

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS**

68-0157 (9-06) - 3091078 - EI

JASON LOVETT
Claimant

APPEAL NO: 15A-UI-03874-ET

**ADMINISTRATIVE LAW JUDGE
DECISION**

NORDSTROM INC
Employer

OC: 03/16/14
Claimant: Respondent (2)

Section 96.5-2-a – Discharge/Misconduct
Section 96.3-7 – Recovery of Benefit Overpayment

STATEMENT OF THE CASE:

The employer filed a timely appeal from the March 19, 2015, reference 03, decision that allowed benefits to the claimant. After due notice was issued, a hearing was held by telephone conference call before Administrative Law Judge Julie Elder on May 7, 2015. The claimant participated in the hearing. Brett Morris, Claims Manager; Jill McDowell, Human Resources Assistant; and Tom Kuiper, Employer Representative participated in the hearing on behalf of the employer.

ISSUE:

The issue is whether the employer discharged the claimant for work-connected misconduct.

FINDINGS OF FACT:

Having reviewed all of the evidence in the record, the administrative law judge finds: The claimant was employed as a full-time claims processor for Nordstrom Inc. from June 12, 2013 to March 6, 2015. He was discharged for violating the employer's workplace violence program and being dishonest about the situation when the employer asked about it.

On February 26, 2015, the claimant was talking to co-worker Brittany Barber while working and they were complaining about having to work on the backlog instead of performing their regular tasks because it affected their production statistics. The claimant frequently complained about work and leadership decisions and the employer had received complaints from other team members that he hurt the morale of the team. After speaking to Ms. Barber the claimant turned around and punched a pole in the warehouse, breaking his hand. He did not seek medical treatment for approximately one week because he thought his hand was simply bruised and did not realize it was broken.

On March 3, 2015, Claims Manager Brett Morris received an email from an assistant manager reporting that the claimant hit the pole at work. Mr. Morris discussed the situation with the assistant manager and then spoke to Ms. Barber March 4, 2015. The claimant was off work

March 4, 2015, and another team member approached Mr. Morris about the claimant's attitude and during that conversation the team member also reported the claimant hit the pole at work.

On March 5, 2015, Mr. Morris met with the claimant and asked him how he injured his hand as by that time he was wearing a splint. The claimant stated he hit his couch at home and Mr. Morris stated it must have been a stiff couch. The claimant said it was old and there was a board in it. Mr. Morris indicated he heard the claimant hurt his hand punching a pole at work out of frustration and the claimant admitted that was accurate. Mr. Morris then talked to the claimant about being dishonest as he had stated he injured his hand at home when asked by Mr. Morris after his hand was splinted on earlier occasions and the claimant said he was not forthcoming because he was embarrassed by his actions. Mr. Morris reminded him that was their third conversation lately about the claimant's attitude on the work floor. The claimant asked what disciplinary action he could expect and Mr. Morris indicated he needed to speak to human resources due to the severity of the incident and the claimant's dishonesty about it but said the claimant might receive a final written warning although he was not sure what disciplinary action would result.

On March 6, 2015, Mr. Morris met with human resources which determined the claimant's actions of striking the pole in front of a co-worker constituted a violation of the employer's zero-tolerance workplace violence policy. It also considered the fact the claimant was not honest when asked how he injured his hand and his overall attitude at work and made the decision to terminate the claimant's employment.

The claimant claimed and received unemployment insurance benefits in the amount of \$2,464.00 for the seven weeks ending May 2, 2015.

The employer personally participated in the fact-finding interview through the statements of Human Resources Assistant Jill McDowell and Claims Manager Brett Morris.

REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow, the administrative law judge concludes the claimant was discharged from employment for disqualifying job misconduct.

Iowa Code section 96.5(2)a provides:

An individual shall be disqualified for benefits:

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 individual shall be disqualified for benefits 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).

The employer has the burden of proving disqualifying misconduct. Cosper v. Iowa Department of Job Service, 321 N.W.2d 6 (Iowa 1982). A claimant is not qualified to receive unemployment insurance benefits if an employer has discharged him for reasons constituting work-connected misconduct. Iowa Code section 96.5-2-a. Misconduct that disqualifies an individual from receiving unemployment insurance benefits occurs when there are deliberate acts or omissions that constitute a material breach of the worker's duties and obligations to the employer. See 871 IAC 24.32(1).

The claimant punched a pole in the employer's warehouse, hard enough to break his hand, out of frustration. He did so in front of a co-worker following a conversation where he and the co-worker who witnessed the incident were complaining about work and leadership. Because the incident took place in the presence of a co-worker the employer determined it was threatening or intimidating behavior and consequently was a violation of the employer's zero tolerance of workplace violence policy.

While that situation could be considered an isolated incident of misconduct and may or may not be disqualifying job misconduct on its own, the claimant compounded the problem by not being honest with Mr. Morris about the situation on more than one occasion.

The two situations combined, hitting the pole hard enough to break his hand in front of a co-worker and then being dishonest with the employer about the incident more than once, were both inappropriate and unprofessional and together constitute disqualifying job misconduct.

Under these circumstances, the administrative law judge concludes the claimant's conduct demonstrated a willful disregard of the standards of behavior the employer has the right to expect of employees and shows an intentional and substantial disregard of the employer's interests and the employee's duties and obligations to the employer. The employer has met its burden of proving disqualifying job misconduct. Cosper v. IDJS, 321 N.W.2d 6 (Iowa 1982). Therefore, benefits must be denied.

871 IAC 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 unrebutted 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.

The unemployment insurance law requires benefits be recovered from a claimant who receives benefits and is later denied benefits even if the claimant acted in good faith and was not at fault.

However, a claimant will not have to repay an overpayment when an initial decision to award benefits on an employment separation issue is reversed on appeal if two conditions are met: (1) the claimant did not receive the benefits due to fraud or willful misrepresentation, and (2) the employer failed to participate in the initial proceeding that awarded benefits. In addition, if a claimant is not required to repay an overpayment because the employer failed to participate in the initial proceeding, the employer's account will be charged for the overpaid benefits. Iowa Code section 96.3(7)a, b.

The claimant received benefits but has been denied benefits as a result of this decision. The claimant, therefore, was overpaid benefits.

Because the employer participated in the fact-finding interview, the claimant is required to repay the overpayment and the employer will not be charged for benefits paid.

The unemployment insurance law provides that benefits must be recovered from a claimant who receives benefits and is later determined to be ineligible for benefits, even though the claimant acted in good faith and was not otherwise at fault. However, the overpayment will not be recovered when it is based on a reversal on appeal of an initial determination to award benefits on an issue regarding the claimant's employment separation if: (1) the benefits were not received due to any fraud or willful misrepresentation by the claimant and (2) the employer did not participate in the initial proceeding to award benefits. In this case, the claimant has received benefits but was not eligible for those benefits. There is no evidence the claimant received benefits due to fraud or willful misrepresentation. However, the employer participated in the fact-finding interview personally through the statements of Human Resources Assistant Jill McDowell and Claims Manager Brett Morris. Consequently, the claimant's overpayment of benefits cannot be waived and he is overpaid benefits in the amount of \$2,464.00.

DECISION:

The March 19, 2015, reference 03, decision is reversed. The claimant was discharged from employment due to job-related misconduct. Benefits are withheld until such time as he has worked in and been paid wages for insured work equal to ten times his weekly benefit amount, provided he is otherwise eligible. The claimant has received benefits but was not eligible for those benefits. The employer did personally participate in the fact-finding interview within the meaning of the law. Therefore, the claimant is overpaid benefits in the amount of \$2,464.00.

Julie Elder
Administrative Law Judge

Decision Dated and Mailed

je/css