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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: June 4, 2025) Case No.: PSH-25-0140
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Issued: April 24, 2026

Administrative Judge Decision

Diane L. Miles, Administrative Judge:

This Decision concerns the eligibility of XXXXX (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 is employed by a DOE contractor in a position that requires him to hold a security clearance.

In July 2021, the Individual completed a Letter of Interrogatory (LOI), in which he reported to the Local Security Office (LSO) that he had three debts in a foreign country that had been turned over to collection agencies. Exhibit (Ex.) 6. The Individual reported that as to all three debts, he had communicated with collections agencies to resolve the debts, but the “[a]ll or nothing propositions for repayment [he received] were unrealistic” and he would negotiate a repayment plan once he received secure employment and a stable income. *Id.* at 28–29. He also reported that he previously had delinquent debts in the U.S., but he was “current” on those financial obligations. *Id.* at 32.

In October 2023, the Individual completed a Questionnaire for National Security Positions (QNSP). Ex. 8. In the section titled “Financial Record,” the Individual reported that the same three

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.”

foreign debts he reported in 2021 remained delinquent. *Id.* at 103–05.² He reported that since May 2017, he owed \$322,809 to a foreign bank (Creditor A), which had been turned over to a collection agency, and that he would discuss repayment options with the collection agency once he obtained secure employment and a stable income. *Id.* at 105–06. The Individual also reported that since May 2017, he owed approximately \$11,000 on a credit card issued by a foreign bank (Creditor B) and approximately \$27,000 on a second credit card issued by a foreign bank (Creditor C), and that he would attempt to negotiate repayment agreements for both debts when he obtained “secure employment and [a] stable income.” *Id.* at 106–07.

During a November 2023 Enhanced Subject Interview (ESI) the Individual reported that he had not taken any action to resolve his three debts and that he intended to set up a repayment plan for each debt by January 2024. Ex. 10 at 204.

In December 2024, the LSO issued a second LOI to the Individual, which sought additional information about his debts. Ex. 5. In this LOI, the Individual reported he had not taken any steps to resolve the debts and that he intended to begin negotiating with his creditors in March 2025. *Id.* at 19–21. He also reported that his overall financial situation was excellent and that he lived within his means. *Id.* at 23.

In February 2025, the LSO informed the Individual, in a Notification Letter, that it possessed reliable information that created substantial doubt regarding his eligibility to hold a security clearance. Ex. 1 at 6–8. In a Summary of Security Concerns (SSC) attachment to the letter, the LSO explained that the derogatory information raised security concerns under Guideline F of the Adjudicative Guidelines. *Id.* at 5.

On May 7, 2025, the Individual exercised his right to request an administrative review hearing pursuant to 10 C.F.R. Part 710. Ex. 2. The Director of the Office of Hearings and Appeals (OHA) appointed me as the Administrative Judge in this matter. I convened a hearing, pursuant to 10 C.F.R. § 710.25(d), (e), and (g), at which I took testimony from the Individual. *See* Transcript of Hearing, OHA Case No. PSH-25-0140 (Tr.). Counsel for the DOE submitted ten exhibits, marked as Exhibits 1 through 10. The Individual submitted 13 exhibits, marked as Exhibits A through M.

II. NOTIFICATION LETTER AND THE ASSOCIATED SECURITY CONCERNS

As indicated above, the Notification Letter informed the Individual that information in the possession of the DOE created substantial doubt concerning his eligibility for a security clearance. The LSO cited Guideline F (Financial Considerations) of the Adjudicative Guidelines as the basis for suspending the Individual’s security clearance. Ex. 1 at 5. Guideline F states that a “[f]ailure

² The DOE’s exhibits were combined and submitted in a single, 210-page PDF workbook. Many of the exhibits are marked with page numbering that is inconsistent with their location in the combined workbook. This Decision will cite to the DOE’s exhibits by reference to the exhibit and page number within the combined workbook regardless of any internal pagination.

or inability to live within one's means, satisfy debts, and meet financial obligations may indicate poor self-control, lack of judgment, or [an] 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 under Guideline F that could raise a disqualifying security concern is an inability or an unwillingness to satisfy debts, and a "history of not meeting financial obligations." *Id.* at ¶ 19(a)–(c).

In citing Guideline F, the LSO noted that as of December 2024, the Individual owed \$322,809 to Creditor A, \$11,000 to Creditor B, and \$27,000 to Creditor C. Ex. 1 at 5. The LSO also noted that, despite stating in the July 2021 LOI and during his November 2023 ESI that he intended to set up a repayment plan to resolve these debts, he admitted in the December 2024 LOI that he had not begun to repay these debts. *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 or her 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.

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

From April 2013 to 2016, the Individual was employed in a foreign country. Tr. at 13; Ex. F. The Individual claimed that, at this time, he had a "mountain of debt," in the U.S., including student loan debt, approximately \$30,000 in child support arrears, and other debts related to a divorce. Tr. at 12–13, 24–25. The Individual got a personal loan, in the amount of approximately \$120,000, from a bank in the country where he was employed, to resolve his divorce and child support debts.

Id. at 14–15, 25–26. The Individual explained that in the country where he was employed, the bank used his salary from his employment as collateral for the loan. *Id.* at 16. Every time he got paid, his salary was automatically deposited into the foreign bank account, and the bank deducted his monthly repayment. *Id.* at 25. In 2014, the Individual got a second personal loan with a foreign bank, which he used to pay off the first loan, because the second loan had a better interest rate. *Id.* at 15, 28–29, 64.

In 2016, the Individual got a third personal loan, which was cited in the SSC, with Creditor A, a foreign bank, for approximately \$217,000. Tr. at 26–29; Ex. D at 17–18. He used the proceeds of the third loan with Creditor A to pay off the second loan, start a retirement fund, and pay for medical expenses. Tr. at 15. The terms of this third loan were the same as his two prior loans. *Id.* at 27. The Individual explained that he chose to obtain personal loans from banks in the country in which he was employed because he knew he could not get personal loans, in the same amounts, from a bank in the U.S. *Id.* at 31. The Individual further testified that he did not consult with an attorney or a financial advisor before he decided to obtain three personal loans in a foreign country. *Id.* at 65. When he was asked why he chose not to do so, he replied, “why would I? I had an MBA, I am familiar with financial obligations. These were debt swaps, essentially, and they assisted myself . . . in getting caught up on expenses.” *Id.*

In October or November 2016, the Individual was laid off from his job in the foreign country, but Creditor A did not know that he lost employment because he made sure there was money in his foreign bank account so that Creditor A could deduct their monthly payments. Tr. at 14–16, 27–28. In February 2017, the Individual left the foreign country and returned to the U.S. *Id.* at 17. The Individual also reported he incurred debts with Creditor B and Creditor C after using credit cards to make “various purchases.” Ex. 10 at 210. By May 2017, the Individual’s debts with Creditor A, Creditor B, and Creditor C became delinquent because he stopped making payments. Ex. D at 17–18; Tr. at 30, 47–48. In either October 2019 or October 2020, the Individual began employment with a DOE contractor, earning approximately \$130,000 per year. Tr. at 23, 60. Despite having regained employment in either 2019 or 2020, the Individual did not take steps to resolve his debts with Creditors A, B, or C, because he also had debts in the U.S., and he wanted to keep those accounts in good standing. Ex. 10 at 204.

As to his debt with Creditor A, the Individual stated that, initially, Creditor A wanted the entire amount of the loan repaid and was not willing to consider a long-term repayment arrangement with him. Tr. at 30. He claimed that he wanted to negotiate a repayment plan with Creditor A that would permit him to resolve the debt in four years. *Id.* at 30–31. Email correspondence between the Individual and Creditor A showed that since February 2025, Creditor A made several settlement offers to the Individual, including “one shot settlement discount[s]” that would have decreased the amount of the loan the Individual would have had to repay. Ex. D. The email correspondence also showed that the Individual rejected several offers to settle the debt because he did not like the terms. Tr. at 60–61; Ex. D. For example, he did not want to pay fees, he did not want to pay late charges, and he did not want to settle the debt in 2025 because doing so would have had “significant tax implications” for him. Tr. at 61, 68–69; Ex. D.

The morning of this administrative hearing, the Individual offered a repayment plan to Creditor A via e-mail, the terms of which would have allowed him to repay the loan within 48 months, with a payment of \$4,600 per month, starting in April 2026. Tr. at 32–33, 44, 66; Ex. D at 8. He

explained that he would be able to pay \$4,600 per month because, as of the hearing, he took home between \$10,000 and \$12,500 in income per month. Tr. at 34–35. The Individual’s email correspondence with Creditor A indicated that the Individual’s proposal “sound[ed] good” to Creditor A, but that Creditor A needed to take steps “to obtain the official approval,” of the agreement, which had not been obtained. Ex. J.

As for his debt with Creditor B, the Individual submitted documentation that on May 11, 2025, he wired money to Creditor B to settle the debt. Ex. K. He also submitted a copy of email correspondence indicating that Creditor B received his payment, and he submitted a letter from Creditor B, dated May 28, 2025, indicating that the debt was settled. Ex. D at 2; Ex. K. As for his debt with Creditor C, the Individual submitted a letter from Creditor C, which indicated that on May 23, 2025, the debt was resolved. Tr. at 47; Ex. D at 1.

As of the hearing, the Individual earned a salary of \$192,000 per year from his employment, he had about \$150,000 in retirement and savings accounts, and his budget showed that he had assets totaling over \$155,000. Tr. at 35–36, 54, 60; Ex. H; Ex. J; Ex. L. The Individual also had money held in bank accounts in several countries outside of the U.S., including \$13,000 in a bank located in Asia. Tr. at 49–50, 67; Ex. 10 at 205. The Individual further testified that although he had a history that included several delinquent debts, he had a “handle on [his] finances” and a good credit rating. *Id.* at 55–56. He also testified that he had delinquent debts that were incurred in the U.S., which he continues to pay, but his foreign debts listed on the SSC were an obstacle because of the country’s laws and the challenge of negotiating a repayment plan that Creditor A would accept. *Id.* at 56.

V. ANALYSIS

The Adjudicative Guidelines provide that 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.

I have thoroughly considered the record of this proceeding, including the submissions tendered in this case and the testimony of the witness presented at the hearing. After due deliberation, I have determined that the Individual has not mitigated the security concerns raised by his delinquent debts.

As to factor (a), the Individual reported that since May 2017, he had three delinquent debts, and although he resolved his debts with Creditors B and C in May 2025, he did not present sufficient evidence that he entered into a payment arrangement to resolve his delinquent debt with Creditor A, which remains delinquent. So, the Individual's behavior cannot be said to have occurred so long ago that it no longer poses a security concern. The Individual's behavior was frequent because his debts with Creditors A, B, and C remained delinquent since 2017, and, as of the date of the hearing, his debt with Creditor A remains unresolved. Finally, besides the Individual's brief period of unemployment, there is no evidence in the record to indicate that the Individual's failure to resolve his delinquent debts, at least since he obtained employment with a DOE contractor in 2019 or 2020, were due to circumstances that were out of his control. Although the Individual claimed it was a challenge to negotiate a repayment plan that Creditor A would accept, his documented correspondence with Creditor A shows that he spent nearly a year actively negotiating with Creditor A, and he refused to accept a payment arrangement that was not on terms that he believed were most favorable to him. Throughout the administrative review process, and during the hearing, the Individual presented himself as being in good financial health, and with the ability to keep his other debts, in the U.S., current. The Individual chose to ignore his delinquent debts with Creditors A, B, and C, despite knowing, since 2021, that the DOE had concerns about those debts. Therefore, I am unable to conclude that the Individual's behavior is unlikely to recur, and he has not mitigated the security concerns under factor ¶ 20(a) of the Adjudicative Guidelines.

As to factor (b), the evidence establishes that the Individual's financial problem was of his own making. While employed in a foreign country, the Individual described having a "mountain of debt" in the U.S., including owing approximately \$30,000 in child support arrears. Tr. at 12–13, 24–25. Rather than using his salary from employment to gradually pay off these debts, or making some payment arrangements to resolve them, the Individual chose to resolve those debts using money from personal loans. After obtaining one personal loan to resolve his debts, he obtained a second personal loan in 2014, to pay off the first loan, followed by a third personal loan, with Creditor A, two years later, in 2016. The Individual chose to obtain loans from a foreign bank because he knew he could borrow an amount of money beyond what he could get from a bank in the U.S. The Individual relied upon the generous terms on which he obtained his loan from Creditor A to do more than pay off his prior debts; he used the money to fund a retirement account and pay for medical expenses. It was the Individual's pattern of behavior, of incurring new debt to resolve old debt, that largely contributed to his financial problem, and the Individual did not act responsibly by doing so. As for the Individual's debts with Creditor B and Creditor C, the

Individual testified that these debts remained delinquent because they were of a lower priority to him, compared to his debts in the U.S, and although he had been employed with a DOE contractor since 2019 or 2020, he chose to take no action to resolve these debts until after he requested this administrative hearing. Therefore, the Individual has not mitigated the security concerns under ¶ 20(b) of the Adjudicative Guidelines.

As for factor (c), the Individual admitted during the hearing that he did not seek financial counseling before choosing to obtain personal loans in a foreign bank, including his loan with Creditor A, and that he believed that he did not need such advice. The Individual also did not submit evidence that he obtained any financial counseling related to resolving his debts with Creditor A, Creditor B, or Creditor C. Therefore, I find that mitigating factor ¶ 20(c) is inapplicable to this case.

As for factor (d), the Individual submitted sufficient evidence to establish that he resolved his debts with Creditor B and Creditor C. However, as to Creditor A, the Individual became delinquent on this debt in 2017, and in 2021, he knew that this debt was a concern for the DOE. Although the Individual maintained, throughout the administrative review process and during the hearing, that he was in good financial health, and despite having been employed with a DOE contractor since 2019 or 2020, the Individual did not take action to obtain a payment arrangement with Creditor A until 2025. The email correspondence between the Individual and Creditor A shows that he was actively negotiating with Creditor A to resolve the debt, but the Individual's rejection of several settlement offers demonstrates that he was not making a good-faith effort to resolve this debt and his debt with Creditor A remained unresolved as of the hearing. The fact that the Individual waited until the day of the hearing to make an offer to resolve the debt that is potentially acceptable to Creditor A, after such a lengthy period of delinquency, is not indicative of good faith and casts serious doubt on his willingness to meet his obligations when he does not perceive that consequences for his actions are imminent. Therefore, the Individual has not mitigated the security concerns under ¶ 20(d) of the Adjudicative Guidelines.

As for the remaining mitigating factors, the Individual did not dispute the legitimacy of his delinquent debts with Creditor A, Creditor B, and Creditor C, and the security concerns did not involve an allegation of unexplained affluence or a failure to file or pay taxes. Therefore, I find that mitigating factors ¶ 20(e), (f), and (g) are inapplicable to this case.

VI. CONCLUSION

For the reasons set forth above, I conclude that the LSO properly invoked Guideline F of the Adjudicative Guidelines. After considering all the evidence, both 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 mitigate the concerns set forth in the SSC. Accordingly, the Individual has not demonstrated that restoring his security clearance would not endanger the common defense and security and would be clearly consistent with the national interest. Therefore, I find that the Individual's access authorization should not be restored. This Decision may be appealed in accordance with the procedures set forth at 10 C.F.R. § 710.28.

Diane L. Miles
Administrative Judge
Office of Hearings and Appeals