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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: August 19, 2025) Case No.: PSH-25-0185
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Issued: February 18, 2026

Administrative Judge Decision

Andrew Dam, Administrative Judge:

This Decision concerns the eligibility of XXXXXXXXXXXXX (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 be restored.

I. BACKGROUND

The Individual was granted access authorization in connection with his employment with a DOE contractor. Exhibit (Ex.) 1 at 6.² In February 2025, the Individual submitted a Questionnaire for National Security Positions (QNSP). Ex. 7 at 184–220. In the 2025 QNSP, the Individual admitted to failing to file federal and state tax returns for tax years 2018 through 2023. *Id.* at 215–17. The admission prompted the Local Security Office (LSO) to issue the Individual a Letter of Interrogatory (LOI), to which he submitted a response in April 2025 (April 2025 LOI Response). Ex. 6 at 174–83. The Individual reconfirmed that he had not filed federal or state returns for the aforementioned tax years. *Id.* at 175–77.

Due to the unresolved security concerns associated with his failure to file his tax returns, the LSO suspended the Individual’s clearance and, in July 2025, sent him a Notification Letter informing him that it possessed reliable information creating substantial doubt regarding his eligibility to

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.

hold a security clearance. Ex. 1 at 6–7. In an attachment to the letter entitled Summary of Security Concerns (SSC), the LSO explained that the derogatory information raised security 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 eighty-five exhibits titled Attachments 1 through 85 (Attach. 1–85); the Individual further subdivided Attachment 85 into a cover page and documents titled Attachments 85A through P (Attach. 85A–85P).³ The Individual testified on his own behalf and offered the testimony of two other witnesses. *See* Transcript of Hearing, OHA Case No. PSH-25-0185 (hereinafter cited as “Tr.”) at 3. The LSO called no witnesses. *Id.* at 7.

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 a disqualifying security concern is the “failure to file . . . annual [f]ederal, state, or local income tax returns or failure to pay annual [f]ederal, state, or local income tax as required[.]” *Id.* at ¶ 19(f). The SSC cited the Individual’s failure to file his 2018 through 2023 federal and state tax returns. Ex. 1 at 5.⁴ 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).

³ The Individual’s exhibits were submitted as one PDF file. References to the Individual’s exhibits are to the Attachment number and the PDF page number.

⁴ The failure to pay taxes may also raise Guideline F concerns. Adjudicative Guidelines at ¶ 19(f). In the QNSP and April 2025 LOI Response, the Individual had disclosed to the LSO that he had an unknown outstanding federal and state tax liability for the tax years at issue. Ex. 7 at 184–220; Ex. 6 at 174–83. Despite having this information, the LSO did not specifically cite to the failure to pay taxes as a basis for the Guideline F concerns in the SSC. Ex. 1 at 5.

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. Individual’s Background and Failure to File Timely Tax Returns for Tax Years 2018 through 2023

The Individual lived in his home state (State 1) his whole life until 2018. Tr. at 48. Since turning 18 in 1996, the Individual relied on a firm of Certified Public Accountants (CPAs) that he knew through his family to file his federal tax returns.⁵ *Id.* at 48–49, 74; Ex. 7 at 189 (providing birth year). For over two decades the Individual continued using this same firm’s CPAs to complete his annual tax returns until he moved out of state in 2018. Tr. at 74. The Individual has never personally handled his tax returns. *Id.* at 48–49. The Individual believes filing income tax returns is generally difficult: “I honestly don’t know how people do their own taxes.” *Id.* at 85; *see also id.* at 49 (“[F]rom my perspective, income taxes are complicated”). However, he acknowledged that “relatively speaking” his own tax returns were not “different from the average population.” *Id.* at 49.

In September 2018, the Individual moved to another state (State 2) to start a position with the DOE contractor. Ex. 7 at 191–92, 194; Tr. at 47. The Individual testified that he believed he had received an extension until October 2019 to file his tax return for tax year 2018, but ultimately, he still failed to file his 2018 federal tax return within the extension window. Tr. at 56. The Individual testified that he intended to find another CPA in State 2 and that, “rightly or wrongly, [he] had this idea that [he] needed one that was local” in State 2. *Id.* The Individual indicated, at the hearing, that missing the deadlines to file his 2018 tax returns bothered him. *Id.* at 82. However, “[t]he longer it went[,] the harder it [was] to get started” *Id.* at 57. After failing to file his 2018 tax returns, the Individual subsequently failed to file his federal and state returns for tax years 2019, 2020, 2021, 2022, and 2023. Ex. 7 at 215–17. The Individual at some point started thinking, “what CPA is going to want to take a screw-up like me that . . . let a couple years go by without filing taxes[?]” and described feeling as though he “was sinking into a hole” and “didn’t really know how to pull [him]self out.” Tr. at 57. The Individual estimated that he thought about his tax-related delinquencies multiple times per week. *Id.* at 82. The delinquencies gave the Individual “a lot of stress that [he] never talked about.” *Id.*

⁵ State 1 does not impose state personal income taxes. Tr. at 56.

b. Individual's Actions Taken and Tax Compliance Status

Eventually, the Individual completed his February 2025 QNSP, wherein he fully disclosed his tax filing delinquencies precipitating this proceeding. Ex. 7 at 215–17. The Individual testified that he felt “embarrassed” when he started listing the delinquencies. Tr. at 55. Accordingly, that same week, the Individual “looked at the CPA certification board website for [State 2] and started looking for CPAs in the area and just started calling.” *Id.* To corroborate this testimony, the Individual submitted a handwritten log documenting his attempts to contact CPAs. Attach. 10 at 61. The Individual attempted contacting approximately 16 CPAs. *Id.*; Tr. at 61–62. In February 2025, the Individual retained a CPA. Attach. 15 at 67–68; Tr. at 62. The Individual submitted a letter from the CPA, dated January 26, 2026, indicating that she had assisted the Individual in filing “all previously outstanding federal and state income tax returns” and that she had been “formally retained . . . to prepare and file all required tax returns on a timely basis going forward.” Attach. 85 at 152. She further represented that “all balances due associated with [the Individual’s past-due] returns, including all assessed taxes, penalties, interests, and fees, have been paid in full.” *Id.*

The Individual submitted various screenshots from a web portal maintained by the tax authority of State 2. *See, e.g.*, Attach. 85A at 153–55; Attach. 85B at 156–57; Attach. 85C at 158. The Individual’s screenshots reflect that State 2 considers his state tax returns for tax years 2018 through 2024 filed. Attach 85B at 156–57. Further screenshots reflect that State 2 received the tax returns for tax years 2018 through 2024, in June 2025.⁶ Attach. 23 at 76; Attach. 25 at 79; Attach. 27 at 83; Attach. 29 at 86; Attach. 52 at 111; Attach. 62 at 124; Attach. 73 at 138. The Individual also submitted screenshots from State 2’s web portal reflecting that he made various payments between April 2025 and August 2025 to satisfy past due amounts owed to State 2’s tax authority for the tax years at issue. Attach. 85A at 153–55. State 2’s tax portal reflects that, as of January 26, 2026, there exists no balances due for any tax years. Attach. 85C at 158.

The Individual’s 2018 IRS tax account transcript indicates that the IRS processed his federal tax return as filed on January 12, 2026. Attach. 85D at 159. The 2018 tax account transcript indicates that there remains an outstanding balance of \$3,246.86. *Id.* The Individual submitted a screenshot from his bank’s website reflecting that, on January 28, 2026, he posted payment to the IRS for this exact amount. Attach. 85P at 199.

The Individual’s 2019 IRS tax account transcript reflects that the IRS processed his federal tax return as filed in September 2025. Attach. 85E at 160. The transcript further reflects that the Individual paid all liability associated with this tax year in September 2025 and that there is no further balance due for this tax year. *Id.*

The Individual’s 2020 IRS tax account transcript reflects that the IRS processed his federal tax return as filed in October 2025. Attach. 85F at 162. The transcript further reflects that the Individual paid all liability associated with this tax year in October 2025 and that there is no further balance due for this tax year. *Id.*

⁶ State 2 considers the Individual’s 2024 state tax return timely, as the screenshot reflects a due date of October 15, 2025. Attach. 73 at 138.

The Individual's 2021 IRS tax account transcript reflects that the IRS processed his federal tax return as filed in September 2025. Attach. 85G at 164. The transcript further reflects that the Individual paid all liability associated with this tax year in September 2025 and that there is no further balance due for this tax year. *Id.* at 164–65.

The Individual's 2022 IRS tax account transcript reflects that the IRS processed his federal tax return as filed in July 2025. Attach. 85H at 166. The transcript further reflects that the Individual paid all liability associated with this tax year in July 2025 and that there is no further balance due for this tax year. *Id.* at 166–67.

The Individual's 2023 IRS tax account transcript reflects that the IRS processed his federal tax return as filed in July 2025. Attach. 85J at 175. The transcript further reflects that the Individual paid all liability associated with this tax year in July 2025 and that there is no further balance due for this tax year. *Id.* at 175–76.

The Individual's 2024 IRS tax account transcript reflects that the IRS processed his federal tax return as filed in July 2025 and that such filing was timely since he had been granted an extension. Attach. 85L at 184. The transcript further reflects that the Individual paid all liability associated with this tax year in July 2025 and that there is no further balance due for this tax year. *Id.* at 184–85.

c. Future Tax Filings

As stated above, the Individual has retained the new CPA to assist him in timely filing his future federal and state tax returns. Attach. 85 at 152. If his new CPA were to become unavailable, the Individual indicated that he would consult the new CPA's daughter, who works at the CPA's firm, for recommendations on other CPAs to use. Tr. at 82–83. The Individual indicated that if he could not secure any "good leads" he would again consult State 2's certification board to see who has an "an active license and just start calling" as he had done before. *Id.* at 83. The Individual indicated that if he had not found a CPA by March before the April filing deadline, he would file for an extension. *Id.* at 83–84. The Individual indicated that, if still could not find a CPA prior to the October extended deadline to file his tax returns, he would use a tax-filing software like TurboTax. *Id.* at 84–85. While the Individual had some general anxiety about filing on his own, the Individual testified that he would "get that to work" and "input [his information into the software] the best [he] knew how and submit that" to the tax authorities. *Id.* at 84.

d. Character Evidence and Other Information

At the hearing, the Individual called two witnesses: his manager and coworker. *Id.* at 20, 30. His manager and coworker both described the Individual in complimentary terms. *See id.* at 24 (manager’s testimony describing him as “honest”), 37 (co-worker’s testimony describing him as “responsible” and “trustworthy”). They were both made aware of the Individual’s failure to file timely tax returns prior to the hearing. *Id.* at 21–22, 32–33. The Individual’s manager indicated that he was “surprised” to learn about the Individual’s tax filing issues since it seemed out of character. *Id.* at 25. The Individual’s coworker discussed the issues further with the Individual and observed that the Individual felt “embarrassed” and “ashamed of what happened” which led her to believe that the tax filing issues “shouldn’t happen again.” *Id.* at 39.

The Individual testified that his anxiety and nervousness have not affected his ability to comply with laws, rules, or regulations, or meet financial obligations, in other contexts. *Id.* at 85–87. The Individual testified that he paid a large sum of penalties and related interest due to his tax delinquencies, which he considered a “stiff lesson” for “this mess.” *Id.* at 78. The Individual also indicated that having gone through this clearance process further reinforced for him that he must meet his tax filing and payment obligations in the future. *Id.*

V. ANALYSIS

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.

As a preliminary matter, the cited security concerns are associated with the Individual's failure to file his federal and state tax returns. Accordingly, mitigating conditions (d), (e), and (f) lack application since the cited security concerns do not involve overdue or unresolved debts or unexplained affluence.

Regarding mitigating condition (a), the behavior—taking no action to file his returns for tax years 2018 through 2023—started in 2019. His tax filing delinquencies occurred every day over a number of years and were not fully resolved until the IRS processed his 2018 tax return in January 2026. Accordingly, it cannot be said that the behavior was infrequent or long ago.

The behavior occurred under the following circumstances: the Individual wanted to obtain a CPA to assist him because of his discomfort and inexperience with filing tax returns on his own, delayed in finding an appropriate CPA, failed to file on his own in the alternative, and allowed his nerves to perpetuate his procrastination over numerous tax years. These circumstances would not necessarily indicate a low likelihood of recurrence. I recognize that the Individual, when filing his 2025 QNSP, immediately undertook steps to alleviate this problem and now has a plan in place should his new CPA become unavailable. However, the earlier circumstances led to him not filing returns over six tax years. 10 C.F.R. § 710.7(c) (requiring that I consider among other factors “the frequency and recency of the conduct . . .”). While the Individual's recent conduct reflects positively on his judgment, his six-year history of non-filing precludes a favorable finding at this time. Given the above, mitigating condition (a) does not apply.

Regarding mitigating condition (b), I cannot find that the conditions resulting in his financial problem were “largely beyond” his control. The financial problem ultimately resulted from his decision not to file on his own and his failure to secure an appropriate CPA. The Individual could have chosen to either file on his own or more expeditiously secure a CPA. For those same reasons, I cannot find the Individual to have “acted responsibly.” Mitigating condition (b) does not apply.

No evidence was put forth regarding financial counseling, and I cannot find that mitigating condition (c) applies.

Regarding mitigating condition (g), the Individual has submitted proof that he filed the tax returns at issue with the appropriate tax authorities. I have corroborating documentation that the federal and state tax authorities have received the tax returns for tax years 2018 through 2024 and that the returns are considered filed by those tax authorities. I also have supporting documentation that he paid all outstanding tax obligations. Accordingly, mitigating condition (g) applies.

I further find mitigating condition (g) sufficient to resolve the security concerns given several other factors. Above, I recognized that the Individual immediately took steps after the filing of the 2025 QNSP to file his tax returns, retained the services of a CPA for future filings, and laid out a step-by-step plan to file his tax returns in the event of his CPA's incapacitation or unavailability. 10 C.F.R. § 710.7(c) (requiring consideration of “pertinent behavioral changes” and the “likelihood of continuation or recurrence”). I also find the Individual to have sincerely learned from this experience. At the hearing, the Individual's coworker observed that the Individual was embarrassed and ashamed by his situation. The Individual also demonstrated remorse resulting

from both his need to participate in this proceeding and the financial penalties levied on him. Accordingly, that the Individual filed his returns and paid all outstanding tax liabilities—in conjunction with the above—leads me to find that mitigating condition (g) sufficiently mitigates the security concerns at issue.

As such, I find that the Individual has resolved the security concerns raised under Guideline F.

VI. CONCLUSION

In the above analysis, I found that the DOE possessed sufficient derogatory information raising 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 brought forth sufficient evidence to resolve the security concerns. Accordingly, I have determined that the Individual's access authorization should be restored. This Decision may be appealed in accordance with the procedures set forth at 10 C.F.R. § 710.28.

Andrew Dam
Administrative Judge
Office of Hearings and Appeals