



Adjudicative Guidelines. Ex. 1. The Notification Letter informed the Individual that she was entitled to a hearing before an Administrative Judge to resolve the substantial doubt regarding her continued eligibility to hold a security clearance. *See* 10 C.F.R. § 710.21.

The Individual requested a hearing, and the LSO forwarded the Individual's request to the Office of Hearings and Appeals (OHA). The Director of OHA appointed me as Administrative Judge in this matter. At the hearing I convened pursuant to 10 C.F.R. § 710.25(d), (e), and (g), the Individual testified on her own behalf and presented the testimony of two other witnesses. *See* Transcript of Hearing, Case No. PSH-24-0091 (hereinafter cited as "Tr."). The Individual also submitted twelve exhibits, marked Exhibits A through L. The DOE Counsel submitted ten exhibits marked as Exhibits 1 through 10.

## II. Notification Letter

As indicated above, the Notification Letter informed the Individual that information in the possession of the DOE raised security concerns under Guideline F of the Adjudicative Guidelines. Guideline F provides that 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. Among those conditions set forth in the Adjudicative Guidelines that could raise disqualifying security concerns are "[t]he inability to satisfy debts[.]" "[a] history of not meeting financial obligations[.]" and "[f]rivolous or irresponsible spending, which may be indicated by excessive indebtedness, significant negative cash flow, a history of late payments or non-payment, or other negative financial indicators[.]" *Id.* at ¶ 19(a), (c), and (e). The LSO alleged:

1. Account A, a collection account, has a balance of \$7,608. Ex. 1 at 4. A September 2023 credit report indicates that the debt is unresolved. *Id.* at 4–5.
2. Account B, a collection account, has an approximate balance of \$28,282. *Id.* at 5. A September 2023 credit report indicates that the debt is unresolved. *Id.*
3. A May 2022 credit report indicates that Account C was sixty "days past due in 2021" and that the account was closed by the creditor. *Id.*
4. Account D was placed in collections around 2018. *Id.*
5. Account E1, a mortgage, was "120 or more days past due in 2017[.]" and "[t]he account was closed in 2017." *Id.*
6. Account E2, a second mortgage, "was [sixty] days past due in approximately 2017[.]" and the account was closed the same year. *Id.*
7. The Individual submitted a personal financial statement (PFS) with her September 2023 LOI, which indicated that she earns approximately \$5,365.66 in net monthly income, that her monthly living expenses total approximately \$3,793.33, that monthly payments toward

her debts total approximately \$798.50, and that she spends \$1,620 in groceries every month. *Id.* at 6.

8. In her October 2023 LOI, the Individual confirmed that she spent approximately \$1,532 the prior month for groceries, which included takeout orders and deliveries. *Id.* The bank statement attached to her October 2023 LOI confirmed that she spent approximately \$1,143 on “deliveries and takeout/restaurant purchases.” *Id.*
9. The Individual spent approximately \$1,805.17 traveling to a foreign country in December 2021, when in April 2022, she secured a personal loan, Account B. *Id.*
10. In April 2022, the Individual booked a trip to a foreign country, and traveled there in November 2022, spending \$2,961.14 on the flight. *Id.*
11. The Individual traveled to a foreign country in October 2023 and spent approximately \$7,000. *Id.* The Individual indicated in the October 2023 LOI response that she paid for the trip with her tax refunds and bonus money, which she viewed as money “outside of her budget.” *Id.* 6–7.

The LSO’s invocation of guideline F is justified.

### **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 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 and Hearing Testimony**

A September 2023 credit report indicates that Account A, a credit card that was opened in December 2021, was 180 days past due and placed in collection status. Ex. 4 at 4. Regarding this account, the Individual stated in her September 2023 LOI response that she did not “remember the exact date” she became delinquent on the account, but that she had enrolled in a debt relief program, and accordingly, made payments directly to the debt relief program instead of the creditor. Ex. 6 at 1; Ex. C. The Individual admitted during the hearing that she had accumulated approximately \$5,000 in credit card debt in approximately six months. Tr. at 58–59. She stated in the September LOI response that this “delinquency has since been satisfied” and that the matter is settled via the debt relief program. Ex. 6 at 1. The Account A balance at enrollment in the debt relief program in 2022 was \$5,242; the balance at settlement totaled approximately \$7,698, and Account A had been settled and resolved prior to the hearing in the amount of \$6,000. Ex. 6 at 5; Ex. C at 45; Ex. E at 87; Tr. at 36, 59. The Individual submitted a credit report from late April 2024, which indicates that the last payment made on Account A was in December 2023, that the account was closed in late March 2023, that the past due amount was listed at \$1,608, and that the account was charged off. Ex. B at 11–12. This information was confirmed in a May 2024 credit report. Ex. L at 14.

The May 2022 credit report indicates that Account B was opened in April 2022, and the September 2023 credit report indicates that the account was placed in collection status, with a balance of \$28,282 remaining. Ex. 4 at 4, 66. The Individual stated in her September 2023 LOI response that the original amount of the loan totaled \$26,335. Ex. 6 at 1. The balance on Account B at the time of enrollment in the debt relief program in 2022 totaled \$26,335, and the account was settled and resolved by May 2024.<sup>2</sup> Ex. 6 at 6; Ex. F at 91; Tr. at 36, 56, 61. At the time of the hearing, the Individual had withdrawn money from her retirement funds through her employer to settle Account B in full pursuant to her agreement with the debt relief agency. Tr. at 56–57.

Regarding the aforementioned debts, the Individual indicated in her September 2023 LOI response that she was no longer able to pay the debts as agreed because she experienced financial hardship following a car accident and because she “had medical bills from a procedure due to a chronic health condition.”<sup>3</sup> Ex. 6 at 1. Her chronic health condition ultimately required surgery in August or September of 2016. Tr. at 26–27. As a result, the Individual went on short-term disability for approximately six weeks, allowing her to receive her full paycheck, followed by a period of long-term disability for approximately two months, affording her only half of her paycheck. *Id.* at 27, 71. It was at this time that she began experiencing difficulty paying her bills. *Id.* at 28. She testified that she not only had to continue making payments on her car loan, but she also had to pay her medical bills as well as those of her son. *Id.* at 33–34. The Individual stated in her September 2023 LOI that as a result of her financial difficulties, she secured the Account B loan, to “help cover some . . . expenses.” Ex. 6 at 1. Account B was a consolidation loan, so she was attempting to “put

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<sup>2</sup> A May 2024 letter from the debt relief program indicates that it was in receipt of the Individual’s final payment to satisfy this debt, and that although the creditor would report this information to the credit reporting agencies, it would take up thirty days for this information to be reflected in her credit report. Ex. F at 91. The April 2024 credit report also reveals that Account B has a balance of \$28,282, and that it was “[p]laced for collection.” Ex. B at 38.

<sup>3</sup> The Individual testified that the car accident, which totaled the car, occurred when she was still making payments on the car loan. Tr. at 29–30. The car was totaled following a move in 2017. *Id.* at 29. She did not miss work due to the accident. *Id.* at 30. At the time of the hearing, the Individual had another four months of payments remaining. *Id.* at 74. Prior to purchasing another car, the Individual also had the added expense of paying for a rental car. *Id.* at 29–30.

all [the] bills together” so that she could better manage her financial situation. Tr. at 34. She was able to make two to three payments, but as she was not able to secure as much overtime at work, she realized that she was “going to struggle” financially. *Id.* at 34, 59–60. As she “foresaw” that she could not satisfy her monthly payments, she contacted the aforementioned debt relief program. Ex. 6 at 1; Ex. C; Tr. at 34–35. Her monthly payments to satisfy Account B were reduced, and she “was able to save some money[.]” Tr. at 35. The Individual testified that she never considered filing for bankruptcy, and she “had every intention of paying” the debt when she took out the loan. *Id.* at 51, 63. Prior to her securing the Account B loan in 2022, and following her 2016 medical procedure, the Individual secured new employment and sold her home in March 2017. Tr. at 20, 28–29. She experienced an increase in income with the new position, and she “started to feel really financially secure[.]” *Id.* at 31. She had a profit of approximately \$10,000 to \$12,000 from the sale of her home, which allowed her to pay for her move and subsequent rent. *Id.* at 72.

Account C, a credit card account that was opened in 2008, was sixty days past due according to the May 2022 credit report and closed by the creditor. Ex. 4 at 66. The September 2023 credit report indicates that this account was thirty days past due, that it was in “paid” status, and closed by the grantor. *Id.* at 5. The Individual testified that she asked the bank to close Account C when she moved in 2017. Tr. at 37. Because she had had trouble making online payments, she called the bank to resolve the matter. *Id.* After the resulting back and forth with the bank over the span of “a couple months,” she decided to ask the bank to close Account C, and she would “just finish paying off the balance that was left.” *Id.* She testified that she paid the remaining balance. *Id.* at 37–38. She also could not state with certainty how this debt appeared on her credit report. *Id.* at 39. A May 2024 credit report indicates that this account was “current” with a past due amount of \$0, and that it was closed by the grantor in 2016. Ex. L at 15–16.

Per the May 2022 credit report, Account D, a medical debt, was placed in collection status in 2018. Ex. 4 at 65. At the hearing, the Individual could only guess that this debt pertained to an urgent care visit in 2017. Tr. at 38.

Account E1, a mortgage, was “120 or more days past due” according to the May 2022 credit report and was closed in 2017. Ex. 4 at 65. Account E2, a second mortgage, was sixty days past due according to the May 2022 credit report and closed in 2017. *Id.* at 66. The Individual testified that she deferred only one mortgage payment in 2016 when she was waiting for her short-term disability payments to start, and later stated that her short-term and long-term disability payments were enough to cover her mortgage. Tr. at 41, 75. Although she testified that she may have been late making the payment that had been previously deferred, she was not delinquent on her mortgage. *Id.* at 42, 75–76. She never received a noticed of foreclosure. *Id.* at 42. There is no indication in the September 2023 credit report that the Individual was delinquent on either of these accounts, and the listed balance is zero. Ex. 4 at 11; Tr. at 42–43. The account status for both accounts is marked as “paid” on the September 2023 credit report. Ex. 4 at 11. According to the April 2024 credit report, Account E1 had a balance of \$141,226 before it was closed in 2017. Ex. B at 22–23. There is no indication in the 2024 credit report that the Individual was late on any payments. *Id.* at 23. Account E2 had a high balance of \$7,245 before it was closed in March 2017. *Id.* at 24–25. There is no indication in the April 2024 credit report that the Individual was late making payments on Account E2. *Id.* at 25. The information provided in the April 2024 credit report was confirmed in the May 2024 credit report. Ex. L at 32–35.

In the PFS attached to the September 2023 LOI, the Individual indicated that her net monthly salary is approximately \$5,364.44, and that she spends approximately \$1,620 on groceries every month. Ex. 6 at 3. She also indicated in the PFS that her monthly debt payments total approximately \$798.50. *Id.* at 4. She estimated that her monthly living expenses, which includes her monthly grocery expenses, and her monthly debt payments total approximately \$4,591.83. *Id.* The Individual stated in the October 2023 LOI response that she had calculated food delivery, takeout, grocery, and lunch costs for herself and her child in the last month, and that these expenses totaled \$1,532.38. Ex. 8 at 1, 3–10. She indicated in her November 2023 LOI that she “did not realize how much more [she had] been spending on those conveniences[.]” Ex. 10 at 1. In an updated PFS that the Individual submitted into the record, the Individual indicated that her net monthly salary is \$5,428.70, that she spends \$680 on groceries every month, and that her total monthly expenses amount to \$2,675.37. Ex. A at 3. Outside of the monthly expenses, the Individual pays an additional \$515.98 every month on various debt payments. *Id.* She testified that she has discussed the importance of meal planning with her son, and he has become more involved in the meal preparation process. Tr. at 32, 46.

The Individual indicated in her October 2023 LOI response that she had taken a trip abroad in December 2021, and that she used \$1,805.17 from her “tax refund money to pay for this trip.” Ex. 8 at 1. The Individual returned to the same country in November 2022, having booked the trip in April 2022. *Id.* She spent \$2,961.14 on tickets for the flight and indicated that she used money from her tax refund to pay for the trip. *Id.* The Individual traveled to another foreign country in October 2023, booking the trip in April 2023 using bonus money she received from a previous employer in 2023, which she also considered to be “outside of [her] budget.”<sup>4</sup> *Id.* at 1; Tr. at 62. At the hearing, she stated that she also used part of her tax refund in addition to the bonus. Tr. at 62. She spent \$4,066.90 on tickets for the flight and \$2,815.00 for other travel-related expenses. Ex. 8 at 1. She also stated in the October 2023 LOI response that because she took out a loan, Account B, she felt she was on more stable financial ground, and decided to use her tax refund to fund her 2022 trip. *Id.* Because she had already paid for the trip with funds she “viewed as money outside of [her] budget” and joined the debt relief program, she decided not to cancel the trip. *Id.* at 2. The Individual testified that she made the trip in December 2021 to visit a loved one, and because her son had wanted to go with her, she planned a refund visit in 2022. Tr. at 46–47. It was important to her to take her son abroad, so he can be exposed to different cultures, as she was when she was growing up abroad. *Id.* at 47–48, 64. The Individual testified that she felt that the bonus and tax refund money was outside of her normal budget because she “was still able to cover [her] bills.” *Id.* at 64.

At the hearing, the Individual indicated that she has accessed her bank’s “financial advisory website[.]” and has gleaned “a lot of useful” information. Tr. at 52, 65. Six months prior to the hearing, the Individual began utilizing a budget through an application that allows her to satisfy her monthly obligations and save. *Id.* at 52–53, 65, 76. Although the Individual also knows that she can turn to her parents in times of financial need, she intends to continue to further her education to reach her intended personal and financial goals. *Id.* at 54, 69. She indicated that she would never put herself in a position to become a target for blackmail. *Id.* at 53. The Individual,

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<sup>4</sup> The Individual also used portions of the bonus to “pay off some other medical bills” and credit cards. Tr. at 77.

who has full custody of her minor child, received inconsistent support from her child's father, impacting her financial situation. *Id.* at 23–26.

The Individual's former supervisor, who testified at the hearing, described the Individual as "capable" and a "leader" among her colleagues. *Id.* at 83–85. He indicated that the Individual's "work ethic is second to none[,] and he "rel[ie]d on her skills and her knowledge[.]" *Id.* at 86. He trusted the Individual with every task he assigned her, and if she was willing to return to her former employment, he "would take her" back. *Id.* at 87–88. The Individual's father testified that his work took his family overseas for a number of years, and he believes that the Individual enjoyed her time living abroad. *Id.* at 95–96. He also confirmed that he is able to assist the Individual in times of financial distress, as he has done in the past. *Id.* at 96–97. He testified that he does not have "any issues or any concerns" with the Individual's current financial state, as he believes that the Individual can meet her financial obligations. *Id.* at 97. He believes that the Individual knows when to ask for help. *Id.* at 98.

## V. Analysis

The Adjudicative Guidelines provide that 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.

Adjudicative Guidelines at ¶ 20.

As the Individual credibly testified, she retained the services of a debt relief program soon after realizing that she could not meet her financial obligations. Pursuant to those good faith efforts to relieve herself of her debts, the Individual settled her obligations with respect to Accounts A and B through the services of the debt relief program. Based on the foregoing, the Individual has mitigated the stated concerns in paragraphs (1) and (2) of the Notification Letter section above, pursuant to mitigating factor (d). Further, although the May 2022 credit report indicates that Accounts E1 and E2 were delinquent, the 2023 credit report and both of the 2024 credit reports lack any marking indicating that the Individual was delinquent. This information corroborates the Individual's testimony indicating that although she deferred one mortgage payment, she was never delinquent and never received a notice of foreclosure. Additionally, although the 2023 credit reports provide conflicting information pertaining to Account C, the 2024 credit report also indicates that Account C was "current" and that it was closed by the grantor. This information corroborates the Individual's testimony that the Individual contacted her bank to close the account and that she paid the remainder of the balance. The Individual has mitigated the stated concerns in paragraphs (3), (5), and (6) of the Notification Letter section pursuant to mitigating factor (e).

Account D, which the Individual could not state with certainty was the result of a trip to an urgent care, remains unresolved. Other than what appears in the May 2022 credit report, I have no further information regarding this account. The May 2022 credit report indicates that the account, a medical debt, was placed in collection status in 2018. While the debt appears to be from several years ago, within the context of her more recent financial struggles, I cannot conclude that such an occurrence is infrequent or unlikely to recur pursuant to mitigating factor (a). While the Individual could not definitely state what this debt concerned or how it resulted, she also did not specifically dispute its legitimacy. As I do not have any information with regard to how the debt resulted, I cannot determine whether she acted responsibly under the circumstances, and the record appears to indicate that the matter was not resolved. Accordingly, I cannot conclude that the stated concerns pertaining to this account have been mitigated pursuant to mitigating factors (b) or (d).

I understand that the Individual suffers from a medical condition that resulted in surgery in 2016 and that she totaled her car, both of which resulted in financial hardship. I also understand that the Individual has primary care of her minor son, and that the child's father has failed to consistently contribute to the child's financial well-being. However, I cannot conclude that the Individual acted responsibly under these circumstances. As an initial matter, the Individual's medical emergency occurred in 2016 and her car was totaled after her 2017 move. While I am aware that financial setbacks can be long-lasting, I find it difficult to understand why the Individual sought the Account B loan in 2022 when the aforementioned financial stressors occurred approximately five years prior. Further, the fact remains that the Individual amassed thousands of dollars in credit card debt in 2021 and took out a consolidation loan of over \$20,000 in 2022. The Individual alleged that these accounts were opened at a time of financial hardship, and while I believe the Individual had every intention of satisfying those debts, I did not hear any testimony regarding a realistic plan to pay such a large debt prior to contacting the debt relief agency. The fact that she was taking international pleasure trips using her bonus money and tax refunds at a time she was applying for the aforementioned accounts does not indicate good judgment. Further, during the time these debts



were still outstanding, the Individual was spending an upwards of \$1,000 every month on conveniences like takeout and food delivery costs. Again, this behavior does not evidence good judgment or that she was acting responsibly under the circumstances. I cannot conclude that the Individual mitigated the stated concerns pursuant to mitigating factor (b). Lastly, as the aforementioned behavior took place within the recent past and I have no information suggesting that similar financial stressors are unlikely to recur, I cannot conclude that the Individual has mitigated the stated concerns pursuant to mitigating factor (a).

As the Individual has not and is not receiving financial counseling, mitigating factor (c) is not applicable. The SSC did not contain allegations of affluence or a failure to satisfy tax obligations. Mitigating factors (f) and (g) are not applicable.

## **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 resolve 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.

Noorassa A. Rahimzadeh  
Administrative Judge  
Office of Hearings and Appeals