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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 31, 2026	)	Case No.:	PSH-26-0084
	)		
	)		

Issued: August 12, 2026

Administrative Judge Decision

Phillip Harmonick, Administrative Judge:

This Decision concerns the eligibility of XXXXXXXXXXX (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 completed and signed a Questionnaire for National Security Positions (QNSP) on August 18, 2025, in connection with seeking access authorization. Exhibit (Ex.) 8 at 119.[2] Therein, the Individual disclosed that he failed to file Federal or state personal income tax returns for the 2024 tax year and estimated that he owed $30,000 in unpaid taxes. *Id.* at 111–12. In a January 29, 2026, response to a letter of interrogatory (LOI) from the local security office (LSO), the Individual indicated that he had not filed his 2024 personal income tax returns. Ex. 5 at 29.

The LSO issued the Individual a Notification Letter advising him that it possessed reliable information that created substantial doubt regarding his eligibility for access authorization. Ex. 1 at 6–8. In a Summary of Security Concerns (SSC) attached to the letter, the LSO explained that

[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 exhibits submitted by the local security office (LSO) were Bates numbered in the upper right corner of each page. This Decision will refer to the Bates numbering when citing to exhibits submitted by the LSO.

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. The Director of the Office of Hearings and Appeals (OHA) appointed me as the Administrative Judge, and I conducted an administrative hearing in July 2026. The LSO submitted eight exhibits (Ex. 1–8) and the Individual submitted four exhibits (Ex. A–D). The Individual testified on his own behalf. Hearing Transcript, OHA Case No. PSH-26-0084 (Tr.) at 3, 10. The LSO did not call any witnesses to testify.

II. THE 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 or sensitive information." Adjudicative Guidelines at ¶ 18. The SSC cited the Individual's failure to timely file Federal and state personal income tax returns and admission that he owed personal income taxes. Ex. 1 at 5. The LSO's allegations that the Individual failed to file personal income taxes as required or pay personal income taxes justify its invocation of Guideline F. Adjudicative Guidelines at ¶ 19(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 of 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 Dep't 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).

An 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). An individual is afforded a full opportunity to present evidence supporting his or her eligibility for an access authorization. The Part 710 regulations are drafted so as 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 History of Failing to Meet Tax Obligations

In 2023, the Individual filed a Federal personal income tax return for tax year 2022 but did not pay the amount he owed. Tr. at 20–21; *see also id.* at 47 (Individual testifying that he made more taxable income in tax year 2022 than he usually would have "due to [his] sale of some property"). The IRS assessed the Individual's unpaid personal income tax liability for that year, including penalties and interest, at $19,575. Ex. 2 at 14; Tr. at 47. At some point, the IRS referred the Individual's unpaid taxes to a collection agency which contacted the Individual on behalf of the IRS. Ex. 2 at 13; *see also* Ex. 8 at 126 (Individual claiming to an investigator that he was paying $300 monthly towards this balance).

The Individual subsequently failed to timely file Federal or state personal income tax returns for the 2023 and 2024 tax years. Ex. 8 at 111, 126; Tr. at 48–49. In his hearing testimony, the Individual explained that he knew he was required to file annual personal income tax returns but "put it off" because he is not "good at . . . paperwork" and neglected to timely file the tax returns. Tr. at 11. He also cited to an extremely heavy work schedule in which, until 2025, he worked extraordinarily long hours. *Id.* at 39–40; *see also* Ex. D (letter from the Individual's former supervisor attesting to the Individual's integrity and work ethic).

B. Information Collected in the QNSP and Background Investigation

The Individual completed and signed the QNSP on August 18, 2025. Ex. 8 at 119. Therein, he disclosed his failure to file personal income tax returns for the 2024 tax year[3] and estimated his combined Federal and state personal income tax liability as approximately $20,000. *Id.* at 111. Although Federal and state personal income tax returns for the 2025 tax year were not required to be filed until April 2026, the Individual reported on the QNSP that he had failed to file personal income tax returns for that year due to failing to "get [his] documents together." *Id.* at 112. He estimated his Federal and state personal income tax liability for 2025 as approximately $10,000. *Id.* The Individual claimed on the QNSP that he was "talking with [the] IRS to get help to resolve [his] tax issues." *Id.*; *see also* Tr. at 44 (testifying that he believed his communications with the collection agency regarding his 2022 personal income taxes were with the IRS).

The Individual met with an investigator on October 8, 2025, for an interview as part of the background investigation into his eligibility for access authorization. Ex. 8 at 123. Contrary to his claim on the QNSP, the Individual admitted that he had not taken any actions to address his 2024 taxes and had not contacted the IRS as he claimed. *Id.* at 126. He further indicated that he listed his 2025 personal income taxes on the QNSP, despite the fact that they were not required to be filed until 2026, because he "expect[ed] to owe taxes . . . and ha[d] not done anything to prepare . . . ." *Id.*

[3] The Individual did not disclose his failure to file personal income tax returns or pay taxes for the 2023 tax year on the QNSP. Ex. 8 at 112 (checking a box marked "No" in answer to a question asking whether he had any other failures to file tax returns or pay taxes to report). However, he volunteered this information to an investigator during an interview as part of the background investigation into his eligibility for access authorization. *Id.* at 126.

In January 2026, the LSO sent the Individual the LOI. Ex. 5. In his response, the Individual indicated that he still had not filed Federal or state personal income tax returns for the 2024 tax year. *Id.* at 29. The Individual did not answer a question concerning his reasons for failing to file, instead leaving the space for his response blank. *Id.*

C. Individual's Recent Efforts to Address Financial Delinquencies

The Individual testified at the hearing that he filed his Federal and state personal income tax returns for 2023, 2024, and 2025 at some point in April or May of 2026 with the assistance of his son. Tr. at 12. The Individual provided copies of completed tax returns for each year; however, he provided no evidence to corroborate that he had ever filed the tax returns or that the IRS and state tax authority had received them. Ex. A (2023 tax return); Ex. B (2024 tax return); Ex. C (2025 tax return).[4] Accordingly, I find that the Individual has not established as a matter of fact that he filed the tax returns in question.

In the tax returns that he prepared, the Individual calculated that, excluding penalties and interest, he owed a cumulative \$4,860 in Federal and state personal income taxes for tax years 2023, 2024, and 2025. Ex. A at 10, 15; Ex. B at 6, 9; Ex. C at 6, 9. Including his unpaid taxes for tax year 2022, the Individual estimated that he owed over \$20,000 in unpaid taxes but was unsure of the actual amount. Tr. at 16. As the Individual did not produce documentation to show that the IRS accepted his calculation of his tax liability, and penalties and interest the Individual owes for tax years 2023 through 2025 have not yet been calculated, I cannot determine the amount of the Individual's unpaid taxes. The Individual represented that, one or two months prior to the hearing, \$360 began to be withdrawn automatically from his bank account on a monthly basis towards payment of his Federal and state tax obligations but that he was unsure of how long the withdrawals would continue. *Id.* at 16–18.

The Individual testified that he earns approximately \$4,000 net per month from his employment with a DOE contractor and \$2,100 monthly in other income. *Id.* at 23, 27–28. However, he struggles to make ends meet and the utilities in his residence are currently shut off due to his failure to pay. *Id.* at 22. The Individual attributed his financial problems to "spend[ing] on [] things that [he] shouldn't," such as dining out and clothing. *Id.* at 27; *see also id.* at 36–37 (testifying that his monthly phone bill was approximately \$480 due to "gadgets" the Individual purchased through the phone company). The Individual has not sought financial counseling or contacted any organizations for assistance in addressing his financial issues. *Id.* at 49.

V. ANALYSIS

Guideline F

Conditions that could mitigate security concerns under Guideline F include:

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[4] I note that messages from the tax preparation software the Individual used to prepare the tax returns for the 2023 and 2024 tax years indicate that the Individual was required to mail the tax returns to the IRS. Ex. A at 1; Ex. B at 1.

(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 good judgment;

(b) the conditions that resulted in the financial problem were largely beyond the person's control (e.g., loss of employment, a business downturn, unexpected medical emergency, a death, divorce or separation, clear victimization by predatory lending practices, or identity theft), 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, such as a non-profit credit counseling service, 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; and,

(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.

Id. at ¶ 20.

The Individual's failure to file tax returns or pay taxes as required occurred in at least four consecutive tax years and the Individual does not claim to have resolved his unpaid taxes. Thus, the Individual's tax-related financial issues are repeated and ongoing. While the Individual's busy work schedule was likely an obstacle to completing his tax returns, it was hardly an unusual circumstance. Accordingly, the first mitigating condition is inapplicable. *Id.* at ¶ 20(a).

The second mitigating condition is inapplicable because it was within the Individual's control to timely file tax returns; by his own admission he neglected this obligation. *Id.* at ¶ 20(b). Moreover, the Individual's delay in addressing his situation, despite being subject to a collection action by the IRS and knowing that his tax issues were of concern to the LSO, indicates that he did not act responsibly under the circumstances. *Id.*

The third mitigating condition is inapplicable because the Individual did not pursue financial counseling. *Id.* at ¶ 20(c).

The fourth, fifth, and sixth mitigating conditions are irrelevant to the facts of this case because the LSO did not cite the Individual's non-tax debts as security concerns or allege that the Individual demonstrated unexplained affluence. *Id.* at ¶ 20(d)–(f).

The final mitigating condition is inapplicable for several reasons. First, as indicated above, the Individual has only submitted evidence that he prepared tax returns, not that he actually filed them. Considering his history of procrastination in addressing his tax issues, more evidence is needed for the Individual to show that he filed all personal income tax returns as required. Even if the Individual had filed the returns, he admits that he owes tens of thousands of dollars in unpaid taxes and the full extent of the penalties and interest he owes has not yet been calculated. The Individual offered no proof that withdrawals are being made from his bank account to satisfy his tax liability as he claimed. Even if he had, it is not clear whether the withdrawals were the product of an agreement or an involuntary garnishment, to which portion of his tax liability the withdrawals relate, or whether the Individual will be able to continue making payments considering his distressed financial situation. Considering that he claimed to have made only one or two payments, and that it is uncertain whether he can or will continue to do so, he has not demonstrated compliance with arrangements to pay his taxes. For these reasons, I find the seventh mitigating condition inapplicable. *Id.* at ¶ 20(g).

For the aforementioned reasons, none of the mitigating conditions are applicable and the Individual has not resolved the security concerns asserted by the LSO under Guideline F.

VI. CONCLUSION

In the above analysis, I found that there was sufficient derogatory information in the possession of DOE to raise security concerns under Guideline F of the Adjudicative Guidelines. After considering all relevant information, favorable and unfavorable, in a comprehensive, common-sense manner, including weighing all testimony and other evidence presented at the hearing, I find that the Individual has not brought forth sufficient evidence to resolve the security concerns asserted by the LSO. Accordingly, I have determined 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.

Phillip Harmonick
Administrative Judge
Office of Hearings and Appeals