at 69. The Individual indicated that the creditor offered to settle this delinquent debt for \$496. *Id.* The offer is “good [until] February 202[6][,]” and, as of the date of the hearing, the Individual had not made payments though he “intend[ed] to.” *Id.* at 69–70.

Regarding Collections Account 9, the September 2024 credit report lists a delinquent \$554 debt owed to Jefferson Capital; originally owed to Victoria’s Secret; and assigned in May 2024. Ex. 6 at 37. The Individual explained “when [he] was married” this debt was taken out “under [his] name” Tr. at 70. He took responsibility for the debt confirming that the debt is “under [his] name and [his debt].” *Id.* However, as of the hearing date, the Individual had not made arrangements to pay this debt. *Id.*

Regarding Collections Account 10, the September 2024 credit report lists a delinquent \$516 debt owed to Portfolio Recovery; originally owed to Capital One Bank; and assigned in July 2021. Ex. 6 at 37. The Individual testified that he originally owed \$300. Tr. at 71. He further testified that, during a phone call with a representative of the creditor, the representative told him that “if [he] could pay the original amount up front[,] . . . they would take that . . . and clear [his] account.” *Id.* at 71. As of the date of the hearing, the Individual had not paid this debt though he intended to address this debt and his other outstanding debts in the future: “[A]fter the New Year[,] I intend to . . . really tackle this with my [supplemental income] and pay these accounts off and . . . start paying them.” *Id.*

d. Other Financial Information

The Individual testified that through his current financial institution he has received financial counseling, “at least quarterly” since 2022:

I meet with them [] often[.] [W]e go over my credit report. They make a full guideline of my monthly bills, living expenses, and then whatever’s left over from those living expenses and my monthly bills, we put into an account to start working towards these charge-offs and these credit accounts.

Id. at 72, 76. At the hearing, the Individual admitted that during this period he would incur new financial obligations without consulting his financial counselor until after incurring the financial obligation. *Id.* at 84–85. According to the Individual, when he told the financial counselor about the new financial obligations, they would tell him he “probably shouldn’t have done that[.]” *Id.* at 84. The Individual also answered, “Yes” when asked if he had defaulted on loans or missed

payments while receiving financial counseling. *Id.* at 85. With respect to how the financial counseling would help him address his outstanding financial obligations, the Individual indicated that the counselor was “going to work on that budget for [him] and e-mail it to [him] so [he] could follow that budget.” *Id.* at 73. The Individual indicated that his financial counselor also told him to “call four [creditors] at a time” to ascertain settlement arrangements and to work on those debts in batches. *Id.* at 70. The Individual explained that the four delinquent accounts he was working on paying were owed to (1) the Federal Credit Union;⁷ (2) “Community Bank”;⁸ (3) Capital One;⁹ and (4) Jefferson Capital.¹⁰ *Id.* at 88.

At the hearing, the Individual indicated that, about a year before the hearing, he started earning supplemental income through Door Dash and intended using that supplemental income to pay off his outstanding liabilities. *Id.* at 73–74; *see also id.* at 21 (Witness 1’s testimony regarding the Individual working with Door Dash). The Individual submitted documentation evincing that he owed debts associated with two loans that he received through his current financial institution and that, in October 2025, he paid off those loans in full. Ex. H at 11. At the hearing, the Individual explained that he received a \$10,000 inheritance from his grandparents, which he put towards paying off these two loans. Tr. at 77–78. According to the Individual, this demonstrates he is not “spending money foolishly anymore” and he now has more monthly income to spend towards his delinquent debts. *Id.* The Individual also indicated that his spending habits changed “[v]astly” with respect to “[g]oing out to eat” and “spending on things that [he] do[es not] need.” *Id.* at 75–76.

e. Character Evidence

The Individual submitted letters of support from two people who worked with the Individual. *See* Ex. B at 2; Ex. C at 3. Both letters described him in complimentary terms. *See* Ex. B at 2 (“During his time with [his employer, the Individual] has proven to be a reliable associate [H]e is honest and trustworthy.”); Ex. C at 3 (“[The Individual] is honest, hard[-]working[,] and [a] reliable employee.”). Similarly, Witnesses 1, 2, and 3 provided testimony as to the Individual’s positive character. Tr. at 21–22 (Witness 1 describing the Individual as “reliable” and “dependable”), 29–30 (Witness 2 describing the Individual as a “great mentor” and “great role model”), 39 (Witness 3 responding, “Absolutely” when asked if the Individual was a trustworthy person).

Regarding the Individual’s finances, Witnesses 1 and 2 testified that they associate with the Individual outside of work and that they had not observed the Individual spending irresponsibly.

⁷ As stated above, the Individual testified that he has not actually paid the Federal Credit Union and that it was his intention to pay it off on the Friday after the hearing. Tr. at 52.

⁸ The SSC makes no reference to an outstanding liability owed to a “Community Bank.” Ex. 1 at 5. The Individual also provided no further context for the debt owed to “Community Bank.” *See generally* Tr. at 87–88.

⁹ As stated above, the Individual testified that he has not actually paid the creditor who purchased the Capital One debt and that he intended to pay after the new year. Tr. at 71.

¹⁰ It is unclear to which debt the Individual’s testimony referred since the SSC lists several delinquent debts owed to Jefferson Capital. Ex. 1 at 5. Furthermore, the Individual’s testimony creates further confusion, since he asserted at the hearing that the letter from Security Credit Services evinced payment of the debt owed to Jefferson Capital. Tr. at 88–89 (citing Ex. G at 10). Confusingly, Security Credit Services was the assignee of World Finance and lacks any reference to Jefferson Capital. Ex. G at 10.

Id. at 18, 31. Witness 1 indicated that the Individual only appeared to have been concerned over finances to the extent that all people are concerned “unless you’re a millionaire.” *Id.* at 18. Witness 3 had no testimony directly probative of the financial concerns at issue. *Id.* at 38 (indicating he had no information about the Individual’s finances or financial situation).

V. ANALYSIS

As a preliminary matter, I found above that the \$525 debt owed to Vance and Huffman (Collections Account 1) was the same \$525 debt owed to Tempoe (Collections Account 2), and that Vance and Huffman was the current creditor of that debt. *See supra* Sec. IV(c). Accordingly, Collections Account 2 no longer raises a security concern under Guideline F. Furthermore, with respect to Collections Account 3, I found that the Individual does not have a delinquent account of \$6,000 owed to Jefferson Capital. *Id.* Accordingly, Collections Account 3 no longer raises a security concern.

Notwithstanding the findings on Collections Accounts 2 and 3, there remain outstanding security concerns with respect to Guideline F. Conditions that could mitigate a security concern 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 judgment;
- (b) the conditions that resulted in the financial problem were largely beyond the person’s control . . . 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 . . . ; 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;
- (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.

Regarding mitigating condition (a), one of the behaviors at issue here is a prolonged failure to file tax returns for tax years 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023. The other behavior at issue is his failure to pay debts, resulting in three Charged-Off accounts, amounting to

over \$9,000 in delinquent debt, and eight other accounts in collections, amounting to over \$10,000 in delinquent debt. I consider mitigating condition (a) as it applies to both behaviors.

With respect to the late filing of tax returns, I cannot find that the behavior occurred “so long ago” when the Individual claims he only mailed his outstanding tax returns to the IRS and state tax authority less than a month before the hearing *See supra* Sec. IV(a). I also cannot find the behavior “infrequent” or “unlikely to recur.” The Individual frequently failed to file his tax returns over nine tax years. Furthermore, the Individual filing one year’s tax returns timely has less probative value than his nine-year pattern of non-filing when determining the likelihood of recurrence. The Individual provided little else to demonstrate that his failure to file tax returns was unlikely to recur.

With respect to the delinquent debts, the Individual testified that ten of the eleven delinquent accounts remain outstanding and that no payment arrangements have been made. Though the Individual testified to paying off Charged-Off Account 2 associated with World Finance, as stated above in Section IV(b), I decline to find that the Individual has paid off this debt given inconsistencies in the account number and creditor’s name in the record. I cannot find the delinquent debts to have “occurred so long ago” or “to be unlikely to recur” where the eleven debts remain actively overdue and unpaid. I also cannot find the debts “infrequent”—given the number of accounts that have become delinquent since the “assignment” of the first collections account in 2019. The delinquent accounts have remained overdue every day over several years. Mitigating condition (a) does not apply.

Regarding mitigating condition (b), I have some testimony that the conditions that resulted in the Individual’s financial problems may have been “beyond [his] control.” In particular, the Individual cited the birth of his daughter in 2012, his father’s passing in 2014, a period away from work, and associated financial hardships. While I am sympathetic, some of these events, like his father’s passing in 2014, occurred well over a decade ago, attenuating the relationship between the cited conditions and his current financial status. The Individual also noted at various points that he was spending beyond his means, suggesting that his financial situation was in his control.

Even assuming for argument’s sake that I were to credit that there were circumstances “beyond [his] control” that caused the financial hardships—a finding that I am not making—the Individual continued making no headway in resolving these financial issues until after he applied for access authorization in August 2024. The Individual admitted to knowing that he had an obligation to file tax returns annually yet took no action for over nine tax years. The Individual also admitted that, despite receiving financial counseling in 2022, he continued to miss payments and default on debts. Again, he also admitted to spending beyond his means—at one point taking out types of credit to attend a football game. Tax returns were not mailed for filing until November 2025, and I have found all the cited delinquent debts remaining outstanding. Given the delay and the lack of actions taken, I simply cannot find that he acted responsibly under the circumstances. Mitigating condition (b) does not apply.

Regarding mitigating condition (c), the Individual testified that he receives financial counseling through his federal credit union. However, I have no clear indication that the problem is being resolved or under control. Despite the Individual receiving counseling since 2022, the record

clearly reflects that the delinquencies and defaults largely continued and remained unaddressed even as of the date of the hearing. The Individual has, at most, only received pay-off amounts from a few of the creditors. He has not actually paid the creditors off.¹¹ Furthermore, the Individual indicated that he and his counselor would create a budget to address these debts. While admirable, this functions as an admission that the Individual has not budgeted to resolve the various delinquent debts or to bring them under control. Mitigating condition (c) does not apply.

Regarding mitigating condition (d), the Individual testified that he paid off Charged-Off Account 2, which I cannot credit given the record's inconsistencies in the account numbers and creditor name. Furthermore, he admitted all other delinquent accounts remain outstanding. The Individual indicated that he has initiated conversations with a few of the creditors to ascertain pay-off amounts; however, I cannot find that he "initiated and is adhering to [] good-faith effort[s] to repay" given the lack of substantive steps taken, such as enrollment in a payment plan or, better yet, making payments. Mitigating condition (d) does not apply.

Regarding mitigating condition (e), the Individual does not challenge the validity of the past-due debts cited in the SSC. Mitigating condition (e) does not apply.

Mitigating condition (f) does not apply, as the SSC raised no concerns regarding unexplained affluence.

Regarding mitigating condition (g), the tax years at issue here range from 2015 to 2023. The Individual testified that he consulted a tax preparer for assistance with filing tax returns and provided mailing receipts demonstrating that documents were mailed to the IRS and state tax authority. However, the tax preparer's letter only mentions tax years 2015 to 2022. Furthermore, I have no documentary evidence demonstrating that the IRS or the state tax authority received any tax returns, accepted the tax returns as properly filed, and confirmed the Individual's tax liability. The Individual has not provided sufficient evidence demonstrating that he has filed or made arrangements to file all tax returns for the tax years at issue or made arrangements to pay any past due taxes. Mitigating condition (g) does not apply.

As such, I find that the Individual has not mitigated the security concerns raised under Guideline F.

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 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. 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.

¹¹ As stated at various points, I have not credited that he has paid off Charged Off Account 2, owed to World Finance. Even then, this mitigating condition would not apply given the lack of application to other outstanding debts.

Andrew Dam
Administrative Judge
Office of Hearings and Appeals