

***The original of this document contains information which is subject to withholding from disclosure under 5 U.S. C. § 552. Such material has been deleted from this copy and replaced with XXXXXX's.**

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

In the Matter of: Personnel Security Hearing)
)
Filing Date: September 9, 2025) Case No.: PSH-25-0201
)
)
_____)

Issued: April 1, 2026

Administrative Judge Decision

James P. Thompson III, Administrative Judge:

This Decision concerns the eligibility of XXXXXXXXXXXXXXXXXXXX (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 should not be granted access authorization.

I. BACKGROUND

The Individual is employed by DOE National Nuclear Security Administration in a position that requires her to hold a security clearance. In July 2024, the Individual completed a Questionnaire for National Security Positions (QNSP). Exhibit (Ex.) 6. In the section titled “Financial Record,” the Individual answered “yes” when asked whether, in the last seven years, she failed to file or pay federal, state, or other taxes when required by law. *Id.* at 71.² The Individual reported that she failed to file her federal and state personal income tax returns for tax years 2022 and 2023, and that she was gathering the necessary documents to file the tax returns for both years. *Id.*

In June 2025, the Local Security Office (LSO) issued a Letter of Interrogatory (LOI) to the Individual, which requested information about her failure to file her federal and state personal

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 The DOE’s exhibits were combined and submitted in a single, 280-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.

income tax returns for tax years 2022 and 2023. Ex. 5. In the LOI, the Individual explained that she was using tax filing software to prepare them, but she could not complete the process because she did not have all the information she needed. *Id.* at 19. The Individual intended to finish preparing the tax returns, but she never completed them. *Id.* at 19, 24. The Individual also reported that she owed over \$3,000 in federal taxes and over \$300 in state taxes for tax years 2022 and 2023. *Id.* at 19–24.

On June 30, 2025, the LSO informed the Individual, in a Notification Letter, that it possessed reliable information that created substantial doubt regarding her 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.

The Individual exercised her 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. On February 19, 2026, 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-25-0201 (Tr.). Counsel for the DOE submitted eight exhibits, marked as Exhibits 1 through 8. The Individual submitted 13 exhibits, marked as Exhibits A through M.³

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 her eligibility for a security clearance. The LSO cited Guideline F (Financial Considerations) of the Adjudicative Guidelines as the basis for not granting the Individual's security clearance. Ex. 1. Guideline F states that a “[f]ailure 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 the failure to file or pay annual federal, state, or local income taxes as required. *Id.* at ¶ 19(f).

In citing Guideline F, the LSO relied upon the Individual’s admissions that she had not filed her state or federal personal income tax returns for tax years 2022 and 2023. Ex. 1 at 5. 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

³ After the hearing, I relabeled the Individual’s exhibits for ease of reference and included them in the record as such. Therefore, the labeling of the Individual’s exhibits reflected in the Transcript should be disregarded.

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

In the June 2024 QNSP, the Individual reported that she did not file her state and federal income tax returns for tax years 2022 and 2023 because she had forgotten to do so and that she was “collecting documents” to prepare them. Ex. 6 at 73. She also disclosed previous untimely filings for tax years 2006, 2007, and 2011. *Id.* at 71–72. She reported that for tax year 2006, she was going through a divorce and it “slipped [her] mind.” *Id.* at 71. For 2007, she had an issue related to claiming a tax deduction. *Id.* at 72. And for 2011, she asserts that she misplaced her tax documents while moving across the country. *Id.* However, she eventually filed her state and federal income tax returns for those three years in June 2013. *Id.* at 71–72.

In her June 2025 LOI, the Individual reported that she still had not filed her state and federal tax returns for tax years 2022 and 2023 but planned on doing so. Ex. 5 at 19, 22.

At the hearing, the Individual explained that she had intended to file her 2022 and 2023 state and federal tax returns jointly with her husband, with whom she lives, but she did not have her husband’s tax documentation when she started preparing them. Tr. at 9, 35. She started preparing the tax returns each year, but she waited for her husband’s tax documentation, and she forgot to complete the returns. *Id.* On September 2, 2025, the Individual hired tax attorneys to prepare and file her state and federal income tax returns for tax years 2022, 2023, and 2024. *Id.* at 12–13, Ex. K (Master Services Agreement for a tax preparation company).

As a result, she filed her 2022 federal income tax return in October 2025. Tr. at 11–12. She submitted documentation from the U.S. Internal Revenue Service (IRS) and her tax attorneys, which indicated that her 2022 federal income tax return was electronically filed and accepted by the IRS on October 10, 2025. Ex. E at 1 (E-Filing record for Tax Year 2022). The Individual owed over \$4,000 in federal taxes for tax year 2022. Tr. at 13–14; Ex. A at 6 (IRS transcript showing an

amount owed of \$4,827). She believed she set up a payment plan with the IRS to pay her 2022 tax debt, but she could not recall when she had done so. Tr. at 14. She did not have evidence of having entered into a payment agreement with the IRS; however, she submitted a record from the IRS website indicating that she submitted a \$100 electronic payment to the IRS and testified that it was evidence that she was not ignoring her tax obligations. Tr. at 14–15, 22; Ex. L at 20 (IRS Payment Activity Record showing \$100 payment made on Dec. 1, 2025).

As for the Individual’s 2023 federal income tax return, the Individual testified that she also filed it in October 2025. Tr. at 13. She submitted documentation indicating that her 2023 federal income tax return was electronically filed and accepted by the IRS on October 10, 2025. Ex. G (E-Filing record for tax year 2023). As for her 2023 federal taxes, the Individual submitted documentation from the IRS indicating that she does not owe federal taxes for that year. Ex. L at 18 (IRS Notice CP39 indicating the tax debt for tax year 2023 is paid in full). She explained that after filing her 2024 federal income tax return, she was due to receive a refund, which the IRS applied to her 2023 federal tax debt. Tr. at 14, 19; Ex. L at 18.

The Individual also explained that she filed her 2022 state income tax return. Tr. at 26. It, too, was electronically filed and accepted by her state tax authority on October 10, 2025. Ex. F (E-Filing record for tax year 2022). She owed a balance for that year as demonstrated by a Notice of Collection from her state tax authority, titled “final notice,” that indicates she owed \$586.69 for 2022, that amount remained unpaid, and her account had been referred to collections. Ex. L at 15. She also submitted a receipt that indicated that she paid that balance after the hearing had concluded. *Id.* at 16–17.

As for her 2023 state income tax return, the Individual explained that she filed it in October 2025. Tr. at 22–23. She submitted documentation from her tax attorneys, which indicated that her 2023 state income tax return was electronically filed and accepted by her state tax authority on October 10, 2025. Ex. H (E-Filing record for tax year 2023). As for her 2023 state tax debt, the Individual submitted a copy of a 1099-G form from her state tax authority to support her testimony that she received a tax refund for tax year 2023 in the amount of \$489.90. Tr. at 38–39; Ex. C.

The Individual further testified that for tax year 2024, she prepared and filed her state and federal income tax returns without waiting for her husband’s tax documentation. Tr. at 10–11. She filed them on the same date as the above filings. *Id.* at 9–10. Ex. I; Ex. J (E-Filing records for 2024 state and federal income tax returns). She submitted documentation from the IRS indicating that she does not owe federal taxes for tax year 2024. Ex. L at 18 (IRS Notice CP49 showing federal tax refund of \$443.85 for tax year 2024). As of the hearing, she had not filed her state and federal tax returns for tax year 2025, which were not yet due, but she intended to do so using tax preparation software. Tr. at 10, 42–43. She testified that she has learned that she must file her tax returns “sooner than later.” *Id.* at 39–40. She explained that in the future she will ensure that she files her state and federal tax returns timely by creating reminders on all her phones and calendars and by filing her returns separately from her husband so she can prepare them without having to wait for his tax documentation. *Id.* at 36, 40

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.

As to ¶ 20(a), the Individual's failure to file her 2022 and 2023 state and federal income tax returns were not resolved until approximately October 2025, four months before the hearing. So, the Individual's behavior cannot be said to have occurred so long ago that it no longer poses a security concern. Further, the Individual has a history of failing to timely file for 2006, 2007, and 2011, so I am unable to conclude that her behavior was infrequent. Finally, although she testified that she would create reminders to file her taxes, her history of untimely filings due to missing documentation has not been resolved. The Individual has a history of late filings, and there is no evidence from which to conclude that the circumstances that led to her late filings have changed. Then—as well as now—she has been required to comply with her obligation to timely address her annual obligation to file her federal and state tax returns. Based on the record before me and the testimony received in this case, I am not convinced that digital reminders will be sufficient to ensure that her behavior will not recur. She could have—and should have—implemented such a system after she addressed her prior failure to timely file tax returns over a decade ago. However, she did not and instead allowed the same issues to recur. Furthermore, the fact that she only paid her 2022 state collection balance after the hearing despite receiving, presumably, several notices before the final notice and referral for collection, demonstrates a continuing tendency to procrastinate, and that tendency presents a concern regarding her ability or willingness to comply

with laws and rules more generally. *See* 10 C.F.R. § 710.7(c) (requiring me to consider the circumstances surrounding a person’s conduct, including, “the frequency and recency of the conduct,” and “the likelihood of continuation or recurrence,” and other factors). Accordingly, the Individual has not mitigated the security concerns under ¶ 20(a) of the Adjudicative Guidelines.

As to ¶ 20(b), there is no evidence that the Individual’s failure to file her 2022 and 2023 state and federal income tax returns was due to circumstances beyond the Individual’s control. She chose to delay completing her tax returns because she wanted to include her husband’s tax documentation before doing so, and she merely forgot to complete the process. There is, therefore, no evidence that her failure to file was due to any external forces outside of her control. She has a history of procrastinating. She also knew that her failure to file was a concern for the DOE when she was questioned about it in the QNSP and LOI, and yet she continued to delay. Given her history, I do not believe she acted responsibly by waiting until September 2025 to retain professional tax assistance to prepare and file her 2022 and 2023 tax returns. Therefore, I find the Individual has not mitigated the security concerns under ¶ 20(b) of the Adjudicative Guidelines.

As to ¶ 20(c), the Individual did not present evidence to support that her failure to file her state and federal income tax returns for tax years 2022 and 2023 was due to circumstances from which she would have benefitted from financial counseling. Therefore, I find that ¶ 20(c) of the Adjudicative Guidelines is not applicable to this case.

As to ¶ 20(d), it does not apply because the LSO did not cite to the Individual’s failure to repay creditors or resolve debt as a basis for the security concerns.

As to ¶ 20(e), the LSO did not allege that the Individual had past due debts related to her failure to file her state and federal income tax returns for tax years 2022 and 2023. Therefore, ¶ 20(e) of the Adjudicative Guidelines is not applicable to resolve the concerns in this case.

As to ¶ 20(f), the security concerns raised by the LSO do not involve unexplained affluence. Therefore, I find that ¶ 20(f) of the Adjudicative Guidelines is not applicable to this case.

As to ¶ 20(g), although the Individual submitted evidence to establish that she filed her 2022 and 2023 state and federal income tax returns, the Individual admitted that she owed over \$4,000 in federal taxes for tax year 2022. She paid the IRS \$100 toward this tax debt, but she did not submit evidence of having entered into a payment agreement with the IRS to pay the remaining balance. While the concerns are not based on her failure to pay her outstanding tax debt, her failure to resolve related tax obligations do impact whether ¶ 20(g) applies to resolve the security concerns. *See* 10 C.F.R. § 710.7(c). Similarly, the fact that the Individual did not resolve the debt associated with her 2022 state tax return until after the hearing despite testifying that she had learned to use reminders and similar resources to timely address her future tax obligations leaves me concerned that her conduct is likely to recur because it demonstrates a continuing tendency to delay. Thus, the Individual has not mitigated the security concerns under ¶ 20(g) of the Adjudicative Guidelines.

For the reasons cited above, I find that the Individual has not mitigated the Guideline F security concerns.

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 granting her a 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 should not be granted access authorization. This Decision may be appealed in accordance with the procedures set forth at 10 C.F.R. § 710.28.

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