

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

**CORDERO M CHESTNUT**  
Claimant

**APPEAL 20A-UI-02716-DB-T**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**IOWA WORKFORCE  
DEVELOPMENT DEPARTMENT**

**OC: 03/24/19**  
**Claimant: Appellant (4)**

Iowa Code § 96.5(13) – Disqualification due to Outstanding Fraud Overpayment  
Iowa Code § 96.16(4) – Offenses and Misrepresentation

**STATEMENT OF THE CASE:**

The claimant/appellant, Cordero M. Chestnut, filed an appeal from the March 25, 2020 (reference 11) Iowa Workforce Development (“IWD”) unemployment insurance decision which concluded the claimant was ineligible for unemployment insurance benefits due to an outstanding fraud overpayment balance. The parties were properly notified of the hearing. A telephone hearing was held on May 11, 2020. The claimant participated personally. IWD Investigation and Recovery Unit elected to participate by writing only. IWD Exhibits 1 through 3 were admitted. The administrative law judge took official notice of the claimant’s unemployment insurance benefits records.

**ISSUE:**

Is the claimant ineligible for benefits due to an outstanding fraud overpayment balance?

**FINDINGS OF FACT:**

Having reviewed all of the evidence in the record, the administrative law judge finds: An investigatory audit was conducted regarding the claimant’s failure to report all wages while concurrently filing a weekly continued claim for benefits from August 4, 2019 through August 10, 2019. Consequently, a decision was issued on October 3, 2019 which found that the claimant was overpaid benefits of \$191.00, including interest and a 15% penalty due to fraud. See Exhibit 2. The claimant did not appeal the decision and it became final.

The claimant filed an additional claim for benefits effective March 15, 2020 during his March 24, 2019 claim year. No benefits were paid to him for the week-ending March 21, 2020 due to this unpaid fraud balance. Claimant filed a new claim year effective March 29, 2020. All weekly claims on his March 29, 2020 claim year have been paid to date.

The claimant paid the outstanding overpayment amount owed, including interest, penalties, and lien fees on April 2, 2020. See Exhibit 3. The current outstanding balance owed is \$0.00. See Exhibit 3.

## REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow, the administrative law judge concludes as follows:

Iowa Code section 96.16(4)(a) provides:

4. Misrepresentation.

a. An individual who, by reason of the nondisclosure or misrepresentation by the individual or by another of a material fact, has received any sum as benefits under this chapter while any conditions for the receipt of benefits imposed by this chapter were not fulfilled in the individual's case, or while the individual was disqualified from receiving benefits, shall, be liable to repay to the department for the unemployment compensation fund, a sum equal to the amount so received by the individual. If the department seeks to recover the amount of the benefits by having the individual pay to the department a sum equal to that amount, the department may file a lien with the county recorder in favor of the state on the individual's property and rights to property, whether real or personal. The amount of the lien shall be collected in a manner similar to the provisions for the collection of past-due contributions in section 96.14, subsection 3.

Iowa Code section 96.5(13) provides:

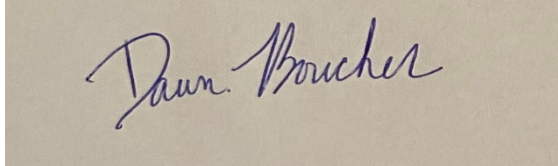
Overpayment resulting in disqualification. If the department finds that an individual has received benefits by reason of misrepresentation pursuant to section 96.16, such individual shall be disqualified for benefits until the balance of the benefits received by the individual due to misrepresentation, including all penalties, interest, and lien fees, is paid in full.

Iowa Workforce Development established an overpayment and imposed a penalty due to misrepresentation. The claimant did not appeal the decision. The decision became final. As such, the claimant was ineligible for benefits due to an unpaid fraud overpayment balance until April 2, 2020, when the balance was paid. Benefits are allowed effective the benefit week of March 29, 2020 and provided he is otherwise eligible.

**Note to Claimant:** If this decision determines you are not eligible for regular unemployment insurance benefits and you disagree with this decision, you may file an appeal to the Employment Appeal Board by following the instructions on the first page of this decision. Individuals who do not qualify for regular unemployment insurance benefits, but who are currently unemployed for reasons related to COVID-19 may qualify for Pandemic Unemployment Assistance (PUA). **You will need to apply for PUA to determine your eligibility under the program.** Additional information on how to apply for PUA can be found at <https://www.iowaworkforcedevelopment.gov/pua-information>.

**DECISION:**

The March 25, 2020 (reference 11) unemployment insurance decision is modified in favor of the claimant. The claimant is ineligible for benefits from March 15, 2020 through March 28, 2020 due to an unpaid fraud overpayment balance. Benefits are allowed effective March 29, 2020, provided claimant is otherwise eligible.

A handwritten signature in blue ink on a light brown background. The signature reads "Dawn Boucher" in a cursive script.

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Dawn Boucher  
Administrative Law Judge

May 14, 2020  
Decision Dated and Mailed

db/scn