

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

**CORY ZORN**  
Claimant

**IOWA WORKFORCE  
DEVELOPMENT DEPARTMENT**

**APPEAL 21A-UI-24626-S2-T**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**OC: 08/04/19**  
**Claimant: Appellant (1)**

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, Cory Zorn, filed an appeal from the October 29, 2021 (reference 10) 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 scheduled for January 6, 2022, but the hearing was postponed due to claimant not receiving the proposed exhibits. After due notices was issued, the rescheduled hearing was held on January 31, 2022, and was consolidated with the hearing for appeal 21A-UI-24625-S2-T. The claimant, Cory Zorn, participated personally. Kendra Mills, Investigator II, participated on behalf of IWD. IWD Exhibits 1 – 4 were admitted into the record. 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: The claimant filed a claim for unemployment insurance benefits with an effective date of August 4, 2019. During that claim year, an investigatory audit was conducted regarding the claimant’s failure to report all wages while concurrently filed weekly continued claims for benefits. Consequently, a decision was issued on October 28, 2021, which found that the claimant was overpaid benefits of \$2,787.00 and added a 15% penalty due to fraud. (Department Exhibit 3). That decision has been affirmed. See 21A-UI-24625-S2-T.

Effective July 1, 2018, a claimant with an overpayment by reason of misrepresentation is disqualified to receive unemployment insurance benefits until the overpayment interest and associated fees and penalties are paid in full. Iowa Code section 96.5(13). To date, the claimant

has failed to pay the outstanding overpayment amount owed, including interest, penalties, and lien fees. The current outstanding balance owed is \$3,205.00 (Department Exhibit 1).

#### **REASONING AND CONCLUSIONS OF LAW:**

For the reasons that follow, the administrative law judge concludes that the claimant is ineligible for benefits due to an outstanding fraud overpayment. Benefits are denied at this time, and until the balance owed, (including interest, penalties, and lien fees) is paid.

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 Workforce Development established an overpayment and imposed a penalty due to misrepresentation/fraud. The decision has been affirmed. Therefore, the administrative law judge concludes the claimant has an established overpayment derived from fraud/misrepresentation.

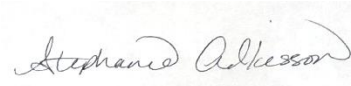
Iowa Code section 96.5(13) provides:

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.

Based on the evidence presented, the administrative law judge concludes the claimant currently owes a balance of \$2,787.00 due to a decision issued on October 8, 2021, which found that the claimant was overpaid benefits and engaged in misrepresentation pursuant to Iowa Code § 96.16(4). This decision has been affirmed. Claimant owes any additional interest, penalties and lien fees. Because this unpaid fraud overpayment balance remains unpaid, the claimant is not eligible for benefits at this time.

**DECISION:**

The October 29, 2021 (reference 10) unemployment insurance decision is affirmed. The claimant is ineligible for benefits at this time due to an unpaid fraud overpayment balance. Benefits are withheld until the claimant has paid the unpaid fraud overpayment balance, plus penalties, interest, and lien fees, and provided claimant is otherwise eligible.



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February 22<sup>nd</sup>, 2022  
Decision Dated and Mailed

sa/rs