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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: March 10, 2026	)	Case No.:	PSH-26-0070
	)		
	)		

Issued: August 11, 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 her to hold a security clearance. In August 2025, the Individual completed a Questionnaire for National Security Positions (QNSP). Exhibit (Ex.) 10.[2] 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 98. The Individual reported that she failed to file her federal and state personal income tax returns for tax year 2020. *Id*. She reported that a tax professional "messed up" her taxes and that she was "in contact with a tax lawyer" to resolve the issue as soon as possible. *Id*. The Individual also reported that, in the last seven years, she had nine accounts that were more than 120 days delinquent and had been turned over to a collection agency; that a collection agency had obtained a judgment against her for failing to pay a debt related to her

[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, 209-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.

child's college expenses; and that her wages had been garnished for failure to pay a debt. *Id*. at 98–109. She reported that these debts were incurred between January 2023 and March 2025. *Id.* Regarding her delinquent debts, the Individual reported that she was considering filing for bankruptcy and that her goal was to resolve the debts "before the end of 2025." *Id*. at 100–09. In September 2025, the DOE learned that a judgment had been filed against the Individual in 2023 for a delinquent debt. Ex. 9.

In October 2025, the Local Security Office (LSO) issued a Letter of Interrogatory (LOI) to the Individual, seeking additional information related to her failure to file taxes and her delinquent debts. Ex. 6. In her response to the LOI, the Individual reported that eight debts remained delinquent and that she intended to resolve them by filing for bankruptcy. *Id*. at 22–26. The Individual also reported that she had filed her state and federal income tax returns for tax year 2020 but needed time to locate documentation to prove to the LSO that she filed the returns. *Id*. at 27. She further reported that she failed to file her state and federal income tax returns for tax years 2021–2024[3] and was in the process of hiring an attorney to help her file the delinquent returns. *Id*. at 27–29.

In December 2025, the LSO issued a second LOI to the Individual, which sought additional information about her income tax returns. Ex. 5. In this LOI, the Individual reported that she still had not filed her state and federal income tax returns for tax years 2020–2024, and that the tax returns would be filed "after the new year." *Id*. at 18–19. The Individual's September 2025 and March 2026 credit reports showed that she had two debts that were more than 120 days delinquent and three debts that had been turned over to a collection agency. Ex. 7 at 38–39, 51; Ex. 9 at 53–57.

In February 2026, 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.

In March 2026, 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. In June 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-26-0070 (Tr.). Counsel for the DOE submitted 12 exhibits, marked as Exhibits 1 through 12. The Individual did not submit any exhibits.

II. NOTIFICATION LETTER AND THE ASSOCIATED SECURITY CONCERNS

As indicated above, the Notification Letter informed the Individual that information in the DOE's possession created substantial doubt concerning her eligibility for a security clearance. The LSO

[3] The Individual represented that she failed to file personal income tax returns for tax years 2021–2025. Ex. 6 at 27–29. As the Individual's response to the LOI was submitted in 2025, and her personal income tax returns for tax year 2025 were not due until 2026, I construe this representation as an error by the Individual.

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 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 are an inability or an unwillingness to satisfy debts, a "history of not meeting financial obligations," and a failure to file annual federal or state income tax returns, as required. *Id*. at ¶ 19(a)–(c), (f).

In citing Guideline F, the LSO noted that in the December 2025 LOI, the Individual admitted that she did not file her state and federal income tax returns for tax years 2020, 2021, 2022, 2023, and 2024. Ex. 1 at 5. The LSO also noted that in the October 2025 LOI, the Individual indicated that she was in the process of resolving her delinquent tax filings, but in the December 2025 LOI, she admitted that her state and federal income tax returns remained unfiled. *Id*. The LSO further noted that the Individual's September 2025 and March 2026, credit reports showed the following delinquent accounts, totaling $31,053:

- Creditor A, with a balance of $13,152;
- Creditor B, with a balance of $6,783;
- Creditor C, with a balance of $5,281;
- Creditor D, with a balance of $4,323; and
- Creditor E, with a balance of $1,514.

Id. Finally, the LSO noted that on November 9, 2023, Creditor F filed an Abstract of Judgment against the Individual, in the amount of $13,065. *Id*. The information cited above 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

At the hearing, the Individual testified that she had not filed her state and federal income tax returns since 2020 because, several years ago, a tax attorney made an error while preparing the returns she files jointly with her spouse, resulting in taxes owed. Tr. at 10. She claimed that she did not know what type of error the tax attorney made or for which tax year; she recalled only that the tax attorney "filed some stuff wrong and [she] got penalized." *Id*. at 10, 16. Because she was afraid of the amount of taxes she owed, she did not file subsequent income tax returns. *Id*. at 10. She claimed that her spouse arranges for the preparation and filing of their household tax returns and that her only involvement is signing the returns after they are prepared. *Id*. at 10, 15. She explained that her spouse told her the 2020 state and federal income tax returns were not filed because they did not have the money to pay the approximately $20,000 in taxes they would owe. *Id*. at 16. In 2020, the Individual and her spouse had a combined annual income of approximately $270,000, but they were unable to claim enough tax deductions to avoid owing taxes each year. *Id*. at 16–17, 29.

The Individual explained that she still had not filed her state and federal income tax returns for tax years 2020 through 2024. Tr. at 8–9. She also had not filed her state and federal income tax returns for tax year 2025 and did not know whether her spouse had requested an extension to file their 2025 returns. *Id*. at 9. She did not know how much she would owe in taxes after filing her delinquent returns. *Id*. at 12–13. She stated that she would enter into a payment agreement with the state and federal governments to pay any taxes she owed. *Id*. at 13–14. She admitted that she had received notices from the Internal Revenue Service about her failure to file tax returns. *Id.* at 14. She claimed that she needed a tax attorney to prepare her delinquent returns because she intended to claim several tax deductions and that her spouse was determining how to obtain the money to pay an attorney, which would cost $800 per tax year. *Id*. at 9–11, 20. She also explained that she was gathering the records necessary to prepare her delinquent returns and hoped to hire a tax attorney and file the returns "within the next three months." *Id*. at 9, 19–20. She stated that she was in contact with a lawyer as of the hearing date. *Id*. at 9.

Regarding her delinquent credit accounts, the Individual explained that her debt with Creditor A was from a personal loan and her debt with Creditor B was from a store credit card. Tr. at 21–22. She did not recall how she acquired the debts with Creditors C, D, or E. *Id*. She explained that, in 2020, she incurred debt because her spouse lost income during the pandemic and that, in 2022, she incurred some debt to pay her child's college expenses. *Id*. at 26. Regarding the judgment filed against her in 2023, the Individual explained that the debt related to the purchase of solar panels for her home and that, before the hearing, she did not know a judgment had been filed against her. *Id*. at 22–23, 25. She believed she had resolved the debt because she received notices from the solar company reflecting a zero balance. *Id*. at 23–25. She stated that she would contact the creditor that filed the judgment to determine what she needed to do to resolve the debt. *Id*. at 25.

The Individual further explained that she and her spouse currently earn approximately $270,000 per year in employment income but have many expenses and are always trying to "play catch up" with their debts. Tr. at 29–30, 43–47. The Individual has never participated in a credit counseling program. *Id*. at 30–31. She intends to file for bankruptcy, which she believed would require her to receive credit counseling. *Id*. at 30. She stated that bankruptcy would allow her to consolidate her debts after she files her delinquent tax returns, which she believed she could complete by the end of the year. *Id*. at 37–38.

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 her failure to file her state and federal income tax returns for tax years 2020–2024, and her failure to resolve her delinquent debts with Creditors A–F.

As to factor (a), the Individual reported some of her delinquent debts with Creditors A–F in her August 2025 QNSP. The delinquent debts with Creditors A–F also appeared in her September 2025 and March 2026 credit reports, and she testified that these debts remained delinquent as of the date of the hearing. Similarly, the Individual testified that, as of the hearing, her state and federal income tax returns for tax years 2020–2024 remained unfiled. 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 she had not filed her state and federal income tax returns for over five consecutive years and, as of the hearing, she had still not established that she had done so. She also failed to resolve her outstanding debts with Creditors A–F, which she reported as delinquent since August 2025, and admitted were unresolved as of the hearing.

Finally, the Individual's behavior did not occur under such circumstances that it is unlikely to recur. As for the Individual's delinquent debts, the Individual testified that she incurred her debts with Creditors A–F, in part, because her spouse lost income during the pandemic, and she was paying college expenses for her child. She also testified that she had a lot of expenses and was trying to manage her bills. But the Individual did not submit evidence to establish why she has failed to take any steps to resolve her delinquent debts since 2025, and why she was unable to do so, with a combined yearly income between her and her spouse of approximately $270,000. As to her failure to file her state and federal tax returns for tax years 2020–2024, the Individual testified that after a tax attorney made an unspecified error with a previous tax return, she chose not to file subsequent tax returns for fear of the tax burden that would result. An inability to pay taxes does not excuse the Individual's failure to file her tax returns for over five years. The Individual did not submit any evidence to support that she has taken any steps to resolve her delinquent debts or delinquent tax returns, and this conduct continues to cast doubt on her current reliability, trustworthiness, or judgment. Therefore, I am unable to conclude that the Individual's failure to file her state and federal income tax returns for tax years 2020–2024 and resolve her delinquent debts with Creditors A–F are unlikely to recur, and she has not mitigated the security concerns under ¶ 20(a) of the Adjudicative Guidelines.

As to factor (b), the Individual claimed that a tax attorney made an unspecified error while preparing a tax return, and she chose to not file subsequent tax returns because she feared the amount of taxes she would owe. Assuming the actions of a tax attorney were beyond her control, the Individual did not act responsibly by failing to file her state and federal tax returns, for over five years, because she feared the amount of taxes she would owe. As for her debts with Creditors A–F, the Individual incurred some of the debts after a loss of income and paying college expenses for a child. But in the October 2025 LOI, the Individual knew that the DOE had concerns related to these debts and I cannot conclude that the Individual acted responsibly by failing to take any action to enter into a payment arrangement to resolve these debts. The Individual's debts with Creditors A–F and delinquent state and federal tax returns for tax years 2020–2024 remain unresolved as of the hearing. Therefore, the Individual has not mitigated the security concerns under ¶ 20(b) of the Adjudicative Guidelines.

As for factor (c), the Individual did not claim to have pursued financial counseling. Even if she had, it is not clear that her failure to file her state and federal income tax returns for tax years 2020–2024 were due to circumstances from which she would have benefitted from financial counseling as opposed to her own lack of responsibility. Moreover, the problem is neither resolved nor under control because the Individual's debts with Creditors A–F remain delinquent and the Individual's state and federal income tax returns for tax years 2020–2024 remained unfiled as of the hearing. Therefore, the Individual has not mitigated the security concerns under ¶ 20(c) of the Adjudicative Guidelines.

As for factor (d), the Individual admitted that as of the hearing, she had not taken any steps to resolve her delinquent debts with Creditors A–F. Although she claimed, since August 2025, that she intended to resolve her debts with Creditors A–F via bankruptcy, she had not done so as of the date of the hearing. The Individual also admitted that her state and federal income tax returns for tax years 2020–2024 remained unfiled as of the hearing. Therefore, the Individual has not mitigated the security concerns under ¶ 20(d) of the Adjudicative Guidelines.

As to factor (e), the Individual did not dispute that the debts with Creditors C, D, and E were legitimate. The Individual claimed to have disputed the debt with Creditor F, related to the purchase of solar panels, but she did not submit documentary evidence to substantiate her claim that she did not owe money to this creditor. Therefore, the Individual has not mitigated the security concerns under ¶ 20(e) of the Adjudicative Guidelines.

As for the remaining mitigating factors, the security concerns did not involve an allegation of unexplained affluence, and the Individual admitted, at the hearing, that her state and federal income tax returns for tax years 2020–2024 remained unfiled and that she owes significant unpaid taxes. Therefore, I find that mitigating factor ¶ 20(f) is inapplicable to this case, and the Individual did not mitigate the security concerns under ¶ 20(g).

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 her 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