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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: April 23, 2026	)	Case No.: PSH-26-0101
	)	
	)	

Issued: July 28, 2026

Administrative Judge Decision

Andrew Dam, Administrative Judge:

This Decision concerns the eligibility of XXXXXXXXXXX (the Individual) to hold 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 be restored.

I. BACKGROUND

The Individual holds access authorization in connection with his employment with a DOE contractor. Exhibit (Ex.) 1 at 6.[2] In a Questionnaire for National Security Positions (QNSP) he submitted in February 2026, the Individual disclosed that he had failed to file federal and state tax returns for tax years 2023 and 2024 and indicated that he did not have a "good reason" for failing to file. *Id.* at 5.

Due to the unresolved security concerns associated with his failure to file his tax returns, the Local Security Office (LSO) suspended the Individual's clearance and, in March 2026, sent him a Notification Letter informing him that it possessed reliable information creating substantial doubt regarding his eligibility to hold a security clearance. *Id.* at 6–8. In an attachment to the letter entitled Summary of Security Concerns (SSC), the LSO explained that the derogatory information raised security concerns under Guideline F of the Adjudicative Guidelines. *Id.* at 5.

[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] References to the Local Security Office's (LSO) exhibits are to the exhibit number and the Bates number located in the top right corner of each exhibit page.

The Individual exercised his right to request an administrative review hearing pursuant to 10 C.F.R. Part 710. Ex. 2 at 10. The Director of the Office of Hearings and Appeals (OHA) appointed me as the Administrative Judge in this matter, and I subsequently conducted an administrative review hearing. The LSO submitted six numbered exhibits (Ex. 1–6) into the record. The Individual submitted ten exhibits titled Exhibits A through J (Ex. A–J).[3] The Individual testified on his own behalf and offered the testimony of two other witnesses. *See* Transcript of Hearing, OHA Case No. PSH-26-0101 (hereinafter cited as "Tr.") at 6. The LSO called no witnesses. *Id.*

II. 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 . . . information." Adjudicative Guidelines at ¶ 18. Among the conditions set forth in this guideline that could raise a disqualifying security concern is the "failure to file . . . annual [f]ederal, state, or local income tax returns . . . as required[.]" *Id*. at ¶ 19(f). The SSC cited the Individual's failure to file his 2023 and 2024 federal and state tax returns. 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 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 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.

[3] The Individual's exhibits were submitted as one PDF file. References to the Individual's exhibits are to the exhibit number and the PDF page number.

IV. FINDINGS OF FACT

a. Individual's Background and Failure to File Timely Tax Returns for Tax Years 2023 and 2024

The Individual prepared and filed his own tax returns until tax years 2023 and 2024 when he failed to file. Tr. at 32; Ex. 3 at 13. At the hearing, the Individual testified that "it [is] very hard for [him] to ask for help, particularly if it's something [he] can do [him]self." Tr. at 27. For example, he does his own car maintenance and home renovations and is the sole proprietor of several rental properties. *Id.* at 27–28. In 2023, the Individual purchased an additional rental property which brought him to a total of four properties. *Id.* at 30. At the same time, the Individual was dealing with a contentious custody dispute over his daughter involving a guardian ad litem investigation. *Id.* at 28. The Individual testified that it "ha[d] been the most soul crushing, hardest thing [he has] ever had to do in [his] life." *Id.* The Individual admitted that he "hit a huge wall in [20]24" and "couldn't manage everything . . . [it was] just overwhelming." *Id.* At the hearing, the Individual stated the above was "not an excuse" but that he wanted to explain "what[] [was] going on with [his] life." *Id.* He was "very aware that [he] needed the help of a [Certified Public Accountant (CPA)] just because [he] was overloaded." *Id.*

The Individual's girlfriend (Girlfriend) of three years testified that she was "actually pretty shocked" when the Individual told her about his failure to file his taxes on time because "he's pretty reliable . . . [and] trustworthy." *Id.* at 19–21. When asked whether she was aware of the circumstances of why he did not file his taxes, the Girlfriend responded that there had been a lot going on in their lives for "the past couple of years." *Id.* at 24. The Girlfriend elaborated that there were "rough custody situations" in which his daughter had to move out of state, that she relocated to be closer to the family, and that the Individual manages multiple rental properties. *Id.* at 23–24.

b. Individual's Actions Taken and Tax Compliance Status

The Individual fully disclosed his tax filing delinquencies in the February 2026 QNSP, which precipitated this proceeding. Ex. 4 at 49–50. The Girlfriend testified that "fairly quickly after he got the [Notification Letter] . . . [h]e was already trying to figure out how to make everything correct like finding a CPA to ensure that he got his taxes done." Tr. at 18. In early April 2026, the Individual retained a CPA. *Id.* at 12.

The Individual's CPA testified that the Individual reached out to him for assistance with the preparation of tax returns in early April 2026. *Id.* The Individual never explained to the CPA why he had not filed his prior returns because the CPA "really didn't ask much about why." *Id.* at 13. The CPA prepared the Individual's federal and state returns for tax years 2023 through 2025. *Id.* at 13; Ex. E (2023 federal and state tax returns); Ex. F (2024 federal and state tax returns); Ex. G (2025 federal and state tax returns). The Individual submitted screenshots from his bank account which reflect that he received federal and state tax refunds for tax years 2023 through 2025 in April and May 2026. Ex. K; Ex. L. Considering that the Individual received the aforementioned refunds, I conclude that his tax returns were received and accepted by the IRS and state tax authority.

c. Future Tax Filings

The Individual has retained the CPA to assist him in timely filing his future federal and state tax returns because having the assistance of a CPA is a “big stress reliever” and is not a financial burden. Tr. at 35. The Individual indicated that he already attempted to get on the CPA’s calendar for 2026, but they do not allow bookings this far in advance. *Id.* at 43. If his CPA were to become unavailable, the Individual testified that he would “file an extension immediately” and “seek out an alternative.” *Id.* The Individual testified that he “did have a relationship with another [tax] professional, but they were just too busy . . . that would be one place [he] would turn immediately.” *Id.* The Individual’s Girlfriend testified that “[the Individual] is planning on making sure that he files on time and does everything appropriately” moving forward. *Id.* at 19.

V. ANALYSIS

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 a preliminary matter, the cited security concerns are associated with the Individual’s failure to file his federal and state tax returns. Accordingly, mitigating conditions (d), (e), and (f) are inapplicable because the cited security concerns do not involve overdue or unresolved debts or unexplained affluence.

Regarding mitigating condition (a), the behavior—taking no action to file his returns for tax years 2023 and 2024—started in 2024. His tax filing delinquencies occurred every day over two years and were not fully resolved until the IRS and state tax authority processed his tax returns in April 2026. Accordingly, it cannot be said that the behavior was infrequent or long ago. The behavior occurred under the following circumstances: the Individual had always filed his own tax returns but due to the number of rental properties he had acquired, he knew that the tax returns would require more effort than usual. The Individual had not set aside time to work on his tax returns or hire someone to do the tax returns for him, and then a custody dispute regarding the Individual's daughter began to consume most of his time and energy. While I am sympathetic to the Individual's circumstances, I cannot find such circumstances unlikely to recur. The Individual still maintains several rental properties, and, while unfortunate, the Individual may face further family-related difficulties in the future. Accordingly, mitigating condition (a) does not apply.

Regarding mitigating condition (b), I cannot find that the conditions resulting in his financial problem were "largely beyond" his control. The financial problem ultimately resulted from his decision not to file on his own and his failure to seek assistance. The Individual could have chosen to either file on his own or hire someone to file for him. For those same reasons, I cannot find the Individual to have "acted responsibly." Mitigating condition (b) does not apply.

No evidence was put forth regarding financial counseling, and I cannot find that mitigating condition (c) applies.

Regarding mitigating condition (g), the Individual has submitted proof that he filed the tax returns at issue with the appropriate tax authorities. I have corroborating documentation that the federal and state tax authorities have received the tax returns for tax years 2023 and 2024 and that the returns are considered filed by those tax authorities. I also have supporting documentation that he does not have any outstanding tax obligations. Accordingly, mitigating condition (g) applies.

I further find mitigating condition (g) sufficient to resolve the security concerns given several other factors. Above, I recognized that the Individual took steps after receiving the Notification Letter to file his tax returns, retained the services of a CPA for future filings, and laid out a step-by-step plan to file his tax returns in the event of his CPA's incapacitation or unavailability. 10 C.F.R. § 710.7(c) (requiring consideration of "pertinent behavioral changes" and the "likelihood of continuation or recurrence"). I also find the Individual to have sincerely learned from this experience. At the hearing, the Individual at no point minimized and took full accountability for his failure to file his tax returns. Accordingly, I am sufficiently confident that the Individual will file his tax returns on a timely basis going forward so as to resolve the Guideline F security concerns.

As such, I find that the Individual has resolved the security concerns raised under Guideline F.

VI. CONCLUSION

In the above analysis, I found that the DOE possessed sufficient derogatory information raising security concerns under Guideline 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 brought forth sufficient evidence to resolve the security concerns. Accordingly, I have determined that the Individual's access authorization should be restored. This Decision may be appealed in accordance with the procedures set forth at 10 C.F.R. § 710.28.

Andrew Dam
Administrative Judge
Office of Hearings and Appeals