

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS**

JULIE L ALEXANDER
Claimant

APPEAL NO. 22A-UI-01477-B2T

**ADMINISTRATIVE LAW JUDGE
DECISION**

**NORTH CENTRAL IOWA REGIONAL SOLID
WASTE**
Employer

**OC: 11/28/21
Claimant: Respondent (2)**

Iowa Code § 96.5-2-a – Discharge for Misconduct
Iowa Code § 96.3-7 – Recovery of Overpayment of Benefits
871 IA Admin. Code 24(10) – Employer Participation in Fact Finding

STATEMENT OF THE CASE:

Employer filed an appeal from a decision of a representative dated December 10, 2021, reference 01, which held claimant eligible for unemployment insurance benefits. After due notice, a hearing was scheduled for and held on February 8, 2022. Claimant participated personally. Employer participated by Attorney Stephen Kersten and witnesses Lori Lindstrom and Donna Bice. Employer's Exhibits 1-7 were admitted into evidence.

ISSUES:

Whether claimant was discharged for misconduct?

Whether claimant was overpaid benefits?

If claimant was overpaid benefits, should claimant repay benefits or should employer be charged due to employer's participation or lack thereof in fact finding?

FINDINGS OF FACT:

The administrative law judge, having heard the testimony and considered all of the evidence in the record, finds: Claimant last worked for employer on November 23, 2021. Employer discharged claimant on November 23, 2021 because claimant was believed to have spent her yearly Protective Footwear Authorization on boots for another party and not for herself.

Claimant worked as a full time scale operator for employer for many years. One of the perks of the job is that employer gives its waste employees a yearly \$125.00 credit for the purchase of work safety boots.

In September 2021 claimant asked for and received her yearly Authorization. She went to Bomgaars and purchased a pair of size 10 ½ D work boots. Employer's secretary/treasurer received the invoice from Bomgaars October 22, 2021. As the treasurer was looking through documents on November 8, 2021, she was not understanding how claimant would have purchased men's size 10.5 boots. (The treasurer previously worked in a shoe store and knew

that a 'D' designation indicated men's shoes.) The treasurer then further investigated into the issue to find that over the last 6 years claimant purchased three pairs of boots in the women's size 7.5 to 8 range and three pairs of boots in the men's size 10-10.5 range with the Protective Footwear Authorization.

The treasurer then took this information to the County Executive Board. The Board decided, in a way that was not known to any witness testifying, that claimant would not be allowed to continue her employment having made purchases such as these, and she was terminated on November 23, 2021.

Claimant stated that she purchased all of the shoes for herself and that she purchased the shoes in the larger size as she would wear socks with them.

Claimant has received state unemployment benefits in the amount of \$2,265.00.

Employer did substantially participate in fact finding in this matter by sending in substantial documentation which, if uncontroverted, could have led a fact finder to find in favor of employer's position.

REASONING AND CONCLUSIONS OF LAW:

Iowa Admin. Code r.871-24.32(8) provides:

(8) Past acts of misconduct. While past acts and warnings can be used to determine the magnitude of a current act of misconduct, a discharge for misconduct cannot be based on such past act or acts. The termination of employment must be based on a current act.

Initially, the first question is whether claimant was terminated for a current act. If not, then claimant's termination is not seen as for a disqualifying act. This is true because employer cannot both find an act so egregious to be terminable and at the same time believe that claimant's ongoing work is not putting employer in jeopardy. In this matter, claimant's most recent purchase occurred on September 21, 2021. Employer was sent information surrounding this purchase on October 22, 2021. Because of the amount of documentation employer goes through, the particularized matter was not discovered until the Treasurer individually looked through the Bomgaar's report on or around November 8, 2021. Employer did further investigation and reported the findings to the Executive Board that terminated claimant's employment on November 23, 2021. Employer went through documentation in a reasonable manner – not knowing that there would be a potentially inappropriate purchase until going through each document from each vendor. As soon as the potential improper purchase was discovered, employer sent the matter quickly through the chain of command that led to claimant's termination within a month of information forwarded to employer. Claimant was not disadvantaged through any of these actions. The termination is seen to be for a current act.

Iowa Code section 96.5(2)a provides:

An individual shall be disqualified for benefits, regardless of the source of the individual's wage credits:

2. Discharge for misconduct. If the department finds that the individual has been discharged for misconduct in connection with the individual's employment:

a. The disqualification shall continue until the individual has worked in and has been paid wages for insured work equal to ten times the individual's weekly benefit amount, provided the individual is otherwise eligible.

Iowa Admin. Code r. 871-24.32(1)a provides:

Discharge for misconduct.

(1) Definition.

a. "Misconduct" is defined as a deliberate act or omission by a worker which constitutes a material breach of the duties and obligations arising out of such worker's contract of employment. Misconduct as the term is used in the disqualification provision as being limited to conduct evincing such willful or wanton disregard of an employer's interest as is found in deliberate violation or disregard of standards of behavior which the employer has the right to expect of employees, or in carelessness or negligence of such degree of recurrence as to manifest equal culpability, wrongful intent or evil design, or to show an intentional and substantial disregard of the employer's interests or of the employee's duties and obligations to the employer. On the other hand mere inefficiency, unsatisfactory conduct, failure in good performance as the result of inability or incapacity, inadvertencies or ordinary negligence in isolated instances, or good faith errors in judgment or discretion are not to be deemed misconduct within the meaning of the statute.

This definition has been accepted by the Iowa Supreme Court as accurately reflecting the intent of the legislature. *Huntoon v. Iowa Dep't of Job Serv.*, 275 N.W.2d 445, 448 (Iowa 1979).

Iowa Code section 96.3(7)a-b, as amended in 2008, provides:

7. Recovery of overpayment of benefits.

a. If an individual receives benefits for which the individual is subsequently determined to be ineligible, even though the individual acts in good faith and is not otherwise at fault, the benefits shall be recovered. The department in its discretion may recover the overpayment of benefits either by having a sum equal to the overpayment deducted from any future benefits payable to the individual or by having the individual pay to the department a sum equal to the overpayment.

b. (1) (a) If the department determines that an overpayment has been made, the charge for the overpayment against the employer's account shall be removed and the account shall be credited with an amount equal to the overpayment from the unemployment compensation trust fund and this credit shall include both contributory and reimbursable employers, notwithstanding section 96.8, subsection 5. The employer shall not be relieved of charges if benefits are paid because the employer or an agent of the employer failed to respond timely or adequately to the department's request for information relating to the payment of benefits. This prohibition against relief of charges shall apply to both contributory and reimbursable employers.

(b) However, provided the benefits were not received as the result of fraud or willful misrepresentation by the individual, benefits shall not be recovered from an individual if the employer did not participate in the initial determination to award benefits pursuant to

section 96.6, subsection 2, and an overpayment occurred because of a subsequent reversal on appeal regarding the issue of the individual's separation from employment.

(2) An accounting firm, agent, unemployment insurance accounting firm, or other entity that represents an employer in unemployment claim matters and demonstrates a continuous pattern of failing to participate in the initial determinations to award benefits, as determined and defined by rule by the department, shall be denied permission by the department to represent any employers in unemployment insurance matters. This subparagraph does not apply to attorneys or counselors admitted to practice in the courts of this state pursuant to section 602.10101.

Iowa Admin. Code r. 871-24.10 provides:

Employer and employer representative participation in fact-finding interviews.

(1) "Participate," as the term is used for employers in the context of the initial determination to award benefits pursuant to Iowa Code section 96.6, subsection 2, means submitting detailed factual information of the quantity and quality that if un rebutted would be sufficient to result in a decision favorable to the employer. The most effective means to participate is to provide live testimony at the interview from a witness with firsthand knowledge of the events leading to the separation. If no live testimony is provided, the employer must provide the name and telephone number of an employee with firsthand information who may be contacted, if necessary, for rebuttal. A party may also participate by providing detailed written statements or documents that provide detailed factual information of the events leading to separation. At a minimum, the information provided by the employer or the employer's representative must identify the dates and particular circumstances of the incident or incidents, including, in the case of discharge, the act or omissions of the claimant or, in the event of a voluntary separation, the stated reason for the quit. The specific rule or policy must be submitted if the claimant was discharged for violating such rule or policy. In the case of discharge for attendance violations, the information must include the circumstances of all incidents the employer or the employer's representative contends meet the definition of unexcused absences as set forth in 871—subrule 24.32(7). On the other hand, written or oral statements or general conclusions without supporting detailed factual information and information submitted after the fact-finding decision has been issued are not considered participation within the meaning of the statute.

(2) "A continuous pattern of nonparticipation in the initial determination to award benefits," pursuant to Iowa Code section 96.6, subsection 2, as the term is used for an entity representing employers, means on 25 or more occasions in a calendar quarter beginning with the first calendar quarter of 2009, the entity files appeals after failing to participate. Appeals filed but withdrawn before the day of the contested case hearing will not be considered in determining if a continuous pattern of nonparticipation exists. The division administrator shall notify the employer's representative in writing after each such appeal.

(3) If the division administrator finds that an entity representing employers as defined in Iowa Code section 96.6, subsection 2, has engaged in a continuous pattern of nonparticipation, the division administrator shall suspend said representative for a period of up to six months on the first occasion, up to one year on the second occasion and up to ten years on the third or subsequent occasion. Suspension by the division

administrator constitutes final agency action and may be appealed pursuant to Iowa Code section 17A.19.

(4) "Fraud or willful misrepresentation by the individual," as the term is used for claimants in the context of the initial determination to award benefits pursuant to Iowa Code section 96.6, subsection 2, means providing knowingly false statements or knowingly false denials of material facts for the purpose of obtaining unemployment insurance benefits. Statements or denials may be either oral or written by the claimant. Inadvertent misstatements or mistakes made in good faith are not considered fraud or willful misrepresentation.

This rule is intended to implement Iowa Code section 96.3(7)"b" as amended by 2008 Iowa Acts, Senate File 2160.

A claimant is not qualified to receive unemployment insurance benefits if an employer has discharged the claimant for reasons constituting work connected misconduct. Iowa Code § 96.5-2-a. Before a claimant can be denied unemployment insurance benefits, the employer has the burden to establish the claimant was discharged for work-connected misconduct. *Cosper v. Iowa Department of Job Service*, 321 N.W.2d 6 (Iowa 1982), Iowa Code § 96.5-2-a.

It is the duty of the administrative law judge as the trier of fact in this case, to determine the credibility of witnesses, weigh the evidence and decide the facts in issue. *Arndt v. City of LeClaire*, 728 N.W.2d 389, 394-395 (Iowa 2007). The administrative law judge may believe all, part or none of any witness's testimony. *State v. Holtz*, 548 N.W.2d 162, 163 (Iowa Ct. App. 1996). In assessing the credibility of witnesses, the administrative law judge should consider the evidence using his or her own observations, common sense and experience. *State v. Holtz*, Id. In determining the facts, and deciding what testimony to believe, the fact finder may consider the following factors: whether the testimony is reasonable and consistent with other believable evidence; whether a witness has made inconsistent statements; the witness's appearance, conduct, age, intelligence, memory and knowledge of the facts; and the witness's interest in the trial, their motive, candor, bias and prejudice. *State v. Holtz*, Id. In this matter, the testimony of the claimant concerning her purchases was far from credible. Anyone who has in fact worn boots understands that the same person is not going to go from a size 7.5B woman's boot to a size 10.5 men's boot (the equivalent of a size 12 woman's boot), and then back down to the earlier much smaller size, yet this was the story told by claimant. Claimant's testimony is removed as being fundamentally dishonest. Employer, on the other hand, did exhaustive work over a short period to show that claimant purchased boots for herself or her husband as needed. This routine was repeated numerous times over a six-year period.

In this matter, the evidence established that claimant was discharged for an act of misconduct when claimant violated employer's policy concerning using employer's largess in allowing for yearly boot purchases to purchase boots for her husband on multiple occasions. The last incident, which brought about the discharge, constitutes misconduct because claimant stated that she wanted her yearly allowance to purchase boots, and then turned around and bought her husband boots with the allowance. The administrative law judge holds that claimant was discharged for an act of misconduct and, as such, is disqualified for the receipt of unemployment insurance benefits.

The overpayment issue was addressed. Claimant has received \$2,718.00 in unemployment benefits in this matter. Said payments are overpayments.

The issue of employer participation was addressed. Employer did substantially participate in fact finding by forwarding sufficient documentation that a fact finder could have found in employer's favor absent other information received from the claimant.

DECISION:

The decision of the representative dated December 10, 2021, reference 01, is reversed. Unemployment insurance benefits shall be withheld until claimant has worked in and been paid wages for insured work equal to ten times claimant's weekly benefit amount, provided claimant is otherwise eligible.

Claimant has been overpaid unemployment benefits in the amount of \$2,718.00. Employer's account will not be charged for overpayments received by claimant.



Blair A. Bennett
Administrative Law Judge

February 28, 2022
Decision Dated and Mailed

bab/mh

NOTE TO CLAIMANT:

- This decision determines you have been overpaid FPUC benefits. If 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.
- You may also request a waiver of this overpayment. The written request must include the following information:
 1. Claimant name & address.
 2. Decision number/date of decision.
 3. Dollar amount of overpayment requested for waiver.
 4. Relevant facts that you feel would justify a waiver.
- The request should be sent to:

Iowa Workforce Development
Overpayment waiver request
1000 East Grand Avenue
Des Moines, IA 50319
- This Information can also be found on the Iowa Workforce Development website at: <https://www.iowaworkforcedevelopment.gov/unemployment-insurance-overpayment-and-recovery>.
- If this decision becomes final and you are not eligible for a waiver, you will have to repay the benefits you received.