

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

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

JERRY E SHIPP
Claimant

APPEAL NO: 18A-UI-07707-JE-T

**ADMINISTRATIVE LAW JUDGE
DECISION**

CASEY'S MARKETING COMPANY
Employer

OC: 06/10/18
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 July 10, 2018, reference 01, 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 August 8, 2018. The claimant participated in the hearing. James Tate, District Supervisor and Zontel McCann, Unemployment Insurance Consultant, participated in the hearing on behalf of the employer. Employer Exhibit One was admitted into evidence.

ISSUE:

Whether the employer discharged the claimant for work-connected misconduct as defined by Iowa law.

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 service technician for Casey's Marketing Company from August 27, 1990 to June 8, 2018. He was discharged for violating the employer's honesty and integrity policy.

On June 5, 2018, a customer dropped a weighted paperclip containing money on the floor of a Casey's store where the claimant was working that day and walked out the door. The customer was still in the parking lot when the claimant picked the money up and put it in his pocket. He did not turn the money into the store but instead kept it and left the store before the customer returned looking for the \$150.00 he said he was missing. The customer indicated he was more concerned about the money clip holding the money than the money itself. The customer was sure he dropped the money in the store and the store manager watched a video of the incident (Employer's Exhibit One). The video clearly shows the customer dropping the money, the money laying on the ground and the claimant picking it up (Employer's Exhibit One). He did not turn the money in before he left the store. After viewing the video, the store manager contacted the corporate office and after an internal discussion, human resources directed the claimant's

supervisor, District Manager James Tate, to complete termination documentation and present it to the claimant June 8, 2018.

Mr. Tate confronted the claimant outside a Casey's store in Muscatine, Iowa. Human resources instructed Mr. Tate to give the claimant a chance to confess to taking the money. Mr. Tate asked the claimant three times what happened in Delmar, Iowa, and the claimant did not volunteer that he took the money. Because the customer was more interested in the money clip than the money, Mr. Tate asked the claimant about the money clip and the claimant stated there was no money clip, which indicated to Mr. Tate the claimant knew what he was referring to during the conversation. The claimant asked if his employment was terminated and Mr. Tate said yes. The claimant asked to see the video and asked other questions. Mr. Tate told him he could not see the video and referred the claimant to the written documentation in answer to his questions. The claimant was discharged for violating the employer's honesty and integrity policy. Violation of that policy results in immediate termination.

The claimant testified he saw the money on the ground and picked it up and pocketed it. He stated he does not know why he took the money or why he did not turn it in. He argues that it was human nature to keep the money, stating 90 percent of people would have done what he did if they found money. He disputes that the total amount was \$150.00 saying he believes it was \$63.00.

The claimant has claimed and received unemployment insurance benefits in the amount of \$2,730.00 for the six weeks ending August 4, 2018.

The employer participated personally in the fact-finding interview through the statements of Unemployment Insurance Consultant Zontel McCann.

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, 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).

The employer has the burden of proving disqualifying misconduct. *Cosper v. Iowa Department of Job Service*, 321 N.W.2d 6 (Iowa 1982). The propriety of a discharge is not at issue in an unemployment insurance case. An employer may be justified in discharging an employee, but the employee's conduct may not amount to misconduct precluding the payment of unemployment compensation. The law limits disqualifying misconduct to substantial and willful wrongdoing or repeated carelessness or negligence that equals willful misconduct in culpability. *Lee v. Employment Appeal Board*, 616 N.W.2d 661, 665 (Iowa 2000).

While the claimant argues that his actions were human nature, he knew or should have known that keeping the money he found on the floor on the inside of his employer's store would result in termination. The claimant maintains he is an honest person and the employer should have taken other disciplinary action short of terminating his employment. The claimant's actions amounted to theft and were not the actions of an honest man. The claimant knew the money did not belong to him and there was a good chance the customer who lost it would return looking for it but despite those facts, he still made the decision to keep the money. Additionally, when questioned about the incident, the claimant still did not tell the truth.

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 are denied.

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 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 employer participated in the fact-finding interview personally through the statements of Unemployment Insurance Consultant Zontel McCann. Consequently, the claimant's overpayment of benefits cannot be waived and he is overpaid benefits in the amount of \$2,730.00 for the six weeks ending August 4, 2018.

DECISION:

The July 10, 2018, reference 01, 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 personally participated in the fact-finding interview within the meaning of the law. Therefore, the claimant is overpaid benefits in the amount of \$2,730.00 for the six weeks ending August 4, 2018.

Julie Elder
Administrative Law Judge

Decision Dated and Mailed

je/scn