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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-26-0086
	)		
	)		

Issued: August 10, 2026

Administrative Judge Decision

James P. Thompson III, Administrative Judge:

This Decision concerns the eligibility of XXXXXXXXXXXX (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

On October 4, 2025, DOE received a credit report as part of the continuous evaluation into the Individual's eligibility for access authorization which identified six delinquent accounts totaling $20,525 in debt that the Individual failed to report to DOE as required by DOE Order 472.2A.[2] Exhibit (Ex.) 3 at 13; Ex. 4 at 17; Ex. 7 at 33–45. On December 8, 2025, DOE sent the Individual a Letter of Interrogatory (LOI) to gather more information, and the Individual responded on December 16, 2025 (First LOI). Ex. 6. Therein, the Individual stated that his reason for not making payments on his delinquent accounts was due to his "irresponsible behavior" and further disclosed that he had not filed Federal personal income tax returns or paid his Federal personal income taxes as required. *Id.* at 27–28.

[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] DOE Order 472.2A, Personnel Security, Attachment V-Reporting Requirements: "The following occurrences/actions must be reported to the appropriate CPSO [Cognizant Personnel Security Offices] immediately, but in no event later than three (3) working days after the occurrence: . . . [f]inancial anomalies including . . . [d]elinquency more than 120 days on any debt . . . ." DOE O 472.2A, Attach. 5 ¶ 6(b)(3).

To ask follow-up questions, the DOE sent the Individual another LOI on December 18, 2025 (Second LOI). Ex. 5. When asked which tax years the Individual had failed to file Federal income tax returns, the Individual indicated tax years 2021–2024. *Id.* at 20. He stated that he planned to "file taxes this year" and "have a tax accountant go back and do [his delinquent] taxes" but that he had not "had a sit down with anyone yet." *Id.*

The LSO issued the Individual a Notification Letter advising him that it possessed reliable information that created substantial doubt regarding his eligibility for continued access authorization. Ex. 1 at 7–9. In a Summary of Security Concerns (SSC) attached to the letter, the LSO explained that the derogatory information raised security concerns under Guidelines E and F of the Adjudicative Guidelines. *Id.* at 5–6.

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, and I conducted an administrative hearing. The LSO submitted nine exhibits (Exs. 1–9). The Individual submitted eleven exhibits (Exs. A–K)[3]. The Individual testified on his own behalf. Hearing Transcript, OHA Case No. PSH-26-0086 (Tr.) at 10–51. The LSO did not call any witnesses to testify.

II. THE NOTIFICATION LETTER AND THE ASSOCIATED SECURITY CONCERNS

The LSO cited Guideline E (Personal Conduct) of the Adjudicative Guidelines as one basis for its substantial doubt regarding the Individual's eligibility for continued access authorization. Ex. 1 at 5. Guideline E provides that "[c]onduct involving questionable judgment, lack of candor, dishonesty, or unwillingness to comply with rules and regulations can raise questions about an individual's reliability, trustworthiness, and ability to protect classified or sensitive information." Adjudicative Guidelines at ¶ 15. "Of special interest is any failure to cooperate or provide truthful and candid answers during national security investigative or adjudicative processes." *Id.* The SSC cited the Individual's failure to report his delinquent accounts as required by DOE. Ex. 1 at 5. The LSO's allegation that the Individual's deliberate concealment of relevant information from security officials by failing to report delinquent accounts as required under DOE Order 472.2A demonstrated questionable judgment, lack of candor, dishonesty, or unwillingness to comply with rules and regulations justifies its invocation of Guideline E. Adjudicative Guidelines at ¶ 16(b).

The LSO cited Guideline F (Financial Considerations) of the Adjudicative Guidelines as the other basis for its substantial doubt regarding the Individual's eligibility for continued access authorization. Ex. 1 at 5–6. "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 having delinquent debts totaling $20,525 and the Individual's failure to timely file Federal personal income tax returns or pay Federal personal income tax for the 2021–2024 tax years. Ex. 1 at 5–6. The LSO's allegations that the Individual's incurred delinquent debts and failed to timely meet his Federal tax obligations demonstrate failure to live within one's means,

[3] The Individual's exhibits were submitted as individual PDF files, which I marked as Exhibits A through K. Tr. at 6. References to the Individual's exhibits are to the exhibit number and the corresponding PDF page number.

satisfy debts, meet financial obligations, and comply with obligations to file tax returns and pay taxes, and thus justify the invocation of Guideline F. Adjudicative Guidelines at ¶ 19(a)–(c), (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 Financial Delinquencies

In July 2023, one of the Individual's accounts was charged off with an outstanding balance of $5,876. Ex. 7 at 35–36. In the First LOI, the Individual stated that his reason for non-payment was "irresponsible behavior" and that he would "get ahold of the collection agency and set up payments to get the issue resolved." Ex. 6 at 25. At the hearing, the Individual testified that he does not know what type of account it was or what it was for. Tr. at 38–39. Considering the Individual's testimony, I conclude that the total charge off balance of this account remains outstanding.

In August 2025, another one of the Individual's accounts was charged off in the amount of $881. Ex. 6 at 27, 29; Ex. 7 at 35. At the hearing, the Individual testified that he incurred the debt by using a credit card to purchase tires for his car. Tr. at 42 (testifying, "I forget how many days they charge you no interest, and it jumped up real high, [be]cause I didn't pay it within that amount of time . . . ."). The Individual submitted documentation from a debt recovery agency, dated December 19, 2025, confirming that the Individual had resolved the debt by paying a reduced, "total settlement amount of $484.78." Ex. I at 1; Tr. at 41–42.

In September 2025, another one of the Individual's accounts was charged off and three additional accounts were referred to collections. Ex. 6 at 25–29; Ex. 7 at 36–38. The charge off account had an outstanding balance of $982. Ex. 7 at 34. Prior to the hearing, the Individual explained that he failed to make payment on this account because he was "irresponsible . . . and [he had] no one to blame but [himself]." Ex. 5 at 22. At the hearing, the Individual testified that the charge off arose from a credit card, but he does not remember why he stopped paying it. Tr. at 40. When asked whether he had dealt with the debt, he testified that he tried calling the creditor but that he does not have his credit card number anymore so he "couldn't even . . . say which credit card it was." *Id.* He stated that he would "get it taken care of[.]" *Id.* at 40–41. This charge off account remains outstanding.

One of the three accounts that were referred to collections in September 2025 had a balance of $5,910. Ex. 6 at 25; Ex. 7 at 36. The Individual testified that the creditor is a phone company. Tr. at 29. In the First LOI, the Individual stated that he "had tried to make a payment to [his] account" but, when he went to pay, his "account had been closed and [his] phone number had been given to a new customer." Ex. 6 at 25. He also explained that the company claimed he did not return a broken phone that was under warranty even though he claimed he sent it back to them. Ex. 5 at 21; Ex. 6 at 25. At the hearing, the Individual explained that the company claimed it did not receive the phone, which meant he owed them "1200 and some odd dollars," and that he was not going to pay that amount, so the company shut down his account. Tr. at 29–30. The Individual testified that he had attempted to re-open his account, and the company told him that although they had found the returned phone, his number had been sold, and the account was closed. *Id.* at 30. The Individual testified that these events took place in 2023 and that he never received any bills from the company afterwards. *Id.* at 31. In the Second LOI, the Individual stated that his future intention was to "go up to [the company] and talk to the manager . . . [to] see what can be done." Ex. 5 at 21. He indicated that he wanted to "see if they [would] work with [him] and lower the amount" of the debt. *Id.* At the hearing, the Individual testified that he doesn't "feel it's right because [he] sent [the phone] back, and even after they found it, they still wanted to charge [him] $6,000." Tr. at 32. The Individual's debt with the phone company remains outstanding.

The second account referred to collections in September 2025 had an outstanding balance of $5,302. Ex. 6 at 26; Ex. 7 at 37. In the First LOI, the Individual stated that the reason for non-payment was "irresponsible behavior" but that he would "contact the collection agency and set up payments to resolve [the] issue." Ex. 6 at 26. At the hearing, the Individual testified that he reached out to the collection agency to set up a payment plan and agreed to make weekly payments of $82.86 for sixteen months, the first of which he claimed was made on June 26, 2026. Tr. at 34; Ex. H. However, the Individual's submissions only established that a creditor had initiated a debt collection action against him, not that he had entered into an agreement with the creditor or made any payments. Ex. H (handwritten note indicating that the Individual will make weekly payments of $82.86); Ex. K (court records related to the debt collection action).

The third account referred to collections in September 2025 had an outstanding balance of $1,574. Ex. 6 at 26; Ex. 7 at 37–38. In the First LOI, the Individual again blamed his delinquency on irresponsibility and stated that his future intentions were "[t]o never put [himself] in this situation again and not embarrass [himself] again!" Ex. 6 at 26. When asked about the account during the hearing, the Individual testified that the debt originated with a signature loan meaning "[y]ou just go in there . . . they don't run your credit or anything . . . you just sign [the loan]." Tr. at 37–38. While the Individual recognized the name of the company that gave him the loan, he did not recall the original amount. *Id.* at 38. The Individual did not provide any additional information regarding the specific steps he has taken to resolve this debt, and it remains outstanding.

The Individual also testified that, the week before the hearing, he contacted a financial service provider to assist him in paying off his debts and rebuilding his credit, and he hoped that the financial service provider would help him resolve his outstanding delinquent debts. *Id.* at 32–33, 39; *see also* Ex. J at 1 (handwritten notes concerning the planned arrangement). However, the Individual did not provide any documentary evidence describing the nature of the services provided or the terms of the agreement.

B. Individual's Non-Compliance with Tax Obligations

The Individual did not timely file Federal personal income tax returns for the 2021–2024 tax years. Ex. 5 at 20; Tr. at 13 (indicating that the state in which he resides does not levy personal income taxes). In March 2026, the Individual hired a local tax service provider to prepare his Federal tax returns for the 2022–2025 tax years. Tr. at 13–14. The Individual submitted documentation confirming the U.S. Internal Revenue Service's (IRS) receipt of his 2023–2025 Federal tax returns, and the receipt also identifies the amount due for each year. Ex. C at 1 (indicating amount due for 2023 tax year including penalties and interest is $5,587.18); Ex. E at 1 (indicating amount due for 2024 tax year including penalties and interest is $4,846.38); Ex. F at 1 (indicating amount due for 2025 tax year including penalties and interest is $2,858.47). The Individual submitted documentation that he paid the tax service provider for the preparation of his 2022 Federal tax return, but the documentation does not demonstrate that the return was filed and accepted by the IRS. Ex. A. He testified on the hearing date that he is "still waiting" for confirmation the IRS received the 2022 return because he mailed it himself. Tr. at 21. He had not made any payments toward the amounts owed for the 2022–2025 tax years as of the hearing because he is waiting for the IRS to account for his 2022 tax year return so he can "set up payments with all of them" at the same time. *Id.* at 21–22.

The Individual did not provide any documentation regarding the 2021 tax year. The Individual testified that an employee of the tax service provider told him to file for the 2022–2025 tax years so he "had assumed he had [20]21 done." *Id.* at 13–14. The Individual testified that he relied on his memory when filling out the LOI and reporting that he had not filed his 2021 Federal tax return. *Id.* at 14–16. He stated that he would submit documentation regarding his 2021 tax return by 5 p.m. the day after the hearing, but the documentation was never submitted. *Id.* at 15, 50.

V. ANALYSIS

A. Guideline E

Conditions that could mitigate security concerns under Guideline E include:

(a) the individual made prompt, good-faith efforts to correct the omission, concealment, or falsification before being confronted with the facts;

(b) the refusal or failure to cooperate, omission, or concealment was caused or significantly contributed to by advice of legal counsel or of a person with professional responsibilities for advising or instructing the individual specifically concerning security processes. Upon being made aware of the requirement to cooperate or provide the information, the individual cooperated fully and truthfully;

(c) the offense is so minor, or so much time has passed, or the behavior is so infrequent, or it happened under such unique circumstances that it is unlikely to recur and does not cast doubt on the individual's reliability, trustworthiness, or good judgment;

(d) the individual has acknowledged the behavior and obtained counseling to change the behavior or taken other positive steps to alleviate the stressors, circumstances, or factors that contributed to untrustworthy, unreliable, or other inappropriate behavior, and such behavior is unlikely to recur;

(e) the individual has taken positive steps to reduce or eliminate vulnerability to exploitation, manipulation, or duress;

(f) the information was unsubstantiated or from a source of questionable reliability; and

(g) association with persons involved in criminal activities was unwitting, has ceased, or occurs under circumstances that do not cast doubt upon the individual's reliability, trustworthiness, judgment, or willingness to comply with rules and regulations.

Adjudicative Guidelines at ¶ 17.

Regarding the first mitigating condition, the Individual was confronted by DOE with information from a credit report which reflected his delinquent debts. Accordingly, the first mitigating condition is inapplicable. *Id.* at ¶ 17(a).

The second mitigating condition is irrelevant because the Individual did not allege that he relied on the advice of counsel or another representative in failing to report his delinquent debts as required. *Id.* at ¶ 17(b).

The Individual's failure to report his delinquent debts is not so minor nor infrequent nor has so much time passed that it is unlikely to recur. The Individual did not just have one or two accounts go into delinquency—six accounts went into delinquency status totaling $20,525. One of the Individual's accounts went into delinquency status in 2023 indicating the Individual failed to report a delinquent debt for two years, and the other five accounts went into delinquency approximately one year ago. Nothing in the record indicates that the Individual's behavior happened under unique circumstances. For these reasons, the third mitigation condition does not apply. *Id.* at ¶ 17(c).

The fourth mitigating condition is inapplicable because, while the Individual has acknowledged his failure to report his delinquent accounts and taken some positive steps to alleviate the circumstances, the Individual has not demonstrated that his behavior is unlikely to recur. *Id.* at ¶ 17(d). While the Individual asserted that he recently hired a financial service provider to assist him with resolving his debt and rebuilding his credit, there is no reliable evidence to corroborate that assertion. Even if he did, this service is unrelated to the Individual's untrustworthy behavior and it is not apparent that receiving financial services will make him any more likely to report derogatory information to the LSO as required.

The fifth mitigating condition is irrelevant to the facts of this case because the LSO did not allege that the Individual engaged in conduct that placed him at special risk of exploitation, manipulation, or duress. *Id.* at ¶ 17(e).

The sixth mitigating condition is inapplicable because there is no indication that exhibits provided by DOE are unreliable. *Id.* at ¶ 17(f).

The final mitigating condition is irrelevant because the LSO did not allege that the Individual associated with persons engaged in criminal conduct. *Id.* at ¶ 17(g).

For the aforementioned reasons, I find that none of the mitigating conditions are applicable to the facts of this case. Accordingly, the Individual has not resolved the security concerns asserted by the LSO under Guideline E.

B. Guideline F

Conditions that could mitigate security concerns 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 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 delinquent debts totaling $20,525 and failure to timely file Federal tax returns have occurred on an ongoing basis for many years. Four of the six financial delinquencies identified at the time the Individual submitted the LOIs remain unresolved, and I have no reason to believe that the Individual will resolve his outstanding accounts or avoid falling into delinquency on additional debts in the future. Furthermore, the Individual has not paid his Federal tax debt for tax years 2022–2025 and does not know whether he filed a Federal tax return for 2021. The first mitigating condition is therefore inapplicable. *Id.* at ¶ 20(a).

The Individual admits that his delinquent debts and untimely Federal tax returns are due to his being irresponsible and that the conditions that led to his difficulties were not outside of his control. Accordingly, the second mitigating condition is inapplicable. *Id.* at ¶ 20(b).

The third mitigating condition is inapplicable because although the Individual claims he has secured financial counseling from a legitimate and credible source, he did not provide evidence to corroborate this claim. Moreover, the financial difficulties are neither resolved nor under control. *Id.* at ¶ 20(c).

While the Individual has provided documentation supporting that he paid off one of his delinquent accounts, he has failed to provide any documentation that he has made similar efforts for the remaining accounts. The Individual's handwritten note with payment plan information for one account is insufficient to show that he initiated repayment efforts, particularly considering that the creditor initiated legal action against the Individual to collect on the debt shortly before the hearing, and he did not claim to have made any payments toward the remaining four accounts. Turning to the Individual's alleged retention of a company to assist him in resolving his debts, I cannot find that the claimed initiation of financial services one week prior to the hearing, even if true, is a good-faith effort to resolve the debts. Accordingly, the record does not demonstrate the applicability of the fourth mitigating condition. *Id.* at ¶ 20(d).

Although the Individual has brought forward no evidence related to disputing the legitimacy of the majority of his debts and has admitted that most of the debts resulted from his falling behind on payments. The fifth mitigating condition is therefore inapplicable. *Id.* at ¶ 20(e).

The sixth mitigating condition is irrelevant to the facts of this case because the LSO did not allege that the Individual demonstrated unexplained affluence. *Id.* at ¶ 20(f).

The final mitigating condition is not applicable because the Individual admits that he has not paid his Federal personal income tax debt and has not made any arrangements to do so. Additionally, the status of the 2021 Federal tax return remains outstanding. *Id.* at ¶ 20(g).

For the aforementioned reasons, I find that none of the mitigating conditions under Guideline F are applicable to the facts of this case. Accordingly, 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 Guidelines E and 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 not brought forth sufficient evidence to fully resolve the security concerns asserted by the LSO. Accordingly, I have determined 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.

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