

QNSP, and checked a box marked “No” in response to a question asking whether he had any other employment activities to report in the prior ten years. *Id.* at 40–43.

The Individual confirmed the employment information that he provided on the QNSP during a June 23, 2022, interview with an investigator as part of a background investigation into his eligibility for access authorization. *Id.* at 79, 81. During the interview, the Individual was questioned by the investigator regarding large volumes of transactions over his PayPal account, of which the Individual denied knowledge. *Id.* at 85.

On August 16, 2022, the LSO issued the Individual a letter of interrogatory (First LOI) seeking, among other things, information regarding “online business activities” the LSO asserted had been revealed during the background investigation. Ex. 7, E-mail 1, Att. 2 at 207, 209. In his response to the First LOI, the Individual disclosed that, in addition to the employment activities he listed on the QNSP, he had also worked as a rideshare driver and as an electronic equipment installer. Ex. 8, E-mail 2 at 13.

In April 2024, the Individual was granted access authorization. Transcript of Hearing, OHA Case No. PSH-25-0206 (Tr.) at 19. Later that month, the LSO issued the Individual an LOI (Second LOI) advising him that it had received a continuous evaluation system (CES) report indicating that he had made a \$25,000 deposit to one of his bank accounts on December 14, 2023, and inquiring as to the source and circumstances of the transaction. Ex. 9, E-mail 1, Att. 3 at 2. The Second LOI also directed the Individual to disclose any other large transactions in which the Individual had engaged. *Id.* In his response to the Second LOI, the Individual indicated that the \$25,000 deposit was made entirely in cash from the sale of a vehicle for \$14,500 and \$10,500 in self-employment earnings. Ex. 10, E-mail 1, Att. 3 at 5. The Individual also claimed to have deposited the proceeds of a \$16,000 personal loan from a financial institution into his personal bank account. *Id.* The Individual further reported that he used the proceeds of both deposits, as well as his personal savings and the proceeds of the sale of some of his wife’s jewelry, to fund a \$74,000 down payment for the purpose of an investment property. *Id.* at 6.

The LSO subsequently issued the Individual another LOI (Third LOI) seeking information about additional cash deposits the Individual made in three transactions on December 13, 2023, totaling \$28,300. Ex. 11, E-mail 1, Att. 3 at 8. In response, the Individual identified self-employment income as the source of the cash deposits. Ex. 12, E-mail 1, Att. 3 at 17. The Individual also disclosed self-employment income from serving as a caregiver, which he claimed to have worked at since 2017, that he had not previously disclosed on the QNSP or in response to the First LOI and Second LOI. *Id.* at 21. The Individual appended a personal financial statement (PFS) to his response to the Third LOI in which he estimated his monthly net income, excluding rent from the investment property, as approximately \$800. *Id.* at 24–25.

In September 2024, the LSO issued the Individual another LOI (Fourth LOI) wherein the LSO sought the Individual’s IRS tax transcripts for tax years 2020 through 2023. Ex. 13, E-mail 1, Att. 3 at 31. The tax transcripts the Individual provided in response to the Fourth LOI did not reflect that the Individual reported self-employment income to the IRS consistent with that he claimed to have earned in his responses to the LOIs. Ex. 14, E-mail 3 at 4–78. However, the tax transcripts did indicate that the Individual had received over \$5,000 in income from sources he did not

disclose on the QNSP. *Id.* at 58–59. In response to subsequent inquiries from the LSO, the Individual provided copies of tax returns amending his federal and state personal income tax returns for tax year 2023. Ex. 17, E-mail 4 at 6–25. These amendments reduced the Individual’s reported adjusted gross income and, consequently, his tax liability. *Id.* at 14.

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, E-mail 1, Att. 2 at 2–4. In a Summary of Security Concerns (SSC) attached to the letter, the LSO explained that the derogatory information raised security concerns under Guidelines B, E, and F of the Adjudicative Guidelines. Ex. 2, E-mail 1, Att. 2 at 6–11.

The Individual exercised his right to request an administrative review hearing pursuant to 10 C.F.R. Part 710. Ex. 3, E-mail 1, Att. 2 at 13–14. 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 concerning this matter. The LSO submitted seventeen exhibits (Ex. 1–17). The Individual submitted twenty-two exhibits (Ex. A–V).³ The Individual testified on his own behalf. Tr. at 3, 14. The LSO did not call any witnesses to testify.

II. THE NOTIFICATION LETTER AND THE ASSOCIATED SECURITY CONCERNS

The LSO cited Guideline B (Foreign Influence) of the Adjudicative Guidelines as the first basis for its substantial doubt regarding the Individual’s eligibility for access authorization. Ex. 2, E-mail 1, Att. 2 at 10–11.

Foreign contacts and interests, including, but not limited to, business, financial, and property interests, are a national security concern if they result in divided allegiance. They may also be a national security concern if they create circumstances in which the individual may be manipulated or induced to help a foreign person, group, organization, or government in a way inconsistent with U.S. interests or otherwise made vulnerable to pressure or coercion by any foreign interest. Assessment of foreign contacts and interests should consider the country in which the foreign contact or interest is located, including, but not limited to, considerations such as whether it is known to target U.S. citizens to obtain classified or sensitive information or is associated with a risk of terrorism.

Adjudicative Guidelines at ¶ 6. The SSC cited the facts that the Individual was born in Iran and held Iranian citizenship, and alleged that the Individual maintained close and continuing contact with members of his family who are Iranian nationals, including his father who served in the Iranian armed forces for twenty-seven years. Ex. 2, E-mail 1, Att. 2 at 11. The LSO’s allegations that the Individual had contact with foreign family members that creates a heightened risk of foreign exploitation, inducement, manipulation, pressure, or coercion, and that the Individual had connections to a foreign country that could create a potential conflict of interest between the Individual’s obligation to protect classified or sensitive information and

³ The Individual transmitted his exhibits via five e-mail submissions. Each e-mail contained a PDF attachment with one or more exhibits. As the exhibits were not consecutively paginated, this Decision cites to the Individual’s exhibits by reference to the exhibit number, followed by the e-mail in which the exhibit was transmitted.

the Individual's desire to help a foreign country, justify its invocation of Guideline B. Adjudicative Guidelines at ¶ 7(a)–(b).

The LSO cited Guideline E (Personal Conduct) of the Adjudicative Guidelines as another basis for its substantial doubt regarding the Individual's eligibility for access authorization. Ex. 2, E-mail 1, Att. 2 at 8–10. "Conduct 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. Of special interest is any failure to cooperate or provide truthful and candid answers during national security investigative or adjudicative processes." Adjudicative Guidelines at ¶ 15. The SSC cited the Individual having: (1) failed to disclose all employment activities on the QNSP, during the interview with the investigator, or in response to the First and Second LOIs as required; (2) provided information in response to the LOIs concerning his income from self-employment that conflicted with information he reported on personal income tax returns filed with the IRS; (3) failed to disclose personal loans in excess of \$10,000 to the LSO; and, (4) failed to disclose depositing \$28,300 in cash to his personal bank account on December 13, 2023, in response to the Second LOI. Ex. 2, E-mail 1, Att. 2 at 9–10. As explained *infra*, I find that the Individual's failure to disclose personal loans in excess of \$10,000 to the LSO does not raise security concerns under Guideline E. However, the LSO's other allegations that the Individual deliberately omitted, concealed, or falsified information on the QNSP and LOIs and concealed information from the investigator justify its invocation of Guideline E. Adjudicative Guidelines at ¶ 16(a)–(b).

The LSO cited Guideline F (Financial Considerations) of the Adjudicative Guidelines as the final basis for its substantial doubt regarding the Individual's eligibility for access authorization. Ex. 2, E-mail 1, Att. 2 at 6–8. "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 alleged that the Individual had failed to establish the source of the funds he used to purchase the investment property, failed to satisfactorily establish the source of \$53,300 in cash that he deposited into a personal bank account over the course of two days in December 2023, engaged in suspicious transactions totaling over \$50,000 via his PayPal account, and failed to report income on his personal income tax returns for tax years 2017 through 2023 consistent with the self-employment income he claimed to have earned in those years on the LOIs. Ex. 2, E-mail 1, Att. 2 at 6–8. The LSO's allegations that the Individual fraudulently filed federal personal income tax returns, failed to pay federal personal income taxes as required, and demonstrated unexplained affluence justify its invocation of Guideline F. Adjudicative Guidelines at ¶ 19(f)–(g).

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 Connections to Iran

The Individual was born in Iran and resided there until age twenty-eight. Ex. 4, E-mail 1, Att. 2 at 34. The Individual performed compulsory service in a branch of the Iranian armed forces for twenty months, after which he was discharged. *Id.* at 45. The Individual came to the U.S. in January 2011 and obtained U.S. citizenship in 2019. *Id.* at 79. In 2017, while residing in the U.S., the Individual married his wife (Individual's Wife) who is also an Iranian citizen. *Id.* at 48.

Numerous relatives of the Individual currently reside in Iran, including his father, mother, and several of his siblings. *Id.* at 49–56. The Individual communicates with his parents approximately weekly by telephone and his siblings approximately monthly by telephone. *Id.* The Individual's father served in a branch of the Iranian armed forces for twenty-seven years before retiring. *Id.* at 52; Ex. E, E-mail 2 at 195. The Individual testified at the hearing that he neither provides financial support to his family in Iran nor receives support from them.⁴ Tr. at 64–65; Ex. O, E-mail 4 at 7 (letter from the Individual's eldest brother indicating that he is neither financially dependent on nor supports the Individual). He further testified that he did not believe that he could be blackmailed or coerced by the Iranian government via threats to his family because, although he loves his family and does not wish them harm, he would not trust the Iranian government not to harm his family even if he were to comply with its requests. Tr. at 101–02. He testified that he had not discussed his position with a DOE contractor or access authorization with his family and that they were unaware of these aspects of his life. *Id.* at 103–04.

B. The QNSP, Background Investigation, and First LOI

On April 27, 2022, the Individual completed and signed the QNSP. Ex. 4, E-mail 1, Att. 2 at 71. In doing so, he certified that his statements in the QNSP were “true, complete, and correct to the best of [his] knowledge and belief and [were] made in good faith.” *Id.* Under the “Employment Activities” section of the QNSP, the Individual was instructed to “[l]ist all of [his] employment

⁴ In late March and early April of 2020, the Individual sent international wire transfers totaling \$4,270 to an unknown recipient. Ex. U at 11–12.

activities, including unemployment and self-employment” over the ten years prior to the date he completed the QNSP. *Id.* at 40. The Individual reported having worked for Employer 1 in several positions since 2012. *Id.* at 40–43. The Individual checked a box marked “No” in response to a question if he had any “additional employment activity to enter.” *Id.* at 43.

A background investigation of the Individual revealed that a PayPal account belonging to the Individual was used to effectuate over \$51,000 in transactions from January 2013 to April 2015. *Id.* at 85. During that period, the Individual was employed on a part-time basis by Employer 1 while he pursued higher education. *Id.* at 81. During a June 23, 2022, interview with an investigator as part of the background investigation, the Individual denied knowledge of the PayPal transactions. *Id.* at 79, 85. The Individual claimed that his PayPal account was closed by PayPal in 2015 because it “appeared to have fraud activity.” *Id.*; *see also* Tr. at 42 (Individual testifying that he was unable to obtain additional information from PayPal and was told he would “need to hire an attorney” to obtain additional information). In response to questions from the investigator regarding his employment history, the Individual reiterated the information concerning his employment with Employer 1 that he had disclosed on the QNSP and did not provide any additional employment information. Ex. 4, E-mail 1, Att. 2 at 81, 85.

The LSO issued the Individual the First LOI on August 16, 2022. Ex. 7, E-mail 1, Att. 2 at 207. Therein, the LSO alleged that the “background investigation disclosed [the Individual’s] online business activities; however, [he] failed to list [them] as required in Section 13A of [the] QNSP.” *Id.* The First LOI directed the Individual to provide details concerning “each of [his] online businesses/self-employments [sic]” *Id.* (emphasis in original).

In his response to the First LOI, the Individual denied having used his PayPal account “to transfer or receive money” and represented that he “only used [his] PayPal account to purchase” items online. Ex. 8, E-mail 2 at 13. The Individual provided as attachments to his response documents he purported to be his “PayPal statements from August 2012 to August 2014.” *Id.* These records depict statement balances and payment records on a credit card with a credit line of \$500 which appears to have been issued by PayPal; however, the Individual did not provide records from his PayPal account that would have depicted transfers of money to or from the Individual if they occurred. *Id.* at 161–270.

The Individual also disclosed several sources of self-employment income he had not disclosed on the QNSP. First, he indicated that he had worked as a driver for two rideshare companies from 2018 to 2020. *Id.* at 13. He provided documentation from one rideshare company showing that he earned \$5,302.72 in gross receipts in 2019 and \$1,778.00 in 2020. *Id.* at 16–19. He also indicated that he had earned approximately \$3,600 in 2021 installing electronic equipment from advertisements that he placed on Craigslist. *Id.* at 13. The Individual asserted that he did not report the aforementioned sources of self-employment income on the QNSP because they were “temporary and for a short period, and [he] only used them whenever [he] had financial problems.” *Id.*

C. LOIs Issued to the Individual After Having Been Granted Access Authorization

The Individual was granted access authorization in April 2024. Tr. at 19. On April 18, 2024, mere days after the Individual was granted access authorization, the LSO issued the Individual the Second LOI wherein it advised him that it had received a CES report indicating that he had made a deposit of \$25,000 to one of his bank accounts on December 14, 2023. Ex. 9, E-mail 1, Att. 3 at 2. The Second LOI directed the Individual to identify the purpose and origin of the transaction, explain why he failed to disclose the transaction to the LSO as required, and to provide details on any other substantial financial transactions in which he had ever been involved. *Id.*

In his response to the Second LOI, the Individual represented that “[a]ll the \$25,000 was cash [he had] at home” which he deposited with the intention of buying an investment property. Ex. 10, E-mail 1, Att. 3 at 5. The Individual reported that he had purchased the property on April 15, 2024, for \$370,000 with a downpayment of \$74,000. *Id.* at 6. The Individual claimed that \$14,500 of the \$25,000 was from the proceeds of the sale of a vehicle he owned and that the remaining \$10,500 was from “side jobs, like installing security systems and cameras, and sale [of] some items” online. *Id.* at 5. The Individual stated that he did not disclose the deposit to the LSO because the “clearance process had taken a long time . . . and [he believed] they may have denied [his] security clearance [].” *Id.* The Individual’s response to the Second LOI also disclosed that the Individual received a \$16,000 personal loan from a financial institution on January 23, 2024.⁵ *Id.* In addition to the \$25,000 cash deposit, the Individual represented that he had funded the purchase of the property with the \$16,000 personal loan, personal savings, and the sale of some of his wife’s jewelry. *Id.* at 6.

The LSO issued the Third LOI to the Individual on May 31, 2024. Ex. 11, E-mail 1, Att. 3 at 8. Therein, the LSO indicated that it was in receipt of another CES report stating that the Individual made three separate cash deposits into a personal bank account on December 13, 2023, totaling \$28,300. *Id.* The Third LOI instructed the Individual to explain the source of the \$28,300 and the reason he deposited it via three separate ATM transactions, indicate why he failed to disclose the \$28,300 in response to the Second LOI, complete a PFS, and provide further information concerning his financial situation. *Id.* at 8–9.

In his response to the Third LOI, the Individual represented that the \$28,300 he deposited was from “cash at home” that he had earned from “side jobs” Ex. 12, E-mail 1, Att. 3 at 17; *see also* Tr. at 79–80 (testifying at the hearing that he had not disclosed the \$28,300 in response to the Second LOI because he “didn’t pay attention” due to being “very busy with purchasing the house”). Specifically, the Individual attributed \$6,300 to earnings from electrical and remodeling services he claimed to have performed from 2021 to 2023, \$2,200 from “some electrical and [m]edia installation [i]n August 2023,” \$12,000 to the sale of items sold on online marketplaces, and \$7,800 from his “regular income and some other cash.” Ex. 12, E-mail 1, Att. 3 at 17; *but see* Tr. at 115–19 (testifying at the hearing that a significant portion of his earnings from the sale of goods online were received electronically, not in cash, and that he could not remember withdrawing the proceeds of those online sales in cash). The Individual represented that he had

⁵ The Individual testified at the hearing that he was unaware of any requirement to disclose personal loans to the LSO and that he had no means of contacting the LSO to do so prior to being granted access authorization even if he had been aware of such a requirement. Tr. at 30.

made the ATM cash deposits in three separate transactions because the deposits were made before the bank opened or during his lunchbreak and that he “thought that would be faster, but [he] had to drive to the ATM several times to deposit the money.” Ex. 12, E-mail 1, Att. 3 at 17.

Regarding the sources of the \$74,000 downpayment for the investment property, the Individual indicated that he had earned \$16,500 from installation and remodeling jobs from 2021 to 2023, \$14,500 from the sale of a vehicle, \$20,500 from selling items on online marketplaces from 2022 to 2024, \$12,000 from the sale of gold bars and jewelry, \$12,000 from his employment with Employer 1, \$25,000 from student loans he incurred from 2016 to 2021, \$11,000 from a 2022 cash advance on a credit card, \$13,200 from an August 2022 personal loan from a financial institution, and \$16,000 from a personal loan from a second financial institution. *Id.* at 18. However, the Individual stated that he “did not save all [of the] money” from these sources and “spent some of it to pay [his] payments [sic] and some other debts.” *Id.* The Individual also stated that the lender that provided the mortgage for the purpose of the investment property required him to pay off the \$16,000 personal loan prior to approving the mortgage loan. *Id.* at 19.

In addition to the rideshare and electronic installation sources of self-employment income the Individual had previously disclosed, the Individual claimed in response to the Third LOI that he had also worked as a caregiver for a disabled individual since 2017. *Id.* at 21; *see also* Ex. M, E-Mail 4 at 3 (confirming, in a letter from the disabled individual’s mother, that the Individual began working as a part-time caregiver in 2017). The Individual represented that he had earned \$3,000 per year from this source of income from 2017 through 2021 and \$4,000 per year in 2022 and 2023. Ex. 12, E-mail 1, Att. 3 at 22. The Individual admitted that he had not reported this income to the IRS and did not list it on the QNSP because he “thought it might affect the [] clearance process.” *Id.* at 22; *see also* Tr. at 39–40 (testifying at the hearing that he had not declared this income in his tax returns to the IRS and that, although he did not intend to deceive DOE, he perceived that “because [he] didn’t report it to the IRS, let’s just keep it secret – not secret – let’s just keep it for now and see what’s happened [sic]”); Tr. at 73–74 (testifying that he “was [] worried [] that, because [he] didn’t report it to IRS, [] if the DOE want[ed] to report it to IRS . . . it [] [would] make [him] some problem[s] on the IRS side” and that “it wasn’t [his] purpose to hide something [from] DOE, but it was [his] purpose to hide something from [the] IRS”).

The Individual completed a PFS provided to him by the LSO wherein he represented that his net monthly income was \$1,425.⁶ Ex. 12, E-mail 1, Att. 3 at 25. However, this income included \$2,650 in monthly rental income from the investment property which the Individual represented would be the rental rate when the property was rented in the future. *Id.* at 24–25. Excluding the estimated future rental income, and the \$2,095 monthly mortgage payment for the investment property, the Individual’s net income was \$870. *See id.* at 25.

On September 17, 2024, the LSO issued the Individual the Fourth LOI wherein it directed him to provide information on the source of the gold bars he disclosed in the Third LOI and to provide copies of his IRS tax transcripts for tax years 2020–2023. Ex. 13, E-mail 1, Att. 3 at 31. In his response, the Individual claimed to have purchased six gold bars from an online marketplace in

⁶ The Individual indicated that his net monthly income was \$1,485.75 when he first submitted the PSF. Ex. 12, E-mail 1, Att. 3 at 25. However, he amended his estimated monthly expenses in a subsequent submission to the LSO which resulted in a lower monthly net income. *Id.* at 13, 25.

2016 and 2017 for between \$1,040 and \$1,150 each and to have sold them in 2021 and 2022 on the online marketplace and to a jewelry store “when their price jumped to \$1,700 and [sic] \$1,900.” Ex. 14, E-mail 3 at 3. IRS tax transcripts provided by the Individual along with his response to the Third LOI reflected \$3,385 in gross receipts from business activity with a net loss of \$2,594 for tax year 2023, \$3,500 in gross receipts from business activity with a net loss of \$4,320 for tax year 2022, \$3,600 in gross receipts from business activity with a net profit of \$98 for tax year 2021, and no business activity for tax year 2020. *Id.* at 9–10, 27, 45, 62–63. Additionally, the Individual’s IRS tax transcript for tax year 2021 showed that the Individual earned \$1,755 in wage income from an employer (Employer 2) that he had not previously disclosed and \$3,600 in income from another source. *Id.* at 58–59. In his hearing testimony, the Individual indicated that Employer 2 was a university for which he had worked as a teaching assistant while pursuing his studies and that the other income was from his work installing electrical equipment for which he had received an IRS Form 1099. Tr. at 53–56.

The LSO issued the Individual another LOI on October 10, 2024 (Fifth LOI), wherein it asked him to explain the discrepancy between the earnings from his electric installation self-employment earnings, which the Fifth LOI characterized as “profits,” he reported using to purchase the investment property and his IRS tax transcripts. Ex. 15, E-mail 1, Att. 4 at 2. The Fifth LOI also inquired as to why the Individual did not report all of his self-employment income to the IRS. *Id.* In his response, the Individual stated, “I do not have any reason or excuse for not reporting to the IRS these small incomes” Ex. 16, E-mail 1, Att. 4 at 6; *but see* Tr. at 45–46 (Individual claiming at the hearing that he did not know when he filed his 2022 personal income tax return that he was required to disclose income for which he did not receive a tax form, such as a W-2). He stated that he would explore amending his tax returns and “talk to a tax specialist” Ex. 16, E-mail 1, Att. 4 at 6. However, the Individual represented that “not all [the] money [he earned] can count as revenue [sic]” because he incurred business expenses which offset his earnings. *Id.*

In response to another LOI (Sixth LOI), the Individual provided copies of his amended state and Federal tax returns for tax year 2023. Ex. 17, E-mail 4 at 6–25. The amended returns included \$10,500 in gross receipts related to the Individual’s online marketplace activity but indicated that the Individual had incurred a net loss of \$4,480 in this business activity. *Id.* at 15, 22. The Individual represented in his response to the Sixth LOI that he had not amended his tax returns for tax years 2022 and earlier because the tax company he preferred to use was located in another state, in which he had previously resided when he was engaged in the self-employment activity, and he would have to travel to that state in order to “work with them in person.” *Id.* at 2. Bank records provided by the Individual for the period prior to his purchase of the investment property showed that the Individual had made substantial deposits of cash, and received significant “remote online deposit[s],” but did not reflect the source of the cash. *Id.* at 130–467.

On or about October 2, 2025, a tax preparer prepared amended Federal personal income tax returns for the Individual for tax years 2017 through 2023. *See* Tr. at 45–46 (Individual testifying that he learned after receiving the SSC that he was required to disclose “income, [whether] it’s huge or small, I need to report it,” and therefore that he amended his personal tax returns). The amended personal income tax returns reported the following profits and losses from self employment:

2017: \$317 (Home Health Care)

2018: \$147 (Home Health Care); \$72 (Taxi & Limo Service)
2019: \$130 (Home Health Care); \$39 (Taxi & Limo Service)⁷
2020: \$341 (Home Health Care)
2021: \$98 (Other Direct Selling); \$823 (Home Health Care)
2022: -\$4,263 (Personal Services); \$148 (Home Health Care); \$172 (Personal Services)
2023: -\$2,594 (Personal Services); -\$4,480 (Unclassified); \$1,985 (Home Health Care)

Ex. D, E-mail 1, at 33, 62, 64, 93, 95; Ex. D, E-mail 2, at 15, 43, 45, 79, 81, 83, 107, 109, 111. The Individual testified that his deducted expenses on his tax returns included depreciation of his vehicle and therefore that, although his lines of business were not profitable for tax purposes, he had sufficient cashflow from his business activities to fund the purchase of the investment property. Tr. at 89–90; *but see id.* at 51–52 (testifying that some of his expenses for the home health care business were reimbursed to him by the disabled individual’s mother). As the Individual claimed vehicle-related expenses on his tax returns based on miles driven rather than itemizing direct expenses and depreciation, it is unclear how much of the deductions were attributable to depreciation as opposed to direct expenses such as fuel and repairs. *See, e.g.,* Ex. D, E-mail 1 at 95–96 (claiming mileage related to the Individual’s Taxi & Limo Service line of business). However, the Individual’s tax returns also reflect significant direct expenditures. *See, e.g.,* Ex. D, E-mail 2 at 109–10 (showing that the Individual deducted, among other things, \$3,000 in cost of goods sold, \$2,700 for other supplies, \$1,200 in cellphone and miscellaneous expenses, and \$1,700 in travel and meal expenses). Accordingly, while some of the Individual’s self-employment expenses were likely attributable to depreciation and other indirect costs, the tax returns provided by the Individual reflect that he reported direct expenditures that would have significantly reduced the amount of money available to him to fund the purchase of the investment property. The Individual testified that he was “waiting to see how much money [he] need[ed] to pay for” tax years 2017 through 2020 as a result of the amendments, and that his tax preparer had told him that he would have to pay some penalties and interest for those tax years. Tr. at 46–47.

The Individual’s banking records provided in response to the Sixth LOI show that the Individual transferred \$8,793.52 from a cryptocurrency trading platform to one of his bank accounts in 2021, \$1,759.93 from a cryptocurrency trading platform to one of his bank accounts in 2022, and \$26,845.95 from a cryptocurrency trading platform to two of his bank accounts in 2024. Ex. 17, E-mail 4 at 124, 190, 202–27, 266, 270, 282; *see also* Tr. at 122–23 (Individual confirming in his hearing testimony that entries on his bank statements related to cryptocurrency transactions). The Individual did not report his cryptocurrency trading on his personal income tax returns. Ex. D, E-mail 2 at 35–100, 129–93 (Individual’s tax returns for tax years 2021, 2022, and 2024 reflecting no reporting of cryptocurrency trading); Tr. at 123 (Individual testifying that he did not report his cryptocurrency trading on his tax returns). The Individual claimed in his hearing testimony that he did not report his cryptocurrency trading on his tax returns due to oversight. Tr. at 127. However, considering the Individual’s hearing testimony that he intentionally hid self-employment income from the IRS and his response to the Third LOI on June 6, 2024, in which he stated that he was selling cryptocurrency at a profit and that “[a]ll of [his transactions] will report for the 2024 tax

⁷ Notably, the \$1,700 in gross receipts the Individual reported earning from his Taxi & Limo Service self-employment to the IRS was less than one-third of the gross earnings he received from just one rideshare company *Compare* Ex. D, E-mail 2 at 4 *with* Ex. 8, E-mail 2 at 16. Accordingly, the Individual significantly underreported his gross receipts from his Taxi & Limo Service self-employment to the IRS.

cycle to the IRS,” I find that the Individual was aware of the need to report the proceeds of his cryptocurrency transactions on his 2024 personal income tax return and intentionally failed to do so. Tr. at 73–74; Ex. 12, E-mail 1, Att. 3 at 23.

Concerning the source of the down payment for the property he purchased, the Individual testified that a significant portion came from cash he kept at home. Tr. at 32–33. The Individual testified that people “from [his] culture, from Iran” “like to keep some cash at home” and that he would periodically withdraw portions of his earnings from his bank account to keep at home. *Id.* at 32. He claimed that he withdrew greater amounts of cash during the COVID-19 pandemic “because everything was crazy and . . . everyone was in a panic” *Id.* at 33, 95. The Individual provided bank records showing that he made \$30,400 in cash withdrawals from one of his bank accounts in 2020, albeit the majority of them in January 2020 before the chaos of the COVID-19 pandemic occurred. Ex. S, E-mail 5 at 6; Ex. T, E-mail 5 at 8; Ex. U, E-mail 5 at 12; Ex. V, E-mail 5 at 15. However, these bank account statements also show that the Individual received unidentified deposits in excess of \$7,000. Ex. T, E-mail 5 at 8; Ex. U, E-mail 5 at 11; Ex. V, E-mail 5 at 14.

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.

Before addressing the mitigating conditions, I will first explain why the LSO's allegation that the Individual failed to disclose personal loans as required does not present a security concern under Guideline E. Pursuant to DOE Order 472.2A, all applicants for a security clearance and persons who hold a security clearance are required to disclose, within three working days after occurrence, "[u]nusual infusions of assets more than \$10,000 or greater [sic], such as inheritance, winnings, or similar financial gain." DOE O 472.2A, Att. 5 at 1, 4. It is a fundamental canon of construction that "a word is known by the company it keeps (the doctrine of *noscitur a sociis*)." *Gustafson v. Alloyd Co.*, 513 U.S. 561, 575 (1995). Thus, we interpret "similar financial gain" in light of the words that accompany it: "inheritance" and "winnings." A loan is obviously dissimilar from inheritance or winnings in that it is a liability that must be repaid rather than an asset as in the case of inheritance or winnings. To be sure, a transfer of funds that on its face appears to be a loan could be a "financial gain" to the recipient under some circumstances; for example, a forgivable loan that the recipient is not reasonably expected to repay. However, this is not such an edge case. The loans in this case were made to the Individual by large, national financial institutions at terms available to the general public. Considering these loans reportable "financial gain" appears to run against the purpose and plain language of DOE Order 472.2A and, if applied consistently, would subject the LSO to a deluge of disclosures of credit card issuances, auto loans, student loans, and other routine financial activities that make up modern American life. For the aforementioned reasons, I find that a loan from a major financial institution on terms available to the general public is not a "financial gain" under DOE Order 472.2A, that the Individual was therefore not required to disclose the personal loans identified by the LSO, and that the Individual's failure to disclose the loans to the LSO within three working days does not present a security concern under Guideline E.

The Individual was confronted with both his December 2023 deposit of \$28,300 in cash to his bank account and the inconsistency between his reported income on his tax returns and his claimed sources of the money for the downpayment on the investment property. While the Individual did eventually disclose numerous sources of income, I find that those disclosures were neither prompt nor in good faith. The Individual omitted his self-employment activities from the QNSP and did not fully disclose what he now claims to be his self-employment activities until the Third LOI, by which time he could have disclosed it to the investigator or in response to the First or Second LOI. Not only did the Individual repeatedly fail to come forward with these sources of income in multiple stages of the security adjudication process over many months, but he admitted at the hearing that he intentionally omitted some of the sources of income from the QNSP because he was concealing this information from the IRS and was concerned that disclosing the information would result in it being shared with the IRS. Moreover, I find that this deceptive behavior is likely to continue in the future considering that the Individual claimed at the hearing that he unintentionally failed to disclose his cryptocurrency transactions on his personal income tax returns despite indicating in the Third LOI that he would report future cryptocurrency transactions on his 2024 personal income tax return and thus clearly knew that he was required to do so. All of

these factors weigh against the Individual in applying the considerations commonly known as the “whole person standard.” 10 C.F.R. § 710.7(c) (requiring consideration of “[t]he nature, extent, and seriousness of the conduct; the circumstances surrounding the conduct, to include knowledgeable participation; the frequency and recency of the conduct; the age and maturity of the individual at the time of the conduct; the voluntariness of participation; the absence or presence of rehabilitation or reformation and other pertinent behavioral changes; the motivation for the conduct; the potential for pressure, coercion, exploitation, or duress; the likelihood of continuation or recurrence; and other relevant and material factors.”). For these reasons, I find the first mitigating condition inapplicable. Adjudicative Guidelines at ¶ 17(a).

The second mitigating condition is irrelevant to the facts of this case because the Individual did not allege that he acted on the advice of counsel or another representative in completing the QNSP or responding to the LOIs. *Id.* at ¶ 17(b).

The Individual’s omissions are not minor because there are compelling indicia in the record that the Individual intentionally sought to hide relevant information from the LSO in order to avoid revealing discrepancies on his personal income tax returns. The Individual repeatedly failed to disclose information, or to only partially reveal information, over a period of months and numerous stages of the adjudicative process. While the level of detail and extended duration of the LSO’s review of the Individual’s eligibility for access authorization likely made some aspects of the LOIs difficult to complete, it seems extremely unlikely that these factors constitute unusual circumstances that explain the Individual’s behavior considering that some of the information that he withheld, such as failing to disclose the \$28,300 cash deposit on the Second LOI wherein he discussed his \$25,000 cash deposit from the same month, was not detailed and would have been apparent to any person exercising a reasonable amount of diligence and acting in good faith. Moreover, for the reasons noted above, the “whole person standard” factors strongly weigh against the application of the third mitigating condition. 10 C.F.R. § 710.7(c). Accordingly, I find the third mitigating condition inapplicable. Adjudicative Guidelines at ¶ 17(c).

The fourth mitigating condition is irrelevant because the Individual has not pursued counseling related to untruthful behavior and, in any case, I believe the behaviors are highly likely to recur for the reasons stated above. *Id.* at ¶ 17(d).

The remaining mitigating conditions are inapplicable because the LSO did not allege that the Individual engaged in conduct that made him vulnerable to exploitation, manipulation, or duress, did not rely on sources of questionable reliability, and did not allege that the Individual associated with persons involved in criminal activity. *Id.* at ¶ 17(e)–(g).

For the aforementioned reasons, I find that, although one of the LSO’s allegations did not present security concerns under Guideline E, none of the mitigating conditions are applicable to the LSO’s other allegations. Accordingly, the Individual has not fully 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.

Adjudicative Guidelines at ¶ 20.

The most recent display of unexplained affluence by the Individual cited in the SSC was the Individual's purchase of the investment property in April 2024, approximately eighteen months prior to the hearing. In considering whether the passage of time is sufficient to mitigate the security concerns, I have taken into account the factors set forth at 10 C.F.R. § 710.7(c). In only two days in December 2023, the Individual deposited over \$50,000 in cash into one of his bank accounts. As described above, the Individual has presented conflicting and unsubstantiated explanations as to the source of these deposits and the downpayment on the investment property. While the Individual brought forward evidence of significant cash withdrawals in 2020 that could account for some of the funds later deposited, the fact that these withdrawals occurred prior to the majority of the self-employment activities that the Individual previously identified to the LSO as the source of the funds does little to resolve the doubt as to the origin of the funds.

While the sums in question are not extraordinary, the Individual's unreliable accounts of the source of the money raise the specter of illicit activity on the part of the Individual. Considering the nature of the conduct and the surrounding circumstances, I find that the concerns presented by the Individual's unexplained affluence are too significant to be resolved by the passage of time or limited number of sources of unexplained affluence cited by the LSO. To the extent that the

circumstances surrounding the conduct are unusual, it is because of the Individual's difficulty in providing a consistent, documented explanation of the sources of his financial resources and not because of any circumstances external to the Individual which might mitigate the concerns. For the aforementioned reasons, I find that the security concerns presented by the Individual's unexplained affluence are not mitigated pursuant to the first mitigating condition. *Id.* at ¶ 20(a).

Turning to the Individual's failure to accurately file tax returns, even the gross receipts from self-employment earnings the Individual reported on his latest amended tax returns do not match the greater amounts he reported having earned in response to the LOIs for the tax years in question. Moreover, the Individual did not report his cryptocurrency trading on his latest amended tax returns, showing that his failure to fully report taxable income on his tax returns is ongoing. Considering the ongoing nature of the Individual's failure to fully report taxable income, I find that the conduct is extremely likely to recur and therefore that the conduct is not mitigated pursuant to the first mitigating condition. *Id.*

The Individual does not claim to have experienced a "financial problem," and accordingly the second mitigating condition is irrelevant to the facts of this case. *Id.* at ¶ 20(b).

The Individual has not presented evidence of having received financial counseling. The Individual's counsel argued that the Individual's meetings with tax preparers in connection with amending his tax returns had provided the Individual with tax-related education and accordingly constituted financial counseling. Tr. at 133–34. Even if I accepted that paid tax preparation services could constitute financial counseling, which I do not given the limited nature of tax preparation services and the lack of evidence that the Individual's tax preparer has any training or experience on tax education or any other form of financial education, I would still find that there are clear indications that the problem is not under control based on the Individual's ongoing failure to report all taxable income on his tax returns. Accordingly, I find the third mitigating condition inapplicable. Adjudicative Guidelines at ¶ 20(c).

The fourth and fifth mitigating conditions are irrelevant to the facts of this case because the LSO did not allege that the Individual owed unresolved debts. *Id.* at ¶ 20(d)–(e).

The sixth mitigating condition is inapplicable to the facts of this case because the Individual has not adequately established the source of the cash he deposited to one of his personal bank accounts in December 2023 or the source of the downpayment for the investment property in April 2024. While the Individual has offered explanations for the deposits and downpayment, these explanations have conflicted with his earlier claims in response to the LOIs and are not corroborated by financial documents showing the source of the funds. Accordingly, I find that the source of the affluence cited in the SSC remains unexplained and the sixth mitigating condition is inapplicable. *Id.* at ¶ 20(f).

The final mitigating condition is inapplicable because, as explained above, the Individual still has yet to declare all of his taxable income on his tax returns. *Id.* at ¶ 20(g).

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

C. Guideline B

Conditions that could mitigate security concerns under Guideline B include:

- (a) the nature of the relationships with foreign persons, the country in which these persons are located, or the positions or activities of those persons in that country are such that it is unlikely the individual will be placed in a position of having to choose between the interests of a foreign individual, group, organization, or government and the interests of the United States;
- (b) there is no conflict of interest, either because the individual's sense of loyalty or obligation to the foreign person, or allegiance to the group, government, or country is so minimal, or the individual has such deep and longstanding relationships and loyalties in the United States, that the individual can be expected to resolve any conflict of interest in favor of the U.S. interest;
- (c) contact or communication with foreign citizens is so casual and infrequent that there is little likelihood that it could create a risk for foreign influence or exploitation;
- (d) the foreign contacts and activities are on U.S. Government business or are approved by the agency head or designee;
- (e) the individual has promptly complied with existing agency requirements regarding the reporting of contacts, requests, or threats from persons, groups, or organizations from a foreign country; and
- (f) the value or routine nature of the foreign business, financial, or property interests is such that they are unlikely to result in a conflict and could not be used effectively to influence, manipulate, or pressure the individual.

Adjudicative Guidelines at ¶ 8.

The Adjudicative Guidelines state that “[a]ssessment of foreign contacts and interests should consider the country in which the foreign contact or interest is located, including, but not limited to, considerations such as whether it is known to target U.S. citizens to obtain classified or sensitive information or is associated with a risk of terrorism.” *Id.* at ¶ 6. Iran is, of course, one of the most strident adversaries of the U.S. and presents substantial risks both with respect to espionage and terrorism. *Iran*, U.S. DEP’T OF STATE, *available at* travel.state.gov/en/international-travel/travel-advisories/destination.irm.html (last visited Dec. 15, 2025); *The Iran Threat*, FBI, *available at* <https://www.fbi.gov/investigate/counterintelligence/the-iran-threat> (last visited Dec. 15, 2025).

The Individual was previously granted access authorization at a time when the LSO knew all of the information alleged in the SSC under Guideline B. This raises some doubt as to the LSO's justification for alleging Guideline B concerns. However, when the Individual was previously granted access authorization, the LSO was unaware of the Individual's substantial cash deposits, the sources of which are still not fully established. However remote the possibility that the Individual has received funds from an Iranian source, the possibility that he has is a "relevant and material factor" and new information that the LSO did not possess when it made its previous determination as to the Individual's eligibility for access authorization which must be considered in my application of the Adjudicative Guidelines. 10 C.F.R. § 710.7(c).

Based on the information to which the Individual testified, it would seem unlikely that the Individual will be placed in a position of having to choose between the interests of his family in Iran and the interests of the U.S. However, "[a]ny doubt as to an individual's access authorization eligibility shall be resolved in favor of the national security." 10 C.F.R. § 710.7(a). Considering that the majority of the Individual's family resides in Iran, his wife is an Iranian citizen, the Individual remains an Iranian citizen, and the Individual has unexplained affluence, there are several "relevant and material factors" which amplify the modest security concerns set forth in the SSC. 10 C.F.R. § 710.7(c). However unlikely, these considerations suggest that it is possible the Individual could be manipulated by Iranian interests; either through threats to his family or interruption of the transfer of funds that are the source of his unexplained affluence. Considering these factors in light of Iran's hostility to the U.S., I find that the first two mitigating conditions are inapplicable. Adjudicative Guidelines at ¶ 8(a)–(b).

The third mitigating condition is not applicable because the Individual's connections to his immediate family in Iran present at least some likelihood of risk for foreign influence or exploitation regardless of the Individual's testimony to the contrary. *Id.* at ¶ 8(c).

The fourth mitigating condition is irrelevant because the Individual's contacts are not related to U.S. government business. *Id.* at ¶ 8(d).

The fifth mitigating condition is applicable because the Individual has, by all indications, been forthcoming about his connections with Iran. *Id.* at ¶ 8(e). However, in light of the abovementioned considerations related to Iran's adversarial status, the nature of the Individual's connections to his Iranian family, the unexplained questions as to the source of the Individual's affluence, and also the Individual's lack of candor with respect to other aspects of his background, I cannot find that the fifth mitigating condition alone mitigates the security concerns asserted by the LSO.

The sixth mitigating condition is irrelevant to the facts of this case because the LSO did not allege that the Individual had business, financial, or property interests in Iran. *Id.* at ¶ 8(f).

For the aforementioned reasons, I find that the Individual has not resolved the security concerns asserted by the LSO under Guideline B.

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 B, 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.

Phillip Harmonick
Administrative Judge
Office of Hearings and Appeals